City of Victor Harbor

2011/12 Annual Report

city of Victor Harbor

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GOVERNANCE

MESSAGE FROM THE MAYOR

It is again with great pleasure that I present this Annual Report for the 2011/12 financial year on behalf of the City of Victor Harbor. As we approach the halfway mark in the term of the current Council, it is with considerable satisfaction that I reflect on some of the achievements and initiatives that have been delivered by the organisation.

This year has again proven challenging with the worldwide economic vulnerability reflecting in many and varied ways. In Victor Harbor we have experienced a noticeable decline in established house sales and a similar decline in new home building and home extension activity. In fact, development approvals are 25% to 30% below those of two years ago. Yet our population continues to grow by 28 to 30 new residents each month. Expenditure patterns are cautious and conservative, and the business sector sees no signs to inspire confidence.

Two significant Council infrastructure undertakings during the year were the Causeway Plaza redevelopment and construction of McLaren Laneway connecting Ocean Street to Railway Terrace. Both projects had a long gestation period for differing reasons, however their realisation has been well received. McLaren Laneway is still some months from formally opening but we expect pedestrians will be using it well before the summer holiday period.

To improve pedestrian access to our City, Council has placed a particular emphasis on improving our footpath network and has increased expenditure from $55,000 in 2009/10 to $370,000 in 2011/12. With currently over 154 kilometres of urban roadways and increasing annually, it may take several years to see a noticeable increase in the number of made footpaths. We are taking a strategic rather than reactive approach to ensure that higher use areas and key linkages are developed first.

Another key platform for the present Council has been the pursuit of a regional aquatic centre. We have continued our joint approach towards this objective with the Alexandrina Council and have recently committed to fully exploring the development of aquatic facilities on the corner of Waterport and Ocean Roads at Hayborough. Land has been offered to the Council's by the Wright family free of charge and the community has provided overwhelming support for this site.

From a service perspective, the most significant change in our reporting period has been the restructuring of waste management services. Fleurieu Regional Waste Authority, representing the local government areas of Victor Harbor, Alexandrina, Yankalilla and Kangaroo Island, has been established to manage the waste collection, recycling and disposal requirements of the four participating Councils. Such restructuring has been necessary due to the closure or impending closure of local landfills that have reached their capacity, the significant capital costs associated with establishing independent waste transfer and recycling facilities, the cost implications of waste levies and the carbon tax, and the ever increasing operating costs elevated by rapidly growing communities. The increasing focus on separating waste at the collection point into recyclable, green and residual waste has also had an impact on operating costs and capital investment. Overall the regional shared service delivers a cost effective outcome for our community.

Community safety is a particular interest of mine which is supported by the Council. Our roll-out of security cameras in the central business district has continued with 15 dual lense cameras and a capacity of 30 streams of vision now in place. We have maintained strong communication channels with SAPOL over issues such as police resourcing, community safety, traffic concerns, dry areas and street preachers, as well as collaborating in relation to Schoolies and other events. Additionally, we maintain regular contact with officers of the Department of Planning, Transport and Infrastructure to progress initiatives that will improve the safety of drivers and pedestrians both within the urban and rural area of our Council.

Victor Harbor has remained a National leader in residential solar installations with almost 40% of our residential properties having now invested in solar panels. Council is exploring further initiatives in clean energy including a community power generation facility and solar and/or wind powered car park lighting. The opportunities are now emerging for industrial, commercial and

farming enterprises to take advantage of the cost benefits of solar energy and Council is providing support and guidance in this regard.

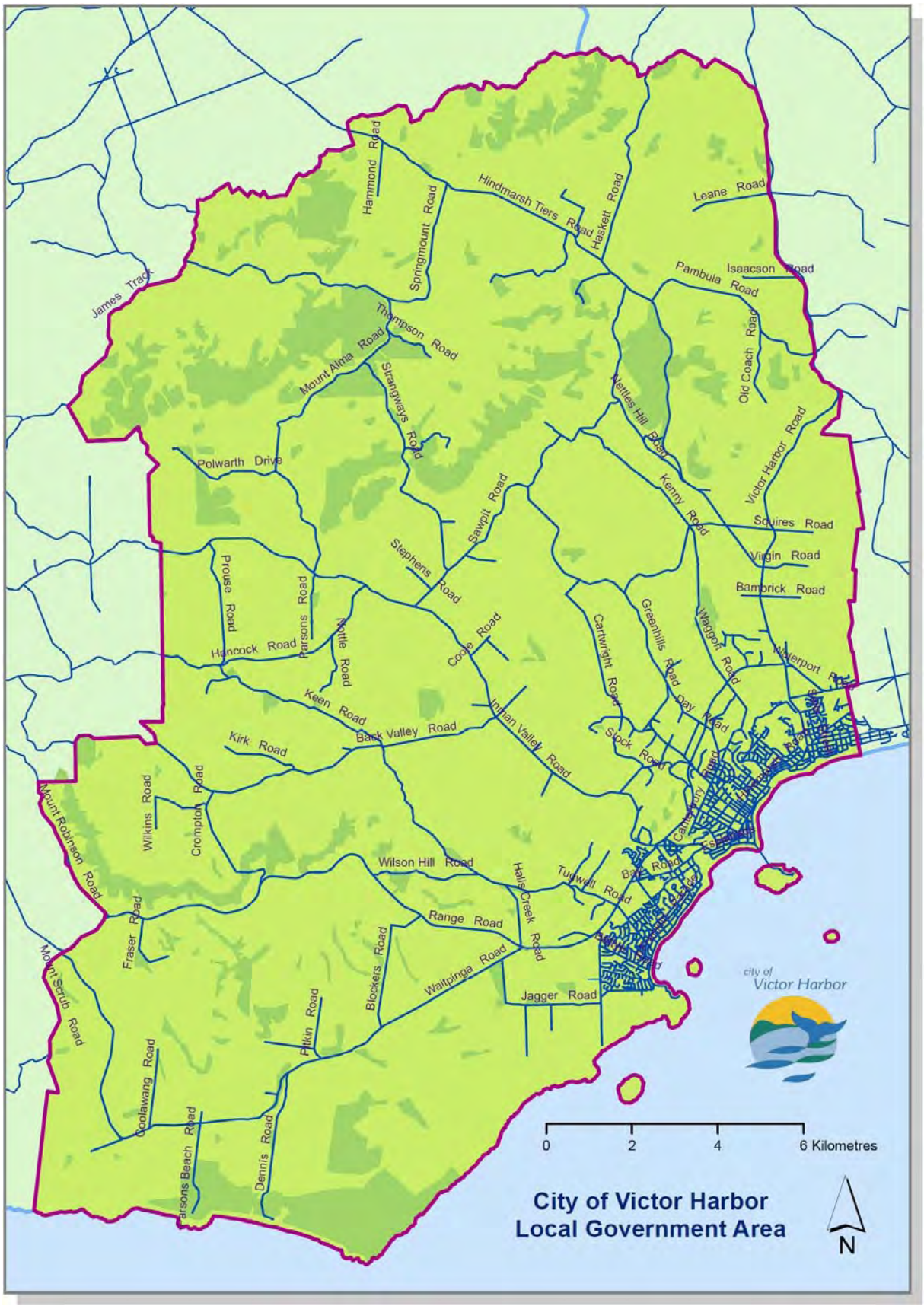
The Council's role as community representative, lobbyist and respondent to policy development and legislation has seen us contribute on a wide range of issues. This has included the National Broadband Network (NBN) roll-out, the proposal for an Independent Commission Against Corruption (ICAC), introduction of a system of Marine Parks, contribution of projects to the State Infrastructure Plan, lobbying for changes to the Native Vegetation clearance approval process, raising awareness about the decline in penguin numbers, the Local Government Meeting Procedures review and supporting the campaign for constitutional recognition of Local Government.

As a rural community and regional centre we are constantly confronted with challenges regarding the provision of accommodation and facilities for growing or emerging groups. I was fortunate to work with some very committed people who succeeded in the establishment of a community kitchen in Crozier Road. Another initiative I have taken a personal interest in is the pursuit of a suitable site for a "Men's Shed". While not a new concept in Victor Harbor, the success and growth of the Men's Shed group in Victor Harbor has been such that they now require a dedicated permanent facility. Further, there are youth and disability groups also requiring a home. No doubt their aspirations will eventually be achieved while the "can do" people of our community persevere with the cause.

I know it is probably repeated every year but I must extend thanks to three important groups – to the elected members for their representation of and dedication to the community, to the Council staff for their professional guidance and advice as well as their delivery of services throughout our area, and to more than 450 volunteers who regularly support the Council and the community in so many ways.

As you will see, the City of Victor Harbor has achieved and delivered many things for our community in 2011/12. I commend the City of Victor Harbor 2011/12 Annual Report to you.

COUNCIL AREA



ELECTED MEMBERS

MAYOR
Graham PHILP

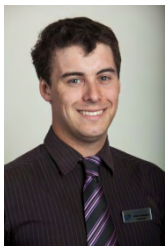
COUNCILLORS

Pat CHIGWIDDEN
(Deputy Mayor)

David HALL

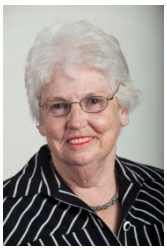
Peter LEWIS

Bob MARSHALL



Chris SEDUNARY

Karen DUTTON



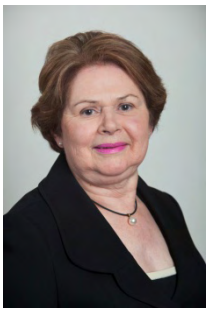
Barbara BOND

Daniel SHEPHERD

Tim TELFER

EXECUTIVE TEAM

City Manager
(Chief Executive Officer)
Graeme MAXWELL
Dip. Local Govt. Admin.
Professional Cert. In Management
F.L.G.M.A.



Director Corporate and Community Services
Jane BOHNSACK
Dip. Local Govt. Admin.
Associate Dip. Management (Human Resources)
L.G.M.A.
J.P.

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

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

COMMUNITY SNAPSHOT

31st October 1975 - The District Council of Victor Harbor was proclaimed following the amalgamation of the District Council of Encounter Bay and the Corporation of Victor Harbor.

1st February 2000 – The District Council of Victor Harbor became known as the City of Victor Harbor.

Current Council population - approximately 14,000 people.

The City of Victor Harbor is located 80km south of Adelaide on the Fleurieu Peninsula.

The Council occupies a land area of 34,634 hectares.

Victor Harbor serves as the regional service centre for the Southern Fleurieu Peninsula.

Major employers include tourism, hospitality, retail, light industry, primary production, community health services, aged care and education.

As a picturesque seaside location Victor Harbor is a favoured holiday and day tripper destination.

Almost 40% of properties are owned by non-residents.

Victor Harbor has the oldest average age of any Local Government community in South Australia.

Natural Features:
- Granite Island
- Rosetta Head (The Bluff)
- Kings Head
- Hindmarsh Falls
- Waitpinga Cliff line
- Glacier Rock
- Inman River
- Hindmarsh River
- Surf beaches
- Whale visitation
- Penguin colonies
- Sandy Beaches

Events:
- Rotary Art Show
- Christmas Pageant
- Carols by the Sea
- New Years Eve celebrations
- Coast to Coast Bike Ride
- Australia Day Celebrations
- Spring Garden Festival
- Encounter (Schoolies) Festival
- Victor Harbor Triathlon
- Whale Time Play Time
- Rock 'N' Roll Festival
- Energy Fair

Attractions:
- Horse Drawn Tram
- Causeway to Granite Island
- Greenhills Adventure Park
- South Australian Whale Centre
- Country Markets
- Cockle Train
- Encounter Bikeway
- Encounter Lakes
- Farmers Market
- Kleinigs Hill lookout
- Encounter Coast Discovery Centre
- Urimbirra Wildlife Park
- Nangawooka Flora Reserve
- Dunes Mini Golf Park
- Skateboard Park
- Foreshore amusements
- Camel rides
- Heysen Trail
- Big Duck Adventure Cruises
- Scotts Winery

Accommodation :
- Hotels
- Motels
- Guest Houses
- Bed & Breakfasts
- Home Stays
- Private Holiday Homes
  Caravan & Cabin Parks

Sporting and Recreational Activities:
- Basketball
- Beach Volleyball
- Bike Riding
- Boxing
- BMX
- Bridge
- Canoeing
- Cinema
- Cricket
- Croquet
- Cycling
- Dancing
- Fishing
- Football
- Golf
- Gymnastics
- Harness Racing
- Hiking
- Hockey
- Horse Riding
- Kite Surfing
- Lawn Bowls
- Moto Cross
- Netball
- Performing Arts
- Sailing
- Skateboarding
- Snorkeling
- Soccer
- Surfing
- Swimming
- Table Tennis
- Tennis
- Volleyball
- Walking

GOVERNANCE

STRUCTURE OF THE COUNCIL

The Council is a democratically elected body comprising nine Councillors and the Mayor. The last election was held in November 2010 with Council members appointed for a four year term.

The elected members are Council's principal decision-making body. Council meets once a month, on the fourth Monday, commencing at 5.30pm. Meetings are held in the Council Chambers at the Civic Centre, 1 Bay Road, Victor Harbor and are open to the public.

REPRESENTATION STRUCTURE

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 of its structure in 2009. As a result of this review the number of Councillors was reduced to nine, plus the Mayor. The change to the number of Elected Members came into effect at the Council Elections in November 2010.

The following table shows the current representative structure for selected Councils:

Council	Elected Members	Electors	Representative Quota
Victor Harbor	10	11184	1118
Alexandrina	12	18511	1542
Yankalilla	9	3721	413
Barossa Council	12	16203	1350
Berri Barmera	9	7173	797
Copper Coast	11	9808	891
Light regional	11	9555	868
Loxton Waikerie	11	8052	732
Murray Bridge	10	12865	1286
Port Pirie	11	12130	1102
Wattle Range	12	8589	715
Yorke Peninsula	12	9385	782

***The number of Elected Members includes the Mayor.**

May 2012 Ordinary Council Meeting

COUNCIL FACILITIES DIRECTORY

ADMINISTRATION & COUNCIL CHAMBERS
1 Bay Road (PO Box 11)
VICTOR HARBOR SA 5211
Phone: 8551 0500
Fax: 8551 0501
Email: localgov@victor.sa.gov.au
Web: www.victor.sa.gov.au
Opening Hours: 9.00am to 5.00pm
Monday – Friday

VICTOR HARBOR COMMUNITY LIBRARY
1 Bay Road (PO Box 11)
VICTOR HARBOR SA 5211
Phone: 8551 0730
Fax: 8551 0731
Email: library@victor.sa.gov.au
Catalogue: www.victorharbor.spydus.com
Opening Hours:
Mon-Fri (excl. Wed) 9.30am to 5.00pm
Wednesday 10.00am to 6.00pm
Saturday: 9.00am to 12.00pm
Manager: Ben Footner

WORKS DEPOT
Greenhills Road (PO Box 11)
VICTOR HARBOR SA 5211
Phone: 8551 0700
Fax: 8551 0701
Contact: Mike Ross

FLEURIEU REGIONAL WASTE AUTHORITY
Regional Waste Depot
Goolwa Road
GOOLWA SA 5214
Phone: 8555 7260
Email: admin@frwa.com.au
Executive Officer: Marina Wagner

VICTOR HARBOR TOWN HALL
Coral Street (PO Box 11)
VICTOR HARBOR SA 5211
Phone: 8551 0500
Fax: 8551 0501
Contact: Lea Williams (Booking Officer)

VICTOR HARBOR COMMUNITY INDOOR RECREATION CENTRE
George Main Road (PO Box 11)
VICTOR HARBOR SA 5211
Phone: 8551 0500
Fax: 8551 0501
Contact: Lea Williams (Booking Officer)

OLD SCHOOL BUILDING COMMUNITY CENTRE
Torrens Street (PO Box 11)
VICTOR HARBOR SA 5211
Phone: 8551 0500
Fax: 8551 0501
Contact: Mark Oliphant

HORSE TRAM TERMINUS
The Causeway
VICTOR HARBOR SA 5211
Phone: 8551 0720
Fax: 8551 0721
Web: www.horsedrawntram.com.au
Contact: Adrian Cox

VISITOR INFORMATION CENTRE
The Esplanade (PO Box 1230)
VICTOR HARBOR SA 5211
Phone: 8551 0777
Fax: 8551 0770
Email: vic@victor.sa.gov.au
Web: www.tourismvictorharbor.com.au
Opening Hours: 9.00am to 5.00pm
Contact: Heather Mullan

SOUTH AUSTRALIAN WHALE CENTRE
Railway Terrace (PO Box 11)
VICTOR HARBOR SA 5211
Phone: 8551 0750
Fax: 8551 0751
Email: whalecentre@victor.sa.gov.au
Web: www.sawhalecentre.com
Opening Hours: 9.30am to 5.00pm
Contact: Leah Pippos

CITY OF VICTOR HARBOR SERVICES AND RESPONSIBILITIES

- Abandoned Vehicles
- Administration & Finance
- Advocate on behalf of the Community
- Amusement & Market Licensor
- Animal & Pest Plant Control
- Asset Management
- Building Assessment & Inspection
- Bus Shelters
- By-laws
- Cemetery Development, Maintenance & Management
- Civic Functions
- Citizenship
- Coastal Protection
- Community & Charitable Donations
- Community Educator
- Community Events
- Community Grants
- Community Information
- Community Services for Aged, Youth & Disadvantaged
- Community Transport
- Construction & Maintenance of Bridges
- Construction & Maintenance of Car Parks
- Construction & Maintenance of Footways & Cycle Tracks
- Construction & Maintenance of Roadway Infrastructure
- Construction & Maintenance of Drainage Infrastructure
- Contract Administration
- Council Elections
- Council News
- Cultural Services & Events
- Development Assessment
- Disability Support & Services
- Disaster Management
- Dog & Cat Control & Enforcement
- Dog Registration
- Economic Development
- Employer of Human Resources
- Environmental Management
- Event Management
- Financial Manager
- Foreshore Maintenance
- Garbage Collection
- Garbage Disposal
- Green Waste Collection
- Halls & Community Buildings
- Health & Preventative Services
- History Recording & Preservation
- Horse Tram Service
- Immunisation
- Internet Accessibility
- Investment
- Industrial Relations
- Landlord & Tennant
- Land Use Planning
- Landfill Operation
- Library Services
- Litter Inspection & Enforcement
- Livestock Impounding
- Lobbyist
- Local Data & Statistical Collection
- Local Governance
- Local History Collection
- Local Services Contact
- Maintainer of Civic & Community Records
- Mediator
- Monuments & Plaques
- Needle Collection Service
- Occupational Health Safety & Welfare
- Parking Control & Enforcement
- Playgrounds
- Policy Initiator
- Private Works
- Property Leases & Rentals
- Provision & Maintenance of Boat Ramps
- Provision & Maintenance of Community Halls
- Provision & Maintenance of Public Conveniences
- Provision & Maintenance of Parks, Gardens & Reserves
- Provision & Maintenance of Plant & Equipment Resources
- Provision & Maintenance of Sport & Recreation Facilities
- Public Art Works
- Rate Levying & Collection
- Recycling
- Risk Management
- Septic Tank Approval & Inspection
- South Australia Whale Centre Operation
- Statutory Fees & Charges
- Strategic Planning
- Street Furnishing
- Street & Public Lighting
- Street Signage
- Street Sweeping (Contract)
- Storm-water Management
- Supported Residential Facilities Licensing
- Tourism Promotion, Servicing & Development
- Traffic Control & Statutory Signage
- Training Facilitator & provider
- Tree Planting & Maintenance
- Venue Hire
- Vermin Eradication
- Visitor Information Centre
- Volunteer Support & Assistance
- Walking Trails

COUNCIL'S AUTHORITY AND ROLE

While Council derives its principal powers from the Local Government Act, there are more than 50 Acts of State Legislation which also assign roles, responsibilities and powers to Local Government.

Council's roles vary across the range of activities that it is involved in and can include providing leadership, planning, managing community assets, regulatory roles, advocacy on behalf of the community, initiator or facilitator, providing developmental support, or being a direct or indirect provider of services.

Council derives its primary powers principally from the following legislation:

- The Local Government Act 1934, as amended
- The Local Government Act 1999, as amended, and Regulations
- The Local Government (Elections) Act 1999, as amended, and Regulations
- The Local Government (Implementation) Act 1999

The roles and functions of the Elected Members of Council are defined in Chapter 5 of the Local Government Act 1999 and include:-

58 – Specific roles of principal member

The role of the principal member of a Council is-

(a) to preside at meetings of the Council;
(b) if requested, to provide advice to the chief executive officer between Council meetings on the implementation of a decision of the Council;
(c) to act as the principal spokesperson of the Council;
(d) to exercise other functions of the Council as the Council determines;
(e) to carry out the civic and ceremonial duties of the office of principal member.

59 – Roles of members of Councils

The role of a member of a Council is –

(a) as member of the governing body of the Council –

(i.) to participate in the deliberations and civic activities of the Council;
(ii.) to keep the Council's objectives and policies under review to ensure that they are appropriate and effective;
(iii.) to keep the Council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery, under review.

(b) as a person elected to the Council – to represent the interests of residents and ratepayers to provide community leadership and guidance, and to facilitate communication between the community and the Council.

The most prominent responsibility of the Council is that of strategic planning for the community's future. It is proposed that Council's Strategic Management Plans will be reviewed in 2012/13.

There are a number of other activities that Council will undertake and services that Council will provide, which are a part of Council's ongoing function. (Refer previous page)

MEMBERS ALLOWANCES AND SUPPORT

Elected Members are paid an annual allowance in accordance with Section 76 of the Local Government Act 1999. In 2011 a Tribunal was introduced for determining the allowances to be paid, and these are reviewed on an annual basis.

2011 Per Annum	2012 Per Annum
Mayor $45,200	Mayor $48,224
Deputy Mayor $14,125	Deputy Mayor $15,070
Councillors $11,300	Councillors $12,056
Presiding Member of a Standing Committee $14,125	Presiding Member of a Standing Committee $15,070

In 2010 the Elected Member's Remuneration Tribunal determined that the Presiding Member (Chair) of a Council Standing Committee shall be paid the equivalent allowance to the Deputy Mayor. The City of Victor Harbor has determined that the following Committees are Standing Committees:

- The Audit Committee
- The Strategic Planning and Development Policy Committee

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

Mayor
Vehicle for business and private use
Mobile phone
Laptop computer facility
Access to shared secretarial support
Corporate credit card

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

Details are available within the Council's Elected Members Allowance and Support Policy. An Elected Members' Allowances and Benefits Register is maintained as required by Section 79 of the Local Government Act 1999.

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

During 2011/12 Elected Members attended the following training:

- Mayors' & Chairpersons' Seminar
- CEO Performance Appraisal Workshop
- .id Database Workshop
- Asset Management Plan Workshop
- Disposal of Assets
- Planning Case Law
- Work Health & Safety Act
- Meeting Procedures

ELECTED MEMBER MEETING ATTENDANCE

Council held 12 Ordinary and nine Special Council Meetings during 2011/12.

Elected Member	No. Meetings Attended	Comments
Mayor Philp	20 of 21	Leave of Absence 16/7/11 – 27/7/11
Cr P Chigwidden	20 of 21	Chaired the Meeting on one occasion
Cr D Hall	19 of 21	
Cr P Lewis	16 of 21	
Cr R Marshall	14 of 21	
Cr C Sedunary	21 of 21	
Cr K Dutton	21 of 21	
Cr B Bond	21 of 21	
Cr D Shepherd	19 of 21	
Cr T Telfer	21 of 21	

SENIOR EXECUTIVE EMPLOYMENT PACKAGES

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

- City Manager (contract expires November 2012)
- Director of Corporate and Community Services (contract expires September 2012)
- Director of Environment and Infrastructure (contract expires June 2013)
- Director of Planning and Regulatory Services (contract expires September 2014)

Each Senior Officer receives a remuneration package that includes-

- Either a negotiated base salary or a base salary consistent with the Senior Officer's Stream of the Municipal Salaried Officers (South Australia) Award (adjusted by Enterprise Bargaining Increases).
- A percentage salary loading in lieu of overtime and out of hours work, and recognising limited term of contract and individual officer performance.
- Business and private use of a Council vehicle.
- Communication expenses.
- Professional memberships.
- Statutory superannuation entitlements.

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

The Senior Officers performance based term contracts are subject to annual performance appraisal.

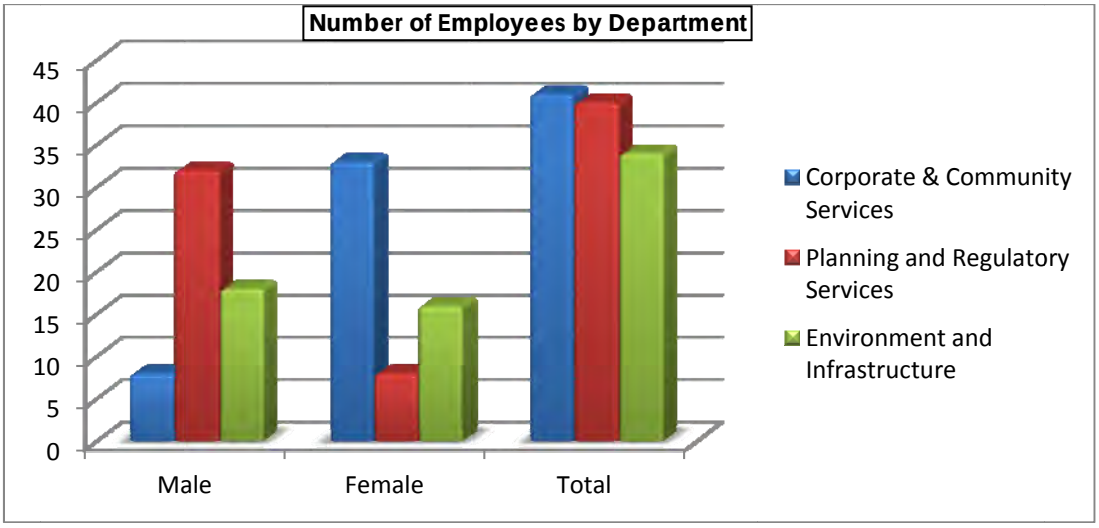
The Senior Officers performance levels were appraised during the course of the financial year.

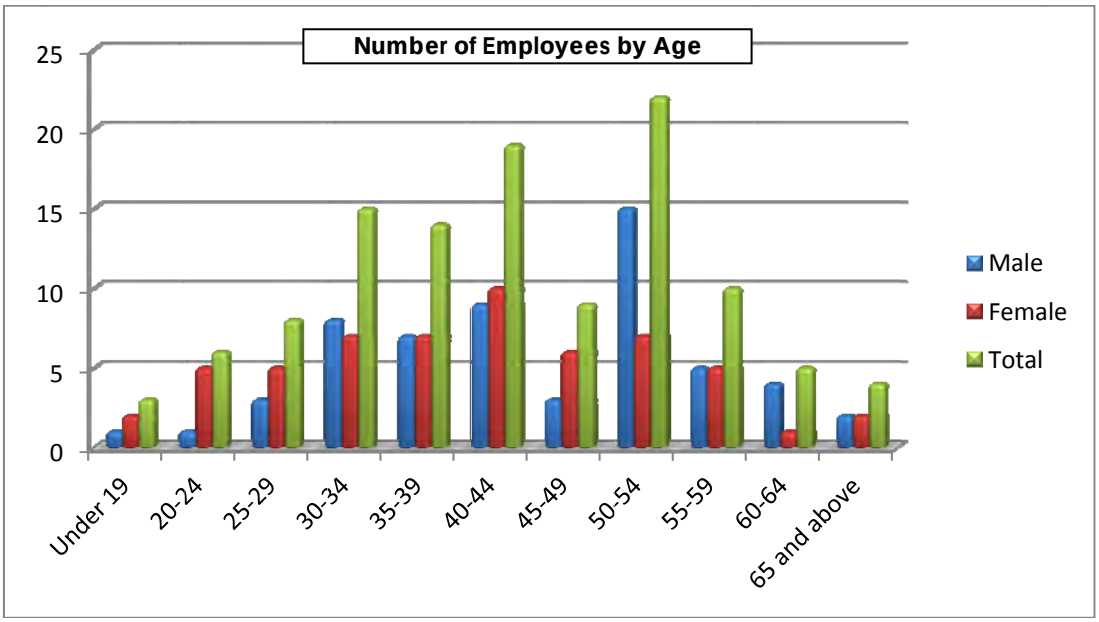
As required by Section 105 of the Local Government Act 1999 a register of remuneration for all employee positions is maintained and is available for public inspection.

HUMAN RESOURCES AND STAFF LEVELS

The City of Victor Harbor is one of the City's major employers with 126 full-time, part-time or casual staff employed during 2011/12 financial year. At 30 June 2012 Council employed 115 staff and had 91 budgeted full time equivalents. We also engage over 450 volunteers who provide support to activities such as the Horse Tram Operation, the Visitor Information Centre, the SA Whale Centre, the Library, Southern Communities Transport Scheme, tidy towns projects, gardens maintenance and river and coastal protection initiatives.

The following graphs are a snapshot as at 30 June 2012 of Council's staffing profiles and demographics which are utilised in workforce planning.





INDUSTRIAL DISPUTES

There was one matter referred to the SA Industrial Relations Commission over the 2011/12 financial year, which was resolved.

RECRUITMENT AND STAFF TURNOVER

In 2011/12 eleven staff terminated their services with the Council which included nine full or part time employees and two casual employees. This equated to a staff turnover of eight percent of total staff employed.

TRAINING AND DEVELOPMENT

The City of Victor Harbor provides training and development opportunities for its employees to ensure that they are able to fulfil the requirements of their roles and meet the needs of the community. Employees are encouraged to take advantage of Council's comprehensive training programs that are supported by annual budget allocations.

The training hours undertaken in 2011/12 were in the areas of:

- Leadership Development
- Higher Education
- Vocational Education and Training
- Professional fields
- Occupational Health and Safety
- Technical
- Operator
- Corporate/Local Government Induction
- Administration

Council also promotes learning on-the-job, and a program of job rotation and encouragement of internal promotion to ensure that skills are retained and developed within the organisation and that employees are afforded greater job satisfaction.

TRAINEESHIPS AND APPRENTICESHIPS INITIATIVES

Council supported ten individuals in traineeships and apprenticeship opportunities in 2011/12 within five different work areas of Council. These initiatives undertaken in partnership with Statewide Group Training (SA) Inc have provided a valuable learning environment for local youth, enhancing their abilities to gain future employment.

HEALTH AND WELL BEING PROGRAM

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.

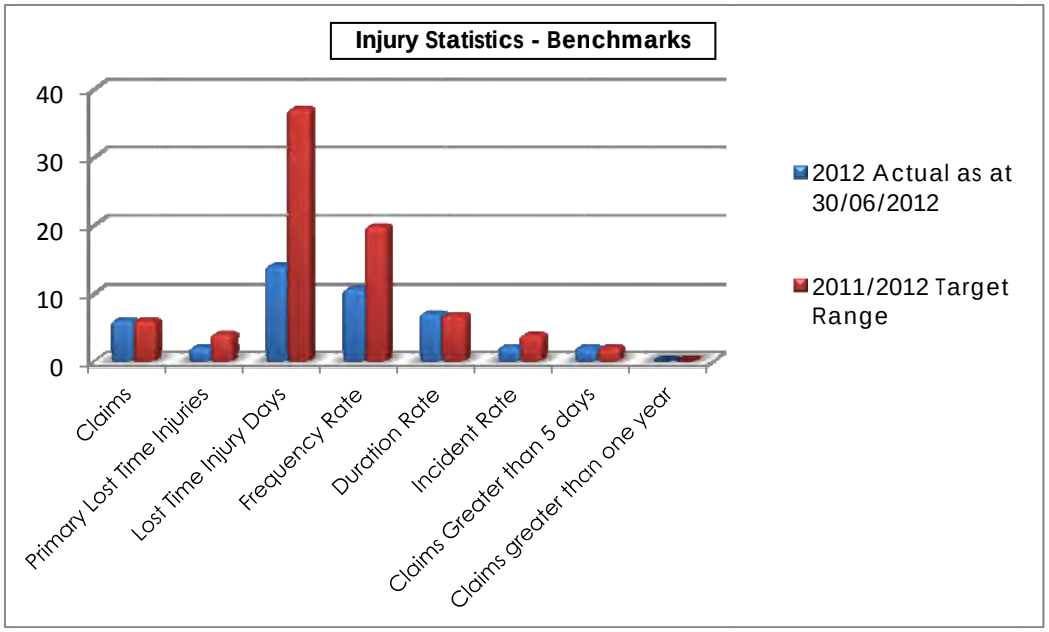
Council maintained its agreement with two external organisations to provide employee counselling (within limits) to support a healthy workforce and employee effectiveness. In 2011/12 four counselling sessions were conducted.

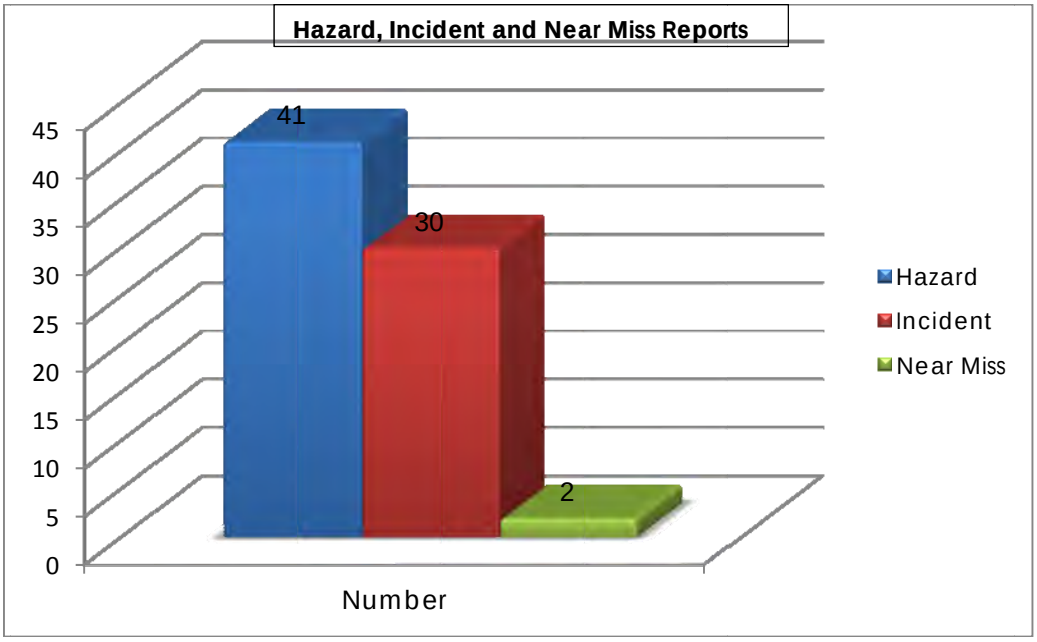
OCCUPATIONAL HEALTH SAFETY AND WELFARE

Council's staff maintain a high focus on keeping their people, including volunteers and contractors, safe.

Council had six workers compensation claims (noting the claims received were mainly from sprains and strains) amounting to fourteen days lost time due to injury in the period 2011/12. This represents a significant reduction from the previous year and was well below Council's targets for the period as shown in the following graphs.

Construction and Open Space Teams





Occupational Health Safety and Welfare is an important contribution to our safety system. 41 hazard, 30 incident and two near miss reports were received during 2011/12.

DECISION MAKING STRUCTURES OF COUNCIL

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 ambit of the Council's responsibilities;
- provide advice to the Council; and
- exercise, perform or discharge delegated powers, functions or duties.

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

COMMITTEES

Council received advice and recommendations for adoption from the following Committees:

Tourism Victor Harbor Committee

- To develop tourism marketing and promote strategies, having regard to local, regional and state objectives;
- To develop sustainable tourism business through special events, festivals, conferences, exhibitions and other opportunities;
- To provide leadership and support to new and existing tourism operators;
- To promote the economic advantages of tourism to the community of Victor Harbor;
- To promote service standards and business training within the local tourism industry;
- To provide advisory support to Council tourism staff during the preparation of annual budget submissions;
- To seek avenues to raise funds to support tourism marketing, tourism events and information services.

Recreation Centre Management Committee

- To manage the Community Indoor Recreation Centre, being the buildings and surrounds;
- To regulate the use of the Centre and its facilities;
- To formulate policy and rules relating to the use of the Centre;
- To determine hire fees for the use of the Centre and its facilities;
- To monitor operating expenditure to ensure that hire receipts are adequately meeting costs;
- To promote the use of the Centre to ensure maximum use;
- To promote a philosophy of access to the Centre facilities and participation in activities offered regardless of gender, age, race, religion, disability or location;
- To ensure that the Centre is adequately furnished and equipped;
- To ensure that the Centre is in good state of repair, maintained in a clean state that meets appropriate health and safety requirements;
- To give guidance and direction to the contract Caretaker/Cleaner.

Disability Access Advisory Committee

- To consider and make recommendations regarding implementation, monitoring and review of Council's Disability Discrimination Act (DDA) Action Plan;
- To assist Council to meet its legislative requirements under the Disability Discrimination Act 1992 (Clause 2.2);
- To assist Council to communicate the Action Plan both within Council and to the wider community;
- To act as an advisory committee to Council on disability access issues;
- To act as a link between Council and the community in relation to disability access issues;
- To support the community development role of Council by facilitating community responses to disability access issues.

Community Library Advisory Committee

- To monitor the operations of the Victor Harbor Community Library;
- To prepare annual budgets for presentation to Council for consideration;
- To monitor budget performance throughout the year;
- To make recommendations to Council on expenditure of funds from the Mildred Tanner Trust Fund;
- To provide an avenue for the Friends of the Library and the community to participate in development and maintenance of library resources;
- To keep the needs of users under review to ensure that the library is constantly adapting to public demands;
- To keep the human and physical resources of the library under constant review;

- To regularly review the opening hours of the library to maintain a balance between staffing resources and public demand.

Heritage Advisory Committee

- To research and identify sites, buildings and areas of heritage/historical significance;
- To support the role of the consulting Heritage Advisor;
- To consider initiatives to recognise the heritage of Victor Harbor;
- To advise Council on heritage related issues;
- To research names of local significance and maintain a list for naming of streets, reserves and local features;
- To make recommendations to Council on the naming of streets, reserves and significant landmarks;
- To provide developers with a list of acceptable street names for new subdivisions.

Old School Building Community Centre Management Group

- To prepare annual budgets for the centre for presentation to Council for approval;
- To monitor expenditure throughout the year and advise Council of any budget variations anticipated;
- To oversee the maintenance of the old school building;
- To coordinate the accommodation needs of the users;
- To provide an avenue for the user groups to have input to the management and operation of the centre;
- To advise Council on matters affecting the centre which require liaison with the lessor.

Victor Harbor Recreation & Sport Advisory Committee

- To assess and where appropriate, implement the Victor Harbor Recreation and Sport Plan;
- To make budget recommendations to Council;
- To advise and make recommendations to Council on recreation and sport related matters;
- To liaise with recreation and sport groups on issues relevant to their activities;
- To manage the Recreation and Sport Small Grants Program;
- To advise Council on changes to or reviews of the Victor Harbor Recreation and Open Space Strategy.

Victor Harbor Boating Facilities Working Party

- To oversee the implementation of the Boating Strategy Plan;
- To undertake priority actions in accordance with the Strategy Plan and within Council's forward plans and budgetary appropriations;
- To monitor and review the implementation of the actions within the Strategy Plan;
- To advise Council on required maintenance plans for each site, and review and update such plans annually;
- To undertake ongoing liaison with key user and interest groups;
- To establish a program for funding, to enable the progressive implementation of the Strategy Plan; funding program to cover a two year rolling period commencing in the 2011/12 budget.
- To identify planning policy requiring amendment in order to implement agreed actions;
- To undertake an annual performance review of the Strategy Plan; and
- To produce regular documentation for reporting to the designated Partners including Council on implementation progress of the Strategy Plan.

Victor Harbor Main Street Precinct Committee

- To identify opportunities for improvement of the presentation and amenity of the business precinct through individual and cooperative arrangements involving landlords, business tenants and Council;
- To action initiatives within the Town Centre Master Plan and to promote revitalisation of the Town Centre;
- To identify strategies to attract people and traffic to the central business district;
- To communicate to residents and visitors the benefits of a strong and vibrant business precinct and to engage their support and cooperation in the achievement of the Committee's objectives;
- To review the various strategic documents produced for and by Council to identify, prioritise and initiate the "easy wins".

Victor Harbor Economic Development Committee

- To foster sustainable growth and economic development within the Victor Harbor community in alignment with Council's Community Plan;
- To support the promotion of Victor Harbor business and industry to broader and export markets;
- To support initiatives that enhance the professionalism and competitiveness of Victor Harbor business and industry;
- To cooperatively engage with other relevant bodies including the Tourism Victor Harbor Committee, the Victor Harbor Main Street Precinct Committee, the Victor Harbor Business Association, Regional

Development Australia and the private sector to gain maximum benefit for the local community and the region;
- To contribute to Council's strategic and business planning process.

Strategic Planning & Development Policy Committee
- To provide advice to Council in relation to the extent to which Council's strategic planning and development policies accord with the Planning Strategy; and
- To assist Council in undertaking strategic planning and monitoring directed at achieving –
  - Orderly and efficient development within the area of Council; and
  - High levels of integration of transport and land-use planning; and
  - Relevant targets set out in the Planning Strategy within the area of Council; and
  - The implementation of affordable housing policies set out in the Planning Strategy; and
  - Other outcomes of a prescribed kind (if any); and
- To provide advice to Council (or to act as its delegate) in relation to strategic planning and development policy issues when the Council is preparing –
  a.) a Strategic Directions report (Section 30 Development Plan Review); or
  b.) a Development Plan Amendment proposal; and
- To provide advice to Council on strategic issues and initiatives within the 'Victor Harbor Urban Growth Management Strategy 2008-2030', including such issues as population trends, Greenfield and infill development, urban regeneration, centre, integrated transport systems, provision of open space, and housing diversity and affordability;
- To provide advice to Council on the 'Strategic Directions' Plan (Strategic Management Plan as per Section 122 of the Local Government Act 1999);
- To provide advice to Council on providing engagement, information and promotion of the above items to the community and stakeholders;
- Other functions (other than functions relating to development assessment or compliance) assigned to the committee by the Council.

Victor Harbor Horse Tram Advisory Committee

- To contribute to the formulation of long-term management plans for the Tram Service;
- To recommend, monitor and review annual business and operational plans;
- To provide guidance and advice to horse tram staff on horse husbandry and operational matters, where required;
- To monitor progress on the implementation of recommendations from the 2011 independent review.

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

AUDIT COMMITTEE

The Council'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. The Committee consists of one independent member and three elected members, with provision for a second independent member. 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, addressing many issues as required by its Charter, including:

- Annual Financial Statements review;
- External Audit review, including interim and balance day audits;
- Various accounting treatments review;
- Rating policy and methodology review;
- Internal Audit Program development;
- Internal Audit results review;
- External auditor appointment recommendation;
- Whistleblowing Policy review;
- Risk Management review;
- Risk Register development;
- Annual Business Plan review;
- Budget review; and
- Long Term Financial Plan review.

COMMITTEES ESTABLISHED UNDER OTHER LEGISLATION

- Occupational Health, Safety and Welfare Committee
- Enterprise Bargaining Committee
- Council Development Assessment Panel
- Building Fire Safety Committee
- Emergency Management Committee

REPRESENTATIVE APPOINTMENTS

- Inman River Catchment Group
- Carrickalinga Board of Management
- Granite Island Management Committee
- Ranges to River Local Government Natural Resource Management Advisory Group
- Victor Harbor High School Governing Council
- Fleurieu Community Road Safety Group
- Encounter Youth (Schoolies)
- National Sea Change Task Force
- Victor Harbor Coastcare
- Southern Fleurieu Coastal Reference Group

REGIONAL REPRESENTATION

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

MEETING ACCESS

All Council and Committee meetings are open for the public to observe. Members of the public are encouraged to attend these meetings. Meeting agendas are provided on Council's Website and are also available for viewing at the principal office of the Council.

Members of the public are able to address questions to the Mayor, Councillors and staff from the gallery at a Council meeting when invited by the Mayor.

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. Such an order may be necessary due to the sensitivity of an issue, for legal reasons or as a matter of commercial confidence.

During 2011/12 Council convened 12 ordinary and nine special meetings at which a total of 557 items were presented. Council excluded the public from the meeting for 51 agenda items representing 22 different subject matters. All but nine of the subject matters discussed in confidence have subsequently been released from confidence, either in full or in part.

	06/07	07/08	08/09	09/10	10/11	11/12
Number of ordinary meetings	22	23	17	12	12	12
Number of special meetings	3	1	5	4	7	9
Total Agenda items considered	468	473	421	494	500	557
Items for which public excluded	57	68	47	30	38	51
Subject matters considered in confidence	35	58	32	25	29	22
Subject matters remaining in confidence	11	13	7	8	8	9

The following is a summary of the confidential subject matter categories:

Category	Agenda Items
Tenders and contracts	10
Personnel matters	2
Lease arrangements	1
Legal/Professional advice	1
Community Loan	1
Development Plan Amendment	8
Land Purchase	9
Other	19
TOTAL	**51**

Committees also discuss many hundreds of items annually. On two occasions during the year, two Committees formally went into confidence. All Committee minutes are presented to Council for consideration and adoption.

CONFIDENTIAL AGENDA/MINUTE ITEMS 2011/12

The following were 'Confidential items' in accordance with Sections 90(2) and 91 (7) of the *Local Government Act 1999.*

Date	Confidential Item
25/07/2011	• Regional Aquatic Centre
16/08/2011	• Regional Aquatic Centre • Elected Members Code of Conduct- Alleged Breaches
22/08/2011	• Proposed Hindmarsh Valley Development Plan Amendment • Strategic Planning & Development Policy Committee Minutes • Regional Aquatic Centre
26/09/2011	• Tender 14/11 - Railway Precinct – Walkway
24/10/2011	• Tender 15/11 - Banking & Bill Payment Services
14/11/2011	• Purchase 81 Armstrong Road
28/11/2011	• Elected Members Code of Conduct – Alleged Breaches • Proposed Hindmarsh Valley Development Plan Amendment
12/12/2011	• Australia Day Awards • Tender 19/11 - Landfill Capping • Review of Confidence Orders • Elected Members Code of Conduct – Alleged Breaches
23/01/2012	• Visitor Information Centre Lease • Tender 21/11 for Supply of Truck • Tender 22/11 for Supply of Truck • Tender 23/11 for Supply of Truck • Tender 20/11- Torrens Street Stormwater • Encounter Lutheran School Road Sale • Elected Members Code of Conduct – Alleged Breaches
30/01/2012	• Bad Debt – Giles Street • Land Sale – Non-Payment of Rates • Land Sale – Non-Payment of Rates • Land Sale – Non-Payment of Rates • Land Sale – Non-Payment of Rates • Proposed Hindmarsh Valley Development Plan Amendment • City Manager's Annual Review • Elected Members Code of Conduct – Alleged Breaches
27/02/2012	• Encounter Lutheran School – Notice of Motion to Revoke • Encounter Lutheran School – Road Sale • Truck Replacement Report
26/03/2012	• Elected Members Code of Conduct - Alleged Breaches
17/04/2012	• Purchase 81 Armstrong Road
23/04/2012	• Notice of Motion – Development Plan Amendment • Tender 20/11 Torrens Street Stormwater • Community Loan • City Manager's Annual Review • Notice of Motion – Bells Building
09/05/2012	• Purchase 81 Armstrong Road • 43 Ocean Street – Land Purchase
14/05/2012	• Purchase 81 Armstrong Road
21/05/2012	• Purchase 81 Armstrong Road
28/05/2012	• Proposed Residential Development Plan Amendment • Tender 5/12 for Supply of Truck • Proposed Cemetery Land Purchase • Land Purchase McCracken Estate
25/06/2012	• Probity Report – Eastern Boat Ramp Facility • Bank Guarantee Beachfront Holiday Park • Land Purchase McCracken Estate

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.

Date	Subject and Circumstances
2/7/11	Festivals & Events Policy – consideration of public consultation feedback which included a petition from residents of Sawpit & Nettle Hill Roads requesting Council not to allow closure of those roads.
22/8/11	Hickinbotham Entrance Statement – consideration of Strategic Planning and Development Policy Committee Minutes (SPDP 11/0011) and included a presentation by the Hickinbotham Group and Stuart Mosely of Connor Holmes.
24/10/11	Horse Drawn Tram – consideration of Bailey Report – Council invited the author – Thorin Bailey to speak to his report and answer questions.
26/3/12	Community Foundation – Chair & CEO deputation to Council outlining the rationale for their request of $5k pa.
26/3/12	Hardy Street Road Sale Representations from: Representative of the property owner An objector to the proposal.
17/4/12	Esplanade Foreshore Erosion – Victor Harbor Coast Care gave a presentation on this matter.
23/4/12	Hardy Street Road Sale Permission was given to address Council to: An objector to the proposal Representative of the property owner.
25/6/12	Hardy Street Road Sale Representations heard: Solicitor for property owners An objector to the proposal.
25/6/12	National Japanese Motor Cycle Club President was in gallery and invited to respond to questions from the members.

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.

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. The following table outlines the number of questions registered during 2011/12. (Any question may have 3 or 4 sub-questions).

Date	Number of Questions from the Gallery
25/07/11	7
22/08/11	3
26/09/11	4
24/10/11	6
28/11/11	2
12/12/11	0
23/01/12	1
27/02/12	5
26/03/12	6
23/04/12	1
28/05/12	3
25/06/12	7
Total	**45**

DELEGATIONS REGISTER

In accordance with Sections 44 and 101 of the Local Government Act 1999, the Council has delegated relevant powers or functions to the City Manager who may then sub-delegate to an employee or a Committee.

The Delegations Register reflects the delegated authority from the Council to the City Manager (and subsequently any sub-delegations). The delegations register is available for viewing at the Principal Office of the Council.

FREEDOM OF INFORMATION (FOI)

STATEMENT

Council is required under Section 9(1) and (1a) of the Freedom of Information Act 1991 to publish annually an Information Statement to comply with legislation and welcomes enquiries regarding the content of the statement.

Included in this statement is a list of all Council documents which are accessible to the community as required by legislation.

This statement also includes information about how members of the community may participate in Council processes, decisions, structure, functions of the Council and its Committees.

FOI APPLICATIONS

Requests for information will be considered in accordance with the *Freedom of Information Act 1991.* This gives individuals the right to access documents (subject to certain restrictions) that are within the Council's possession. It also allows for the amendment of documents which contain personal information that is incomplete, incorrect, out of date or misleading.

In 2011/12 five Freedom of Information applications were received. A full release was granted to all applications relating to the following:

- Horse Tram Service
- Development and Planning Applications

REQUIREMENTS FOR SUBMITTING A FOI REQUEST

A person wishing to seek access to the Council's documents that are not available publicly must apply in writing. As prescribed in the *Freedom of Information Act 1991,* the application must:

- Be in writing, preferably on the form provided on Council's website;
- Specify that it is made under the *Freedom of Information Act 1991;*
- Be accompanied by the application fee as prescribed on the form;
- Must contain information as is reasonably necessary to enable the document to be identified;
- Specify an address in Australia to which notices under the Act should be sent; and
- Be lodged at the Council office and may specify that access to the document be given in a particular way.

The application will be dealt with by an accredited FOI Officer of the Council and will be dealt with within 30 days after it has been received.

FOI FEES

Fees will be determined by the FOI Officer in accordance with the *Freedom of Information (Fees and Charges) Regulations 2003.*

Fees will be waived for concession card holders or persons under financial hardship.

The Regulations currently provide a fee structure. (Refer to Council's Fees and Charges Register on Council's Website).

The FOI Officer will work with the applicant to define the scope of the request and the costs involved.

Access to documents under the Freedom of Information Act is subject to the exceptions and exemptions necessary to protect essential public interests and the private and business affairs of persons. However, Council supports the purpose of the Act, which is to promote openness and accountability in government and to emphasise the importance of government held information being made available to the public.

INTERNAL REVIEW OF COUNCIL DECISIONS

During 2011/12 there were no formal requests for a review of a Council decision under section 270 of the Local Government Act 1999.

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

The following documents are available for inspection by the public in the Civic Centre reception. A copy of any document may be obtained, for which a charge will apply. Alternatively, most documents can be viewed on the Council website at www.victor.sa.gov.au .

- Annual Budget*
- Annual Business Plan*
- Annual Report*
- Any Review of Council boundaries
- Asset Accounting Policy
- Asset Management Plan overview*
- Asset Management Policy
- Audited Financial Statements*
- Building Application Information (Plans, footing reports, etc.)
- Charter for subsidiaries established by the Council
- Code of Conduct for Elected Members*
- Code of Conduct for Employees*
- Code of Practice for Access to Meetings and Documents*
- Complaints Handling Policy*
- Council and Council Committee Meeting Agenda and Minutes*
- Council By-laws*
- Development Plan Amendment Reports*
- Development Plan*
- Documents and Reports to the Council or Council Committee (except any excluded under the confidentiality provisions of Section 90 of the Local Government Act)
- Donations Policy*
- Elected Member Allowances and Support Policy*
- Elected Member Training and Development Policy*
- Extracts from Council's Assessment Book
- Fees and Charges Register*
- Fraud and Corruption Policy*
- Freedom of Information Statement*
- Grievance Handling Procedures*
- Internal Control Manual
- Internal Review of Council Decisions Procedure*
- Long Term Financial Plan*
- Media Policy
- Meeting Procedures Policy 'Agenda Format'*
- Order Making Policy*
- Procurement Policy*
- Public Consultation Policy*
- Rates Policy Summary*
- Record of Delegations Register
- Register of Community Land
- Register of Elected Member Allowances and Benefits*
- Register of Elected Member Returns
- Register of Salaries & Wages
- Road Naming Policy*
- Rural Property Addressing Signage Management Policy*
- Sale and Disposal of Council Land and other Assets*
- Strategic Management Plan*
- Street Traders Policy*
- Treasury Policy*
- Whistleblower Protection Policy*

* denotes available on Council's Website: www.victor.sa.gov.au .

COMMUNITY CONSULTATION

The Council has documented its Community Consultation commitments within the Public Consultation Policy, as required by the Local Government Act 1999. The Policy identifies the circumstances which would give rise to community consultation and the methods of consultation that may occur. For example information sessions, displays in Council offices and libraries, mail outs, newspaper articles, workshops, surveys/questionnaires and on the Council Website. Council also produces a fortnightly e-newsletter, "Victor Viewpoint", which is placed on Council's website and emailed to registered subscribers.

Council ensures that the public are given the opportunity to be involved in the development and review of its Strategic Management Plans and Annual Business Plan.

Other examples where Council will seek consultation include:

- Major roadworks that effect the broader community
- Permanent Road Closures under the Local Government Act or the Road Traffic Act
- Preparation of Strategic Documents
- Significant vegetation clearance
- Proposals for major infrastructure or community asset development
- Policy development of a substantive nature
- Initiating and coordinating special events and celebrations
- Making a Council By-law
- Classification of community land

Community consultation also occurs on matters associated with development in the area as prescribed in the Development Act 1993. Examples include:

- Development Plan Amendments
- Certain development applications
- Reviews of Council's Development Plan and amendment priorities (Section 30 review)

As an extension to the Council's consultation and decision making function, community involvement has been encouraged through a structure of Advisory Committees and Working Parties established under Section 41 of the Local Government Act 1999. The Committee structures are documented earlier in this report.

COMPETITIVE TENDERING

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

Services that have been contracted out or subject to a competitive process include:-

After Hours Call Centre	Land Conveyancing & Acquisition Services
Bituminous Sealing & Cold Overlay	Legal Services
Block Mowing (Fire Prevention)	Photocopier & Printer Leasing
Building Maintenance & Construction	Plant, Equipment & Vehicle Purchases
Civil Construction Works	Playground Equipment Acquisition
Civil Engineering Services	Printing
Cleaning Services	Property Advice
Development Assessment Services	Real Estate Sales
Development Plan Amendment Preparation Services	Recreation Centre Caretaking
Editorial/Copy Writing Services	Security Services
Electrical & Plumbing Services	Stationery & Consumables Purchases
Financial Auditing Services	Strategic Planning Support
Footpath Paving Program	Street Sweeping
Grant Application Preparation	Telecommunications Services
Graphic Design Services	Waste Collection Services
Horse Maintenance Services	Website Development
Information Technology Support	Weed Spraying

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

Council gives consideration towards the availability of local providers and the impact on the local economy when calling for tenders for goods and services. All tendering follows strict procedures and are subject to audit process.

NATIONAL COMPETITION POLICY

In accordance with National Competition Policy, all Council by-laws have been reviewed to ensure that they place no barrier on market entry and that they don't discriminate between competitors.

The City of Victor Harbor operates the following Business Activities –

- Victor Harbor Horse Drawn Tram
- South Australian Whale Centre
- Victor Harbor Indoor Recreation Centre

Council adopted a Competitive Neutrality Complaint Procedure on 22 September 1997, which is reviewed annually. No competitive neutrality complaints were received during the reporting period.

COMMUNITY LAND

Council adopted its initial Community Land Register and Management Plans in December 2004. The Register and Management Plans are reviewed annually.

In accordance with Chapter 11 of the Local Government Act 1999, the following properties were subject to inclusion as Community Land within the Register during 2011/12.

Assess Number	Certificate of Title	Lot	Plan	Community Land	Description
A12231	CT6084/104	46	D87402	Yes	Roadside boundary buffer on Inman Valley Road near Murray Street, 101.8 m^2
A12263	CT6084/105	47	D87402	Yes	Roadside boundary buffer at western end of Shields Crescent, 19.3 m^2
A12247	CT6084/106	48	D87402	Yes	Roadside boundary buffer at the end of Shields Crescent, 17.4 m^2
A12238	CT6084/107	49	D87402	Yes	Roadside boundary buffer at eastern end of Shields Crescent, 20.6 m^2
A12318	CT6085/819	2103	D87410	Yes	Open Space Reserve off Wishart Crescent, 0.44 hectares
A11406	CT6085/820	2104	D87410	Yes	Open Space Reserve off Prime Boulevard, 0.85 hectares
A12355	CT6088/900	20	D87407	Yes	Ocean Street walkway 152.2 m^2
A4713	CT5791/958	494	F165	No	81 Armstrong Road, 6.88 hectares Excluded Government Gazette 21 June 2012

ORGANISATIONAL

OUR VISION

Our Vision describes what we want the City of 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.

This 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.

STRATEGIC PLANNING

Council has a series of interlinked plans in place to ensure that Council's activities are focused on achieving our Vision.

Long term strategic management plans:
- Community Plan 2021
- Long Term Financial Plan
- Asset Management Plan

Medium term plans:
- Strategic Directions 2011-2015
- Various medium term operational plans

Annual Plans:
- Annual Business Plan and Budget
- Key Planned Activities
- Work area plans

Many of the above plans are available from Council's website or viewed at the Council Office.

OBJECTIVES AND APPROACHES

To achieve our Vision, the Council has identified four broad, interlinked objectives.

- *Encourage a strong economy and a diversity of population while targeting younger people to live and work in the area.*
- *Achieve the sustainable provision of physical infrastructure and community services.*
- *Balance the pressures of high level growth with safeguarding the environment and lifestyle.*
- *Deliver excellence in leadership, service delivery and organisational management that underpins our strategic directions.*

For each Objective, Desired Outcomes are identified which indicate "what differences" we hope to make to achieve our Vision.

OUR MEASURES OF SUCCESS

The following methods are used to measure the performance of Council against its objectives over the financial year:

1. Completion of Key Planned Activities
2. Financial management
3. Levels of service delivery
4. Strategic Indicators

OUR ACHIEVEMENTS

COMPLETION OF KEY PLANNED ACTIVITIES

Council's performance target is to complete at least 90% of the listed Key Planned Activities (KPA) in each financial year.

176 different Key Planned Activities were identified for 2011/12. The end of year review shows 101 "Completed", representing 58% of the total number of current Key Planned Activities. A further 18 Key Planned Activities have been substantially completed (i.e. 80% or more completed), bringing the total number of completed or substantially completed to 119, or 68%.

When the 15 KPAs identified as not being completed due to matters outside of Council's control and unexpected external factors are taken into account, Council completed, or substantially competed 78% of current Key Planned Activities over which it has control.

This figure is below the stated target of 90%. The majority of KPAs not completed were because of timelines being ambitious, capacity factors including staff/resource numbers, and an underestimation of workload against available staff resources. While this in part reflects a number of unexpected factors, 2011/12 was also the first year in which Council's annual business plan included Key Planned Activities, and completion of those Key Planned Activities as a performance measure. It is likely that in future years listed KPAs will be based on more realistic timeframes and better reflect resources and workload.

A detailed report showing status, percentage complete, and reasons for not being on track, for 2011/12 Key Planned Activities is included as an appendix to the Annual Report.

In 2012/13, 144 Key Planned Activities have been identified to contribute towards achieving Council's long term objectives.

FINANCIAL MANAGEMENT

Ratio	2012	2011	2010	Medium Term Target (3-5 years)	Long Term Target (5-10 years)
Operating Surplus	0%	-12%	-4%	Breakeven 0%	Between 5%-15%
Net Financial Liabilities	72%	78%	91%	Less than 75%	Less than 50%
Asset Sustainability	46%	46%	53%	80% Average (3 years)	Over 80% Average

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

Pages 41 to 44 give an outline of Council's financial management and the health of the Council in terms of financial sustainability, and the key factors affecting these results.

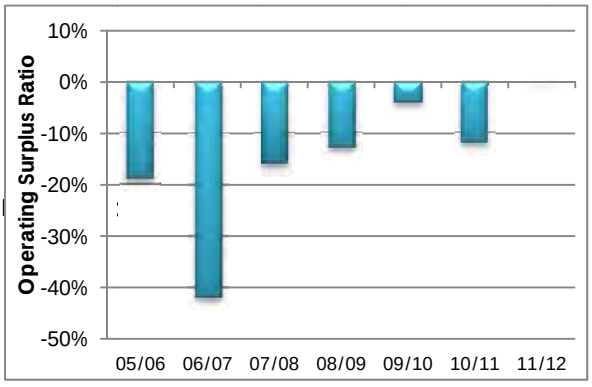
Financial Indicators provide an indication of emerging trends and comparative information and are an important internal reference for long term financial planning and performance measurements.

Indicators need to be considered as a package rather than individually, as some measures may be explained by offsets in other areas.

The table above shows target ratios over a medium to long-term period.

OPERATING SURPLUS RATIO

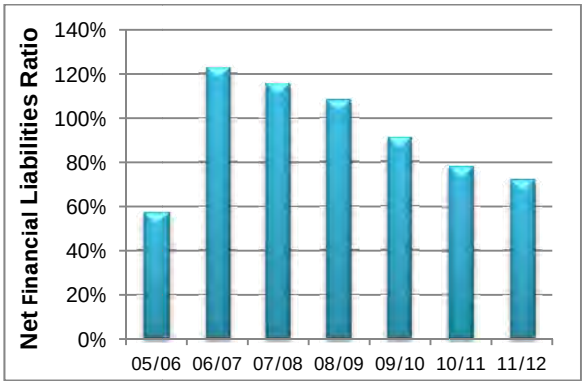
The graph below shows the operating surplus over the last 7 years. Whilst Council has been moving towards a breakeven position, some fluctuations have been experienced, particularly in 2006/07 and 2010/11 due to the inclusion of expenses for landfill remediation. However, the medium term target of 0% (breakeven) was achieved in 2011/12.



NET FINANCIAL LIABILITIES RATIO

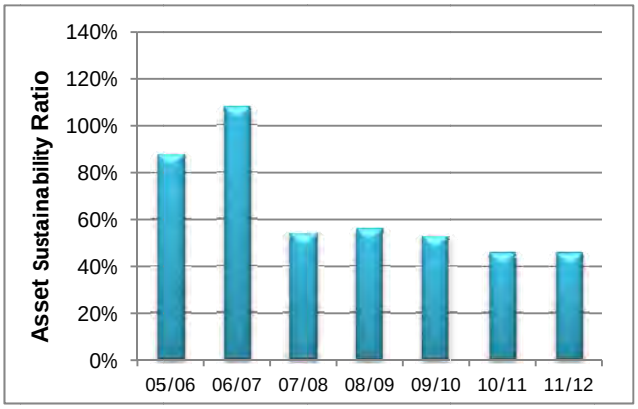
The Net Financial Liabilities Ratio continues to show heavy borrowing commitments made over the past decade, in particular civic centre and ring road projects. The ratio has continued to decrease due to annual repayments and minimal new loans for lower cost capital works projects.

The target of less than 75% was achieved in 2011/12 with a ratio of 72%.



ASSET SUSTAINABILITY

The asset sustainability ratio compares the capital expended on existing assets to the cost of consumption (depreciation) for the year. The ratio is heavily impacted by the referral , removal or reduction of capital works to renew or replace existing assets. Council has consistently budgeted as per the target ratio of 80%. However, the final ratio of 46% in 2011/12, following ratios of 46% in 2010/11 and 53% in 2009/10 identifies the trend that a significant amount of capital works are not completed each year.



LEVELS OF SERVICE DELIVERY AND HIGHLIGHTS

Council reports on the levels of services it provides to the community, including comparisons with levels of service in previous years. Measurable 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 following pages identify some of the services and some 2011/12 highlights for each objective.

STRATEGIC INDICATORS

A series of high order "strategic indicators" have been identified which indicate how Council is performing against its objectives. These indicators show how effective Council has been in "making a difference" in order to achieve our vision.

Included as an appendix is a table showing performance against 2011/12 targets, and also identifies targets for 2012/13. Council met or exceeded 19 of 26 targets for which data was available in 2011/12, and is progressing towards targets for the remaining seven.

Four of the seven targets not met related to the provision of infrastructure and facilities, specifically: roads, footpaths and cycle tracks; sporting facilities, parks, gardens and playgrounds; community halls and cultural buildings; and facilities for the aged, disabled, and special needs groups. This in part reflected the high value that the community placed on the provision and maintenance of infrastructure and facilities.

Council also rated below the state average for quality of life, as measured by the Local Government Comparative Performance Measurement Index. This was in part due to the community placing a higher importance than the rest of the state on the role of Council in helping to improve quality of life in the community.

Council did not meet its target for the number of people who access Council's library. However, while not included as a performance target in Council's annual business plan, Council's performance in providing libraries services to the community, as measured by the Local Government Comparative Performance Measurement Index, was significantly higher than the state average.

OUR ACHIEVEMENTS

Objective 1
Encourage a strong economy and a diversity of population while targeting younger people to live and work in the area.

HIGHLIGHTS

PLANNING FOR THE UPGRADE OF THE MAINSTREET PRECINCT

Council obtained a State Government grant (‘*Places for People’*) to provide an urban design framework for the Main Street Precinct area (Ocean Street and Coral Street). Initial design work and investigations have been undertaken in the 2011/12 period. First draft designs are likely to be created and subsequent community consultation sought in early 2013.

WHALETIME PLAYTIME FESTIVAL

The fifth Whaletime Playtime Festival took place on Sunday 3 June 2012 on Warland Reserve and coincided with the Whale Season launch. An attendance of just over 3100 people was recorded for the event, which featured a number of children’s performers and activities. Channel 10 provided promotional sponsorship to the event as part of its partnership with the South Australian Whale Centre.

ROCK ‘N’ ROLL FESTIVAL

The Rock ‘n’ Roll Festival has established itself as one of Victor Harbor’s Major Events. The 2012 event was the fourth Rock ‘n’ Roll Festival held in Victor Harbor. The program consisted of two full days of events and activities on and around Warland Reserve and Ocean Street. A total of nine Rock n Roll bands performed at the event across two stages on Saturday and three stages on Sunday. Approximately 150 show vehicles attended the event across both days. The event attracted a crowd of around 4,150 people providing an estimated local economic impact of $178,000.

OFF PEAK TOURISM MARKETING CAMPAIGN

Based on data collected by Flinders University and the Visitor Information Centre, this interstate campaign targeted western Victoria, with a particular focus on Ballarat. The campaign involved the distribution of 25,000 holiday guides to Ballarat households, extensive radio advertising through Power FM Ballarat & 3BA Ballarat and television advertising into 320,000 Western Victorian homes with funding support achieved by the Victor Harbor Business Association through the South Australian Tourism Commission. The campaign culminated with a team from Victor Harbor in attendance at an information stand at the Wendouree Shopping Centre over the last three days of the campaign. The team personally connected with over 300 people. A "Victor Harbor holiday" competition was used as part of the promotion.

NEW BOOKING SERVICE FOR THE VISITOR INFORMATION CENTRE

A number of new booking service and advertising customers were added to the tourism operators associated with the Visitor Information Centre (VIC), including the addition of the Cockle Train and the Adelaide and Monarto zoos. Booking sales increased by 3% during the reporting period while advertising package sales have increased by 15%. This is despite an approximate decline of 5% tourist numbers through the VIC. Grant funding through the South Australian Tourism Commission (SATC) 'Sell SA' program was secured, with the aim of realising increased sales and marketing potential through the VIC. The project included training and familiarisation activities for the centre's three staff and 56 volunteers. Profile of the VIC as a premier local booking and tourism support facility was enhanced through new packaging and conference assistance activities.

Mayor Graham Philp drawing the winner of the "Victor Harbor Holiday" competition promoted in Ballarat

SOUTH AUSTRALIAN WHALE CENTRE

As a local tourism and educational support activity of Council, the South Australian Whale Centre (SAWC) has experienced growth in some key result areas during 2011/12. This is reflected by an increase of 15% in general admissions. Initiatives involving the merchandise sales floor and school holiday program yielded increases in sales of 69% and 260% respectively.

Key activities during the reporting period include:

- Official Whale Season launch held in Gawler Place, Rundle Mall, Adelaide.
- Launch of social media sites and related marketing activities.
- Commissioning of a 3D theatrette as a new exhibition.

Sponsorship partner developments to include Network 10, Head of the Bight, Urimbirra Wildlife Park and Girdler Family Amusements.

New media partnership with network 10

VICTOR HARBOR HORSE DRAWN TRAM

Having only operated for approximately three months of the reporting period, ticket sales and patronage was well down on previous years. Closures of the service occurred as a result of the Council's Causeway Plaza upgrade project and the State Government Department of Planning Transport and Infrastructure maintenance upgrade project for the Causeway. The closures did, however, provide opportunity for improvement works to take place at the horse agistment paddock.

THE BETTER DEVELOPMENT PLAN – DEVELOPMENT PLAN AMENDMENT (DPA)

This DPA project involves alignment of Council's Development Plan with the State model. It will provide consistency and improve the legibility of the Victor Harbor Development Plan and may also reduce the future costs incurred when conducting future DPAs. The project has progressed to a re-formatted and consolidated draft Development Plan in preparation for broader consultation in late 2012.

VICTOR HARBOR CONNECT

A new iPhone App, prepared by Connect Media has been launched. Victor Harbor Connect is designed to provide visitors with a hands on guide for places to go, places to eat and places to stay within Victor Harbor. It supplements the existing modes of print and website tourist related information provided by Council but provides a focus on what the future of information sourcing is all about.

The App provides a profile listing of all tourism and related businesses in the Council area free of charge. Businesses may upgrade their profiles to include images, editorial plus the ability to feed social media stories through a number of facebook & twitter accounts. Council's tourism service units, including the Visitor Information Centre, SA Whale Centre, Horse Drawn Tram, and Events are also profiled on the App. It is available for downloading from iTunes by searching 'Connect Victor Harbor' or by linking through the tourism website
www.holidayatvictorharbor.com.au

SUPPORT FOR TRANSPORT DISADVANTAGED PEOPLE TO ACCESS MEDICAL AND OTHER ESSENTIAL SERVICES

In March 2012 the Southern Communities Transport Scheme (SCOTS) leased a new 11 seat Toyota Commuter to replace the old Ford station wagon in their fleet. The extra seats have assisted in meeting the fast growing demand in the community by people who are transport disadvantaged. The Rotary Club of Encounter Bay was very generous in their donation of $3,000 to assist with the setup of the new vehicle.

Coordinators Trudy & Mary-anne with volunteer driver Trevor, and the new leased Commuter

SCOTS is provided in partnership with the Alexandrina Council, and State and Federal Governments, and provided 12,026 passenger trips to 879 transport disadvantaged people in 2011/12. SCOTS has a dedicated team of approximately 40-45 volunteers who assist with driving, attending the vehicles and bus, and assisting in the office.

CAUSEWAY PLAZA PROJECT

The project key construction elements were:

- concrete kerbing and watertable
- undergrounding of drainage
- road and pathways base preparations
- re-built boat ramp car park – asphalt surface
- undergrounding of utility services (power, mains water, sewage)
- line marking
- placement of lighting columns and feature lights
- concrete wave retaining wall
- irrigation systems
- provision for future CCTV installation
- paving of pathways and roads
- revegetation
- installation of new tables and seats
- newly placed lawned areas
- bollards, bicycle holders
- tram platform,
- children's viewing platform and balustrade
- mulching of garden areas
- garden planter boxes
- drinking fountains
- bin enclosures

The cost of the project was $2.2m, Council secured external funding from the State for $1.015m.

Causeway Plaza Project Milestones

Milestone	Date
Decision by Council	Dec 10
Draft design plans completed	Feb 11
Draft designs approved by Council in readiness for community consultation and engagement	Feb 11
Draft Designs approved by Council	March 11
Successful Tender Awarded to 'Dig It Landscapes Pty Ltd'	April 11
Signing of Contract	May 11
Project Commences	July 11
Project Completed Ready for Operations	Dec 11

PARKING CONTROLS

Council has continued an active response to parking issues, particularly those identified within the town centre. This includes responding to requests for changes to time limits and zones for car parks, parking permits, and closure activities to support orderly and safe community activities, festivals and special events.

OPPORTUNITIES FOR YOUNG PEOPLE TO PLAN IMPLEMENT AND PARTICIPATE IN ACTIVITIES

Council's Youth Development Officer's support various projects and opportunities for young people to be involved in our community, including the Southern Fleurieu Youth Mental Wellbeing Group, which in 2011/12 released a report on a survey of more than 900 local young people.

Issues of concern identified by young people included:

- body image
- drugs and alcohol
- bullying
- school and study problems
- coping with stress.

Wet Paint Youth Theatre's two Youth Showcase Extravaganzas were a huge success with over 100 people attending each Showcase.

Anastasia and Ben in Wet Paint's Performance at the Youth Showcase Extravaganza in June 2012

The Southern Fleurieu Youth Advisory Committee's (YAC) 27 members have been working on a variety of events including:

- Colour Me Senseless Annual Youth Art Exhibition
- Youth Showcase Extravaganzas
- FUSION Youth Music and Skating Event
- Blue Light Discos.

YAC Members: Jasmine, Veronica, Des, Dylan, Laura, Chris, Imogen and Timisha, with Youth Development Officer Lucretia Sperring & Mayor Graham Philp at the Youth Showcase Extravaganza in June 2012

These events are great opportunities for young people from the wider community to express their creativity and be recognised for their talents.

- 350 people attended FUSION
- 200 people attended each of the four Blue Light Discos
- YAC members volunteered more than 6,600 hours of their time.

Suspended Styles member doing his moves at FUSION 2012

The locally based Youth Radio Station STRUTH FM is on air weekly and members have hosted a range of local youth events in the region.

OUR ACHIEVEMENTS

Objective 2
Achieve the sustainable provision of physical infrastructure and community services.

HIGHLIGHTS

OPEN SPACE AND CONSTRUCTION TEAMS

Council's Open Space and Construction Teams have worked closely together to achieve many projects including:

- The Footpath Program, including three additional streets completed on time and under budget
- Ridgeway Street construction
- Cemetery Terrace Lawn
- Bay Road and Wood Street kerbing
- O'Leary Street improvements.

Other works completed by the Open Space Team were:

- Pine Tree Removal Program
- Walking Trail Maintenance
- Streetscape Entrance Maintenance
- Street Tree Planting Program.

The Construction Team has also completed a number of projects including:

- Kerb Capital Replacement Program
- Road Resheeting Program
- Drain Inlet Upgrade Program
- Unsealed Roads Program.

Depot staff also assisted with the set up of community events such:

- Tour Down Under
- Annual Christmas Pageant
- Rock n' Roll Festival
- Victor Harbor Triathlons
- Schoolies Festival
- Whale Time Play Time Festival
- AFL 2012 NAB Cup game at the Encounter Bay Oval.

A total of $350,000 was spent on new brick paved and asphalt footpath construction covering a total of 6,250 square metres.

ENVIRONMENTAL AND PUBLIC HEALTH SERVICES

Council exercised its statutory obligations with respect to environmental and health functions under the Public and Environmental Health Act, Food Act and Supported Residential Facilities Act. This achieved the following outcomes:

- 28 waste control applications and 55 waste control inspections
- 12 public swimming pool and spa inspections
- 4 immunisation clinics conducted
- 8 'vulnerable population' food audits
- 67 food business compliance inspections
- 10 European Wasp nest treatments.

AN EFFICIENT AND SUSTAINABLE WASTE COLLECTION SERVICE

21,500 tonnes of recycling and green waste was diverted away from landfills across the region by the Fleurieu Regional Waste Authority.

LANDFILL CLOSURE

The most pressing waste management issue for Council for a number of years has been to follow the direction from the Environment Protection Authority (EPA) to close the Victor Harbor Landfill, and to find an alternative and sustainable site for ratepayers waste and recycling.

Whilst discussions regarding a suitable alternative site were occurring with Alexandrina Council, the second and final stage of the closure and capping of the Victor Harbor landfill took place. Design plans for the closure of the Victor Harbor Landfill have been approved by the EPA, and have been progressively implemented over the last four years.

Stage 1 Landfill Cap – 2011

Stage 2 of the landfill capping occurred over an area of just under three hectares. The cap itself consisted of the following layers:

- 300mm of interim cover over the compacted waste body
- 600mm of low permeability compacted clay cap
- 800mm of subsoil layer
- 100mm of topsoil

Much of the subsoil layer was from the Franklin Island development when the salt water lake was constructed, saving Council approximately $0.5 million during this project.

The water that does pass through the waste body, or leachate, mainly from springs, is collected in a 20kL tank at the toe of the landfill and then solar pumped to an evaporation pond.

Volumes of water pumped each day, rainfall, power supply and the water level in the tank are all monitored remotely from the Council offices via the internet.

Landfill Cap Stage Boundary across to the Evaporation Pond

Landfill Evaporation Pond

RENEWABLE ENERGY STREET LIGHTING

A hybrid renewable energy lighting project was developed for the Recreation Centre car park. The public lighting fixture comprises a solar panel and Darrieus blade wind turbine with a battery storage facility. Planning for the project was completed and funding support of the project was provided by the Local Government Association under the Solar Council's Community Program. Placement of the structure will occur in late 2012.

OLD SCHOOL BUILDING COMMUNITY CENTRE

The Old School Building Community Centre, located in Torrens Street in Victor Harbor has continued to demonstrate its value as an affordable and centrally located venue for community groups to meet. 44 community groups used the building in 2011/12 (up from 37 groups in 2010/11), with 30 of these being regular user groups. The building was booked for 281 days for a total of 770 sessions (up from 623 in 2010/11).

FLOURISHING ON THE FLEURIEU

The "Flourishing on the Fleurieu" Positive Ageing Expo was a free community event facilitated and funded by the Southern Fleurieu Positive Ageing Taskforce and supported by local Councils. It was held on 18 April 2012 at the Victor Harbor Civic Centre.

The aim of the Expo was to showcase the wide range of activities, clubs, exercise groups and healthy living supports that are available to older people living on the Southern Fleurieu.

A total of 40 different groups provided either static or interactive displays. Activities included tai chi, yoga, walking, stretching classes and zumba. There were also displays of healthy food, gardening and floral arts and crafts. Three community choirs attended and provided choral interludes throughout the day. An estimated 500 people attended the day.

COMMUNITY GRANTS PROGRAM

The City of Victor Harbor Community Grants Program is funded to assist not for profit community groups and organisations in the planning, coordination and provision of community services to improve the quality of life, independence and well being of people within the Victor Harbor community.
Nine applications were funded for a total of $4,781.

A NEW STRATEGIC DOG AND CAT MANAGEMENT PLAN

Council's Strategic Dog and Cat Management Plan 2007/11 was reviewed and a draft plan 2012/17 was prepared, adopted by Council and submitted to the Dog and Cat Management Board for endorsement. The plan makes provision for the ongoing education, monitoring and enforcement of companion animal related activity and reinforces Council commitment under the Dog and Cat Management Act. The plan also reinforces Council's commitment to seeking an appropriate location for a dog exercise park.

Council continues to support the management of dogs through registration services, retrieval activities and impoundment facilities. Dog registrations have increased by 4.8%, from 2683 registrations in 2010/11 to 2812 in 2011/12.

CLOSED-CIRCUIT TELEVISION (CCTV) PROJECT INTO TOWN CENTRE AREA

Council continued its Main Street Public Safety Initiative by installing the network infrastructure necessary for the next stage of CCTV cameras to proceed. In 2011/12 additional cameras were installed throughout the Ocean Street / Coral Street precinct providing more coverage to further improve public safety.

Signage was provided to local businesses to act as a further deterrent, as well as inform the public of the CCTV being in operation.

UPGRADE OF SOLDIERS MEMORIAL RESERVE

Redevelopment of Soldiers Memorial Reserve commenced by placing permeable type paving for the new pathways and installing electric BBQs.

OUR ACHIEVEMENTS

Objective 3
Balance the pressures of high level growth with safeguarding the environment and lifestyle.

HIGHLIGHTS

DEVELOPMENT APPLICATIONS AND LAND DIVISIONS

Council processed 515 development applications under the Development Act during the 2011/12 financial year, totalling $53.6m in development value. Overall, development has decreased when compared to previous years as indicated in the table below.

Number of Development Approvals and Values

Year		Number Approvals	Total	Value	Total Value
05/06	Dwelling	219	***661***	$49.7m	***$74.1 m***
	Other	442		$24.4m	
06/07	Dwelling	200	***569***	$43.4m	***$66.9 m***
	Other	369		$23.5m	
07/08	Dwelling	231	***695***	$45.1m	***$75.3 m***
	Other	464		$30.2m	
08/09	Dwelling	189	***656***	$47.9m	***$60.9 m***
	Other	467		$13.0m	
09/10	Dwelling	172	***627***	$42.3m	***$70.2 m***
	Other	455		$27.7m	
10/11	Dwelling	182	***605***	$52.1m	***$68.6 m***
	Other	423		$16.5m	
11/12	Dwelling	152	***511***	$38.2m	***$53.6 m***
	Other	359		$15.4m	

**Other includes commercial, industrial and residential development ancillary to a dwelling*

Thirty five land division applications were processed creating an additional 652 allotments. 2% of all development applications processed were determined by the Council Development Assessment Panel.

Of the 515 development applications, Building Rules approvals were processed by Council for 326 applications, with the remaining 189 being issued by private certifiers. 376 building rules approval/compliance related inspections were carried out during the reporting period.

STREET TREE PLANTING PROGRAM AND STREETSCAPE ENHANCEMENT PROGRAM

More than 6,950 native and indigenous seedlings were planted throughout the natural gullies in our coastal areas and in our native gardens.

COASTAL PROTECTION WORKS

A total of $56,000 was spent on infrastructure to minimise sand erosion occurring and sand was carted to replenish the beaches, in partnership with the Coast Protection Board.

150 tonnes of waste was prevented from entering the sea by our gross pollutant traps along the coast.

FIRE PREVENTION ACTIVITIES

Council's fire prevention activities in preparation for the 2011/12 bush fire season culminated in the issue of 463 Hazard Reduction Notices. This was a reduction of 18% from the previous year. The fire prevention program included the slashing of road side areas and a number of vacant blocks.

HERITAGE PLAQUES

The first of a series of interpretive plaques were commissioned for local and state heritage places. 10 blue interpretive plaques have been received in preparation for placement on heritage places around Railway Terrace, Coral Street and Flinders Parade.

LOCAL HERITAGE INCENTIVES GRANT SCHEME

Council's Local Heritage Incentives Grant Scheme continued to operate during 2011/12 with a total of $10,000 made available in grant funding to owners of local heritage buildings. The grants served to advance the maintenance, enhancement and protection of these places. The scheme also provided heritage related support services such as advice on architectural heritage design.

CENTRAL BUSINESS DISTRICT (CBD) FAÇADE MAINTENANCE GRANT SCHEME

Council's Central Business District Façade Maintenance Grant Scheme continued to operate during 2011/12 with a total of $10,000 made available in grant funding to owners and tenants of the mainstreet precinct shops and businesses. The grants serve to encourage enhancement of the precinct image.

FINAL STAGE OF THE HERITAGE TRAIL LINKING PETREL COVE TO THE HEYSEN TRAIL AT KING'S BEACH ROAD COMPLETED

The Final Stage of the Heritage Trail was completed in 2011/12 linking to the Heysen Trail at Kings Beach Road. The trail provides a comfortable walk from Kent Reserve along Franklin Parade to the Bluff and along the picturesque cliff line to Kings Beach Road where it meets the Heysen Trail to Cape Jervis. Interpretive signage promotes an awareness of our cultural, environmental and historical heritage. Expenditure in 2011/12 was $116,000 including a Grant of $75,000 from the Open Space Grant Program.

RAILWAY PRECINCT PROJECT – WALKWAY

Council endorsed the 'Railway Precinct Project' and obtained a supporting State Government grant ('Places for People'), in 2011/12. In conjunction with the three adjoining property owners Council designed a public pedestrian walkway ('McLaren Lane') between Ocean Street and Railway Terrace. The walkway is complete and now provides a vital pedestrian link, encouraging greater accessibility and further enhancing the town centre.

SUPPORT FOR VOLUNTEERS

Council is very fortunate to have more than 450 volunteers involved in various Council programs, and as members of Council advisory committees.

Around 190 Council volunteers attended a function organised to enable staff and elected members to express their appreciation on behalf of the community to volunteers for their involvement in Council programs. The event was held in December 2011, in association with International Volunteers Day.

Around 100 volunteers also attended a breakfast at the Civic Centre, held in June, as a part of South Australia Volunteers Day.

In May 2012, Council's National Volunteer Week Small Grants Program allocated small grants to 27 non-profit community groups to celebrate and recognise the contribution of up to 725 community volunteers.

VICTOR HARBOR LIBRARY

In 2011/12 we have seen the further development of many existing programs. Personal Computer Help, Family History Help, Chess Club, Book Club and Children's Programmes all experienced record numbers.

Through kind donations totalling $6,500, from the Friends of the Victor Harbor Library and the Encounter Bay Family History Group the Library was able to refurbish its Local History Area. Pin boards, slat walls, and display cabinets were installed and hopefully this will make the area much more accessible.

An eye catching addition has been the installation of a Victor Harbor diorama donated by artist Will Hendrix and the Commonwealth Bank.

CARING NEIGHBOURHOOD PROGRAM CELEBRATES 15TH ANNIVERSARY

The Caring Neighbourhood Program recognises that maintaining social connection and involvement is vital in ensuring better health and well being. Volunteers provide companionship, friendship and links into the community for people who for a variety of reasons are not able to easily maintain those social connections.

The Caring Neighbourhood Program celebrated its 15th anniversary with a BBQ for volunteers and presentation of service awards.

Objective 4
Deliver excellence in leadership, service delivery and organisational management that underpins our strategic directions.

HIGHLIGHTS

TRAINING FOR STAFF TO OPTIMISE USE OF INFORMATION TECHNOLOGY

Council upgraded to a later version of Microsoft Office and staff were provided with a series of training courses. Support issues around the software were minimal due to this training which was provided by an external company.

ORGANISATIONAL MANAGEMENT

In 2011/12 Council commenced a number of tasks to ensure effective governance and legislative compliance including:

- Review of the Long Term Financial Plan, Asset Management Plan, and Ten Year Plant Replacement Program.
- Providing risk management training.
- Review of Council's public relations and communications strategies.
- Developing new communications strategies such as "Victor Viewpoint".

Council has continued to work with State and federal governments, neighbouring Councils and the non government sector to plan for and respond to the needs of the community.

RECOGNISING OUR COMMUNITIES ACHIEVEMENTS

Australia Day was celebrated with a citizen's breakfast assisted by members of the Victor Harbor Rotary Club, and an award ceremony on Warland Reserve, attended by approximately 300 people.

2012 Victor Harbor Australia Day Awards were presented to:

Citizen of the Year
Geoffrey Pfeiffer

Young Citizen of the Year
Victor Harbor High School Senior Band

Community Event of the Year
"Oliver" – the Musical

Mayor Graham Philp also conducted a Citizenship ceremony for nine new Australian citizens.

FINANCE

The Council prepared its 2011/12 Annual Business Plan in conjunction with the Annual Budget process. The Annual Business Plan is a framework of services, programs and projects for the year and provides important links and references to the Council's Strategic Plan and other long term plans and policies.

The Council's total rate revenue increased from $13.7 million in 2010/11 to $14.9million in 2011/12, a total increase in revenue of 9%. The increase included a 30% increase in the Natural Resources Management Levy collected by Council on behalf of the State Government. The average residential rates payable increased by 8.5% after discounting growth factors (i.e. subdivisions and property improvements).

Council adopted the Valuer-General's total capital valuation for the district of $3.9 billion of which $3.8 billion was rateable, representing a total valuation increase of 4.5% across all rateable properties.

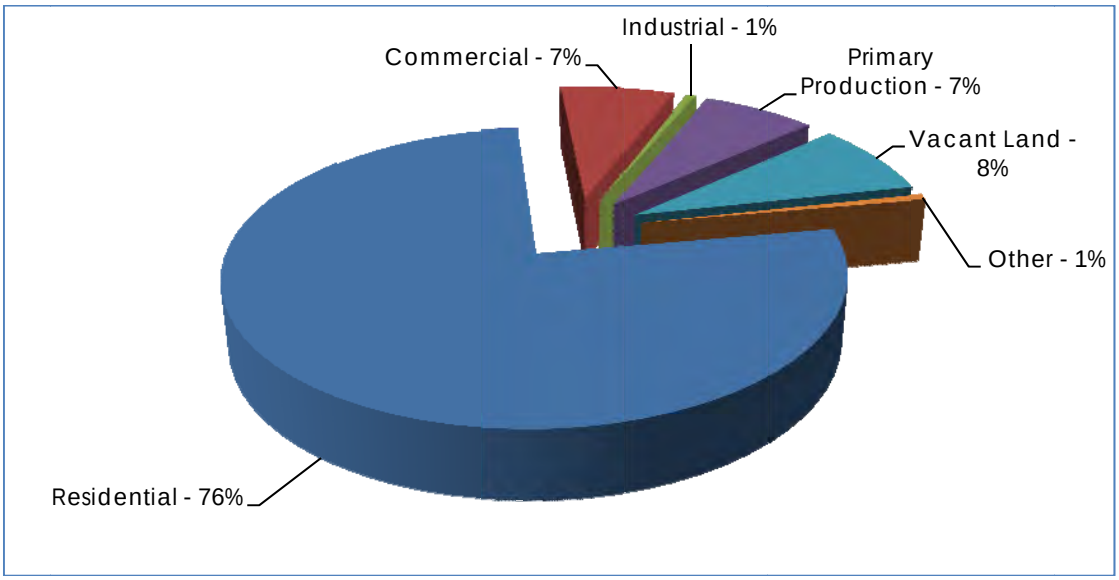
The adopted rates in the dollar were determined using the following land use categories:

LAND USE CATEGORY	DIFFERENTIAL BASIS	RATE IN THE DOLLAR
Residential	Base Rate	0.3011 cents
Commercial	Base Rate + 30%	0.3914 cents
Industrial	Base Rate + 15%	0.3463 cents
Primary Production	Base Rate – 15%	0.2559 cents
Vacant Land	Base Rate + 40%	0.4215 cents
Other	Base Rate	0.3011 cents

The fixed charge imposed by Council was increased from $280 to $300. This amount recovered 20% of the total rate revenue, with the remainder funded through the above differential rating structure.

Council's annual Commonwealth Financial Assistance Grant is distributed by the SA Local Government Grants Commission. The General Purpose component of the grant increased by 32% to $356,637 and Road Grants by 25% to $413,961. The significant increase is due to the receipt of two advance payments rather than one in late June.

RATE REVENUE BY CATEGORY

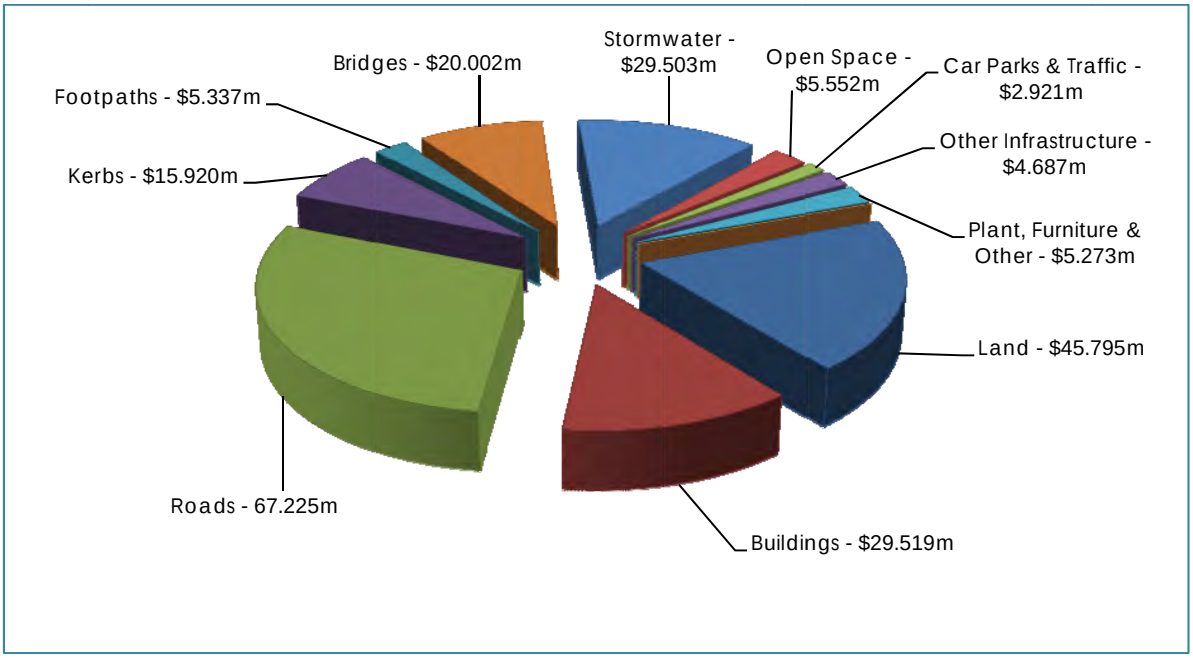


Council borrowed $2.06 million of a budgeted $3.2 million as funds were not required due to the removal or deferral of major projects such as Torrens Street drainage, purchase of land for cemetery, renovation of horse tram and the waste transfer station. Loan principal repayments of $940,007 were made during the year.

Council's existing asset base was increased by the inclusion of capital projects worth $4.7 million and subdivision infrastructure received from developers valued at $0.7 million. Revaluations of land, buildings, roads and kerbs resulted in an increase in the value of assets by $19.7 million.

Council's total assets were valued at $231.7 million as at 30 June 2012 and consist of the following:

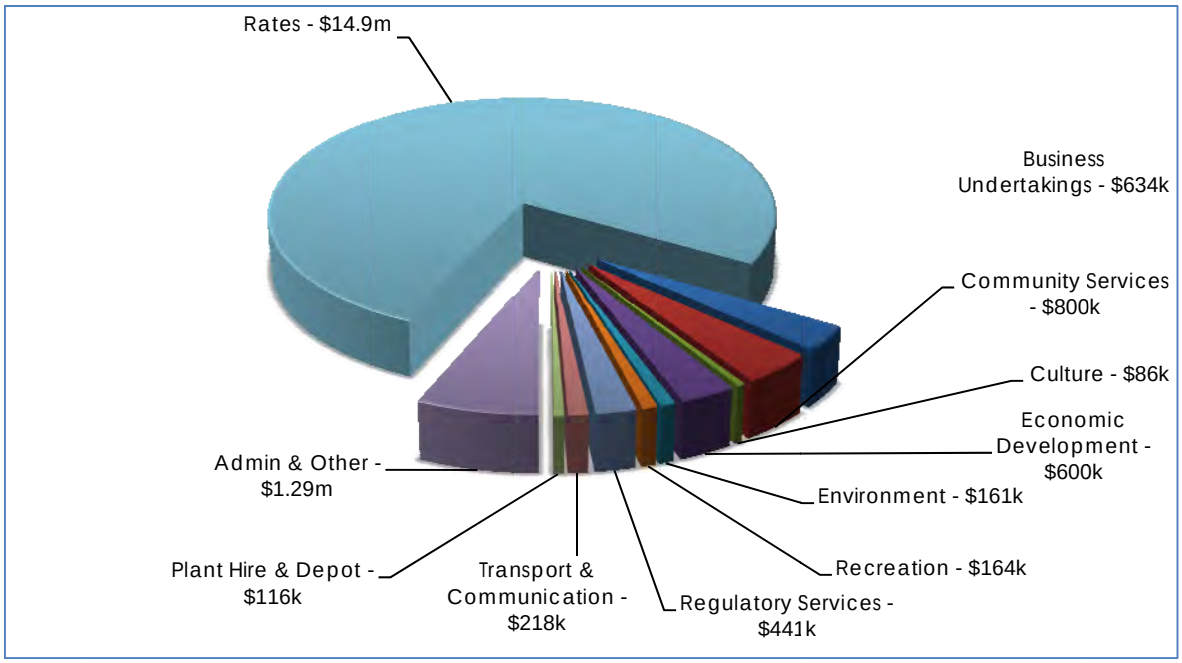
2011/12 ASSETS



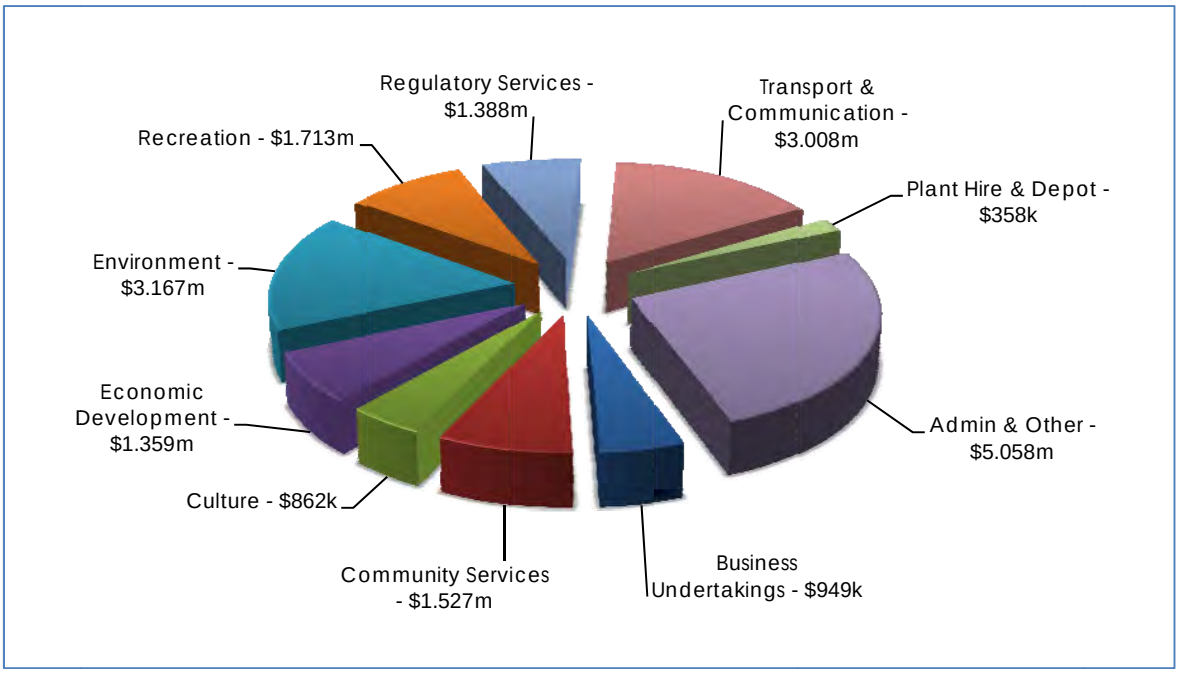
The 2011/12 Statement of Comprehensive Income indicates income of $19.410 million in operating income and $19.389 million in operating expenses. This results in an Operating Surplus of $21,000.

The following graphs indicate the proportions of the Operating Result by activity:

2011/12 OPERATING INCOME BY ACTIVITY

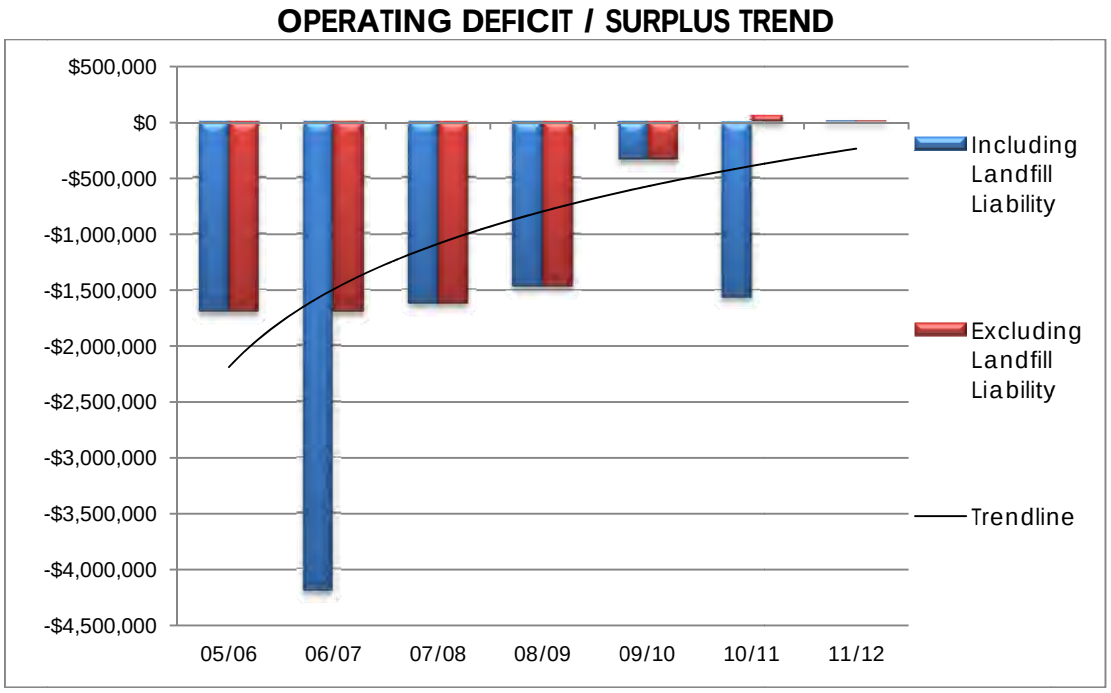


2011/12 OPERATING EXPENSES BY ACTIVITY



Council continued to acknowledge its responsibilities to strengthen its financial sustainability. The inclusion of financial indicators in the budgeting and annual reporting process provides Council with the opportunity to measure its financial performance and to identify and address any unfavourable trends.

The following chart shows the significant progress of Council towards reducing its operating deficit over the past seven years. The chart displays a favourable trend, notwithstanding the extraordinary items relating to landfill liability in 2006/07 and 2010/11.



The Council's audited financial statements for the year ended 30 June 2012 are provided as an appendix to the Annual Report.

ANNUAL BUSINESS PLAN 2012/13

Section 123 of the Local Government Act 1999 requires that Councils prepare an annual business plan and budget which provides a summary of Council's long term objectives, provides an outline of objectives and activities for the coming financial year, and provides an outline of how Council plans to measure its performance. The annual business plan needs to take into account Council's long term financial plan and other relevant issues.

The Act also requires that the annual business plan sets out proposed operating expenditure, capital expenditure and sources of revenue, the proposed rate structure, and the impact of the proposed rate structure on the community.

Council will develop and maintain essential infrastructure such as roads, footpaths, storm water drainage and open space. It will also provide regulatory services such as planning and development, parking regulation and food hygiene, and provide important services such as waste collection, libraries, community services and environmental management.

The Annual Business Plan 2012/13 shows how Council will allocate its budget and what services, programs and projects will be developed in the coming financial year to contribute to achieving the community's long term objectives.

The major components of the 2012/13 Annual Business Plan are:

Key Planned Activities	• 144 Key Planned Activities have been identified to contribute towards achieving Council's long term objectives.
Capital Budget	• $5.98 million of Capital Works. Major projects include Stormwater Drainage ($1.28m), Road Works ($1.65m), Footpaths ($310k) and Reserves and Recreation ($305k).
Operating Budget	• Operating Deficit of $49k including depreciation, in contrast to an expected Operating Deficit of $147k in 2011/12.
Loans	• New loans of $1.5 million, in line with the Long Term Financial Plan.
Rates	• General rate revenue of $15.9 million (additional 7.6%) • Average Residential Rate increase of 6.4%. • Fixed Charge increased to $310, to raise 20% of total rate revenue.
Rating Policy	• Differential rate percentages on all land use categories unchanged except for Primary Production (reduction of subsidy from 15% to 12.5%). • Differential on Commercial & Industrial properties to be used for economic development activities. • Rate capping for residential properties and opportunities for seniors rate postponements.
Financial Sustainability	• Operating Deficit of $49k (-0.3%) compared to an Operating Deficit of $147k (-1.0%) in 2011/12. • Net Financial Liabilities Ratio to increase from 81% to 95% • Asset Sustainability Ratio increase from 72% to 84%.

SIGNIFICANT PROJECTS FOR 2012/13

PROJECT	SUMMARY
PUBLIC CONVENIENCES	Provision has been made to supply and erect a public convenience within Starfish Park in the Rise Development adjacent Ocean Road ($60k).
WASTE MANAGEMENT	Council will undertake a joint waste transfer station with Alexandrina Council at the Goolwa Landfill. A contribution towards operating expenses ($100k) and an initial contribution to capital expenses ($200k). Waste collection services will continue to be provided by the Fleurieu Regional Waste Authority at a cost of $1.04 million.
STORMWATER DRAINAGE	Major stormwater drainage projects proposed are Breckan Avenue construction and San Remo Court stormwater upgrade. Torrens Street Drainage upgrade and Jagger Dam reconstruction will also be completed. Total cost of all projects is expected to be $1.28m.
PARKS, RESERVES AND SPORTING FACILITIES	Development and upgrade of the playground, furniture settings, barbeques and extension of the bikeway are proposed at the Soldiers Memorial Reserve. The Heritage Trail upgrade will continue. The Irrigation Upgrade Program will continue. Upgrade of facilities at the Youth Park. Construction of a Pontoon at the Bluff Boat Ramp. The total cost of parks, reserves and sporting facilities is expected to be ($305k). In addition, purchase of land for recreational purposes which was contracted in June 2012 will be settled in July and has been reflected in the budget.
ROADS AND FOOTPATHS	Total road construction allocation of $1.65 million includes major resealing and re-sheeting programs, and reconstruction of Harborview Terrace and Flinders Parade. Construction or extension of footpaths at Flinders Parade, Cornhill Road and the Foreshore Promenade, as well as replacement of footpaths in accordance with the Council's condition rating model ($310k).
PLANT AND EQUIPMENT	Council's grader changeover approximate price of ($250k). Other significant purchases include the replacement of a skid-steer loader and changeover of a truck.
BUSINESS ACTIVITIES	Significant development ($65k) within the Whale Centre has been planned including the installation of a large interactive map and a thematic entrance with photo booth.
OTHER PROJECTS	Construction of bitumen car park at the croquet/skate park, coastal protection works, establishment and fencing of a suitable site for a dog off-leash area, installation of guard railing and traffic management controls.
STRATEGIC MANAGEMENT PLANNING	A comprehensive review of the Council's Asset Management Plan, Asset Management Strategy and Capital Works Program will provide a firm direction and priority for the Council's infrastructure and asset needs for the next ten year period. The outcomes of these will be included into a review of the Long Term Financial Plan, which will provide important information and guidance for the Council to achieve and maintain financial sustainability. Additionally, Council has committed to undertaking organisational structure and service reviews.
GRANTS AND CONTRIBUTIONS	Council will continue to support local businesses and community organisations by providing a range of grant opportunities through community, sport and recreation, heritage and main street façade grants. Various rate rebates are also provided to community services and aged and disabled care providers while cash and in-kind donations are provided as necessary during the year.

2011/12 Key Planned Activities - End of Year Review

APPENDIX 1

Objective 1

Encourage a strong economy and a diversity of population while targeting younger people to live and work in the area.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

	Status	% Complete	Causative Factor	Definition
1.1. Facilitate an increase in workforce population				
Consider opportunities to promote Victor Harbor's assets in order to encourage new businesses that attract a younger demographic. (1.1.1)	On Track	Completed		
1.2. Facilitate an increase in business investment and employment opportunities				
Complete the review of Council's signage policies. (1.2.2)	Not on Track	80%	Capacity	Under estimation of workload against available staff resources
Prepare a design framework and concept plans for the Main Street Precinct/Ocean Street Streetscape. (1.2.11)	Not on Track	20%	Timeline	Forecast timelines ambitious
Review Strategic Direction Report (s30 Review) to align with 30 Year Plan for Greater Adelaide in accordance with Ministerial requirements. (1.2.12)	Not on Track	10%	Capacity	Under estimation of workload against available staff resources
Convene and participate in Local Government Regional Planning Forums as required by the Department of Planning for implementation of the 30 Year Plan for Greater Adelaide (including regional structure plan opportunities). (1.2.12) DR	Not on Track	0%	Environmental	Failure of external partners to achieve an agreed outcome
Initiate Enterprise DPA as per section 30 Review. (1.2.17; 1.2.18; 1.2.19; 1.2.20)	Not on Track	0%	Environmental	Unexpected external factors (legislative changes etc.)
Investigate the impacts and opportunities relating to the new South Australian Tourism Commission Regional Tourism Plan. (1.2.22)	On Track	Completed		
1.3. Plan for an improved range of and access to services				
Initiate Centres Review DPA as per section 30 Review. (1.3.1; 1.3.2; 1.3.4)	Not on Track	40%	Environmental	Matters outside of the organisations control
Commence town centre car parking strategy. (1.3.3)	Not on Track	0%	Council	Change of strategic direction which may cause conflict with the strategic management plan
Investigate a time payment option for contributions to Council's Car Parking Fund to facilitate new business establishment. (1.3.3)	Not on Track	20%	Capacity	Related to staff/resource numbers
1.4. Facilitate improved reputation and business climate				
Develop a program aimed at transferring the management of some festivals into community ownership.(1.4.1)	Not on Track	10%	Capacity	Related to staff/resource numbers
Develop an event impact monitoring tool and report framework for measuring and reporting the value of festivals and events. (1.4.1)	Not on Track	60%	Capacity	Related to staff/resource numbers
Organise/ stage the Whale Time/ Play Time Festival, and Rock & Roll Festival. (1.4.1)	On Track	Completed		
Organise and stage Railfest in partnership with Alexandrina Council and SteamRanger. (1.4.1)	Not on Track	0%	Environmental	Failure of external partners to achieve an agreed outcome
Develop a Business Differential Rates Expenditure Strategy for disbursement of Economic Development Fund. (1.4.4)	Not on Track	20%	Capacity	Under estimation of workload against available staff resources
Advocate so that fishing activities are not unreasonably impacted upon by Government proposals for the establishment of marine parks. (1.4.4)	Not on Track	0%	Environmental	Matters outside of the organisations control
Develop co-operative marketing opportunities with Kangaroo Island Sealink. (1.4.5)	On Track	Completed		
Initiate an off-peak marketing campaign with a focus on key western Victorian centres. (1.4.7)	On Track	Completed		
Further develop tourism support business opportunities, such as booking services, advertising packages and tour packages, at the Visitor Information Centre. (1.4.7)	On Track	Completed		
Identify the needs, opportunities and threats of new tourism related industries and businesses and develop strategies and activities to address these. (1.4.7)	Not on Track	0%	Capability	Relates to skills/knowledge
1.5. Encourage expansion into new and larger business markets				
Coordinate development of a local convention/conference facility marketing resource pack in partnership with appropriate local venues. (1.5.2)	Not on Track	10%	Capacity	Under estimation of workload against available staff resources

POPULATION AND HOUSING

1.6. Encourage an increase in provision of affordable housing				
Support the development of the Southern Fleurieu Housing Roundtable to encourage a coordinated and collaborative approach to the provision of housing and relate supports for special needs groups. (1.6.5)	On Track	Completed		
1.7. Plan for and encourage an increase in housing stock and diversity				
Progress Better Development Plan DPA. (1.7.6; 1.7.7)	On Track	Completed		
Investigate mapping possibilities for identification of appropriate areas for aged housing. (1.7.6; 1.7.7)	Not on Track	0%	Capacity	Under estimation of workload against available staff resources
Research performance standard criteria for housing for the aged. (1.7.7)	Not on Track	0%	Capacity	Under estimation of workload against available staff resources
1.8. Facilitate an increase in the proportion of permanent residents				

ACCESS AND COMMUNICATION

1.9. Advocate for improved information communication technology services				
Investigate social media opportunities relevant to local economic development and tourism. (1.9.4)	On Track	Completed		

2011/12 Key Planned Activities - End of Year Review	Status	% Complete	Causative Factor	Definition
1.10. Advocate for improved regional transport connections				
Meet regularly with Department of Transport, Energy & Infrastructure to discuss and resolve roads of concern throughout the Council area. (1.10.1)	On Track	Completed		
Investigate opportunities for a more collaborative approach to provision of community transport including vehicle sharing and volunteer driver accreditation. (1.10.2)	Not on Track	70%	Environmental	Matters outside of the organisations control
Support the Southern Communities Transport Scheme to assist transport disadvantaged people to access medical and other essential services. (1.10.6)	On Track	Completed		
1.11. Integrate transport services and land use planning				
Initiate Enterprise DPA as per section 30 Review. (1.11.1; 1.11.2; 1.11.3)	Not on Track	0%	Environmental	Unexpected external factors (legislative changes etc.)
1.12. Ensure safe road, cycle and pedestrian networks				
Commence the newly developed footpath installation and upgrade program as a result of the condition rating assessments undertaken during 2009/10 for Council asset management plans. (1.12.1; 1.12.4;1.12.5)	On Track	Completed		
Work with the Disability Access Committee to identify and upgrade problem footpath areas. (1.12.1)	On Track	Completed		
Work with Developers to ensure new land divisions have connectivity with existing road, cycle and pedestrian networks. (1.12.2)	On Track	Completed		
Review service standards and maintenance of existing footpaths. (1.12.3)	On Track	Completed		
Work with developers to ensure that proposed developments support the established road hierarchy. (1.12.6)	On Track	Completed		
Work with the Disability Access Committee to identify areas with the need for Disability Permit car parks. (1.12.9)	On Track	Completed		
Continue to implement bridge maintenance in accordance with Council's most recent asset management report on bridge structures, and further refine Council's works program for bridges. (1.12.11)	On Track	Completed		
Finalise the design of a pedestrian crossing in Ocean Street. (1.12.13) BH	Not on Track	0%	Environmental	Matters outside of the organisations control
1.13. Advocate for improved public transport services				
Advocate for improved regular passenger transport services. (1.13.1)	On Track	Completed		

COMMUNITY

1.14. Advocate for expanded options to access higher education and skills development				
Liaise with Regional Development Australia, registered training providers, schools, TAFE and employers regarding local work force education and training needs. (1.14.1)	On Track	Completed		
1.15. Support the development of a child and family friendly community				
Ensure all new major commercial developments include the provision of parenting facilities. (1.15.1)	On Track	Completed		
Model child safe practices to the community and encourage community and sporting groups to meet the requirements of Children's Protection Act. (1.15.2)	On Track	Completed		
Support the development of a Families Taskforce as a means of supporting a coordinated and collaborative approach to the development of a child friendly community. (1.15.3)	On Track	Completed		
Continue Playground Development Program – including upgrade of Youth Park & renewal at Soldiers Memorial Reserve. (1.15.4) BD	On Track	Completed		
Develop the Victor Harbor BMX track as per Recreation and Open Space Strategy. (1.15.4)	On Track	Completed		
1.16. Facilitate the development of an environment that supports positive ageing				
Undertake the construction of the Causeway Plaza Project (Stage 1). (1.16.1)	On Track	Completed		
1.17. Foster increased youth participation				
Support the Southern Fleurieu Youth Advisory Committee including the provision of opportunities for young people to plan, implement and participate in arts and cultural activities. (1.17.1)	On Track	Completed		

Objective 2

Achieve the sustainable provision of physical infrastructure and community services.

PHYSICAL INFRASTRUCTURE

2.1. Stage release of residential land ahead of growth and in line with staged services				
2.2. Encourage reduced waste generation and increased recovery and reuse of waste				
Progress the development of a suitable Waste Transfer Station to meet the needs of Victor Harbor. (2.2.1)	On Track	Completed		
Together with the Fleurieu Regional Waste Authority provide an efficient and sustainable waste collection service. (2.2.1)	On Track	Completed		
Investigate the development of "pyrolysis" waste reduction and energy generation at old landfill sites. (2.2.1)	Not on Track	50%	Capability	Relates to skills/knowledge
Replace current Wood Chipper to continue the practice of using all mulching in Council gardens and open space. (2.2.3)	On Track	Completed		
Monitor Council's landfill to meet EPA license requirements. (2.2.3)	On Track	Completed		
Implement Landfill closure actions for closure in 2012. (2.2.4)	Not on Track	90%	Environmental	Matters outside of the organisations control

2011/12 Key Planned Activities - End of Year Review	Status	% Complete	Causative Factor	Definition
2.3. Improve stormwater management through retention, detention, and reuse				
Undertake programmed stormwater drain maintenance and drain inlet upgrades as required in the Urban Stormwater Master Plan. (2.3.1)	On Track	Completed		
Continue with the design and construction of stormwater upgrades identified in the Urban Stormwater Masterplan, and included in Council's Ten Year Capital Works Program. (2.3.1)	On Track	Completed		
Review the strategies included in the Flood Management Master Plan and include priority measures in future budgets, and incorporate the findings of the Masterplan into the Development Plan and the Emergency Management Plan. (2.3.2)	On Track	Completed		
2.4. Maximise reuse of treated wastewater				
Investigate the development of a major food bowl activity located on prime agricultural land and utilising treated waste water. (2.4.1)	Not on Track	0%	Capacity	Under estimation of workload against available staff resources
Evaluate future water reuse options. (2.4.2)	Not on Track	60%	Timeline	Forecast timelines ambitious
2.5. Encourage reduced energy consumption through energy efficient development				
Initiate Climate Change Study as per section 30 Review. (2.5.1)	Not on Track	0%	Environmental	Matters outside of the organisations control
Investigate the application of "smart grid" systems development to promote energy efficiency. (2.5.2)	On Track	90%	Environmental	Matters outside of the organisations control
2.6. Encourage increased use of sustainable energy sources				
Promote and participate in the LGA Solar Councils Community Program. (2.6.1)	On Track	Completed		
Investigate feasibility of renewable energy system deployment for Council buildings and infrastructure (including street lighting). (2.6.2)	On Track	Completed		
Investigate and initiate alternative energy demonstration projects that would encourage businesses to reduce energy costs through use of sustainable energy alternatives. (2.6.2)	Not on Track	90%	Environmental	Matters outside of the organisations control
Prepare a program for priority areas where Council would like powerlines to be placed underground, and continue to apply for Power Line Environment Committee funding to enable to this to occur in a staged manner. (2.6.3)	Not on Track	0%	Council	Change of strategic direction which may cause conflict with the strategic management plan
Incorporate opportunities for "hybrid" street lighting into Ocean Street Streetscape Framework and Concept Design Process where appropriate and following feasibility evaluation. (2.6.4)	Not on Track	50%	Timeline	Forecast timelines ambitious

COMMUNITY

2.7. Plan for community meeting places responsive to community needs				
Complete the City of Victor Harbor Community Venues Study. (2.7.1; 2.7.2)	Not on Track	90%	Capacity	Under estimation of workload against available staff resources
2.8. Facilitate the effective provision of and access to health and community services				
Support networking forums that identify and formulate strategies to resolve critical health and human services issues. (2.8.1)	On Track	Completed		
Maintain up to date information on the community to assist external services and agencies to plan for the future needs of the community. (2.8.4)	On Track	Completed		
Provide a community grants program. (2.8.7)	On Track	Completed		
Support the development of the Fleurieu Community Foundation. (2.8.7)	On Track	Completed		
Develop a more coordinated and collaborative approach to the planning and delivery of service for families. (2.8.8)	Not on Track	90%	Timeline	Forecast timelines ambitious
Review the delivery of the immunisation program. (2.8.8)	On Track	Completed		
Review and develop a new Strategic Dog and Cat Management Plan. (2.8.8)	Not on Track	90%	Timeline	Forecast timelines ambitious
2.9. Create safe communities through appropriate urban design				
Incorporate crime preventative urban design guidelines into Better Development Plan DPA process. (2.9.1)	On Track	Completed		
Incorporate passive elements of crime prevention urban design into Ocean Street Streetscape Framework and Concept Design Process.(2.9.1)	Not on Track	10%	Timeline	Forecast timelines ambitious
Deliver Stage 3 of CCTV Project into town centre area. (2.9.2)	Not on Track	90%	Environmental	Failure of external partners to achieve an agreed outcome
Work with the youth sector to investigate opportunities for a youth space and independent learning centre for young people in Victor Harbor. (2.9.3)	Not on Track	90%	Environmental	Matters outside of the organisations control
2.10. Plan for the appropriate location of children's services, facilities for the aged, recreation and sporting facilities, education services and cemeteries				
Continue negotiations for a future cemetery site. (2.10.1; 2.10.4)	On Track	Completed		
2.11. Improve disability access and information services				
Review Council's Disability Discrimination Act Action Plan. (2.11.2)	Not on Track	10%	Capacity	Under estimation of workload against available staff resources
Incorporate improved disability access, where feasible, in toilet upgrades, playground and reserve development and beach access. (2.11.2)	On Track	Completed		

2011/12 Key Planned Activities - End of Year Review	Status	% Complete	Causative Factor	Definition
2.12. Ensure high quality open space and recreation facilities are provided and maintained				
Undertake reserve and street furniture upgrade programs. (2.12.1)	On Track	Completed		
Undertake playground renewal, development and upgrade. (2.12.1)	On Track	Completed		
Investigate options and costing for installation of playground equipment suitable for people with disabilities. (2.12.1)	On Track	Completed		
Investigate and implement where possible Disability Access including car parks and paths within reserves to facilities such as toilets, playgrounds and picnic facilities. (2.12.2)	On Track	Completed		
Develop guidelines for open space in new developments. (2.12.3)	Not on Track	20%	Capacity	Related to staff/resource numbers
Develop Stage 3 of the Heritage Trail linking Petrel Cove to the Heysen Trail at King's Beach Road. (2.12.6)	On Track	Completed		
Commence planning and construction of Bluff Walking Trail upgrade. (2.12.6)	Not on Track	40%	Capacity	Related to staff/resource numbers
Work with the Boating Facilities Working Party to refine the concept for an eastern boat ramp and obtain a preliminary cost estimate for Council's consideration. (2.12.8)	On Track	Completed		
Design of Bridge Terrace Reserve toilets as per Toilet Upgrade Program. (2.12.10)	On Track	Completed		
Investigate opportunities with private businesses and developers in the delivery of pubic realm infrastructure and urban design opportunities. (2.12.10)	Not on Track	10%	Environmental	Matters outside of the organisations control
Further develop the proposal of a privately contracted and operated regional aquatic complex. (2.12.11)	on track	completed		
Investigate integration of Council's Community Land Management Data Base into SynergySoft. (2.12.12)	Not on Track	50%	Capacity	Related to staff/resource numbers

Objective 3

Balance the pressures of high level growth with safeguarding the environment and lifestyle.

ENVIRONMENT

3.1. Protect ecological values and biodiversity				
Complete Water Quality and Conservation Action Plan as identified in the Environmental Management Plan. (3.1.2; 3.1.5)	Not on Track	30%	Timeline	Related to staff/resource numbers
Undertake Coastal Protection Program including seeking funding from the Coastal Protection Unit. (3.1.2; 3.1.13)	On Track	Completed		
Undertake Roadside Vegetation Program. (3.1.4)	On Track	Completed		
Undertake Pine Tree Removal Program. (3.1.4)	On Track	Completed		
Continue Street Tree Planting Program and Streetscape Enhancement Program. (3.1.4, 3.1.5)	On Track	Completed		
Implement Urban Forests Project Stage 2. (3.1.5)	On Track	Completed		
Undertake Native Vegetation Set Aside Revegetation Program. (3.1.6)	On Track	Completed		
Incorporate biodiversity conservation measures into the Better Development Plan DPA process. (3.1.11)	On Track	Completed		
3.2. Protect heritage, landscape and townscape values				
Facilitate Council's Local Heritage Incentives Grant scheme. (3.2.3)	On Track	Completed		
Facilitate CBD façade maintenance grants. (3.2.3)	On Track	Completed		
Develop Stage 3 of the Heritage Trail linking Petrel Cove to the Heysen Trail at King's Beach Road. (3.2.5)	On Track	Completed		
Complete Stage 1 of Railway Precinct Project – Walkway. (3.2.8)	Not on Track	90%	Timeline	Forecast timelines ambitious
3.3. Encourage a compact urban form				
3.4. Adapt to impacts of climate change				
Develop Victor Harbor Climate Change Action Plan as identified in Environmental Management Plan. (3.4.3)	Not on Track	20%	Capacity	Related to staff/resource numbers

COMMUNITY

3.5. Encourage a vibrant community culture				
Investigate future needs, options/strategies for performing arts venues. (3.5.2)	Cancelled	N/A		
Identify opportunities to develop an arts centre/gallery and workshop. (3.5.2)	Not on Track	10%	Capacity	Under estimation of workload against available staff resources
3.6. Encourage community interaction including participation in sport and recreation				
Support the provision of a volunteer referral service for residents wanting to get involved in community life, and share their skills and experiences. (3.6.3)	On Track	Completed		
Provide a Volunteer Week Small Grants Program to encourage groups to celebrate and recognise the contributions of their volunteers. (3.6.3)	On Track	Completed		
Investigate opportunities for social inclusion projects targeting the aged. (3.6.4)	On Track	Completed		
Support and further develop special interest groups in the library such as book clubs, the chess club, and the family history group. (3.6.5)	On Track	Completed		
Review the library's Local History services. (3.6.5)	On Track	80%	Timeline	Forecast timelines ambitious
Expand/Consolidate the library's Housebound Service. (3.6.6)	Not on Track	20%	Capacity	Related to staff/resource numbers

2011/12 Key Planned Activities - End of Year Review	Status	% Complete	Causative Factor	Definition
Expand Audio-Read Service at the library. (3.6.6)	On Track	Completed		
Update the 'Connecting Up' online database (community information). (3.6.6)	Not on Track	50%	Capacity	Related to staff/resource numbers
Maintain existing pedestrian/cycle links, implement Council's footpath construction and upgrade program, and continue to work with developers to ensure connectivity between developments for pedestrians and cyclists. (3.6.9)	On Track	Completed		
Undertake programmed line marking, maintenance and signage upgrades of the bike ways and shared paths. (3.6.9)	On Track	Completed		

Objective 4

Deliver excellence in leadership, service delivery and organisational management that underpins our strategic directions.

FINANCIAL AND OPERATIONAL SUSTAINABILITY

4.1. Undertake long term financial planning				
Undertake annual review of the Long Term Financial Plan, to incorporate major changes due to changes in annual budget and following review of the Asset Management Plan. (4.1.1)	Not on Track	30%	Council	Change of strategic direction which may cause conflict with the strategic management plan
4.2. Manage Council's financial assets to improve financial sustainability				
Review and consolidate Council's Treasury Management Policy. (4.2.3)	On Track	Completed		
4.3. Undertake infrastructure and asset management planning				
Review and continue purchase and replacement of fleet in line with Council's Ten Year Plant Replacement Program. (4.3.1)	Not on Track	50%	Council	Change of strategic direction which may cause conflict with the strategic management plan
Review and update Asset Management Plans, including a review of levels of service. (4.3.1)	On Track	Completed		
Review and update the Ten Year Capital Works Program to incorporate changes in the annual budget and Asset Management Plan. (4.3.2)	Not on Track	90%	Capacity	Related to staff/resource numbers
Continue development and update of Assetic asset management software to include land, building and possibly open space assets. (4.3.4)	Not on Track	50%	Capacity	Related to staff/resource numbers
Conduct revaluation and condition assessment of land, building and road assets. (4.3.6)	Not on Track	80%	Capacity	Related to staff/resource numbers
4.4. Investigate and develop opportunities to diversify Council's income stream				
Conduct rating review for 2012 application. (4.4.1)	On Track	Completed		
4.5. Exercise organisational risk management				
Complete an organisation wide risk management system, including addressing primary actions in the LGAMLS Risk Management Review Audit. (4.5.1)	Not on Track	50%	Performance	Failure of contractor/consultant to meet expected outcomes
Participate in the Good Governance Assessment Audit. (4.5.1)	On Track	Completed		
Complete preparation and consolidation of corporate risk register. (4.5.2)	Not on Track	50%	Performance	Failure of contractor/consultant to meet expected outcomes
Review methodology of internal audit processes and procedures. (4.5.3)	Not on Track	50%	Timeline	Forecast timelines ambitious
Provide risk management training for senior managers, managers and team leaders. (4.5.4)	On Track	Completed		
Develop project management practices to improve risk assessment and evaluation. (4.5.5)	Not on Track	50%	Performance	Failure of contractor/consultant to meet expected outcomes
Develop implement a project management framework for all Council service areas to utilise. (4.5.5)	Not on Track	80%	Capacity	Related to staff/resource numbers

ORGANISATIONAL DEVELOPMENT AND WORKFORCE

4.6. Provide a safe and healthy workplace				
Review and promote the LGA One System OHS&W Management System. (4.6.1)	On Track	Completed		
Develop and implement a document control system to meet the requirements of the LGA One System OHS&W Management System. (4.6.1)	On Track	Completed		
Develop a more robust system of staff consultation in relation to OHS&W. (4.6.1, 4.6.2, 4.6.3)	On Track	Completed		
Identify resources required to implement the LGA One System OHS&W. (4.6.1, 4.6.2, 4.6.3)	On Track	Completed		
Develop the 2011/2012 OHS&W Training Plan. (4.6.2)	On Track	Completed		
4.7. Develop an adaptable, skilled and satisfied workforce				
Develop a data base for staff training, with linkages to OHS&W, personal and professional development, and specific job requirements. (4.7.1)	Not on Track	50%	Capacity	Related to staff/resource numbers
Provide apprenticeships, traineeships and work experience opportunities. (4.7.2)	On Track	Completed		
Encourage and support staff to participate in the Local Government Leadership Challenge. (4.7.5)	On Track	Completed		
Develop a procedure for internal advertising of vacancies to support staff career development. (4.7.5)	Not on Track	90%	Timeline	Forecast timelines ambitious
Develop consistent volunteer management policies and practices across all areas of Council volunteer activity. (4.7.6)	Not on Track	80%	Capacity	Under estimation of workload against available staff resources

2011/12 Key Planned Activities - End of Year Review	Status	% Complete	Causative Factor	Definition
Ensure requirements are met in relation to the Department for Families and Communities, Child Safe Environments Compliance Statement. (4.7.6)	Not on Track	80%	Capacity	Under estimation of workload against available staff resources
Undertake an investigation to determine a preferred structure for human resource services to best meet the changing needs of the organisation. (4.7.7)	Not on Track	50%	Timeline	Forecast timelines ambitious
Implement quarterly meetings between senior staff and employee representatives to discuss any issues that arise from the Enterprise Bargaining Agreement, and other matters. (4.7.8)	On Track	Completed		
Make Human Resource section responsible for all future staff induction processes to ensure consistent induction and more effective integration of staff into the organisation. (4.7.9)	On Track	Completed		
Offer staff health assessments, skin cancer screenings, weight control programs, and back care programs. (4.7.10)	On Track	Completed		
Promote the on-line Healthy Lifestyle Program to staff. (4.7.10)	On Track	Completed		
4.8. Plan for the workforce needs for the future				
Create draft design plans for depot office and amenities upgrade to meet staff needs and legislative requirement. (4.8.1)	On Track	Completed		
Undertake succession planning in relation to key Council positions. (4.8.1; 4.8.2)	Not on Track	50%	Timeline	Forecast timelines ambitious
4.9. Apply appropriate technology and information systems that enhance service delivery				
Implement WYSE terminals (where possible) to reduce hardware capital costs, support costs, and running costs. (4.9.1)	Not on Track	50%	Capacity	Related to staff/resource numbers
Renew IT hardware on a regular basis to reduce the chance of failure, to increase up-time, and maintain a fleet of hardware under warranty. (4.9.1)	Not on Track	50%	Capacity	Related to staff/resource numbers
Investigate opportunities for virtual desktop software deployment. (4.9.1)	On Track	Completed		
Improve the usability, content and look of Council's corporate website and ensure that Council's website is maintained and updated to maximise consultation exposure to the community. (4.9.2)	Not on Track	90%	Capacity	Related to staff/resource numbers
Research best practice information technology service models and review internal methodologies. (4.9.3)	Not on Track	0%	Capacity	Related to staff/resource numbers
Provide staff with training opportunities on aspects of Council's computer operations and software. (4.9.4)	On Track	Completed		
Investigate an intranet service to consolidate and improve access to internal documents and processes. (4.9.4)	On Track	Completed		
Investigate opportunities to implement fibre optic cabling between sites in a cost effective manner including, private partnerships, commercial offerings, grant funding, joint project, in conjunction with other civil works, and/or national broadband network. (4.9.5)	On Track	Completed		
Reduce Council's risk of hardware failure through virtualisation of servers and by installing key equipment over multiple sites in low risk, secure locations. (4.9.6)	On Track	Completed		
Maintain relationships with participating councils for the bi-annual aerial photography flyover to occur in 2012/13. (4.9.7)	On Track	Completed		
4.10. Develop planning, business and resource management processes to support continuous improvement, innovation and excellent service delivery				
Review the internal processing of Section 7 Property Searches. (4.10.1)	Not on Track	0%	Capacity	Under estimation of workload against available staff resources

SERVICE DELIVERY

4.11 Engage with the community to identify their needs and expectations				
Review Council's public relations and communication's strategies. (4.11.1; 4.11.4)	Not on Track	30%	Capacity	Under estimation of workload against available staff resources
4.12 Ensure a high and efficient level of service delivery across the organisation				
Attain base line service excellence for Fleurieu Families through the DFC Service Excellence Program. (4.12.3)	On Track	Completed		
Undertake annual review and update of the Ten Year Capital Works Program to incorporate changes in the annual budget and Asset Management Plan. (4.12.2)	On Track	Completed		
Review and better define Council's complaints handling procedures including formal and informal options and Council's customer service philosophy. (4.12.3)	On Track	Completed		
Maintain new customer service module within SynergySoft. (4.12.3)	On Track	Completed		

GOVERNANCE AND COMMUNITY LEADERSHIP

4.13 Support elected members to fulfil their role as the governing body of Council				
Survey elected members to identify training requirements and develop a program of training for elected members. (4.13.2)	On Track	Completed		
4.14 Ensure legislative compliance				
Implement recommendations received as a result of the Good Governance Assessment Audit. (4.14.1; 4.14.2; 4.14.3)	Not on Track	30%	Timeline	Forecast timelines ambitious
Develop systems for maintaining and monitoring legislative compliance. (4.14.3)	Not on Track	80%	Timeline	Forecast timelines ambitious
4.15 Increase participation of the community in local government planning, operations, and elections				
Investigate profiling Elected Members in the local newspaper. (4.15.1)	Not on Track	0%	Capacity	Related to staff/resource numbers
Develop new communication and consultation strategies including social media and "Victor Viewpoint". (4.15.3)	Not on Track	60%	Capacity	Under estimation of workload against available staff resources
4.16 Develop inter-governmental and regional relationships				
Work with State and Federal government, neighbouring Councils and the non government sector to plan for and respond to the needs of the community. (4.16.2)	On Track	Completed		

2011/12 Key Planned Activities - End of Year Review	Status	% Complete	Causative Factor	Definition
4.17 Ensure that Council operates in a strategically planned environment				
Review format and content of budget review and annual reporting processes to report more strategically. (4.17.1)	On Track	Completed		
Develop and Implement an accessible strategic document reference source for all staff. (4.17.1)	Not on Track	80%	Timeline	Forecast timelines ambitious
Broaden strategic references in Council reports to include all relevant strategic documents. (4.17.2)	On Track	Completed		
4.18 Foster and demonstrate community leadership				
Support and recognise our community's achievements through Australia Day Awards and other opportunities. (4.18.3)	On Track	Completed		

APPENDIX 2

STRATEGIC INDICATORS

Objective 1
Encourage a diversity of population while targeting younger people to live and work in the area.

Indicator	Measure	Trend	2011/12 Target	2011/12 Result	2012/13 Target
Employment and Economic Development					
Workforce population	% of population in the workforce (Census data)	Maintain or increase	Not available 2011/12	Not available in 2011/12	44% or higher
	% of population unemployed (DFEEST data)	Maintain or decrease	No target for 2011/12	Not applicable	7.5% or lower
	Number of people employed in local businesses (Internal data base)	Maintain or increase	4,300	5,195	5,000 or more
Business investment and employment	Number of businesses (Internal data base)	Maintain or increase	900 or more	985	920 or more
Tourism and hospitality	Numbers attending key Council organized festivals and events (Internal data base)	Maintain or increase	No target for 2011/12	Not applicable	7,000 or more
	Average visitor spend at key Council organized festivals and events (Internal data base)	Maintain or increase	No target for 2011/12	Not applicable	$39 or more
Population and Housing					
Proportion of younger people	% of population under the age of 45 (Census data)	Maintain or increase	Not available 2011/12	Not available 2011/12	39% or greater
	Median age (Census data)	Maintain or decrease	Not available 2011/12	Not available 2011/12	54 years or less
Proportion of permanent residents	% of occupied dwellings (Census data)	Maintain or increase	Not available 2011/12	Not available 2011/12	71% or greater
Housing affordability	Median rent compared to Australia (Census data)	Maintain or decrease	Not available 2011/12	Not available 2011/12	84% or less
	Median housing loan repayment compared to Australia (Census data)	Maintain or decrease	Not available 2011/12	Not available 2011/12	75% or less
Connectivity					
Use of public transport services	People using community transport services - passenger trips (internal data base)	Maintain or increase	11,600 or more	12,026	11,600 or more
Information technology services	% of occupied households with an internet connection (Census data)	Maintain or increase	Not available 2011/12	Not available 2011/12	54% or greater
Road, cycle and pedestrian networks	Maintaining roads, footpaths and cycle track index. (Local Government CPM Index)	Better than the state average	6.19	5.94	2012/13 state average or better
Community					
Child and family friendly community	% of family households consisting of children (Census data)	Maintain or increase	Not available 2011/12	Not available 2011/12	30% or greater
Youth participation	Number of young people participating in Council youth activities and events (Internal data base)	Maintain or increase	650 or more	650	650 or more

Objective 2
Achieve the sustainable provision of physical infrastructure and community services.

Indicator	Measure	Trend/Measure	2011/12 Target	2011/12 Result	2012/13 Target
Physical Infrastructure					
Effective management of urban growth	To be developed	To be developed	To be developed	Not applicable	To be developed
Storm water and waste water reuse	Quantity of storm water and waste water reused by Council	Maintain at current level or increase	To be developed	Not applicable	To be developed
Energy efficient design/construction	To be developed	To be developed	To be developed	Not applicable	To be developed
Community					
Perceptions on safety and security	Safety and security (Local Government CPM Index)	Better than the state average	94.79 or higher	100.86	2012/13 state average or better
Accessibility to services, amenities and facilities	Quality of Life (Local Government CPM Index)	Better than the state average	92.36 or higher	91.01	2012/13 state average or better
Provision of parks, reserves and open space	Providing & maintaining sporting facilities, parks, gardens and playgrounds (Local Government CPM Index)	Better than the state average	7.17 or higher	6.42	2012/13 state average or better
Provision of community meeting places	Providing and maintaining community halls and cultural buildings (Local Government CPM Index)	Better than the state average	6.68 or higher	6.43	2012/13 state average or better
Provision of disability access and information services	Providing and maintaining facilities for the aged disabled and special needs groups (Local Government CPM Index)	Better than the state average	6.55 or higher	6.64	2012/13 state average or better

Objective 3
Balance the pressure of high level of growth with safeguarding the environment, lifestyle and prosperity.

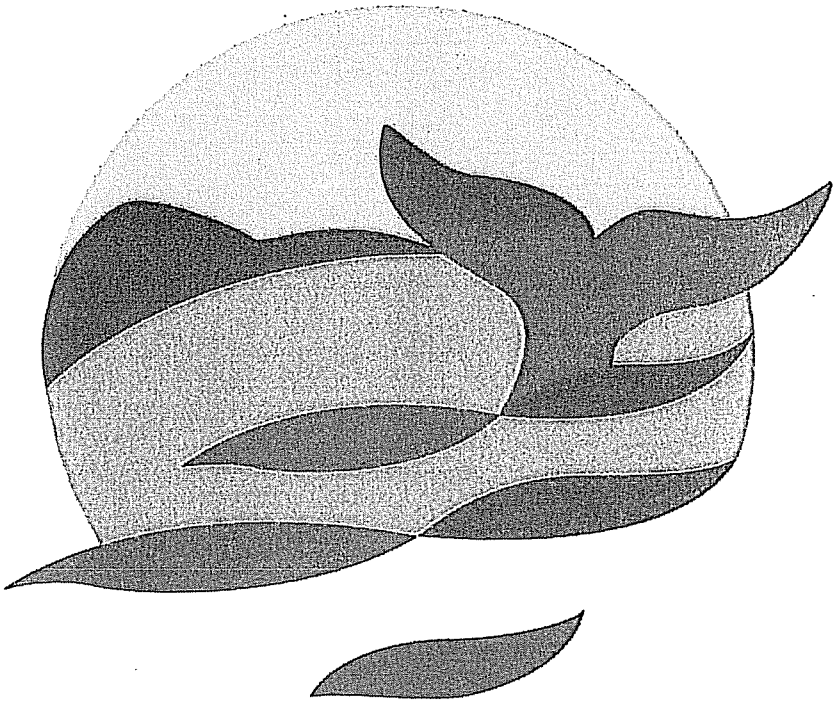
Indicator	Measure	Trend/Measure	2011/12 Target	2011/12 Result	2012/13 Target
Environment					
Safeguarding ecological values and biodiversity	To be developed	Maintain or increase	To be developed	Not applicable	To be developed
Encouraging compact urban form	% of occupied dwellings that are semi – detached, terraces, townhouses, units or apartments (Census data)	Maintain or increase	Not available 2011/12	Not available 2011/12	12% or greater
Addressing the impacts of climate change	Carbon savings through the use of renewable energy – number of buildings with solar panels (Clean Energy Council)	Maintain at current levels or increase	Not available 2011/12	Not available 2011/12	40% or greater
Community					
Community interaction	% of people who volunteer (Census data)	Maintain or increase	Not available 2011/12	Not available 2011/12	28% or greater
	Number of registered volunteers with Council programs (Internal data base)	Maintain or increase	450 or more	471	450 or more
	Number of people who access Council's library (Internal data base)	Maintain or increase	145,000 or more	138,000	145,000 or more

Objective 4
Deliver excellence in leadership, service delivery and organisational management that underpins our strategic directions.

Indicator	Measure	Trend/Measure	2011/12 Target	2011/12 Result	2012/13 Target
Financial and Operational Sustainability					
Financial sustainability	Operating Surplus Ratio	0% or greater	0% or greater	0%	0% or greater
	Net Financial Liabilities Ratio (Council financial statements)	80% or lower	75% or lower	72%	80% or lower
Asset sustainability	Asset Sustainability Ratio (Council financial statements)	Average of 80% over a 3 year period	80%	48%	80%
Organisational Development and Workforce					
Safe and healthy workplace	Number of Lost Time Claim Injuries (OHS&W Injury Management Statistics)	OHS&W Injury Management Benchmark	4 or less	2	Determined at start of financial year
	Compliance with OHS&W Risk Management Legislation (Internal and external audits)	Maintain Exempt Employer Status	Maintain Status	Status maintained	Maintain Status
Satisfied workforce	Staff turnover (Internal data base)	Maintain or decrease	5% or less	6.35%	5% or less
Effective risk management	Risk Management Processes(LGMLS Risk Management Audit)	Continual improvement	To be developed	To be developed	To be developed
Service Delivery					
Engaging with the community	Community Consultation (Local Government CPM Index)	Better than the state average	84.82 or higher	86.86	2012/13 state average or better
Access to Council information, documents and meetings	Public Access to Information (Local Government CPM Index)	Better than the state average	88.93 or higher	93.67	2012/13 state average or better
	Hits on Council's website (Internal data)	Maintain or increase	No target set for 2011/12	Not applicable	10% increase
Providing services and facilities	Providing services & facilities for the community (Local Government CPM Index)	Better than the state average	106. 0 or higher	106.38	2012/13 state average or better
Customer service satisfaction	Customer service delivery – (Local Government CPM Index)	Better than the state average	92.05 or higher	93.01	2012/13 state average or better
Governance and Community Leadership					
Community participation in local government	Proportion of eligible voters voting in general Council elections (State Electoral Commission)	Maintain or increase	Not available in 2011/12	Not available in 2011/12	Not available in 2011/12
	Number of community members on Council committees (Internal data)	Maintain at current levels or increase	80 or more	86	80 or more
Decision making	Investigations by the Ombudsman identifying deficiencies in administration/governance (Internal data and Ombudsman's Report)	Maintain at current level or decrease	Nil	Nil	Nil
	Good Governance Assessment Audit (Internal and external audits)	Rating score of "Good" or better	Rating score of "Good" or better	Rating of "Good"	Rating score of "Good" or better
Awareness of long term and strategic objectives	Making the community aware of long term strategic objectives (Local Government CPM Index	Better than the state average	82.75 or higher	84.45	2012/13 state average or better

APPENDIX 3

city of
Victor Harbor



FINANCIAL STATEMENTS

for the financial year ended

30 June 2012

City of Victor Harbor

General Purpose Financial Reports
for the year ended 30 June 2012

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City of Victor Harbor

ANNUAL FINANCIAL STATEMENTS

for the year ended 30th June 2012

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 2012 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council's accounting and other records.

Graeme Maxwell
CITY MANAGER

Graham Philp
MAYOR

Date: 29th October 2012

City of Victor Harbor

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2012

	Notes	2012 $'000	2011 $'000
INCOME			
Rates	2	14,943	13,669
Statutory charges	2	434	473
User charges	2	1,687	2,051
Grants, subsidies and contributions	2	1,364	1,520
Investment income	2	271	290
Reimbursements	2	388	509
Other income	2	287	309
Net gain - joint ventures & associates	19	36	84
Total Income		19,410	18,905
EXPENSES			
Employee costs	3	6,570	6,622
Materials, contracts & other expenses	3	7,282	8,784
Depreciation, amortisation & impairment	3	4,597	4,158
Finance costs	3	940	911
Total Expenses		19,389	20,475
OPERATING SURPLUS / (DEFICIT)		21	(1,570)
Asset disposal & fair value adjustments	4	(576)	(371)
Amounts received specifically for new or upgraded assets	2	1,083	1,108
Physical resources received free of charge	2	773	2,670
NET SURPLUS / (DEFICIT)		1,301	1,837
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	19,667	5,855
Impairment (expense) / recoupments offset to asset revaluation reserve	9	372	943
Total Other Comprehensive Income		20,039	6,798
TOTAL COMPREHENSIVE INCOME		21,340	8,635

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

City of Victor Harbor

BALANCE SHEET

as at 30 June 2012

	Notes	2012 $'000	2011 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,569	4,778
Trade & other receivables	5	1,080	1,067
Inventories	5	256	253
Total Current Assets		4,905	6,098
Non-current Assets			
Financial Assets	6	735	809
Equity accounted investments in Council businesses	6	120	84
Infrastructure, Property, Plant & Equipment	7	231,734	210,697
Other Non-current Assets	6	317	693
Total Non-current Assets		232,906	212,283
Total Assets		237,811	218,381
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	2,283	3,866
Borrowings	8	1,294	1,059
Provisions	8	760	2,151
Total Current Liabilities		4,337	7,076
Non-current Liabilities			
Borrowings	8	13,914	13,148
Provisions	8	980	917
Total Non-current Liabilities		14,894	14,065
Total Liabilities		19,231	21,141
NET ASSETS		218,580	197,240
EQUITY			
Accumulated Surplus		54,392	52,429
Asset Revaluation Reserves	9	161,975	141,936
Other Reserves	9	2,213	2,875
TOTAL EQUITY		218,580	197,240

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 2012

2012	Notes	Accumulated Surplus $'000	Asset Revaluation Reserve $'000	Other Reserves $'000	TOTAL EQUITY $'000
Balance at end of previous reporting period		52,429	141,936	2,875	197,240
Restated opening balance		52,429	141,936	2,875	197,240
Net Surplus / (Deficit) for Year		1,301	-	-	1,301
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	19,667	-	19,667
Impairment (expense) / recoupments offset to asset revaluation reserve		-	372	-	372
Transfers between reserves		662	-	(662)	-
Balance at end of period		54,392	161,975	2,213	218,580

2011					
Balance at end of previous reporting period		50,729	135,138	2,738	188,605
Restated opening balance		50,729	135,138	2,738	188,605
Net Surplus / (Deficit) for Year		1,837	-	-	1,837
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	5,855	-	5,855
Impairment (expense) / recoupments offset to asset revaluation reserve		-	943	-	943
Transfers between reserves		(137)	-	137	-
Balance at end of period		52,429	141,936	2,875	197,240

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

City of Victor Harbor

CASH FLOW STATEMENT

for the year ended 30 June 2012

	Notes	2012 $'000	2011 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts		18,038	19,581
Investment Receipts		301	345
Payments			
Operating Payments to suppliers & employees		(15,458)	(15,169)
Finance Payments		(1,158)	(1,130)
Net Cash provided by (or used in) Operating Activities	11	1,723	3,627
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		1,083	799
Sale of replaced assets		187	232
Sale of surplus assets		66	1
Repayments of loans by community groups		74	39
Payments			
Expenditure on renewal/replacement of assets		(3,083)	(1,636)
Expenditure on new/upgraded assets		(2,260)	(1,127)
Loans made to community groups		-	(500)
Net Cash provided by (or used in) Investing Activities		(3,933)	(2,192)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings		2,060	1,200
Payments			
Repayments of Borrowings		(1,059)	(911)
Net Cash provided by (or used in) Financing Activities		1,001	289
Net Increase (Decrease) in cash held		(1,209)	1,724
Cash & cash equivalents at beginning of period	11	4,778	3,054
Cash & cash equivalents at end of period	11	3,569	4,778

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 2012

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AAS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), 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

The 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.

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

3 Income Recognition

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

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

Council has recognised the advance payment of $287,185 of the 2012/13 financial grants as income in the 2012 Statement of Comprehensive Income (2011: $136,573) in accordance with the recommendation provided by the Local Government Association of S.A.

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 is made for monies the receipt of which are 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 form 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.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

6 Infrastructure, Property, Plant and Equipment

6.1 Initial Recognition

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

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

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

6.2 Materiality

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

Buildings	$10,000	Plant and Machinery	$5,000
Roads, Drainage and other Infrastructure	$10,000	Minor Plant and Loose Tools	$500
Reserve Furniture and Equipment	$500	Office Furniture and Equipment	$500

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 7.

6.4 Depreciation of Non-Current Assets

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

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

	Useful Life	Residual Value		Useful Life	Residual Value
Buildings	10-100 years	nil-60%	Park Furniture	10-40 years	10%
Sealed Roads – Surface	16-30 years	5%	Playground equipment	15-50 years	nil-10%
Sealed Roads – Structure	50-60 years	25%-33%	Walkways and Trails	15-50 years	nil-10%
Unsealed Roads	15 years	33%	Major Plant and Machinery	2-20 years	20%
Kerbing	70 years	25%	Fleet	2-6 years	70%
Footpaths	30-50 years	25%	ICT Equipment	5-10 years	nil
Bridges – Concrete	100 years	nil-25%	Office Furniture	10 years	nil
Traffic Devices	20-45 years	nil-25%	Library Books	2-7 years	nil
Stormwater Drainage	100 years	nil-30%	Artworks	not applicable	nil

6.5 Impairment

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

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

6.5 Impairment (continued)

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

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

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 . 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 and 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 and 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".

9 Employee Benefits

9.1 Salaries, Wages and Compensated Absences

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

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

Weighted average discount rate	2.87%	(2011: 4.79%)
Weighted average settlement period	5 years	(2011: 5 years)

Council has recognised a current liability for Long Service Leave benefits for all employees who have completed seven years service as at reporting date, with all other employees' benefits classified as a non-current liability.

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 Construction Contracts

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

12 Joint Ventures and Associated Entities

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

13 Leases

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 terms, leased payments are charged to expense over the lease term.

14 GST Implications

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

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

15 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2012 reporting period and have not been used in preparing these reports.

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

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

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

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

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Note 2 - INCOME

	Notes	2012 $'000	2011 $'000
RATES REVENUES			
General Rates		14,706	13,492
Less: Mandatory rebates		(99)	(71)
Less: Discretionary rebates, remissions & write offs		(38)	(37)
		14,569	13,384
Other Rates (including service charges)			
Natural Resource Management levy		292	224
		292	224
Other Charges			
Penalties for late payment		66	58
Legal & other costs recovered		16	3
		82	61
		14,943	13,669
STATUTORY CHARGES			
Development Act fees		69	90
Town Planning fees		132	192
Health & Septic Tank Inspection fees		6	9
Animal registration fees & fines		71	71
Parking fines / expiation fees		123	68
Search Fees		20	28
Sundry		6	7
Other licences, fees, & fines		7	8
		434	473
USER CHARGES			
Cemetery Fees		98	121
Caravan Park		273	273
Community Transport		103	97
Horse Drawn Tram *		155	426
Recreation Centre		72	81
Parking Fees		98	100
Whale Centre		183	163
Tourism Marketing & Sales		495	481
Waste Recycling & Disposal		-	84
Other Leases, Hires and Rentals		179	185
Sundry		31	40
		1,687	2,051
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		197	255
Banks & other		16	8
Loans to community groups		58	27
		271	290

**** Individually Significant Item***

The Horse Drawn Tram was closed for 7 months during 11/12. This was due to both Council's Causeway Plaza Upgrade and repair works to the Causeway by the Department of Planning, Transport and Infrastructure.

This has materially decreased Council's operating income from this source by approximately 63% compared to 10/11		155	426

NOTE 2 - INCOME (continued)

	Notes	2012 $'000	2011 $'000
REIMBURSEMENTS			
Council Contributions		234	248
Employee Reimbursements		15	17
Private Works		8	134
Utilities, Insurance and Cleaning		63	58
Other		68	52
		388	509
OTHER INCOME			
Community Services		35	21
Donations and Contributions		25	28
Workers Compensation Premium / Claims		153	169
Insurance Claims		28	50
Tourism and Culture		14	20
Sundry		32	21
		287	309
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		1,077	1,383
Individually significant item - additional Grants Commission payment *	12	287	137
Amounts received specifically for new or upgraded assets		1,083	1,108
		2,447	2,628
The functions to which these grants relate are shown in Note 12.			
Sources of grants			
Commonwealth Government		936	877
State Government		1,411	1,362
Other		100	389
		2,447	2,628

**** Individually Significant Item***

On 28 June 2011, Council received payment of the first instalment of the 2011/12 Grant Commission (FAG) grant. Similarly, on 28 June 2012 Council received payment of the first *two* instalments of the 2012/13 grant.

This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt.

Similarly material adverse effects will be experienced when the timing of these grant payments is restored to normal schedule. It is not known when this will occur.

	287	137

NOTE 2 - INCOME (continued)

	Notes	2012 $'000	2011 $'000
Conditions over grants & contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		*956*	*1,145*
Less: expended during the current period from revenues recognised in previous reporting periods			
Causeway Plaza		*(635)*	*(309)*
Railway Precinct Walkway		*(201)*	
Subtotal		*(836)*	*(309)*
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Causeway Plaza		*(45)*	*45*
Trails and Bikeways		*(75)*	*75*
Subtotal		*(120)*	*120*
Unexpended at the close of this reporting period			*956*
Net increase (decrease) in assets subject to conditions in the current reporting period		*(956)*	*(189)*

** Individually Significant Items*

PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
Footpaths		107	141
Sealed Roads		259	306
Stormwater		335	2,131
Kerbing		72	92
TOTAL PHYSICAL RESOURCES RECEIVED		773	2,670
ASSET DISPOSAL AND FAIR VALUE ADJUSTMENTS			
Net Gain (Loss) on Disposal or Revaluation of Assets	4	(576)	(371)

City of Victor Harbor

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

Note 3 - EXPENSES

	Notes	2012 $'000	2011 $'000
EMPLOYEE COSTS			
Salaries and Wages		5,392	5,190
Employee leave expense		682	653
Superannuation - defined contribution plan contributions	18	364	351
Superannuation - defined benefit plan contributions	18	157	169
Workers' Compensation Insurance		276	277
Other		120	385
Less: Capitalised and distributed costs		(421)	(403)
Total Operating Employee Costs		6,570	6,622
Total Number of Employees		*90.3*	*87.4*
(Full time equivalent at end of reporting period)			
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the financial reports		13	12
Elected members' expenses		164	153
Election expenses		-	38
Operating Lease Rentals - minimum lease payments	17	117	124
Subtotal - Prescribed Expenses		294	327
Other Materials, Contracts & Expenses			
Individually Significant Items		-	1,632
Materials		770	1,072
Energy & Water		692	618
Professional services		417	267
External Plant Hire		99	125
Insurances		359	337
Waste Services		1,106	918
Legal Expenses		151	97
Levies paid to government:			
NRM Levy		291	223
Other Levies		16	34
Advertising		87	64
Information and Communications		241	226
Donations & Contributions		175	134
Rates & Taxes		44	45
Regional Board Contributions		70	68
Street Cleaning		78	74
Tourism / Culture & Economic Development		558	515
Environmental Projects		262	582
Community Service Projects		351	484
Asset Maintenance		742	620
Sundry		479	322
Subtotal - Other Materials, Contracts & Expenses		6,988	8,457
		7,282	8,784
INDIVIDUALLY SIGNIFICANT ITEMS			
Landfill siteworks in preparation for closure		-	*619*
Landfill capping and post closure - increase in provision		-	1,013
			1,632

Note 3 - EXPENSES (cont)

	Notes	2012 $'000	2011 $'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation *			
Buildings		952	704
Roads		1,521	1,511
Kerbing		170	164
Footpaths		119	111
Bridges		235	268
Stormwater Drainage		280	232
Open Space		381	261
Carparks & Traffice Devices		109	68
Other Infrastructure		84	102
Plant & Equipment		536	532
Furniture & Fittings		100	99
Artworks		-	-
Library Materials		134	132
		4,621	4,184
Less: Capitalised and distributed costs		(24)	(26)
		4,597	4,158
FINANCE COSTS			
Interest on overdraft and short-term drawdown		9	-
Interest on Loans		931	911
		940	911

** The increase in depreciation for the year 2011/12 of approx. $439,000 (10%) was largely due to depreciation on capital additions during the year and the impact of revaluations of certain fixed assets as at 30 June 2011.*

City of Victor Harbor

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2012 $'000	2011 $'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		187	232
Less: Carrying amount of assets sold		671	552
Gain (Loss) on disposal		(484)	(320)
Assets surplus to requirements			
Proceeds from disposal		66	1
Less: Carrying amount of assets sold		158	52
Gain (Loss) on disposal		(92)	(51)
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		(576)	(371)

City of Victor Harbor

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

Note 5 - CURRENT ASSETS

	Notes	2012 $'000	2011 $'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		560	295
Deposits at Call		3,009	4,483
		3,569	4,778
TRADE & OTHER RECEIVABLES			
Rates - General & Other		698	526
Council Rates Postponement Scheme		5	2
Accrued Revenues		69	60
Fines, Fees & Charges		120	122
Other levels of Government		73	226
GST Recoupment		39	58
Prepayments		2	4
Loans to community organisations		74	69
		1,080	1,067
INVENTORIES			
Stores & Materials		228	206
Trading Stock		28	47
		256	253

Note 6 - NON-CURRENT ASSETS

	Notes	2012 $'000	2011 $'000
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		735	809
TOTAL FINANCIAL ASSETS		735	809
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL			
Fleurieu Regional Waste Authority	19	120	84
		120	84
OTHER NON-CURRENT ASSETS			
Capital Works-in-Progress		317	693
		317	693

City of Victor Harbor

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2011 $'000				2012 $'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	49,933	-	-	49,933	45,795	-	-	45,795
Buildings	37,178	234	(12,014)	25,398	46,939	-	(17,421)	29,518
Roads	70,243	947	(19,335)	51,855	85,161	-	(17,935)	67,226
Kerbing	15,253	158	(2,168)	13,243	18,581	-	(2,660)	15,921
Footpaths	5,570	501	(995)	5,076	5,407	962	(1,032)	5,337
Bridges	26,403	-	(6,200)	20,203	26,403	35	(6,436)	20,002
Stormwater Drainage	35,867	-	(6,601)	29,266	35,867	539	(6,903)	29,503
Open Space	9,218	-	(4,166)	5,052	9,252	847	(4,547)	5,552
Carparks & Traffic	3,979	-	(949)	3,030	3,979	-	(1,058)	2,921
Other Infrastructure	1,629	1,162	(840)	1,951	2,196	3,415	(924)	4,687
Plant & Equipment	-	6,315	(2,661)	3,654	-	6,045	(2,765)	3,280
Furniture & Fittings	-	1,806	(462)	1,344	-	1,838	(561)	1,277
Artworks	277	-	-	277	277	-	-	277
Library Materials	929	-	(514)	415	888	-	(450)	438
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	256,479	11,123	(56,905)	210,697	280,745	13,681	(62,692)	231,734
Comparatives	*246,993*	*10,718*	*(54,944)*	*202,767*	*256,479*	*11,123*	*(56,905)*	*210,697*

	2011 $'000	CARRYING AMOUNT MOVEMENTS DURING YEAR $'000						2012 $'000
	CARRYING AMOUNT	Additions		Disposals	Depreciation/ Impairment	Transfers / Adjustments	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals					
Land	49,933	-	-	-	-	-	(4,138)	45,795
Buildings	25,398	50	13	-	(952)	-	5,009	29,518
Roads	51,855	47	656	(311)	(1,521)	194	16,306	67,226
Kerbing	13,243	49	31	(2)	(170)	362	2,408	15,921
Footpaths	5,076	107	354	(123)	(119)	42	-	5,337
Bridges	20,203	35	-	-	(235)	(1)	-	20,002
Stormwater Drainage	29,266	335	71	(13)	(280)	124	-	29,503
Open Space	5,052	662	185	-	(381)	34	-	5,552
Carparks & Traffic	3,030	-	-	-	(109)	-	-	2,921
Other Infrastructure	1,951	1,146	1,107	-	(84)	567	-	4,687
Plant & Equipment	3,654	82	459	(379)	(536)	-	-	3,280
Furniture & Fittings	1,344	7	26	-	(100)	-	-	1,277
Artworks	277	-	-	-	-	-	-	277
Library Materials	415	-	69	-	(134)	6	82	438
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	210,697	2,520	2,971	(828)	(4,621)	1,328	19,667	231,734
Comparatives	*202,767*	*4,373*	*2,166*	*(604)*	*(4,184)*	*323*	*5,856*	*210,697*

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

Valuation of Assets

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

Land

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 assets are recognised on the current replacement cost basis, with a full visual inspection carried out by Maloney Field Services as at 30 June 2012.

Buildings

Buildings are recognised on the written down replacement cost basis, with a full visual inspection carried out by Maloney Field Services at 30 June 2012. Building assets have been split into their key components and depreciated separately in accordance with requirements under AASB 116. As a result of the revaluation recorded and the componentisation of building assets, depreciation expense for buildings in 2012/13 is expected to increase by an estimated $250k.

Infrastructure

Sealed and Unsealed Roads were valued at written down replacement cost by ACEAM Pty Ltd as at 30 June 2012. A full network condition assessment was undertaken by council staff and independently verified by ACEAM Pty Ltd. As a result of the condition assessment and subsequent amendments to the asset's useful lives, depreciation expense for roads in 2012/13 is expected to increase by an estimated $350k.

Kerbing assets were valued at the written down replacement cost by ACEAM Pty Ltd as at 30 June 2012. A full network condition assessment was undertaken by council staff and independently verified by ACEAM Pty Ltd. The network condition assessment and revaluation included the recognition of spoon drains for the first time. As a result of the condition assessment and subsequent amendments to the asset's useful lives, depreciation expense for kerbs in 2012/13 is expected to increase by an estimated $30k.

Footpaths were valued at the written down current replacement cost by Council Officers and verified by ACEAM Asset Management Practitioners as at 30 June 2010. The next scheduled valuation of these assets is to be undertaken in the 2012/13 financial year.

Bridges and guardrails were valued at written down current replacement cost by ACEAM Asset Management Practitioners as at 30 June 2011. The next scheduled valuation of these assets is to be undertaken in the 2012/13 Financial year.

Stormwater drainage, open space, car park and traffic device infrastructure were valued at written down current replacement cost by Council Officers and verified by ACEAM Asset Management Practitioners at 30 June 2011. The next scheduled valuation of these assets is to be undertaken during the 2012/13 financial year.

Other infrastructure is recognised on the cost basis and includes assets such as the tram line, boat ramps and depot storage bays. These assets were last valued in 2010/11 by council staff. The next scheduled valuation of these assets is to be undertaken during the 2012/13 financial year.

All acquisitions made after the respective dates of valuation are recorded at cost.

Library and Artworks

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

Artworks were last independently valued by Theodore Bruce Auctions at 30 June 2010. The next schedule valuation of these assets is to be undertaken during the 2013/14 financial year.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

City of Victor Harbor

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

Note 8 - LIABILITIES

		2012 $'000		2011 $'000	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		1,029		1,575	
Payments received in advance		23		997	
Accrued expenses - employee entitlements		749		688	
Accrued expenses - other		476		598	
Deposits, Retentions & Bonds		6		8	
		2,283	-	3,866	-
BORROWINGS					
Loans		1,294	13,914	1,059	13,148
		1,294	13,914	1,059	13,148

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

PROVISIONS				
Employee entitlements (including oncosts)	520	238	550	136
Landfill Depot Remediation Liability	240	742	1,601	781
	760	980	2,151	917

Movements in Provisions - 2011/12 year only (current & non-current)	*Landfill Depot Remediation*
Opening Balance	*2,382*
(Less) Payments	*(1,400)*
Closing Balance	*982*

City of Victor Harbor

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE	Notes	1/7/2011 $'000	Net Increments (Decrements) $'000	Transfers, Impairments $'000	30/6/2012 $'000
Land		36,695	(4,138)	-	32,557
Buildings		13,606	5,009	-	18,615
Roads		36,546	16,306	(64)	52,788
Kerbing		5,694	2,408	290	8,392
Footpaths		3,832	-	42	3,874
Bridges		14,667	-	(1)	14,666
Stormwater Drainage		21,346	-	123	21,469
Open Space		4,728	-	-	4,728
Carparks & Traffic Devices		2,588	-	-	2,588
Other Infrastructure		1,498	-	(18)	1,480
Artworks		109	-	-	109
Library Materials		627	82	-	709
TOTAL		141,936	19,667	372	161,975
	Comparatives	*135,138*	*5,855*	*943*	*141,936*

OTHER RESERVES	1/7/2011	Transfers to Reserve	Transfers from Reserve	30/6/2012
Car Park Redevelopment	315	47	-	362
Developers Contribution	985	36	(9)	1,012
Granite Island	29	-	(29)	-
Economic Development	160	137	(35)	262
Open Space	344	12	(90)	266
Renewable Energy	25	1	(2)	24
Major Unspent Projects	1,017	291	(1,021)	287
TOTAL OTHER RESERVES	2,875	524	(1,186)	2,213
Comparatives	*2,738*	*370*	*(233)*	*2,875*

PURPOSES OF RESERVES

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

Car Park Development
Developer contributions used for planning, design and construction of car parking facilities

Developers Contributions
Developer contributions used for construction of footpaths, drainage and other infrastructure

Granite Island
Unspent grants administered by the Granite Island Advisory Committee

Economic Development
From Commercial / Industrial rates for economic development and tourism purposes.

Open Space
Developer contributions used to develop land as open space

Renewable Energy
Contributions from solar program participants and contractor, used for future renewable energy intiatives.

Major Unspent Grants
Major grants received for application in future years

City of Victor Harbor

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

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

	Notes	2012 $'000	2011 $'000
CASH & FINANCIAL ASSETS			
Unexpended amounts received from State Government:			
Department of Planning and Local Government			
Causeway Plaza Grant		-	635
Ocean Street Walkway Grant		-	201
Heritage Trail Grant			75
		-	911
RECEIVABLES			
Department of Planning and Local Government		-	
Ocean Street Streetscaping Project		-	45
		-	45
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		-	956

City of Victor Harbor

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

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2012 $'000	2011 $'000
Total cash & equivalent assets	5	3,569	4,778
Balances per Cash Flow Statement		3,569	4,778
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus (Deficit)		1,301	1,837
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		4,597	4,158
Non-cash asset acquisitions		(773)	(2,670)
Grants for capital acquisitions treated as Investing Activity		(1,083)	(799)
Net (Gain) Loss on Disposals		576	371
		4,618	2,897
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		13	100
Net (increase) decrease in inventories		3	(25)
Net (increase) decrease in other current assets		-	(187)
Net increase (decrease) in trade & other payables		(1,583)	668
Net increase (decrease) in other provisions		(1,328)	174
Net increase (decrease) in other liabilities		-	-
Net Cash provided by (or used in) operations		1,723	3,627

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Physical resources received free of charge	3	773	2,670
		773	2,670

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts	100	100
Corporate Credit Cards	17	17
LGFA Cash Advance Debenture facility	3,000	1,400

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

City of Victor Harbor

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

Note 12 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Business Undertakings	634	1,014	949	1,046	(315)	(32)	-	1	8,835	10,738
Community Services	800	834	1,527	1,572	(727)	(738)	262	272	5,347	5,214
Culture	86	96	862	990	(776)	(894)	45	44	3,143	3,481
Economic Development	600	607	1,359	1,166	(759)	(559)	14	23	16	50
Environment	161	565	3,167	5,321	(3,006)	(4,756)	107	385	32,600	31,447
Recreation	164	180	1,713	1,622	(1,549)	(1,442)	-	9	40,834	38,747
Regulatory Services	441	474	1,388	1,398	(947)	(924)	-	-	10	12
Transport & Communication	218	219	3,008	3,011	(2,790)	(2,792)	165	517	103,776	92,639
Plant Hire & Depot/Indirect	116	106	358	421	(242)	(315)	-	-	4,088	3,317
Unclassified Activities	329	330	1,007	978	(678)	(648)	-	-	15,713	13,731
Council Administration	161	214	4,051	2,950	(3,890)	(2,736)	-	-	22,369	19,005
Revenue	15,700	14,266	-	-	15,700	14,266	771	269	1,080	-
TOTALS	19,410	18,905	19,389	20,475	21	(1,570)	1,364	1,520	237,811	218,381

Excludes net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

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

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

CULTURE
Library, Town Hall and Other Cultural Services.

ECONOMIC DEVELOPMENT
Tourism Marketing, Visitor Information Centre and Other Economic Development.

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

RECREATION
Parks and Gardens, Outdoor Sports Facilities and Indoor Sports Facilities.

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

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

PLANT, DEPOT AND INDIRECT
Plant and Machinery, Depot and Indirect Works.

UNCLASSIFIED ACTIVITIES
Other Property, Loans and Interest.

COUNCIL ADMINISTRATION
Administration NEC, Elected Members, Organisational, Accounting / Finance, Payroll, Human Services, Information Technology, Communication, Rates Administration, 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 2012

Note 13 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** Carried at lower of cost and net realiseable value; Interest is recognised when earned.
	Terms & conditions: Deposits are returning fixed interest rates of 3.5% (2011: 4.75%).
	Carrying amount: approximates fair value due to the short term to maturity.
Receivables Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
	Terms & conditions: Secured over the subject land, arrears attract interest of 9.25% (2011: 9%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.
	Carrying amount: approximates fair value (after deduction of any allowance).
Receivables Fees & other charges	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
	Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.
	Carrying amount: approximates fair value (after deduction of any allowance).
Receivables Other levels of government	**Accounting Policy:** Carried at nominal value.
	Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.
	Carrying amount: approximates fair value.
Liabilities Creditors and Accruals	**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.
	Terms & conditions: Liabilities are normally settled on 30 day terms.
	Carrying amount: approximates fair value.
Liabilities Interest Bearing Borrowings	**Accounting Policy:** Carried at the principal amounts. Interest is charged as an expense as it accrues.
	Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.05% and 7.3% (2011: 5.4% and 7.45%)
	Carrying amount: approximates fair value.
Liabilities Finance Leases	**Accounting Policy:** accounted for in accordance with AASB 117.

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2012		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
		$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash & Equivalents		3,569	-	-	3,569	3,569
Receivables		338	-	-	338	338
Other Financial Assets		-	346	389	735	735
	Total	3,907	346	389	4,642	4,642
Financial Liabilities						
Payables		1,058	-	-	1,058	1,058
Current Borrowings		1,377	-	-	1,377	1,294
Non-Current Borrowings		-	4,211	16,911	21,122	13,914
	Total	2,435	4,211	16,911	23,557	16,266

2011		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
		$'000	$'000	$'000	$'000	$'000
Financial Assets						
Cash & Equivalents		4,778	-	-	4,778	4,778
Receivables		1,406	-	-	1,406	539
Other Financial Assets		-	508	571	1,079	809
	Total	6,184	508	571	7,263	6,126
Financial Liabilities						
Payables		2,879	-	-	2,879	2,580
Current Borrowings		1,992	-	-	1,992	1,059
Non-Current Borrowings		-	7,504	11,185	18,689	13,148
	Total	4,871	7,504	11,185	23,560	16,787

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

	30 June 2012		30 June 2011	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	$'000	%	$'000
Overdraft	-	-	4.75	2,580
Other Variable Rates	6.48	15,208	6.71	14,207
Fixed Interest Rates		15,208		16,787

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 2012

Note 14 - COMMITMENTS FOR EXPENDITURE

	Notes	2012 $'000	2011 $'000
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Causeway Plaza Re-Deveopment*		-	1,870
		-	1,870
These expenditures are payable:			
Not later than one year		-	1,870
		-	1,870

*Causeway Plaza Re-Development fully completed in 11/12. No future Capital Commitment in relation to this project.

Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		41	66
Employee Remuneration Contracts		2,461	1,276
Street Sweeping		12	66
Building Maintenance		95	120
Library Systems		186	247
Security Services		44	80
		2,839	1,855
These expenditures are payable:			
Not later than one year		897	778
Later than one year and not later than 5 years		1,818	1,055
Later than 5 years		124	22
		2,839	1,855

City of Victor Harbor

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

Note 15 - FINANCIAL INDICATORS

	2012	2011	2010

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

Operating Surplus Ratio			
Operating Surplus	0%	(12%)	(4%)
Rates - general & other less NRM levy			

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

Adjusted Operating Surplus Ratio	*(1%)*	*(12%)*	*(3%)*

In each of June 2009, 2010 and 2011 the Comonwealth Government made an advance of one quarterly payment of the Financial Assistance Grant. In June 2012 an advance of two quarterly payments was made (see Note 2). Accordingly there were four "quarterly" payments in 2010 and 2011, and five payments in 2012. The ***Adjusted Operating Surplus Ratio*** *adjusts for this distortion.*

Net Financial Liabilities Ratio			
Net Financial Liabilities	72%	78%	91%
Total Operating Revenue less NRM levy			

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

Asset Sustainability Ratio			
Net Asset Renewals	46%	46%	53%
Infrastructure & Asset Management Plan required expenditure	*	*	*

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

Amounts shown above an asterisk (*) indicate that depreciation expense has been used as a proxy, pending finalisation as at 30/06/12 of the Infrastructure & Asset Management Plan currently under review.

City of Victor Harbor

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

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2012 $'000		2011 $'000	
Income		19,410		18,905
less Expenses		19,389		20,475
Operating Surplus / (Deficit)		21		(1,570)
less **Net Outlays on Existing Assets**				
Capital Expenditure on renewal and replacement of Existing Assets	3,083		1,636	
less Depreciation, Amortisation and Impairment	4,597		4,158	
less Proceeds from Sale of Replaced Assets	187		232	
		(1,701)		(2,754)
less **Net Outlays on New and Upgraded Assets**				
Capital Expenditure on New and Upgraded Assets *(including investment property & real estate developments)*	2,260		1,127	
less Amounts received specifically for New and Upgraded Assets	1,083		799	
less Proceeds from Sale of Surplus Assets *(including investment property and real estate developments)*	66		1	
		1,111		327
Net Lending / (Borrowing) for Financial Year		611		857

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

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

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

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

	2012 $'000	2011 $'000
Not later than one year	335	326
Later than one year and not later than 5 years	1,306	1,272
Later than 5 years	6,513	6,793
	8,154	8,391

Lease payment commitments of Council

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

No contingent rentals were paid during the current or previous reporting periods.

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

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

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

	2012 $'000	2011 $'000
Not later than one year	122	110
Later than one year and not later than 5 years	175	81
Later than 5 years		5
	297	196

Note 18 - 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. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2011/12; 9% in 2010/11). 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 Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.3% in 2010/11) of "superannuation" salary.

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

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

City of Victor Harbor

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

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

All joint ventures and associated entities are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

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

Fleurieu Regional Waste Authority	2012 $'000	2011 $'000
Council's respective interests are:		
- interest in outputs of the joint operation	35%	35%
- ownership interest in the joint operation	35%	
- the proportion of voting power in the joint operation	25%	25%
Movements in Investment in Joint Operation		
Opening Balance	84	
Share in Operating Result	36	84
Share in Equity of Joint Operation	120	84

Expenditure Commitments

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

Capital Expenditures payable		
Not later than one year	-	83
Later than one year and not later than 5 years	-	664
Later than 5 years	-	170
	-	917
Operating Expenditures payable		
Not later than one year	68	89
Later than one year and not later than 5 years	155	174
Later than 5 years	12	
	235	263

Contingent Liabilities
Each member of the operation is jointly and severally liable for the debts of the operation
- arising from Council's share of the joint operation
- arising from joint and several liability of all members

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

Note 20 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge 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 383 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 accessable to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures all know 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 claim know at treporting 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 1 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.

5. "CARBON" TAX

From 1 July 2012 a new tax on emissions of certain "greenhouse" gases commences operation. Council has a number of garbage landfill facilities which emit, and will continue for many years to emit, gases of this type. Information currently available provides assurances that "legacy emissions" from garbage placed in landfills prior to commencement of the tax will not subsequently become liable to the tax. However, details of the mechanisms for measuring such emissions, or of providing the exemption are not currently available.

Note 21 - EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date to be disclosed.

Dean Newbery & Partners
CHARTERED ACCOUNTANTS ABN 30 164 612 890

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

We have audited the accompanying financial report of the City of Victor Harbor, which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

The Responsibility of the City Manager for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

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

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

SAMANTHA ALLARD
PARTNER

Signed on the 31st day of October 2012,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

City of Victor Harbor

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2012

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the City of Victor Harbor for the year ended 30 June 2012, the Council's Auditor, Dean Newbery and Partners, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Graeme Maxwell
CITY MANAGER

Cr David Hall
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 22nd October 2012

Dean Newbery & Partners
CHARTERED ACCOUNTANTS ABN 30 164 612 890

Certification of Auditor's Independence

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

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

SAMANTHA ALLARD
Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 6th day of July 2012

Office:
214 Melbourne Street
North Adelaide SA 5006

All Correspondence:
PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
F: (08) 8239 0895
E: admin@deannewbery.com.au

Liability limited by a scheme approved under Professional Standards Legislation

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

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

Annual Report 2011 - 2012

About the Southern & Hills Local Government Association region

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

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

Collectively these seven (7) Councils have:

- ☑ More than 137,000 people as at 30th June 2010.
- ☑ 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 form 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 2011 – 2012

President	Mayor Ann Ferguson, DC Mount Barker
Deputy President	Mayor Jayne Bates, Kangaroo Island Council
Executive Officer	Mr Fred Pedler [1] Mr Graeme Martin [2]
Auditor	Mr Trevor Hirth, FCA, HLB Mann Judd

Elected under the provisions of the Constitution of the Local Government Association

Delegate to LGA State Executive	Mayor Ann Ferguson
Proxy Delegate to LGA State Executive	Mayor Jayne Bates, Kangaroo Island Council
Delegates to SAROC	Mayor Ann Ferguson Mr Fred Pedler [3] Mr Graeme Martin [4]
Proxy Delegate to SAROC	Mayor Jayne Bates

1 To December 2011
2 From January 2012
3 To December 2011
4 From January 2012

President's Forward

Another successful year completed, one of development and change for the Southern and Hills Local Government Association.

With the retirement of S&HLGA's long standing Executive Officer, Fred Pedler we have successfully appointed his replacement, Graeme Martin.

With the change in executive officers we undertook a review of the organisation's operations. A new logo has been created and we developed and launched our new website, all designed to enhance our brand and provide up to date and accessible information for our stakeholders.

Naturally the early focus for our new executive officer has been to introduce himself to all the organisation's key stakeholders. As Chair of both groups, it has been personally very rewarding to witness the relationship between the region's Regional Development Australia organisation (RDA) and S&HLGA go from strength to strength and we look forward to the unfolding of the many joint regional projects currently in the early development stage.

The organisation is in a sound financial position and nearing the end of its current four year Business Plan. This past year has seen our energies devoted to the establishment of a regional Community Waste Water Management System (CWMS) user group and working closely with the LGA (SA) on the development of the State Government Regional Economic Policy.

Our relationship with the LGA (SA) is very productive as we have indeed been fortunate to have that organisation's President, from our own region, Alexandrina Council's Mayor Kym McHugh.

We have seen three of our regional Council CEO's move on. To the outgoing CEO's, Peter Peppin of Adelaide Hills Council, David Morcom of The Barossa Council and Roger Sweetman of The District Council of Yankalilla, we wish you well in your future appointments and thank you for your valuable contribution to S&HLGA.

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

Mayor Ann Ferguson
President

The Board

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

Key Issues acted on by the Board included:

- Signed Part Two of the regional NRM MOU 'Our Mutual Agreement' between the AMLRNRM Board and the S&HLGA. Part Two is the joint action - operational plan involving Alexandrina Council and the AMLRNRM Board. Supported the launch of the MOU.
- Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to revisit the region road map and infrastructure priorities for the region.
- Submission to the LGA for input into the progress of the State Government Regional Development Policy.
- Sourced seed funding from the Department of Environment and Natural Resources for a Regional Integrated Climate Change Vulnerability Assessment.
- Joined and assisted with the RDA application to the Federal and State Natural Disaster Resilience Program schemes for full funding for a stage one Regional Integrated Climate Change Vulnerability Assessment.
- Submission and application to the LGA Research and Development Fund for funding for a regional project designed to capture and measure data on transient Population and Migration.
- Submission to the LGA for contribution funding towards the Dream Australia TV and on-line project to attract skilled workers to regional Councils.
- Development and launch of the S&HLGA Website.

Regional Consultations and briefings are now coordinated to occur on the day of Board meetings. 22 speakers addressed meetings of the Board and 1 regional forum was held.

The Board has undergone a consultative process to develop the Action Plan for 2011 - 2012.

In consultation with the constituent Councils the Board conducted a review of the S&HLGA Charter and the revised Charter was formally gazetted in August 2011.

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 Transport Energy and Infrastructure (now the Department of Planning, Transport and Infrastructure) held 2 meetings for the year to complete the S&HLGA 2020 Transport Plan (Plan) 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.
- 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 2012 – 2013
    - Bald Hills Road, Stage 3A – District Council of Mt Barker, Requested Grant $1,200,000
    - Cole Road/Range Road, - District Council of Yankalilla, Requested Grant $1,060,000

CWMS Group

Following on from the previous year's research and information-briefing meetings 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 of the number of connections. The value and work of this user group will become apparent over the next year with the introduction of the Water Industry Act 2102 with all the implications for water operators and providers.

Regional Papers and Submissions

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

- Local Government Association of SA discussion paper on Partnering with Local Government to deliver Regional Outcomes.
- Minister for Fisheries, Hon Gail Gago MP seeking changes to the recreational fishing regulations around recreational jetties.

Task Force and Working Groups

The Executive Officer was a member of the following Task Force and Working Groups during the course of the year:

- SAROC working group to develop the second draft of the LGA Regional Development Discussion Paper – Partnering with Local Government to deliver regional outcomes.
- LGA Local Government Reform fund – Building Capacity in regional Councils.

SAROC

The South Australian Regional Organisation of Councils (SAROC) is an important LGA committee for Country Councils. Membership is drawn from each of the six non-metro Regional Local Government Associations that meets the day before the State Executive Committee of the LGA, and provides an important focus to the key issues affecting country Councils.

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

- Provide initial feedback and then assist with the Task Force Group to develop the draft Regional Development and Growing Country Communities policy.
- Recommending and developing policy on expired Marine flares.
- Lobbying for a more balanced & nationally consistent approach to planning, regulation and management of Wind Farms.
- Input into the development and announcement of State Marine Parks.
- Input into the development of a bushfire framework between Councils & CFS as well as formalising linkages between Regional Zone Emergency Management Committees and Regional Bushfire Management Committees

LGA State Executive Committee

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

Resources

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

Part of the additional capacity has supported the administrative processes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC and various reports and submissions throughout the year. The capacity of the region has been significantly enhanced by the development and launch of its new website.

Mr Fred Pedler, Principal of Fred Pedler & Associates, provided Executive Officer services to the Association under a contract services agreement until 31st December 2011.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement since 1st January 2012.

Acronyms

AMLRNRM.....Adelaide and Mt Lofty Ranges Natural Resources Management Board

CEO.....Chief Executive Officer

CWMS.....Community Wastewater Management Systems

LGA.....Local Government Association

MOU.....Memorandum of Understanding

NRM.....Natural Resources Management

RDA.....Regional Development Australia

SAROC.....South Australian Regional Organisation of Councils

S&HLGA.....Southern and Hills Local Government Association

SLRP.....Special Local Roads Program

HLB Mann Judd

Chartered Accountants

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, being a special purpose financial report, of the Southern & Hills Local Government Association, which comprises the balance sheet as at 30 June 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the Executive Officer's Statement.

Board's Responsibility of for the Financial Report

The Southern & Hills Local Government Association's Board is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Southern & Hills Local Government Association Charter and the constituent councils. The Board's responsibility also 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the constituent councils. 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 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by members of the Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to constituent councils for the purpose of fulfilling the Board's financial reporting requirements under the Charter. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the constituent councils constituent councils, or for any purpose other than that for which it was prepared.

Our audit did not involve an analysis of the prudence of business decisions made by the Board.

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONT.)

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Southern & Hills Local Government Association as at 30 June 2012 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1(a) to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Southern and Hills Local Government Association to meet the requirements of the Southern and Hills Local Government Association Charter for the purpose of fulfilling the Boards financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose.

HLB Mann Judd
Chartered Accountants
Adelaide
11th September 2012

Trevor Hirth
Partner

HLB Mann Judd

Chartered Accountants

11 September , 2012

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

Dear Board Members

STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

In accordance with Regulation 22(5) Local Government (Financial Management) Regulation 2011 and the Local Government Act 1999, we confirm that, for the audit of the financial statements of Southern and Hills Local Government Association for the year ended 30 June 2012 we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

TREVOR HIRTH
HLB MANN JUDD

Dated this 11th day of September 2012

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

FINANCIAL STATEMENTS

Income Statement for the Year Ending 30th June 2012

	Notes	2012 $	2011 $
Income			
Subscriptions	1(f)	89,890	61,803
Operating Grants		35,780	34,537
Investment Income	1(e)	4,357	4,209
Other		0	0
Total Income		130,027	100,549
Expenditure			
Contractual Services	3	106,225	87,946
Finance Charges		1,500	1,225
Other		19,090	8,507
Total Expenditure		126,815	97,678
Surplus (Deficit) from Operations		**3,212**	**2,871**

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2012

	Notes	2012 $	2011 $
Current Assets			
Investments	1(e)	60,244	51,982
Debtors		2,985	2,312
Total Current Assets		63,229	54,294
Current Liabilities			
Accounts Payable	1(g)	13,360	7,637
Total Current Liabilities		13,360	7,637
Net Current Assets		49,869	46,657
Net Assets		**49,869**	**46,657**
Equity			
Accumulated Surplus		49,869	46,657
Total Equity		**49,869**	**46,657**

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2012

	Notes	2012 $	2011 $
Accumulated Surplus			
Balance at beginning of period		46,657	43,786
Net Surplus / (Deficit)		3,212	2,871
Balance at end of period		49,869	46,657
Total Equity		**49,869**	**46,657**

The above Statement of Change in Equity should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2012

	Notes	2012 $	2011 $
Cash Flows from Operating Activities			
Receipts		144,231	107,320
Payments		(140,237)	(99,806)
Interest Receipts		4,357	4,209
Net Cash Provided by (Used in) Operating Activities		8,261	11,723
Net Increase in Cash Held		**8,261**	**11,723**
Cash at the beginning of the reporting period		**51,982**	**40,259**
Cash at the end of the reporting period		**60,243**	**51,982**

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

Reconciliation of Change in Net Assets to Cash from operating activities

	2012 $
Net Surplus	3,212
Less	
Net Increase in Debtors	(674)
Add	
Net Increase in Accounts Payable	5,723
Net Cash provided by Operating Activities	**8,261**

Southern & Hills Local Government Association – Financial Statements Year Ended 30th June 2012

1 Significant Accounting Policies

a This financial report is a special purpose financial report prepared for use by the Association. The Board has determined that the association is not a reporting entity.

The Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 0f 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.

b Basis of Accounting

This financial report has been prepared in accordance with the following

AASB 110	Events after Balance Sheet Date
AASB 1031	Materiality

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

c Non Current Assets and Non Current Liabilities

The Association has no non current assets or non current liabilities.

d Employees

The Association has no employees.

e Investments

Investments are valued at cost. Interest revenues are recognized as they accrue.

f Subscriptions

Clause 7.2 of the Charter of the Association prescribes that subscriptions by Constituent Councils are equal.

Constituent Council Subscription 2012	$9,270
Constituent Council Subscription 2011	$8,829

g 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.

2 Functions / Activities of the Association

a Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2b.

b 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.

Natural Resource Management: The research into and implementation of projects classified under natural resource and environment management.

Transport and Communication: The review and implementation of the S&H 2011 Transport Plan.

Note 2b Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue				Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue	%	Expenses Total	%	
2012	35,780	69,247	105,027	100.0%	114,737	90.5%	(9,799)
2011	34,537	66,012	100,549	100.0%	89,215	91.3%	11,334
Natural Resource Management							
2012	0	25,000	25,000	100.0%	0	0%	25,000
2011	0	0	0	0%	1,713	1.75%	(1,713)
Transport and Communication							
2012	0	0	0	0%	12,078	9.5%	(12,078)
2011	0	0	0	0%	6,750	6.9%	(6,750)
Total							
2012	35,780	94,247	130,027	100.0%	126,815	100.0%	3,212
2011	34,537	66,012	100,549	100.0%	97,678	100.0%	2,871

3. Contractual Services

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

		2012	2011
Consultants:	Fred Pedler & Associates	$46,575	$87,946
	Grange Advisors Pty Ltd	$52,000	$0
	HDS Australia Pty Ltd	$7,650	$0
	Totals	$106,225	$87,946

4. Comparison of Budget and Actual Results

	2012		2011	
	Budget $	Actual $	Budget $	Actual $
Revenue				
Administration	103,597	105,027	98,471	100,549
Natural Resource Management/ Environment	50,000	25,000	0	0
Transport and Communication	6,000	0	6,000	0
Total Revenue	159,597	130,027	104,471	100,549
Expenditure				
Administration	118,256	114,737	103,725	89,215
Natural Resource Management/ Environment	50,000	0	0	1,713
Transport and Communication	13,650	12,078	14,500	6,750
Total Expenditure	181,906	126,815	118,225	97,678

Surplus (Deficit)	(22,309)	3,212	(13,754)	2,871

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:

- 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 Association's financial position at 30 June 2012 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Association's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Association's accounting and other records.

Dated 30th August 2012

Graeme Martin
EXECUTIVE OFFICER

Mayor Jane Bates
DEPUTY 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 2012, the Association's Auditor, HLB Mann Judd, 169 Fullarton Rd, Adelaide, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Dated 30th August 2012

Graeme Martin
EXECUTIVE OFFICER

Mayor Jane Bates
DEPUTY PRESIDENT

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

SUMMARY OF ACTUAL ACHIEVEMENTS AGAINST THE KEY ACTION PLAN

JULY 2011 – JUNE 2012

The Business Plan 2009 – 2013 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 21st August 2009. The Business Plan should be read in conjunction with the Budget 2010 – 2011 and Budget 2011 – 2012 that provides the resources for the Plan.

A Key Actions Plan based on a framework of the Business Plan that incorporates the Key Issues identified by the Councils in a Board Workshop on 1st April 2011 and was adopted by the Board on 15th April 2011. The Key Actions Plan is the framework for review and reporting against the Business Plan.

This report format will facilitate the three reviews required by Clause 18.3 of the Charter to be conducted by the Board during the course of the year. Reviews are to be conducted for the periods ended October, January, March with the final report at the end of June included in the S&HLGA Annual Report.

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, NRM Board 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 the Performance Planning Development System (PPRADS) Key Performance Objectives (KPO's) and Key Performance Indicators (KPI's)

Business Plan	Action Plan 2011 - 2012		Achievements
Objective	**Key Actions**	**Performance Targets**	
1. To provide leadership and advocacy for Member Councils on regional issues. *2. To promote the Southern & Hills Local Government Association*	Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by: o Meetings to include presentations, workshops and forums on Key Issues	☑ Strategies that give priority to S&HLGA issues ☑ Satisfaction data on the meeting format, speakers	☑ **DPLG have appointed Prue Archer as Liaison Person to this region (later Michael Barry OSLGR)** ☑ **Feb 2012 – New agenda template created** ☑ **March 2012 – New website development commenced.** ☑ **RDA/S&HLGA submission for funding to complete a Regional Climate Change Vulnerability Assessment.** ☑ **Guest Speakers have addressed following:** o **DPLG 30 Year Plan and Regional Planning** o **LGA regions Policy and Regional Action Plan development** o **Native Vegetation** o **Murray Darling Basin Draft Plan** o **DPTI Regional Planning Team** o **Attracting skilled staff to the region**
			☑ **April – Performance Review Panel appointed. Draft documents and timelines approved** ☑ **Sep / Oct – EOs Committee implements process and makes recommendation to the Board** ☑ **Dec – New EO appointed**
	To provide sound financial management and manage resources effectively	☑ To prepare Business Plan and Budget and review as required	☑ **April – Budget 2011 – 2012 Draft approved for consultation.** ☑ **June – Action Plan and Budget approved** ☑ **Sep – First Quarter review report** ☑ **Dec – First half review** ☑ **April 2012 – Draft 2012 – 2013 Budget distributed** ☑ **June – New Budget approved**
	o Meeting Steering Group including President and EO to plan meeting formats and items o CEO's to inform EO of issues for each meeting	☑ Formation of meeting steering group and its effectiveness	☑ **President and EO hold planning meeting monthly** ☑ **President and EO planning meetings held jointly with RDA CEO**

Business Plan	Action Plan 2011 - 2012		Achievements
Objective	**Key Actions**	**Performance Targets**	
	O Regional issues to be raised with LGA through SAROC	☑ Number of issues raised with LGA / SAROC / Agencies	☑ **May – Waiver of EPA penalties for CWMS ponds discharge to protect infrastructure prior to winter.** ☑ **June 2012 – Contribution from LGA towards Dream Australia project to attract skilled staff to LG positions within the region.**
3. To support sustainable development in the region 4. *To improve infrastructure to meet the communities needs.*	In co-operation with adjoining regions support the adoption of the Regional NRM MOU	☑ Signing of regional MOU in co-operation with adjoining regions	☑ **May – Launch of the NRM MOU (Our Mutual Agreement) by AMLRNRM Board** ☑ **Sep – NRM Board Progress Report on NRM MOU implementation.** ☑ **March 2012- signing of Joint action plan to support the MOU (Alexandrina Council and AMLR NRM Board)**
		☑ Establishment of GAP Forum	☑ **April – LGA GM endorsed development of Regional Development and Supporting Country SA policy and strategies.** ☑ **June – Adoption of submission to LGA for the policy to include advocating for the peri urban councils regarding the 30 Year Plan for Greater Adelaide.** ☑ **Sep – LGA holds GAP Implementation forum for Peri Urban Councils**
	Explore (with the LGA) opportunities to participate in the Local Government Reform Fund projects to be facilitated by the LGA	☑ Local Government Reform Fund projects facilitated in the region	☑ **March 2012 – EO appointed to LGA working group to advise on future funding allocations of the LG reform fund.**
	Implement the recommendations of the S&HLGA 2020 Transport Plan.	☑ Implementation of 2020 Transport Plan	☑ **August - 3 Councils submit 16 Road projects for assessment for inclusion in the 2012 Roads Database** ☑ **Sep – Nominated road projects forwarded to HDS for assessment and prioritisation under the 2020 Transport Plan policy.** ☑ **April 2012 – RWP review of the 2020 Transport Plan 2011 Roads database** ☑ **April 2012 – S&HLGA Board approval of priority projects for grant submission to 2012-13 LGTAP**

Business Plan	Action Plan 2011 - 2012		Achievements
Objective	**Key Actions**	**Performance Targets**	
5. To strengthen the capacity of the Association to meet its service obligations.	The Executive Officer to work with the Council CEO's, RDA and the LGA to explore identified opportunities to share resources that will build capacity in the region and its networks by establishing Task Group/s		☑ **RDA CEO attends Board meetings.** ☑ **RDA CEO attends monthly planning meetings with EO and President** ☑ **RDA/S&HLGA partner submission for Regional Climate change vulnerability assessment**
	Review the 'Fleurieu Councils - Working Together For Stronger Communities Project Proposal'	☑ Formation of Shared Services Task Group and the implementation of shared services	☑ **Sep – CWMS Information Day. Support to establish a CWMS User Group** ☑ **Dec – CWMS User group established**
	Explore the opportunities of restructuring regional tourism delivery	☑ Review of regional tourism delivery	

Southern & Hills Local Government Association
Past Presidents and Secretaries / Executive Officers

Years	President	Council	Secretary / EO
2011 - 2012	Mayor Ann Ferguson	DC Mount Barker	Fred Pedler [d] Graeme Martin [e]
2010 - 2011	Mayor Ann Ferguson [c] Mayor Brian Hurn OAM	DC Mount Barker The Barossa Council	Fred Pedler [b]
2009 - 2010	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler [b]
2008 - 2009	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler [b]
2007 - 2008	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler [b]
2006 - 2007	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler [b]
2005 - 2006	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler [b]
2004 - 2005	Mayor Kym McHugh	Alexandrina Council	Fred Pedler [b]
2003 - 2004	Mayor Kym McHugh	Alexandrina Council	Fred Pedler [b]
2002 - 2003	Mayor John Crompton [a]	City of Victor Harbor	Fred Pedler [b]
2001 - 2002	Mayor John Crompton	City of Victor Harbor	Fred Pedler [b]
1999 - 2000	Mayor Bernie Eglinton APM	DC Mt Barker	Fred Pedler [b]
1998 - 1999	Mayor Bernie Eglinton APM	DC Mt Barker	Dean Gollan
1997 - 1998	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1996 - 1997	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1995 - 1996	Mayor Anita Aspinall	DC Stirling	Peter Vlatko
1993 - 1994	Cr GR Mayfield	DC Yankalilla	Malcolm Davis
1991 - 1992	Mayor Val Ball	DC Strathalbyn	John Coombe
1989 - 1990	Cr Val Bonython	DC East Torrens	Eric March
1987 - 1988	Cr PD Secker	DC Mt Barker	Dean Gollan
1985 - 1986	Mayor Leon O'Driscoll	DC Strathalbyn	Vernon Cotton
1984 - 1985	Cr CA Phieffer	DC Onkaparinga	David Seaman
1982 - 1983	Cr Brian Pym	DC Mt Pleasant	Adrian Hamiester
1980 - 1981	Cr Roy Galpin	DC Port Elliot and Goolwa	Ron Wellington
1979	Mayor M Checker	DC Gumeracha	Malcolm Anderson
1978	Mayor M Checker	DC Gumeracha	John Grosvenor
1976 - 1977	Mayor A Davidson	DC Strathalbyn	Vernon Cotton
1975	Cr Ray Orr	DC Mt Barker	Reginald Walters
1974	Cr L Hughes	DC Meadows	Wally Richards

1969-1973 No minutes available

30th July 1969 First Constitution for S&HLGA Adopted

Attendance register maintained for annual and half yearly conferences from 1968 to 1990

[a] Until 12th May 2003
[b] Executive Officer
[c] From February 2011
[d] To December 2011
[e] From January 2012

Annual Report

2011 – 2012

Fleurieu Regional Waste Authority

Constituent Councils:

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

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Fleurieu Regional Waste Authority Annual Report

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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 five Waste and Recycling Depots (WRD's) and the provision of waste, recycling and green waste kerbside collection services, public litter and event bin collection for the Constituent Councils.

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.

The Future

FRWA will continue implementing best practices brought over from its member councils by:

- reducing waste going to landfill,
- increasing recycling, and
- promoting a cleaner and healthier environment for today and tomorrow.

Wherever possible, the Authority will continue to utilise local and regional businesses and services as their preferred suppliers.

FRWA has made a firm commitment to further improve its customer service, communication and public education.

Chairperson's Message

On behalf of the Board of Fleurieu Regional Waste Authority, it is my pleasure to present the Annual Report for the 2011/12 financial year.

Pursuant to Section 5.3.1 of its Charter, the Authority must submit to Constituent Councils by 30 September in each year a report on the work and operations of the Authority for the proceeding financial year. This report must detail achievements of the aims and objectives of its Business Plan and incorporate the audited financial statements of the Authority for the relevant financial year and any other information or reports as required by the Constituent Councils or prescribed by the Local Government Act, 1999.

I am pleased to report that FRWA has discharged its responsibilities under the Charter in a fiscally and environmentally responsible manner.

In its work the Board is guided by the following five strategic directions within FRWA's 10 Year Strategic Plan (2010-2020).

- Educating and informing the community on recycling, resource recovery and responsible waste management.
- Providing a sustainable and cost effective kerbside collection service for Constituent Councils.
- Managing services and infrastructure that will enable efficient and effective waste management for Constituent Councils.
- Promoting and researching ecologically sustainable waste management and actively representing Constituent Councils.
- Meeting the highest standards for a Local Government Regional Subsidiary in governance.

The Authority has increased its presence within the community by providing more information via its upgraded web page, local newspapers and council newsletters. In addition, a number of presentations on waste and recycling matters were given to different community groups which were well received.

On 1 July 2011 FRWA took over all kerbside collection services for the three mainland councils, followed by the kerbside collection services on Kangaroo Island on 1 September 2011.

FRWA has further improved the services and efficiencies of its five waste and recycling depots, which is reflected in the good results achieved at all sites. The negotiations between Alexandrina Council, City of Victor Harbor and FRWA for the upgrade of the Goolwa Waste and Recycling Depot to a regional facility progressed well and an agreement has been reached for this project.

The Authority has been working closely with ZWSA and the EPA to complete a number of significant projects; such as the May EWaste campaign with a generous financial support by ZWSA and the completion of the upgrade of the green waste management process with the support of the EPA.

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

FRWA has made important improvements to its governance structures by establishing new systems for financial management and control and setting up an internal audit committee of the Board.

During 2011/12 there were a number of changes to the Board with the departure of Andrew Boardman and Rod Kleeman. Their input and knowledge have been greatly appreciated. Rod Kleeman's invaluable contribution over many years, from the very early stages of preparing the establishment of a regional waste authority and during its set up stage, have been paramount for the success of the project. Steven Watson and John Tillack 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, other staff and landfill operators for their hard work and contribution to place the Authority on such a sound strategic and financial footing to meet the challenges ahead.

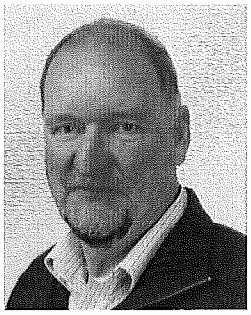
CATHERINE COOPER
INDEPENDENT CHAIRPERSON

The Board

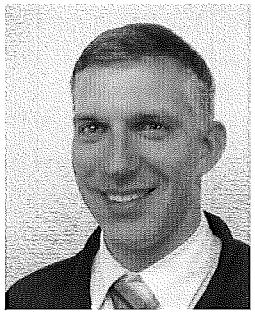
The Board Members

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

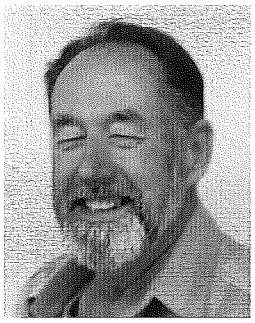
Catherine Cooper
Independent Chairperson



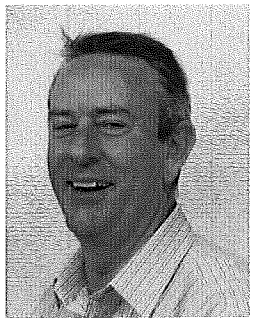
Kym McHugh
Mayor
Alexandrina Council



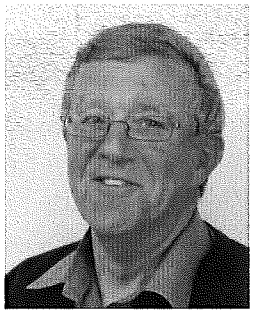
Simon Grenfell
Manager Engineering Services
Alexandrina Council



Cr Tim Telfer
Councillor
City of Victor Harbor

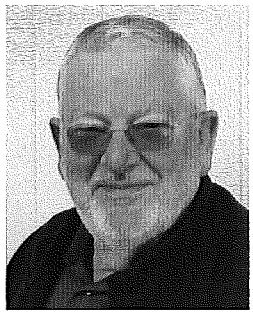


Glenn Sanford
Director Environment & Infrastructure
City of Victor Harbor

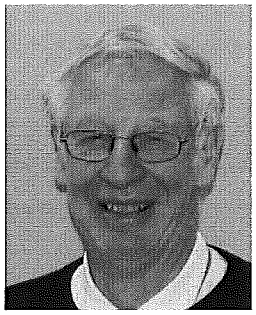


John Tillack
Manager District Services
District Council of Yankalilla

Steven Watson
Asset Services General Manager
Kangaroo Island Council



Malcolm Schlein
Mayor
District Council of Yankalilla



Cr Malcolm Boxall
Councillor
Kangaroo Island Council

Board Meetings

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

Executive Officer's Message

FRWA is looking back to its first year of full operation and I would like to thank all staff for their hard work and dedication and the FRWA Board for its continued support.

Good communication and cooperation between FRWA and its Constituent Councils and a 'can-do' approach by all parties were the essential ingredients for the successful transition of all waste and recycling operations from Councils to FRWA.

FRWA's People and Occupational Health, Safety and Wellbeing (OHSW)

The Fleurieu Regional Waste Authority Enterprise Bargaining Agreement 2011 came into force on 1 December 2011 and sets out FRWA's industrial relations until 30 November 2014.

FRWA is now employing 26 staff (to a 24.97 FTE equivalent) across Kerbside Collection Services, Waste and Recycling Depots and Corporate Services.

FRWA is proud of its good record in OHSW and continuously works with its people to maintain and further improve the awareness and the implementation of high OHSW standards.

Governance/Business Structures

FRWA has continued to develop and update policies, procedures and safe work procedures and has established a solid governance framework.

Business structures are now fully established and are subject to regular reviews to ensure adequacy and relevance.

Service Level Agreements with Constituent Councils have been reviewed and updated, including performance reporting against Key Performance Indicators.

FRWA undertook the first review of its Charter which has been approved by all Constituent Councils.

FRWA, in consultation with its Constituent Council, reviewed its Business Plan and 10 Year Strategic Plan and reported good progress against the goals and target set out in both documents.

Financial Management Systems

I am pleased to report that the overall performance of the Authority during the 2011/12 financial year met 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 2012 forms part of this report.

The implementation of a more efficient finance system commenced in April 2012 with an envisaged completion date at the first quarter of the new financial year.

Services for Constituent Councils

On 1 July 2011 FRWA took over the kerbside collection services for residual waste (MSW) for the three mainland Councils and on 1 September 2011 the kerbside collection of residual waste and recyclables on Kangaroo Island. With that, FRWA is now providing all kerbside collection services, the operation of all five waste and recycling depots, customer service and education for its Constituent Councils.

A kerbside bin audit was undertaken in May/ June 2012 and findings of the audit will inform options for the improvement of kerbside collection services, information and education strategies.

FRWA and its Constituent Council continued their joint efforts to implement projects funded by Zero Waste SA (ZWSA) in 2010/11 and 2011/12. ZWSA funding since 2010 has totalled about $363,000 and has greatly assisted the region to progress important projects such as the regional coordination of waste management activities, the establishment of a new salvage and storage shed at the Strathalbyn Waste and Recycling Depot and the installation of a new baler at the Kingscote site.

Improvements to the Goolwa composting area are to be completed in conjunction with a redevelopment and upgrade of the whole site to a regional waste and recycling centre. The Goolwa

Executive Officer's Message

site is already a hub for regional activities, such as the recent e.waste campaign and site upgrades will provide more opportunities for diversion of waste from landfill and recycling activities.

Significant improvements were made to the Waste and Recycling Depots at Kingscote and Yankalilla by upgrading drop-off areas, increasing salvage and recycling opportunities and improving OHSW conditions.

Business, Government and Community Relations

FRWA has further consolidated its good working relationship with other regional waste authorities and neighbouring councils, state agencies, expert consultants, commercial operators and the local media.

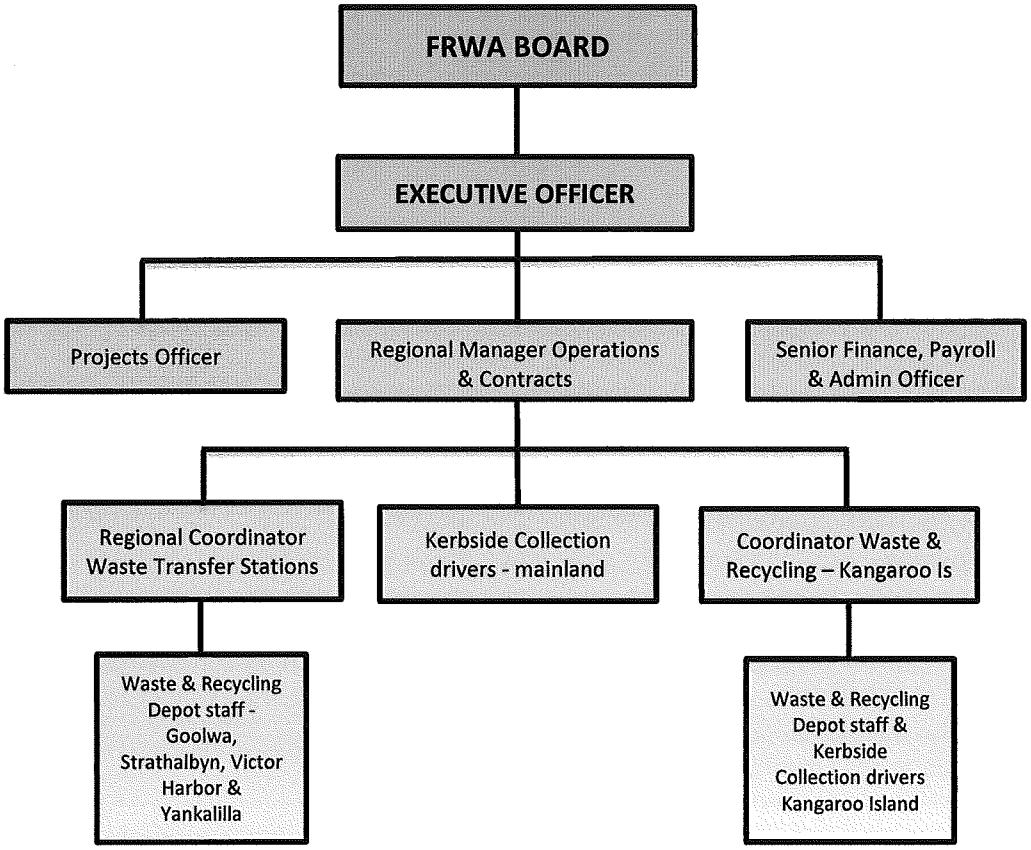
Wherever possible, FRWA utilises local and regional businesses and services and has excellent experience with the dedication and service orientation of a large number of local suppliers.

FRWA is also represented on relevant statewide and national industry stakeholder working groups and forums and is an active member of the Waste Management Association of Australia.

MARINA WAGNER
EXECUTIVE OFFICER

Our People

Organisational Chart



Employees by Occupation

DESIGNATED GROUPS	2011/12 (FTE)
Executive Officer	1
Managers	1
Coordinators	1.8
Finance & Projects	1.4
Kerbside Drivers	9
Landfill Operators	10.77
Total	**24.97 FTE**

Executive Officer

Marina Wagner

Managers

Jason Kerr, Regional Manager Operations & Contracts

Our People

Enterprise Bargaining Agreement

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

Training and Development

The Authority strongly supports the ongoing training and development of staff through varying means including on-the-job training and formal education/training on and off-site.

A Policy for the performance and development review for staff has been developed and implemented. A training needs analysis has been completed for all staff and a training and development plan completed.

Regular tool box meetings are conducted providing the opportunity for the flow of information between management and employees.

Tool box meetings are also used to train on OHSW matters on a regular basis; at each meeting different Safe Work Procedures are selected and discussed.

Occupational Health and Safety

FRWA is fully committed to the highest standards in OHSW and in working with its employees to implement those standards.

Report, Regional Operations Manager

The year has been very productive resulting in improved services to clients across all Constituent Councils through Waste Transfer Stations and Kerbside Collection. The achievements and highlights contained in this Annual Report are testament to this.

Staff have been working cooperatively and very well together and all resource needs have been met during the year.

Occupational Health & Safety

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

2011 – 2012 STATISTICS		
Rating Type	Rating Description	Number
High	Investigated by Worksafe	0
Medium	Lodged with Workcover and/or requires medical attention or LTI	5
Low	No injury and/or minor plant damage or NLT, near miss	31

A number of new Safe Work Procedures have been developed throughout the year to cover newly identified risks and new tasks.

Safety Inspections were conducted at all sites, with positive outcomes and all identified risks being addressed immediately.

Testing and tagging of all electrical items was also conducted across all sites and the FRWA office.

Driver safety on Kangaroo Island has been identified as a risk, due to radio and phone contact being compromised in some areas of the island. The installation of an 'open air radio' has taken place to ensure contact between driver, FRWA and emergency services.

Plant and Equipment

FRWA purchased selected plant and equipment from its member councils as well as other sources and has now sufficient plant for its WRD operations.

Kerbside Collections

The RACV fleet continues to work at a good level of reliability and the kerbside team completed approximately 2,373,079 lifts during the year, an increase of 69,155 lifts compared to the previous year.

A Regional Kerbside Collection Policy is currently being drafted. FRWA and the Constituent Councils are currently assessing the viability and options to change kerbside collection frequencies for all waste steams.

Waste and Recycling Depots

All Waste Transfer Stations have been operating smoothly and with good efficiencies. All sites have undergone a general clean up and both Kangaroo Island and Yankalilla have had site improvements completed.

Bulky Waste Stations remain an integral part of waste management on Kangaroo Island and adjustments to opening times have improved resource efficiencies while continuing to provide a good service to the community.

Contracts for the transport of Municipal Solid Waste (MSW) and recyclables from the sites to disposal or processing facilities have been reviewed.

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.

Auditor Appointed

In accordance with the FRWA Charter tenders were called for the Financial Auditor and Edward Marshalls were appointed.

Audited Financial Statements 2011-2012

Edward Marshall audited the 2011-2012 books and issued the Financial Statements which were provided to all Constituent Councils.

Establishment of Internal Audit Committee

An Internal Audit Committee has been established to provide an extra level of control ensuring that financial and operating procedures and systems are adequate.

The Committee is to meet three times per year, and will report directly back to the FRWA Board.

Ministerial Exemption re Independent Audit Committee

The Authority applied for and was granted ministerial exemption from having to establish an Independent Audit Committee.

FRWA Webpage

The FRWA webpage has been further improved with the addition of the Public Notice Board and Bulky Waste pages.

Policy Development and Review

Through this financial year the Authority continued to develop and review its Policies and Procedures.

Newly Developed:

- Travel Policy
- Communication & Education Strategy
- Employee Performance & Development Review Policy
- Treasury Management Policy

Reviewed:

- Procurement Policy
- Debt Collection Policy
- Cash Handling Policy & Procedure
- Employee Stakeholder Engagement Policy
- FRWA Constituent Council's approved the 1st revision of the FRWA Charter which will be gazetted early in the new financial year.

Upgrade of FRWA's Finance System

Starting with the payroll modules on 1 April 2012, FRWA is progressively transitioning to a new finance system that will allow the Authority to improve management and reporting of financials at the appropriate levels required by its constituent Councils.

Service Agreement Truck Maintenance

A local business, Ellers Diesel and 4WD have won the Service Contract for the FRWA truck fleet.

Major Achievements

Kerbside Collection Service

The Authority took over the kerbside collection services from Alexandrina Council, City of Victor Harbor and District Council of Yankalilla on 1 July 2012 and for Kangaroo Island on 1 September 2012.

Kangaroo Island Upgrade

The Kangaroo Island Waste and Recycling Depot has had a much needed site upgrade with the installation of a hand washing facility, an extension to the work area and improvements made to the office.

A workshop has been built to accommodate minor repairs and maintenance, the storing of small plant and fuels. The public drop off area has been improved with further upgrades to be completed over the next months.

Yankalilla Site

The Yankalilla Site has improved in appearance with a general cleanup being completed. The establishment of a salvage shop has reduced the amount of rubbish going to landfill.

Relocated to New Premises

The Authority office relocated to 25b Hutchinson Street on 16 March. The relocation was long overdue as FRWA has been working out of offices provided by Yankalilla and more recently Alexandrina Council since its commencement.

Extra Recycling collections for Xmas New Year Period

Extra recycling collections were provided to all of the three mainland Council areas to accommodate the increased holiday volume.

Waste Transfer Station Compliance Audits

Compliance audits were conducted for all Waste Transfer Stations against their respective EPA licences.

E.Waste Campaign

A Regional E.Waste Campaign was conducted during the month of May at the Goolwa Waste and Recycling Depot. The site was selected as one of the 13 regional drop-off centres across the state to participate in the campaign.

The Campaign was funded by the Government of South Australia and managed through Zero Waste SA (ZWSA) as the lead agency. Funding included the provision of container transport systems, the transport of all e.waste to the recycling facility and the recycling process.

The Fleurieu Regional Waste Authority provided staff for the on-site management of incoming e.waste, the coordination of logistics for container exchanges and the regional call centre.

The campaign was extremely successful and resulted in 10 shipment containers (approx. 170 tonnes) of electronic waste being collected, diverted from landfill and recycled.

Major Achievements

Kerbside Bin Waste Audits

Waste audits were conducted on kerbside bins across all four councils.

Geoff Johnston and Peter Schultz Consulting were awarded the tender and conducted the audits during the months of May and June.

4th National Landfill & Transfer Station Conference 31/8/11 – 2/9/11

Executive Officer, Marina Wagner was the Conference Chairperson for the three events conducted during the conference – The Inaugural Field Day, Landfill Conference and Transfer Station Conference.

Simon Grenfell represented FRWA in the Transfer Station Part/ Stakeholder Relationship section which was a great opportunity to promote FRWA and the region.

FRWA provided a $2,500.00 sponsorship package to sponsor the Stakeholder Relationship section.

Joint Agreement

The City of Victor Harbor, Alexandrina Council and Fleurieu Regional Waste Authority have been working together for the past 12 months to develop the existing Goolwa Site as a Regional Waste Transfer Facility. The plans are now in the final stages and The Victor Harbor site will be closed once details are finalised.

The development of a regional facility will provide savings for both councils by helping to offset the increase in costs and provide best practice waste recycling facilities and services that the community is seeking.

The regional facility will cater for the growth of both communities, be better placed to attract funding grants and have the capacity to run Zero Waste recycling initiatives such as the recent free e.waste drop off.

KI Paper and Cardboard Optimisation

KI Council and FRWA are working together on a joint project to optimise paper and cardboard management. A new baler has been purchased to accommodate this. The project was co-funded through a grant by Zero Waste SA.

DrumMuster Campaign

A DrumMuster Campaign was held at the Strathalbyn site during March. Over 2000 drums were deposited. During this period we took the opportunity to put five of our employees through the DrumMuster training program.

Financial Statements

2011 – 2012

Fleurieu Regional Waste Authority Annual Report

FLEURIEU REGIONAL WASTE AUTHORITY

General Purpose Financial Reports
for the year ended 30 June 2012

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FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012

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 2012 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 Council'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.

Catherine Cooper
Chairperson FRWA Board

Date: 5/9/2012

FLEURIEU REGIONAL WASTE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2012

	Notes	2012 $	2011 $
INCOME			
User charges	2	**5,843,477**	3,150,179
Grants, subsidies and contributions	2	**25,489**	6,845
Investment income	2	**70,862**	23,729
Reimbursements	2	**34,771**	-
Other income	2	**64,770**	-
Total Income		**6,039,369**	3,180,753
EXPENSES			
Employee costs	3	**1,845,184**	927,868
Materials, contracts & other expenses	3	**3,507,601**	2,009,937
Depreciation, amortisation & impairment	3	**414,342**	3,074
Finance costs	3	**169,905**	873
Total Expenses		**5,937,032**	2,941,752
NET SURPLUS / (DEFICIT) transferred to Equity Statement		**102,337**	239,001
Total Other Comprehensive Income		**-**	-
TOTAL COMPREHENSIVE INCOME		**102,337**	239,001

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

FLEURIEU REGIONAL WASTE AUTHORITY

BALANCE SHEET
as at 30 June 2012

	Notes	2012 $	2011 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	**808,826**	765,583
Trade & other receivables	4	**123,378**	120,134
		932,204	885,717
Total Current Assets		**932,204**	885,717
Non-current Assets			
Infrastructure, Property, Plant & Equipment	5	**2,789,304**	51,289
Total Non-current Assets		**2,789,304**	51,289
Total Assets		**3,721,508**	937,006
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	**734,284**	528,856
Borrowings	6	**474,174**	50,000
Provisions	6	**82,699**	101,726
		1,291,157	680,582
Total Current Liabilities		**1,291,157**	680,582
Non-current Liabilities			
Borrowings	6	**2,070,974**	-
Provisions	6	**18,039**	17,423
Total Non-current Liabilities		**2,089,013**	17,423
Total Liabilities		**3,380,170**	698,005
NET ASSETS		**341,338**	239,001
EQUITY			
Accumulated Surplus		**341,338**	239,001
TOTAL EQUITY		**341,338**	239,001

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 2012

	Notes	Accumulated Surplus	TOTAL EQUITY
2012		$	$
Balance at end of previous reporting period		**239,001**	**239,001**
Net Surplus / (Deficit) for Year		**102,337**	**102,337**
Other Comprehensive Income		**-**	**-**
Balance at end of period		**341,338**	**341,338**
2011			
Balance at end of previous reporting period		-	-
Net Surplus / (Deficit) for Year		239,001	239,001
Other Comprehensive Income		-	-
Balance at end of period		239,001	239,001

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

FLEURIEU REGIONAL WASTE AUTHORITY

CASH FLOW STATEMENT
for the year ended 30 June 2012

	Notes	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
User charges		**6,645,873**	3,036,891
Investment receipts		**70,862**	23,729
Grants utilised for operating purposes		**25,489**	-
Reimbursements		**34,771**	-
Other revenues		**64,770**	-
Payments			
Materials, contracts & other expenses		**(5,971,409)**	(2,289,801)
Finance payments		**(94,552)**	(873)
Net Cash provided by (or used in) Operating Activities		**775,804**	769,946
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Expenditure on new/upgraded assets		**(3,152,357)**	(54,363)
Net Cash provided by (or used in) Investing Activities		**(3,152,357)**	(54,363)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings		**3,058,775**	50,000
Payments			
Repayments of Borrowings		**(638,979)**	-
Net Cash provided by (or used in) Financing Activities		**2,419,796**	50,000
Net Increase (Decrease) in cash held		**43,243**	765,583
Cash & cash equivalents at beginning of period	7	**765,583**	-
Cash & cash equivalents at end of period	7	**808,826**	765,583

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 2012

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 5th September 2012.

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.

2 The Local Government Reporting Entity

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

3 Income recognition

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

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period.

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.

Fleurieu Regional Waste Authority

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

Note 1 - Significant Accounting Policies (cont)

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 Infrastructure, Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost.

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

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

5.2 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 as follows. 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

5.3 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.

5.4 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.

Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to 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.

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

5.5 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).

Fleurieu Regional Waste Authority

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

Note 1 - Significant Accounting Policies (cont)

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.

6 Payables

6.1 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.

6.2 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's assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

7 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".

8 Employee Benefits

8.1 Salaries, Wages & Compensated Absences

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

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

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

8.2 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 Council's involvement with the schemes are reported in Note 13.

9 Leases

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

Fleurieu Regional Waste Authority

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

Note 1 - Significant Accounting Policies (cont)

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.

10 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 Cash Flow Statement are disclosed on a gross basis.

11 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2012 reporting period and have not been used in preparing these reports.

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

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

Fleurieu Regional Waste Authority

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

Note 1 - Significant Accounting Policies (cont)

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

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

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

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 2 - INCOME

	Notes	2012 $	2011 $
USER CHARGES			
Waste Disposal Operations		**5,843,477**	3,150,179
		5,843,477	3,150,179
INVESTMENT INCOME			
Interest on investments			
Banks & other		**70,862**	23,729
		70,862	23,729
REIMBURSEMENTS			
- other		**34,771**	-
		34,771	-
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		**24,794**	-
Sundry		**39,976**	-
		64,770	-
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		**25,489**	6,845
		25,489	6,845
Sources of grants			
Other		**25,489**	6,845
		25,489	6,845

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 3 - EXPENSES

	Notes	2012 $	2011 $
EMPLOYEE COSTS			
Salaries and Wages		**1,506,511**	721,280
Employee leave expense		**162,295**	68,894
Superannuation - defined contribution plan contributions	13	**110,468**	61,347
Superannuation - defined benefit plan contributions	13	**19,652**	5,213
Workers' Compensation Insurance		**35,634**	64,373
Other		**10,624**	6,761
Total Operating Employee Costs		**1,845,184**	927,868
Total Number of Employees		***24***	*20*
(Full time equivalent at end of reporting period)			
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the financial reports		**9,530**	8,00
Bad and Doubtful Debts		**210**	-
Board members' expenses		**22,633**	32,616
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments	12	**23,133**	24,251
Subtotal - Prescribed Expenses		**55,506**	64,867
Other Materials, Contracts & Expenses			
Contractors		**960,666**	1,046,863
Fuel		**520,889**	106,121
Waste Disposal		**928,835**	364,660
Maintenance		**365,816**	93,086
Parts, accessories & consumables		**9,166**	-
Professional services		**53,052**	37,767
Sundry		**613,671**	296,573
Subtotal - Other Materials, Contracts & Expenses		**3,452,095**	1,945,070
		3,507,601	2,009,937
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		**1,061**	88
Plant & Equipment		**411,192**	2,986
Furniture & Fittings		**2,089**	-
		414,342	3,074
FINANCE COSTS			
Interest on Loans		**7,445**	873
Charges on Finance Leases		**162,460**	-
		169,905	873

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 4- CURRENT ASSETS

	Notes	2012	2011
CASH & EQUIVALENT ASSETS		$	$
Cash on Hand and at Bank		**48,788**	765,583
Deposits at Call		**760,038**	-
		808,826	765,583
TRADE & OTHER RECEIVABLES			
Debtors - General		**123,378**	120,134
		123,378	120,134

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2011 $				2012 $			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Buildings & Other Structures	-	3,181	(88)	3,093	-	**3,181**	(1,149)	**2,032**
Plant & Equipment	-	51,182	(2,986)	48,196	-	**3,182,905**	(414,178)	**2,768,727**
Furniture & Fittings	-	-	-	-	-	**20,634**	(2,089)	**18,545**
TOTAL PROPERTY, PLANT & EQUIPMENT	-	54,363	(3,074)	51,289	**-**	**3,206,720**	(417,416)	**2,789,304**
Comparatives	**-**	***54,363***	***(3,074)***	***51,289***	**-**	***54,36***	*(3,074)*	***51,289***

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 2012

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2011 $	CARRYING AMOUNT MOVEMENTS DURING YEAR $							2012 $
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Buildings & Other Structures	3,093	-	-	-	(1,061)	-	-	-	2,032
Infrastructure	-	-	-	-	-	-	-	-	-
Plant & Equipment	48,196	3,131,723	-	-	(411,192)	-	-	-	2,768,727
Furniture & Fittings	-	20,634	-	-	(2,089)	-	-	-	18,545
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	51,289	3,152,357	-	-	(414,342)	-	-	-	**2,789,304**
Comparatives	-	***54,363***	-	-	*(3,074)*	-	-	-	***51,289***

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 2012

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

Valuation of Assets

Buildings & Other Structures
Buildings and other structures are recognised on cost basis.

Plant, Furniture & Equipment
These assets are recognised on the cost basis.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 6 - LIABILITIES

		2012 $		2011 $	
TRADE & OTHER PAYABLES	Notes	**Current**	**Non-current**	Current	Non-current
Goods & Services		**368,322**	**-**	35,013	-
Payments received in advance		**168,480**	**-**		-
Accrued expenses - employee entitlements		**148,883**	**-**	113,508	-
Accrued expenses - other		**9,000**	**-**	25,785	-
Deposits, Retentions & Bonds		**-**	**-**	20,354	-
Other		**39,599**	**-**	334,196	-
		734,284	**-**	528,856	-
BORROWINGS					
Short term draw down facility		**-**	**-**	50,000	-
Loans		**474,174**	**2,070,974**	-	-
		474,174	**2,070,974**	50,000	-
PROVISIONS					
Employee entitlements (including oncosts)		**82,699**	**18,039**	101,726	17,423
		82,699	**18,039**	101,726	17,423

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

Movements in Provisions - 2011 year only *(current & non-current)*		*Other Provision*
Opening Balance		
Add	*Unwinding of present value discounts*	
	Additional amounts recognised	*166,602*
(Less)	*Payments*	*(47,453)*
	Unused amounts reversed	
Add (Less) Remeasurement Adjustments		
Closing Balance		*119,149*

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2012 $	2011 $
Total cash & equivalent assets	4	**808,826**	765,583
Less: Short-term borrowings	6	-	-
Balances per Cash Flow Statement		**808,826**	765,583

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

Net Surplus (Deficit)	**102,337**	239,001
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	414,342	3,074
	516,679	242,075
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(3,244)	(120,133)
Net increase (decrease) in trade & other payables	280,780	528,856
Net increase (decrease) in other provisions	(18,411)	119,149
Net increase (decrease) in other liabilities	-	-
Net Cash provided by (or used in) operations	**775,804**	769,947

(c) Financing Arrangements

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

Bank Overdrafts		
Corporate Credit Cards	7,500	7,500
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 2012

Note 8 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned. **Terms & conditions:** Deposits are returning fixed interest rates between 1% and 4.25% (2011: 1% and 4.25%) **Carrying amount:** approximates fair value due to the short term to maturity.
Receivables - Fees & other charges	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. **Terms & conditions:** Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries. **Carrying amount:** approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority. **Terms & conditions:** Liabilities are normally settled on 30 day terms. **Carrying amount:** approximates fair value.
Liabilities - Interest Bearing Borrowings	**Accounting Policy:** Carried at the principal amounts. Interest is charged as an expense as it accrues. **Terms & conditions:** secured over future revenues, borrowings are repayable on a 6 monthly basis; interest is charged at a fixed rate of 6.65% (2011: 6.25%) **Carrying amount:** approximates fair value.
Liabilities - Finance Leases	**Accounting Policy:** accounted for in accordance with AASB 117.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 8 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	$	$	$	$	$
Cash & Equivalents	**808,826**	-	-	**808,826**	**808,826**
Receivables	**123,378**	-	-	**123,378**	**123,378**
Other Financial Assets	-	-	-	-	-
Total	**932,204**	-	-	**932,204**	**932,204**
Financial Liabilities					
Payables	**734,284**	-	-	**734,284**	**576,401**
Current Borrowings	**474,174**	-	-	**474,174**	**474,174**
Non-Current Borrowings	-	**2,370,870**	**237,087**	**2,607,957**	**2,070,974**
Total	**1,208,458**	**2,370,870**	**237,087**	**3,816,415**	**3,121,549**

2011	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	$	$	$	$	$
Cash & Equivalents	765,583	-	-	765,583	765,583
Receivables	120,134	-	-	120,134	120,134
Other Financial Assets	-	-	-	-	-
Total	885,717	-	-	885,717	885,717
Financial Liabilities					
Payables	528,856	-	-	528,856	389,563
Current Borrowings	50,000	-	-	50,000	50,000
Non-Current Borrowings	-	-	-	-	-
Total	578,856	-	-	578,856	439,563

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

	30 June 2012		30 June 2011		
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value	FRWFR
	%	$'000	%	$'000	
Payables	**0**	**576,401**	0	389,563	
Other Variable Rates	**0**	-	6.25	50,000	
Fixed Interest Rates	**6.65**	**2,545,148**		-	
		3,121,549		439,563	

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 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 4in 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 adverse manner.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 9 - COMMITMENTS FOR EXPENDITURE

	Notes	2012 $	2011 $
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Plant & Equipment		-	2,619,775
		-	2,619,775
These expenditures are payable:			
Not later than one year		-	237,087
Later than one year and not later than 5 years		-	1,896,696
Later than 5 years			485,992
		-	2,619,775
Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		**27,000**	-
Kangaroo Island Bin Replacement		**210,000**	-
Employee Remuneration Contracts		**390,609**	734,390
Rent		**43,333**	18,000
		670,942	752,390
These expenditures are payable:			
Not later than one year		**193,977**	255,389
Later than one year and not later than 5 years		**441,965**	497,001
Later than 5 years		**35,000**	-
		670,942	752,390

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 10 - FINANCIAL INDICATORS

	2012	2011
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		
Operating Surplus / Total Operating Revenue	2%	8%
This ratio expresses the operating surplus as a percentage of total operating revenues.		
Net Financial Liabilities Ratio		
Net Financial Liabilities / Total Operating Revenue less NRM levy	41%	-6%
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		
Net Asset Renewals / Infrastructure & Asset Management Plan required expenditure	N/A	N/A
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 2012

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.

	2012 $		2011 $	
Income		**6,039,369**		3,180,753
less Expenses		**5,937,032**		2,941,752
Operating Surplus / (Deficit)		**102,337**		239,001
***less* Net Outlays on Existing Assets**				
Capital Expenditure on renewal and replacement of Existing Assets	-		-	
less Depreciation, Amortisation and Impairment	**414,342**		3,074	
less Proceeds from Sale of Replaced Assets	-		-	
		(414,342)		(3,074)
***less* Net Outlays on New and Upgraded Assets**				
Capital Expenditure on New and Upgraded Assets *(including investment property & real estate developments)*	**3,152,357**		54,363	
		3,152,357		54,363
Net Lending / (Borrowing) for Financial Year		(2,635,678)		187,712

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 12 - OPERATING LEASES

Lease payment commitments of Council

The Authority has entered into non-cancellable operating leases for two motor vehicles.
No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.
No lease contains any escalation clause.
Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:
0

	2012	2011
	$	$
Not later than one year	**35,500**	58,633
Later than one year and not later than 5 years	**-**	-
Later than 5 years	**-**	-
	35,500	58,633

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 13 – 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. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members
Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2011/12; 9% in 2010/11). 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 Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.3% in 2010/11) of "superannuation" salary.

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

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

Contributions to Other Superannuation Schemes

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

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 14 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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 2012

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

There were no events subsequent to 30 June 2012 that need to be disclosed in the financial statements.

EdwardsMarshall

FLEURIEU REGIONAL WASTE AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012
STATEMENT BY AUDITOR

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

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

Jamie Dreckow
Partner

Edwards Marshall
Chartered Accountants

Dated this 1st day of September 2012

Level 3
153 Flinders Street
Adelaide SA 5000
GPO Box 2163
Adelaide SA 5001
p +61 8 8139 1111
f +61 8 8139 1101
w edwardsmarshall.com.au

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FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Fleurieu Regional Waste Authority for the year ended 30 June 2012, 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.*

.....
(Insert name)
EXECUTIVE OFFICER
Fleurieu Regional Waste Authority

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from requirement
For an Audit Committee

Date: 31 August 2012

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Fleurieu Regional Waste Authority for the year ended 30 June 2012, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

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

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from requirement
For an Audit Committee

Date: 3/9/12

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Fleurieu Regional Waste Authority for the year ended 30 June 2012, the Authority's Auditor, Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

.....

Peter Dinning
CHIEF EXECUTIVE OFFICER
Alexandrina Council

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from requirement
For an Audit Committee

Date: 3rd September 2012

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Fleurieu Regional Waste Authority for the year ended 30 June 2012, 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 requirement
For an Audit Committee

Date: 3rd September 2012.

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Fleurieu Regional Waste Authority for the year ended 30 June 2012, 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.*

.....
Trevor Starr
A/ CHIEF EXECUTIVE OFFICER
DISTRICT COUNCIL OF YANKALILLA

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from requirement
For an Audit Committee

Date: 3/9/2012

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Fleurieu Regional Waste Authority for the year ended 30 June 2012, 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
CHAIRPERSON
Fleurieu Regional Waste Authority

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from requirement
For an Audit Committee

Date: 3 September 2012

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 Balance Sheet as at 30 June 2012 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the 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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Level 3
153 Flinders Street
Adelaide SA 5000
GPO Box 2163
Adelaide SA 5001
p +61 8 8139 1111
f +61 8 8139 1101
w edwardsmarshall.com.au

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Fleurieu Regional Waste Authority as at 30 June 2012, 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

Date 5/9/12

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

Fleurieu Regional Waste Authority