

# ANNUAL REPORT 2016/17

city of  
Victor Harbor



## ACKNOWLEDGEMENT OF COUNTRY

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

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### Attachment 1:

Fleurieu Regional Waste Authority  
Annual Report

### Attachment 2:

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Association Annual Report

### Attachment 3:

Fleurieu Regional Aquatic Centre  
Authority Annual Report

## QUICK FACTS

**Location** – 80km south of Adelaide

**Population** – approximately 15,600

**Rateable properties** – 10,586\*  
(\*as at 30 June 2017)

**Area** – 34,634 Hectares

**This Annual Report was adopted  
by the City of Victor Harbor  
on 27 November 2017**

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# MAYOR'S MESSAGE

## 2016/17 has seen the City of Victor Harbor reap the rewards of hard work and persistence, positioning itself as an award winning council.

Following on from the accolades received on the national stage last year for the innovative approach to delivering the Fleurieu Aquatic Centre, the council has continued to show it is a local government leader.

At the National Local Government Professionals Federation Awards, the Victor Harbor Schoolies Festival™ took out the *Collaboration and Community Partnerships* award, making it a back to back win for the council in this category.

The City of Victor Harbor also received national recognition for its broad range of sustainability initiatives in place to protect and preserve our coastal environment at the Keep Australia Beautiful Clean Beaches Awards. The council won the Heritage and Culture award which celebrates and acknowledges the hard work of the community and council to ensure the rich fabric of Victor Harbor's long history is immediately visible when arriving on the foreshore.

The City of Victor Harbor was also presented with a special commendation for its overall commitment to delivering initiatives in partnership with the community that make Victor Harbor one of the country's most sustainable beachside communities.

Victor Harbor's Mainstreet Precinct received state-wide recognition,

being named the best in regional South Australia. It is the second time council has received this award, previously winning it in 2014.

While it is humbling to receive these awards, there are also a lot of unrecognised successes that have been driven by council.

In 2016/17 we have continued to work hard to set Victor Harbor up for the future, protecting the lifestyle we highly value and creating opportunities that will see our community prosper.

While many of our achievements and accomplishments during 2016/17 are outlined later in this annual report, there are a few I would like to highlight:

- The highly anticipated **opening of the Fleurieu Aquatic Centre** in March 2017 certainly tops the list of the year's accomplishments.

Since opening the centre has been performing beyond expectations and the feedback we have received so far has been glowing.

- The **completion of the first stage of the Victor Harbor Mainstreet Precinct Upgrade** has revitalised the heart of the town centre, and provided a glimpse as to how the precinct will be transformed as future stages roll out in the coming years. The Community Street Party hosted to celebrate the completion of stage one showed how the award winning public space can be used.
- An **increased focus on economic development and business support** has seen council improve communication with the local business community and strengthen its relationship with Business Victor Harbor (formerly the Victor

Harbor and District Business Association) to deliver the inaugural Victor Harbor Business Week, a 'Buy Local' campaign with a consumer survey, and over 20 workshops.

- The **launch of Victor Harbor's new place brand** was well received by the community and the new branding is slowly being rolled out across the council area and used to promote Victor Harbor as a place where you can 'encounter it all'.
- A **new Community Plan 2036 and Strategic Directions 2016-2020 was adopted** to drive the future direction of our city and play an important role in influencing how council will respond to future challenges and opportunities.

The work undertaken in 2016/17 has continued to build a solid framework to assist in creating a bright future for our city.

The council is in a great position to continue to move Victor Harbor forward, and I am looking forward to what is ahead for us in the next 12 months.

Finally, I would like to thank everyone who took the time to provide council with their feedback during the many public consultation exercises undertaken during 2016/17. Your feedback was valued, and helped us in our decision making.

Council will continue to ask for the community's feedback on a range of issues regularly through the year, and I encourage you to get involved, share your views and help us make Victor Harbor an even better place.

**GRAHAM PHILP**  
Mayor

# STRATEGIC MANAGEMENT

## Vision and Objectives

Council has a vision for Victor Harbor to be “a city that offers opportunity and lifestyle”.

The vision was developed during 2016, and gives a nod to the value our residents place on our enviable lifestyle and strong sense of community. It highlights the need to embrace new ideas and technology to create opportunities, and the importance of providing the right conditions for individuals and the community to prosper.

The vision also places an important focus on nurturing and growing an economy that provides individuals with the opportunity for material and financial security, and ensuring access to facilities and services required to achieve prosperity in both a social and economic sense.

Central to the vision is a community where people are engaged, empowered to make decisions, and keen to work together. The council’s vision is about making a great place even better.

To achieve the vision for Victor Harbor, the council has identified five broad objectives.

1. Healthy environments
2. Attractive lifestyle and inclusive community
3. Thriving local economy
4. Services and infrastructure that meet the needs of the community
5. An innovative council empowering the community

These objectives outline what needs to be in place in order for Victor Harbor to achieve the council’s vision.

## Strategic Planning

Council has a series of interlinked plans in place to ensure that our activities are focussed on achieving our vision. The plans incorporate a mixture of long, medium and short term plans that are underpinned by council’s vision and objectives.

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

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

Diagram: Council’s Strategic Planning Framework



## Measures of Success

The City of Victor Harbor uses a number of methods to measure our performance against our objectives.

### Key Planned Activities

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

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

Key Planned Activities may not be listed under every strategy in every year and it is not intended that every activity of council is included.

In 2016/17, 167 Key Planned Activities were identified. The end of year review shows 134 have been completed, four cancelled, and 29 Key Planned Activities not on track.

Taking into consideration the four cancelled activities, 82% of activities were complete.

A further eight Key Planned Activities have been substantially completed (80% or more complete). This results in the number of completed or substantially complete Key Planned Activities being 142, or 87%.

A number of factors are identified as having impacted on performance towards completing listed Key Planned Activities, including:

- 13 not on track due to capacity (e.g. staff resources, under-estimation of workload, loss of staff through turnover, illness or unexpected leave)
- eight (8) not on track due to changes in strategic direction
- three (3) not on track due to ambitious timeline forecasts
- three (3) not on track due to financial factors including unrealised income and unforeseen expenditure
- one (1) not on track due to the need for remedial work to be undertaken
- one (1) not on track due to contractor not meeting expected outcome.

A list of all 2016/17 Key Planned Activities, and their status, is included as **Appendix 1** in this Annual Report.

In 2017/18, council has identified 276 Key Planned Activities to contribute toward achieving our long term objectives. These activities are outlined in the City of Victor Harbor’s 2017/18 Annual Business Plan.

### Financial Management

The City of Victor Harbor’s Annual Business Plan shows how council allocates its budget and what services, programs and projects will be delivered in the financial year.

Financial indicators identify emerging trends and comparative information about council’s financial sustainability. They are a vital reference for long term financial planning and performance measures.

The table below shows target ratios set by council and the performance against these ratios over the past three years.

Table: Financial Indicators

Ratio	2016/17	2015/16	2014/15	Target
Operating Surplus	4%	3%	9%	3% to 10%
Net Financial Liabilities	47%	42%	39%	Less than 75%
Asset Sustainability	99%	77%	64%	80% average (3 years)

**Operating Surplus Ratio**

This ratio expresses the operating surplus (deficit) as a percentage of general and other rates. The operating surplus ratio indicates that the cost of services provided to the local community is being met from operating revenues with surpluses being used to fund infrastructure renewals.

A surplus ratio of 4% was achieved in 2016/17. This is above council's minimum target of 3%. However, this result was inflated due to the receipt of advance financial assistance grants in late June 2017. The adjusted operating surplus ratio for 2016/17 was 1% (below council's minimum target).

The receipt of the financial assistance grants in advance will likely result in a below target result in 2017/18.

**Net Financial Liabilities Ratio**

This ratio expresses total liabilities as a percentage of operating revenue. The ratio demonstrates the extent to which council's total debt can be met by operating revenue.

A ratio of 47% was achieved in 2016/17 meeting council's target of less than 75%. This represented an increase from 2015/16 due to a \$2.5 million loan taken out for the purposes of constructing the Fleurieu Aquatic Centre.

**Asset Sustainability Ratio**

This ratio indicates whether council is renewing existing assets in line with Asset Management Plan requirements.

A ratio of 99% was achieved in 2016/17 meeting council's target of greater than 80%. The finalisation of a number of projects during 2016/17 that were recorded as 'partially completed' in 2015/16 has contributed to a high ratio.

**Service Delivery**

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

The 'highlights and achievements' section that follows identifies some of the 2016/17 highlights for each of council's strategic objectives.

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

- Southern and Hills Local Government Association **(Annual Report 1 attached)**
- Fleurieu Regional Waste Authority **(Annual Report 2 attached)**
- Fleurieu Regional Aquatic Centre Authority **(Annual Report 3 attached)**
- Local Government Association of South Australia
- Adelaide and Mount Lofty Ranges Natural Resources Management (NRM) Board
- SA Murray Darling Basin Natural Resources Management Board
- Dog and Cat Management Board

**Strategic Indicators**

A series of strategic indicators have been identified to reflect how effective council has been in making a difference in order to achieve its vision and objectives.

It is not intended that the indicators reflect a complete picture of every aspect of every objective. Rather, they reflect a trend towards a desired outcome and provide information on how council can focus or refine its activities to better achieve its vision.

**Appendix 2** shows performance against those indicators for which data was available in 2017/18.

Council met 12 of the 15 targets in 2017/18. In relation to the three indicators for which targets were not met:

- Membership of the library as a percentage of the population (50% against a target of 68% or higher) was the result of the introduction of the One Card System which lets people borrow books from any library in South Australia using a single library card. Previously visitors to Victor Harbor would have needed to become members of the Victor Harbor library in addition to membership of their normal library. The 68% target, based on previous results, is effectively a combination of both Victor Harbor residents and non-residents.
- Library visits per capita (9.9% against a target of 10%) is slightly less than the target. This is probably due to the "people counter" at the entrance being faulty for an extended period of time.
- Number of council decisions made in confidence (6.9% against a target of 5%) is primarily due to a larger number of items considered under Section (d) relating to commercial information and Sections (a) and (g) relating to personal affairs and a breach of law. Further details are provided on page 26.



# HIGHLIGHTS AND ACHIEVEMENTS

**During 2016/17, the City of Victor Harbor accomplished a number of significant milestones and achievements that will help council protect the lifestyle we highly value and create opportunities that will see our community prosper.**

**A selection of these highlights and achievements are outlined over the following pages.**

- Stage 1 of the Victor Harbor Mainstreet Precinct upgrade was completed and celebrated with a street party attended by hundreds of people
- More than 1500 people attended the 2017 Whale Time Playtime Festival
- Supported 400 local tourism operators with around \$575,000 in gross bookings for accommodation and attractions at the Visitor Information Centre
- Hosted the 2017 Santos Tour Down Under Stage 3 finish which included four loops around Victor Harbor
- More than 114,700 visits to [encountervictorharbor.com.au](http://encountervictorharbor.com.au) and over 52,000 people through the Visitor Information Centre
- Achieved more than \$72,500 in retail sales at the Visitor Information Centre
- Held the first 'Encounter It All' tourism open day
- More than 300 Granite Island Nature Tours took place with 4000 people attending tours
- Continued the Rediscover Granite Island initiative with pop up activities during the school holidays
- More than 63,000 people visited the SA Whale Centre
- More than 3000 students attended the SA Whale Centre's education programs
- More than 3000 children participated in the SA Whale Centre's Whalefest school holiday program
- Assisted the establishment of a Friends of the Victor Harbor Horse Tram group and team of volunteers to assist with ticket sales and visitor information
- More than 38,000 passengers enjoyed a trip on the iconic Horse Drawn Tram
- Supported the delivery of 19 major events in Victor Harbor
- Council's 2016 Rock N Roll Festival attracted more than 9000 people and had a display of around 270 classic cars
- Established an Agribusiness Reference Group as a channel for the sector to communicate with council on key issues
- Held the inaugural Victor Harbor Business Week in conjunction with Business Victor Harbor
- Received over 170 responses to the first annual business confidence survey to help better understand the challenges facing local business
- Facilitated 21 workshops for local businesses
- Developed a concept plan for the Coral Street Performing Arts and Culture Centre
- Installed Victor Harbor's permanent digital art projector, one of only three in the State
- Launched a new place brand for Victor Harbor, with over 700 community votes during the consultation period
- The Victor Harbor Mainstreet Precinct was named the best regional main street in SA
- Continued delivery of the Mainstreet Precinct Action Plan which included an Easter Hunt attended by 400 children (plus parents), and Santa's Cave visited by 257 children
- Fleurieu Aquatic Centre was completed and opened in March 2017
- 6300m<sup>2</sup> of new footpaths were constructed and 900m<sup>2</sup> of footpath renewal undertaken
- Resheeted over 21,000m<sup>2</sup> of unsealed roads with gravel
- Sealed 325m<sup>2</sup> of dirt roads
- Lamont Court stormwater upgrade was completed
- Soliders' Memorial Reserve toilet facilities were upgraded
- Outdoor staff attended to more than 2000 customer works requests
- Completed and opened the Victor Harbor Dog Park
- Developed and launched the Victor Harbor Town Centre Heritage Trail to share the stories of our built history



Digital Art in the Mainstreet Precinct



Official opening of the Fleurieu Aquatic Centre

# HIGHLIGHTS AND ACHIEVEMENTS

- The Southern Communities' Transport Scheme (SCOTS) provided around 13,600 passenger trips to more than 1500 people and over 1000 carers who were transport disadvantaged
- Volunteers contributed over 8370 hours of their time to the SCOTS service
- The Volunteer Week Small Grants Program assisted 36 community groups to recognise the efforts of up to 1043 volunteers
- Hosted the biannual 'Flourishing on the Fleurieu Festival' which was supported by 21 community groups and attended by 600 people
- Facilitated collaborative opportunities for aged care stakeholders through six networking meetings attended by 145 representatives
- Developed online hub for information about local dementia services and support
- Co-hosted the annual symposium for community aged care service providers attended by 150 people
- Provided 290 support sessions for local families attended by more than 3000 people
- Members of the Southern Fleurieu Youth Advisory Committee volunteered more than 6000 hours to support youth events
- More than 1500 young people and community members attended a variety of youth events such as Colour Me Senseless Youth Art Exhibition, Youth Showcase, Wet Paint Theatre, Blue Light Discos, Short Film Workshops and music events
- Acted on concerns for student safety and completed an upgrade to Kullaroo Road behind the Victor Harbor High School
- Around 80 trees were planted on council streets, and around 7000 trees and shrubs were planted in council parks and reserves
- Completed Stage 2 of the Brandwood Reserve landscape upgrade
- Completed Stage 2 of the Ocean Road upgrade in Hayborough
- Upgraded Greenhills Road, Waitpinga Road and Matthews Street
- Strawberry Hill Road was closed to the public following community consultation
- Upgraded irrigation systems at Cliff Thorpe Reserve and Brian Spilsbury Reserve
- Signage along the Encounter Bikeway was upgraded
- Undertook coastal protection works near King Street and The Esplanade
- Upgraded the playgrounds at the Encounter Bay Recreation Ground and Victor Harbor Oval
- Contributed to the upgrade of the courts at the Encounter Bay Recreation Ground
- 68 sports coaches from 17 different sports attended the 'Coach and Athlete Excellence Workshops' delivered via the STARCLUB Field Officer Program
- Provided \$3700 in grants to assist 7 community groups support the wellbeing of people in Victor Harbor through the Community Grants Program
- More than 500 development applications were assessed for development totalling over \$81 million
- Completed new LED lighting, backboards and painting at the Recreation Centre
- Assisted Mainstreet Traders to improve their shopfronts through the Mainstreet Façade Grant Program
- Cat registration was introduced from 1 January 2017
- 2960 dogs and 450 cats were registered
- Grant funding of \$9600 was provided to 10 individuals and five groups to assist them to make a positive contribution to sport and recreation in the council area
- Visits to council's consultation website – [www.yoursay.victor.sa.gov.au](http://www.yoursay.victor.sa.gov.au) – increased by 1700
- Held 6 listening posts at various locations within the City of Victor Harbor
- Completed the BDP (Better Development Plan) Development Plan Amendment
- More than 2300 children took part in the youth programs at the Victor Harbor Public Library
- 317 students submitted an entry in the Mayor's Short Story Competition, an increase of 60 from the previous year
- Over 50% of the City of Victor Harbor population is a member of the Public Library (compared to an average of 41% for regional libraries)
- Developed a new Community Plan 2036 and Strategic Directions 2016-2020
- Achieved an improved rating in the organisational Work Health Safety KPI audit
- Received a merit award for ongoing development of our WHS culture
- Reviewed council by-laws and developed the new foreshore by-law
- Completed an elector representation review with more than 1,000 community responses over two consultation periods
- Participated in a series of surveys to evaluate and reflect on the council's performance and monitor performance over time to promote continuous improvement
- Reviewed and/or developed 12 policies
- Hosted the Premier and Cabinet in Victor Harbor as a part of the SA Government's Country Cabinet initiative
- Won a National Local Government Professionals Federation Award in the category of Partnerships and Collaboration for the Victor Harbor Schoolies Festival Team



Encounter Bay netball courts upgraded

Country Cabinet in Victor Harbor

# ELECTED MEMBERS

The City of Victor Harbor's elected body comprises a Mayor and nine Councillors who are responsible for a variety of functions in accordance with the Local Government Act 1999 and Regulations. Elections for Council Members are held every four years in accordance with the Local Government (Elections) Act 1999.



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

 Mayor Graham Philp

 Cr Terry Andrews

 Cr Peter Charles

 Cr Pat Chigwidden

 Cr Karen Dutton

 Cr Tim Glazbrook

 Cr Nicholas Hayles

 Cr Moira Jenkins

 Cr Bob Marshall

 Cr Carol Schofield

## Elected Member Allowances

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

The Remuneration Tribunal, in determining allowances, has regard to the role of members, the size, population, revenue as well as relevant economic and social factors in the council area.

In 2016/17 Elected Members received the following allowances:

- Mayor - \$51,200
- Deputy Mayor - \$16,000

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

In addition Council Members are entitled to other support including reimbursement of travel and child care expenses. Council's Elected Member Allowances and Support Policy sets out a comprehensive summary of the provisions of the Local Government Act 1999 and the Regulations in respect to Elected Member allowances, expenses and provision of facilities, support and benefits.

It also provides the circumstances under which council approves the reimbursement of additional expenses on a discretionary basis.

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

## Meeting Attendance

City of Victor Harbor hold their ordinary council meetings on the fourth Monday of the month from 5.30pm. During 2016/17 there were 12 ordinary meetings and 10 special meetings.

Total number of meetings	22
Mayor Philp	22
Cr Terry Andrews	21
Cr Peter Charles	22
Cr Pat Chigwidden	20
Cr Karen Dutton*	14
Cr Tim Glazbrook	20
Cr Nicholas Hayles	14
Cr Moira Jenkins	19
Cr Bob Marshall	17
Cr Carol Schofield^	21

\*Cr Karen Dutton was granted a leave of absence from 2 November 2016 until 2 February 2017.

^Cr Carol Schofield was granted a leave of absence from 17 May 2017 until 10 June 2017.

## Elected Member Training

The following is a record of Elected Member attendance at training during 2016/17.

Training	Date	Mayor G Philp	Cr T Andrews	Cr P Charles	Cr P Chigwidden	Cr K Dutton	Cr T Glazbrook	Cr N Hayles	Cr M Jenkins	Cr B Marshall	Cr C Schofield
Training on Records Management and Confidentiality	26/7/2016	✓	✓							✓	
Presentation from the Local Government Association (LGA) President and CEO	16/8/2016	✓	✓	✓	✓	✓	✓	✓	✓		✓
Audience with the Ombudsman (Southern and Hills Local Government Association)	19/8/2016	✓	✓	✓	✓			✓			✓
Meeting Procedures (Onkaparinga Council Meeting)	6/9/2016	✓	✓								
Council Development Assessment Panel Code of Conduct and Conflict of Interest Training	19/9/2016	✓	✓	✓		✓					✓
Code of Conduct Training for Elected Members	19/9/2016	✓	✓	✓	✓	✓	✓	✓			✓
Conflict of Interest Training for Elected Members and Committee Representatives	19/9/2016	✓	✓	✓	✓	✓	✓	✓			✓
Local Government Heritage and Planning Reform Conference (LGA)	21/9/2016							✓			
Individual and Organisational Development (IOD) - Initial meeting with Elected Members and individual Elected Member Coaching	20/9/2016 23/9/2016	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
IOD Training - Group meeting with Elected Members and Team Coaching	15/10/2016	✓		✓	✓	✓	✓	✓	✓		✓
Resilience of Gulfs, Coasts and Estuaries (LGA)	8/11/2016	✓									
Leadership Forum (LGA)	17/3/2017	✓									
Australian Coastal Councils' Conference	3-5/5/2017				✓			✓			
CoastAdapt Training - Adelaide	7/6/2017	✓									
Media Training	29/6/2017	✓									

# GOVERNANCE

## Procured Goods and Services

The City of Victor Harbor's Procurement Policy and Procedures reflects council's commitment to obtaining value for money in the expenditure of public money and ensuring ethical, accountable and transparent practices in all operations for contracting out of services, competitive tendering and provides for procurement for the use of local goods and services.

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

- Vehicle and plant acquisitions
- Crack sealing program
- Roadseal bitumen services – asphalt and bitumen surfacing
- Soldiers' Memorial Reserve toilet block replacement
- Fence replacement at Bridge Terrace
- Kullaroo Road construction
- Coral Street Performing Arts & Cultural Centre concept plan and business case
- Design of Adelaide Road roundabout
- King Street concrete block wall dune stabilisation
- Stormwater upgrade – Yandra Terrace (Stage 1 & 2)
- Stormwater Upgrade – Brand and Field Avenue
- Bluff boat ramp car park extension
- Encounter Lakes mechanical gate lifting installation

- Residential Review Development Plan Amendment
- Purchase and installation of two Playgrounds at Victor Harbor Oval and Encounter Bay Recreation Ground
- Hygiene and sanitary services
- Library refurbishment development design
- Supply and install steel beam safety barriers (guard railing)
- Storage Area Network (SAN) – goods and services
- Customer Service – service review
- Plant and equipment tyre service
- Level 2 bridge inspections
- New Year's Eve fireworks display
- Fleurieu Aquatic Centre video production
- Supply and install signage at Fleurieu Aquatic Centre
- Purchase of portable generator
- Victor Harbor Recreation Centre – General Purpose Room flooring replacement
- Encounter Lakes and Waters grounds maintenance services
- Encounter Bikeway signage
- Slashing services
- Roadside weed spraying services
- Recruitment services (CEO recruitment)
- Pest control services

## National Competition Policy

The National Competition Policy seeks to remove competitive advantages and disadvantages that arise solely through the ownership differences between public sector and private sector organisations.

There are no significant business activities with an annual gross operating income greater than \$2 million to disclose or that are considered significant to council's core business activities.

Council is party to the following regional subsidiaries established under Section 43 of the Local Government Act 1999:

- Fleurieu Regional Waste Authority established to provide waste and recycling services for the City of Victor Harbor, Alexandrina Council, District Council of Yankalilla and Kangaroo Island Council.
- Southern and Hills Local Government Association established to advocate and lobby on behalf of Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mount Barker District Council, City of Victor Harbor and District Council of Yankalilla.
- Fleurieu Regional Aquatic Centre Authority established by the City of Victor Harbor and Alexandrina Council to provide facilities and services at the Aquatic Centre.

The Annual Reports of each of the regional authorities are provided as attachments to this document.

In 2016/17 the City of Victor Harbor operated the following business activities that are not considered

'significant' under the National Competition Policy principles:

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

The City of Victor Harbor reviewed its by-laws during 2015/16 and these were gazetted on 25 August 2016. Consideration was given to the principles of the National Competition Policy during this process.

Council was satisfied that the benefits to the community of the effective management of activities prescribed in the by-laws, outweigh the potential restrictions on competition or costs posed by a by-law.

The following seven by-laws came into effect on 1 January 2017.

- By-law 1: Permits and Penalties
- By-law 2: Moveable Signs
- By-law 3: Roads
- By-law 4: Local Government Land
- By-law 5: Dogs
- By-law 6: Cats
- By-law 7: Foreshore

Council has a Competitive Neutrality Complaint Procedure in place. No competitive neutrality complaints were received during the reporting period.

## Community Land

Council adopted its initial community land management plans in December 2004, with council properties added to the Land Register accordingly.

In accordance with Chapter 11 of the Local Government Act 1999, the following properties are subject to inclusion (or revocation) as Community Land within the register during 2015/16.

Assess No.	Certificate of Title	Lot	Plan	Community Land Status	Description
A1162	CT5307/787	91	F162862	Yes	Historical Cemetery 'Tabernacle Church Cemetery Reserve' Part 1 of 2 - Area 3,784m <sup>2</sup>
A11622	CT5980/810	179	D71731	Yes	Historical Cemetery 'Tabernacle Church Cemetery Reserve' Part 2 of 2 - Area 58m <sup>2</sup>
A13174	CT6187/253	62	D113686	Yes	Roadside Boundary Reserve (0.1 metre wide to prevent driveway access). Corner of Adelaide Road and Welch Road. Area 32.5 m <sup>2</sup>
A8618	CT6193/865	46	D3645	Revoked	Narrow drainage reserve next to Baptist Church, deemed surplus and disposed of. Area 102m <sup>2</sup>



Tabernacle Church Cemetery land handover

# COUNCIL DOCUMENTS

## Registers and Codes

The following registers and codes are required to be kept by council under the Local Government Act 1999 and other relevant legislation:

### Registers

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

### Codes

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

## Documents Available for Public Inspection

The following documents are made available for public inspection at the council office or on council's website, [www.victor.sa.gov.au](http://www.victor.sa.gov.au).

- Notice and agenda for meetings of council and council committees
- Minutes of meetings of the council or council committees
- Documents and reports to the council or council committee (except any confidential items made under Section 90 of the Local Government Act 1999)
- Recommendations adopted by resolution of the council
- Strategic Management Plans which include Asset Management Plans and Long Term Financial Plans
- Annual Business Plan and summary
- Annual Budget
- Audited Financial Statements
- Annual Report
- Extracts from council's assessment book
- List of fees and charges

- Management Plans for Community Land
- Procedures for the review of Council decisions and any report under Section 270(8)
- Terms of Reference for Council Committees
- Charters for subsidiaries established by the council
- Council by-laws
- Campaign Donations Return under the Local Government (Elections) Act 1999
- Representation Options papers and reports on council's boundaries
- Victor Harbor (City) Development Plan
- Agenda and Minutes of Council's Development Assessment Panel (reasonable access provided in accordance with the Development Act)
- Documents relating to approved development (within the Development Regulations and to relevant consents and/or copyright obligations)
- Rates Policy Summary (refer to Council's Annual Business Plan)

## Council Policy Documents

The following policies have been adopted by council, and are available for viewing at the council office or online at [www.victor.sa.gov.au](http://www.victor.sa.gov.au)

- Agribusiness and Rural Affairs
- Asset Accounting
- Asset Management
- Budget Framework
- Building and Swimming Pool Inspection
- Car Parking Fund
- Civic Centre Room Availability
- Cross Over and Crossing Place
- Complaints Handling
- Council Meeting Procedures
- Contract and Tender
- Council Sporting Leases – Obligations and Responsibilities
- Debt Management
- Donations
- Ecological Sustainable Development
- Elected Member Access to Information
- Elected Member Allowances, Reimbursements and Support

- Elected Member Training and Development
- Election Caretaker
- Election Signs Policy and Guidelines
- Enforcement
- Flag Management
- Footpath
- Fraud and Corruption Prevention
- Graffiti Management
- Informal Gatherings
- Internal Control
- Internal Review of Council Decision Procedure
- Light Fleet, Plant and Heavy Vehicles Changeover Replacement
- Major Events and Festivals
- Media
- Order Making
- Outdoor Dining and Street Traders
- Parks and Street Furniture donation
- Policy and Procedure Framework (Policy)
- Privacy
- Procurement

- Prudential Management
- Public Consultation
- Reimbursement of Elected Member Expenses
- Renewable Energy and Economic Development
- Request for Service
- Risk Management
- Road Naming
- Rural Property Addressing – Road Signage Management
- Safe Environment
- Sale and Disposal of Council Land and Other Assets
- Signage
- Social Media
- Staff and Elected Member Record Management
- Street Permit
- Supplementary Elections
- Sustainability
- Treasury
- Tree Management
- Unreasonable Complainant Conduct Management
- Volunteer
- Whistleblower Protection

# FREEDOM OF INFORMATION

## Information Statement

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

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

## Freedom of Information Applications

Three (3) applications were received under the Freedom of Information Act from 1 July 2016 to 30 June 2017.

Two applicants were granted access in full. One applicant was refused access (via FOI) as the documents were available to the public on the Council's website.

## Internal Review of Council Decisions

During the year Council received three (3) applications for review of a Council decision under Section 270 of the Local Government Act 1999.

The requests were in relation to rate rebate applications for aged accommodation; and, remittance of fines, legal fees and interest due to change of address.

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



# EXECUTIVE TEAM



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



**Kate Jessep**  
**Director Corporate and Community Services**  
Bachelor of Arts (Politics and Modern History)  
Grad. Dip. Urban and Regional Planning  
Grad. Dip. Human Resource Management  
M.L.G.P.A.



**Glenn Sanford**  
**Director Environment and Infrastructure**  
Professional Business Management Certificate  
Engineering, Municipal Management Certificate  
M.L.G.P.A.  
J.P.



**Graham Pathuis**  
**Director Planning and Regulatory Services**  
Dip. Applied Science (Environmental Health and Building Surveying)  
Grad. Dip. Urban and Regional Planning  
M.L.G.P.A.

# ORGANISATION

## Executive Team Employment Packages

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

- Chief Executive Officer;
- Director of Corporate and Community Services;
- Director of Environment and Infrastructure; and
- Director of Planning and Regulatory Services.

Each Senior Officer receives a remuneration package that includes:

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

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

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

The Senior Officers' contracts are due to expire in:

- Chief Executive Officer – November 2017
- Director Corporate and Community Services – September 2017
- Director Environment and Infrastructure - September 2019
- Director Planning and Regulatory Services – June 2018.

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

## Human Resources and Staff Levels

The City of Victor Harbor is one of the city's major employers. At 30 June 2017 council employed 139 staff equalling 101.6 full time equivalents (FTE).

Over 470 volunteers provided support to activities such as the Visitor Information Centre, South Australian Whale Centre, Library, Southern Communities Transport Scheme, community services, graffiti removal programs, tidy towns projects and, river and coastal protection initiatives.

## Industrial Relations

There were no matters referred to the SA Industrial Relations Commission during 2016/17.

## Training and Development

The City of Victor Harbor provides training and development opportunities for its employees to ensure that they are able to fulfil the requirements of their roles and meet the needs of the community.

Employees are encouraged to take advantage of council's comprehensive training programs that are supported by annual budget allocations. Council also supports employee's requests to attend professional conferences within their respective disciplines. This ensures that they maintain their professional accreditation, develop their knowledge and network with their peers.

Training undertaken in 2016/17 was in the areas of software, contractor management and supervision, workzone traffic management, manual handling, train the trainer, bullying and harassment, fire warden and emergency procedures, incident investigation and human factors, volunteer management, and individual and organisational development.

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

## Health and Wellbeing

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

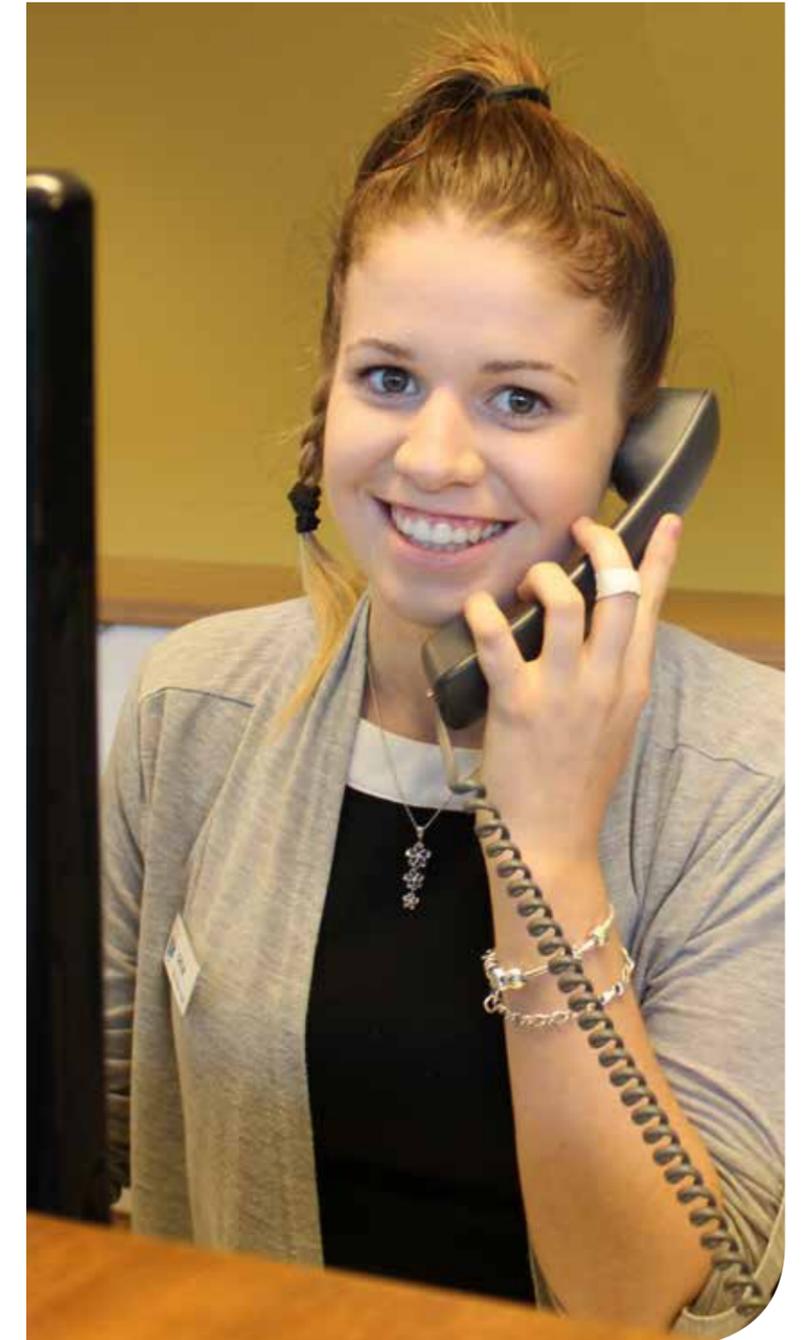
## Work Health and Safety

Council had one (1) workers compensation claim amounting to 10 days lost time due to injury in 2016/17. This is compared to four (4) workers compensation claims and a loss of five days in the previous reporting year.

The figures were below council's targets for the period.

## Traineeships and Apprentices

Council supported eight (8) individuals in traineeship and apprenticeship opportunities in 2016/17 within five different work areas of council. These initiatives, undertaken in partnership with Statewide Group Training (SA) Inc., have provided a valuable learning environment for our youth enhancing their abilities to gain future employment.



# DECISION MAKING STRUCTURE

Council makes decisions directly or indirectly through the following mechanisms:

- Council meetings (strategic planning, financial plans, budget, policies etc)
- Regional subsidiaries
- Development assessment panel
- Authorised Officers via appointment of the Chief Executive Officer
- Chief Executive Officer through delegated authority of the council (including sub-delegation to council officers)
- Regional representation

Details of the committees established by council are provided below.

## Audit Committee

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

### Audit Committee Members

- Cr Tim Glazbrook (Chair)
- Cr Moira Jenkins
- Cr Nicholas Hayles
- Ross Haslam
- Claudia Goldsmith

### Role of the Audit Committee

The role of the committee is:

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

### Audit Committee Report

The committee met five times during the year. Meetings were held on a quarterly basis with an additional meeting in November to consider the 2015/16 financial statements.

Issues discussed during the year, as required by the committee charter, included:

- Internal Audit Program and results;

- External Audits;
- Financial Policies;
- Service Reviews;
- Annual Financial Statements;
- Internal Control assessments & sample testing;
- Annual Business Plan & Budget;
- Budget Reviews;
- Asset Management Plans
- Risk Management & Register.

## Section 41 Committees

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

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

When establishing a committee, the council determines the reporting and other requirements that apply to the committee. In the case of the City of Victor Harbor, Section 41 committees play an advisory role to assist council in its decision making.

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

During 2016/17 the City of Victor Harbor convened the following Section 41 committees:

- Environment and Infrastructure Advisory Committee (includes a Recreation and Sport Sub-Committee)
- Fleurieu Region Community Services Advisory Committee (includes Southern Fleurieu Youth Advisory Sub-Committee)
- Recreation Centre Management Committee
- Southern Communities' Transport Scheme Advisory Committee
- Economic Development and Tourism Committee
- Victor Harbor Horse Tram Committee

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

## Committees Established Under Other Legislation

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

- Work Health and Safety
- Enterprise Bargaining Committee
- Council Development Assessment Panel

- Strategic Planning and Development Policy Committee
- Emergency Management Committee

## Representative Appointments

Council holds a number of representative positions on local and regional organisations

### Local Representation:

- Inman River Catchment Group
- Carrickalinga Board of Management
- Victor Harbor High School Governing Council
- Victor Harbor R-7 School Governing Council
- Encounter Youth (Schoolies Festival)
- Victor Harbor CoastCare
- Friends of the Victor Harbor Library

### Regional Representation:

- Fleurieu Peninsula Tourism Marketing Committee
- Southern and Hills Local Government Association – Roads Working Party
- Regional Development Australia – Adelaide Hills, Fleurieu and Kangaroo Island
- Hills, Fleurieu and Kangaroo Island Emergency Management Committee
- Zone Emergency Management Committee

### National Representation:

- Australian Coastal Councils' Association (formerly Sea Change Taskforce)

## Regional Subsidiary

Council is a member of three regional subsidiaries established under Section 43 of the Local Government Act:

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

Subsidiary Annual Reports are provided as attachments to this document.



# ITEMS CONSIDERED IN CONFIDENCE

All council and committee meetings are open for the public to observe. On occasion, council may order that the public be excluded from the meeting to enable a matter to be considered in confidence (pursuant to Section 90 of the Local Government Act 1999).

Where Section 90 of the Local Government Act 1999 was utilised to exclude the public, the minutes outlined the grounds on which the order was made.

During 2016/17 the City of Victor Harbor convened 12 ordinary and 10 special meetings at which a total of 423 items were considered.

The public was excluded from the meetings for 29 agenda items. 21 of these items have since been released from confidence either in full or in part.

The date, subject of item and grounds upon which Council determined to exclude the public from the meeting are outlined in the table (right).

Grounds on which the public can be excluded from the meeting include:

- (a) Personal affairs
- (b) Commercial advantage
- (c) Trade secret
- (d) Commercial information (not a trade secret)
- (e) Security / safety
- (f) Maintenance of law
- (g) Breach of law
- (h) Legal advice
- (i) Litigation
- (j) Minister of the Crown
- (k) Tenders for supply of goods or services
- (m) Amendment to Development Plan
- (n) Freedom of Information Act 1991

**Table: Status of Orders**

Date	Subject	Confidential order clause
25 July 2016	Annual Review of Confidential Items	90(3)(g)
22 August 2016	Chief Executive Officer - Performance Review	90(3)(a)
22 August 2016	Section 184 - Sale of Land for Non Payment of Rates	90(3)(a)
22 August 2016	Bluff Carpark Extension - Motion without notice	90(3)(h)
26 September 2016	Trailer Signs - Enforcement	90(3)(f)
24 October 2016	Soldiers Memorial Reserve Toilet Block Replacement	90(3)(k)
24 October 2016	Road Reseal Bitumen Services, Ashpalt and Bitument Surfacing	90(3)(k)
24 October 2016	Horse Tram Committee Minutes 6 October 2016	90(3)(d)
28 November 2016	Sale of Land for Non-Payment of Rates	90(3)(a)
28 November 2016	Sculpture Encounters at Victor Harbor and Arts and Cultural Funding - Notice of Motion	90(3)(d)
19 December 2016	2017 Australia Day Awards Recipients	90(3)(g)
19 December 2016	Strategic Planning and Development Policy Committee Minutes 6 December 2016	90(3)(d)
19 December 2016	Public relations and sponsorship services	90(3)(c)&(d)
23 January 2017	Encounter Lakes Mechanical Gate Lifting Mechanisms	90(3)(k)
23 January 2017	Bluff Boat Ramp Car Park Extension	90(3)(k)
27 February 2017	8-12 McKinlay Street Car Park	90(3)(d)
27 February 2017	Economic Development and Tourism Committee Minutes 8 February 2017	90(3)(d)
27 February 2017	Code of Conduct - Alleged Disrespectful Comments	90(3)(a)&(g)
27 February 2017	Code of Conduct - Alleged Offensive and Discriminatory Comments	90(3)(a)&(g)
20 March 2017	Mainstreet Precinct Master Plan Construction - Stage 2	90(3)(k)
27 March 2017	Code of Conduct Referrals	90(3)(a)&(g)
27 March 2017	Code of Conduct - Alleged Offensive and Discriminatory Comments	90(3)(a)&(g)
27 March 2017	Code of Conduct - Alleged Bullying and Verbal Assault	90(3)(a)&(g)
27 March 2017	Notice of Motion - Regulatory Matter - Ives Crescent	90(3)(e)&(j)
8 May 2017	Fleurieu Futures Project	90(3)(g)
22 May 2017	Audit Committee Independent Member Selection Panel	90(3)(a)
26 June 2017	Level 2 Bridge Assessments - Revaluation	90(3)(k)
26 June 2017	Mainstreet Precinct Master Plan - Revised Stage 2 Documentation	90(3)(k)
26 June 2017	Encounter Lakes and Waters Grounds Maintenance Services	90(3)(k)



Bollywood film crew on the Horse Drawn Tram

# COMMUNITY ENGAGEMENT



## Community Consultation

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

During 2016/17 council received around 880 responses for its consultation activities. Consultations were advertised in the local newspaper, in Victor Viewpoint (council's monthly e-newsletter), online at [www.yoursay.victor.sa.gov.au](http://www.yoursay.victor.sa.gov.au), displayed in the council office, promoted on community radio and, where appropriate, directly sent to key stakeholder groups.



## Deputations

A deputation is a person or group of persons (up to three) who wish to appear personally before council in order to address the council on a particular matter. A written request to the Mayor is required. In 2016/17 the following deputations were made to council.

Date	Subject
25 July 2016	Bluff Boat Ramp Project (Tenney Parker)
22 August 2016	Granite Island (Will Hendriks)
22 August 2016	2016 Victor Harbor Ice Land (Bob Carmichael)
26 September 2016	Creating Waves, Arts and Cultural Vibrancy in Victor Harbor (Patricia Marsland)
28 November 2016	Project Proposal (Victor Harbor RSL and Victor Harbor Football Club)
28 November 2016	Community Arts (Steve Robertson)
23 January 2017	Victor Harbor City Band (Allan Phelps)
27 February 2017	Fleurieu Aquatic Centre Gymnasium Facilities (Graham Mowatt)
27 March 2017	Encounter Youth Event Application for Accommodation at Victor Harbor Hockey Club (Encounter Youth)
27 March 2017	Challenges Facing Local Families (Liz Edwards, Victor Harbor R-7 School)
23 May 2017	Agribusiness Reference Group Survey (Beryl Price, Chair Agribusiness Reference Group)

## Questions from the Gallery

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

There were 39 questions raised by members of the gallery at council meetings during 2016/17.

## Petitions

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

In 2016/17, the following petitions were submitted to the City of Victor Harbor:

Date	Subject
22 August 2016	Boat Ramp / Whaler's Car Park Upgrade
26 September 2016	Tabernacle Road Stormwater Damage
27 February 2017	Giles Street, Encounter Bay
27 March 2017	Parking and Traffic Management – Renown Avenue / Hindmarsh Road
27 March 2017	John Simmons Reserve

## Representation Quota

The City of Victor Harbor has 10 Elected Members, including the Mayor.

Section 12(4) of the Local Government Act 1999 requires the council to undertake a comprehensive review of the structure of council at least once every eight years. The City of Victor Harbor concluded its most recent review in April 2017, and no changes were made to the council's representation structure.

The Representation Quota is determined by dividing the total number of electors for the area of the council by the number of members of the council. The City of Victor Harbor's total representation quota is 1:1,214.

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

Council	Elected Members	Electors	Representative Quota
Alexandrina Council	12	19,735	1,644
Yankalilla District Council	9	4,160	462
Barossa Council	12	17,248	1,437
Berri Barmera	9	7,327	814
Copper Coast	11	10,047	1,004
Light Regional Council	11	10,145	922
Loxton Waikerie	11	8,186	744
Murray Bridge	10	14,076	1,407
Port Pirie	10	12,910	1,291
Wattle Range	12	8,530	710
Yorke Peninsula	12	9,194	766
<b>City of Victor Harbor</b>	<b>10</b>	<b>12,148</b>	<b>1,214</b>

# FINANCE

Council prepared its 2016/17 Annual Business Plan in conjunction with the annual budget process. The Annual Business Plan is the framework for the services, programs and projects for the year and provides important links and references to council's strategic plans including the Community Plan, Long Term Financial Plan, Asset Management Plans as well as council policies.

The 2016/17 Statement of Comprehensive Income indicates operating income of \$26,359,000 and expenses of \$25,366,000 resulting in an operating surplus of \$993,000.

The operating surplus included advance receipt of financial assistance grants of \$621,000.

## Rates

Council's total rate revenue (including NRM Levy) increased from \$19.3 million in 2015/16 to \$19.9 million in 2016/17, a total increase of 3.3%.

Council adopted the Valuer General's total capital valuation of the district at \$3,972,673,700 (rateable) representing a total increase of \$57,107,440 or 1.46%

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

**Table: Differential General Rates**

Land Use Category	Differential Basis	Rate in the Dollar
Residential	Base Rate	0.4075
Commercial	Base Rate + 30%	0.5297
Industrial	Base Rate + 15%	0.4686
Primary Production	Base Rate - 10%	0.3667
Vacant Land	Base Rate + 50%	0.6112
Other	Base Rate	0.4075

The adopted rates in the dollar were determined using the land use categories outlined in the table (above).

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

- Average rates across all categories increased by 3.3%
- Average residential rates increased by 3.1%

## Other Revenue

The City of Victor Harbor is heavily reliant on rate revenue as the main source of income with rate revenue representing 76% of the council's total revenue.

The other 24% of revenue was received through a combination of the following:

### User Pay Charges - \$2.5 million

Includes fees and charges for the Horse Drawn Tram, SA Whale Centre, facility hire, cemetery, car parking, boat launching, Visitor Information Centre bookings, leases and licences

### Statutory Charges - \$0.4 million

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

### Grants - \$2.5 million

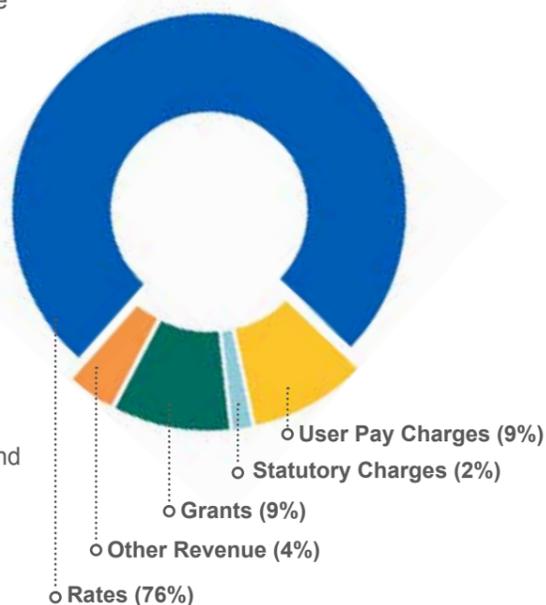
Includes grants for library, community services, tourism, roads, environment and Financial Assistance Grants

### Other Revenue - \$1.0 million

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

The chart below shows the distribution of revenue received by category.

**Graph: Distribution of Revenue**



## Borrowings

Council's debt reduction strategy in recent years has provided an opportunity to fund the construction of the Fleurieu Aquatic Centre with minimal impact on total borrowings.

A loan for \$2.5 million was drawn down in 2016/17 to assist with council's \$6.5 million contribution to the project.

## Prudential Requirements Assets

Under Section 48 of the Local Government Act 1999 the council is required to obtain and consider a prudential assessment for projects where the expected capital cost is likely to exceed \$4 million over the ensuing five years.

There were no prudential assessments required to be carried out during the reporting period.

Council's existing asset base was increased by \$4 million including new capital construction totalling \$3.1 million and renewal capital projects totalling \$5.8 million. Revaluation of stormwater, traffic devices and car park assets resulted in an increase of \$2.7 million.

This was offset by disposal of assets and a reduction in the carrying value of the assets (depreciation) of \$7.6 million.



# LOOKING AHEAD

## What we will do in 2017/18

Council has a vision for Victor Harbor to be a city that offers opportunity and lifestyle.

To work to achieve this vision the City of Victor Harbor will invest \$26.1 million in operating expenses and a net \$5.9 million in capital works during 2017/18.

A selection of activities that the council intends to undertake in the coming year is provided over the following pages.

For a complete list of Key Planned Activities refer to the 2017/18 Annual Business Plan at [www.victor.sa.gov.au](http://www.victor.sa.gov.au) or view a hard copy at the Civic Centre (1 Bay Road, Victor Harbor).

- Seawall rectification adjacent to the Victor Harbor Bowling Club
- Environmental education programs at the South Australian Whale Centre
- Implement C-PREP3 (renewable energy program) in collaboration with neighbouring councils
- Landscaping of the roundabout at the Adelaide Road / Waterport Road
- Continue to work with regional partners, to support regional priority adaptation options identified in the "Resilient Hills and Coasts" Climate Change Adaptation Plan
- Construction of the Railway Turntable Site project
- Undertake design work for Stage 3 of the Victor Harbor Mainstreet Precinct upgrade
- Complete Stage 2 of the Bluff Boat Ramp holding area (subject to grant funding)
- Replace the floor of the Recreation Centre GP Room
- Design and consultation for the upgrade of the GT Fisher Reserve playground
- Undertake consultation on the concept plan for a proposed library refurbishment and extension
- Provide the Mainstreet Facade grant program
- Support the Victor Harbor Artisan Markets
- Prudential assessment of the proposed town hall and old library development, and undertake community consultation on the project proposal
- Establish an Arts and Culture service area including the employment of an Arts and Culture Officer
- Undertake scheduled maintenance and renewal of the Victor Harbor Horse Tram tram-line
- Install an RV dump point
- Upgrade existing CCTV street cameras to enhance public safety and reduce crime
- Deliver council run events including the Whale Time Playtime Festival, Rock N Roll Festival and New Year's Eve celebration, and support community run events
- Develop a Victor Harbor Investment Attraction Strategy and action plan
- Continue to roll out Victor Harbor's Place Brand Strategy including promoting co-branding with local businesses
- Advocate for Granite Island to be maintained as a key tourist attraction in Victor Harbor
- Undertake Stage 3 of the Ocean Road upgrade
- Bitumen sealing of Wattlebury Road
- Undertake erosion work at Policeman's Point
- Upgrade the Hindmarsh River Estuary Boardwalk
- Stage 2 of the Waitpinga Road reconstruction and repairs to Dennis Bridge
- New footpaths including Adare Avenue, Cudmore Road, Dinan Road, Kingsford Street, Laxton Street and Wattle Drive
- Stormwater design for Cakebread Road
- Stormwater upgrade at Field Avenue / Brand Avenue / Pine Avenue
- Upgrade stormwater infrastructure on Inman Valley Road
- Undertake Yandra Terrace, Hayborough stormwater upgrade (Stage 2)
- Assist the development of the Victor Harbor RSL and Victor Harbor Football Club
- Provide the Old School Building Community Centre as an affordable meeting space for local community groups
- Deliver the Australia Day Awards program to recognise the achievements of the community
- Continue live streaming and audio recording of Council meetings
- Undertake a library service review
- Implement priority outcomes of the customer service review
- Review and update council's Long Term Financial Plan
- Community transport vehicle replacement

## APPENDIX 1: HOW WE DID IN 2016/17

The following is a detailed list of the City of Victor Harbor's Key Planned Activities (KPA) for 2016/17.

The following key outlines the status of each KPA.

- Complete
- 80% or more complete
- Not complete
- Cancelled

- Facilitate planning for Sculpture Encounters at Victor Harbor (1.1.1)
- Finalise the Economic Development Strategy (1.1.2)
- Implement priority initiatives under the Mainstreet Precinct Action Plan (1.1.3)
- Commence development of an Economic Development Policy (1.1.4)
- Prepare a communication and business engagement plan (1.1.5)
- Design a "Buy Local" campaign (1.1.6)
- Investigate the feasibility of an Agribusiness Strategy (1.1.7)
- Complete civil works for Stage 1 Mainstreet Master Plan (1.1.8)
- Commence Stage 2 construction works (Ocean Street North and South Nodes) for the Mainstreet Master Plan (subject to grant funding) (1.1.9)
- Continue implementation of the Digital Action Plan (Stage 2) (1.2.1)

- Work with Victor Harbor tourism operators to develop awareness of tours / experiences available in Victor Harbor and the region to increase visitor length of stay, and encourage bookings through the Visitor Information Centre (1.2.2)
- Promote the Visitor Information Centre and its services to local residents (1.2.3)
- Implement the Place Branding Strategy including roll out of the final stage of the redevelopment of the www.holidayatvictor.com.au website (1.2.4)
- Update the economic development content on council's website (1.2.5)
- Advocate for Granite Island to be maintained as a key tourist attraction (1.3.1)
- Organise and stage the Whale Time Playtime Festival (1.4.1)
- Organise and stage the Rock N Roll Festival (1.4.2)
- Organise and stage the South Australian whale season launch (1.4.3)
- Organise and stage the 2017 "Prints of Whales Photographic Competition" (1.4.4)
- Consistent with council's Major Events Policy, consider opportunities that encourage improved reputation and business climate (1.4.5)

- Subject to confirmation from SA Tourism Commission, host a Stage finish in the 2017 Santos Tour Down Under and the Bupa Challenge Tour (1.4.6)
- Redevelop the mainstreet brand based on the Victor Harbor place brand and implement a new artistic entry statement signage based on the new brand (1.4.7)
- Implement the Digital Art Program in Ocean Street (1.4.8)
- Support local farmers and food producers through the Agribusiness Reference Group (1.5.1)
- Participate in the Fleurieu Peninsula Tourism Board, regional tourism plan and activities (1.5.2)
- Participate in the Regional Development Australia (Adelaide Hills, Fleurieu and Kangaroo Island) to support business linkages and regional economic development activities (1.5.3)
- Work with the NBN Co, the community, key business partners and neighbouring councils to maximise the potential of the NBN to deliver council services (1.8.1)
- Complete Town Centre Traffic and Car Parking Strategy (1.10.1)
- Finalise design for reconstruction of Wattlebury Road (1.11.1)

- Complete capital works footpath works program (1.11.2)
- Complete bridge maintenance as identified from condition assessments and associated Asset Management Plan including Nettle Hill Road and Waitpinga Road (1.11.3)
- Complete Greenhills Road reconstruction project (1.11.4)
- Complete Stage 2 Ocean Road reconstruction (1.11.5)
- Upgrade the Victor Harbor Town Hall pedestrian walkway between the RSL and Town Hall buildings (1.11.6)
- Undertake redesign and construction of traffic and pedestrian improvements to Kullaroo Road adjacent to the Victor Harbor High School (1.11.7)
- Complete Stage 1 of design and reconstruction of the Waitpinga Road (The Straight) (1.11.8)
- Undertake construction of the Bluff Boat Ramp carpark extension (1.11.9)
- Undertake priority projects and scope future projects from the Victor Harbor Strategic Bicycle Plan (1.11.10)
- Complete road maintenance as identified from condition assessments and associated Asset Management Plan (1.11.11)

- Complete kerb and channel maintenance and replacement as identified from condition assessments and associated Asset Management Plan (1.11.12)
- Provide the Southern Communities Transport Scheme in partnership with Alexandrina Council to assist transport disadvantaged people to access essential services (1.12.1)
- Seek sustainable funding for Community Transport Services beyond June 2017 (1.12.2)
- Advocate for improved passenger transport services between Victor Harbor and Goolwa, and Victor Harbor and Adelaide (1.12.3)
- Undertake Lamont Court, Yandra Terrace and Petrel Avenue stormwater construction upgrades (2.3.1)
- Replace Encounter Lakes control gates (2.3.2)
- Undertake a review and prepare detailed design documentation to allow reconstruction of the Bacchus Wetland in 2017/18 (2.3.3)
- Investigate viability of extending the current Victor Harbor Water Reuse Scheme (2.4.1)
- Complete connection of groundwater from Bridge Terrace to Soldiers Memorial Gardens (2.4.2)

- Undertake irrigation renewal and upgrade program as identified in the Open Space Asset Management Plan and Asset Register including Cliff Thorpe Reserve, Eric Ashby Reserve and Brian Spilsbury Reserve (2.4.3)
- Investigate options for vehicle recharge points for electric / hybrid vehicles (2.6.1)
- Support the development of the Victor Harbor Men's Shed, including in-kind earthworks (subject to project funding / commencement) (2.8.1)
- Explore funding models and opportunities to sustain the Southern Fleurieu and KI Positive Ageing Taskforce beyond June 2017 in order to encourage coordination of service delivery and collaboration of service providers, and services that respond to the needs of older people (2.9.1)
- Partner with the City of Onkaparinga in the delivery of school based immunisations (2.9.2)
- Collaborate with other agencies and services to develop strategies that promote and facilitate coordinated services for young people, and families with children (2.9.3)
- Provide a european wasp management program (2.9.4)

<ul style="list-style-type: none"> <li>● Investigate and implement as appropriate improved evidence based performance evaluation and productivity tools, including Results Based Accounting, to more effectively measure the outcomes of community service projects (2.9.5)</li> </ul>	<ul style="list-style-type: none"> <li>● Continue to investigate and analyse options for a future cemetery (2.11.2)</li> </ul>	<ul style="list-style-type: none"> <li>● Upgrade toilets at the Soldiers Memorial Reserve (2.13.9)</li> </ul>	<ul style="list-style-type: none"> <li>● Provide a Mainstreet Facade Grant Program (3.2.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Develop Victor Harbor Climate Change Adaptation Plan following finalisation of Regional Climate Change Adaptation Plan - Resilient Hills and Coasts 2016 (3.5.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Support the Southern Fleurieu Youth Advisory Committee including the provision of youth leadership and opportunities for young people to develop, implement and participate in arts and cultural activities including Fusion youth music event and Wet Paint youth theatre (3.10.1)</li> </ul>
<ul style="list-style-type: none"> <li>● Provide a community grants program to assist community groups in the planning, coordination and provision of community services to improve the wellbeing of people within the Victor Harbor community (2.9.6)</li> </ul>	<ul style="list-style-type: none"> <li>● Support the further development of the Encounter Bay Sport and Recreation Precinct Draft Masterplan, including cost estimates and 3D visualisations (subject to grant funding) (2.11.3)</li> </ul>	<ul style="list-style-type: none"> <li>● Upgrade playgrounds at the Encounter Bay Recreation Ground and Victor Harbor Oval to ensure compliance with current Australian Playground Standards (2.13.10)</li> </ul>	<ul style="list-style-type: none"> <li>● Undertake Stage 1 of the Railway Turntable Site construction, subject to grant funding (3.2.2)</li> </ul>	<ul style="list-style-type: none"> <li>● Facilitate City Vibrancy (Arts and Cultural) activities including Arts and Culture Community Grants and the Artisan Markets (3.7.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Foster the Caring Neighbourhood Program and other programs that support isolated residents especially aged people, to develop further connections with their community (3.10.2)</li> </ul>
<ul style="list-style-type: none"> <li>● In partnership with other member councils of the Southern Hills Local Government Association (SHLGA) report on implementation of the Regional Health Plan as required by the Public Health Act 2011 (2.9.7)</li> </ul>	<ul style="list-style-type: none"> <li>● Undertake a review of council's Outdoor Dining Policy (2.12.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Contribute to the upgrade of the Encounter Bay netball/ tennis courts, subject to grant funding (2.13.11)</li> </ul>	<ul style="list-style-type: none"> <li>● Expand Heritage Incentive Grant Scheme to provide increased support for property owners to maintain local heritage listed items within the council area (3.2.4)</li> </ul>	<ul style="list-style-type: none"> <li>● Organise and stage a New Years Eve community celebration event (3.7.2)</li> </ul>	<ul style="list-style-type: none"> <li>● Position the Caring Neighbourhood Program to maximise opportunities associated with the Commonwealth Aged Care Reforms (3.10.3)</li> </ul>
<ul style="list-style-type: none"> <li>● Utilise information from Youth Forums conducted in 2015 to develop a youth service strategy 2.9.8)</li> </ul>	<ul style="list-style-type: none"> <li>● Undertake a review of council's Street Traders Policy (2.12.2)</li> </ul>	<ul style="list-style-type: none"> <li>● Partner with the Victor Harbor High School Pathways to Construction Program for construction of the shelter area at the Victor Harbor dog park (2.13.12)</li> </ul>	<ul style="list-style-type: none"> <li>● Extend the oral history project at the library to include the development of "The Story of Victor Harbor" local history book (3.2.5)</li> </ul>	<ul style="list-style-type: none"> <li>● Support local community celebrations during NAIDOC Week (3.7.3)</li> </ul>	<ul style="list-style-type: none"> <li>● Investigate processes for Child Friendly Cities Accreditation (3.10.4)</li> </ul>
<ul style="list-style-type: none"> <li>● Implement changes in response to the amended Dog and Cat Management Act (2.9.9)</li> </ul>	<ul style="list-style-type: none"> <li>● Undertake Stage 2 and finalise upgrade of Brandwood Reserve (2.13.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Undertake renewal and upgrade of the foreshore tennis courts, subject to grant funding (2.13.13)</li> </ul>	<ul style="list-style-type: none"> <li>● Complete priority coastal maintenance as identified in the Victor Harbor Coastal Management Study including dune protection in the vicinity of King Street and the Esplanade (3.3.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Prepare concept plans for future refurbishment of the library within the current building footprint, and for redevelopment of the library with allowance for expansion (3.7.4)</li> </ul>	<ul style="list-style-type: none"> <li>● Participate in the Fleurieu Bushfire Management Committee in development of the regional bushfire plan (3.11.1)</li> </ul>
<ul style="list-style-type: none"> <li>● Implement the requirements of the Local Nuisance and Litter Control Act 2015 (2.9.10)</li> </ul>	<ul style="list-style-type: none"> <li>● Prepare Soldiers' Memorial Gardens and Soldiers Memorial Reserve Master Plan in consultation with the RSL (2.13.2)</li> </ul>	<ul style="list-style-type: none"> <li>● Contribute towards the cost of recent repair work to the clubhouse roofing structure of the Encounter Bay Bowling Club (2.13.14)</li> </ul>	<ul style="list-style-type: none"> <li>● Commence a Residential Development Plan Amendment (3.4.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Develop a Festivals and Events Strategy (3.7.5)</li> </ul>	<ul style="list-style-type: none"> <li>● Contribute to the development of the Regional Emergency Management Plan (3.11.2)</li> </ul>
<ul style="list-style-type: none"> <li>● Revise the Victor Harbor Recreation and Open Space Strategy 2007 to provide strategic direction for open space and recreation programs and facilities (2.11.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Upgrade the Victor Harbor Town Hall fire detection systems (2.13.3)</li> </ul>	<ul style="list-style-type: none"> <li>● Review the Victor Harbor Environmental Management Plan 2010-2014, including the update of Environmental Action Plans (3.1.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Convene Council's Development Assessment Panel to determine development applications in accordance with the Development Act 1993, and provide advice to council on development policy matters (3.4.2)</li> </ul>	<ul style="list-style-type: none"> <li>● Grow community subscription to Councils e-newsletter "Victor Viewpoint" (3.8.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Provide training to Elected Members to facilitate the effective governing of council and operation of council's Section 41 and other committees (4.1.1)</li> </ul>
	<ul style="list-style-type: none"> <li>● Subject to grant funding, provide Hindmarsh Reservoir recreational fishing facilities (2.13.5)</li> </ul>	<ul style="list-style-type: none"> <li>● Undertake 2016/17 Environmental Weed Control Program as per Environmental Management Plan and Natural Resource Management Act (3.1.2)</li> </ul>		<ul style="list-style-type: none"> <li>● Collaborate with local sport and recreation clubs to increase the number of community sporting clubs with Star Club status through the delivery of the Star Club Field Officer Program (3.9.1)</li> </ul>	<ul style="list-style-type: none"> <li>● Introduce an Encroachment (Council Land) Permit System for permanent structures (4.2.1)</li> </ul>
	<ul style="list-style-type: none"> <li>● Undertake Recreation Centre maintenance and upgrade including General Purpose Room floor replacement and stadium lighting (2.13.6)</li> </ul>	<ul style="list-style-type: none"> <li>● Develop interpretive signage, brochures and other materials to increase understanding of local environmental issues (3.1.3)</li> </ul>		<ul style="list-style-type: none"> <li>● Support the Fleurieu Festival of Sports to provide a community sports carnival in 2017 (3.9.2)</li> </ul>	
	<ul style="list-style-type: none"> <li>● In cooperation with the Alexandrina Council, coordinate year 2 of the construction for the Fleurieu Aquatic Centre (2.13.7)</li> </ul>				
	<ul style="list-style-type: none"> <li>● Undertake stormwater analysis for Ena Read Reserve (Tabernacle Road) (2.13.8)</li> </ul>				

<ul style="list-style-type: none"> <li>Coordinate the assessing of Council Performance Surveys (Parts B and C) (4.2.2)</li> </ul>	<ul style="list-style-type: none"> <li>In line with the “Your Council Your Say” campaign provide a series of listening posts to increase community engagement with Elected Members (4.8.2)</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade SynergySoft Debtor Module to enable debtor invoices to be emailed direct from SynergySoft (4.11.2)</li> </ul>	<ul style="list-style-type: none"> <li>Expand the number of products and accommodation operators involved with the Bookeasy online booking system and ensure that all accommodation operators have a Visitor Information System booking agreement in place (4.13.2)</li> </ul>	<ul style="list-style-type: none"> <li>Further develop electronic staff training database with linkages to WHS, personal and professional development, and specific job requirements (4.16.1)</li> </ul>	<ul style="list-style-type: none"> <li>Investigate council business processes and identify and develop technology and information systems to provide improved efficiencies (4.18.1)</li> </ul>
<ul style="list-style-type: none"> <li>Work with Elected Members in development of policies, and to address gaps in council’s policy structure to meet council’s strategic objectives (4.2.3)</li> </ul>	<ul style="list-style-type: none"> <li>Restructure local computer drives to align with the new file structure (4.9.1)</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade SynergySoft Creditor Module to enable utility invoices to be imported directly into Synergy (4.11.3)</li> </ul>	<ul style="list-style-type: none"> <li>Monitor the outcomes of the Planning Reform Bill regarding infrastructure contributions (4.13.3)</li> </ul>	<ul style="list-style-type: none"> <li>Complete new Enterprise Bargaining Agreement negotiations (4.16.2)</li> </ul>	<ul style="list-style-type: none"> <li>Provide additional staff training to maximise use of technology and information systems (4.18.2)</li> </ul>
<ul style="list-style-type: none"> <li>Review council’s policy framework (4.2.4)</li> </ul>	<ul style="list-style-type: none"> <li>Formulate a reporting procedure for records management performance (4.9.2)</li> </ul>	<ul style="list-style-type: none"> <li>Transition internal audit capability from contracted service to internal service to coordinate strategic, financial and WHS risk assessments, including sample testing, internal audits, action plans and monitoring (4.11.4)</li> </ul>	<ul style="list-style-type: none"> <li>Transition council’s risk management framework to meet Local Government Risk Services new requirements (4.14.1)</li> </ul>	<ul style="list-style-type: none"> <li>Develop a staff onboarding process that assists new staff to become productive and satisfied members of staff (4.16.3)</li> </ul>	<ul style="list-style-type: none"> <li>Upgrade council’s audio and video systems (4.18.3)</li> </ul>
<ul style="list-style-type: none"> <li>Investigate systems to monitor legislative compliance (4.2.5)</li> </ul>	<ul style="list-style-type: none"> <li>Improve development assessment help guides to reflect legislative changes and planning reforms (4.9.3)</li> </ul>	<ul style="list-style-type: none"> <li>Undertake full revaluations including condition assessments for asset classes identified in council’s revaluation schedule (4.12.1)</li> </ul>	<ul style="list-style-type: none"> <li>Progressively address non-conformances from 2015 Local Government Association WHS Audit (4.15.1)</li> </ul>	<ul style="list-style-type: none"> <li>Develop and implement an annual employee training program (4.16.4)</li> </ul>	<ul style="list-style-type: none"> <li>Review and develop ICT procedures (technical and customer) (4.18.4)</li> </ul>
<ul style="list-style-type: none"> <li>Commence coordination of council’s representation review (4.2.6)</li> </ul>	<ul style="list-style-type: none"> <li>Review and update development compliance and enforcement procedures (4.9.4)</li> </ul>	<ul style="list-style-type: none"> <li>Develop an organisation wide building facilities management plan (4.12.2)</li> </ul>	<ul style="list-style-type: none"> <li>Provide WHS refresher training for staff (4.15.2)</li> </ul>	<ul style="list-style-type: none"> <li>Scope requirements for remote sites to utilise the Time Management System (TMS) (4.16.5)</li> </ul>	<ul style="list-style-type: none"> <li>Develop electronic forms for use on the Intranet and portable devices (4.18.5)</li> </ul>
<ul style="list-style-type: none"> <li>Review council’s by-laws (4.2.7)</li> </ul>	<ul style="list-style-type: none"> <li>Review and update internal procedures at the Victor Harbor Library (4.9.5)</li> </ul>	<ul style="list-style-type: none"> <li>Commence development of a Road Permit Policy (4.12.3)</li> </ul>	<ul style="list-style-type: none"> <li>Implement Year 3 of the new Work Health Safety and Injury Management Plan with a focus on developing a “Safety Always Matters” organisational culture (4.15.3)</li> </ul>	<ul style="list-style-type: none"> <li>Improve workflow of organisational payroll documentation including fortnightly reporting needs (4.16.6)</li> </ul>	<ul style="list-style-type: none"> <li>Develop GIS systems and practices including documentation of procedures and technical notations (4.18.6)</li> </ul>
<ul style="list-style-type: none"> <li>Explore software options for delegations review (4.2.8)</li> </ul>	<ul style="list-style-type: none"> <li>Provide training for staff on records management requirements and procedures (4.9.6)</li> </ul>	<ul style="list-style-type: none"> <li>Develop an annual information sheet for sporting / community lease / licence holders (4.12.4)</li> </ul>	<ul style="list-style-type: none"> <li>Commence a review of staff induction processes, including WHS workflow (4.15.4)</li> </ul>	<ul style="list-style-type: none"> <li>Undertake staff training in tree risk assessment, as per Tree Management Strategy (4.16.7)</li> </ul>	<ul style="list-style-type: none"> <li>Undertake a feasibility study into combining the SA Whale Centre and Visitor Information Centre at the current Visitor Information site, including but not limited to the feasibility of expansion of the Visitor Information Centre building for a marine interpretive centre (4.19.1)</li> </ul>
<ul style="list-style-type: none"> <li>Hold two community forums, including one as a part of council’s annual business plan and budget. (4.3.1)</li> </ul>	<ul style="list-style-type: none"> <li>Complete Australian Service Excellence Standards (ASES) Accreditation for Fleurieu Families (4.9.7)</li> </ul>	<ul style="list-style-type: none"> <li>Consider the infrastructure impacts associated with the Ministerial Residential and Centres Development Plan Amendment (4.12.5)</li> </ul>	<ul style="list-style-type: none"> <li>Implement the “Take 5” project across the organisation (4.15.5)</li> </ul>	<ul style="list-style-type: none"> <li>Respond to statutory changes in areas of environmental nuisance management, and dog and cat management (4.17.1)</li> </ul>	<ul style="list-style-type: none"> <li>Develop performance measures for council’s tourism and economic development activities (4.19.2)</li> </ul>
<ul style="list-style-type: none"> <li>In cooperation with Alexandrina Council and District Council of Yankalilla, participate in the Fleurieu Futures Project (4.5.1)</li> </ul>	<ul style="list-style-type: none"> <li>Commence a Customer Service Review (4.9.9)</li> </ul>	<ul style="list-style-type: none"> <li>Prepare a Railway Interface Agreement (4.12.6)</li> </ul>	<ul style="list-style-type: none"> <li>Provide training in the preparation and implementation of Safe Work Method Statements (4.15.6)</li> </ul>	<ul style="list-style-type: none"> <li>Undertake annual employee professional development reviews (4.17.2)</li> </ul>	<ul style="list-style-type: none"> <li>Undertake an expression of interest process for the contracting out of the operation of the Horse Tram using the model identified in the Horse Tram Operation Review 2015 (4.19.3)</li> </ul>
<ul style="list-style-type: none"> <li>Undertake a major review of council’s Community Plan 2022, including community engagement (4.6.1)</li> </ul>	<ul style="list-style-type: none"> <li>Review and update Council’s Long Term Financial Plan in line with 2015/16 actuals, 2016/17 budget and adopted Asset Management Plans (4.10.1)</li> </ul>	<ul style="list-style-type: none"> <li>Review the range of items available in Retail Store at the Visitor Information Centre including but not limited to local / regional produce (4.13.1)</li> </ul>		<ul style="list-style-type: none"> <li>Implement priority outcomes from the HR Service Review (4.17.3)</li> </ul>	
<ul style="list-style-type: none"> <li>Commence a content restructure of council’s corporate website to make it easier for people to find information (4.8.1)</li> </ul>	<ul style="list-style-type: none"> <li>Further develop internal budget procedures using PowerBudget software (4.11.1)</li> </ul>				

## APPENDIX 2: STRATEGIC INDICATORS\*

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

Indicator	Measure	Trend / Target	2016/17 Target	2016/17 Result
Business investment	Number of businesses	Maintain at current level or increase	1,000 or more	<b>1,100</b> ●
Workforce participation	% of population unemployed	Maintain at current level or decrease	9.6% or lower	<b>6.1%</b> ●
	Number of people employed in local businesses	Maintain at current level or increase	4,600 or more	<b>4,800</b> ●

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

Indicator	Measure	Trend / Target	2016/17 Target	2016/17 Result
Asset sustainability	Asset sustainability ratio	Greater than 80% of Asset Management Plan	95.9%	<b>99%</b> ●
Storm water and waste water reuse	Quantity of storm water and waste water reused by council	Maintain at current level or increase	18,000 kL	<b>23,500 kL</b> ●

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

Indicator	Measure	Trend / Target	2016/17 Target	2016/17 Result
Community involvement	Number of volunteers registered with Council Programs	Maintain or increase	450 or more	<b>476</b> ●
Community culture and access	Membership of library as a % of population	Maintain or increase	68% or higher	<b>50%</b> ●
	Library visits per capita	Maintain or increase	10 or higher	<b>9.9</b> ●
Sport and recreation	Number of sporting clubs achieving Level 2 status in the StarClub Club Development Program	Maintain or increase	65	<b>71</b> ●

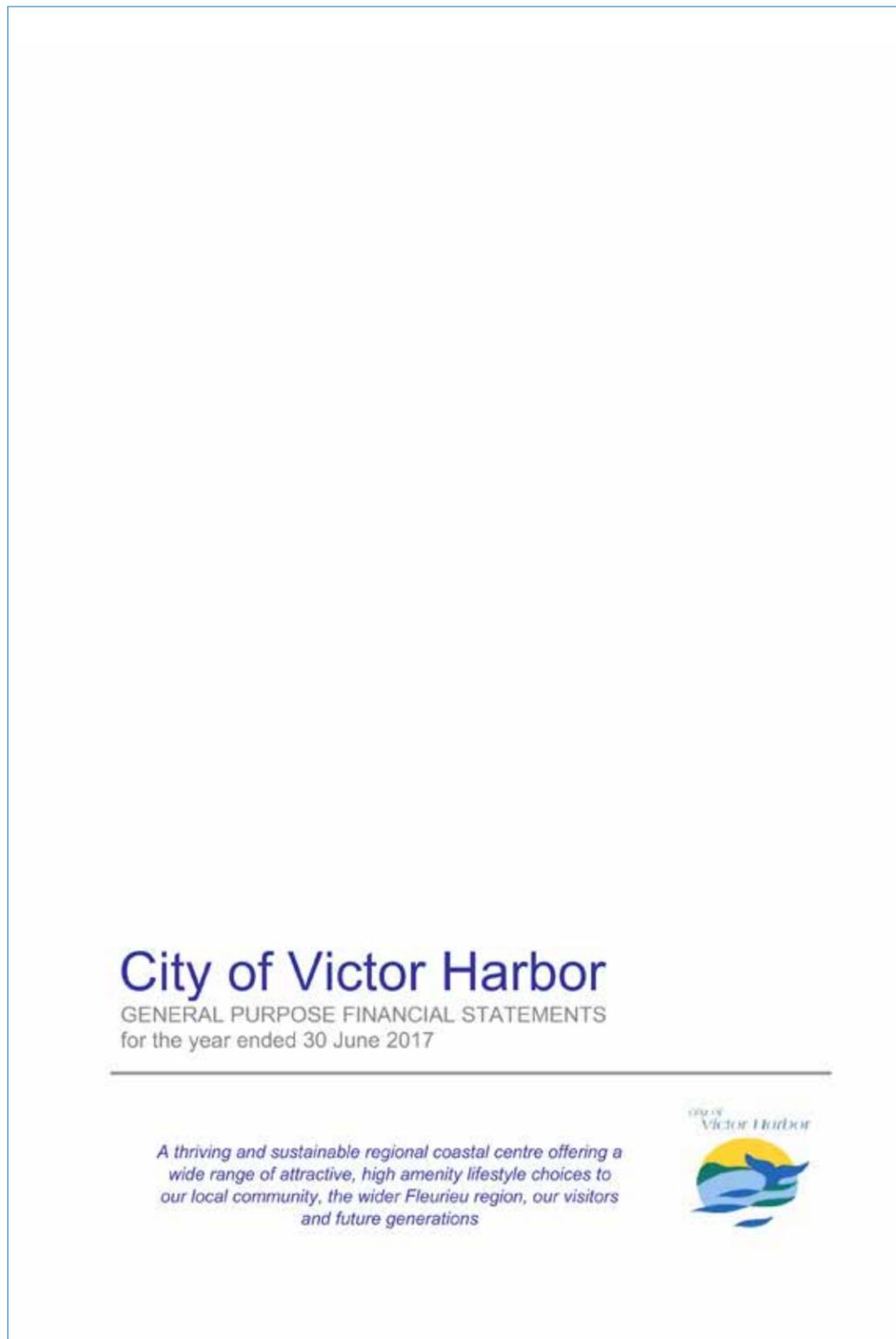
\*Listed strategic indicators are those identified in the 2016/17 Annual Business Plan and are structured in accordance with the City of Victor Harbor's Community Plan 2022 which was replaced by the City of Victor Harbor's Community Plan 2036 in December 2016.

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

Indicator	Measure	Trend / Target	2016/17 Target	2016/17 Result
Transparent decision making	Number of Council decisions made in confidence	Less than 5%	Less than 5%	<b>6.9%</b> ●
Effective risk management	Risk Management Processes Audit Rating	Year 1 Benchmark	Overall performance of 50% or greater	<b>75%</b> ●
Financial sustainability	Operating surplus ratio	3% or greater	1.3% or greater	<b>4%</b> ●
	Net Financial Liabilities Ratio	Less than 75%	60.1% or less	<b>47%</b> ●
Safe and healthy workplace	Number of lost time claim injuries	5% lower than the average from previous three years	4 or less	<b>1</b> ●
	Compliance with WH&S Risk Management Legislation	Greater than or equal to 30% penalty rebate	30% or greater	<b>30%</b> ●



## APPENDIX 3: FINANCIAL STATEMENTS



City of Victor Harbor

General Purpose Financial Statements  
for the year ended 30 June 2017

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City of Victor Harbor

General Purpose Financial Statements  
for the year ended 30 June 2017

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

  
Geoff Sheridan  
ACTING CHIEF EXECUTIVE OFFICER

  
Graham Philp  
MAYOR

Date: 20.11.2017

City of Victor Harbor

Statement of Comprehensive Income  
for the year ended 30 June 2017

\$ '000	Notes	2017	2016
<b>Income</b>			
Rates Revenues	2a	19,935	19,297
Statutory Charges	2b	441	432
User Charges	2c	2,453	2,380
Grants, Subsidies and Contributions	2g	2,530	1,609
Investment Income	2d	112	191
Reimbursements	2e	782	765
Other Income	2f	90	330
Net Gain - Equity Accounted Council Businesses	19	16	11
<b>Total Income</b>		<b>26,359</b>	<b>25,015</b>
<b>Expenses</b>			
Employee Costs	3a	9,111	9,031
Materials, Contracts & Other Expenses	3b	9,439	9,089
Depreciation, Amortisation & Impairment	3c	6,224	5,536
Finance Costs	3d	557	710
Net loss - Equity Accounted Council Businesses	19	35	-
<b>Total Expenses</b>		<b>25,366</b>	<b>24,366</b>
<b>Operating Surplus / (Deficit)</b>		<b>993</b>	<b>649</b>
Asset Disposal & Fair Value Adjustments	4	(1,221)	(837)
Amounts Received Specifically for New or Upgraded Assets	2g	2,704	4,322
Physical Resources Received Free of Charge	2h	-	787
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>2,476</b>	<b>4,921</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	2,710	(2,610)
<b>Total Other Comprehensive Income</b>		<b>2,710</b>	<b>(2,610)</b>
<b>Total Comprehensive Income</b>		<b>5,186</b>	<b>2,311</b>

<sup>1</sup> Transferred to Equity Statement

## City of Victor Harbor

Statement of Financial Position  
as at 30 June 2017

\$ '000	Notes	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	1,590	2,508
Trade & Other Receivables	5b	3,843	4,130
Inventories	5c	318	291
<b>Total Current Assets</b>		<b>5,751</b>	<b>6,929</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	594	735
Equity Accounted Investments in Council Businesses	6b	10,752	236
Infrastructure, Property, Plant & Equipment	7a	258,486	254,478
Other Non-Current Assets	6c	258	7,774
<b>Total Non-Current Assets</b>		<b>270,090</b>	<b>263,223</b>
<b>TOTAL ASSETS</b>		<b>275,841</b>	<b>270,152</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	4,435	4,634
Borrowings	8b	912	4,174
Provisions	8c	2,186	2,085
<b>Total Current Liabilities</b>		<b>7,533</b>	<b>10,893</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	10,039	6,150
Provisions	8c	819	845
<b>Total Non-Current Liabilities</b>		<b>10,858</b>	<b>6,995</b>
<b>TOTAL LIABILITIES</b>		<b>18,391</b>	<b>17,888</b>
<b>Net Assets</b>		<b>257,450</b>	<b>252,264</b>
<b>EQUITY</b>			
Accumulated Surplus		63,995	61,327
Asset Revaluation Reserves	9a	192,244	189,534
Other Reserves	9b	1,211	1,403
<b>Total Council Equity</b>		<b>257,450</b>	<b>252,264</b>

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

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## City of Victor Harbor

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

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2017</b>					
<b>Balance at the end of previous reporting period</b>		61,327	189,534	1,403	<b>252,264</b>
<b>Restated Opening Balance</b>		<b>61,327</b>	<b>189,534</b>	<b>1,403</b>	<b>252,264</b>
<b>a. Net Surplus / (Deficit) for Year</b>		2,476	-	-	<b>2,476</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	2,710	-	<b>2,710</b>
- Share of OCI - Equity Accounted Council Businesses	19	-	-	-	-
<b>Other Comprehensive Income</b>		-	2,710	-	<b>2,710</b>
<b>Total Comprehensive Income</b>		<b>2,476</b>	<b>2,710</b>	<b>-</b>	<b>5,186</b>
<b>c. Transfers between Reserves</b>		192	-	(192)	-
<b>Balance at the end of period</b>		<b>63,995</b>	<b>192,244</b>	<b>1,211</b>	<b>257,450</b>
<b>2016</b>					
<b>Balance at the end of previous reporting period</b>		56,144	192,144	1,665	<b>249,953</b>
<b>Restated Opening Balance</b>		<b>56,144</b>	<b>192,144</b>	<b>1,665</b>	<b>249,953</b>
<b>a. Net Surplus / (Deficit) for Year</b>		4,921	-	-	<b>4,921</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(2,610)	-	<b>(2,610)</b>
<b>Other Comprehensive Income</b>		-	(2,610)	-	<b>(2,610)</b>
<b>Total Comprehensive Income</b>		<b>4,921</b>	<b>(2,610)</b>	<b>-</b>	<b>2,311</b>
<b>c. Transfers between Reserves</b>		262	-	(262)	-
<b>Balance at the end of period</b>		<b>61,327</b>	<b>189,534</b>	<b>1,403</b>	<b>252,264</b>

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

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## City of Victor Harbor

Statement of Cash Flows  
for the year ended 30 June 2017

\$ '000	Notes	2017	2016
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Operating Receipts		26,587	25,049
Investment Receipts		112	191
<b>Payments</b>			
Operating Payments to Suppliers and Employees		(18,679)	(18,398)
Finance Payments		(591)	(560)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>7,429</b>	<b>6,282</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Amounts Received Specifically for New/Upgraded Assets		2,704	4,322
Sale of Replaced Assets		206	197
Repayments of Loans by Community Groups		132	75
<b>Payments</b>			
Expenditure on Renewal/Replacement of Assets		(5,829)	(3,816)
Expenditure on New/Upgraded Assets		(6,139)	(8,080)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(8,926)</b>	<b>(7,302)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
Proceeds from Borrowings		4,800	-
<b>Payments</b>			
Repayments of Borrowings		(4,174)	(1,171)
Repayment of Bonds & Deposits		(47)	(2)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>579</b>	<b>(1,173)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(918)</b>	<b>(2,193)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>2,508</b>	<b>4,701</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>1,590</b>	<b>2,508</b>

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

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## City of Victor Harbor

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

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n/a - not applicable

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City of Victor Harbor

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

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

3 Income Recognition

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

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

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2014/15	\$862,456	\$561,542	\$301,003
2015/16	\$264,316	\$565,319	(\$301,003)
2016/17	\$1,824,455	\$1,203,163	\$621,293

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported

City of Victor Harbor

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

Note 1. Summary of Significant Accounting Policies (continued)

had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for

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

6.2 Materiality

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

Buildings - new construction/extensions	\$10,000
Roads, Drainage & Other Infrastructure	\$10,000
Plant & Machinery	\$5,000
Minor Plant & Tools	\$1,000
Reserve Furniture & Equipment	\$1,000
Office Furniture & Equipment	\$1,000

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

City of Victor Harbor

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

Note 1. Summary of Significant Accounting Policies (continued)

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

**Plant, Furniture & Equipment**

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years

**Building & Other Structures**

Buildings & Other Structures	10 to 100 years
Park Furniture	20 to 40 years
Walkways & Trails	15 to 30 years
Playground equipment	5 to 15 years
Plant & Machinery	2 to 20 years
ICT Equipment	2 to 10 years
Office Furniture	5 to 10 years

**Infrastructure**

Sealed Roads	16 to 60 years
Unsealed Roads	10 to 15 years
Bridges – Concrete	80 to 100 years
Traffic Devices	20 to 45 years
Stormwater Drainage	80 to 100 years
Footpaths	30 to 50 years
Kerbing	60 to 70 years

**Other Assets**

Library Books	10 to 15 years
Artworks	indefinite

**6.5 Impairment**

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

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

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

**6.6 Borrowing Costs**

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

**7 Payables**

**7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Borrowings**

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

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

City of Victor Harbor

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

Note 1. Summary of Significant Accounting Policies (continued)

**9 Employee Benefits**

**9.1 Salaries, Wages & Compensated Absences**

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

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

Weighted avg. discount rate % (2016, 1.37%)  
Weighted avg. settlement period 5 years (2016, 5 years)

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

**9.2 Superannuation**

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

**10 Leases**

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset

class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

**11 Equity Accounted Council Businesses**

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

**12 GST Implications**

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

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and 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.

**13 New accounting standards and UIG Interpretations**

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

City of Victor Harbor

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

Note 1. Summary of Significant Accounting Policies (continued)

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

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

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

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15

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

- AASB 9 Financial Instruments (December 2009)
- AASB 15 Revenue from Contracts with Customers
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E)
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards

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

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

- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

14 Comparative Figures

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

15 Disclaimer

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

City of Victor Harbor

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

Note 2. Income

\$ '000	Notes	2017	2016
<b>(a). Rates Revenues</b>			
General Rates		19,626	19,016
Less: Mandatory Rebates		(145)	(137)
Less: Discretionary Rebates, Remissions & Write Offs		(8)	(26)
<b>Total General Rates</b>		<b>19,473</b>	<b>18,853</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		384	368
<b>Total Other Rates</b>		<b>384</b>	<b>368</b>
<b>Other Charges</b>			
Penalties for Late Payment		50	49
Legal & Other Costs Recovered		28	27
<b>Total Other Charges</b>		<b>78</b>	<b>76</b>
<b>Total Rates Revenues</b>		<b>19,935</b>	<b>19,297</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		68	62
Town Planning Fees		127	116
Health & Septic Tank Inspection Fees		12	7
Animal Registration Fees & Fines		87	84
Parking Fines / Expiation Fees		83	109
Other Licences, Fees & Fines		11	8
Sundry		4	5
Search Fees		49	41
<b>Total Statutory Charges</b>		<b>441</b>	<b>432</b>
<b>(c). User Charges</b>			
Cemetery/Crematoria Fees		171	122
Parking Fees		85	105
Sundry		144	29
Caravan Park		236	233
Community Transport		136	128
Horse Drawn Tram		395	410
Recreation Centre		61	60
Whale Centre		168	177
Tourism Marketing & Sales		713	705
Other Leases, Hire & Rentals		261	411
Other		83	-
<b>Total User Charges</b>		<b>2,453</b>	<b>2,380</b>

## City of Victor Harbor

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

## Note 2. Income (continued)

\$ '000	Notes	2017	2016
<b>(d). Investment Income</b>			
- Local Government Finance Authority		51	128
- Banks & Other		7	6
- Loans to Community Groups		54	57
<b>Total Investment Income</b>		<b>112</b>	<b>191</b>
<b>(e). Reimbursements</b>			
Private Works		5	7
Council Contributions		527	591
Employee Reimbursements		13	14
Utilities, Insurance and Cleaning		116	88
Other		121	65
<b>Total Reimbursements</b>		<b>782</b>	<b>765</b>
<b>(f). Other Income</b>			
Sundry		71	235
Community Services		8	24
Donations and Contributions		2	5
Workers Compensation Premium/Claims		6	47
Insurance Claims		2	-
Tourism and Culture		1	19
<b>Total Other Income</b>		<b>90</b>	<b>330</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		2,704	4,322
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>2,704</b>	<b>4,322</b>
Other Grants, Subsidies and Contributions		2,530	1,609
<b>Total Grants, Subsidies, Contributions</b>		<b>5,234</b>	<b>5,931</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		4,251	4,069
State Government		1,012	1,609
Other		(29)	253
<b>Total</b>		<b>5,234</b>	<b>5,931</b>
<b>(ii) Individually Significant Items</b>			
Grant Commission (FAG) Grant Recognised as Income Paid In Advance		621	-

The allocation of 2016/17 Financial Assistance Grant (FAG) was \$1,203k. An additional \$621k of prepaid from the 2017/18 allocation was received in June 2017 and has been reported as a Grant for the 2016/17 year.

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## City of Victor Harbor

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

## Note 2. Income (continued)

\$ '000	Notes	2017	2016
<b>(h). Physical Resources Received Free of Charge</b>			
Stormwater Drainage		-	295
Sealed Roads		-	176
Kerbing		-	63
Open Space		-	253
<b>Total Physical Resources Received Free of Charge</b>		<b>-</b>	<b>787</b>

## Note 3. Expenses

## (a). Employee Costs

Salaries and Wages		7,203	6,971
Employee Leave Expense		877	1,035
Superannuation - Defined Contribution Plan Contributions	18	578	533
Superannuation - Defined Benefit Plan Contributions	18	180	193
Workers' Compensation Insurance		321	415
Other		209	273
<b>Less: Capitalised and Distributed Costs</b>		<b>(257)</b>	<b>(389)</b>
<b>Total Operating Employee Costs</b>		<b>9,111</b>	<b>9,031</b>

Total Number of Employees (full time equivalent at end of reporting period) 102 100

## (b). Materials, Contracts and Other Expenses

## (i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		15	15
Elected Members' Expenses		193	201
Election Expenses		25	4
- Minimum Lease Payments		141	134
<b>Subtotal - Prescribed Expenses</b>		<b>374</b>	<b>354</b>

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## City of Victor Harbor

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

## Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
<b>(b). Materials, Contracts and Other Expenses (continued)</b>			
<b>(ii) Other Materials, Contracts and Expenses</b>			
Legal Expenses		148	165
Levies Paid to Government - NRM levy		383	367
Levies - Other		27	24
Professional Services		426	403
Sundry		936	622
Materials		2,233	2,410
Energy and Water		641	580
External Plant Hire		75	95
Insurances		428	516
Waste Services		1,429	1,377
Advertising		107	95
Information and Communications		539	369
Donations and Contributions		221	133
Rates and taxes		57	49
Regional Board Contributions		88	78
Street Cleaning		100	82
Tourism/Culture and Economic Development		605	614
Environmental Projects		85	217
Community Service Projects		537	539
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>9,065</b>	<b>8,735</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>9,439</b>	<b>9,089</b>
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		1,001	882
- Stormwater Drainage		470	453
- Roads		2,383	2,085
- Kerbing		259	225
- Footpaths		226	187
- Bridges		256	256
- Open Space		486	397
- Carparks & Traffic		193	173
- Other Infrastructure		72	79
Plant & Equipment		620	559
Furniture & Fittings		117	114
Library Books		141	126
<b>Total Depreciation, Amortisation and Impairment</b>		<b>6,224</b>	<b>5,536</b>

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## City of Victor Harbor

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

## Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
<b>(d). Finance Costs</b>			
Interest on Loans		557	710
<b>Total Finance Costs</b>		<b>557</b>	<b>710</b>

## Note 4. Asset Disposal &amp; Fair Value Adjustments

## Infrastructure, Property, Plant &amp; Equipment

<b>Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		206	197
Less: Carrying Amount of Assets Sold		(1,427)	(1,034)
<b>Gain (Loss) on Disposal</b>		<b>(1,221)</b>	<b>(837)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>(1,221)</b>	<b>(837)</b>

## Note 5. Current Assets

**(a). Cash & Cash Equivalents**

Cash on Hand at Bank		319	935
Deposits at Call		1,271	1,573
<b>Total Cash &amp; Cash Equivalents</b>		<b>1,590</b>	<b>2,508</b>

**(b). Trade & Other Receivables**

Rates - General & Other		368	365
Council Rates Postponement Scheme		57	37
Accrued Revenues		331	600
Debtors - General		286	73
Other Levels of Government		2,497	2,854
GST Recoupment		55	26
Prepayments		107	42
Loans to Community Organisations		142	133
<b>Total Trade &amp; Other Receivables</b>		<b>3,843</b>	<b>4,130</b>

**(c). Inventories**

Stores & Materials		276	255
Trading Stock		42	36
<b>Total Inventories</b>		<b>318</b>	<b>291</b>

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City of Victor Harbor

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

Note 6. Non-Current Assets

\$ '000	Notes	2017	2016
<b>(a). Financial Assets</b>			
<b>Receivables</b>			
Loans to Community Organisations		594	735
<b>Total Financial Assets</b>		<b>594</b>	<b>735</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Fleurieu Regional Waste Authority	19	253	236
Fleurieu Regional Aquatic Authority	19	10,499	-
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>10,752</b>	<b>236</b>
<b>(c). Other Non-Current Assets</b>			
Capital Works-in-Progress		258	7,774
<b>Total Other Non-Current Assets</b>		<b>258</b>	<b>7,774</b>

City of Victor Harbor

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

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

\$ '000	Fair Value Level	as at 30/6/2016				Asset Movements during the Reporting Period				as at 30/6/2017					
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions - New	Asset Additions - Replacements	Net/ (GTY) of Asset Disposals	Disposals/ Expenses (Net) (3c)	Other Movements in Equity (A/R) in Equity (A/R) (Note 9)	Revaluation Movements (Note 8)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
Land - Community	2	14,944	-	-	14,944	-	-	-	-	-	-	-	-	-	14,944
Land - Other	2	32,576	-	-	32,576	-	157	(31)	(650)	-	-	-	-	17,690	32,576
Buildings & Other Structures	3	42,573	-	10,822	25,751	-	-	(31)	(51)	-	-	-	-	24,927	42,573
Buildings & Other Structures	2	491	-	-	491	-	-	-	-	-	-	-	-	51	440
Infrastructure	3	50,805	-	13,541	38,264	600	1,070	(294)	(470)	1,647	-	-	-	13,409	40,824
- Sewerage Drainage	3	99,816	-	22,488	76,828	409	1,231	(523)	(2,383)	-	-	-	-	24,755	75,661
- Roads	3	21,596	-	6,813	14,783	112	270	(22)	(259)	33	-	-	-	7,033	14,925
- Footpaths	3	9,977	-	2,935	7,042	502	400	(77)	(256)	-	-	-	-	3,137	7,054
- Open Space	3	13,037	-	7,505	21,248	532	432	(104)	(486)	-	-	-	-	7,761	20,992
- Carports & Traffic	3	7,677	-	4,807	8,250	792	966	(193)	(193)	990	-	-	-	5,181	8,625
- Other Infrastructure	3	-	3,073	2,206	5,471	50	474	(72)	(72)	-	-	-	-	2,401	7,856
Plant & Equipment	3	-	8,324	3,392	4,932	98	746	(222)	(600)	-	-	-	-	1,232	2,365
Furniture & Fixings	2	-	2,046	968	1,058	22	12	(117)	(117)	-	-	-	-	3,770	4,933
Library Books	2	-	802	342	560	-	66	-	(141)	-	-	-	-	2,000	1,105
Artworks	2	-	287	-	287	-	66	-	(141)	-	-	-	-	66	480
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>322,332</b>	<b>14,345</b>	<b>82,199</b>	<b>254,478</b>	<b>3,117</b>	<b>5,829</b>	<b>(1,426)</b>	<b>(6,224)</b>	<b>2,710</b>	<b>(2,610)</b>	<b>-</b>	<b>-</b>	<b>18,850</b>	<b>254,478</b>
Comparatives		312,491	16,115	71,309	257,247	2,797	3,612	(1,633)	(5,536)	80	(2,610)	-	-	14,345	254,478

Note 7a (ii). Investment Property  
Nil

City of Victor Harbor

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

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

\$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

City of Victor Harbor

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

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

\$ '000

Valuation of Assets (continued)

Other Information

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

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

Highest and best use

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

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

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1991. Other types of restrictions also exist.

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

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

Adjustments:

Adjustments for found or re-measured assets have been processed against the revaluation reserve as shown in Note 7 for road, kerb, footpath, open space and furniture & fittings assets and does not represent a formal revaluation of these asset classes.

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

Buildings	\$10,000
Roads, Drainage & Other Infrastructure	\$10,000
Plant & Machinery	\$5,000
Minor Plant & Tools	\$1,000
Reserve Furniture & Equipment	\$1,000
Office Furniture & Equipment	\$1,000

City of Victor Harbor

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

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

\$ '000

Valuation of Assets (continued)

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

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

**Transition to AASB 13 - Fair Value Measurement**

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

**Land & Land Improvements**

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

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

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

Land assets were valued as at 30 June 2016 by Maloney Field Services. The next scheduled valuation of these assets is to be undertaken in 2018/19.

City of Victor Harbor

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

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

\$ '000

Valuation of Assets (continued)

**Buildings & Other Structures**

Buildings and other structures were revalued as at 30 June 2016 by Maloney Field Services utilising the Market Approach or the Cost Approach. The factors considered in selecting the appropriate valuation technique include whether the underlying land is designated Community Land or Excluded/Revoked from Community Land Status, together with other factors which determine whether highest and best use of the property is the current use that would maximise the value of the asset. The next scheduled valuation of these assets is to be undertaken in 2018/19.

**Infrastructure**

Road, Kerb, Footpath and Open Space assets were revalued at written down replacement cost by Assetic Pty Ltd as at 30 June 2016. The next scheduled revaluation of these assets is to be undertaken in 2017/18. Stormwater, Carparks and Traffic were last revalued in 2016/17 their next scheduled revaluation is to be undertaken in 2018/19. Bridges were revalued in 2012/13 their next scheduled revaluation is to be undertaken in 2017/18. Other Infrastructure is recognised at cost.

**Plant & Equipment**

These assets are recognised at cost.

**Furniture & Fittings**

These assets are recognised at cost.

**All other Assets**

These assets are recognised at cost.

Library books and other lending materials are capitalised in bulk and written out when fully depreciated. Artworks were independently valued by Theodore Bruce Auctions as at 30 June 2015. The next scheduled valuation of these assets is to be undertaken in 2017/18.

## City of Victor Harbor

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

## Note 8. Liabilities

\$ '000	Notes	2017		2016	
		Current	Non Current	Current	Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		3,226	-	2,815	-
Payments Received in Advance		754	-	759	-
Accrued Expenses - Employee Entitlements		265	-	201	-
Accrued Expenses - Finance Costs		116	-	150	-
Accrued Expenses - Other		69	-	656	-
Deposits, Retentions & Bonds		5	-	53	-
<b>Total Trade and Other Payables</b>		<b>4,435</b>	<b>-</b>	<b>4,634</b>	<b>-</b>

**(b). Borrowings**

Loans		912	10,039	4,174	6,150
<b>Total Borrowings</b>		<b>912</b>	<b>10,039</b>	<b>4,174</b>	<b>6,150</b>

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

**(c). Provisions**

Long Service Leave		1,041	152	967	129
Annual Leave		1,135	-	1,078	-
Landfill Depot Remediation Liability		10	667	40	716
<b>Total Provisions</b>		<b>2,186</b>	<b>819</b>	<b>2,085</b>	<b>845</b>

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## City of Victor Harbor

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

## Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
<b>(a). Asset Revaluation Reserve</b>					
Land - Community	33,399	-	-	-	33,399
Buildings & Other Structures	18,331	-	-	-	18,331
Infrastructure					
- Stormwater Drainage	26,871	1,647	-	-	28,518
- Roads	67,465	-	-	-	67,465
- Kerbing	6,593	33	-	-	6,626
- Footpaths	6,012	13	-	-	6,025
- Bridges	17,651	-	-	-	17,651
- Open Space	5,400	-	-	-	5,400
- Carparks & Traffic	5,126	980	-	-	6,106
- Other Infrastructure	1,536	-	-	-	1,536
Library Books	1,031	37	-	-	1,068
Artworks	119	-	-	-	119
<b>Total Asset Revaluation Reserve</b>	<b>189,534</b>	<b>2,710</b>	<b>-</b>	<b>-</b>	<b>192,244</b>
<b>Comparatives</b>	<b>192,144</b>	<b>(2,610)</b>	<b>-</b>	<b>-</b>	<b>189,534</b>

**(b). Other Reserves**

Car Park Development	353	6	-	-	359
Developers Contributions	356	4	-	-	360
Economic Development	415	(160)	-	-	255
Open Space	279	(42)	-	-	237
<b>Total Other Reserves</b>	<b>1,403</b>	<b>(192)</b>	<b>-</b>	<b>-</b>	<b>1,211</b>
<b>Comparatives</b>	<b>1,665</b>	<b>326</b>	<b>(588)</b>	<b>-</b>	<b>1,403</b>

**PURPOSES OF RESERVES****Asset Revaluation Reserves**

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

**Car Park Development**

Developer Contributions are used for planning, design and construction of car parking facilities within the prescribed area.

**Developers Contributions**

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

**Economic Development**

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

**Renewable Energy**

Contributions from solar programs participants and contractors and used for renewable energy initiatives.

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City of Victor Harbor

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

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2017	2016
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Council does not hold any assets subject to restrictions

Note 11. Reconciliation to Statement of Cash Flows

(a). Reconciliation of Cash

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

\$ '000	Notes	2017	2016
Total Cash & Equivalent Assets	5	1,590	2,508
Balances per Statement of Cash Flows		1,590	2,508

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

	2017	2016
Net Surplus/(Deficit)	2,476	4,921
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	6,224	5,536
Equity Movements in Equity Accounted Investments (Increase)/Decrease	19	(11)
Non-Cash Asset Acquisitions	-	(787)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)	(2,704)	(4,322)
Net (Gain)/Loss on Disposals	1,221	837
	7,236	6,174

Add (Less): Changes in Net Current Assets

	2017	2016
Net (Increase)/Decrease in Receivables	296	(2,269)
Net (Increase)/Decrease in Inventories	(27)	(20)
Net Increase/(Decrease) in Trade & Other Payables	(151)	2,133
Net Increase/(Decrease) in Other Provisions	75	264
Net Cash provided by (or used in) operations	7,429	6,282

(c). Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

	2017	2016
- Physical Resources Received Free of Charge	-	787
Total Non-Cash Financing & Investing Activities	-	787

(d). Financing Arrangements

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

	2017	2016
Corporate Credit Cards	20	20
LGFA Cash Advance Debenture Facility	12,088	13,000

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

City of Victor Harbor

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

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).						TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	
\$ '000	808	842	1,259	940	(451)	(98)	-	679	496
Business Undertakings	1,582	1,562	2,678	2,006	(1,096)	(444)	689	3,626	2,206
Community Services	95	96	1,253	725	(1,158)	(629)	48	1,058	1,139
Culture	823	814	1,884	1,589	(1,061)	(775)	12	121	83
Economic Development	91	38	3,926	3,088	(3,835)	(3,050)	-	31	41,403
Environment	199	167	2,609	1,148	(2,410)	(981)	-	10,042	15,972
Recreation	393	443	1,799	1,647	(1,406)	(1,204)	-	24	161
Regulatory Services	547	556	4,267	3,120	(3,720)	(2,564)	539	847	123,665
Transport & Communication	114	51	951	2,289	(837)	(2,238)	-	72,887	2,717
Plant Hire & Depot/Indirect	275	562	1,327	1,498	(1,052)	(916)	-	19,622	10,516
Unclassified Activities	337	332	3,413	6,316	(3,076)	(5,984)	24	-	-
Council Administration	21,095	19,532	-	-	21,095	19,532	1,188	-	-
Revenue	26,359	25,015	25,366	24,366	993	649	2,500	1,609	270,152
Total Functions/Activities									

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

City of Victor Harbor

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

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

**BUSINESS UNDERTAKINGS**

Caravan Parks, Private Works, Horse drawn tram and Whale Centre

**COMMUNITY SERVICES**

Crime Prevention, Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Health Services, Community Support, Senior Citizens Facilities, Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Cemeteries, Public Conveniences and Car Parking.

**CULTURE**

Library Services, Town Hall and Other Cultural Services.

**ECONOMIC DEVELOPMENT**

Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

**ENVIRONMENT**

Waste Services, Coastal Protection, Environment Projects, Stormwater Drainage, Natural Resource Management, Street Cleaning, Street Lighting and Street Scaping.

**RECREATION**

Parks and Gardens, Indoor and Outdoor.

**REGULATORY SERVICES**

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

**TRANSPORT**

Bridges, Community Bus Service, Footpaths and Kerbing, Roads – sealed and unsealed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

**PLANT HIRE & DEPOT**

Plant and Machinery, Depot and Indirect Works.

**UNCLASSIFIED ACTIVITIES**

Other Property, Loans and Interest

**COUNCIL ADMINISTRATION**

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

**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 2017

Note 13. Financial Instruments

\$ '000

**Recognised Financial Instruments**

**Bank, Deposits at Call, Short Term Deposits**

**Accounting Policy:**

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

**Terms & Conditions:**

Deposits are returning fixed interest rates between 1.5% and 1.75% (2016: 1.75% and 2.50%).

**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 7.0% (2016: 7.0%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Receivables**

**Fees & Other Charges**

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

City of Victor Harbor

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

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Receivables

Retirement Home Contributions

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

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City of Victor Harbor

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

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Liabilities

Retirement Home Contributions

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

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

Liabilities

Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed or variable rates between 4.15% and 6.9% (2016: 4.25% and 7.30%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

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## City of Victor Harbor

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

## Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2017</b>					
<b>Financial Assets</b>					
Cash & Equivalents	1,590	-	-	1,590	1,590
Receivables	3,368	-	-	3,368	3,962
Other Financial Assets	10,787	113	47	10,947	10,752
<b>Total Financial Assets</b>	<b>15,745</b>	<b>113</b>	<b>47</b>	<b>15,905</b>	<b>16,304</b>

**Financial Liabilities**

Payables	3,700	-	-	3,700	3,681
Current Borrowings	912	-	-	912	912
Non-Current Borrowings	-	10,119	5,099	15,218	10,039
<b>Total Financial Liabilities</b>	<b>4,612</b>	<b>10,119</b>	<b>5,099</b>	<b>19,830</b>	<b>14,632</b>

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2016</b>					
<b>Financial Assets</b>					
Cash & Equivalents	2,508	-	-	2,508	2,508
Receivables	4,130	-	-	4,130	3,723
Other Financial Assets	-	544	382	926	236
<b>Total Financial Assets</b>	<b>6,638</b>	<b>544</b>	<b>382</b>	<b>7,564</b>	<b>6,467</b>

**Financial Liabilities**

Payables	4,634	-	-	4,634	3,875
Current Borrowings	4,738	-	-	4,738	4,174
Non-Current Borrowings	-	5,561	1,869	7,430	6,150
<b>Total Financial Liabilities</b>	<b>9,372</b>	<b>5,561</b>	<b>1,869</b>	<b>16,802</b>	<b>14,199</b>

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	5.85%	10,951	6.17%	10,324
		<b>10,951</b>		<b>10,324</b>

**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.

## City of Victor Harbor

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

## Note 13. Financial Instruments (continued)

\$ '000

**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 2017

## Note 14. Commitments for Expenditure

\$ '000	Notes	2017	2016
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## (a). Capital Commitments

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

Fleurieu Regional Aquatic Centre Project	-	3,123
Completion of FRAC in 2016/17. No further capital commitments	-	3,123

## These expenditures are payable:

Not later than one year	-	3,123
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	-	3,123

## (b). Other Expenditure Commitments

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

Audit Services	50	65
Employee Remuneration Contracts	892	1,517
Street Sweeping	96	96
Asset Maintenance	173	128
Security Services	163	82
Other	25	-
	1,399	1,888

## These expenditures are payable:

Not later than one year	803	1,077
Later than one year and not later than 5 years	453	811
Later than 5 years	-	-
	1,256	1,888

## (c). Finance Lease Commitments

Council has no Finance Leases.

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## City of Victor Harbor

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

## Note 15. Financial Indicators

\$ '000	Amounts 2017	Indicator 2017	Prior Periods 2016 2015	
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These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

## 1. Operating Surplus Ratio

Operating Surplus	993	4%	3%	7%
Total Operating Revenue	26,359			

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

## 1a. Adjusted Operating Surplus Ratio

Adjusted Operating Surplus	372	1%	3%	7%
Total Operating Revenue	26,359			

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

## 2. Net Financial Liabilities Ratio

Net Financial Liabilities	12,364	47%	42%	39%
Total Operating Revenue	26,359			

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.

## 3. Asset Sustainability Ratio

Net Asset Renewals	5,829	99%	77%	64%
Infrastructure & Asset Management Plan required expenditure	5,881			

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.

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## City of Victor Harbor

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

## Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
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.		
Income	26,359	25,015
less Expenses	<u>(25,366)</u>	<u>(24,366)</u>
Operating Surplus / (Deficit)	993	649
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	5,829	3,816
less Depreciation, Amortisation and Impairment	(6,224)	(5,536)
less Proceeds from Sale of Replaced Assets	<u>(206)</u>	<u>(197)</u>
<b>Subtotal</b>	<b>(601)</b>	<b>(1,917)</b>
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	6,139	8,080
less Amounts Received Specifically for New and Upgraded Assets	(2,704)	(4,322)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	<u>-</u>	<u>-</u>
<b>Subtotal</b>	<b>3,435</b>	<b>3,758</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(1,841)</b>	<b>(1,192)</b>

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## City of Victor Harbor

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

## Note 17. Operating Leases

\$ '000	2017	2016
<b>Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:</b>		
Not later than one year	304	300
Later than one year and not later than 5 years	1,014	1,079
Later than 5 years	<u>1,463</u>	<u>1,697</u>
	<b>2,781</b>	<b>3,076</b>
<b>Lease Payment Commitments of Council</b>		
Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.		
No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.		
Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased		
No lease contains any escalation clause		
<b>Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:</b>		
Not later than one year	112	89
Later than one year and not later than 5 years	80	67
Later than 5 years	<u>42</u>	<u>42</u>
	<b>234</b>	<b>198</b>

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City of Victor Harbor

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

Note 18. Superannuation

\$ '000

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

**Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

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

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

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

**Contributions to Other Superannuation Schemes**

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

City of Victor Harbor

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

Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Joint Ventures	(18)	11	10,752	236
<b>Total</b>	<b>(18)</b>	<b>11</b>	<b>10,752</b>	<b>236</b>

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Fleurieu Regional Aquatic Authority	Aquatic Centre	10,499	-
Fleurieu Regional Waste Authority	Waste Management	253	236
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>10,752</b>	<b>236</b>

**Fleurieu Regional Aquatic Authority**

A joint initiative between the City of Victor Harbor and Alexandrina Council, the Fleurieu Regional Aquatic Centre is owned by the Fleurieu Regional Aquatic Authority. The City of Victor Harbor and Alexandrina Council are joint owners of the FRAA owing 50% each.

**Fleurieu Regional Waste Authority**

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

The principal place of business of each entity is within the boundaries of the constituent councils. There are no restrictions on the ability of these entities to pay cash dividends to or make repayment of advances to Council. Council has an ongoing commitment to make contributions to support the ongoing activities of each business in accordance with the terms of each agreement.

(b) Relevant Interests

Name of Entity	Interest In Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Fleurieu Regional Aquatic Authority	50%		50%		50%	
Fleurieu Regional Waste Authority	35%	35%	35%	35%	25%	25%

## City of Victor Harbor

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

## Note 19. Interests in Other Entities (continued)

\$ '000

## (c) Movement in Investment in Joint Venture or Associate

	Fleurieu Regional Aquatic Authority		Fleurieu Regional Waste Authority	
	2017	2016	2017	2016
Opening Balance	-	-	237	226
Capital contributions	10,534	-	-	-
Share in Operating Result	(35)	-	16	11
Council's Equity Share in the Joint Venture or Associate	10,499	-	253	237

## (d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Fleurieu Regional Aquatic Authority		Fleurieu Regional Waste Authority	
	2017	2016	2017	2016
Cash and Cash Equivalents	194	-	937	1,155
Other Current Assets	100	-	213	327
Non-Current Assets	20,875	-	2,357	2,634
<b>Total Assets</b>	<b>21,169</b>	<b>-</b>	<b>3,507</b>	<b>4,116</b>
Current Trade and Other Payables	170	-	840	920
Current Financial Liabilities	-	-	602	567
Current Provisions	-	-	235	209
Non-Current Trade and Other Payables	-	-	37	110
Non-Current Financial Liabilities	-	-	980	1,582
Non-Current Provisions	-	-	90	53
<b>Total Liabilities</b>	<b>170</b>	<b>-</b>	<b>2,784</b>	<b>3,441</b>
<b>Net Assets</b>	<b>20,999</b>	<b>-</b>	<b>723</b>	<b>675</b>

Statement of Comprehensive Income	Fleurieu Regional Aquatic Authority		Fleurieu Regional Waste Authority	
	2017	2016	2017	2016
Other Income	1,001	-	7,547	7,117
Interest Income	-	-	-	17
<b>Total Income</b>	<b>1,001</b>	<b>-</b>	<b>7,547</b>	<b>7,134</b>
Employee Costs	877	-	2,758	2,611
Materials, Contracts & Other Expenses	194	-	3,959	3,732
Depreciation, Amortisation and Impairment	-	-	700	640
Finance Costs	-	-	103	135
<b>Total Expenses</b>	<b>1,071</b>	<b>-</b>	<b>7,520</b>	<b>7,118</b>
Other Revenue / Expense Items	-	-	21	-
<b>Operating Result</b>	<b>(70)</b>	<b>-</b>	<b>48</b>	<b>16</b>

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## City of Victor Harbor

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

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

\$ '000

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

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

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

## 1. LAND UNDER ROADS

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

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

## 2. POTENTIAL INSURANCE LOSSES

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

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

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

## 3. BANK GUARANTEES

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

## 4. LEGAL MATTERS

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

## Note 22. Events after the Balance Sheet Date

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

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City of Victor Harbor

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

Note 23. Related Party Transactions

\$ '000	2017
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Key Management Personnel (KMP)

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 14 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	794
Post-Employment Benefits	-
Long-Term Benefits	-
Termination Benefits	-
<b>Total</b>	<b>794</b>

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

Receipts from Key Management Personnel comprise:

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

Planning and Building Application Fees	2
<b>Total</b>	<b>2</b>

One KMP has a relationship with The Fudge Fairy Catering and Coffee. Council paid this entity \$685 in 2016/17.

**Galpins**

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Liability limited by a scheme approved  
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**INDEPENDENT AUDITOR'S REPORT**

To the members of the City of Victor Harbor

**Opinion**

We have audited the accompanying financial report of the City of Victor Harbor (the Council), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the City of Victor Harbor.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

**Basis for Opinion**

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

**Council's Responsibility for the Financial Report**

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

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

**Auditor's Responsibility for the Audit of the Financial Report**

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

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

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

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

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhauser** CA Registered Company Auditor  
Partner

21/11/2017

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**INDEPENDENT AUDITOR'S REPORT**

**To the Members of the City of Victor Harbor**

**Independent Assurance report on the Internal Controls of the City of Victor Harbor**

**Opinion**

We have audited the compliance of the City of Victor Harbor (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 have been conducted properly and in accordance with law.

In our opinion, the City of Victor Harbor has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2016 to 30 June 2017.

**Basis for Opinion**

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

**The Council's Responsibility for Internal controls**

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

**Our Independence and Quality Control**

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

**Auditor's responsibility**

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

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

**Limitations of Controls**

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

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

**Limitation of Use**

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

**GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



Tim Muhlhauser CA, Registered Company Auditor  
Partner

21/11/ 2017

City of Victor Harbor

General Purpose Financial Statements  
for the year ended 30 June 2017

**Certification of Auditor Independence**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Victor Harbor for the year ended 30 June 2017, the Council's Auditor, Galpins 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*.



Geoff Sheridan  
ACTING CHIEF EXECUTIVE OFFICER



Tim Glazbrook  
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 20/11/2017

City of Victor Harbor

General Purpose Financial Statements  
for the year ended 30 June 2017

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Victor Harbor for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Tim Muhlhauser  
Galpins

Dated this 20<sup>th</sup> day of November 2017.

city of  
*Victor Harbor*



## Stay in Touch

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from your Council?  
Visit us 24/7 at  
[www.victor.sa.gov.au](http://www.victor.sa.gov.au)

ISSN 1835-4726



FLEURIEU REGIONAL  
WASTE AUTHORITY

# Annual Report 2016-2017



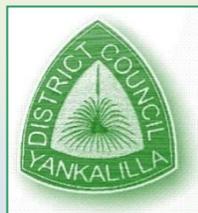
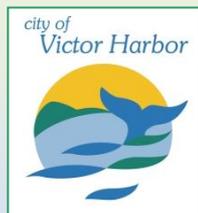
**CONSTITUENT COUNCILS:**

Alexandrina Council

City of Victor Harbor

District Council of Yankalilla

Kangaroo Island Council



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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 waste and recycling services on behalf of the four member councils. This includes:

- The operation of four Waste and Recycling Depots;
- The provision of waste, recycling and green waste kerbside collection services;
- Public litter bin collections;
- Event bin provision and collection; and
- The provision of community information and education.

These services are covered by a Service Level Agreement with each Council setting out the Key Performance Indicators 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 SA 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 the second revision was completed and gazetted in November 2016.

### THE FUTURE

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

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

- Waste avoidance and reduction;
- Recycle right and recycle more
- Composting; and
- Hazardous waste management.

Technologies that are in sync with the available waste streams are key to sustainable solutions, including of energy from waste, in vessel composting and material recovery. The Authority will continue the cooperation beyond the Fleurieu Region and pursue the implementation of modern waste treatment technologies that meet the needs of our communities and are financially affordable for now and in the future.

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

## Chairperson's Message

The Fleurieu Regional Waste Authority (FRWA) is responsible for providing sustainable waste and recycling services for the communities of our Constituent Councils. This includes the operation of four Waste and Recycling Depots (WRD) and the kerbside collections of general waste, recyclables and green waste, public litter as well as event bin services across the region.



FRWA is also responsible for the delivery of waste education and community information across the region, including conducting education programs for kindergartens and primary schools and delivered 25 sessions over the last financial year.

During the past year we continued our work to improve the sustainability and cost effectiveness of kerbside collection service for our Constituent Councils and implemented the change to a new collection system in Alexandrina Council from 1 July 2016. Through the new system we achieved a benchmark diversion rate of 53% which means that over half of Council's kerbside waste was diverted to beneficial reuse.

The leadership role of Alexandrina Council and the Fleurieu Regional Kerbside Collection Working Group was recognized at the 16<sup>th</sup> Leadership Excellence Awards where the Group was announced the Winner of the 2016 Excellence in Leadership Award.

The Board considered future directions in waste and recycling innovation in the FRWA region and formulated policy positions to future-proof waste and recycling services for our Member Councils.

Board members attended Country Cabinet meetings on Kangaroo Island, Victor Harbor and in Yankalilla and discussed first hand with the Premier and Cabinet Ministers opportunities and limitations in regional waste and recycling operations.

Through its grant programs SA State Government supported a several FRWA initiatives, aiming to reduce waste to landfill, reduction of transport cost through local processing as well as increased transport efficiencies.

FRWA has further strengthened its professional links to the WMAA, KESAB, other local government authorities and state government agencies in addressing ongoing challenges in the waste industry.

On behalf of the Board of Fleurieu Regional Waste Authority, it is my pleasure to present the Annual Report for the 2016/17 financial year and to confirm that the Fleurieu Regional Waste Authority continues to meet its responsibilities under the FRWA Charter in a manner which is both fiscally and environmentally responsible.

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

## The FRWA Board

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



**Catherine Cooper**  
Independent Chairperson



**Simon Grenfell**  
General Manager  
Infrastructure and Assets



**Jim Davis**  
Councillor  
Alexandrina Council



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



**Tim Glazbrook**  
Councillor  
City of Victor Harbor



**Andy Baker**  
Chief Operating Officer  
Operations  
District Council of Yankalilla



**Glen Rowlands**  
Mayor  
District Council of Yankalilla



**Ted Botham**  
Deputy Chief Executive Officer  
Kangaroo Island Council



**Peter Denholm**  
Councillor  
Kangaroo Island Council

### BOARD MEETINGS

During the 2016/17 financial year the Board met seven times with each council taking turns in hosting the proceedings. All Board members complied with the statutory requirements.

## Executive Officer's Message

The 2016/17 Annual Report highlights the Authority's main achievements and I would like to thank all FRWA Staff and the FRWA Board for their hard work, dedication and excellent support.



### BEST PRACTICE SERVICES

Over the last 12 months total waste generated across the region showed an upward trend in Alexandrina Council and DC Yankalilla and Kangaroo Island, a slight decrease for City of Victor Harbor and a steady state for Kangaroo Island Council.

Through its best practice services FRWA achieved a 64% diversion of waste from landfill across the region which follows the trend of previous years and is a 3% increase to the previous financial year

The Authority continued to work with neighboring councils and other regional authorities on issues of common interest, including furthering sustainable waste management solutions beyond regions, cost effective e-waste management, emerging energy from waste technologies and the development of regional markets for recycled products.

FRWA represented its member councils on relevant state and national industry stakeholder working groups and forums and is an active member of the Waste Management Association of Australia/SA Branch. FRWA senior staff attended state and national conferences on topical matters in waste and resources management, landfill and transfer station design and management as well as latest developments in energy from waste technologies.

### KERBSIDE COLLECTIONS

The Authority is providing a sustainable and cost effective kerbside waste collection service for over 50,000 residential premises across its four Constituent Councils in accordance with council approved collection schedules and frequencies.

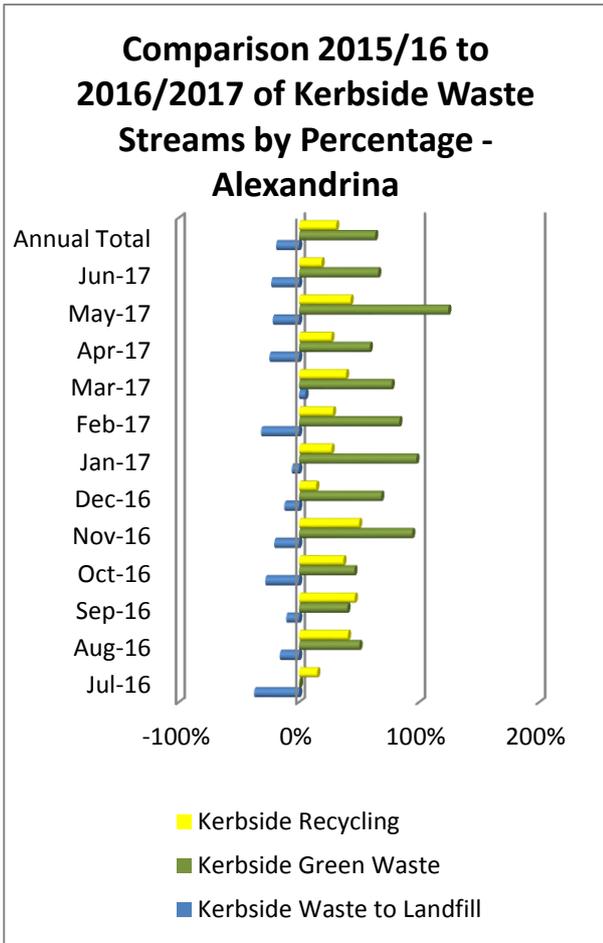
Over the last 12 months we provided about 1.77 million bin pickups across our region and collected 12,374t of general waste, 4,480t of greenwaste and 4,340t of comingled dry recyclables.

Individual results for each Council confirmed that the three bin kerbside system (operated in two of the four FRWA Member Councils) achieved at least twice the diversion rate of waste from landfill compared to the two bin system.

Member Councils continued to prepare for improvements to their respective kerbside systems in order to reduce waste to landfill, capture valuable resources and reduce the impact from the solid waste levy increases.

Alexandrina Council was the first Council to introduce the fortnightly collection of all three waste streams. The new system started on 1 July 2016 and achieved a benchmark diversion rate 53% which means that over half of Council's kerbside waste is being diverted to beneficial reuse.





Compared to the previous financial year kerbside collected general waste reduced by 19%, kerbside collected increased by 31% and greenwaste by 63%.

The leadership role of Alexandrina Council and the Fleurieu Regional Kerbside Collection Working Group was recognized at the 16<sup>th</sup> Leadership Excellence Awards and the Group was announced the Winner of the 2016 Excellence in Leadership Award.



**COMMUNITY CONSULTATION SESSIONS**

**On Kangaroo Island -Fortnightly Kerbside Waste Collection**

Kangaroo Island Council will follow with the change to the three bin kerbside system and the introduction of fortnightly collections in the new financial year. Council and the Authority consulted on these important policy decisions with the KI

community which shaped the final design of the new system.



**PUBLIC PLACE RECYCLING TRIAL**

The Fleurieu Peninsula attracts more and more visitors each year and FRWA is working with its Member Councils on introducing effective recycling system in public places.

A three months Public Place Recycling Trial was undertaken in three A-grade tourist areas, including the Goolwa Wharf, the Nature Play Space and the Goolwa Beach carpark area. Bins for 10cents container deposit items were placed alongside public litter bins, encouraging visitors to place their empty drink containers in the blue bins for collection by the Goolwa Surf Life Saving Club. The project report will be available in August 2017.



Terry Silcox (Goolwa SLSC), Shen Mann (Alexandrina Council), David Reynolds (Foodland), Marina Wagner (FRWA)

**WASTE AND RECYCLING DEPOTS (WRDs)**

continued to play a key role to efficiently manage waste and recycling needs for our Member Councils. 57% of all waste generated in the regions is managed through WRDs and 80% diversion rate of waste from landfill and into various recycling streams is testimony to continuous improvement and new initiatives.

That included:

- 5,275t of greenwaste,
- 1475 mattresses,
- 27,525 litres of waste oil,
- 364 kg of light globes
- 13t of Drum Muster containers,
- 8t batteries and many other recyclables.

Each year FRWA is processing over 10,000t of inert construction and demolition material into valuable crushed rock.



The crushed material is very popular and a fine example for beneficial re-use of products.



FRWA continued to offer **E-WASTE** drop off services as a hybrid of free campaign events and fees for service, in line with the framework set out under the National Scheme.

A total of about 89 tonnes of e-waste were collected under the National Computer and Television Scheme across three regional drop off centers, a decrease of 17.6 % compared to the tonnages collected during the previous year.

### COMMUNITY INFORMATION AND EDUCATION

The Authority continued its successful **EDUCATION AND INFORMATION PROGRAM** to community groups, kindergartens and primary schools. Through the year we delivered a total of 25 presentations to children in childcare centres, kindies and primary schools.

Our FRWA Education Officer attended 2 local markets and 4 events during National Recycling Week, delivered 8 presentations to various community groups on best practice for recycling and waste reuse and was involved in organizing the first waste-less events.



Tess Sapia, FRWA Education Officer during Recycling Week December 2016

FRWA project officer assisted with the implementation of the Fortnightly Kerbside Collection in Alexandrina Council and the preparation for Kangaroo Island's change to fortnightly collection in late 2017.



Jane Brook at the Community Consultation Session in Alexandrina Council's Strathalbyn Community Centre

**WITH ASSISTANCE OF ZWSA FUNDING** FRWA was able to purchase a small material handler to undertake waste sorting of the commercial and industrial waste stream in order to reduce the amount of waste going to landfill.



### **FRWA'S PEOPLE**

FRWA employs 38 staff of which 34% work in kerbside collections, 45% in WRDs and 21% in community education and corporate services.

### **FINANCE AND GOVERNANCE**

The Authority is committed to meeting the highest standards in governance, financial and human resources management.

### **FRWA CHARTER**

FRWA's Charter must be reviewed at least once in every four years and Revision 2 of the Charter was gazette on 9 November 2016.

### **INTERNAL AUDIT COMMITTEE**

The Committee conducted seven meetings during the 2016/17 financial year and provided advice and recommendations to the FRWA Board on the Authority's financial performance, the review of core financials controls and asset management matters.

### **EXTERNAL MANAGEMENT REVIEW**

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

### **FINANCIAL STATEMENTS**

Nexia Edward Marshall audited the 2016/17 Financial Statements which were provided to all Constituent Councils.

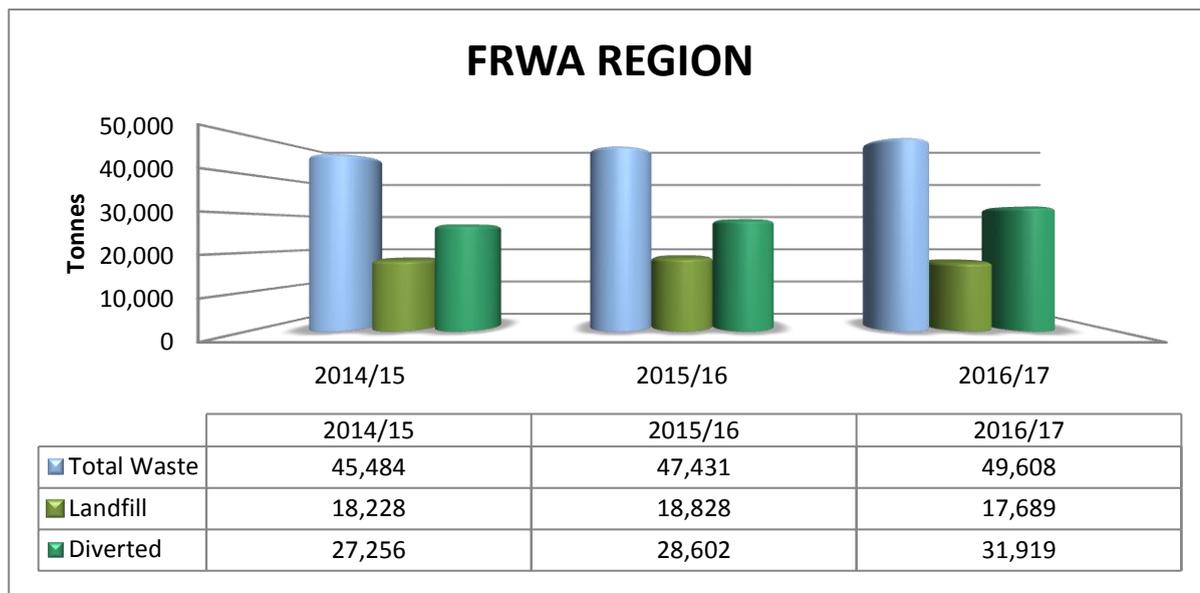
I am pleased to report that the overall performance of the Authority during the 2016/17 financial year meets budget expectations and the Audited Financial Statements for the year have confirmed FRWA's expected results and performance.

A complete copy of the Audited Financial Statement 2017 forms part of this report.

**MARINA WAGNER**  
**EXECUTIVE OFFICER**

## FRWA Region Waste Statistics 2016/17

Annual Regional Waste by Type	FRWA Region	Alexandrina	City of Victor Harbor	DC Yankalilla	KI Council
	Kerbside & WRDs (t)	3 Bin Kerbside & WRDs (t)	3 Bin Kerbside only (t) **	2 Bin Kerbside & WRD (t)	2 Bin Kerbside & WRD (t)
Waste to Landfill	17,689	9,781	3,653	2,184	2,071
Waste Diverted from Landfill	31,919	26,933	2,474	1,172	1,340
<b>Total 2016/17 (MSW, Greenwaste, Recycling Kerbside and WRDs)</b>	<b>49,608</b>	<b>36,714</b>	<b>6,127</b>	<b>3,356</b>	<b>3,411</b>

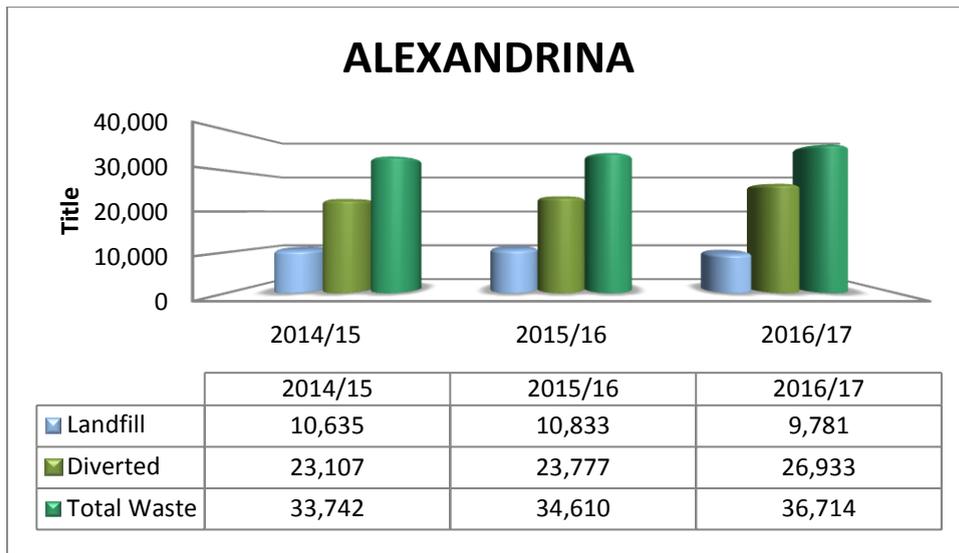


FRWA Region	14/15 to 15/16	15/16 to 16/17
- Landfill	3.29% ↑	-6.05% ↓
- Diverted	4.94% ↑	11.60% ↑
<b>Total</b>	<b>4.28% ↑</b>	<b>4.59% ↑</b>

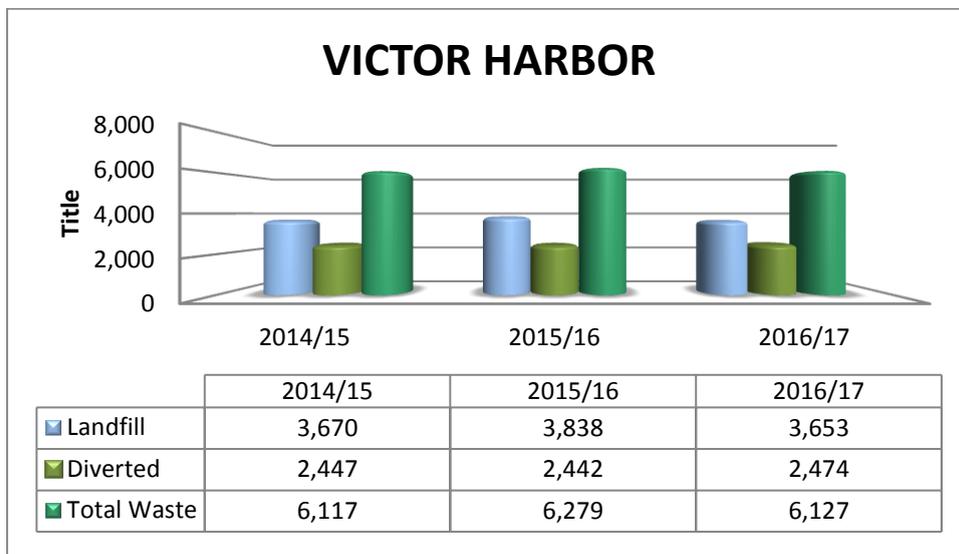
## Waste Statistics 2016/17 per Member Council

	FRWA Region 2016/2017	Alexandrina Council 2016/17	City of Victor Harbor 2016/17	District Council of Yankalilla 2016/17	Kangaroo Island Council 2016/17
<b>Subtotal Kerbside Waste to Landfill</b>	12,374	4,944	3,653	1,739	2,038
Kerbside Greenwaste	4,480	3,122	1,358		
Kerbside Recyclables	4,340	2,512	1,116	402	310
<b>Subtotal Kerbside Waste Diverted from Landfill</b>	8,820	5,634	2,474	402	310
<b>Grand Total Kerbside Waste</b>	<b>21,194</b>	<b>10,578</b>	<b>6,127</b>	<b>2,141</b>	<b>2,348</b>
<b>Subtotal WRD Waste to landfill</b>	5,315	4,837		445	33
<b>Subtotal WRD Waste Diverted from Landfill</b>	23,099	21,299		770	1,030
<b>Grand Total WRD Waste</b>	<b>28,414</b>	<b>26,136</b>		<b>1,215</b>	<b>1,063</b>
<b>Total Waste to Landfill</b>	17,689	9,781	3,653	2,184	2,071
<b>Total Waste Diverted from Landfill</b>	31,919	26,933	2,474	1,172	1,340
<b>Grand Total all Waste Streams</b>	<b>49,608</b>	<b>36,714</b>	<b>6,127</b>	<b>3,356</b>	<b>3,411</b>

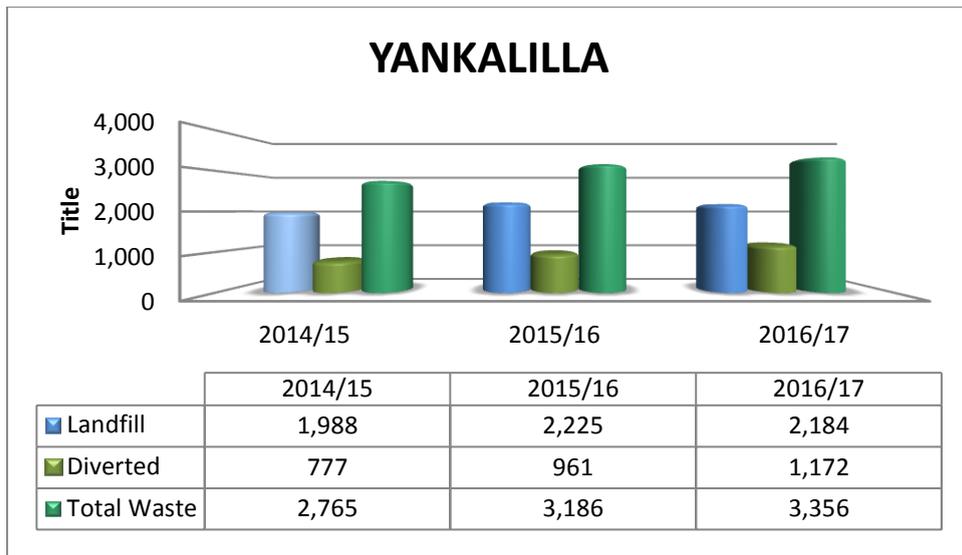
\*The tables above only includes waste streams that are weighed; there are a large range of waste products diverted from landfill not included in the table above which are managed per item, including: mattresses, lounges, fluoro lights, paint, tyres, x-rays, mobile phones and a wide range of salvage items.



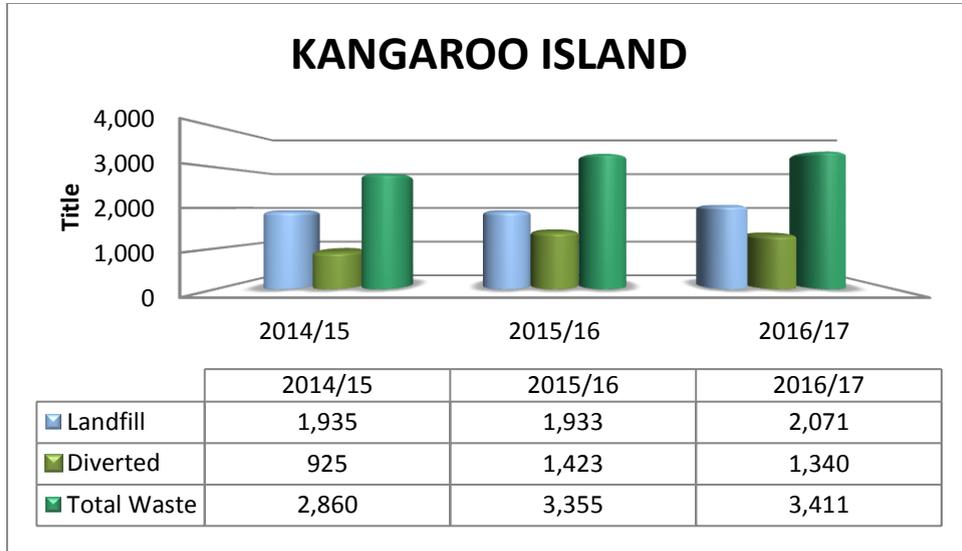
Alexandrina Council	14/15 to 15/16	15/16 to 16/17
- Landfill	1.86% ↑	-9.71% ↓
- Diverted	2.90% ↑	13.27% ↑
<b>Total</b>	<b>2.57% ↑</b>	<b>6.08% ↑</b>



City of Victor Harbor	14/15 to 15/16	15/16 to 16/17
- Landfill	4.57% ↑	-4.82% ↓
- Diverted	-0.21% ↓	1.35% ↑
<b>Total</b>	<b>2.66% ↑</b>	<b>-2.42% ↓</b>

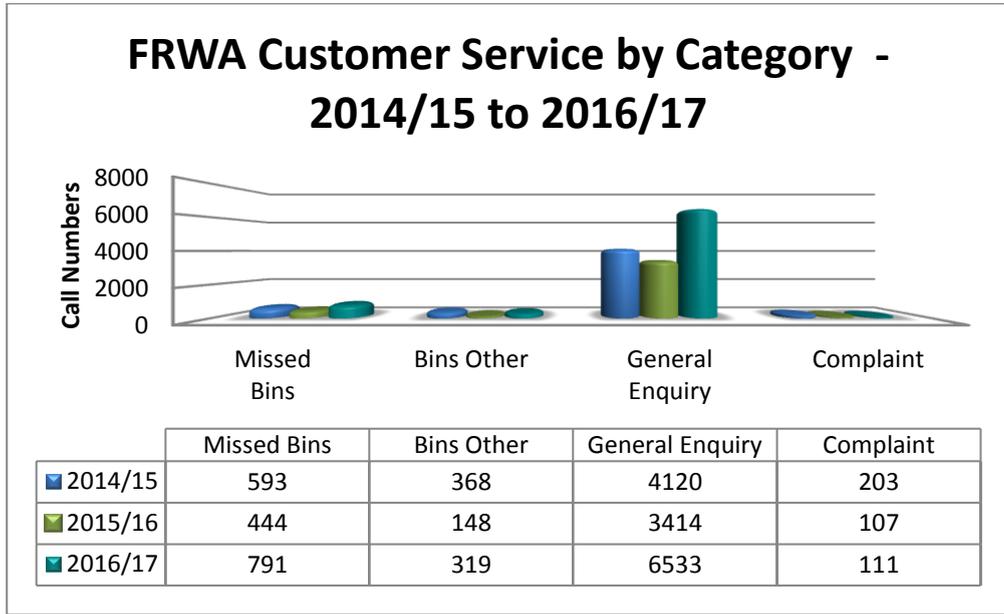


District Council of Yankalilla	14/15 to 15/16	15/16 to 16/17
- Landfill	11.94% ↑	-1.86% ↓
- Diverted	23.59% ↑	21.94% ↑
<b>Total</b>	<b>15.22% ↑</b>	<b>5.32% ↑</b>

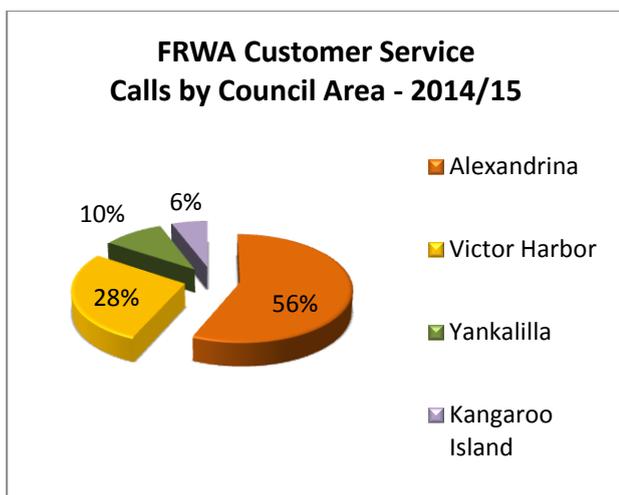
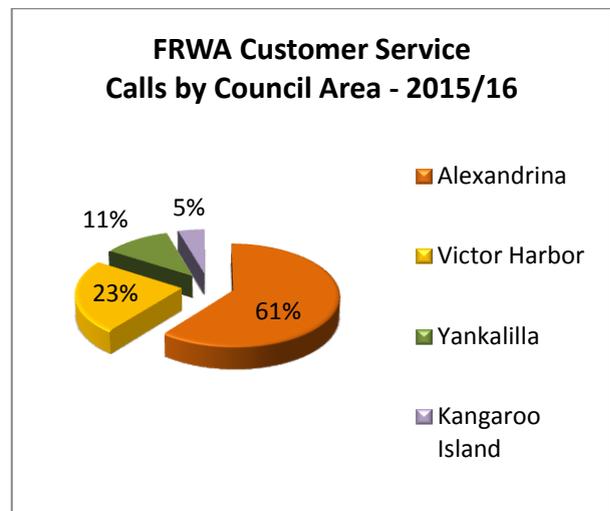
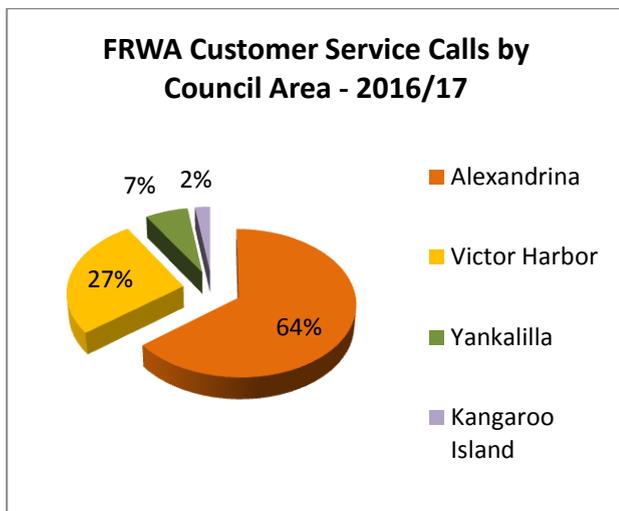


Kangaroo Island Council	14/15 to 15/16	15/16 to 16/17
- Landfill	-0.14% ↓	7.12% ↑
- Diverted	53.81% ↑	-5.83% ↓
<b>Total</b>	<b>17.31% ↑</b>	<b>1.66% ↑</b>

### FRWA Customer Service Contact (Calls, Emails and Letters) (By Category)



### FRWA Customer Service Contact by Council Area



# Financial Statements

## 2016-2017

### FLEURIEU REGIONAL WASTE AUTHORITY

#### General Purpose Financial Reports for the year ended 30 June 2017

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**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017****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 2017 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

A handwritten signature in black ink, appearing to read 'Peter Denholm', written over a dotted line.

Peter Denholm  
**ACTING CHAIR OF THE BOARD**

A handwritten signature in blue ink, appearing to read 'Marina Wagner', written over a dotted line.

Marina Wagner  
**EXECUTIVE OFFICER**

Date: 27-Sep 2017

**FLEURIEU REGIONAL WASTE AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>INCOME</b>			
User charges	2	7,498,687	7,086,423
Grants, subsidies and contributions	2	23,000	-
Investment income	2	7,539	17,082
Reimbursements	2	13,416	14,219
Other income	2	4,619	16,055
<b>Total Income</b>		<u>7,547,261</u>	<u>7,133,779</u>
<b>EXPENSES</b>			
Employee costs	3	2,757,828	2,610,704
Materials, contracts & other expenses	3	3,959,033	3,731,962
Depreciation, amortisation & impairment	3	699,586	640,231
Finance costs	3	103,666	135,296
<b>Total Expenses</b>		<u>7,520,113</u>	<u>7,118,193</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>27,148</b>	15,586
Asset disposal & fair value adjustments	4	20,909	13,843
<b>NET SURPLUS / (DEFICIT)</b>		<u>48,057</u>	<u>29,429</u>
transferred to Equity Statement			29,429
<b>Other Comprehensive Income</b>		<u>          </u>	<u>          </u>
<b>Total Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>48,057</u>	<u>29,429</u>

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

## FLEURIEU REGIONAL WASTE AUTHORITY

### STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

<b>ASSETS</b>	Notes	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	937,241	1,155,141
Trade & other receivables	5	204,944	297,070
Inventories	5	7,528	30,168
<b>Total Current Assets</b>		<u>1,149,713</u>	<u>1,482,379</u>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	6	2,357,347	2,633,790
<b>Total Non-current Assets</b>		<u>2,357,347</u>	<u>2,633,790</u>
<b>Total Assets</b>		<u>3,507,060</u>	<u>4,116,169</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	7	839,595	920,540
Borrowings	7	602,029	567,006
Provisions	7	235,278	208,854
Other current liabilities	8	37,372	110,020
<b>Total Current Liabilities</b>		<u>1,714,274</u>	<u>1,806,420</u>
<b>Non-current Liabilities</b>			
Borrowings	7	980,200	1,582,230
Provisions	7	90,203	53,196
<b>Total Non-current Liabilities</b>		<u>1,070,403</u>	<u>1,635,426</u>
<b>Total Liabilities</b>		<u>2,784,677</u>	<u>3,441,846</u>
<b>NET ASSETS</b>		<u>722,383</u>	<u>674,323</u>
<b>EQUITY</b>			
Accumulated Surplus		722,380	674,323
<b>TOTAL EQUITY</b>		<u>722,380</u>	<u>674,323</u>

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

## FLEURIEU REGIONAL WASTE AUTHORITY

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

	Notes	Accumulated Surplus	TOTAL EQUITY
2017		\$	\$
Balance at end of previous reporting period		674,323	674,323
<b>Net Surplus / (Deficit) for Year</b>		48,057	48,057
<b>Other Comprehensive Income</b>			
<b>Balance at end of period</b>		722,380	722,380
<b>2016</b>			
Balance at end of previous reporting period		644,894	644,894
<b>Net Surplus / (Deficit) for Year</b>		29,429	29,429
<b>Other Comprehensive Income</b>			
<b>Balance at end of period</b>		674,323	674,323

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

## FLEURIEU REGIONAL WASTE AUTHORITY

### STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
User charges		7,516,040	7,376,045
Investment receipts		5,867	17,082
Grants utilised for operating purposes		23,000	-
Reimbursements		13,415	14,219
Other revenues		4,619	16,055
<u>Payments</u>			
Employee costs		(2,689,955)	(2,610,704)
Materials, contracts & other expenses		(4,002,637)	(3,875,638)
Finance payments		(119,009)	(134,926)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>751,340</b>	<b>802,133</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Sale of replaced assets		20,909	32,727
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(362,951)	(1,237,594)
Expenditure on new/upgraded assets		(60,191)	(9,500)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(402,233)</b>	<b>(1,214,367)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from borrowings		-	678,378
<u>Payments</u>			
Repayments of borrowings		(567,007)	(493,143)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(567,007)</b>	<b>185,235</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(217,900)</b>	<b>(226,999)</b>
Cash & cash equivalents at beginning of period	9	<u>1,155,141</u>	<u>1,382,140</u>
<b>Cash &amp; cash equivalents at end of period</b>	9	<u><b>937,241</b></u>	<u><b>1,155,141</b></u>

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

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

##### 1 Basis of Preparation

###### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 27<sup>th</sup> September 2017.

###### 1.2 Historical Cost Convention

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

###### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Authority 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 Fleurieu Regional Waste Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 25B Hutchinson Street Goolwa SA 5214. These financial statements include the Authority's direct operations and all entities through which the Authority controls resources to carry on its functions. In the process of reporting on the Authority as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

##### 3 Income recognition

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

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

**Fleurieu Regional Waste Authority****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2017****Note 1 - Significant Accounting Policies (cont)****4 Cash, Cash Equivalents and other Financial Instruments**

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

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

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

**5 Inventories**

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

Revenue received from gate takings associated with rock to be crushed at a later date is quarantined as an other liability until such time as it is ready for crushing. When crushed rock is ultimately processed, any revenue quarantined is offset against the cost of production so as to reflect the actual cost to the Authority of the crushed rock inventory.

**6 Infrastructure, Property, Plant & Equipment****6.1 Initial Recognition**

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

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

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

**6.2 Materiality**

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

**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.

**6.4 Depreciation of Non-Current Assets**

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

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

**Fleurieu Regional Waste Authority****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2017****Note 1 - Significant Accounting Policies (cont)****6.5 Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value 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, are not assessed for impairment.

Other 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).

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

**7 Payables****7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Borrowings**

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

**9 Employee Benefits****9.1 Salaries, Wages & Compensated Absences**

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

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

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

**9.2 Superannuation**

The Authority makes employer superannuation contributions in respect of its employees to the employees nominated superannuation fund. No changes in accounting policy have occurred during either the current or previous reporting periods.

## Fleurieu Regional Waste Authority

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

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

##### 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 Statement of Cash Flows 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 2017 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

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

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

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

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have an effect on the amounts disclosed in these reports, but does not commence until the 2019/20 financial period, and it is not the Authority's intention to adopt this Standard early.

AASB 16 Leases is applicable to the 30 June 2020 financial period. The new standard introduces a single accounting model for leases, eliminating the distinction between operating and finance leases. This standard will require the Authority to recognise an asset and liability for all leased items with a term of more than 12 months, unless the underlying asset is of low value.

As at 30 June 2017 the Authority has operating lease commitments of \$26,000 as disclosed in Note 14. This is currently a short term lease (i.e. a lease of 12 months or less) and therefore does not fall within the scope of AASB 16.

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 2 - INCOME

	Notes	2017 \$	2016 \$
<b>USER CHARGES</b>			
Waste Disposal Operations		<u>7,498,687</u>	<u>7,086,423</u>
		<u>7,498,687</u>	<u>7,086,423</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		1,672	306
Banks & other		<u>5,867</u>	<u>16,776</u>
		<u>7,539</u>	<u>17,082</u>
<b>REIMBURSEMENTS</b>			
- other		<u>13,415</u>	<u>14,219</u>
		<u>13,415</u>	<u>14,219</u>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		-	4,703
Sundry		<u>4,619</u>	<u>11,352</u>
		<u>4,619</u>	<u>16,055</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Other grants, subsidies and contributions		<u>23,000</u>	-
		<u>23,000</u>	-
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		-	-
State government		<u>23,000</u>	-
		<u>23,000</u>	-

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 3 - EXPENSES

	Notes	2017 \$	2016 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		2,328,205	2,195,138
Employee leave expense		63,675	73,583
Superannuation		215,621	198,202
Workers' Compensation Insurance		108,248	104,166
Other		42,079	39,615
<b>Total Operating Employee Costs</b>		<b>2,757,828</b>	<b>2,610,704</b>
<b>Total Number of Employees</b>		<b>35</b>	<b>32</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		9,870	11,770
Board members' expenses		24,857	30,661
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments		26,887	26,292
Subtotal - Prescribed Expenses		<b>61,614</b>	<b>68,723</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		822,294	689,157
Energy		564,382	501,671
Waste Disposal		1,527,724	1,477,110
Maintenance		371,108	409,320
Legal Expenses		27,846	26,400
Parts, accessories & consumables		134,209	77,012
Professional services		60,329	96,620
Sundry		389,527	385,949
Subtotal - Other Materials, Contracts & Expenses		<b>3,897,419</b>	<b>3,663,239</b>
		<b>3,959,033</b>	<b>3,731,962</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Plant, Machinery & Equipment		699,586	640,231
Office Equipment, Furniture & Fittings		-	-
		<b>699,586</b>	<b>640,231</b>
<b>FINANCE COSTS</b>			
Interest on Loans		103,666	135,296
		<b>103,666</b>	<b>135,296</b>

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2017	2016
Notes	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	20,909	32,727
Less: Carrying amount of assets sold	-	18,884
<b>Gain (Loss) on disposal</b>	<b>20,909</b>	<b>13,843</b>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<b>20,909</b>	<b>13,843</b>

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 5 - CURRENT ASSETS

		2017	2016
<b>CASH &amp; EQUIVALENT ASSETS</b>		<b>\$</b>	<b>\$</b>
Cash on Hand and at Bank	Notes	<b>261,421</b>	134,855
Deposits at Call		<b>675,820</b>	1,020,286
		<u><b>937,241</b></u>	<u>1,155,141</u>
 <b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors - general		<b>154,460</b>	228,337
Prepayments		<b>50,484</b>	59,945
Other Debtors		-	8,788
		<u><b>204,944</b></u>	<u>297,070</u>
 <i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>		-	-
 <b>INVENTORIES</b>			
Stores & Materials		<u><b>7,528</b></u>	<u>30,168</u>
		<u><b>7,528</b></u>	<u>30,168</u>

**FLEURIEU REGIONAL WASTE AUTHORITY**

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

**Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

Fair Value Level	2016 \$				2017 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Buildings & Other Structures	-	3,181	(3,181)	-	-	3,181	(3,181)	-
Plant, Machinery & Equipment	-	5,204,722	(2,570,932)	2,633,790	-	5,512,719	(3,155,372)	2,357,347
Office Equipment, Furniture & Fittings	-	20,634	(20,634)	-	-	20,634	(20,634)	-
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	-	5,228,537	(2,594,747)	2,633,790	-	5,536,534	(3,179,187)	2,357,347
<i>Comparatives</i>		<b>4,034,647</b>	<b>(1,988,837)</b>	<b>2,045,810</b>	-	<b>5,228,537</b>	<b>(2,594,747)</b>	<b>2,633,790</b>

*This Note continues on the following pages.*

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**FLEURIEU REGIONAL WASTE AUTHORITY**

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

**Note 6 (cont.) - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

	2016	CARRYING AMOUNT MOVEMENTS DURING YEAR							2017	
	\$	\$							\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In				Out			
Plant, Machinery & Equipment	2,633,790	60,514	362,951	(323)	(699,586)	-	-	-	-	2,357,347
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2,633,790</b>	<b>60,514</b>	<b>362,951</b>	<b>(323)</b>	<b>(699,586)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,357,347</b>
<i>Comparatives</i>	<b>2,045,810</b>	<b>9,500</b>	<b>1,237,594</b>	<b>(18,883)</b>	<b>(640,231)</b>					<b>2,633,790</b>

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## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 6 (cont.) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

##### Buildings & Other Structures

Buildings and other structures are recognised on a cost basis.

##### Plant, Furniture & Equipment

These assets are recognised on a cost basis.

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$5,000

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

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

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 7 - LIABILITIES

	Notes	2017		2016	
		\$		\$	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		390,483	-	420,406	-
Accrued expenses - employee entitlements		311,310	-	278,559	-
Accrued expenses - other		91,599	-	110,071	-
Other		46,203	-	111,504	-
		<u>839,595</u>	<u>-</u>	<u>920,540</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		<u>602,029</u>	<u>980,200</u>	<u>567,006</u>	<u>1,582,230</u>
		<u>602,029</u>	<u>980,200</u>	<u>567,006</u>	<u>1,582,230</u>
<i>All interest bearing liabilities are secured over the future revenues of the Authority</i>					
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		41,400	90,203	43,700	53,196
Other		193,878	-	165,154	-
		<u>235,278</u>	<u>90,203</u>	<u>208,854</u>	<u>53,196</u>

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 8 - OTHER CURRENT LIABILITIES

OTHER	Notes	2017 \$	2016 \$
Deferred gate sales		37,372	110,020
		37,372	110,020

Revenue received from gate takings associated with rock to be crushed at a later date is quarantined as an other liability until such time as it is utilised for crushing expenditure.

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	Notes	2017	2016
Total cash & equivalent assets	5	\$ <b>937,241</b>	\$ 1,155,141
Balances per Cash Flow Statement		<u><b>937,241</b></u>	<u>1,155,141</u>

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

Net Surplus (Deficit)	<b>48,057</b>	29,429
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	<b>699,586</b>	640,231
Net increase (decrease) in unpaid employee benefits	<b>34,707</b>	3,104
Net (Gain) Loss on Disposals	<u><b>(20,909)</b></u>	<u>(13,843)</u>
	<b>761,441</b>	658,921
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	<b>92,126</b>	105,951
Net (increase) decrease in inventories	<b>22,640</b>	12,605
Net increase (decrease) in trade & other payables	<b>(80,945)</b>	(110,518)
Net increase (decrease) in other provisions	<b>28,727</b>	25,154
Net increase (decrease) in other liabilities	<u><b>(72,649)</b></u>	<u>110,020</u>
<b>Net Cash provided by (or used in) operations</b>	<u><b>751,340</b></u>	<u>802,133</u>

**(c) Financing Arrangements**

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

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

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 10 - FINANCIAL INSTRUMENTS

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

##### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term</b>		<b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.
<b>Deposits</b>		
	<b>Terms &amp; conditions:</b>	Deposits are returning fixed interest rates between 0.10% and 1.75% (2016: 1% and 3%)
	<b>Carrying amount:</b>	approximates fair value due to the short term to maturity.
<b>Receivables - Fees &amp; other charges</b>	<b>Accounting Policy:</b>	Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
	<b>Terms &amp; conditions:</b>	Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.
	<b>Carrying amount:</b>	approximates fair value (after deduction of any allowance).
<b>Liabilities - Creditors and Accruals</b>	<b>Accounting Policy:</b>	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.
	<b>Terms &amp; conditions:</b>	Liabilities are normally settled on 30 day terms.
	<b>Carrying amount:</b>	approximates fair value.
<b>Liabilities - Interest Bearing Borrowings</b>	<b>Accounting Policy:</b>	Carried at the principal amounts. Interest is charged as an expense as it accrues.
	<b>Terms &amp; conditions:</b>	secured over future revenues, borrowings are repayable in six monthly instalments; interest is charged at variable rates between 4.45% and 6.65% (2016: 4.45% and 6.65%)
	<b>Carrying amount:</b>	approximates fair value.

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 10 (cont) - FINANCIAL INSTRUMENTS

##### Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	937,241			937,241	937,241
Receivables	145,052	-	-	145,052	204,944
<b>Total</b>	<b>1,082,293</b>	<b>-</b>	<b>-</b>	<b>1,082,293</b>	<b>1,142,185</b>
<b>Financial Liabilities</b>					
Payables	436,686	-	-	436,686	436,686
Current Borrowings	675,728	-	-	675,728	602,029
Non-Current Borrowings	-	1,056,031	-	1,056,031	980,200
<b>Total</b>	<b>1,112,414</b>	<b>1,056,031</b>	<b>-</b>	<b>2,168,445</b>	<b>2,018,915</b>
<b>2016</b>					
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	1,155,141			1,155,141	1,155,141
Receivables	237,125	-	-	237,125	297,070
<b>Total</b>	<b>1,392,266</b>	<b>-</b>	<b>-</b>	<b>1,392,266</b>	<b>1,452,211</b>
<b>Financial Liabilities</b>					
Payables	641,981	-	-	641,981	531,910
Current Borrowings	685,355	-	-	685,355	567,006
Non-Current Borrowings	-	1,721,501	59,927	1,781,428	1,582,230
<b>Total</b>	<b>1,327,336</b>	<b>1,721,501</b>	<b>59,927</b>	<b>3,108,764</b>	<b>2,681,146</b>

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	5.46	1,582,230	5.62	2,149,236
		<u>1,582,230</u>		<u>2,149,236</u>

#### Net Fair Value

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

#### Risk Exposures

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

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

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

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

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 11 - COMMITMENTS FOR EXPENDITURE

	2017	2016
<u>Notes</u>	\$	\$
<b>Other Expenditure Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Kangaroo Island Bin Replacement	275,000	140,000
Board and Employee Remuneration Contracts	576,280	731,120
Maintenance Contracts	24,000	21,600
	<b>875,280</b>	<b>892,720</b>
These expenditures are payable:		
Not later than one year	487,063	196,490
Later than one year and not later than 5 years	388,217	696,230
Net Liability	<b>875,280</b>	<b>892,720</b>

Kangaroo Island Council provide bins for residents and small commercial operations and provision for replacement of mobile garbage bins (MGB's) on the island has been accrued since 2011. This amount will be spent in full during the 2017/18 year with the change to fortnightly waste collection on the island and replacement of existing MGB's for residents and small businesses under the kerbside collection system.

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 12 - FINANCIAL INDICATORS

	2017	2016	2015
--	------	------	------

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

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

#### **Operating Surplus Ratio**

<u>Operating Surplus</u>	0.0%	0.0%	2.0%
Total Operating Revenue			

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

#### **Adjusted Operating Surplus Ratio**

	0.0%	0.0%	2.0%
--	------	------	------

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

#### **Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	22%	28%	20%
Total Operating Revenue			

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

#### **Asset Sustainability Ratio**

<u>Net Asset Renewals</u>	87%	95%	N/A
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.*

*The Authority adopted an asset management plan during the 2015 year this ratio is shown from the 2016 year onwards.*

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 13 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2017	2016
	\$	\$
Income	7,547,261	7,133,779
<i>less</i> Expenses	<u>7,520,113</u>	<u>7,118,193</u>
<b>Operating Surplus / (Deficit)</b>	<b>27,148</b>	<b>15,586</b>
<i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	362,951	1,237,594
Depreciation, Amortisation and Impairment	(699,586)	(640,231)
Proceeds from Sale of Replaced Assets	<u>(20,909)</u>	<u>(32,727)</u>
	<b>(357,544)</b>	<b>564,636</b>
<i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	60,191	9,500
	<u>60,191</u>	<u>9,500</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>324,501</u></b>	<b><u>(558,550)</u></b>

## FLEURIEU REGIONAL WASTE AUTHORITY

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

#### Note 14 - OPERATING LEASES

***Lease payment commitments of the Authority***

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

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

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

	2017	2016
	\$	\$
Not later than one year	<u>26,000</u>	<u>26,000</u>
	<u>26,000</u>	<u>26,000</u>

**FLEURIEU REGIONAL WASTE AUTHORITY****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2017****Note 15 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED  
IN THE STATEMENT OF FINANCIAL POSITION**

At times there are contingencies, assets and 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 in 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 2017

#### Note 16 - RELATED PARTY DISCLOSURES

##### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Independent Board Chair and Executive Officer under section 112 of the Local Government Act 1999. In all, three persons were paid the following total compensation:

	2017 \$
Salaries, allowances & other short term benefits	162,832
Post-employment benefits	17,362
Long term benefits	4,644
Termination benefits	-
<b>TOTAL</b>	<b>184,838</b>

**FLEURIEU REGIONAL WASTE AUTHORITY**

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

**Note 17 - EVENTS OCCURRING AFTER REPORTING DATE IN THE  
BALANCE SHEET**

There are no events subsequent to 30 June 2017 that need to be disclosed in the financial statements.



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

***Opinion***

We have audited the financial report of Fleurieu Regional Waste Authority, which comprises the Statement of Financial Position as at 30 June 2017, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Fleurieu Regional Waste Authority as at 30 June 2017, 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.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

***Other Information***

The Board are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***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.

In preparing the financial report, the Board of Fleurieu Regional Waste Authority are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.





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

***Auditor's Responsibilities for the Audit of the Financial Report***

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

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

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

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

Nexia Edwards Marshall  
Chartered Accountants

Jamie Dreckow  
Managing Partner

Adelaide, South Australia  
Dated: 28 September 2017

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**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2017, 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*.

A handwritten signature in black ink, appearing to read 'C. Cooper'.

.....  
Catherine Cooper  
**CHAIR OF THE BOARD**

**PRESIDING MEMBER  
AUDIT COMMITTEE**

**Subsidiary is exempt from requirements for  
an audit committee**

Date: 3/8/2017

**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2017, the Authority's Auditor, Nexia 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*.

A handwritten signature in blue ink, appearing to read 'Marina Wagner'. The signature is fluid and cursive, written in a professional style.

.....  
Marina Wagner  
**EXECUTIVE OFFICER**  
Fleurieu Regional Waste Authority

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

Date: 15 August 2017

**FLEURIEU REGIONAL WASTE AUTHORITY**



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2017, the Authority's Auditor, Nexia 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*.

  
.....  
Glenn Rappensberg  
**CHIEF EXECUTIVE OFFICER**  
Alexandrina Council

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

Date: 17/8/2017

**FLEURIEU REGIONAL WASTE AUTHORITY**



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2017, the Authority's Auditor, Nexia Edwards Marshall, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

  
.....  
Graeme Maxwell  
**CHIEF EXECUTIVE OFFICER**  
City of Victor Harbor

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

Date: 15/8/2017

**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2017, the Authority's Auditor, Nexia 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*.

  
.....  
Nigel Morris  
**CHIEF EXECUTIVE OFFICER**  
**District Council of Yankalilla**

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

Date: 17/8/17

**FLEURIEU REGIONAL WASTE AUTHORITY****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2017, the Authority's Auditor, Nexia 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*.

A handwritten signature in black ink, appearing to read 'A Boardman', is positioned above a dotted line.

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

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

Date: 15 August 2017



**FLEURIEU REGIONAL WASTE AUTHORITY  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board 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*.

A handwritten signature in blue ink, appearing to read 'Nexia Edwards Marshall'.

Jamie Drechow  
Managing Partner

A handwritten signature in blue ink, appearing to be the name of the firm.

Nexia Edwards Marshall  
Chartered Accountants

28 September 2017

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Fleurieu Regional Waste Authority





# ANNUAL REPORT

## 2016-2017

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Area of 8,656 Km<sup>2</sup>



Population  
120,989



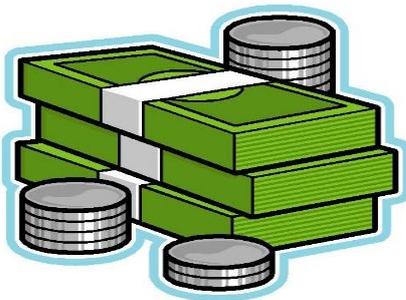
Prominent retirement  
destination



Coastline 652 Kilometres



Total Council revenue  
\$174.9 million



Adelaide Hills, Fleurieu and  
Kangaroo Island are major  
tourism destinations



5,539 kilometres of Local  
Roads



25% projected  
Population increase  
by 2026



## 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 six (6) local government Councils:

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

Collectively these six (6) Councils have:

- ☑ More than 120,000 people as at 30<sup>th</sup> June 2016.
- ☑ 5,539 kilometres of local roads
- ☑ Area consists of 8,656 square kilometres.
- ☑ An ocean coastline of 652 Km.
- ☑ The River Murray and lakes form the southeast boundary of the region.
- ☑ The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- ☑ Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- ☑ The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- ☑ Much of the area has, (by South Australian standards) a high rainfall.
- ☑ A large part of the area is within the 30 Year Plan for Greater Adelaide.
- ☑ Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- ☑ Projected change in the population to 2026 by approximately 25%.
- ☑ Within the region, Victor Harbor and Goolwa are key retirement destinations.
- ☑ Within the region, The 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.

## The Southern and Hills Local Government Association Board

June 2017

<b>Council</b>	<b>Elected Member Representative</b>	<b>Council Staff Representative</b>
<b>Adelaide Hills Council</b>	Mayor Bill Spragg	CEO Andrew Aitken
<b>Alexandrina Council</b>	Mayor Keith Parkes	CEO Glenn Rappensberg
<b>Kangaroo Island Council</b>	Mayor Peter Clements	CEO Andrew Boardman
<b>Mt Barker District Council</b>	Mayor Ann Ferguson	CEO Andrew Stuart
<b>City of Victor Harbor</b>	Mayor Graham Philip	CEO Graeme Maxwell
<b>District Council of Yankalilla</b>	Mayor Glen Rowlands	CEO Nigel Morris

**Office Bearers 2016 – 2017**

President	Mayor Bill Spragg, Adelaide Hills Council
Deputy President	Mayor Keith Parkes, Alexandrina Council
Executive Officer	Mr Graeme Martin
Auditor	Mr Trevor Hirth, FCA, HLB Mann Judd
Elected under the provisions of the Constitution of the Local Government Association	
Delegates to LGA Board	Mayor Keith Parkes Mayor Bill Spragg (via Metro) Mayor Ann Ferguson retired during the term
Proxy Delegate to LGA Board	Mayor Glen Rowlands, District Council of Yankalilla
Delegates to SAROC	Mayor Bill Spragg Mayor Keith Parkes Mr Graeme Martin
Proxy Delegate to SAROC	Mayor Glen Rowlands, District Council of Yankalilla

## President's Forward

The 2016-2017 year largely has been one of continuation of Key Activities and Projects from the previous year for the Southern and Hills Local Government Association.

The 2016-2017 year has seen our energies devoted to the core business of the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, the continuing work to monitor the very comprehensive S&HLGA Regional Public Health plan including our first progress report, monitoring and implementing the region's Climate Change Adaptation Plan, working very closely with the RDA to further the Regional Infrastructure Plan, the Hills Rail Re-alignment review and maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and drafting a new 4 year Business Plan.

As in the past once again the key to our future success will be in our continued collegiate co-operation and development of efficient shared services particularly in the face of continuing and now pronounced economic headwinds at regional, state and national level. Ensuring financial sustainability and best practice service delivery for the region's Councils in the face of revenue capping and cost shifting policies and developing key quantitative and qualitative benchmarking criteria towards optimal Council shape and performance remains a key regional focus.

We have continued to build our strong relationship with our peak representative body the LGA (SA) as it continues on its comprehensive journey reviewing its governance and organisation. We are indebted and grateful for the support we receive from the LGA (SA) via the capacity building and outreach grants. We acknowledge and continue to work with the State Government's Office of Local Government. We have partnered with our regional economic development organisation, Regional Development Australia as well as PIRSA and the Natural Resource Management Boards as we continue to confront the many impacting regional issues.

Thank you to our Executive Officer, Graeme Martin for his continued support and commitment.

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

**Mayor Bill Spragg**  
President



## The Board

The Board held 6 ordinary bi-monthly meetings 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:

19 August 2016	–	Yankalilla
28 October 2016	-	Victor Harbor
9 December 2016	-	Mt. Barker
24 February 2017	-	Kangaroo Island
28 April 2017	-	Yankalilla
23 June 2017	-	Victor Harbor

Key Issues acted on by the Board included:

- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to review the 2010 Hills Rail Realignment study, develop the regional Infrastructure Plan, the regional China Engagement strategy, the regional Climate Change Adaptation project and a regional workplan in partnership with PIRSA. The S&HLGA and the RDA are both represented on the Kangaroo Island Commissioner's Economic Growth Advisory Board
- o Continued working with the Local Government Association and the lobbying on the review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards, continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits, continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy and input into the LGA governance and organisational review.
- o Monitoring and implementing the S&HLGA Regional Public Health Plan.
- o Monitoring and implementing the S&HLGA Regional Climate Change Adaptation Plan
- o Input into the LGA response to the SA State Emergency Management Plan review and the proposed Functional Support role for the sector.
- o Continued the updating of the Roads Database component of the regional 2020 Transport Plan and continued the comprehensive review of the Regional Transport Plan including the development of the South Coast Freight Corridor marketing material and advocating on Public Transport issues
- o Developing key quantitative and qualitative criteria for Council sustainability and reviewing the Fleurieu Futures findings
- o Updating and maintaining of the S&HLGA Website and developing new promotional material.

Regional Consultations and briefings were coordinated to occur on the day of Board meetings. 12 various speakers addressed meetings of the Board. The Board also hosted a forum with the Ombudsman.

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

The Board reviewed its achievements to date and developed a new Action Plan for 2016-2017

At the conclusion of the period 2015-2016 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance. The Board also considered a draft Business Plan covering the period 2017-2021.

### S&HLGA Roads Working Party

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

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.
- Co-ordinated and supported the application process of Councils to the SLRP.
- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2017 – 2018

Project	Council	Total Project Cost for this stage	SLRP request	Council contribution	comment
Ocean Rd	City of Victor Harbor	\$711,000	\$474,000	\$237,000	Stage 3 of 3
Waitpinga Rd	City of Victor Harbor	\$669,000	\$446,000	\$223,000	Stage 2 of 4
9 Mile Rd	Alexandrina	\$375,000	\$250,000	\$125,000	Stage 2 of 2
Springs Rd	Mt Barker	\$997,000	\$665,000	\$333,000	Stage 1 of 4
<b>Total</b>		<b>\$2,752,000</b>	<b>\$1,835,000</b>	<b>\$918,000</b>	

### CWMS Group

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

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

- The risk factors and increasingly time and resource consuming compliance regime associated with this critical asset management.

- The opportunity for regional scale
- Continued investment interest from the private sector.

This work will be a regional priority and a particular focus for the CEO group which should continue during the following years along with the recommendations for CWMS owners to seek and implement best practices and efficient maximum return operations.

### **Regional Papers and Submissions**

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

- To the LGA on behalf of the S&HLGA region – Updated Discussion paper on alternative LGA and Regional organisation relationship model
- To the Ombudsman on behalf of the S&HLGA region - response to the recommendations for a Regional Panel to review Internal Council decisions
- To the Office of LG on behalf of the S&HLGA region- review into Financial Regulations for Regional Subsidiaries and Conflict of Interest exemptions for membership of Regional subsidiaries.
- To The Office of Mayo MP Rebekha Sharkie on behalf of the sector – Review of MyGov and Auskey applications for Local Government

### **Task Force and Working Groups**

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

- Regional LGA CEOs group
- 2020 S&HLGA Transport Plan RWP
- Implementation and Monitoring of the S&HLGA Regional Public Health Plan
- Implementation and Monitoring of the S&HLGA Regional Climate Change Adaptation Plan (Resilient Hills & Coast)

### **Workshops and seminars**

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

- LGA Showcase / OGM
- LGA Conference / AGM
- SA Murray Darling Association / MDBA Forum
- 30 Year Adelaide Plan 5 year review
- ESCOSA Strategic Directions Forum

- LGA Conflict of Interest / informal gatherings seminar
- Fleurieu Regional Awards Dinner
- State Government Key Department heads meeting in the Fleurieu
- LGA Functional support Group and State Emergency Plan review
- Various Council presentations on S&HLGA Key Activities and Projects

## **SAROC**

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

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

- Continuing lobbying and input into the ongoing review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits as well as advocating the return of appropriate Road funding for SA
- Lobbying and continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy and cost shifting policies such as e-planning portal contributions, hard waste levy, transfer of rate exempt community housing.
- Influence and input into the State Emergency Plan and the role of the LGA as a functional support group
- Input into the ombudsman recommendations around s270 Internal review of Council decisions
- Lobbying State Government on contributions to Mobile black spot funding
- Raising concerns with the State Government on the impact of education charges on 457 visa holders and the potential regional impact of restrictions on 457 visas

## **Rubble Royalties**

The S&HLGA received top up funds from Rubble Royalties in 2016-2017. The S&HLGA has member Council Kangaroo Island as the sole contributor to this scheme. During the year funds were allocated to:

- Contribution to the Resilient Hills & Coast Climate Change Adaptation Project Officers 12 month contract extension
- Contribution to undertake preliminary design of the proposed Penneshaw Coupling/decoupling project
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.

## **LGA Board**

Mayor Bill Spragg (Adelaide Hills Council) along with Mayor Keith Parkes (Alexandrina Council) have represented the Southern and Hills Region at the Local Government Association State Board meetings as the region's Delegates. District Council of Yankalilla Mayor, Glen Rowlands has acted as proxy delegate.

Mayor Ann Ferguson (Mt Barker District Council) retired from the LGA Board during this period.

## **Resources**

The continuation of the capacity building grant from the Local Government Research and Development Scheme and the new Outreach Grant has improved 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, the regional EO group, the regional working groups and various reports, submissions and forums throughout the year.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement for the period 2016 - 2017.

## Acronyms

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

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

<b>Years</b>	<b>President</b>	<b>Council</b>	<b>Secretary / EO</b>
2016 - 2017	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2015 - 2016	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2014 - 2015	Mayor Bill Spragg <sup>f</sup> Mayor Ann Ferguson	Adelaide Hills Council DC Mount Barker	Graeme Martin
2013 - 2014	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2012 - 2013	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2011 - 2012	Mayor Ann Ferguson	DC Mount Barker	Fred Pedler <sup>d</sup> Graeme Martin <sup>e</sup>
2010 - 2011	Mayor Ann Ferguson <sup>c</sup> Mayor Brian Hurn OAM	DC Mount Barker The Barossa Council	Fred Pedler <sup>b</sup>
2009 - 2010	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2008 - 2009	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2007 - 2008	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2006 - 2007	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2005 - 2006	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2004 - 2005	Mayor Kym McHugh	Alexandrina Council	Fred Pedler <sup>b</sup>
2003 - 2004	Mayor Kym McHugh	Alexandrina Council	Fred Pedler <sup>b</sup>
2002 - 2003	Mayor John Crompton <sup>a</sup>	City of Victor Harbor	Fred Pedler <sup>b</sup>
2001 - 2002	Mayor John Crompton	City of Victor Harbor	Fred Pedler <sup>b</sup>
1999 - 2000	Mayor Bernie Eglinton APM	DC Mt Barker	Fred Pedler <sup>b</sup>
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		
30 <sup>th</sup> July 1969	First Constitution for S&HLGA Adopted		

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

<sup>a</sup> Until 12<sup>th</sup> May 2003

<sup>b</sup> Executive Officer

<sup>c</sup> From February 2011

<sup>d</sup> To December 2011

<sup>e</sup> From January 2012

<sup>f</sup> From February 2015

## SUMMARY FINANCIAL STATEMENTS

For the Year Ending 30<sup>th</sup> June 2017

	2017	2016
	\$	\$
<b>Income</b>		
Subscriptions	72,995	84,037
Operating Grants	182,506	38,726
Investment Income	2,634	2,384
Other	21,736	323
	279,871	125,470
<b>Expenditure</b>		
Contractual Services	168,080	146,025
Finance Charges	3,326	3,126
Other	64,692	15,729
	236,098	164,880
<b>Surplus (Deficit) from Operations</b>	<b>43,773</b>	<b>(39,410)</b>
	\$	\$
<b>Current Assets</b>		
Investments	97,928	69,597
Debtors	0	0
Total Current Assets	97,928	69,597
<b>Current Liabilities</b>		
Accounts Payable	4,620	20,062
Total Current Liabilities	4,620	20,062
<b>Net Current Assets</b>	93,308	49,535
<b>Net Assets</b>	<b>93,308</b>	<b>49,535</b>
<b>Equity</b>		
Accumulated Surplus	93,308	49,535
<b>Total Equity</b>	<b>93,308</b>	<b>49,535</b>



# **SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION**

Constituent Councils    Adelaide Hills Council  
                                  Alexandrina Council  
                                  Kangaroo Island Council  
                                  Mount Barker District Council  
                                  City of Victor Harbor  
                                  District Council of Yankalilla

## **S&HLGA KEY ACTION PLAN**

### **2016 - 2017**

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

The Business Plan 2013 – 2017 has been prepared in accordance with Clause 18 of the Charter, and to comply with Clause 24 of Schedule 2 of the Local Government Act 1999, was adopted on 21 June 2013. The Business Plan should be read in conjunction with the Budget of each of the Financial Years covered by the plan. These provide the resources for the Plan.

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

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

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

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

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

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
<p>1. <i>To provide leadership and advocacy for Member Councils on regional issues.</i></p>	<p>Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by:</p> <ul style="list-style-type: none"> <li>○ Meetings to include presentations, workshops and forums on Key Issues</li> </ul> <p>Respond as necessary to State and Federal Government Policies which impact on the region</p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Strategies that give priority to S&amp;HLGA issues</li> <li><input checked="" type="checkbox"/> Satisfaction data on the meeting format, speakers</li> <li><input checked="" type="checkbox"/> Number of policy responses</li> </ul>	<p>To maintain a vibrant responsive format for the S&amp;HLGA Board</p>	<p>Key issues are addressed and format of meetings constantly meet the needs of the Association's members.</p>	<ol style="list-style-type: none"> <li>1. 12/07/16 Conflict of Interest exemption letter to OLG</li> <li>2. 22/09/16 Forum AHC on draft 30 Year Adelaide Plan 5 year review</li> <li>3. ESCOSA strategic Directions forum 14/09/16</li> <li>4. State Govt key Department heads meeting Fleurieu region 18/10/16</li> <li>5. Response to Ombudsman recommendation for regional panel to review internal Council decisions 8/3/17</li> <li>6. Email to OLG concerning Financial Management Regulations for Regional subsidiaries</li> </ol>
<p>2. <i>To promote &amp; market the Southern &amp; Hills Local Government Association</i></p>	<p>Ensure the new website is current and marketed appropriately</p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Update the website as required and review</li> </ul>	<p>Maintain an informative, current and appealing S&amp;HLGA website</p>		<ol style="list-style-type: none"> <li>1. 13/07/16 Meeting with LGA to edit website</li> <li>2. Fleurieu Regional Awards Dinner 18/10/16</li> </ol>

<b>Business Plan</b>	<b>Action Plan 2016 - 2017</b>		<b>Success Indicators Action Plan 2016-2017</b>		<b>Achievements</b>
<b>Objective</b>	<b>Key Actions</b>	<b>Performance Targets</b>	<b>KPO</b>	<b>KPI</b>	
	To provide sound financial management and manage resources effectively	<input checked="" type="checkbox"/> To prepare annual Budget and review as required <input checked="" type="checkbox"/> Oversee Annual Audit	To manage the financial affairs within budget and to prepare reporting within the required timeframes. Business Plan objectives and actions are addressed.	Budget is maintained and reports meet timelines. Objectives and actions within Business Plan have been addressed meeting agreed to timelines.	1. 2016-2017 Budget adopted 1/07/16 2. 2016-2017 Audit completed 25/08/16 3. 2015-2016 Annual Report adopted 28/10/16 4. Mid Year 2016-2017 Budget Review 24/02/17 5. 2017-2018 Draft Budget presented 28/04/17
	Regular CEO's meetings  <input type="checkbox"/> CEO's to inform EO of issues for each meeting <input type="checkbox"/> Stakeholders to inform EO of issues for each meeting <input type="checkbox"/> Strengthen interaction with State government and opposition MP's	<input checked="" type="checkbox"/> Maintain the CEO's forum	Management of key stakeholder relationships with the S&HLGA Board	CEO meeting recommendations and feedback.  Key Stakeholder feedback and Board satisfaction	1. Council presentations 11/10/16 KI, 17/10/16 Alexandrina, 7/11/16 Mt Barker. 2. FFP presentation to CVH 8/05/17
	Regional issues to be raised with LGA directly or through SAROC	<input checked="" type="checkbox"/> Number of issues raised with LGA / SAROC / Agencies <input checked="" type="checkbox"/> Number of LGA/SAROC Task groups and Committees involved in			1. Alternative RO model discussion paper tabled 02/02/16 2. Updated RO /SAROC discussion paper Nov 2016  1. Regional EO SAROC governance review

<b>Business Plan</b>	<b>Action Plan 2016 - 2017</b>		<b>Success Indicators Action Plan 2016-2017</b>		<b>Achievements</b>
<i>Objective</i>	<b>Key Actions</b>	<b>Performance Targets</b>	<b>KPO</b>	<b>KPI</b>	
	Attend along with the RDA the next Shanghai outbound mission on behalf of the region	<input checked="" type="checkbox"/> Attend maximum workshops and marketing events during the visit	Post visit Report to the S&HLGA Board identifying future investment opportunities		

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
<i>Objective</i>	Key Actions	Performance Targets	KPO	KPI	
<p>3. <i>To support sustainable economic, environmental, &amp; social development in the region</i></p>	<p><b>Environment</b> Liaise with the regions NRM's</p> <ul style="list-style-type: none"> <li>o Actively participate in the regional Climate Change Vulnerability Assessment and/or Climate change adaptation study</li> <li>o Actively support the region's position in the LGA review of the current NRM model</li> </ul> <p>Review the Regional Zone Emergency Management Plan and assist in marketing and communications</p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Regional Adaptation report presented to S&amp;HLGA Board</li> <li><input checked="" type="checkbox"/> SAROC/LGA Reports/Papers produced and forums attended</li> </ul>	<p>Climate Change Adaptation report finalized and implementation program instigated with the Project Officer contract extended</p>		<ul style="list-style-type: none"> <li>1. 11/07/16 Murray Darling Association &amp; MDBA forum</li> <li>2. 02/08/16 Resilient Hills &amp; Coast Climate Change adaptation Working Group meeting to formalize report and develop the implementation plan</li> <li>3. Plan launched 9 Dec by Minister Hunter</li> <li>4. Plan a finalist in the Premiers Climate Change awards</li> <li>5. Ongoing Rubble Royalty review with LGA and Ros</li> <li>6. Regional Climate Change Sector Agreement agreed with DEWNR/NRM</li> </ul> <p>01/07/16 ZEMC presentation to the S&amp;HLGA Board</p>

<b>Business Plan</b>	<b>Action Plan 2016 - 2017</b>		<b>Success Indicators Action Plan 2016-2017</b>		<b>Achievements</b>
<b>Objective</b>	<b>Key Actions</b>	<b>Performance Targets</b>	<b>KPO</b>	<b>KPI</b>	
	<p><b>research</b></p> <p>Explore (with the LGA) research and /or pilot programs for the Region.</p>	<p><input checked="" type="checkbox"/> Successful Research or funding applications or projects facilitated in the region</p>			<p>1. S&amp;HLGA application on behalf of the region for the Northern Freight bypass and passenger rail option</p> <p>2. Successful LGA R&amp;D application 30/09/16</p> <p>3. Fleurieu Futures Report completed Jan 2017</p> <p>4. Progress report Northern Freight bypass project 12/05/17</p>
	<p><b>Public Health</b></p> <p>Complete all compliance requirements of the regional Health Plan in accordance with the State Public Health Plan</p>	<p><input checked="" type="checkbox"/> Completed reporting and monitoring implementation aspect of the Regional Health Plan</p>	<p>Reports lodged with SA Health in accordance with regulations</p>	<p>Individual Council Action Plans monitored and evaluated through the S&amp;HLGA PH Working Group</p>	<p>1. Report for the period July 1 2014-June 30 2016 submitted to SA Health</p> <p>2. Ongoing Working Group meetings. EO providing secretarial assistance.</p>

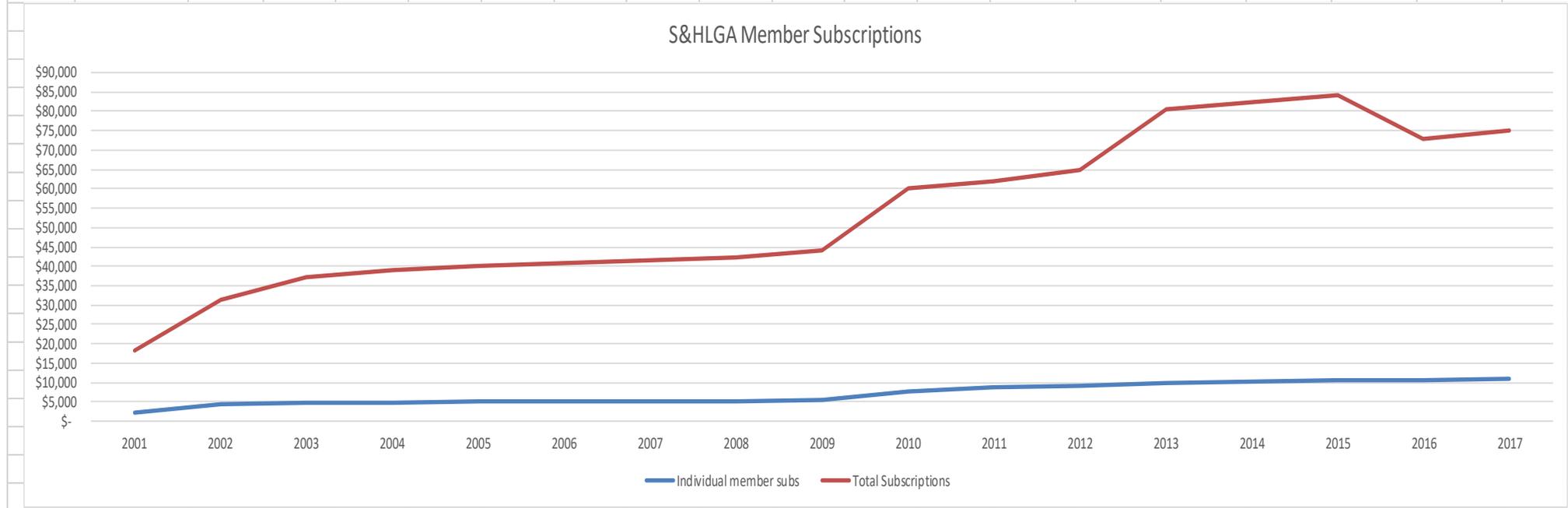
Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
<i>Objective</i>	Key Actions	Performance Targets	KPO	KPI	
	<p><b>Regional Development</b></p> <p>Support the RDA in all regional economic issues and projects</p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Regular meetings with the RDA</li> <li><input checked="" type="checkbox"/> Assist the RDA in Contract negotiations with member Councils for the next 3 year RDA funding agreement</li> <li><input checked="" type="checkbox"/> RDA reports to the Board against the agreed KPIs</li> <li><input checked="" type="checkbox"/> Successful S&amp;HLGA/RDA partnership rollout of the RDA/PIRSA funded Regionalisation project during 2016-17</li> <li><input checked="" type="checkbox"/> Completion of the Regional Infrastructure Plan</li> </ul>	<p>Regional Infrastructure Plan presented to the S&amp;HLGA Board</p> <p>Formation of the Regional Governance Body to progress the Regional Infrastructure Plan</p> <p>S&amp;HLGA contribution to a review of Regional Planning policies with a view to regional harmonisation and response to the new Planning Development and Infrastructure Act</p>	<p>Key Stakeholder feedback and Council satisfaction</p>	<p>1. 11/8/16 - RDA/S&amp;HLGA workplan for 2016-2017 developed to implement Regional Infrastructure Plan and progress Regional Development and Planning Policy</p> <p>2. Regional Eco Development/Infrastructure Working Group formed with RDA</p>
	<p><b>Telecommunication</b></p> <p>Monitor regional NBN rollout &amp; continue to lobby for equitable access for the region for digital technology including Broadband upgrades and extended mobile telephone coverage</p>		<p>Completed Blackspot submissions and NBN requests</p>		

<b>Business Plan</b>	<b>Action Plan 2016 - 2017</b>		<b>Success Indicators Action Plan 2016-2017</b>		<b>Achievements</b>
<b>Objective</b>	<b>Key Actions</b>	<b>Performance Targets</b>	<b>KPO</b>	<b>KPI</b>	
4. <i>To strengthen the capacity of the Association to meet its service obligations.</i>	The Executive Officer to work with the Council CEO's, LGA and Key Stakeholders to explore identified opportunities to share resources that will build capacity in the region and its networks	<input checked="" type="checkbox"/> LGA Regional Capacity Building Grant successfully applied for <input checked="" type="checkbox"/> LGA Outreach Grant successfully applied for			1. 19/07/16 LGA Regional 2015-2016 Capacity Grant acquitted and 2016-2017 Grant applied for 2. 2016-2017 LGA Regional Capacity grant received  1. 22/08/16 LGA Outreach 2016-2017 Grant application and agreement signed off and invoiced. 2. 2016-2017 LGA Outreach Grant received
	Continue to Review the membership base of the S&HLGA and explore the possibility of a Peri Urban Region or identify additional members		S&HLGA Membership negotiations with Onkaparinga commenced		1. Onkaparinga included in outreach Training needs survey.
	Benchmark and review the Long term financial sustainability of Councils including future growth trends, alternative revenue options and optimal size and boundaries	<input checked="" type="checkbox"/> Workshop participation and Progress and Outcome Reports to the Board <input checked="" type="checkbox"/> Project management with the LGA of the Fleurieu Futures Project (FFP)	FFP final report presented to the S&HLGA Board	Key Stakeholder feedback and Council satisfaction	1. Stage 1 draft report completed July 2016 2. Stage 2 draft report completed August 2016 3. Nov 2016 LGA meeting re:FFP and ongoing associated projects 4. Final report completed Jan 2017 5. Tri - Council presentation 6/4/17 6. CVH presentation 8/05/17

<b>Business Plan</b>	<b>Action Plan 2016 - 2017</b>		<b>Success Indicators Action Plan 2016-2017</b>		<b>Achievements</b>
<b>Objective</b>	<b>Key Actions</b>	<b>Performance Targets</b>	<b>KPO</b>	<b>KPI</b>	
	Manage S&HLGA Local Government compliance obligations in 2016-2017	<input checked="" type="checkbox"/> Input into Local Government Act review and any proposed amendments <input checked="" type="checkbox"/> Complete Charter Review <input checked="" type="checkbox"/> Audit Committee Exemption granted	Revised Charter approved and published  Ministerial Audit Committee Exemption granted to S&HLGA for 3 years		1. LGA conflict of interest/Informal gatherings seminar 9/11/16 2. LGA Emergency support seminar 28/11/16 3. 15/01/17 SAROC briefing paper on s270 Internal Review recommendation of the ombudsman 4. Issues with Financial Regulations for Regional Subsidiaries raised with OLG 4/05/17  01/07/16 Ministerial exemption granted to June 30 <sup>th</sup> 2021
	Partner LGA in efforts to progress action on Rate capping, NRM levy collection and Funding, Elected member and Council staff Training and PD and Financial Assistance Grants indexing	<input checked="" type="checkbox"/> Participate in SAROC/LGA task groups, reports and negotiations <input checked="" type="checkbox"/> Outreach Regional Training program developed			1. LGA AGM 20/21 Oct 2016 2. RO Executive Officers regular forum implemented 3. LGA OGM April 2017  1. 24/08/16-21/09/16 Meetings with Liz O'Flynn to develop Outreach Training plan via Council survey
	Lead the Region in action on a review of FAGs methodology to better incorporate temporary population impact	<input checked="" type="checkbox"/> Number of presentations, workshops and submissions			1.CEO SA Grants Commission addressed and update the S&HLGA Board 28/10/16

**MEMBER FEES HISTORY**

Financial Year ended	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Individual member subs	\$ 2,275	\$ 4,500	\$ 4,635	\$ 4,867	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,500	\$ 7,500	\$ 8,829	\$ 9,270	\$ 10,000	\$ 10,250	\$ 10,500	\$ 10,685	\$ 11,000
Total Subscriptions	\$ 18,200	\$ 31,500	\$ 37,080	\$ 38,936	\$ 40,000	\$ 40,800	\$ 41,600	\$ 42,400	\$ 44,000	\$ 60,000	\$ 61,803	\$ 64,890	\$ 80,443	\$ 82,172	\$ 84,037	\$ 72,995	\$ 75,173
\$ Change from previous year		\$13,300	\$5,580	\$1,856	\$1,064	\$800	\$800	\$800	\$1,600	\$16,000	\$1,803	\$3,087	\$15,553	\$1,729	\$1,865	-\$11,042	\$2,178
% Change from previous year		73.1%	17.7%	5.0%	2.7%	2.0%	2.0%	1.9%	3.8%	36.4%	3.0%	5.0%	24.0%	2.1%	2.3%	-13.1%	3.0%
NB	8 members	2001-2010															
	7 members	2011-2015															
	6 members	2016															



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

**Statement of Comprehensive Income for the Year Ended**  
**30<sup>th</sup> June 2017**

	Notes	2017 \$	2016 \$
<b>Income</b>			
Subscriptions	1.8	72,995	84,037
Operating Grants		182,506	38,726
Investment Income	1.7	2,634	2,384
Other		21,736	323
<b>Total Income</b>	1.4	279,871	125,470
<b>Expenditure</b>			
Contractual Services	3	168,080	146,025
Finance Charges		3,326	3,126
Other		64,692	15,729
<b>Total Expenditure</b>		236,098	164,880
<b>Surplus (Deficit) from Operations</b>		<b>43,773</b>	<b>(39,410)</b>

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

# SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

## Balance Sheet as at 30<sup>th</sup> June 2017

		2017	2016
	Notes	\$	\$
<b>Current Assets</b>			
Investments		97,928	69,597
Debtors		0	0
Total Current Assets		97,928	69,597
<b>Current Liabilities</b>			
Accounts Payable		4,620	20,062
Total Current Liabilities		4,620	20,062
<b>Net Current Assets</b>		93,308	49,535
<b>Net Assets</b>		<b>93,308</b>	<b>49,535</b>
<b>Equity</b>			
Accumulated Surplus		93,308	49,535
<b>Total Equity</b>		<b>93,308</b>	<b>49,535</b>

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

**SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION**  
**Statement of Changes in Equity for the Year Ended 30<sup>th</sup> June 2017**

	Notes	2017	2016
		\$	\$
<b>Accumulated Surplus</b>			
Balance at beginning of period		49,535	88,945
Net Surplus / (Deficit)		43,773	(39,410)
		93,308	49,535
		<b>93,308</b>	<b>49,535</b>

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

## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2017

	Notes	2017	2016
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Receipts		304,961	127,204
Payments		(276,694)	(167,763)
GST Paid (received)		(2,570)	0
Interest Receipts		2,634	2,384
		28,331	(38,175)
Net Cash Provided by (Used in) Operating Activities			
<b>Net increase/(decrease) in Cash Held</b>		<b>28,331</b>	<b>(38,175)</b>
<b>Cash at the beginning of the reporting period</b>		<b>69,597</b>	<b>107,773</b>
<b>Cash at the end of the reporting period</b>		<b>97,928</b>	<b>69,597</b>

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

		2017	2016
			\$
Net Surplus		43,773	(39,410)
Add			
Net Decrease in Debtors		0	4,118
Less			
Net Decrease in Accounts Payable		15,442	2,883
<b>Net Cash provided by Operating Activities</b>		<b>28,331</b>	<b>(38,175)</b>

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

# SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

### Note 1 - Significant Accounting Policies

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

The Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 Of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mt Barker District Council, City of Victor Harbor and District Council of Yankalilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

##### 1.4 Rounding

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

##### 1.5 Non Current Assets and Non Current Liabilities

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

##### 1.6 Employees

The Association has no employees.

##### 1.7 Investments

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

##### 1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions by Constituent Councils are equal.

Constituent Council Subscription 2017	\$10,685
Constituent Council Subscription 2016	\$10,500

# SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 1.9 Income recognition

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

### 1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

### 1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

## 2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

- Administration:** The operation of the Office of the Association and its decision making forums.
- Special projects:** The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.
- Transport and Communication:** The review and implementation of the S&H 2020 Transport Plan.

### Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

#### Administration

Year	Revenue				Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue	%	Expenses Total	%	
2017	157,506	75,776	233,282	83.4%	160,053	67.7%	73,229
2016	38,726	86,744	125,470	100.0%	155,684	94.4%	(30,214)

#### Projects

2017	25,000	4,229	29,229	10.4%	73,787	31.3%	(44,558)
2016	0	0	0	0.0%	196	0.1%	(196)

#### Transport and Communication

2017	0	17,360	17,360	6.2%	2,258	1.0%	15,102
2016	0	0	0	0.0%	9,000	5.5%	(9,000)

## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
<b>Total</b>							
2017	182,506	97,365	279,871	100.0%	236,098	100.0%	43,773
2016	38,726	86,744	125,470	100.0%	164,880	100.0%	(39,410)

#### 3. Contractual Services

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

		2017	2016
Consultants:	LKS Quaero	\$2,500	\$0
	Grange Advisors Pty Ltd	\$139,080	\$137,025
	HDS Australia Pty Ltd	\$1,500	\$9,000
	RDA H&C	<u>\$25,000</u>	<u>\$0</u>
	Totals	\$168,080	\$146,025

#### 4. Comparison of Budget and Actual Results

	2017		2016	
	Budget \$	Actual \$	Budget \$	Actual \$
<b>Revenue</b>				
Administration	192,033	233,282	173,192	125,470
Projects	0	29,229	0	0
Transport and Communication	17,600	17,360	0	0
<b>Total Revenue</b>	<b>209,633</b>	<b>279,871</b>	<b>173,192</b>	<b>125,470</b>
<b>Expenditure</b>				
Administration	166,950	160,053	157,650	155,684
Projects	30,250	73,787	10,850	196
Transport and Communication	12,000	2,258	1,200	9,000
<b>Total Expenditure</b>	<b>209,200</b>	<b>236,098</b>	<b>169,700</b>	<b>164,880</b>
<b>Surplus (Deficit)</b>	<b>433</b>	<b>43,773</b>	<b>3,492</b>	<b>(39,410)</b>

## CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

- o the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- o the financial statements present a true and fair view of the Association's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- o internal controls implemented by the Authority provide a reasonable assurance that the Association's financial records are complete, accurate and reliable and were effective throughout the financial year.
- o the financial statements accurately reflect the Association's accounting and other records.

Dated 8<sup>th</sup> August 2017



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



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

## CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2017, 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 8<sup>th</sup> August 2017



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



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

## **Independent Auditor's Report To the Members of Southern & Hills local Government Association**

### **Opinion**

We have audited the financial report of Southern & Hills local Government Association ("the Entity") which comprises the Balance Sheet as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2017, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards and the Local Government Act 1999.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards and the Local Government Act 1999. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### **Responsibilities of Management and The Board for the Financial Report**

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

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

*HLB Mann Judd*

**HLB Mann Judd**  
Chartered Accountants

**Adelaide, South Australia**  
8 August 2017



**Jon Colquhoun**  
Partner

The Board  
C/- Graeme Martin  
Executive Officer  
Southern & Hills Local Government Assoc  
13 Ringmer Dr.  
Burnside SA 5066

**TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION**

**STATEMENT OF AUDITORS INDEPENDENCE  
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 June 2017**

I confirm that, for the audit of the financial statements of Southern & Hills Local Government Association for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

*HLB Mann Judd*

**HLB Mann Judd  
Chartered Accountants**



**Jon Colquhoun  
Partner**

**Adelaide, South Australia  
8 August 2017**



Fleurieu Regional  
**Aquatic Centre**

Authority



**Annual Report** 2016/17

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# About the Authority

## Who we are

The Fleurieu Regional Aquatic Centre Authority (the Authority) is a regional subsidiary formed by Constituent Councils: City of Victor Harbor and Alexandrina Council, established to enable joint ownership and management of the Fleurieu Aquatic Centre.

The Fleurieu Aquatic Centre is an initiative of the Alexandrina Council and City of Victor Harbor (for an investment of \$6.5 million from each council), with funding support of \$7.5 million from the Australian Government, \$500,000 from the South Australian Government and a generous land donation from Beyond Today.

The governance for the Authority is set out in its Charter, as approved by the Minister for Local Government on 3 August 2015, gazetted on 6 August 2015 and available on our website at <http://www.fleurieuaquaticcentre.com.au/>.

The Fleurieu Aquatic Centre opened on 25 March 2017. The facility is located at Lot 50, corner of Waterport Road and Ocean Road, Hayborough, South Australia, 5212 and consists of:

- an 8-lane, 25-metre lap swimming pool
- a multi-use hydrotherapy pool
- a children's/program pool
- a zero-depth outdoor splash park
- a crèche facility
- fitness facilities
- a commercial kiosk
- plant and equipment rooms
- dedicated change rooms and toilet facilities
- office, first aid and lifeguard accommodation
- dedicated carparking, bus parking, pedestrian linkages and traffic management
- other facilities and services as may be provided from time to time.

More information about the Fleurieu Aquatic Centre is available on our website at <http://www.fleurieuaquaticcentre.com.au/>.

## The Authority's role

Our role is to:

- be responsible for the protection, operation, renewal, maintenance and improvement of the Aquatic Centre and its associated facilities and services
- promote the services and facilities of the Aquatic Centre
- pro-actively manage the business of the Aquatic Centre in a competitive and changing environment
- deliver effective and sustainable service provision for the Constituent Councils, customers of the Aquatic Centre and the communities in and surrounding the Constituent Councils
- contribute to the education and welfare of the Constituent Councils and the wider community through the facilitation of various aquatic programs
- foster social inclusion through the provision of a community place providing a variety of aquatic programs and associated services and facilities
- maximise participation in and use of the aquatic programs provided at the Aquatic Centre and the facilities and services of the Aquatic Centre by users of all ages and abilities
- undertake key strategic and policy decisions for the purpose of enhancing and developing the centre
- be financially self-sufficient, as far as is possible.



# Organisational Structure

The Authority is a body corporate and is governed by the Local Government Act 1999 (the Act) and its Charter.



# Chairperson's Message



After over 30 years of sustained demand, the Fleurieu communities now have the regional aquatic facility they have been calling for. Alexandrina Council and City of Victor Harbor have worked tirelessly together with the key project stakeholders to deliver a high-quality facility on time and on budget. The result of the collective efforts is a \$21 million fully operational aquatic centre comprising three pools, an outdoor splash park, fitness facility and café. The project's success is a credit to the project team and the two Constituent Councils.

The Fleurieu Aquatic Centre opened on 25 March 2017 and is performing well. Strong membership numbers have been established along with an enthusiastic swim school cohort. Casual attendance trends and hire of facilities by user groups are still to be gauged as the community progressively engages with the centre over time, and adjustments to programming and services will continue to be made in response to the community's needs. The Authority has been established to enable the joint ownership of the facility. On behalf of the Board of the Authority, we are proud to be the inaugural custodians of the centre, working together to achieve the objectives set for us under our Charter.

The Authority and the Constituent Councils are pleased with the centre's performance since opening, with feedback indicating the centre is already becoming an integral contributor to community health and wellbeing. The centre is rapidly being recognised as a community hub for fitness, fun and socialising; with the community response and enthusiasm for the centre exceeding expectations. The centre has already become and will continue to be an important community asset for the Fleurieu communities.

For many years, an aquatic facility was considered the 'missing piece' of community infrastructure for the Southern Fleurieu. I am pleased to say that this is no longer the case, with the Constituent Councils having collaborated to bridge that gap. Continuing that collaboration, the Councils have committed to contributing funds annually towards the operation of the centre, based on industry research into contributions required to operate similar facilities. The Authority has as one of its key objectives to work towards achievement of long-term financial self-sustainability. The Authority has appointed an experienced aquatic centre operator in YMCA South Australia (YMCA SA) and an Executive Officer with commercial business experience to maximise efficiency of operations, maximise participation and minimise Council contributions required. The Authority will continue to work with YMCA SA to increase membership, program participation and casual attendance, and to drive efficiency measures wherever possible without compromising service delivery.

I would like to thank my fellow Board members, Constituent Councils and contractor partners (particularly construction company, Kennett Pty Ltd and YMCA SA) for their support, encouragement, hard work and contribution to establishing and successfully opening the Fleurieu Aquatic Centre. I also acknowledge the hard work and dedication that has been required to establish the Authority and its supporting operational, governance and financial frameworks.

Dean Newbery & Partners has audited the 2016/17 Financial Statements which have been provided to both Constituent Councils. I am pleased to report that the overall performance of the Authority during the 2016/17 financial year was in line with Constituent Council expectations and the Audited Financial Statements for the year have confirmed the Authority's results and performance.

A complete copy of the Audited Financial Statement 2017 forms part of this report.

On behalf of the Board of the Authority, it is my pleasure to present the inaugural Annual Report for the 2016/17 financial year.



David Cooke  
Chairperson, Fleurieu Regional Aquatic Centre Authority





# The Board

## Board members

The Authority is governed by a board of management that is responsible for ensuring the Authority acts in accordance with its Charter and all other relevant legislation.

The inaugural Board was appointed in April 2016 and consists of five members (one elected member from each Constituent Council and three independent members).

Members include (pictured left to right):

- David Cooke (Chairperson / Independent member)
- John Coombe OAM (Deputy Chairperson / Independent member)
- Cr Pat Chigwidden (City of Victor Harbor)
- Alison Kimber (Independent member)
- Cr Grant Gartrell (Alexandrina Council)
- Mayor Graham Philp (City of Victor Harbor – Deputy member\*)
- Cr Anne Woolford Walker (Alexandrina Council – Deputy member) \*Absent from photo

\*Deputy Members are able to act in place of the Board Member appointed by the same Constituent Council if that Board Member is absent or unable for any reason to act as a Board Member.

The Board is supported by a part-time Executive Officer.

During 2016/17 there was a change to the Board with the departure of Councillor Madeline Walker. We thank Cr Walker on behalf of the Constituent Councils and the community for her contribution as an inaugural member of the Authority Board. Her enthusiasm for the development of the centre, and her local knowledge and leadership were greatly appreciated.

Councillor Grant Gartrell has since been appointed to the Board as the Constituent Council Board Member (previously the Deputy Constituent Council Board Member) for Alexandrina Council with Councillor Anne Woolford as Deputy Board Member. We look forward to continuing to work with Councillor Gartrell and welcome Councillor Woolford to the Board.

## Board meetings

The Board meets six to eight times a year, with meetings held at the Fleurieu Aquatic Centre or at either of the Constituent Council offices. Special 'out of session' meetings are occasionally held for specific matters. All Board members complied with the statutory requirement to submit pecuniary interest returns.

# Our Performance

## Appointment of key contractors

### Executive Officer - Fleurieu Regional Aquatic Centre Authority

In August 2016, the Authority appointed Leonie Boothby, Principal Consultant of Leonie Boothby & Associates Pty Ltd, as the Executive Officer for the Authority. Leonie was appointed following an open tender process and has been engaged on a two-year contract. Leonie is an experienced Executive Officer and, having grown up on the Fleurieu Peninsula, has strong networks and good knowledge of the area. Leonie's background includes senior management roles in both the public and private sector across a range of industries. Leonie has strong commercial business, corporate governance, financial management, risk management and asset management experience, skills and expertise.

### Operational Managers – Fleurieu Aquatic Centre



*Pictured left to right: Mr David Moyle (FAC Project Manager, Alexandrina Council), Mr Andrew Mundy (General Manager Operations YMCA) & Mr James Lomax (Area Manager YMCA)*

In early 2015, the Constituent Councils considered a range of management options for the centre, including risks, advantages and disadvantages of each. It was determined that the most cost-effective method likely to deliver the optimum service outcome for the community was an active oversight model whereby the Authority engages a facility management contractor to deliver the services.

In November 2016, YMCA SA was appointed to manage the Fleurieu Aquatic Centre following a national tender process. YMCA has nationwide experience in running sporting and aquatic facilities for Local Government. YMCA SA has significant experience in the management of new facilities, a proven business delivery record and a commitment to providing innovative community leisure programs.

YMCA SA has been engaged via a three-year agreement to manage the facility and is working with the Authority to build new community partnerships and to promote healthy participation across the Fleurieu region.

Further information about YMCA SA can be found at <http://www.sa.ymca.org.au/>.

## YMCA SA staff appointments



Leading the YMCA SA team is Area Manager James Lomax who is supported by a dedicated team of trained and enthusiastic staff.

The staff recruitment process commenced in December 2016 with the appointment of James as the Centre Manager. James then led the staff recruitment process with a focus on recruiting local people.

The full-time staff were appointed in late February 2017. Casual staff began training on 17 March and commenced work with the opening of the centre on 25 March. Ongoing training and development continues to facilitate an outstanding positive work culture.

The centre currently employs 59 local people (Full-time equivalent 18.5).





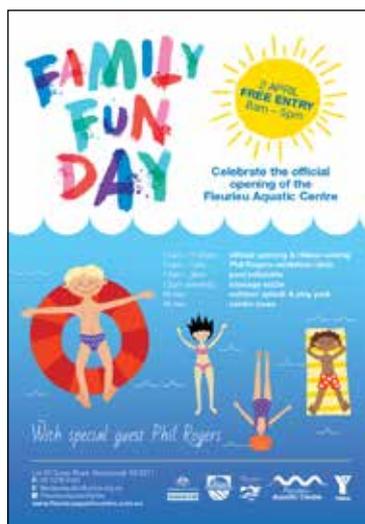
## Official opening of the Fleurieu Aquatic Centre

After decades of planning and investigations, followed by a 21-month construction period, the Fleurieu communities' dream of an aquatic facility was realised with the opening of the centre on 25 March 2017. For more than 30 years there was a strong call for an aquatic centre on the south coast of the Fleurieu Peninsula, and the opening of the centre was a significant milestone long awaited by the local communities.

To celebrate the opening, a special event was held on 2 April 2017. The opening event was a celebration with project stakeholders and the community and an opportunity to acknowledge the strong support and passion that our communities have shown for this project.

The official opening included speeches from Authority Chairperson Mr David Cooke, Mayor Keith Parkes (Alexandrina Council), guest speaker Olympian Mr Phil Rogers, Senator for South Australia, the Honourable Anne Ruston (Australian Government representative), Mr Iliia Houridis, Director, Facility, Development and Infrastructure – Office of Recreation and Sport (South Australian Government representative – not pictured) and Mayor Graham Philp (City of Victor Harbor). The gathered crowd also enjoyed a special performance from the Encounter Centre Choir.

To add to the celebration of this significant milestone, a free community open day was held in conjunction with the official opening ceremony. This included free access to the facilities, a barbeque, fun on the pool inflatable and a special master class conducted by special guest, Olympian Mr Phil Rogers.



# Fleurieu Aquatic Centre performance 25 March to 30 June 2017

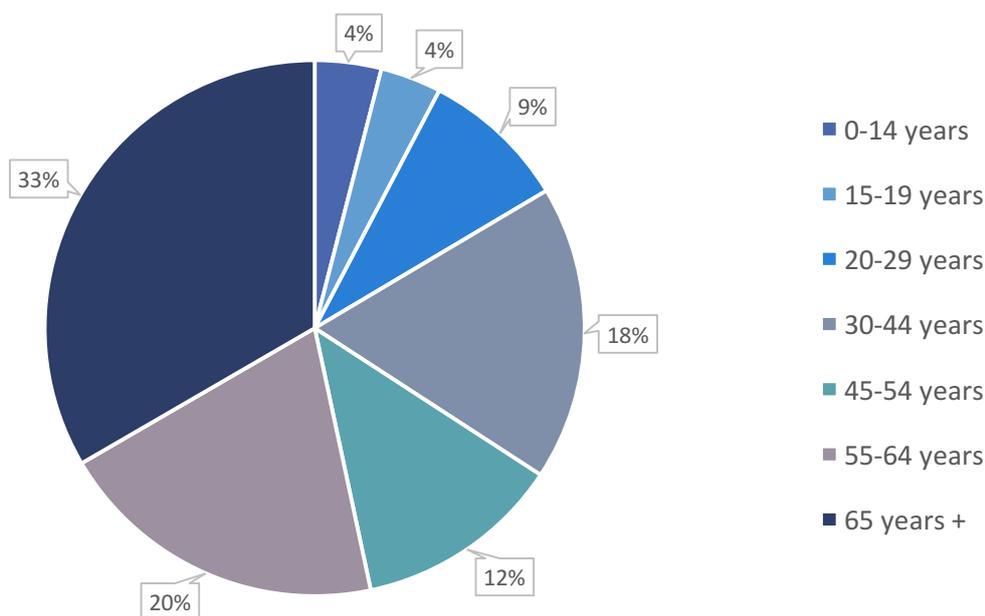
## Summary

- Over 20 local business partnerships formed to supply goods and services to the centre and to deliver programs
- 770 members accessing the centre on a regular basis
- 12,979 member visits
- 2,592 likes on the centre's Facebook page
- 17,106 casual swim visits
- 3,435 swimming lessons delivered
- Establishment of an older adults' program that helps break down social isolation and promotes community wellbeing
- A total of 37,861 visits during the period.

## Who is using the centre?

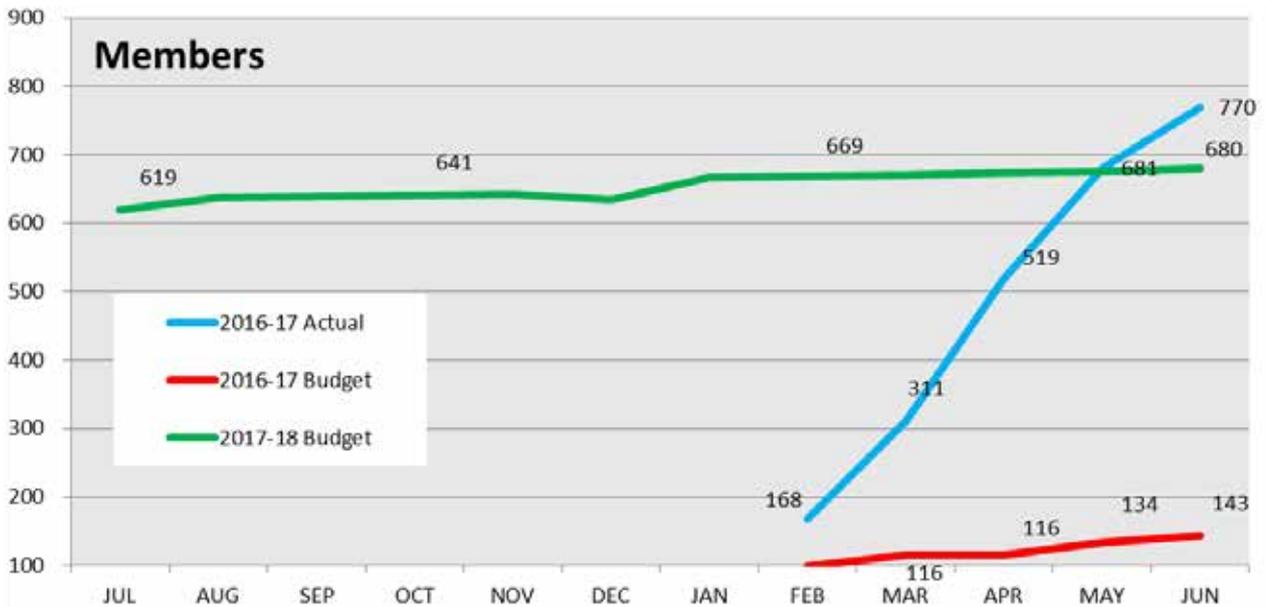
The Fleurieu Aquatic Centre is for everyone and we are already seeing community members of all ages engaging in activity at the centre. As the centre has only been open a short time, normalised demographics are not yet available; however, the graph below provides a snapshot of the age ranges of our members and people using visit passes.

% of Members & Visit passes



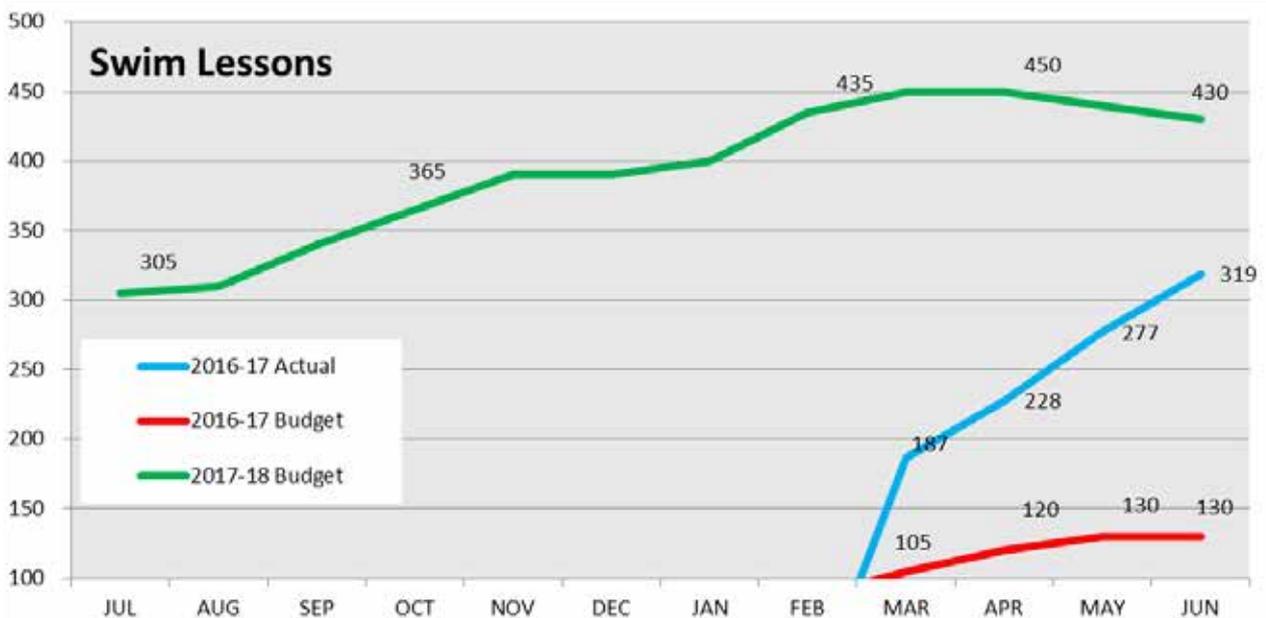
## Memberships

Membership sales exceeded all expectations, reaching 770 members at the end of June 2017. The aspirational target of 850 members has been set for 2017/18 with the approved budget membership level of 680 members for 2017/18 already being exceeded.



## Swimming lessons

The swimming lessons program experienced sharp growth over a traditionally low growth time of the year with 319 enrolments achieved as at 30 June 2017 as compared to a budget of 130. The centre is well on the way to achieving the 2017/18 budget of a peak enrolment of 450 students in April 2018.



## Feedback from the community

The feedback we have received so far from the community about the services and facilities at the centre has been overwhelmingly positive. Here is a selection of comments we have received on the centre Facebook page:

“ *An excellent facility for the whole family. Amazing children’s’ play areas inside and out; with the added bonus of superb adult facilities within the gym and warm pool areas.*

*Friendly and helpful local staff at the official opening day we attended made for a fab day. We will be going back!!!*

*Facilities are fantastic. The trainers superb. The Fleurieu is a better place to live with this amazing complex. Highly recommend to all.*

*Fantastic facility. Great lap pool, hydrotherapy pool and very well-equipped gym. Staff are all very helpful and eager to please. Wonderful ambiance as everyone is having fun whilst becoming a lot healthier and fitter. Congratulations to everyone involved.*

*A great place to take the kids when it’s cold and wet. They loved it.*

*Awesome birthday party kids really enjoyed it. Games were great, good selection and quantity of food. Staff were just gorgeous with the kids.... defiantly a birthday to remember! Centre was clean and beautifully laid out.* ”

## Financial results

The original budget for the Authority for 2016-17 (as the inaugural budget) was based on a pro-rata calculation for four months of operation of the Fleurieu Aquatic Centre using indexed 2013 Business Case figures, with budget income and expense estimated at a high level only. No allowance was made for depreciation in the original budget. Provision was made for estimated operating costs of the Authority.

The Authority on adoption of its 2016-17 original budget was projecting an operating deficit of \$0 (net of a combined \$260,000 in operating contributions from Councils). Movements during 2016-17 have resulted in a year-end operating deficit of \$69,741 (net of a combined \$640,706 in operating contributions from Councils), i.e. a total variance of \$450,447. Of that variance, \$193,733 reflects actual depreciation expense not allowed for in the original budget, with the remaining variance reflecting establishment, operating and Authority costs above levels anticipated in the original budget.

## Marketing and communications

YMCA SA’s marketing for the centre in the second half of 2016/17 focused heavily on increasing community anticipation pre-opening and driving membership sales, with the Foundation Membership offer selling out in a matter of hours. Marketing and promotions initiatives occurred on several platforms including social media, development of a new website (pictured below) and local print media.

Once the centre opened, the communication shifted to program-specific development and retention of memberships including:

- program retention for the swimming lessons program during autumn and winter
- internal member communication via email E-Blast
- introduction of the Grey Medallion program in partnership with Royal Life Saving South Australia (a program designed to promote water safety for older Australians)
- minor in-house marketing including the launch of our coffee loyalty card and internal member email communication
- promotion of free hearing tests in the centre for older adults in partnership with Australian Hearing.



# Competitive neutrality

The Constituent Councils and the Authority must comply with the principles of competitive neutrality in the conduct of significant business activities. The principles of competitive neutrality do not limit the types of business activities which councils (hence the Authority) may engage in, but requires that where these business activities are significant they are provided in a manner which is competitively neutral (provided that the public benefits of doing so outweigh the costs).

The Authority is obliged by its Charter to undertake a competitive neutrality assessment of its significant business activities each year. A competitive neutrality review was completed by the Authority in July 2017 for the purposes of fulfilling this obligation and will form the base case for future annual reviews. The South Australian Government Department of Premier and Cabinet (DPC) has received two complaints of alleged breach of competitive neutrality requirements. The Authority competitive neutrality review report has been provided to DPC to assist in its investigations.

The July 2017 review determined that of the Fleurieu Aquatic Centre business activities, swimming lessons, health and fitness activities and children's birthday parties are significant for the purposes of competitive neutrality.

By providing a corporatised entity (i.e. the Authority) to undertake the significant business activities, the Constituent Councils have already applied the highest level of private sector equivalence under the competitive neutrality principles.

An aspect of corporatisation is that outputs will be cost-reflectively priced. As part of the review process, cost-reflective prices were calculated for each of the outputs of the significant business activities of the Authority. A cost-benefit analysis was then undertaken of whether the public benefits of implementing cost reflective prices outweigh the costs. This involved comparing the cost-reflective prices to the current prices being charged by Fleurieu Aquatic Centre for those activities, and comparing them to prices charged by competing businesses to determine if there is net public benefit in applying cost-reflective prices. The result of that process was a determination by the Authority that it is not of net public benefit to apply cost-reflective prices for Fleurieu Aquatic Centre at this point in time.

The Authority will review Fleurieu Aquatic Centre pricing in early 2018 in preparation of its 2018/19 budget, utilising consumer and operating data to be collected in its first year of operation. This will, in turn, provide more reliable competitive neutrality data.

Whilst the Authority has a longer-term aim to have centre pricing reflect competitively neutral costs, as a business operating in a competitive market, pricing decisions will always need to consider the prices being charged in the competitor marketplace and reflect the continual changes to competitor product and pricing strategies.

## Looking ahead

### Fleurieu Aquatic Centre

Looking ahead to 2017/18, YMCA SA as operational managers of the Fleurieu Aquatic Centre will action key initiatives outlined in the 2017/18 Business & Marketing Plan and supporting Marketing & Communications Schedule to achieve agreed Key Performance Indicators and Key Result Area targets. The centre operations are evolving rapidly and YMCA SA will continue to innovate in areas of programming and service delivery over the 2017/18 financial year.

The development of a number of programs and services aimed at member retention and growth will commence in 2017/18 including:

#### Lap It up Club



Designed for swimmers who are looking for something a little more rewarding than simply swimming up and down the pool. With a rewarding incentive program, the Lap It up Club helps swimmers set goals and provides real motivation to achieve them. The program is open to casual swimmers and members.

## Pool inflatable



Use of the pool inflatable during school holidays (at set session times). This will be a core initiative towards maximising participation during school holidays and offering aquatic play for older children.

## New events, services and activities

- Blue Light pool party to engage local youth and encourage additional usage of the centre
- Inaugural Swim SA short course event
- Flippa Ball (Junior Water Polo) & Adult Social Water Polo
- National Disability Insurance Scheme service delivery in swimming lessons

## Suspended Swim program



Launch of the Suspended Swim program - designed to help those less fortunate in the community to access the centre's aquatic facilities. The Suspended Swim program uses a pay it forward model and allows customers the opportunity to purchase a swim when they are paying for their regular swimming or swimming lessons. This swim will then be donated to a community partner or charity for distribution to someone in need.

## Disability Action Plan



Following receipt and analysis of survey feedback provided by centre members, YMCA SA will prepare a Disability Action Plan specifically for the Fleurieu Aquatic Centre. Feedback will assist with developing the action items to be contained within the plan. Given the centre is new and extensive planning went into the building design regarding access, YMCA SA anticipates most of the feedback will be low-dollar practical solutions and upskilling of the YCMA SA staff team around the needs of particular user groups.

## The Authority

### Establishment of the Audit and Risk Management Committee

The Authority received a temporary exemption, from both the Constituent Councils and the Minister for Local Government, from the requirement to establish an Audit and Risk Management Committee until 30 December 2017. The Authority will ensure that the Committee is established prior to that date.

### Establishment of core guiding documents

The Constituent Councils approved an extension of time to 30 April 2018 for development of the core strategic planning documents for the Authority including its 10-Year Strategic Plan, 10-Year Long-Term Financial Plan and Long-Term Asset Management Plan. The basis for the extension of time was that there was insufficient data on which to develop these plans during 2016/17 (including fully componentised asset valuation, attendance figures and operating costs). The necessary data will become available during 2017/18 which will enable the preparation of these documents.



# Financial Statements 2016/17



## INDEPENDENT AUDITOR'S REPORT

To the members of the Fleurieu Regional Aquatic Centre Authority

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Fleurieu Regional Aquatic Centre Authority (the entity), which comprises the Certification of Financial Statements on the annual statements giving a true and fair view of the financial position and performance of the entity, the Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended 30 June 2017 and the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report of the Fleurieu Regional Aquatic Centre Authority is in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011*, including;

- (i) giving a true and fair view of the entity's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- (ii) that the financial records kept by the entity are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of the Executive Officer for the Financial Report

The Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Executive Officer's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Executive Officer of the Fleurieu Regional Aquatic Centre Authority is responsible for overseeing the entity's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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

**DEAN NEWBERY & PARTNERS**  
**CHARTERED ACCOUNTANTS**



**JIM KEOGH**  
**PARTNER**

Signed on the 28<sup>th</sup> day of September 2017,  
at 214 Melbourne Street, North Adelaide

**Auditor's Independence Declaration under Section 22 of the Local Government (Financial Management) Regulations 2011 to the Fleurieu Regional Aquatic Centre Authority.**

I confirm that, for the audit of the financial statements of the Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**JIM KEOGH**  
**PARTNER**

Signed on the 28<sup>th</sup> day of September 2017,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

# Fleurieu Regional Aquatic Centre Authority

## General Purpose Financial Reports for the year ended 30 June 2017

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**Fleurieu Regional Aquatic Centre Authority**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 30 June 2017**

	Notes	2017 \$
<b>INCOME</b>		
User charges	2	1,000,844
Investment income	2	<u>139</u>
<b>Total Income</b>		<b><u>1,000,983</u></b>
<b>EXPENSES</b>		
Materials, contracts & other expenses	3	876,991
Depreciation, amortisation & impairment	3	<u>193,733</u>
<b>Total Expenses</b>		<b><u>1,070,724</u></b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(69,741)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>(69,741)</u></b>

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

## Fleurieu Regional Aquatic Centre Authority

### STATEMENT OF FINANCIAL POSITION as at 30 June 2017

	Notes	2017 \$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	4	194,137
Trade & other receivables	4	<u>100,101</u>
<b>Total Current Assets</b>		<u><b>294,238</b></u>
<b>Non-current Assets</b>		
Infrastructure, Property, Plant & Equipment	5	<u>20,874,828</u>
<b>Total Non-current Assets</b>		<u><b>20,874,828</b></u>
<b>Total Assets</b>		<u><b>21,169,066</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & Other Payables	6	<u>170,246</u>
<b>Total Current Liabilities</b>		<u><b>170,246</b></u>
<b>Total Liabilities</b>		<u><b>170,246</b></u>
<b>NET ASSETS</b>		<u><b>20,998,820</b></u>
<b>EQUITY</b>		
Accumulated Surplus	7	(69,741)
Capital Contributions		<u>21,068,561</u>
<b>TOTAL EQUITY</b>		<u><b>20,998,820</b></u>

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

**Fleurieu Regional Aquatic Centre Authority**

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2017

		Accumulated Surplus	Capital Contributions	TOTAL EQUITY
2017	Notes	\$	\$	\$
Balance at end of previous reporting period		-	-	-
Capital Contribution from Councils			21,068,561	21,068,561
<b>Net Surplus / (Deficit) for Year</b>		<b>(69,741)</b>	<b>-</b>	<b>(69,741)</b>
<b>Balance at end of period</b>		<b>(69,741)</b>	<b>21,068,561</b>	<b>20,998,820</b>

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

**Fleurieu Regional Aquatic Centre Authority**

**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2017

	Notes	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<u>Receipts</u>		
Operating receipts		978,033
<u>Payments</u>		
Operating payments to suppliers & employees		<u>(783,897)</u>
<b>Net Cash provided by (or used in) Operating Activities</b>	8	<u>194,137</u>
<b>Net Increase (Decrease) in cash held</b>		<u>194,137</u>
Cash & cash equivalents at beginning of period	8	-
<b>Cash &amp; cash equivalents at end of period</b>	8	<u>194,137</u>

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

# FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

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

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### **1 Basis of Preparation**

##### **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 Alexandrina Council and City of Victor Harbor.

##### **1.2 Historical Cost Convention**

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

##### **1.3 Critical Accounting Estimates**

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

##### **1.4 Rounding**

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

#### **2 The Local Government Reporting Entity**

The Authority was established on 6 August 2015 in accordance with Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act 1999. The Authority did not commence commercial operation until 25 March 2017. This is the Authority's first financial year of operation. These financial statements have been prepared for use by 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 income 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 income 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 Aquatic Centre Authority

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

#### 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 policy applied to financial instruments forms part of Note 8.

#### **6 Infrastructure, Property, Plant & Equipment**

##### **6.1 Initial Recognition**

An asset is recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to the entity and the asset has a cost that can be measured reliably.

An asset that qualifies for recognition as an asset will be recognised at cost as at the date of acquisition, including costs directly attributable to bringing the asset to the location and in the required condition for operation by the Authority. Where an asset is acquired at no or nominal cost, it will be recognised at its Fair Value as at the date of acquisition.

##### **6.2 Materiality**

Assets should have a useful life of greater than one year to enable capitalisation of the expenditure and should also meet a materiality test. Materiality levels are set so as not to misstate Financial Statements and to provide a guide whether it is practical from an administrative perspective that expenditure is capitalised. No capitalisation threshold is applied to the acquisition of land or interests in land.

Materiality levels for capitalisation are set at:

Furniture, Fittings and Minor Equipment	\$1,000
Plant and Major Equipment	\$5,000
Buildings	\$5,000
Infrastructure	\$5,000

##### **6.3 Subsequent Recognition**

An item that qualifies for recognition as an asset shall be measured at its cost on the date of recognition. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use. Where an asset is acquired at no cost, or for a nominal cost, the cost is its Fair Value as at the date of acquisition. The following years after asset recognition the asset will be valued at Fair value according to the revaluation program as determined.

##### **6.4 Depreciation of Non-Current Assets**

All non-current assets have a limited useful life except for land and land improvements. The depreciable amount of all non-current assets, excluding freehold land and land improvements, are systematically depreciated over their useful lives which reflects the consumption of the service potential embodied in those assets.

Depreciation of an asset begins when it is available for use i.e. when it is in the condition necessary for it to be capable of operating in the manner intended; and ends when it is classified as held for sale or when derecognised.

Depreciation of assets is calculated on a straight-line basis using the following standard estimates for useful lives. The useful lives for building, infrastructure; furniture and fittings; and plant and equipment assets have been estimated based on industry standards and consultancy advice. The actual useful life and therefore depreciation rates may be varied for specific assets where asset quality and environmental and/or operational conditions so warrant.

## Fleurieu Regional Aquatic Centre Authority

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

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

Useful lives and residual values for each class of asset are reviewed annually and are included in the Asset Register which is updated following adoption of the annual financial statements each year.

Buildings & Other Structures	7 - 40 years
Furniture & Fittings	2 - 40 years
Plant & Equipment	6 - 40 years
Infrastructure	12 - 40 years

#### **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 value exceeds its recoverable amount in accordance with AASB 136.

External indicators for impairment may include significant adverse changes in the technological, market, economic or legal environment. Internal indicators may include obsolescence or physical damage of an asset.

Impairment shall be determined subject to the provisions AASB 108 Materiality, whereby the total change in the written down value for the asset or the total impact on the depreciation shall be material. An impairment loss is recognised in the Income Statement, unless the asset is carried at a revalued amount, whereby it is to be treated in the same way as a revaluation decrement against the same asset. An impairment loss can be reversed in subsequent years.

#### **7 Payables**

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

#### **8 Revenue from Contracts with Customers**

AASB 15 Revenue from Contracts with Customers commences 1 January 2018 and hence will first affect the financial reports for 2018/19. (The commencement date has already been deferred once, and there may be further deferrals).

The commencement of the new Standard will not result in any changes to the amounts recognised in the Authority's financial statements under this classification, as the Authority does not enter into contracts with customers.

#### **9 Member Council Contribution**

The City of Victor Harbor and Alexandrina Council constructed the Fleurieu Aquatic Centre facilities and purchased all equipment for the Aquatic Centre. Each Council contributed 50% towards the cost of construction of the facility and purchase of the equipment. Both Councils transferred these assets to the Authority on 17 March 2017, as an equity contribution.

## Fleurieu Regional Aquatic Centre Authority

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

#### Note 2 - INCOME

	Notes	2017 \$
<b>USER CHARGES</b>		
Council Contribution - Alexandrina Council		320,342
Council Contribution - City of Victor Harbor		320,364
FAC Income		360,138
		<u>1,000,844</u>
<b>INVESTMENT INCOME</b>		
Interest on investments		
Local Government Finance Authority		139
		<u>139</u>

**Fleurieu Regional Aquatic Centre Authority**

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

**Note 3 - EXPENSES**

	Notes	2017 \$
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
<u>Prescribed Expenses</u>		
Auditor's Remuneration		4,801
Subtotal - Prescribed Expenses		<u>4,801</u>
 <u>Other Materials, Contracts &amp; Expenses</u>		
Contracts		81,380
Board Expenses		11,324
Administration		34,297
IT & Telephone		10,511
Fleurieu Aquatic Centre Site Expenses		140,853
Fleurieu Aquatic Centre Expenses		593,825
Subtotal - Other Materials, Contracts & Expenses		<u>872,190</u>
		<u>876,991</u>
 <b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings & Other Structures	5	105,005
Furniture & Fittings	5	43,218
Plant & Equipment	5	17,612
Infrastructure	5	27,898
		<u>193,733</u>

**Fleurieu Regional Aquatic Centre Authority**

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

**Note 4 - CURRENT ASSETS**

	2017
<b>CASH &amp; EQUIVALENT ASSETS</b>	<b>\$</b>
Cash on Hand and at Bank	114,137
Deposits at Call	<u>80,000</u>
	<u>194,137</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>	
Accrued Revenues	4,537
Debtors - general	92,026
Prepayments	<u>3,538</u>
	<u>100,101</u>

Fleurieu Regional Aquatic Centre Authority

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

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016				2017			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Buildings & Other Structures	-	-	-	-	-	12,407,742	(105,005)	12,302,737
Furniture & Fittings	-	-	-	-	-	3,818,733	(43,218)	3,775,515
Plant & Equipment	-	-	-	-	-	1,147,485	(17,612)	1,129,873
Infrastructure	-	-	-	-	-	3,694,601	(27,898)	3,666,703
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	-	-	-	-	-	<b>21,068,561</b>	<b>(193,733)</b>	<b>20,874,828</b>
<i>Comparatives</i>	-	-	-	-	-	-	-	-

This Note continues on the following page.

Fleurieu Regional Aquatic Centre Authority

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

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont.)

	2016 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR							2017 \$
		Additions		Disposals	Depreciation	Impairment	Contributed Assets	Net Revaluation	
		New/Upgrade	Renewals						
Buildings & Other Structures	-	-	-	(105,005)	-	12,407,742	-	12,302,737	
Furniture & Fittings	-	-	-	(43,218)	-	3,818,733	-	3,775,515	
Plant & Equipment	-	-	-	(17,612)	-	1,147,485	-	1,129,873	
Infrastructure	-	-	-	(27,898)	-	3,694,601	-	3,666,703	
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	-	-	-	(193,733)	-	21,068,561	-	<b>20,874,828</b>	
<i>Comparatives</i>	-	-	-	-	-	-	-	-	

**Fleurieu Regional Aquatic Centre Authority**

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

**Note 6 - LIABILITIES**

		2017	
		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	Notes	Current	Non-current
Goods & Services		30,403	-
Other		139,843	-
		<u>170,246</u>	<u>-</u>

## Fleurieu Regional Aquatic Centre Authority

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

#### Note 7 - RECONCILIATION TO STATEMENT OF CASH FLOWS

**(a) Reconciliation of Cash**

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

	Notes	2017 \$
Total cash & equivalent assets	4	<u>194,137</u>
Balances per Cash Flow Statement		<u>194,137</u>

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

Net Surplus (Deficit)	(69,741)
Non-cash items in Income Statement	
Depreciation, amortisation & impairment	<u>193,733</u>
	123,992
Add (Less): Changes in Net Current Assets	
Net (increase) decrease in receivables	(100,101)
Net increase (decrease) in trade & other payables	<u>170,246</u>
<b>Net Cash provided by (or used in) operations</b>	<b><u>194,137</u></b>

**(c) Non-Cash Financing and Investing Activities**

Acquisition of assets by means of:	
- Non-cash grants & contributions	<u>21,068,561</u>
<i>Amounts recognised in Statement of Changes in Equity</i>	<u>21,068,561</u>

**(d) Financing Arrangements**

Unrestricted access was available at balance date to the following lines of credit:	
Corporate Credit Cards	5,000

## Fleurieu Regional Aquatic Centre Authority

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

#### Note 8 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

<b>Bank, Deposits at Call</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits at call have an average maturity of 90 days and an average interest rate of 1.50%.</p> <p><b>Carrying amount:</b> Approximates fair value due to the short term to maturity.</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p><b>Carrying amount:</b> Approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> Approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p><b>Carrying amount:</b> Approximates fair value.</p>

## Fleurieu Regional Aquatic Centre Authority

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

#### Note 8 - FINANCIAL INSTRUMENTS (cont.)

##### Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	194,137	-	-	194,137	194,137
Receivables	100,101	-	-	100,101	100,101
<b>Total</b>	<b>294,238</b>	<b>-</b>	<b>-</b>	<b>294,238</b>	<b>294,238</b>
<b>Financial Liabilities</b>					
Payables	170,246	-	-	170,246	170,246
<b>Total</b>	<b>170,246</b>	<b>-</b>	<b>-</b>	<b>170,246</b>	<b>170,246</b>

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

30 June 2017		
	Weighted Average Interest Rate	Carrying Value
	%	\$
Overdraft	-	-
Non Interest Bearing	-	170,246
		<b>170,246</b>

#### Net Fair Value

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

#### Risk Exposures

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

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

**Fleurieu Regional Aquatic Centre Authority**

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

**Note 9 - COMMITMENTS FOR EXPENDITURE**

<b>Services</b>	<b>Contractor</b>	<b>Period of contract</b>	<b>Brief description</b>
Operational Management – Fleurieu Aquatic Centre	YMCA SA	3 years (1 November 2016 - 31 October 2019)	Provision of aquatic centre facility management and operating services for the Fleurieu Aquatic Centre (management of all aspects of daily operations and maintenance of the facility)
Executive Officer Services – Fleurieu Regional Aquatic Centre Authority	Leonie Boothby & Associates Pty Ltd	2 years (5 August 2016 - 4 August 2018)	Part-time Executive Officer Management Services as a consultant contractor to assist the Board in the administration of the Authority.
Financial Accounting Services – Fleurieu Regional Aquatic Centre Authority	Alexandrina Council	2 years (for financial years 2016/17 and 2017/18)	Financial accounting support services to the Authority
External Audit Services - Fleurieu Regional Aquatic Centre Authority	Dean Newbery & Partners	3 years (1 June 2017 - 31 May 2020)	Provision of an independent audit opinion of the accounts and annual financial reports of the Authority for financial years 2016/17, 2017/18 and 2018/19

**Note 10 - OPERATING LEASES**

The Authority as at 30 June 2017 had not entered in to any operating leases.

**Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED**

The Authority as at 30 June 2017 had not recognised any contingency.

**Note 12 - EVENTS OCCURRING AFTER REPORTING DATE**

There were no events subsequent to 30 June 2017 that need to be disclosed in the financial statements.

## Fleurieu Regional Aquatic Centre Authority

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

#### Note 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair, the Board and Executive Officer prescribed as officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2017
Salaries, allowances & other short term benefits	\$ 89,925
Post-employment benefits	\$ -
Long term benefits	\$ -
Termination Benefits	\$ -
<b>TOTAL</b>	<b>\$ 89,925</b>

#### Transactions with Related Parties:

The following transactions occurred with Related Parties during the year ended 30 June 2017:

Related Party Entity	Contributed Assets (\$,000)
Alexandrina Council	10,534
City of Victor Harbor	10,534

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Alexandrina Council	320	-	Provision of regional aquatic facilities
City of Victor Harbor	320	92	Provision of regional aquatic facilities

Amounts recorded as outstanding from Related Parties are recorded in trade and other receivables in Note 4.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial operating decisions of the Authority. No one Member Council individually has control of those policies.

**Fleurieu Regional Aquatic Centre Authority**

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

**Note 14 - UNIFORM PRESENTATION OF FINANCES**

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

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

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

	<b>2017</b>
	<b>\$</b>
Income	<b>1,000,983</b>
less Expenses	<b>1,070,724</b>
<b>Operating Surplus / (Deficit)</b>	<b>(69,741)</b>
<b>less Net Outlays on Existing Assets</b>	
Capital Expenditure on renewal and replacement of Existing Assets	-
less Depreciation, Amortisation and Impairment	<b>193,733</b>
less Proceeds from Sale of Replaced Assets	-
	<b>(193,733)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>123,992</b>

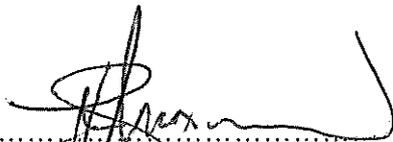
# FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2017, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....  
Graeme Maxwell  
**CHIEF EXECUTIVE OFFIER**  
City of Victor Harbor

Date: 2/8/17

# FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2017, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....  
Glenn Rappensberg  
**CHIEF EXECUTIVE OFFIER**  
Alexandrina Council

Date:

10/8/17

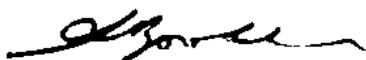
# Fleurieu Regional Aquatic Centre Authority

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

### CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Fleurieu Regional Aquatic Centre 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 2017 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....  
Leonie Boothby  
**EXECUTIVE OFFICER**



.....  
David Cooke  
**CHAIRPERSON**

Date: 27 September 2017



Further information about the Fleurieu Aquatic Centre facilities, programs and memberships is available online at [www.fleurieuaquaticcentre.com.au](http://www.fleurieuaquaticcentre.com.au) or by calling (08) 7078 4150.

Fleurieu Regional Aquatic Centre Authority

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