



**District Council
of
Mount Remarkable**

**Annual Report
2011/2012**

OUR 2020 VISION

OUR ORGANISATION

A financially sustainable, proactive and responsive customer focused organisation which meets and exceeds the diverse needs and expectations of our stakeholders in an efficient and effective manner. Through team work, co-operation and continuous improvement, and by fostering creativity and developing our valued employees, we will grasp the challenges and capture the opportunities for the benefit of all, to ensure our respected position at the leading edge of our industry is maintained.

OUR COUNCIL

A dynamic, skilled and representative elected body, respected and recognised at the local, regional, state and national levels for its advocacy and positive leadership of all sectors of its Communities, with a strategic focus on policy and effective decision making.

OUR COMMUNITIES

With enviable facilities and services, growing populations and thriving and sustainable economies, our vibrant and diverse Communities are safe, secure, friendly and welcoming to all. Community spirit, co-operation and a sense of belonging are fostered by our determined, hard working people with positive vision and initiative, to make our Communities exceptional places to live, visit, work and do business.

OUR MISSION

Council will accept the challenges of, and excel in the provision of, Local Government services to our district, enhancing and preserving the unique character of our communities, maintaining a safe and secure environment for our residents, whilst retaining and promoting the quality lifestyle and amenity of country living. Council will continually promote open communication, accountability, and efficient and effective leadership, governance and service delivery by:

- acting as a representative, informed and responsible decision maker;
- providing and coordinating services, facilities and programs that are adequate, appropriate and equitably accessed;
- developing the Community, its resources and its infrastructure in a socially just and sustainable manner;
- ensuring that Council resources are used fairly, effectively and efficiently;
- encouraging and developing initiatives within the Community for improving the quality of life and amenity of the Community;
- managing, developing and protecting the environment in an ecologically sustainable manner;
- planning at the local and regional level for the development and future requirements of the Community;
- promoting the area and providing an attractive climate and location for the development of business, commerce, industry and tourism;
- ensuring a proper balance between economic, social, environmental and cultural considerations within the Community;
- developing its capacity and professionalism to undertake a growing range of leadership, advocacy and service delivery challenges; and
- exercising, performing and discharging the power, functions and duties of the Local Government and other Acts

OUR VALUES

As a results oriented organisation, Council is committed to its core values of:

- pro-active and effective communication
- honesty and transparency
- accepting and pursuing challenges
- creative, positive and energetic workforce and leadership

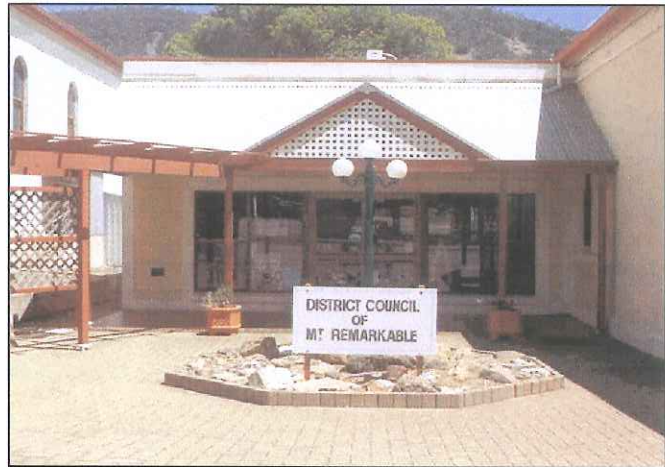
COUNCIL PROFILE

Administration Office

3 Stuart Street
 PO Box 94, Melrose SA 5483
 Tel: (08) 8666 2014 1300 726 252
 Fax: (08) 8666 2169
 Email: postmaster@mtr.sa.gov.au
 Website: www.mtr.sa.gov.au

Works Depot

Giles Street, Melrose SA 5483
 Tel: (08) 8666 2014 Fax: (08) 8666 2297



The area of the District Council of Mount Remarkable is located in the Southern Flinders Ranges of South Australia. The Council Office is situated in the township of Melrose, which is at the foot of Mount Remarkable and is 380m above sea level. The Council borders the upper reaches of the Spencer Gulf, and is predominantly agricultural including mixed farming. Much of the area north of Wilmington consists of large pastoral holdings, but to the south of the Council area it is wetter and subject to more intensive holdings including cattle and dairy industries. There are small pockets of apiarists, orchards, market gardens and additionally an intensive forestry area in the southern portion of the Council area. The Coastal townships of Port Germein and Port Flinders (Weeroona Island) are included in the Council area. The jetty at Port Germein represents a significant item of State history and heritage.

Council has a population of approximately 2,966 people and is 341,192 Hectares in area.

If you require any further information on the facilities and services within the area of the District Council of Mount Remarkable, please do not hesitate to call in at the District Council Office, Stuart Street Melrose or contact 8666 2014 or 1300 726 252 during normal office hours, or the Tourist Information Office (Melrose Caravan Park, 8.00 am - 8.00 pm), Telephone 8666 2060.

The Council is a democratically elected body comprising seven (7) Councillors, with the presiding member being the Mayor, who is elected by the Council. All decisions are in line with Council's Strategic Management Plan and the Vision for the future economic benefit of the community.

Council meets on the second Tuesday of every month at 9.30 am. Due to the volume and complexity of some issues, Council has several committees to assist with streamlining processes.

ROLES AND OBJECTIVES OF COUNCIL

The Local Government Act 1999 specifies the roles and objectives of Council. The Mission Statement within Council's Strategic Management Plan substantially mirrors these and reads:

Council will accept the challenges of, and excel in the provision of, Local Government services to our district, enhancing and preserving the unique character of our communities, maintaining a safe and secure environment for our residents, whilst retaining and promoting the quality lifestyle and amenity of country living. Council will continually promote open communication, accountability, and efficient and effective leadership, governance and service delivery by:

- *acting as a representative, informed and responsible decision maker;*
- *providing and co-ordinating services, facilities and programs that are adequate, appropriate and equitably accessed;*
- *developing the Community, its resources and its infrastructure in a socially just and sustainable manner;*
- *ensuring that Council resources are used fairly, effectively and efficiently;*
- *encouraging and developing initiatives within the Community for improving the quality of life and amenity of the Community;*
- *managing, developing and protecting the environment in an ecologically sustainable manner;*

- *planning at the local and regional level for the development and future requirements of the Community;*
- *promoting the area and providing an attractive climate and location for the development of business, commerce, industry and tourism;*
- *ensuring a proper balance between economic, social, environmental and cultural considerations within the Community;*
- *developing its capacity and professionalism to undertake a growing range of leadership, advocacy and service delivery challenges; and*
- *exercising, performing and discharging the power, functions and duties of the Local Government and other Acts*

ELECTED MEMBERS

(as at 30th June 2012)



Mayor

Cr Sandra Wauchope

Coastal Ward

PO Box 56

Port Germein SA 5495

Phone: (08) 8634 5279

Fax: (08) 8634 5279

Mobile: 0408 810 455

Email: sgwauchope@mtr.sa.gov.au



Deputy Chairperson

Cr Ray Walker

Ranges Ward

PO Box 24

Melrose SA 5483

Phone: (08) 8666 2164

Fax: (08) 8666 2115

Mobile: 0428 281 160

Email: rewalker@mtr.sa.gov.au



Cr Peter Jacobs

Ranges Ward

PO Box 105

Melrose SA 5483

Phone: (08) 8667 5336

Mobile: 0447 023 746

Email: prjacobs@mtr.sa.gov.au



Cr Paul Kretschmer

Forest Ward

PO Box 36

Wirrabara SA 5481

Phone: (08) 8668 4343

Mobile: 0428 827 774

Email: prkretschmer@mtr.sa.gov.au



Cr Colin Nottle
 Plains Ward
 PO Box 202
 Booleroo Centre SA 5482
 Phone: (08) 8667 2180
 Fax: (08) 8667 2180
 Mobile: 0427 672 180
 Email: cenottle@mtr.sa.gov.au



Cr Trevor Roocke
 Plains Ward
 PO Box 78
 Booleroo Centre SA 5482
 Phone: (08) 8667 2210
 Fax: (08) 8667 2085
 Mobile: 0428 540 432
 Email: tcroocke@mtr.sa.gov.au



Cr Chris Ryan
 Coastal Ward
 PO Box 412
 Port Pirie SA 5540
 Phone: (08) 8634 4445
 Mobile: 0439 589 909
 Email: cwryan@mtr.sa.gov.au

Councillors are part of the incorporated body handling the responsibility for carrying out the duties and exercising the powers conferred on the Council by the Local Government Act 1999 and other relevant State legislation. The Act specifies that Council members:

- Represent the interests of ratepayers and residents;
- Provide community leadership and guidance; and
- Facilitate communication between the community and the Council.

The role of a Council member involves:

- Participating in the deliberations and civic activities of the Council;
- Keeping the Council's objectives and policies under review so as to ensure that they are appropriate and effective; and
- Keeping the Council's resource allocation, expenditure and activities, and the effectiveness and efficiency of its service delivery, under review.

COUNCIL COMMITTEE REPRESENTATIVES

COUNCIL COMMITTEES *(as at 30th June 2012)*

- Melrose Caravan Park Management Committee
- Southern Flinders Tourism Authority Committee
- Building Fire Safety Committee
- Audit Committee
- Northern Passenger Transport Network Management Committee
- District Bushfire Prevention Committee
- Occupational Health Safety & Welfare Committee
- Hall Committees
- Booleroo Centre Swimming Pool Committee
- Booleroo & District Airstrip Management Committee

These committees meet on a needs basis to make recommendations to Council on issues in their respective policy areas.

OTHER COMMITTEES & OUTSIDE BODIES (as at 30th June 2012)

Other committees and outside bodies with which Council is involved and the respective representatives include:

Mount Remarkable CFS Group	Cr Ryan
Local Government Association of SA	Council Mayor, Deputy Chairperson (Proxy)
Central Local Government Region of SA	Council Mayor & Deputy Chairperson
Local Government Finance Authority of SA	Council Mayor
Flinders Mobile Library Board	Cr Walker & Cr Nottle
District Disaster Plan Committee	Council Mayor & Chief Executive Officer
Mount Remarkable Community Road Safety Committee	Cr Nottle
Flinders Regional Development Assessment Panel	Cr Roocke
FYMN Regional Bushfire Management Committee	Chief Executive Officer
	Manager Works & Tech Services
Remarkable Youth Action Team	Cr Nottle

MEETING ATTENDANCES

The following table provides a summary of the attendances of Elected Members at various Council and Committee Meetings during the financial year ending 30th June 2012:

Elected Members Council & Committee Meeting Attendances 2011 / 2012 Financial Year	Present							Apology			Totals		
	Cr Jacobs	Cr Kerschbamer	Cr Nottle	Cr Roocke	Cr Ryan	Cr Walker	Cr Wachtlope	P	A	SA	P	A	SA
Council Meetings													
Ordinary Meetings of Council													
Present	11	12	11	12	12	12	12	82					
Apology	1		1						2				
Absent without Apology													0
	12	12	12	12	12	12	12						
Special Meetings of Council													
Present	2	3	3	3	3	3	3	20					
Apology	1								1				
Absent without Apology													0
	3	3	3	3	3	3	3						
Council Committee Meetings													
Melrose Caravan Park Management Committee													
Present	2						2	2	6				0
Apology										0			
Absent without Apology													0
	2						2	2					
Southern Flinders Regional Tourism Authority													
Present		4					6	10					
Apology		3					1	4					
Absent without Apology													0
		7					7						
Northern Passenger Transport Management Committee													
Present	2						4	6					
Apology	2							2					
Absent without Apology													0
	4						4						
Boomeroo & Districts Airstrip Management Committee													
Present				2				2					
Apology									0				
Absent without Apology													0
				2									
Council Statutory Committee Meetings													
Regional Development Assessment Panel													
Present				4				4					
Apology									0				
Absent without Apology													0
				4									
Building Fire Safety Committee													
Present							1	1					
Apology									0				
Absent without Apology													0
							1						
Audit Committee													
Present						1	1	2					
Apology									0				
Absent without Apology													0
						1	1						
Overall Attendance Summary													
Total Meetings Eligible to Attend	21	22	15	21	15	18	30	142					
Present	17	19	14	21	15	18	29	133					
Apology	4	3	1				1		9				
Absent without Apology													0
As Percentages													
Present	81	86	93	100	100	100	97	94					
Apology	19	14	7				3		6				
Absent without Apology													0

COUNCIL EMPLOYEES

Employees of the District Council of Mount Remarkable as at 30th June 2012 were:

MANAGEMENT

Sean CHERITON	Chief Executive Officer
Wayne HART	Deputy Chief Executive Officer
Brenton PEARCE	Manager Works & Technical Services
Ron ASHENDEN	Development Officer
Mark SMITH	Environmental Health & Compliance Officer
Muriel SCHOLZ	Manager Community & Economic Development
Lyn FORSTER	Manager Passenger Transport

ADMINISTRATION

Tammy BASTIAN	Administration Officer
Monique ENDEMANN	Postal & Administration Officer
Jennifer FRICK	Rates Administration Officer
Alison HENDERSON	NPTN Trainee
Colleen JACOBS	Executive Assistant
Craig MUDGE	Finance Officer
Geoff SLEE	Fire Prevention Officer (Casual)
Sareena TANSELL	Administration Officer
Samantha WADE	C&ED Trainee
Holly WOOLFORD	Administration Trainee

CONTRACTED/PROJECT OFFICERS

Daniel LAWLOR	<i>be active</i> Field Officer
David HUTCHISON	Planning Consultant
Stuart MAWBEY	Disaster Resilience Project Officer
Jackie MERRETT	OPAL Support Officer
Rebecca PERKIN	Healthy Communities Project Officer
Stephen SCHWER	Tourism Development Officer
Richard WOODS	Heritage Advisor
Emma YOUNG	OPAL Program Manager

WORKS

Peter LOCK	Deputy Manager Works & Technical Services Works Manager
Andrew BURFORD	Team Leader - Grading & Construction
David PROSSER	Team Leader - Maintenance & Projects
Ralph HOBBS	Municipal Employee
Wayne JANZ	Multi-Skilled Operator
Robert JARVIS	Multi-Skilled Operator
Dean KELLER	Municipal Employee
Ian LAMBERT	Multi-Skilled Operator
Michael LAW	Multi-Skilled Operator
Nigel OWENS	Multi-Skilled Operator
Fred WOOLFORD	Multi-Skilled Operator
Reg RAMSEY	Municipal Employee
Christopher ROWE	Municipal Employee
Wendy SPECK	Works Trainee
Hayden ANDERSON-ROSS	Works Trainee
Chantell MOOSHA	Works Trainee
Jo-Anne WHITCHER	Works Trainee

COUNCIL REPRESENTATION

The Council is a democratically elected body comprising seven (7) elected members, with the presiding member being the Mayor, who is elected by the Council.

There are currently 2,221 House of Assembly electors, with an additional 72 other persons entitled to vote on the Chief Executive Officer's Voters Roll, giving a total number of 2,293. This provides an elector representation of 327 electors per elected member.

In comparison, the representation in neighboring Councils is:

Orroroo/Carrieton	110;
Flinders Ranges	134;
Peterborough	143;
Northern Areas	392;
Port Augusta	923;
Port Pirie	1,107.

COUNCIL COMPOSITION AND WARD STRUCTURE

Section 12 of the Local Government Act 1999 provides that at least once in every eight (8) years, Council must undertake a review of its composition and ward structure to determine whether the Community would benefit from an alternative to the Council's existing composition and ward structure.

During the course of 2009 Council completed its most recent review with changes that took effect from the November 2010 general elections. As part of the review process, electors were formally invited as part of the consultation process, to make written submissions regarding the matter. The timing of the next review will be determined by the Electoral Commissioner, however indications are that it will likely commence in mid 2012.

REGISTERS & CODES OF CONDUCT & PRACTICE

REGISTERS

- Register of Interest - Elected Members
- Register of Interest - Senior Officers
- Register of Allowances and Benefits
- Register of Community Lands
- Register of Public Roads
- Register of Remuneration, Salaries and Benefits
- Register of Fees and Charges
- Register of Campaign Donation Returns
- Register of Development Applications

POLICIES & CODES

- Public Consultation Policy
- Contracts, Tendering and Purchasing Policy
- Elected Members Allowances and Support Policy
- Elected Members Training & Development Policy
- Internal Review of Council Decisions
- Order Making Policy
- Code of Practice - Access to Council Meetings and Documents
- Code of Conduct - Elected Members
- Code of Conduct - Employees
- Rating Policy
- Rating (Summary) Policy
- Assessment Records
- Voters Roll
- Corporate Plan
- Building Inspection Policy
- Strategic Plan
- Community Land Management Plans
- Various Other Council Policies included in the Policy Manual
- Various Other OHS&W Policies included in the OHS&W Policy Manual

ELECTED MEMBERS ALLOWANCES

Pursuant to the provisions of Section 76 of the Local Government Act 1999 and the associated Regulations, Council provides an annual allowance to the elected members for performing and discharging official functions and duties. The level of allowances (minimum and maximum amounts) are prescribed by the Local Government (*Members Allowances and Benefits*) Regulations 1999 and determined by the Remuneration Tribunal. The following allowances were paid to the Mayor, Deputy Chairperson and Councillors:

Mayor	\$20,000 per annum
Deputy Chairperson	\$ 6,250 per annum
Councillor	\$ 5,000 per annum

ELECTED MEMBERS TRAINING & DEVELOPMENT

Pursuant to the provisions of Section 80A of the Local Government Act 1999, Council has in place, and reviews annually, an Elected Members Training and Development Policy which is available for inspection or purchase by the public from the Council office.

During the course of the 2011/2012 financial year, Elected Members undertook various training, both internally and externally, in accordance with the Policy Document.

SENIOR OFFICER REMUNERATION

Chief Executive Officer (SR Cheriton).....	ASU; Contract
.....	LG Super Scheme 9% of salary
.....	Subsidised Telephone Rental
.....	Subsidised Internet Access
.....	Private use of vehicle
Deputy Chief Executive Officer (WA Hart).....	ASU; Contract
.....	LG Super Scheme 9% of salary
.....	Subsidised Telephone Rental
.....	Subsidised Internet Access
.....	Private use of vehicle
Manager Works & Technical Services (BK Pearce)	ASU; Contract
.....	LG Super Scheme 9% of salary
.....	Subsidised Telephone Rental
.....	Subsidised Internet Access
.....	Private use of vehicle
Development Officer (RB Ashenden)	ASU; Contract
.....	LG Super Scheme 9% of salary
.....	Subsidised Telephone Rental
.....	Subsidised Internet Access
.....	Private use of vehicle
Environmental Health & Compliance Officer (M Smith).....	ASU; Contract
.....	LG Super Scheme 9% of salary
.....	Subsidised Telephone Rental
.....	Subsidised Internet Access
.....	Private use of vehicle
Manager Com. & Ec. Development (MAN Scholz).....	ASU; Contract
.....	LG Super Scheme 9% of salary
.....	Subsidised Telephone Rental
.....	Subsidised Internet Access
Manager Passenger Transport (LK Forster)	ASU; Contract
.....	LG Super Scheme 9% of salary

CONFIDENTIALITY PROVISIONS & USE THEREOF

The Local Government Act 1999 provides that meetings of Council or a Council Committee must be conducted in a place open to the public. From time to time, the need arises for Council to consider and deal with certain matters on a confidential basis. Section 90 of the Local Government Act 1999 provides Council with the power to do this in certain specified circumstances. During the 2011/2012 financial year, the Council utilised the confidentiality provisions on a total of two (2) occasions under Section 90(3)(b) being information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom Council is conducting, or proposing to conduct business or to prejudice the commercial position of the Council, and would on balance, be contrary to the public interest

Number of Orders made under Section 91(7) in the financial year	2
Number of Orders that expired, ceased to apply or were revoked in the financial year	2
Number of Orders that remained operative at the end of the financial year	22

COMPETITIVE TENDER ARRANGEMENTS

Pursuant to the provisions of Section 49 of the Local Government Act 1999, and Section 36 of the Local Government (Implementation) Act 1999, Council has prepared and adopted a Contracts, Tendering and Purchasing Policy. Copies of this document are available for inspection or purchase at the Council Office during normal business hours.

COMMUNITY LAND MANAGEMENT PLANS

All land, except roads, held as at 1st January 2000 is classified as 'community land' unless Council resolved to exclude it from that classification. The intention behind the legislation is that Council, in consultation with the community, should determine which land should or should not be classified as community land.

Where the land is under the care, control and management of a Council, but is not owned by the Council, the Council cannot resolve to exclude the land from classification as community land without the approval of the relevant Minister.

Management Plans are required for land that is, or is to be, occupied under a lease or licence or land that has been, or is to be, specifically modified or adapted for the benefit or enjoyment of the community. Such plans were required to be prepared for land held as at 1st January 2000 by the 1st January 2005, and land acquired after 1st January 2000, as soon as practicable after the requirement for the plan arises.

A person must not use community land for a business purpose unless the use is approved by Council. The Council cannot approve the use of community land for a business purpose contrary to the provisions of the management plan.

Copies of the Management Plans for Council's Community Land are available for inspection or purchase at the Council Office during normal business hours.

COUNCIL AUDITOR

Schedule 4 to the Local Government Act 1999 requires Council to disclose, as part of its Annual Report, certain specific information in relation to its Auditor. During the 2011/2012 financial year, Council's Auditor, Ian G McDonald, was paid a total amount of \$9,350 (including GST) for work performed. This amount was entirely in relation to the annual audit of Council's financial statements.

REVIEW OF COUNCIL DECISIONS

Section 270 of the Local Government Act 1999 requires that Council must establish grievance procedures for the review of decisions of the Council, employees of the Council and other persons acting on behalf of the Council.

Council has a formal Policy Document in this respect entitled "Internal Review of Council Decisions" which is available for inspection or purchase by the public from the Council office.

During the 2011/2012 financial year, no applications for review were made.

ADMINISTRATION, FINANCE & GOVERNANCE

RATES

The District Council of Mount Remarkable and Elected Members have been fully aware of the ongoing economic situation within agriculture and take account of the level of the major commodity prices of grain and wool, when setting rates.

In 2011/2012 Council had a 5 per cent increase in general rate revenue. This was against the background of many fees and charges increasing to Council.

DEVELOPMENT

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

Type of Development	#	2011 / 2012		#	2010 / 2011	
			Value			Value
New Work		71	\$2,739,657	79	\$3,398,901	
Alterations/Additions		31	\$ 507,300	31	\$ 482,630	
Total		102	\$3,246,957	134	\$3,881,531	

PUBLIC & ENVIRONMENTAL HEALTH

The District Council of Mount Remarkable jointly employs an Environmental Health & Compliance Officer for health inspections as required throughout the year. Inspections of food handling and preparation premises are undertaken, with the overall aim to ensure that all such premises are operating to satisfactory standards. The Officer has recommended that each operation adopt appropriate measures and continues to work closely with all concerned to achieve the overall objective.

SPORT & RECREATION

Council's policy is to assist sporting clubs with the provision of Council reserves at a minimal lease fee with an expectation that the club or community group maintain the facility as best they can. Council does assist with sponsor costs and in-kind support in any grant application to improve sport and recreation facilities. Council has in recent years been a strong advocate for cycling throughout the various communities.

Council jointly employs a *be active* Field Officer with neighbouring Councils and the State Government. The present Officer provides assistance to schools, clubs and other organisations in various recreation and sport matters.

COMMUNITY LIBRARY

Council financially supports the Flinders Mobile Library, a truck that services 16 towns once each fortnight. Costs are shared between the Northern Areas Council, the Port Pirie Regional Council and the District Council of Mount Remarkable.

WASTE MANAGEMENT

Council presently operates a major landfill facility at Willowie and two smaller transfer sites in Port Germein and Wirrabara. All former landfill facilities have been closed in recent years. As part of its overall Waste Management Strategy, Council has spent in excess of \$750,000 to date on implementation, including the construction of the new Willowie landfill site and the implementation of the kerbside domestic waste collection service. In the current financial year, Council implemented and commenced the fortnightly recycling collection service.

ANIMAL & PLANT CONTROL

Council was previously a member of the Lower Flinders Animal and Plant Control Board prior to the transition to the new Natural Resource Management structure. Kevin Teague is the local Authorised Officer who can be contacted via Phone / Fax: (08) 8658 1086 or Email: kevin.teague@nynrm.sa.gov.au

COMPETITIVE NEUTRALITY

The primary objective of the 'National Competition Policy' is to ensure that local businesses gain an opportunity to compete for the provision of Local Government business. Complaints must be received in writing detailing the nature of the complaint and how they believe such activity by the Council is disadvantaging the complainant. The Chief Executive Officer will make an interim determination as to whether the complaint will be investigated internally or by appointing a person from an independent panel established by the Local Government Association.

If the matter is determined internally, the complaint is to be referred to the Chief Executive Officer who must determine a position on the matter within 5 working days from receipt of the complaint, in accordance with the following process:

- record the complaint in the complaints register
- acknowledge the complaint
- advise the complainant who will be dealing with the complaint
- provide the complainant with a copy of the policy
- provide the complainant with a copy of the complaints process
- investigate the complaint within 21 working days of receipt of the complaint
- advise the complainant of the result of the investigation and any corrective action taken
- record the outcome in the complaints register.

Where a complainant is not satisfied with the advice received, the complaint is to be referred to the panel established by the LGA. The process for handling the review is to mirror the original handling of the complaint. Where the complaint has been addressed through the Local Government process, the complaint is to be referred to the Competition Commissioner.

The revised Clause 7 Statement on the application of competition principles to Local Government under the Competition Principles Agreement requires Council to include in its Annual Report, specific information related to significant business activities, competitive neutrality, by-laws and complaints. In relation to this:

- Council has three Category 2 significant business activities in the form of the Melrose Caravan Park, the Melrose Post Office and the Port Flinders Water Supply.
- There has been no change in the application of competitive neutrality since the last return.
- Council presently has no by-laws in force, and none have been repealed in the past 12 months.
- No complaints about competitive neutrality were received during the preceding twelve months.

EEO & HUMAN RESOURCE MANAGEMENT

The Council believes it has a responsibility to all members of its community to create an employment environment which is free of discrimination and which reflects the diversity and needs of the community it serves. The Council is firmly committed to the principle of equal opportunity in employment for all employees and potential employees. Council therefore acknowledges its legal obligations under the Local Government Act and Federal Equal Opportunity laws, in that:

- The SA Equal Opportunity Act makes discrimination unlawful on the grounds of sex, sexuality, marital status, pregnancy, race, physical or intellectual impairment and age in areas of employment, provision of goods and services, advertising, accommodation and clubs and associations. Sexual harassment and victimisation are also unlawful.
- The Local Government Act requires that Council observe general principles of personnel management and develop, implement and review an Equal Employment Opportunity Program.

As part of this program Council has:

- Incorporated the program into the Strategic Management Plan & Consulted the Council's CEO / Workplace representatives.
- Ensured that recruitment, selection, promotion, transfer and training are based solely on the merit principle. This means that selection is based on skills, knowledge, qualifications and experience (including community experience) relevant to the job or situation.
- Appointed Sean Cheriton to the position of EEO (Equal Employment Opportunity) Officer.
- Reviewed existing training programs.
- Ensured that services provided to residents will be delivered in a fair and equitable manner.
- Provided all new and existing employees with EEO awareness training and any other training relevant to their position or responsibilities.
- Ensured that all employees have received copies of the EEO policy.

The overall responsibility for monitoring the effectiveness of this policy and for implementing an ongoing EEO program is vested in the Chief Executive Officer.

REGIONAL SUBSIDIARIES

Council currently has two regional subsidiaries that fall within the provisions of Section 43 of the Local Government Act 1999. This is the Central Local Government Region of SA Inc. and the Flinders Mobile Library.

These regional subsidiaries produce their own individual annual report and they are available by contacting the Chief Executive Officer of the respective Subsidiary (Clause 28 of Schedule 2 of the Local Government Act 1999, provides that each constituent Council must incorporate the annual report of each regional subsidiary into its own annual report).

FINANCIAL STATEMENTS

Pursuant to the provisions of Schedule 4 of the Local Government Act 1999, Council's Audited Financial Statements for the 2011/2012 financial year form part of this Annual Report, and are included as Appendix B.

Council's financial performance and position is summarised using a suite of key measures of financial stability. The measures used are consistent with those recommended by the Independent Inquiry into Financial Sustainability of Councils commissioned by the Local Government Association of South Australia (LGA).

Additional supporting information on both the operating and capital investment activities of the Council is included within the Financial Statements and the various indicators, all of which have been prepared on a uniform and consistent basis to enable more meaningful comparisons between Councils.

FREEDOM OF INFORMATION (FOI) - Information Summary

The District Council of Mount Remarkable publishes this Information Summary in accordance with the requirements of the Freedom of Information Act 1991, as amended.

POLICY AND ADMINISTRATIVE DOCUMENTS

The District Council of Mount Remarkable policy and administrative documents are as follows:

- Ordinary Council Meeting Agendas
- Ordinary Council Meeting Minutes
- The Policy Manual
- The Budget Statements
- Annual Financial Accounts
- Council By-Laws
- The Annual Report
- Assessment Records
- Development Plan

These documents are available for public inspection at the Council Office between 8.30 am and 5.30 pm Monday to Friday. Members of the public may also purchase copies of these documents from the Freedom of Information Officer.

INFORMATION STATEMENT

The District Council of Mount Remarkable publishes an Information Statement on its requirements under the Freedom of Information Act and a copy is available from the Council Office.

APPENDIX A – FOI INFORMATION STATEMENT

District Council of Mount Remarkable Freedom of Information (FOI) Information Statement

The District Council of Mount Remarkable publishes this Information Statement in accordance with the requirements of Section 65r of the Local Government Act 1934, Section 131 of the Local Government Act 1999, and Section 9 of the Freedom of Information Act 1991.

Council is pleased to comply with the legislation and welcomes inquiries.

1.0 STRUCTURE & FUNCTIONS OF THE COUNCIL

1.1 Full Council

Full Council, consisting of seven (7) Ward Councillors including the Mayor, is the decision making body on all policy matters. Ordinary meetings of the full Council are held on the second Tuesday of every month, commencing at 9.30 am. Members of the public are welcome to attend.

1.2 Committees & Advisory Groups

Committees and Advisory Groups have been established by Council to discuss/administer Council and Community business. These groups meet as required, and members of the public are welcome to attend. These Committees and Advisory Groups are:

- Melrose Caravan Park Management Committee
- Southern Flinders Tourism Authority Committee
- Building Fire Safety Committee
- Audit Committee
- District Bushfire Prevention Committee
- Occupational Health Safety & Welfare Committee
- Hall Committees
- Booleroo Centre Swimming Pool Committee
- Booleroo & District Airstrip Management Committee

1.3 Agendas and Minutes

Agendas of all full Council meetings are placed on display no less than three days prior to those meetings. Minutes of the meetings are placed on display within five days of the meeting.

1.4 Delegations

The Chief Executive Officer and other Officers have delegated authority from Council to make decisions on a number of specified administrative and policy matters. These delegations are listed in the Policy Manual and are reviewed by Council, in keeping with the legislative requirements:

- To determine policies to be applied by Council in exercising its discretionary powers;
- To determine the type, range and scope of projects to be undertaken by the Council; and
- To develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of the Council.

The Council makes the decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken, and the resources which are to be made available to undertake such works and services.

Decisions are also made to determine whether or not approvals are to be granted for applications from residents for various forms of development.

2.0 SERVICES FOR THE COMMUNITY

Full Council makes decisions on policy issues relating to services that are provided by Council for members of the public.

Summary of Services

Council provides and maintains:

- Roads, Footpaths, Kerbing
- Traffic Control, Walking Tracks
- Streetlighting
- Street Sweeping, Litter Bins
- Garbage Collection, Public Toilets
- Ovals, Reserves and Libraries

Council Conducts:

- Citizenship Ceremonies

Council Inspects and Licenses:

- Food Premises
- Sanitary Condition of Buildings
- Outdoor Signage

Council Administers:

- Parking, Litter and Signs
- Planning and Building
- Dog Control

3.0 PUBLIC PARTICIPATION

3.1 Council Meetings

Members of the public have a number of opportunities to put forward their views on particular issues before Council. These are:

- (1) Deputations - with the permission of the Mayor, a member of the public can address the Council, a Committee or an Advisory Group personally or on behalf of a group of residents.
- (2) Presentations to Council - with prior notification and arrangement with the Mayor, a member of the public can address the Council on any issue relevant to Council.
- (3) Petitions - written petitions can be addressed to the Council on any issues within the Council's jurisdiction.
- (4) Written Requests - a member of the public can write to the Council on any Council policy, activity or service.
- (5) Elected Members - members of the public can contact their Elected Members of Council to discuss any issue relevant to Council.

3.2 Community Consultation

The District Council of Mount Remarkable regularly consults with local residents and ratepayers on particular issues that affect their neighbourhood. Examples of such situations include:

- (1) Meetings of Electors & Community Information Forums- all residents and electors are eligible and encouraged to attend meetings.
- (2) Residents are notified of some Development Applications requiring the approval of Council. When an application is publicly notified, residents have the opportunity to both write to Council expressing their view of the application, and to subsequently personally address the Council before a decision is made.

4.0 ACCESS TO COUNCIL DOCUMENTS

4.1 Documents Available for Inspection

The following documents are available for public inspection at the Council Offices free of charge. Members of the public may purchase copies of these documents (at the charges indicated):

Photocopies - 1 copy	\$0.30 per A4 sheet
Minutes	\$7.50
Voters Roll	\$0.30 cents per page
Copy of Assessment Book entry	\$2.75 per entry
Copy of 20 or more consecutive Assessment Book entries	\$1.75 per entry

4.2 Other Information Requests

Requests for other information not included in Clause 4.1 above will be considered in accordance with the Freedom of Information provisions of the Local Government Act 1999.

Under this legislation, an application fee and a search fee must be forwarded with the completed request form as provided for in Regulation No. 257 of 1991, unless the applicant is granted an exemption.

Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, the charges set in Clause 4.1 will apply.

Freedom of Information Request Forms should be addressed to:

Freedom of Information Officer
 District Council of Mount Remarkable
 PO Box 94
 MELROSE SA 5483

Forms are available at the Council office. Applications will be responded to as soon as possible within the statutory forty-five (45) days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees.

5.0 AMENDMENT OF COUNCIL RECORDS

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Local Government Act. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date.

To gain access to these Council records, a member of the public must complete a Freedom of Information Request Form as indicated above, outlining the records that he/she wishes to inspect.

APPENDIX B - FINANCIAL STATEMENTS

District Council of Mount Remarkable

General Purpose Financial Reports for the year ended 30 June 2012

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District Council of Mt Remarkable

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2012

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2012 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.


.....
Wayne Hart
CHIEF EXECUTIVE OFFICER


.....
Sandra Wauchope
MAYOR/COUNCILLOR

Date: 21/06/2013

District Council of Mount Remarkable

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2012

	Notes	2012 \$	2011 \$
INCOME			
Rates	2	2,505,797	2,552,653
Statutory charges	2	59,115	65,584
User charges	2	502,486	418,989
Grants, subsidies and contributions	2	2,693,799	2,433,574
Investment income	2	272,171	245,095
Reimbursements	2	305,857	396,564
Other income	2	319,413	192,811
Total Income		<u>6,658,638</u>	<u>6,305,270</u>
EXPENSES			
Employee costs	3	1,816,302	1,503,404
Materials, contracts & other expenses	3	2,631,687	2,948,409
Depreciation, amortisation & impairment	3	2,101,005	2,006,440
Finance costs	3	50,520	53,620
Total Expenses		<u>6,599,514</u>	<u>6,511,873</u>
OPERATING SURPLUS / (DEFICIT)		59,124	(206,603)
Asset disposal & fair value adjustments	4	(6,572)	(32,840)
Amounts received specifically for new or upgraded assets	2	340,000	856,557
Physical resources received free of charge	2	76,428	-
Operating result from discontinued operations	20	-	-
NET SURPLUS / (DEFICIT)		<u>468,980</u>	<u>617,114</u>
transferred to Equity Statement		<u> </u>	<u> </u>
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>468,980</u>	<u>617,114</u>

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

District Council of Mount Remarkable

BALANCE SHEET as at 30 June 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	7,025,046	5,306,044
Trade & other receivables	5	689,327	871,876
Other financial assets	5	-	-
Inventories	5	33,098	26,160
		<u>7,747,471</u>	<u>6,204,080</u>
Non-current Assets held for Sale	20	-	-
Total Current Assets		<u>7,747,471</u>	<u>6,204,080</u>
Non-current Assets			
Financial Assets	6	79,651	28,117
Equity accounted investments in Council businesses	6	-	-
Investment Property	7	-	-
Infrastructure, Property, Plant & Equipment	7	75,241,317	75,339,749
Other Non-current Assets	6	-	-
Total Non-current Assets		<u>75,320,968</u>	<u>75,367,866</u>
Total Assets		<u>83,068,439</u>	<u>81,571,946</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	2,122,974	1,135,398
Borrowings	8	154,277	66,881
Provisions	8	121,611	121,088
Other Current Liabilities	8	-	-
		<u>2,398,862</u>	<u>1,323,367</u>
Liabilities relating to Non-current Assets held for Sale	20	-	-
Total Current Liabilities		<u>2,398,862</u>	<u>1,323,367</u>
Non-current Liabilities			
Trade & Other Payables	8	-	-
Borrowings	8	620,204	686,838
Provisions	8	42,728	24,075
Liability - Equity accounted Council businesses	6	-	-
Other Non-current Liabilities	8	-	-
Total Non-current Liabilities		<u>662,932</u>	<u>710,913</u>
Total Liabilities		<u>3,061,794</u>	<u>2,034,280</u>
NET ASSETS		<u>80,006,646</u>	<u>79,537,666</u>
EQUITY			
Accumulated Surplus		27,741,788	27,060,886
Asset Revaluation Reserves	9	51,780,587	51,780,587
Available for sale Financial Assets	9	-	-
Other Reserves	9	484,271	696,193
Total Council Equity		<u>80,006,646</u>	<u>79,537,666</u>
Minority Interest		-	-
TOTAL EQUITY		<u>80,006,646</u>	<u>79,537,666</u>

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

District Council of Mount Remarkable

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2012

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
2012					
Balance at end of previous reporting period		27,060,886	51,780,587	696,193	79,537,666
Net Surplus / (Deficit) for Year		468,980			468,980
Transfers between reserves		211,922		(211,922)	-
Balance at end of period		27,741,788	51,780,587	484,271	80,006,646
2011					
Balance at end of previous reporting period		26,765,342	51,780,587	374,623	78,920,552
Net Surplus / (Deficit) for Year		617,114			617,114
Transfers between reserves		(321,570)		321,570	-
Balance at end of period		27,060,886	51,780,587	696,193	79,537,666

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

District Council of Mount Remarkable

CASH FLOW STATEMENT for the year ended 30 June 2012

	Notes	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		2,482,439	
Fees & other charges		61,775	
User charges		1,778,625	
Investment receipts		280,014	235,093
Grants utilised for operating purposes		2,761,144	
Reimbursements		336,443	
Other revenues		693,129	6,446,308
<u>Payments</u>			
Employee Costs		(1,774,575)	
Materials, contracts & other expenses		(3,220,924)	(4,762,913)
Finance payments		(38,127)	(55,076)
Net Cash provided by (or used in) Operating Activities		3,359,943	1,863,412
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		340,000	522,056
Sale of replaced assets		306,227	266,939
Repayments of loans by community groups		-	31,247
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,404,918)	(1,204,337)
Expenditure on new/upgraded assets		(834,026)	(912,098)
Loans made to community groups		(68,985)	(6,500)
Net Cash provided by (or used in) Investing Activities		(1,661,702)	(1,302,693)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		-	6,500
<u>Payments</u>			
Repayments of Borrowings		20,762	(77,400)
Net Cash provided by (or used in) Financing Activities		20,762	(70,900)
Net Increase (Decrease) in cash held		1,719,003	489,819
 Cash & cash equivalents at beginning of period	11	<u>5,306,044</u>	<u>4,816,225</u>
Cash & cash equivalents at end of period	11	<u>7,025,046</u>	<u>5,306,044</u>

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

District Council of Mt Remarkable

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

The District Council of Mt Remarkable is incorporated under the SA Local Government Act 1999 and has its principal place of business at 3 Stuart St, Melrose. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports.

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.

District Council of Mt Remarkable

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

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 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.

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other Real Estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost.

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

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

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

District Council of Mt Remarkable

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

Note 1 - Significant Accounting Policies (cont)

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.

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

6.5 Impairment

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

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

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.

District Council of Mt Remarkable

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

Note 1 - Significant Accounting Policies (cont)

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Loans are carried at their principal amounts which represent the 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". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

9.2 Superannuation

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

10 Construction Contracts

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

11 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities.

District Council of Mt Remarkable

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

Note 1 - Significant Accounting Policies (cont)

12 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.

13 GST Implications

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

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

14 Pending Accounting Standards

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

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

District Council of Mt Remarkable

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

Note 1 - Significant Accounting Policies (cont)

- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]*
- AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]*
- AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]*
- AASB 2011-12 *Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]*

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

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

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

District Council of Mount Remarkable

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

Note 2 - INCOME

	Notes	2012 \$	2011 \$
RATES REVENUES			
<u>General Rates</u>		2,031,791	2,046,949
Less: Mandatory rebates		(79,668)	(118,251)
Less: Discretionary rebates, remissions & write offs		(45,520)	(99,954)
		1,906,603	1,828,744
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		80,138	75,615
Waste collection		226,201	299,649
Water supply		57,452	25,981
Community wastewater management systems		243,200	274,999
Separate and Special Rates		25,535	25,742
		632,526	701,986
<u>Other Charges</u>			
Penalties for late payment		24,120	22,409
		24,120	22,409
Less: Discretionary rebates, remissions & write offs		-	(486)
		2,563,249	2,552,653
STATUTORY CHARGES			
Development Act fees		22,118	19,040
Town planning fees		12,353	23,957
Health & Septic Tank Inspection fees		2,895	-
Animal registration fees & fines		14,242	15,091
Search Fees		3,550	3,910
Other licences, fees, & fines		3,957	3,586
		59,115	65,584
USER CHARGES			
Cemetery/crematoria fees		9,323	8,723
Waste Management		79,170	126,331
Melrose Caravan Park		286,601	249,012
Hall & equipment hire		3,957	3,941
Community Bus		16,264	12,548
Road & Reserve Rents		12,798	11,756
Sundry		36,921	6,678
		445,034	418,989
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		255,658	234,129
Banks & other		9,003	3,443
Loans to community groups		7,510	7,523
		272,171	245,095

District Council of Mount Remarkable

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

NOTE 2 - INCOME (continued)

	2012	2011
Notes	\$	\$
REIMBURSEMENTS		
- for private works	42,144	115,728
- by joint undertakings	224,551	218,583
- other	39,162	62,253
	305,857	396,564
 OTHER INCOME		
Melrose Post Office Income	57,628	56,223
Sanitary & Garbage	72,416	-
OPAL Project	25,000	-
Disater Resillience Project	20,000	-
Donations	-	88,229
Training Subsidies	2,500	24,300
Pt Flinders Water Supply	7,114	7,843
Sundry	134,755	16,216
	319,413	192,811
 GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	340,000	856,557
Other grants, subsidies and contributions	2,693,799	2,433,574
	3,033,799	3,290,131
 <i>The functions to which these grants relate are shown in Note 12.</i>		
 Sources of grants		
Commonwealth government	35,667	274,504
State government	2,658,132	2,534,271
Other	340,000	481,356
	3,033,799	3,290,131
 Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	104,506	511,723
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>	104,506	151,695
<i>Subtotal</i>	104,506	151,695
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>	-	-
<i>Subtotal</i>	-	558,912
<i>Unexpended at the close of this reporting period</i>	-	104,506
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	(104,506)	(407,217)
 PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
Solar Panels	76,428	-
TOTAL PHYSICAL RESOURCES RECEIVED	76,428	-

District Council of Mount Remarkable

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

Note 3 - EXPENSES

	Notes	2012 \$	2011 \$
EMPLOYEE COSTS			
Salaries and Wages		1,653,034	1,240,723
Employee leave expense		125,148	244,843
Superannuation - defined contribution plan contributions	18	77,138	71,499
Superannuation - defined benefit plan contributions	18	65,659	59,953
Less: Capitalised and distributed costs		<u>(104,677)</u>	<u>(113,614)</u>
Total Operating Employee Costs		<u>1,816,302</u>	<u>1,503,404</u>
Total Number of Employees		42	40
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		8,500	4,800
Elected members' expenses		99,521	99,326
Election expenses		-	10,145
Subtotal - Prescribed Expenses		<u>108,021</u>	<u>114,271</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		474,531	1,070,459
Bank Fees		16,914	16,031
Cemeteries		45,780	
Sanitary & Garbage		369,533	
Energy		194,258	309,255
Halls		73,714	
Water		14,176	62,577
Legal Expenses		4,681	5,197
Levies paid to government - NRM levy		79,958	75,084
- Other Levies		6,783	18,584
Melrose Caravan Park		198,818	
Insurances		125,845	246,276
Reserves & Sporting Ovals		239,475	
Unsealed Roads Maintenance		167,590	
Telecommunications		10,563	42,940
Flinders Mobile Library Contribution		65,690	62,770
Tourism Development Officer Contribution		30,000	25,000
Sundry		405,357	899,965
Subtotal - Other Materials, Contracts & Expenses		<u>2,523,666</u>	<u>2,834,138</u>
		<u>2,631,687</u>	<u>2,948,409</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		602,327	597,156
Infrastructure		1,249,606	1,212,654
Plant & Machinery		226,532	193,228
Office Equipment, Furniture & Fittings		1,496	1,000
Other Assets		21,044	2,402
		<u>2,101,005</u>	<u>2,006,440</u>
FINANCE COSTS			
Interest on Loans		50,520	53,620
		<u>50,520</u>	<u>53,620</u>

District Council of Mount Remarkable

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2012	2011
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	306,227	266,939
Less: Carrying amount of assets sold	<u>312,799</u>	<u>299,779</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(6,572)</u>	<u>(32,840)</u>

Note 5 - CURRENT ASSETS

	2012	2011
Notes	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	798,914	1,675
Deposits at Call	202,707	199,681
Short Term Deposits & Bills, etc	<u>6,023,425</u>	<u>5,104,688</u>
	<u>7,025,046</u>	<u>5,306,044</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	225,261	201,903
Accrued Revenues	72,440	80,283
Debtors - general	359,042	574,557
Loans to community organisations	<u>32,584</u>	<u>15,133</u>
	<u>689,327</u>	<u>871,876</u>
INVENTORIES		
Stores & Materials	<u>33,098</u>	<u>26,160</u>
	<u>33,098</u>	<u>26,160</u>

Note 6 - NON-CURRENT ASSETS

	2012	2011
Notes	\$	\$
FINANCIAL ASSETS		
<i>Receivables</i>		
Loans to community organisations	<u>79,651</u>	<u>28,117</u>
TOTAL FINANCIAL ASSETS	<u>79,651</u>	<u>28,117</u>

District Council of Mount Remarkable

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2011 \$				2012 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	4,500,818	-	-	4,500,818	4,500,818	-	4,500,818	
Buildings	10,406,877	221,933	(1,795,436)	8,833,374	10,406,877	(2,397,763)	8,423,592	
Plant & Equipment	-	3,659,949	(1,042,065)	2,617,884	4,003,229	(1,266,987)	2,736,242	
Office Equ, F & F	-	93,651	(46,870)	46,781	114,956	(48,366)	66,590	
Minor Plant	-	89,815	(73,996)	15,819	89,815	(75,606)	14,209	
Roads, Bridges & Footpaths	58,503,744	13,754,629	(15,541,442)	56,716,931	13,862,518	(16,672,626)	55,693,636	
CWMS	712,996	2,944,583	(1,427,934)	2,229,645	3,778,609	(1,546,356)	2,945,249	
Other Assets	250,000	197,055	(68,558)	378,497	700,583	(89,602)	860,981	
TOTAL PROPERTY, PLANT & EQUIPMENT	74,374,435	20,961,615	(19,996,301)	75,339,749	74,374,435	(22,097,306)	75,241,317	
Comparatives	74,374,435	19,215,659	(17,989,861)	75,600,233	20,961,615	(19,996,301)	75,339,749	

	CARRYING AMOUNT MOVEMENTS DURING YEAR \$										2012 \$
	2011 \$	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT	2011	
		CARRYING AMOUNT	New/Upgrade							Renewals	CARRYING AMOUNT
Land	4,500,818	-	-	-	-	-	-	4,500,818	4,500,818	-	
Buildings	8,833,374	-	192,545	-	(602,327)	-	-	8,423,592	8,423,592	-	
Plant & Equipment	2,617,884	-	607,616	(264,336)	(224,922)	-	-	2,736,242	2,736,242	-	
Office Equ, F & F	46,781	-	21,305	-	(1,496)	-	-	66,590	66,590	-	
Minor Plant	15,819	-	-	-	(1,610)	-	-	14,209	14,209	-	
Roads, Bridges & Footpaths	56,716,931	-	556,227	-	(1,131,184)	-	-	55,693,636	55,693,636	-	
CWMS	2,229,645	834,026	-	-	(118,422)	-	-	2,945,249	2,945,249	-	
Other Assets	378,497	-	103,653	(48,463)	(21,044)	-	-	860,981	860,981	-	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	75,339,749	834,026	1,481,346	(312,799)	(2,101,005)	-	-	75,241,317	75,241,317	-	
Comparatives	75,600,233	841,680	1,204,055	(299,779)	(2,006,440)	-	-	75,339,749	75,339,749	-	

District Council of Mt Remarkable

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

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

Valuation of Assets

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

Land & 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 2007 at current replacement cost. Additions are recognised at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually and depreciated over the estimated remaining life of the relevant asset.

Buildings & Other Structures

Buildings and other structures generally are recognised at fair value, based on current market values. However, special purpose buildings (such as public toilets) for which there is no market are valued at depreciated current replacement cost. Buildings which Council does not intend to replace at the end of their useful life are valued at the market value of the "highest and best" use. These assets were revalued as at 1 July 2008 by Maloney Field Services.

Infrastructure

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 1998. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Council officers as at 30 June 1998 at depreciated current replacement cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 1998.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

District Council of Mount Remarkable

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

Note 8 - LIABILITIES

	Notes	2012		2011	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		267,186		355,079	
Payments received in advance		1,656,211		615,686	
Accrued expenses - employee entitlements		167,671		145,120	
Accrued expenses - other		31,906		19,513	
		<u>2,122,974</u>	<u>-</u>	<u>1,135,398</u>	<u>-</u>
BORROWINGS					
Loans		154,277	620,204	62,381	686,838
Other				4,500	
		<u>154,277</u>	<u>620,204</u>	<u>66,881</u>	<u>686,838</u>
PROVISIONS					
Employee entitlements (including oncosts)		121,611	42,728	121,088	24,075
		<u>121,611</u>	<u>42,728</u>	<u>121,088</u>	<u>24,075</u>

Note 9 - RESERVES

ASSET REVALUATION RESERVE	Notes	1/7/2011	Net	Transfers,	30/6/2012
		\$	Increments (Decrements)	Impairments	\$
Land		3,739,613			3,739,613
Buildings		5,042,017			5,042,017
Roads, Bridges & Footpaths		42,998,957			42,998,957
TOTAL		<u>51,780,587</u>			<u>51,780,587</u>
	<i>Comparatives</i>	<i>51,780,587</i>			<i>51,780,587</i>
OTHER RESERVES		1/7/2011	Transfers to Reserve	Transfers from Reserve	30/6/2012
Pir Reinstatement Reserve		4,000			4,000
Plant Replacement Reserve		43,000		(43,000)	0
Disaster Reserve		15,000			15,000
Lawnmower Reserve		33,000	5,000	(4,543)	33,457
Building Committee & Dogs Reserve		73,786	5,194	(22,115)	56,865
CWMS Reserve		194,697	62,441	(257,138)	0
Caravan Park Reserve		104,272	118,500	(62,850)	159,922
Jetty Reserve		18,088		(9,316)	8,772
General Reserve		172,850	52,405	(19,000)	206,255
Television Reserve		37,500		(37,500)	0
TOTAL OTHER RESERVES		<u>696,193</u>	<u>243,540</u>	<u>(455,462)</u>	<u>484,271</u>
	<i>Comparatives</i>	<i>374,623</i>	<i>321,570</i>		<i>696,193</i>

District Council of Mount Remarkable

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

Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2012 \$	2011 \$
Total cash & equivalent assets	5	7,025,046	5,306,044
Balances per Cash Flow Statement		<u>7,025,046</u>	<u>5,306,044</u>

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

Net Surplus (Deficit)		468,980	617,114
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		2,101,005	2,006,440
Net increase (decrease) in unpaid employee benefits		41,727	
Non-cash asset acquisitions		(76,428)	
Grants for capital acquisitions treated as Investing Activity		(340,000)	(522,056)
Net (Gain) Loss on Disposals		6,572	32,840
		<u>2,201,856</u>	<u>2,134,338</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		200,000	(466,375)
Net (increase) decrease in inventories		(6,938)	(2,690)
Net increase (decrease) in trade & other payables		965,025	193,973
Net increase (decrease) in other provisions		-	4,166
Net Cash provided by (or used in) operations		<u>3,359,943</u>	<u>1,863,412</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	3	76,428	-
<i>Amounts recognised in Income Statement</i>		<u>76,428</u>	-

(d) Financing Arrangements

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

Bank Overdrafts	15,000	15,000
LGFA S/T CAD #99	120,000	120,000
Corporatae Credit Cards	7,500	7,500

District Council of Mount Remarkable

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

Note 11 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2012	2011	2012	2011
	2012	2011	2012	2011	2012	2011	\$	\$	\$	\$
Administration	3,688,736	3,492,978	696,756	687,503	2,991,980	2,805,475	1,660,851	1,500,410	8,763,653	8,605,774
Regulatory Services	156,497	148,192	181,616	179,204	(25,119)	(31,012)	-	-	2,284,327	2,243,174
Health	100,946	95,589	117,842	116,277	(16,896)	(20,688)	-	-	1,482,192	1,455,490
Welfare	214,623	203,233	196,962	194,346	17,661	8,887	102,717	92,794	2,477,343	2,432,713
Housing & Community	793,269	751,171	1,116,068	1,101,247	(322,799)	(350,076)	36,045	32,563	14,037,678	13,784,787
Environmental Protection	12,714	12,039	2,918	2,879	9,796	9,160	6,530	5,899	36,699	36,038
Recreation & Culture	92,809	87,884	339,452	334,944	(246,643)	(247,060)	18,818	17,000	4,269,557	4,192,640
Agricultural Services	1,064	1,008	83,716	82,604	(82,651)	(81,596)	-	-	1,052,959	1,033,990
Transport & Community Services	856,258	810,817	2,383,403	2,351,752	(1,527,146)	(1,540,935)	789,039	712,817	30,039,063	29,497,904
Economic Affairs	431,968	409,044	574,499	566,870	(142,531)	(157,826)	79,800	72,091	7,225,935	7,095,758
Other NEC	309,753	293,315	81,775	80,689	227,978	212,626	-	-	1,028,548	1,010,019
Inter-Function	-	-	824,507	813,558	(824,507)	(813,558)	-	-	10,370,485	10,183,659
TOTALS	6,658,638	6,305,270	6,599,514	6,511,873	59,124	(206,603)	2,693,799	2,433,574	83,068,439	81,571,946

Excludes 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.

District Council of Mt Remarkable

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

Note 11 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Abattoirs, Caravan Parks, Electricity Supply, Gravel Pits/Quarries, Development of Land for Resale, Marinas/Boat Havens, Markets/Saleyards, Off-street Car Parks – fee paying, Private Works, Property Portfolio, Sewerage/CWMS, Water Supply – Domestic, Town Bus Service, and Other – please specify.

Community Services

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

Culture

Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

Economic Development

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

Environment

Agricultural Services, Agricultural Water, Animal/Plant Boards, Land care, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

Recreation

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor, and Other Recreation.

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

Aerodrome, Bridges, Bus Service, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

Plant Hire & Depot

Council Administration

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

District Council of Mount Remarkable

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

Note 12 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are placed on 24 hour or 30 day call with the Local Government Finance Authority at market interest rates.</p>
	<p>Carrying amount: approximates fair value due to the short term to maturity.</p> <p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest at prescribed rate. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p>
	<p>Carrying amount: approximates fair value (after deduction of any allowance).</p> <p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p>
	<p>Carrying amount: approximates fair value (after deduction of any allowance).</p> <p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.</p>
	<p>Carrying amount: approximates fair value.</p> <p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p>
	<p>Carrying amount: approximates fair value.</p> <p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable by 6 monthly installments of principal & interest charged at fixed rates; Where a cash advance debenture has been utilised, loan payments are made in accordance with budget</p>
	<p>Carrying amount: approximates fair value.</p>

District Council of Mount Remarkable

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

Note 12 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	7,025,046			7,025,046	7,025,046
Receivables	543,717			543,717	543,717
Other Financial Assets		79,651		79,651	79,651
Total	7,568,763	79,651	-	7,648,414	7,648,414
Financial Liabilities					
Payables	1,923,397			1,923,397	1,923,397
Current Borrowings	154,277			154,277	154,277
Non-Current Borrowings		620,204		620,204	620,204
Total	2,077,674	620,204	-	2,697,878	2,697,878
2011	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	5,306,044			5,306,044	5,306,044
Receivables	858,742	18,067		876,809	876,809
Other Financial Assets	-	30,334		30,334	30,334
Total	6,164,786	48,401	-	6,213,187	6,213,187
Financial Liabilities					
Payables	970,765			970,765	970,765
Current Borrowings	4,500	29,103	83,359	116,962	66,881
Non-Current Borrowings		48,138	874,231	922,369	686,838
Total	975,265	77,241	957,590	2,010,096	1,724,484

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

	30 June 2012		30 June 2011	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Other Variable Rates	5.15	154,277	6.25	4,500
Fixed Interest Rates	6.82	620,204	6.82	749,219
		<u>774,481</u>		<u>753,719</u>

Net Fair Value

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

Risk Exposures

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

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

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

District Council of Mount Remarkable

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

Note 13 - COMMITMENTS FOR EXPENDITURE

	2012	2011
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Water Supply	81,770	-
CWMS	318,697	-
Other	131,915	-
	<u>532,382</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	532,382	-
	<u>532,382</u>	<u>-</u>

Other Expenditure Commitments

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

Audit Services	25,500	-
Waste Management Services	112,320	-
Employee Remuneration Contracts	1,936,278	-
Other	297,000	-
	<u>2,371,098</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	1,708,672	-
Later than one year and not later than 5 years	662,426	-
	<u>2,371,098</u>	<u>-</u>

Note 14 - FINANCIAL INDICATORS

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

Operating Surplus Ratio

	2012	2011	2010
<u>Operating Surplus</u>	2%	(8%)	(5%)
Rates - general & other less NRM levy			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-72%	-67%	-59%
Total Operating Revenue less NRM levy			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	52%	47%	35%
Depreciation			

This ratio indicates the extent of capital expenditure Council is undertaking on renewing & replacing existing depreciable assets

District Council of Mount Remarkable

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

Note 15 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2012 \$	2011 \$
Income	6,658,638	6,305,270
less Expenses	<u>6,599,514</u>	<u>6,511,873</u>
Operating Surplus / (Deficit)	59,124	(206,603)
<i>less Net Outlays on Existing Assets</i>		
Capital Expenditure on renewal and replacement of Existing Assets	1,404,918	1,204,337
less Depreciation, Amortisation and Impairment	2,101,005	2,006,440
less Proceeds from Sale of Replaced Assets	<u>306,227</u>	<u>266,939</u>
	(1,002,314)	(1,069,042)
<i>less Net Outlays on New and Upgraded Assets</i>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	834,026	912,098
less Amounts received specifically for New and Upgraded Assets	340,000	522,056
less Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	<u>494,026</u>	<u>390,042</u>
Net Lending / (Borrowing) for Financial Year	<u>567,412</u>	<u>472,397</u>

District Council of Mt Remarkable

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

Note 16 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2011/12; 9% in 2010/11). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.3% in 2010/11) of "superannuation" salary.

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

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

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

District Council of Mt Remarkable

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

Note 17 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 2,485 km of road reserves of average width 10 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$43,250 (2011: \$43,250) at reporting date.

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

4. LEGAL EXPENSES

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

5. "CARBON" TAX

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE DISTRICT COUNCIL OF MOUNT
REMARKABLE**

I have audited the accompanying financial report of the District Council of Mount Remarkable which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2012.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit I followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

Liability limited by a scheme approved under Professional Standards Legislation

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SA 5022

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Residence: 8356 0825
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Email: imd1962@bigpond.net.au

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the District Council of Mount Remarkable as of 30 June 2012, and of 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 together with the Local Government (Financial Management) Regulations 2011.

Significant Uncertainty Regarding Fair Value of Infrastructure Assets

Without qualification to the opinion expressed above we draw attention to the fact that the internal valuation of infrastructure has not been independently reviewed. The ultimate outcome of an independent review of the assumptions and methodology cannot presently be determined; therefore the effect on depreciation expense unknown.



**IAN G MC DONALD FCA
CHARTERED ACCOUNTANT
REGISTERED COMPANY AUDITOR**

Signed 12 day of February 2013, at Eastwood, South Australia

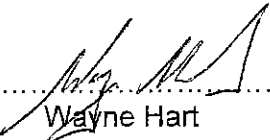
District Council of Mt Remarkable

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2012

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Mt Remarkable for the year ended 30 June 2012, the Council's Auditor, Ian McDonald, 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*.


.....
Wayne Hart
CHIEF EXECUTIVE OFFICER


.....
Sandra Wauchope
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date:

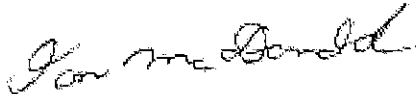
DISTRICT COUNCIL OF MOUNT REMARKABLE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

STATEMENT BY AUDITOR

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

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



Ian G Mc Donald FCA

Dated this 6 day of November 2012