



**District Council
of
Mount Remarkable**

**Annual Report
2010 / 2011**

MAYOR'S MESSAGE

Council has had a solid year unlike the challenging year of economic hardship and natural disasters our fellow Australians have had to bear.

Throughout the 2010 / 2011 financial year, we continued to deliver the regular services and infrastructure that are expected by our communities.

Gaining benefits for the community is the focus of Council; it is not only about the achievement of organisational goals, but also a focus on people.



More than ever, the call for higher levels of accountability will provide our residents with greater confidence in our performance and probity.

2010 / 2011 saw the introduction of our District's recycling program; this was a massive effort from our works and administration employees and I wish to acknowledge this team effort. I trust that this recognition will enable and encourage employees to be empowered to achieve; you are very much appreciated.

As an elected leader in our community, the need is there to be innovative and adaptive too make a real difference, thus getting better outcomes. This is the role I see for councillors and I look forward to a productive effort for 2011 / 2012.

For the future, operational excellence throughout the entire Council where we are recognised for our leadership, culture, best practices and achieving our objectives.

A few accomplishments and achievements during the past year have included:-

- many local clubs and organisations receiving financial support to assist in the purchase of solar panels
- Booleroo Centre Main Street beautification and redevelopment project commenced
- Melrose to Wilmington and Wirrabara Rail trails open
- Sealing and upgrade of the Appila Hotel corner
- Port Germein township road sealing
- Agreement to be a participating Council in Cities and Towns funding program for Wirrabara CMS Scheme
- Agreement to develop the Port Flinders boat launching facility concept
- A shared services project: Booleroo Centre-Pekina Road upgrade to progress
- Supporting the Australian Local Government Association Constitutional recognition campaign (vital to maintain the level of funding for Roads to Recovery)

Involvement for Council will increase with broader interests of Climate Change, Rural wind farms, Shared Services, healthy lifestyle programs, including the OPAL and Healthy Communities programs, delivery of our budget road work programs and enabling the fruition of our major projects will make for a constructive year ahead.

To challenge our strengths, address how we are performing, to ask what are we good at; and most importantly what do we need to do to improve and strengthen relationships between Council and ratepayers, would be a grand step forward.

**CRS G WAUCHOPE
MAYOR**

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 2011)



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 2011)*

- Melrose Caravan Park Management Committee
- Southern Flinders Tourism Authority Committee
- Building Fire Safety Committee
- Audit Committee
- Northern Passenger Transport Network Management Committee
- Building, Health & Inspectorial Services Advisory 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 2011)*

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 2011: (Please note that an election was held part way through the financial year)

Elected Members Council & Committee Meeting Attendances 2010 / 2011 Financial Year	Cr Hodgson	Cr Jacobs	Cr Kretschmer	Cr Leue	Cr Nottle	Cr Pearce	Cr Roocke	Cr Ryan	Cr Storey	Cr Walker	Cr Wachhope	Totals		
												P	A	Ab
Council Meetings														
Ordinary Meetings of Council														
P Present	4	6	12	3	12	3	12	8	4	8	7	79		
A Apology		2		1		1					1		5	
	4	8	12	4	12	4	12	8	4	8	8			
Special Meetings of Council														
P Present	1		1			1	1					4		
A Apology				1	1				1				3	
	1		1	1	1	1	1		1					
Council Committee Meetings														
Melrose Caravan Park Management Committee														
P Present		1								1	1	3		
		1								1	1			
Southern Flinders Regional Tourism Authority														
P Present			9			3					7	19		
A Apology			1										1	
			10			3					7			
Booleroo & Districts Airstrip Management Committee														
P Present							1					1		
							1							
Council Statutory Committee Meetings														
Regional Development Assessment Panel														
P Present							2					2		
							2							
Building Fire Safety Committee														
P Present							1				1	2		
A Apology											1		1	
							1				2			
District Bushfire Prevention Committee														
P Present							1					1		
Ab Absent without Apology				1										1
				1			1							
Audit Committee														
P Present			1				1			1	1	4		
			1				1			1	1			
Overall Attendance Summary														
Total Meetings Eligible to Attend	5	9	24	6	13	8	19	8	5	10	19	126		
P Present	5	7	23	3	12	7	19	8	4	10	17	115		
A Apology		2	1	2	1	1			1		2		10	
Ab Absent without Apology				1										1
As Percentages														
P Present	100	78	96	50	92	88	100	100	80	100	89	91		
A Apology		22	4	33	8	13			20		11		8	
Ab Absent without Apology				17										1

COUNCIL EMPLOYEES

Employees of the District Council of Mount Remarkable as at 30th June 2011 were:

MANAGEMENT

Sean CHERITON	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 Casual
Sarah BROADBENT	Administration Trainee
Monique ENDEMANN	Postal & Administration Officer
Jennifer FRICK	Rates Administration Officer
Colleen JACOBS	Executive Assistant
Craig MUDGE	Finance Officer
Geoff SLEE	Fire Prevention Officer (Casual)
Sareena TANSELL	C&ED Trainee
Alana WHITE	NPTN Trainee

CONTRACTED OFFICERS

Daniel LAWLOR	<i>be active</i> Field Officer
David HUTCHISON	Planning Consultant
Stephen SCHWER	Tourism Development Officer
Richard WOODS	Heritage Advisor

WORKS

Peter LOCK	Deputy Works Manager
Wayne ERRINGTON	Team Leader - Grading & Construction
David PROSSER	Team Leader - Maintenance & Projects
Lyall ARTHUR	Municipal Employee
Cornelius BEENS	Multi-Skilled Operator
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
Reg RAMSEY	Municipal Employee
Christopher ROWE	Municipal Employee
Wendy SPECK	Works Casual
Randall JOHNSON	Works Trainee
Hayden ANDERSON-ROSS	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 2,217 House of Assembly electors, with an additional 67 other persons entitled to vote on the Chief Executive Officer's Voters Roll, giving a total number of 2,284. This provides an elector representation of 326 electors per elected member.

In comparison, the representation in neighboring Councils is:

- 100 in Orroroo / Carrieton;
- 133 in Flinders Ranges;
- 150 in Peterborough;
- 392 in Northern Areas;
- 923 in Port Augusta; and
- 1,107 in Port Pirie.

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 (as at 30th June 2011):

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 2010 / 2011 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
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 2010 / 2011 financial year, the Council utilised the confidentiality provisions on a total of three (3) occasions.

Two (2) of these occasions were to consider matters which would have resulted in the unreasonable disclosure of information concerning the personal affairs of a person. The remaining one (1) occasion was to consider a matter which would have involved the unreasonable disclosure of information concerning the personal affairs of a person and information relating to litigation that the Council believed on reasonable grounds would take place involving the Council.

Number of Orders made under Section 91(7) in the financial year	3
Number of Orders that expired, ceased to apply or were revoked in the financial year	0
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 2010 / 2011 financial year, Council’s Auditor, Cobiac and Chapman, was paid a total amount of \$5,280 (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 2010 / 2011 financial year, no applications for review were made.

ADMINISTRATION, FINANCE & GOVERNANCE

CEO'S MESSAGE

The challenges of financial sustainability and infrastructure management have continued to be a major focus for Council throughout the financial year, with Elected Members, the Management Team and all Council employees focusing on improved financial management and performance.

After several ordinary seasons on the land, the agricultural industry appears headed for a reasonable year, but commodity prices and rising costs of production continue to eat into the profitability of our primary economic driver.

Michelangelo once said ' The greatest danger for most of us is not that we aim too high and we miss, but that we aim to low and we reach'.

Council's Strategic Management Plan reflects this approach and provides Council, as an Elected Body and as an Organisation, with the platform to be proactive and responsive to our customers' diverse needs and expectations in an efficient and effective manner, whilst grasping the challenges and capturing the opportunities for the benefit of all, through team work, co-operation and continuous improvement.

In line with this approach, Council has continued to pursue other funding to assist in the development of major projects and infrastructure. Tourism shows increasing growth and will expand steadily with the implementation and realisation of the Cycle Tourism Masterplan, which is already showing significant economic benefits.

General infrastructure renewal and development is becoming increasingly difficult with a diminished funding base to facilitate action and Council and the Community must be acutely aware of the triple bottom line in all development and improvement projects.

Climate change is poised to have significant impact on our communities, our industries and the future environment. It is a huge challenge and one the whole region, and indeed the Nation, needs to take very seriously. In the local area, the big challenges that will increasingly confront us include water; new renewable energy sources; adapting industries that are most affected (eg agriculture); and, the management of our overall environment.

Council's achievements in the past year could not have occurred without the dedication and support of the Mayor and Elected Members (pre and post the November 2010 elections), the Management Team, employees, volunteers and the community. Working in Local Government is often demanding, but it is never dull. The majority of what is outlined within this document simply would not have happened without their extraordinary efforts and I sincerely thank you all for helping to make our district a better place for all of us.

2011 / 2012 will present Council with a number of challenges in relation to major infrastructure projects, including the Community Wastewater Management Schemes and rural and urban roads, whilst being able to continue efforts in providing and maintaining existing services and facilities required by our communities.

The future will provide many opportunities for the communities within the district. Council will need to proactively tackle these as they arise, to ensure that the Council remains innovative and continues to provide excellence in service delivery, whilst harnessing the benefits of the district's economic and social potential.

In concluding, Mark Twain once said '20 years from now you will be more disappointed by the things you didn't do than by the things you did. So throw off the bowlines. Sail away from the harbour. Catch the trade wind winds in your sails. Explore. Dream. Discover.'

I look forward to working with you all over the ensuing twelve months, steering the ship on the course plotted by Council and the Community, in a concerted effort to achieve our vast array of objectives.

SR CHERITON
CHIEF EXECUTIVE OFFICER

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 2010 / 2011 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	2010 / 2011		2009 / 2010	
	#	Value	#	Value
New Work	79	\$3,398,901	105	\$4,805,739
Alterations/Additions	<u>31</u>	<u>\$ 482,630</u>	<u>7</u>	<u>\$ 107,335</u>
Total	134	\$3,881,531	112	\$4,913,074

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 2010 / 2011 financial year form part of this Annual Report, and are included as Appendix C.

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). These indicators are included as Appendix D.

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.

APPENDIX A – FOI INFORMATION SUMMARY

District Council of Mount Remarkable 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.

CERTIFICATES ISSUED UNDER SECTION 65ZY

One (1) Certificate relating to Freedom of Information were issued under Section 65ZY of the Local Government Act in the 12 months to 30 June 2011.

**SR CHERITON
CHIEF EXECUTIVE OFFICER**

APPENDIX B – 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. An updated information Statement will be published at least once every 12 months.

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
- Building, Health & Inspectorial Services Advisory 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 C - FINANCIAL STATEMENTS

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTES	2011 \$	2010 \$
INCOME			
Rates - General	3	1,928,697	1,820,671
Rates - Other	3	548,872	321,517
Statutory Charges	4	65,584	68,733
User Charges	5	418,989	354,876
Grants, Subsidies & Contributions	6	2,433,574	2,303,176
Investment Income	7	245,095	177,904
Reimbursements	8	396,564	309,426
Other Income	9	192,811	268,826
TOTAL INCOME		6,230,186	5,625,130
EXPENSES			
Employee Costs	10	1,503,404	1,349,999
Materials, Contracts & Other Expenses	11	2,873,325	2,325,965
Finance Costs	12	53,620	59,310
Depreciation, Amortisation & Impairment	13	2,006,440	2,002,591
TOTAL EXPENSES		6,436,789	5,737,865
OPERATING SURPLUS / (DEFICIT)		(206,602)	(112,735)
Asset Disposal & Fair Value Adjustments	14	(32,840)	(75,538)
Amounts Received Specifically for New or Upgraded Assets	6	856,556	27,554
NET SURPLUS / (DEFICIT)		617,114	(160,719)
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		617,114	(160,719)

BALANCE SHEET
AS AT 30 JUNE 2011

	NOTES	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash & Cash Equivalents	15	5,306,044	4,816,225
Trade & Other Receivables	16	871,875	414,615
Inventories	17	26,160	23,470
TOTAL CURRENT ASSETS		6,204,080	5,254,310
NON-CURRENT ASSETS			
Financial Assets	18	28,117	43,750
Infrastructure, Property, Plant & Equipment	19	75,339,749	75,600,232
TOTAL NON-CURRENT ASSETS		75,367,865	75,643,982
TOTAL ASSETS		81,571,945	80,898,292
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	20	1,135,398	1,012,125
Short-Term Borrowings	21	66,881	70,400
Short-Term Provisions	22	121,088	110,229
TOTAL CURRENT LIABILITIES		1,323,366	1,192,754
NON-CURRENT LIABILITIES			
Long-Term Borrowings	23	686,838	754,219
Long-Term Provisions	24	24,075	30,767
TOTAL NON-CURRENT LIABILITIES		710,914	784,987
TOTAL LIABILITIES		2,034,280	1,977,741
NET ASSETS		79,537,665	78,920,552
EQUITY			
Accumulated Surplus		27,060,886	26,765,342
Asset Revaluation Reserve	25	51,780,587	51,780,587
Other Reserves	26	696,193	374,623
TOTAL EQUITY		79,537,665	78,920,552

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	Accumulated Surplus \$	Asset Revaluation Reserve \$	Available for Sale Financial Assets \$	Other Reserves \$
2011					
Balance at End of Previous Reporting Period		26,765,342	51,780,587	0	374,623
Adjust. due to Compliance with Revised Acc Standards					
Adjust. to give effect to Changed Acc Policies					
RESTATED OPENING BALANCE		26,765,342	51,780,587	0	374,623
NET SURPLUS (DEFICIT)		617,114			
OTHER COMPREHENSIVE INCOME					
Gain on Revaluation of I,P,P&E					
Avail-for-Sale Fin Instruments - Change in Fair Value					
Share of Other Comp Income - Joint Ventures & Associates					
Impairment (Expense) / Recoupments Offset to Asset Rev Reserve					
Transfer to Acc Surplus on Sale of I,P,P & E					
Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments					
Transfer Between Reserves		(321,570)			321,570
BALANCE AT END OF PERIOD		27,060,886	51,780,587	0	696,193
2010					
Balance at End of Previous Reporting Period		27,022,259	51,780,587	0	278,425
Adjust. due to Compliance with Revised Acc Standards					
Adjust. to give effect to Changed Acc Policies					
RESTATED OPENING BALANCE		27,022,259	51,780,587	0	278,425
NET SURPLUS (DEFICIT)		(160,719)			
OTHER COMPREHENSIVE INCOME					
Gain on Revaluation of I,P,P&E					
Avail-for-Sale Fin Instruments - Change in Fair Value					
Share of Other Comp Income - Joint Ventures & Associates					
Impairment (Expense) / Recoupments Offset to Asset Rev Reserve					
Transfer to Acc Surplus on Sale of I,P,P & E					
Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments					
Transfer Between Reserves		(96,198)			96,198
BALANCE AT END OF PERIOD		26,765,342	51,780,587	0	374,623

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTES	2011 \$	INFLOWS (OUTFLOWS)	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Receipts</i>				
Operating Receipts		5,934,912		5,486,999
Investment Receipts		235,093		159,448
GST Collected		92,523		145,647
GST Refunded from the ATO		418,873		335,016
<i>Payments</i>				
Operating Payments to Suppliers & Employees		(4,291,386)		(3,524,273)
Finance Payments		(55,076)		(60,977)
GST Payments on Purchases		(358,795)		(388,445)
GST Remitted to the ATO		(112,732)		(127,917)
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	27	1,863,412		2,025,499
CASH FLOWS FROM INVESTMENT ACTIVITIES				
<i>Receipts</i>				
Amounts Specifically for New or Upgraded Assets		522,056		27,554
Sale of Replaced Assets		266,939		170,120
Repayments of Loans by Community Groups		31,247		60,535
<i>Payments</i>				
Expenditure on Renewal / Replacement of Assets		(1,204,337)		(870,239)
Expenditure on New / Upgraded Assets		(912,098)		(674,677)
Loans Made to Community Groups		(6,500)		0
NET CASH PROVIDED BY (OR USED IN) INVESTMENT ACTIVITIES		(1,302,693)		(1,286,707)
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Receipts</i>				
Proceeds from Borrowings		6,500		0
<i>Payments</i>				
Repayments of Borrowings		(77,400)		(113,789)
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES		(70,900)		(113,789)
NET INCREASE (DECREASE) IN CASH HELD		489,819		625,002
CASH & CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD		4,816,225		4,191,223
CASH & CASH EQUIVALENTS AT END OF REPORTING PERIOD	15	5,306,044		4,816,225

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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.

(a) *The Local Government Reporting Entity*

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

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

(b) *Basis of Accounting*

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

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

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

The preparation of financial statements in conformity with Australian Account 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.

All amounts in the financial statements have been rounded to the nearest dollar (\$).

(c) *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.

(d) *Cash, Cash Equivalents & 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 27.

(e) *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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

(f) *Real Estate Assets Development*

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 cost 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.

(g) *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.

(h) *Infrastructure, Property, Plant & Equipment*

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".

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. 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.

All items of property, plant and equipment with a value greater than \$1,000 are recognised as assets.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

Certain 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.

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. 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.

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.

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with the allowed alternative treatment in AASB 1023 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in a Note to follow, and the amount (if any) of interest income offset against borrowing costs in a separate Note.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

(i) Payables

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

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.

(j) Borrowings

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

(k) Employee Benefits

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.

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.

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 Scheme are reported in Note 33.

Accumulation Fund Members - The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2010/11; 9% in 2009/10). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members - the Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate is currently 6.3% (6% in 2009/2010) of superannuation salary. 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. For Defined Benefit Members, Council presently contributes the balance of the Superannuation Guarantee into an Accumulation Fund Account for the Member. The contribution rate in this respect is currently 3% (3% in 2009/2010).

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by 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.

(l) 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".

(m) Joint Ventures & Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interest in such arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 40.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

(n) 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.

(o) Comparative Information

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

(p) New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2011 reporting period and have not been used in preparing these reports.

AASB 1	First-time Adoption of Australian Accounting Standards
AASB 3	Business Combinations
AASB 5	Non-Current Assets Held for Sale and Discontinued Operations
AASB 7	Financial Instruments: Disclosures
AASB 8	Operating Segments
AASB 9	Financial Instruments
AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates & Errors
AASB 110	Events after the Reporting Date
AASB 118	Revenue
AASB 119	Employee Benefits
AASB 132	Financial Instruments: Presentation
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 139	Financial Instruments: Recognition and Measurement
AASB 140	Investment Property
AASB 1031	Materiality
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]
AASB 2010-5	Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]
AASB 2010-6	Amendments to Australian Accounting Standards [AASBs 1 & 7]
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 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]
Interpretation 14	AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

NB. Standards not affecting Local Government Entities 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

2 FUNCTIONS / ACTIVITIES OF COUNCIL

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.

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, Landcare, 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

Unclassified Activities

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(b) Statement of Comprehensive Income Over Functions/Activities

	Admin	Reg Svs	Health	Welfare	Housing & Community	Envir. Protection	Rec & Culture	Agric. Svs	Transport & Comm.	Economic Affairs	Other NEC	Inter Function	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME													
Rates - General	1,928,697												1,928,697
Rates - Other	(77,500)				574,649		25,742			25,982			548,872
Statutory Charges	3,910	61,674											65,584
User Charges			7,555	12,548	134,894		1,737			249,013	13,242		418,989
Grants, Subsidies & Contributions	1,500,411			92,794	32,563	5,899	17,000		712,817	72,091			2,433,574
Investment Income				5,033	8,905					747	230,409		245,095
Reimbursements	16,717	86,463	86,463	45,657			16,422	1,008	98,000		45,834		396,564
Other	45,659	54	1,571	47,201	160	6,140	26,983			61,212	3,830		192,811
TOTAL INCOME	3,417,894	148,192	95,589	203,233	751,171	12,039	87,884	1,008	810,817	409,044	293,315	0	6,230,186
EXPENSES													
Employee Costs	360,215	110,747	74,844	106,415	63,996	0	24,782	21,101	243,947	103,216	25,387	368,754	1,503,404
Materials, Contracts & Other Expenses	251,145	68,301	41,433	82,930	898,176	2,879	310,161	61,503	980,479	463,494	53,555	(340,731)	2,873,325
Finance Costs	0	0	0	0	51,532	0	0	0	2,217	2	(131)	0	53,620
Depreciation, Amortisation & Impairment	1,060	156	0	5,000	87,544	0	0	0	1,125,110	158	1,877	785,535	2,006,440
TOTAL EXPENSES	612,419	179,204	116,277	194,346	1,101,247	2,879	334,943	82,604	2,351,752	566,870	80,689	813,558	6,436,789
OPERATING SURPLUS (DEFICIT) BEFORE CAPITAL AMOUNTS	2,805,476	(31,013)	(20,688)	8,888	(350,076)	9,160	(247,059)	(81,595)	(1,540,935)	(157,826)	212,626	(813,558)	(206,602)
Net Gain (Loss) on Disposal or Revaluation of Assets				(20,898)							(11,942)		(32,840)
Amounts Received Specifically for New or Upgraded Assets					418,918					437,639			856,556
Operating Surplus (Deficit) After Capital Revenues	2,805,476	(31,013)	(20,688)	8,888	(350,076)	9,160	(247,059)	(81,595)	(1,540,935)	(157,826)	212,626	(813,558)	(206,602)
NET SURPLUS (DEFICIT)	2,805,476	(31,013)	(20,688)	(12,011)	68,841	9,160	(247,059)	(81,595)	(1,540,935)	279,812	200,684	(813,558)	617,114

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
3 RATES - GENERAL & OTHER		
General Rates	2,046,948	1,927,974
Mandatory Rebates	(118,251)	(107,302)
Discretionary Rebates, Remissions, Discounts & Write Offs	(99,954)	(77,211)
	<u>1,828,743</u>	<u>1,743,460</u>
<i>Other Rates & Service Charges</i>		
Waste Collection Service Charges	299,649	151,549
CWMS Service Charges		
Wilmington Scheme	77,795	67,144
Melrose Scheme	59,070	51,192
Booleroo Centre Scheme	80,410	74,124
Port Germein (Mini)	2,800	2,800
Desludging	54,925	110
Water Supply Service Charges	19,575	6,393
Water Supply Usage Charges	6,406	6,831
NRM Levy - Collected	75,615	73,464
NRM Levy - Remitted to Board	(75,084)	(73,423)
Hall Separate Rate	25,742	25,547
<i>Other Charges</i>		
Penalties for Late Payment	22,409	13,578
	<u>2,478,055</u>	<u>2,142,769</u>
Discretionary Rebates, Remissions, Discounts & Write Offs	(486)	(581)
	<u>2,477,569</u>	<u>2,142,188</u>
4 STATUTORY CHARGES		
Development Act Fees	19,040	19,426
Town Planning Fees	23,958	24,289
Animal Registration Fees & Fines	15,091	15,830
Search Fees	3,910	5,380
Sundry	3,586	3,808
	<u>65,584</u>	<u>68,733</u>
5 USER CHARGES		
Cemetery / Cremetoria Fees	8,723	8,675
Waste Management	126,331	78,040
Melrose Caravan Park	249,013	239,671
Hire of Facilities	3,941	
Community Bus	12,548	
Road & Reserve Rents	11,756	11,614
Sundry	6,678	16,876
	<u>418,989</u>	<u>354,876</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

6	GRANTS, SUBSIDIES & CONTRIBUTIONS	2011	2010
		\$	\$
	Amounts Received Specifically for New or Upgraded Assets		
	Community Wastewater Management Schemes	418,918	27,554
	Port Flinders Water Supply Private Contributions	437,639	
		856,556	27,554
	Other Grants, Subsidies & Contributions		
	Grants from Commonwealth Government		
	Dept of Veterans Affairs	4,273	
	Regional Local Community Infrastructure Fund	30,000	30,000
	Roads to Recovery	240,231	225,000
	Grants from State Government		
	FAGs - General Purpose	1,479,078	1,308,312
	FAGs - Identified Local Roads	468,586	442,526
	Natural Resource Management	4,000	7,000
	Passenger Transport Board	85,794	85,038
	Zero Waste SA	32,563	
	Youth Activities	7,000	4,500
	Community Benefit SA		30,380
	People for Places	17,000	168,260
	SA Fire & Emergency Commission	21,333	
	Grants from Other Organisations		
	Southern Flinders Ranges Development Board	37,818	2,050
	Central Local Government Region	5,899	
	Other NEC	-	110
		2,433,574	2,303,176
		3,290,130	2,330,730

The functions to which these grants relate are shown in Note 2.

Sources of Grants, Subsidies & Contributions

Commonwealth Government	274,504	255,000
State Government	2,534,271	2,073,570
Other	481,356	2,160
	3,290,130	2,330,730

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
6 GRANTS, SUBSIDIES & CONTRIBUTIONS (CONT)		
<i>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:		
Unexpended at Close of Previous Reporting Period	511,723	367,635
Less: Expended During the Current Period from Revenues Recognised in previous reporting periods:-		
Roads to Recovery Projects	65,087	127,500
Regional Local Community Infrastructure Fund	30,000	63,785
Community Benefit SA - Wirrabara Kitchen		15,000
Natural Resource Management Board	44,000	1,500
Department of Environment - Telowie Beach		3,038
Youth Activities	3,008	
People for Places - Booleroo Centre		25,000
Community Builders		15,450
Southern Flinders Ranges Development Board		5,000
Port Germein Cemetery		12,000
Volunteering SA - Volunteer Centre		15,000
People for Places - Port Germein	9,600	
	151,695	283,273
Plus: Amounts Recognised as Revenues in this Reporting Period but Not Yet Expended in Accordance with the Conditions:-		
Roads to Recovery Projects	240,231	224,601
Natural Resource Management Board	4,000	
Department for Veterans Affairs	4,273	
Youth Activities	7,000	4,500
People for Places - Booleroo Centre		168,260
Regional Local Community Infrastructure Fund		30,000
Wilmington CWMS	60,965	
Wirrabara CWMS	204,110	
People for Places - Wilmington	17,000	
SAFECOM - Disaster Resilience Project	21,333	
	558,912	427,361
Unexpended at Close of Reporting Period and held as Restricted Assets	918,940	511,723
Net Increase (Decrease) in Restricted Assets in Current Reporting Period	407,217	144,088
7 INVESTMENT INCOME		
Interest on Investments		
Local Government Finance Authority	234,129	170,417
Banks & Other	3,443	1,347
Loans to Community Groups	7,523	6,140
	245,095	177,904
8 REIMBURSEMENTS		
Private Works	115,728	41,148
Joint Undertakings		
Building Officer	86,463	84,354
Env Health & Comp Officer	86,463	84,354
Northern Passenger Transport Network (NPTN)	45,657	44,499
OHS&W Rebate	28,106	29,267
NRM Collection	2,675	2,647
CWMS Compulsory Connections		1,478
Community & Sporting Groups	13,047	9,912
Distributions from LGA Schemes	3,562	
Other	14,863	11,767
	396,564	309,426

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

		2011	2010
		\$	\$
9	OTHER INCOME		
	Melrose Post Office Income	56,223	57,580
	Donations - Melrose Post Office	2,359	7,382
	Donations - NPTN	34,373	33,980
	Donations - Community & Sporting Groups	33,123	66,825
	Other Recoveries & Distributions	18,373	37,609
	Training Subsidies	24,300	36,400
	Port Flinders Water Supply	7,843	18,518
	Sundry	16,216	10,533
		192,811	268,826
10	EMPLOYEE COSTS		
	Salaries and Wages	1,240,723	1,139,815
	Employee Leave Expense	244,843	209,558
	Superannuation - Defined Cont Plan Contributions	33 71,499	61,406
	Superannuation - Defined Benefit Plan Contributions	33 59,953	54,076
	Less: Capitalised and Distributed Costs	(113,614)	(114,856)
		1,503,404	1,349,999
11	MATERIALS, CONTRACTS & OTHER EXPENSES		
	<i>Prescribed Expenses</i>		
	Auditor's Remuneration		
	Auditing the Financial Reports	4,800	4,500
	Elected Members' Expenses	99,326	96,997
	Election Expenses	10,145	
		114,271	101,497
	<i>Other Materials, Contracts & Expenses</i>		
	Contractors	1,070,459	740,276
	Energy	309,255	244,524
	Water	62,577	
	Bank Fees & Charges	16,031	
	Legal Expenses	5,197	5,080
	Levies Paid to Government		
	Other Levies	18,584	18,050
	Insurances	246,276	244,124
	Telecommunications	42,940	37,201
	Flinders Mobile Library Contribution	62,770	52,950
	Tourism Development Officer Contribution	25,000	25,000
	Sundry Materials, Contractors & Other	899,965	857,263
		2,759,054	2,224,468
		2,873,325	2,325,965
12	FINANCE COSTS		
	Interest on Short-Term Borrowings - Council		464
	Interest on Short-Term Borrowings - Community Groups	638	1,225
	Interest on Loans - Council	49,922	52,873
	Interest on Loans - Community Groups	3,059	4,748
		53,620	59,310
13	DEPRECIATION, AMORTISATION & IMPAIRMENT		
	Buildings & Other Structures	597,156	595,123
	Infrastructure	1,212,654	1,189,979
	Plant & Machinery	193,228	212,365
	Office Equipment, Furniture & Fittings	1,000	1,219
	Other Assets	2,402	3,905
		2,006,440	2,002,591

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

		2011	2010
		\$	\$
14	ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS		
	Infrastructure, Property, Plant & Equipment		
	<i>Assets Renewed or Directly Replaced</i>		
	Proceeds from Disposal	266,939	170,120
	Less: Carrying Amount of Assets Sold	299,779	245,658
	Gain (Loss) on Disposal	(32,840)	(75,538)
	Net Gain (Loss) on Disposal or Revaluation of Assets	(32,840)	(75,538)
15	CASH & CASH EQUIVALENTS		
	Cash On Hand	1,675	1,600
	Cash At Bank	199,681	222,272
	Deposits At Call	5,104,688	4,592,353
		5,306,044	4,816,225
	Bank Overdraft		
		5,306,044	4,816,225
	<i>Effectively Covering Reserves & Commitments of:-</i>		
	Reserve Account Balances	696,193	374,623
	Employee Entitlements	145,163	140,997
	Unexpended Grants	918,940	511,723
	Trade & Other Receivables	871,875	414,615
		2,632,171	1,441,958
	Unrestricted Balance (Shortfall)	2,673,873	3,374,267
16	TRADE & OTHER RECEIVABLES		
	Rates - General & Other	201,903	182,034
	Accrued Revenues	80,283	67,958
	Debtors - General	574,556	140,376
	Loans to Community Organisations	15,133	24,247
		871,875	414,615
17	INVENTORIES		
	Stores & Materials	26,160	23,470
		26,160	23,470
18	FINANCIAL ASSETS		
	Loans to Community Organisations	28,117	43,750
		28,117	43,750
19	INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
	Land	4,500,818	4,500,818
	Buildings	8,833,374	9,266,407
	Furniture & Equipment	46,781	47,781
	Plant & Equipment	2,617,884	2,358,289
	Minor Plant	15,819	17,811
	Roads, Bridges & Footpaths	56,716,931	57,235,429
	Community Wastewater Management Schemes	2,229,644	1,793,007
	Other	378,497	380,690
		75,339,749	75,600,232

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

		2011	2010
		\$	\$
20	TRADE & OTHER PAYABLES (CURRENT)		
	Goods & Services	355,079	334,669
	Payments Received in Advance	615,686	535,427
	Accrued Expenses - Employee Entitlements	145,120	125,558
	Accrued Expenses - Other	19,513	16,471
		<u>1,135,398</u>	<u>1,012,125</u>
21	SHORT TERM BORROWINGS		
	Short Term Draw Down Facilities	4,500	12,000
	Loans 29, 30	62,381	58,400
		<u>66,881</u>	<u>70,400</u>
22	SHORT TERM PROVISIONS		
	Employee Entitlements	121,088	110,229
		<u>121,088</u>	<u>110,229</u>
23	LONG TERM BORROWINGS		
	Draw Down Facilities		5,000
	Loans 29, 30	686,838	749,219
		<u>686,838</u>	<u>754,219</u>
24	LONG TERM PROVISIONS		
	Employee Entitlements	24,075	30,767
		<u>24,075</u>	<u>30,767</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

25	ASSET REVALUATION RESERVE	2011 \$	2010 \$
	LAND		
	Balance at Beginning of Period	3,739,613	3,739,613
	Net Increments (Decrements)		
	Transfers, Impairments		
	BALANCE AT END OF PERIOD	<u>3,739,613</u>	<u>3,739,613</u>
	BUILDINGS		
	Balance at Beginning of Period	5,042,017	5,042,017
	Net Increments (Decrements)		
	Transfers, Impairments		
	BALANCE AT END OF PERIOD	<u>5,042,017</u>	<u>5,042,017</u>
	FURNITURE & EQUIPMENT		
	Balance at Beginning of Period	-	-
	Net Increments (Decrements)		
	Transfers, Impairments		
	BALANCE AT END OF PERIOD	<u>-</u>	<u>-</u>
	PLANT & EQUIPMENT		
	Balance at Beginning of Period	-	-
	Net Increments (Decrements)		
	Transfers, Impairments		
	BALANCE AT END OF PERIOD	<u>-</u>	<u>-</u>
	MINOR PLANT		
	Balance at Beginning of Period	-	-
	Net Increments (Decrements)		
	Transfers, Impairments		
	BALANCE AT END OF PERIOD	<u>-</u>	<u>-</u>
	ROADS, BRIDGES & INFRASTRUCTURE		
	Balance at Beginning of Period	42,998,957	42,998,957
	Net Increments (Decrements)		
	Transfers, Impairments		
	BALANCE AT END OF PERIOD	<u>42,998,957</u>	<u>42,998,957</u>
	COMMUNITY WASTEWATER MANAGEMENT SCHEMES		
	Balance at Beginning of Period	-	-
	Net Increments (Decrements)		
	Transfers, Impairments		
	BALANCE AT END OF PERIOD	<u>-</u>	<u>-</u>
	OTHER		
	Balance at Beginning of Period	-	-
	Net Increments (Decrements)		
	Transfers, Impairments		
	BALANCE AT END OF PERIOD	<u>-</u>	<u>-</u>
	TOTAL ASSET REVALUATION RESERVE	<u><u>51,780,587</u></u>	<u><u>51,780,587</u></u>

PURPOSE OF RESERVE

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

26	OTHER RESERVES	2011 \$	2010 \$
	PIT REINSTATEMENT RESERVE		
	Balance at Beginning of Period	4,000	4,000
	BALANCE AT END OF PERIOD	<u>4,000</u>	<u>4,000</u>
	PLANT REPLACEMENT RESERVE		
	Balance at Beginning of Period	43,000	43,000
	BALANCE AT END OF PERIOD	<u>43,000</u>	<u>43,000</u>
	DISASTER RESERVE		
	Balance at Beginning of Period	15,000	15,000
	BALANCE AT END OF PERIOD	<u>15,000</u>	<u>15,000</u>
	LAWNMOWER RESERVE		
	Balance at Beginning of Period	28,000	23,000
	Appropriations	5,000	5,000
	BALANCE AT END OF PERIOD	<u>33,000</u>	<u>28,000</u>
	BUILDING COMMITTEE & DOGS RESERVE		
	Balance at Beginning of Period	42,598	49,169
	Appropriations	34,228	23,429
	Recoupments	(3,040)	(30,000)
	BALANCE AT END OF PERIOD	<u>73,786</u>	<u>42,598</u>
	CWMS MAINTENANCE & CWMS CAPITAL RESERVES		
	Balance at Beginning of Period	93,750	8,780
	Appropriations	204,110	84,970
	Recoupments	(103,163)	
	BALANCE AT END OF PERIOD	<u>194,697</u>	<u>93,750</u>
	CARAVAN PARK RESERVE		
	Balance at Beginning of Period	18,272	41,772
	Appropriations	86,000	6,500
	Recoupments		(30,000)
	BALANCE AT END OF PERIOD	<u>104,272</u>	<u>18,272</u>
	JETTY RESERVE		
	Balance at Beginning of Period	46,088	29,500
	Appropriations		41,588
	Recoupments	(28,000)	(25,000)
	BALANCE AT END OF PERIOD	<u>18,088</u>	<u>46,088</u>
	GENERAL RESERVE		
	Balance at Beginning of Period	46,415	34,204
	Appropriations	126,435	12,211
	BALANCE AT END OF PERIOD	<u>172,850</u>	<u>46,415</u>
	TELEVISION RESERVE		
	Balance at Beginning of Period	37,500	30,000
	Appropriations		7,500
	BALANCE AT END OF PERIOD	<u>37,500</u>	<u>37,500</u>
	TOTAL OTHER RESERVES	<u><u>696,193</u></u>	<u><u>374,623</u></u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

27 RECONCILIATION TO CASH FLOW STATEMENT

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 Statement of Financial Position as follows:

		2011	2010
		\$	\$
Total Cash and Cash Equivalents	15	5,306,044	4,816,225
Less: Bank Overdraft	15	0	0
Balance per Cash Flow Statement		<u>5,306,044</u>	<u>4,816,225</u>

Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)		617,114	(160,719)
Non-Cash Items in Income Statement			
Depreciation, Amortisation & Impairment		2,006,440	2,002,591
Non-Cash Asset Acquisitions		0	0
Grants for Capital Acquisitions Treated as Investing Activity		(522,056)	(27,554)
Net (Gain) Loss on Disposals		32,840	75,538
		<u>2,134,338</u>	<u>1,889,857</u>
Add (Less): Changes in Net Current Assets			
Net (Increase) Decrease in Receivables		(466,375)	(127,634)
Net (Increase) Decrease in Inventories		(2,690)	(14,403)
Net Increase (Decrease) in Trade & Other Payables		193,973	268,221
Net Increase (Decrease) in Other Provisions		4,166	9,457
Net Cash Provided (or Used In) Operating Activities		<u>1,863,412</u>	<u>2,025,499</u>

Non-Cash Financing and Investing Activities

Acquisition of Assets by Means of:-

Physical Resources Received Free of Charge		0	0
Non-Cash Grants & Contributions		0	0
Amounts Recognised in Income Statement		<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>

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
Corporate Credit Cards	7,500	9,000

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

28 RECOGNISED FINANCIAL INSTRUMENTS

Bank, Deposits at Call, Short Term Deposits

Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.
 Terms & conditions: Deposits are placed on 24 hour or 30 day call with the Local Government Finance Authority at market interest rates.
 Carrying amount: Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges (including legals & penalties for late payment)

Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
 Terms & conditions: Secured over the subject land, arrears attract interest at the 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.
 Carrying amount: Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges

Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
 Terms & conditions: Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, with credit risk exposure concentrated within the Council's boundaries.
 Carrying amount: Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy: Carried at nominal value.
 Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.
 Carrying amount: Approximates fair value.

Liabilities - Creditors and Accruals

Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.
 Terms & conditions: Liabilities are normally settled on 30 day terms.
 Carrying amount: Approximates fair value.

Liabilities - Interest Bearing Loans

Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.
 Terms & conditions: Secured over future revenues, loans are repayable by equal 6 monthly instalments of principal & interest, with interest charged at fixed rates. Where a Cash Advance Debenture has been utilised, loan repayments are made in accordance with Budget provisions and interest charged at market rates on a quarterly basis.
 Carrying amount: Approximates fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

29	LIQUIDITY ANALYSIS	Instrument Due			Total Contractual Cash Flows	Carrying Values
		< 1 year	> 1 and < 5 yrs	> 5 years		
	2011					
	Financial Assets					
	Cash & Equivalents	5,306,044			5,306,044	5,306,044
	Receivables	858,742	18,067		876,809	871,875
	Other Financial Assets	0	30,334		30,334	28,117
	Total Financial Assets	6,164,786	48,400	0	6,213,187	6,206,036
	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 Financial Liabilities	975,265	77,241	957,590	2,010,096	1,724,484
	2010					
	Financial Assets					
	Cash & Equivalents	4,816,225			4,816,225	4,816,225
	Receivables	402,368	20,566		422,934	414,615
	Other Financial Assets	0	48,400		48,400	43,750
	Total Financial Assets	5,218,593	68,967	0	5,287,559	5,274,590
	Financial Liabilities					
	Payables	870,096			870,096	870,096
	Current Borrowings	12,000	29,103	83,359	124,462	70,400
	Non-Current Borrowings	5,000	77,241	957,590	1,039,831	754,219
	Total Financial Liabilities	887,096	106,344	1,040,949	2,034,389	1,694,715

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

	2011		2010	
	Weighted Ave Interest Rate %	Carrying Value \$	Weighted Ave Interest Rate %	Carrying Value \$
Overdraft	10.95		10.70	
Other Variable Rates	6.25	4,500	6.00	17,000
Fixed Interest Rates	6.82	749,219	6.81	807,619
		753,719		824,619

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 16 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 Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

29 LIQUIDITY ANALYSIS (CONT)

Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value. Due to the nature of the financial instruments held by the Council, the costs associated with their settlement would not be material and therefore have not been considered.

Credit Risk Exposure

Credit risk represents the loss that would be recognised if other parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Council which have been recognised in the Balance Sheet (if any) is the carrying amount, net of any provision for doubtful debts.

The Council does not have significant exposure to any concentration of credit risk.

The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

Cash flows are discounted using standard valuation techniques and the applicable market yield having regard to the timing of cash flows. The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

30 LOANS TO COMMUNITY ORGANISATIONS

Since the 2003 / 2004 financial year, Council has made several loans to Community based organisations and sporting clubs. These have been financed by a combination of fixed term loans and a cash advance debenture with the Local Government Finance Authority.

	2011	2010
	\$	\$
The current amount of loans receivable from these groups are:-		
Booleroo Centre Bowling Club - Synthetic Green	25,333	31,616
Port Germein Progress Association - Ablution Facility Upgrades	13,417	19,381
Wilmington Bowling Club - Synthetic Green		17,000
Booleroo Centre Golf Club - Mower Replacement	4,500	
	<u>43,250</u>	<u>67,997</u>

31 SECTION 41 COMMITTEES

Section 41 Committees exist for the Booleroo Centre Swimming Pool and District Halls of Appila, Bruce, Melrose, Booleroo Centre, Wilmington, Murray Town, Wirrabara, Port Germein, Hammond and Willowie.

Whilst these Committees are Section 41 Committees, they experience no practical control from the Council. The non-current assets of the Committees are included in the Council's non-current asset register. The current assets, including bank balances, are not included in the current assets of Council. The bank balances do not move materially each year.

32 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

2011	At Fair Value	At Cost	Accum Depn	Carrying Values
Land	4,500,818			4,500,818
Buildings & Other Structures	10,406,877	221,933	(1,795,436)	8,833,374
Plant & Equipment		3,659,949	(1,042,065)	2,617,884
Office Equipment, Furniture & Fittings		93,651	(46,870)	46,781
Minor Plant		89,815	(73,996)	15,819
Roads, Bridges & Footpaths	58,503,744	13,754,629	(15,541,442)	56,716,931
CWMS	712,996	2,944,583	(1,427,934)	2,229,644
Other Assets	250,000	197,055	(68,558)	378,497
	<u>74,374,435</u>	<u>20,961,615</u>	<u>(19,996,301)</u>	<u>75,339,749</u>
	<i>2010 Comparatives</i>	<i>19,215,659</i>	<i>(17,989,861)</i>	<i>75,600,232</i>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

32 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (CONT)

2010	At Fair Value	At Cost	Accum Depn	Carrying Values
Land	4,500,818			4,500,818
Buildings & Other Structures	10,406,877	57,810	(1,198,280)	9,266,407
Plant & Equipment		3,209,118	(850,829)	2,358,289
Office Equipment, Furniture & Fittings		93,651	(45,870)	47,781
Minor Plant		89,815	(72,003)	17,811
Roads, Bridges & Footpaths	58,503,744	13,148,017	(14,416,332)	57,235,429
CWMS	712,996	2,420,402	(1,340,391)	1,793,007
Other Assets	250,000	196,846	(66,156)	380,690
	74,374,435	19,215,659	(17,989,861)	75,600,232
<i>2009 Comparatives</i>	74,374,435	17,845,701	(15,987,269)	76,232,866

2011	Opening Carrying Values	Carrying Amount Movements During the Year					Closing Carrying Values
		Additions New / Upp	Renewals	Disposals	Depn Expense	Net Revaluation	
Land	4,500,818	0	0	0	0	0	4,500,818
Buildings & Other Structures	9,266,407	164,123	0	0	(597,156)	0	8,833,374
Plant & Equipment	2,358,289	113,896	601,837	(264,902)	(191,236)	0	2,617,884
Office Equip, Furn & Fittings	47,781	0	0	0	(1,000)	0	46,781
Minor Plant	17,811	0	0	0	(1,992)	0	15,819
Roads, Bridges & Footpaths	57,235,429	543,606	63,005	0	(1,125,110)	0	56,716,931
CWMS	1,793,007	20,055	504,126	0	(87,544)	0	2,229,644
Other Assets	380,690	0	35,086	(34,877)	(2,402)	0	378,497
	75,600,232	841,680	1,204,055	(299,779)	(2,006,440)	0	75,339,749
<i>2010 Comparatives</i>	76,232,866	745,377	870,239	(245,658)	(2,002,591)	0	75,600,233

2010	Opening Carrying Values	Carrying Amount Movements During the Year					Closing Carrying Values
		Additions New / Upp	Renewals	Disposals	Depn Expense	Net Revaluation	
Land	4,500,818	0	0	0	0	0	4,500,818
Buildings & Other Structures	9,844,352	17,178	0	0	(595,123)	0	9,266,407
Plant & Equipment	2,209,455	134,746	359,779	(135,547)	(210,143)	0	2,358,289
Office Equip, Furn & Fittings	49,000	0	0	0	(1,219)	0	47,781
Minor Plant	20,033	0	0	0	(2,222)	0	17,811
Roads, Bridges & Footpaths	57,389,074	556,899	388,750	0	(1,099,294)	0	57,235,429
CWMS	1,847,138	36,554	0	0	(90,685)	0	1,793,007
Other Assets	372,996	0	121,711	(110,111)	(3,905)	0	380,691
	76,232,866	745,377	870,239	(245,658)	(2,002,591)	0	75,600,233
<i>2009 Comparatives</i>	64,325,001	1,140,366	1,082,563	(353,001)	(2,003,622)	12,041,558	76,232,866

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 for the purposes of AIFRS.

Plant, Furniture & Equipment

Pursuant to Council's election, these assets are recognised on the cost basis.

Land & Land Improvements

Pursuant to Council's election, 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 1 July 2008 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

32 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (CONT)

Buildings & Other Structures

Pursuant to Council's election, buildings and other structures are recognised on the cost basis. In accordance with Note 1, all Land and Buildings were revalued as at 1st July 2008. This independent valuation was carried out by Maloney Field Services.

Infrastructure

Transportation assets were valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1998 and pursuant to Council's election are disclosed at deemed cost. 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 written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 1998 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management scheme infrastructure was valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1998 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

All other assets

Pursuant to Council's election, these assets are recognised on the cost basis.

33 SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme (the Scheme). The Scheme has two categories of membership, each of which is funded differently.

The Scheme's accumulation category, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Scheme.

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

The Council makes employer contributions to the defined benefit category of the Scheme at rates determined by the Trustee on the advice of the Scheme's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2008, the Trustee has determined that the Scheme was in a satisfactory financial position.

However, in considering the impact of the movement in investment markets since 30 June 2008, the actuary determined that the Scheme was currently in an "unsatisfactory financial position" as that term is used under superannuation law. This means that there were currently insufficient assets to be able to pay Salarylink benefits should all existing members cease employment at the same time. Whilst it is impossible that this will occur, the Trustee liaised with the Local Government Association, on behalf of the employers in the Scheme, and the Government regulator, APRA, to determine an appropriate plan of action to rectify the Scheme's financial position as soon as practicable. This has resulted in a decision to allow no new members to the Defined Benefit Plan and an increase in employer contributions of 0.3 per cent in 2010 / 2011.

	2011	2010
	\$	\$
The amount of superannuation contributions paid by the council was:-		
Defined Cont Plan Contributions	71,499	61,406
Defined Benefit Plan Contributions	59,953	54,076
	131,452	115,482

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

34 CONTROLLING AUTHORITIES - SECTION 43

Council is a member of the Central Local Government Region of SA (CLGR) which is a regional Local Government representative body charged with the responsibility of representing the interests of its member Councils. The Region is a formal Section 43 Subsidiary under the Local Government Act 1999.

	2011	2010
	\$	\$
Contribution - CLGR	9,307	9,072

35 TRUST FUNDS

The District Council of Mount Remarkable performs only a custodial role in respect of these monies, and because the monies cannot be used for Council purposes, they are not brought to account in the financial report, but are shown here for information purposes.

Port Germein Jetty Trust - 24 Hour	395	7,389
Port Germein Jetty Trust - Fixed Term	31,294	22,827
	31,689	30,217

**36 CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED
IN THE BALANCE SHEET**

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

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 the 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 the reporting date.

BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$43250 (2010: \$67997) at the reporting date.

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

LEGAL EXPENSES

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

At the date of these reports, Council had notice of no appeals against planning decisions made prior to the reporting date. If applicable, all known costs are recognised, however the amount of further costs cannot be known until the appeals (if any) are determined.

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 2,068 km of road reserves of average width 20 metres.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

37 FINANCIAL INDICATORS

The District Council of Mount Remarkable's financial performance and position is summarised using the following 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). Explanatory notes on each measure are included.

The 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.

Note 38 'Other Financial Indicators' and Note 39 'Uniform Presentation of Finances' provide additional supporting information on both the operating and capital investment activities of the Council. The Notes have been prepared on a uniform and consistent basis to enable more meaningful comparisons between Councils.

KEY AGGREGATES	2011	2010	2009	2008	2007
Operating Surplus	(206,602)	(112,735)	937,439	864,779	(207,672)
<i>The difference between day to day income and expenses for the period Being the operating surplus (deficit) before capital amounts .</i>					
Net Financial Liabilities	(4,171,756)	(3,296,849)	(2,839,337)	(1,564,120)	(639,533)
<i>How significant is the net amount owed compared with income Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in the Council's businesses).</i>					
KEY INDICATORS					
Operating Surplus Ratio	(8.3 %)	(5.3 %)	45.6 %	46.5 %	(11.7 %)
<i>By what percentage does the major controllable income source vary from day to day expenses. This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i>					
Operating Surplus Ratio - Alternate 1	(3.3 %)	(2.0 %)	15.3 %	17.3 %	(5.1 %)
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>					
Operating Surplus Ratio - Alternate 2	(2.9 %)	(2.0 %)	15.3 %	17.0 %	(4.9 %)
<i>This ratio expresses the operating surplus as a percentage of total operating and capital revenues.</i>					
Net Financial Liabilities Ratio	(67.0 %)	(58.6 %)	(46.3 %)	(31.3 %)	(15.7 %)
<i>How significant is the net amount owed compared with income</i>					
Interest Cover Ratio	(3.2 %)	(2.2 %)	(1.5 %)	(2.0 %)	(1.3 %)
<i>How much income is used in paying interest on borrowing. This ratio indicates the extent to which Council's operating revenues are committed to interest expenses.</i>					
Asset Sustainability Ratio	46.7 %	35.0 %	36.4 %	45.8 %	74.2 %
<i>Are assets being replaced at the rate they are wearing out This ratio indicates the extent of capital expenditure Council is undertaking on renewing and replacing existing depreciable assets</i>					
Asset Consumption Ratio	78.0 %	79.8 %	81.8 %	N/A	N/A
<i>The average proportion of 'as new condition' left in assets</i>					

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

38 OTHER FINANCIAL INDICATORS	2010	2010	2009	2008	2007
GENERAL & OTHER RATE REVENUE					
General Rate Revenue (\$)	1,928,697	1,820,671	1,729,958	1,580,732	1,519,479
Other Rate Revenue (\$)	548,872	321,517	327,770	278,975	253,748
	<u>2,477,569</u>	<u>2,142,188</u>	<u>2,057,728</u>	<u>1,859,707</u>	<u>1,773,227</u>
* Percentage Change (%)	15.7	4.1	10.6	4.9	5.1
* Percentage of Total Operating Revenue (%)	39.8	38.1	33.5	37.2	43.5

This reflects a minor increase in rate revenue over the last year, and overall, a slight increase in the reliance on revenue from general and other rates.

GENERAL PURPOSE AND LOCAL ROAD GRANTS

General Purpose Grants (\$)	1,479,078	1,308,312	1,266,970	1,130,116	1,018,933
Identified Local Road Grant (\$)	468,586	442,526	428,699	404,876	387,977
	<u>1,947,664</u>	<u>1,750,838</u>	<u>1,695,669</u>	<u>1,534,992</u>	<u>1,406,910</u>
* Percentage Change (%)	11.2	3.3	10.5	9.1	6.8
* Percentage of Total Operating Revenue (%)	31.3	31.1	27.6	30.7	34.5

This reflects a significant increase in South Australian Local Government Grants Commission payments, and the effect of the Commonwealth's extra \$26m of road funding for South Australian Councils.

NET DEBT

Outstanding Borrowings (\$)	753,719	824,619	938,408	1,017,980	1,044,505
Less: Cash & Investments (\$)	5,332,204	4,839,695	4,200,290	2,696,486	1,786,487
Net Debt (\$)	<u>(4,578,485)</u>	<u>(4,015,076)</u>	<u>(3,261,882)</u>	<u>(1,678,505)</u>	<u>(741,981)</u>
* Percentage of Total Operating Revenue (%)	(73.5)	(71.4)	(53.2)	(33.6)	(18.2)
* Per Capita (\$)	(1,544)	(1,361)	(1,103)	(572)	(252)

Net Debt represents the outstanding level of Borrowings less Cash and Investments. Up until the 2003/2004 year the level of Borrowings at 30 June had been lower than the level of Cash and Investments. This has changed due to increased infrastructure borrowings and a reduction in cash reserves, with an improvement noted in the current year.

NET INTEREST COSTS

Interest Paid (\$)	53,620	59,310	66,014	68,527	74,738
Less: Interest Received (\$)	245,095	177,904	157,802	167,439	125,534
Net Interest Costs (\$)	<u>(191,475)</u>	<u>(118,595)</u>	<u>(91,788)</u>	<u>(98,912)</u>	<u>(50,796)</u>
* Percentage of Total Operating Revenue (%)	(3.1)	(2.1)	(1.5)	(2.0)	(1.2)

Net Interest Costs represents finance charges less investment income. These costs are not material, and the change is reflective of the increased level of cash and investments.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

39 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. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) Framework of the Australian Bureau of Statistics.

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.

		2011	2010
		\$	\$
Income	SCI	6,230,186	5,625,130
less Expenses	SCI	<u>(6,436,789)</u>	<u>(5,737,865)</u>
Operating Surplus (Deficit)		(206,602)	(112,735)
Less: Net Outlays on Existing Assets			
Capital Exp. on Renewal / Replacement of Existing Assets	CF	(1,204,337)	(870,239)
less Depreciation, Amortisation and Impairment	SCI	2,006,440	2,002,591
less Proceeds from Sale of Replaced Assets	CF	<u>266,939</u>	<u>170,120</u>
		1,069,042	1,302,472
Less: Net Outlays on New & Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	CF	(912,098)	(674,677)
less Amounts Rec'd Specifically for New / Upgraded Assets	CF	522,056	27,554
less Proceeds from Sale of Surplus Assets	CF	<u>0</u>	<u>0</u>
		<u>(390,042)</u>	<u>(647,123)</u>
Net Lending (Borrowing) for Reporting Period		<u>472,397</u>	<u>542,614</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

40 JOINT VENTURES & ASSOCIATED ENTITIES

An *Associate* is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

A *Joint Venture* is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Council presently has no significant interests in any Joint Ventures or Associated Entities.

Central Local Government Region of SA Inc.

Further to Note 34, Council is one of fifteen (15) member Councils of the Central Local Government Region of South Australia Incorporated, a Regional Subsidiary established under the Local Government Act 1999.

Each Council has one (1) voting delegate and the Chairmanship is elected each year at the Annual General Meeting of the Association. Council contributions are shared equally amongst the fifteen (15) members. As such, no one Council has a significant influence, and equity accounting principles are therefore not used.

As Council's interest is non-material, Council's annual contributions are written off as an expense as incurred.

For information purposes only, Council's interest in the Association is shown below.

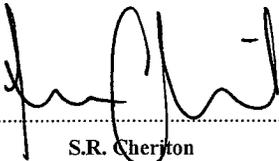
	2011	2010
	\$	\$
STATEMENT OF COMPREHENSIVE INCOME EXTRACT		
Revenue	748,277	398,470
Less: Expenses	(579,944)	(550,155)
	168,333	(151,685)
Capital & Other Amounts	(19,293)	(7,277)
Net Surplus (Deficit)	149,040	(158,962)
<i>Notional Share in Surplus (Deficit) of Association</i>	<i>9,936</i>	<i>(10,597)</i>
BALANCE SHEET EXTRACT		
Current Assets	582,564	410,801
Non-Current Assets	28,059	21,830
	610,623	432,630
Current Liabilities	28,953	-
Non-Current Liabilities	-	-
	28,953	-
Net Assets	581,670	432,630
Total Equity	581,670	432,630
<i>Notional Share in Equity of Association</i>	<i>38,778</i>	<i>28,842</i>

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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, the 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 2011 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.



S.R. Cherriton
CHIEF EXECUTIVE OFFICER



Cr S.G. Wauchope
MAYOR

13 MARCH 2012

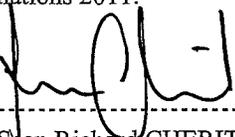
Dated

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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 Mount Remarkable for the year ended 30 June 2011, the Council's Auditor, Ian G 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) of the Local Government (Financial Management) Regulations 2011.



Sean Richard CHERITON
Chief Executive Officer



Sandra Gael WAUCHOPE
Presiding Member
Audit Committee

13 MARCH 2012

Dated



**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 2011 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 2011.

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 1999. 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.

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 2011, 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 1999.

A handwritten signature in cursive script that reads "Ian G McDonald".

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

Liability limited by a scheme approved under Professional Standards Legislation

Signed 17 day of March 2012, at Eastwood, South Australia

1st Floor,
206 Greenhill Road,
Eastwood, SA, 5063

PO Box 75
Henley Beach
SA 5022

Mobile: 0419 620 906
Residence: 8356 0825
Facsimile: 8356 6397

Email: imd1962@bigpond.net.au

APPENDIX D - FINANCIAL SUSTAINABILITY & PERFORMANCE

FINANCIAL SUSTAINABILITY AGGREGATES & INDICATORS

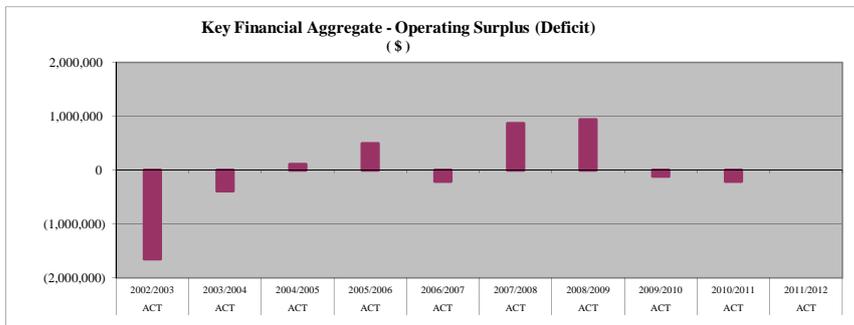
These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

KEY FINANCIAL AGGREGATES	2002 / 2003 ACT	2003 / 2004 ACT	2004 / 2005 ACT	2005 / 2006 ACT	2006 / 2007 ACT	2007 / 2008 ACT	2008 / 2009 ACT	2009 / 2010 ACT	2010 / 2011 ACT	2011 / 2012 ACT
Operating Surplus	(1,647,704)	(382,132)	109,195	490,934	(207,672)	864,779	937,439	(112,735)	(206,602)	

(The difference between day to day income and expenses for the period)

The operating surplus (deficit) before capital amounts has been adjusted by excluding amounts relating to the revaluation of non financial assets.

Operating Surplus / (Deficit) measures the extent to which operating revenue is or is not sufficient to meet all of the costs of providing council services, which include depreciation. Where an operating deficit exists, some costs being incurred in the current year are not being met by today's ratepayers. Where an operating surplus is achieved, the amount of the surplus is available for capital expenditure over and above the level of depreciation expenses for the year, without the need to increase the level of a council's net financial liabilities. When such capital expenditure is not required, the amount of the operating surplus leads to a reduction in the level of net financial liabilities.

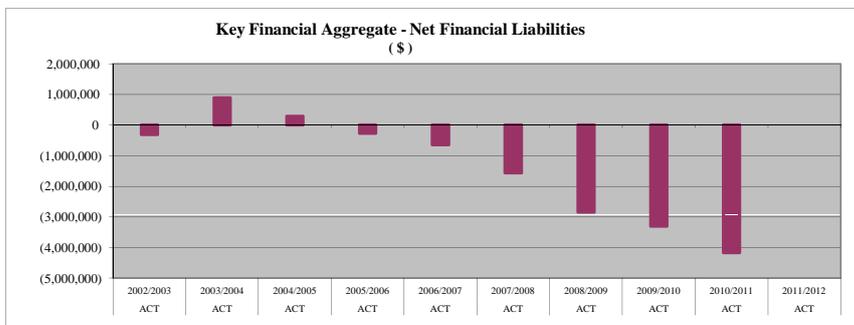


Net Financial Liabilities	(310,274)	887,316	285,426	(266,541)	(639,533)	(1,564,120)	(2,839,337)	(3,296,849)	(4,171,756)	
----------------------------------	-----------	---------	---------	-----------	-----------	-------------	-------------	-------------	-------------	--

(What is owed to others less (net of) money Council already has or is owed to it)

Net financial liabilities are defined as total liabilities less non-equity financial assets.

Net Financial Liabilities is a financial position measure and equals total liabilities less financial assets (being cash, investments, loans to community groups, receivables, prepayments, but excluding equity-type investments). Net Financial Liabilities is the key indicator of a council's indebtedness to other sectors of the economy. It is a more comprehensive measure than Net Debt as it includes, for example, creditors and provisions for employee entitlements. The amount of Net Borrowing in any one-year increases the level of Net Financial Liabilities in the year by that amount, and indicates that a council has to incur liabilities or liquidate financial assets to finance its overall budget. Conversely, the amount of Net Lending decreases the level of Net Financial Liabilities, and indicates that a council has to purchase financial assets or repay liabilities in order to use surplus funds in that year. Where an ongoing negative Net Financial Liabilities position occurs, it implies that a council may be placing a higher priority on investment in financial assets than applying ratepayer funds to the provision of services.



FINANCIAL SUSTAINABILITY AGGREGATES & INDICATORS

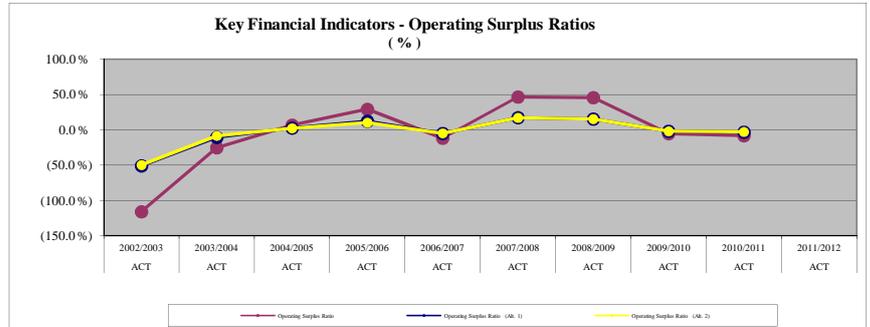
These Financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

KEY FINANCIAL INDICATORS	2002 / 2003 ACT	2003 / 2004 ACT	2004 / 2005 ACT	2005 / 2006 ACT	2006 / 2007 ACT	2007 / 2008 ACT	2008 / 2009 ACT	2009 / 2010 ACT	2010 / 2011 ACT	2011 / 2012 ACT
Operating Surplus Ratio	(115.9 %)	(25.2 %)	6.6 %	29.1 %	(11.7 %)	46.5 %	45.6 %	(5.3 %)	(8.3 %)	
Operating Surplus Ratio (Alt. 1)	(50.9 %)	(10.6 %)	2.5 %	12.2 %	(5.1 %)	17.3 %	15.3 %	(2.0 %)	(3.3 %)	
Operating Surplus Ratio (Alt. 2)	(49.7 %)	(8.5 %)	2.3 %	10.2 %	(4.9 %)	17.0 %	15.3 %	(2.0 %)	(2.9 %)	

(By what percentage does the major controllable income source vary from day to day expenses)

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

Operating Surplus Ratio expresses the Operating Surplus / (Deficit) as a percentage of general and other rates, net of rebates. Where an operating deficit exists, this measure indicates the percentage increase needed in rate revenue to achieve a break-even operating result. Equally, a break-even operating result also could be targeted by decreasing operating expenses. The first alternate ratio expresses the Operating Surplus / (Deficit) as a percentage of total operating revenue whilst the second alternate expresses it as a percentage of total (operating and capital) revenue. These have been provided for comparative purposes only, primarily in light of the relatively low proportion of Council's rate revenue to total operating revenue.

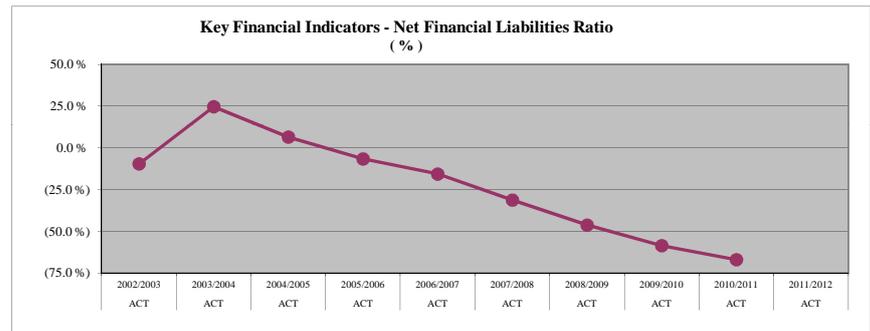


Net Financial Liabilities Ratio	(9.6 %)	24.7 %	6.5 %	(6.6 %)	(15.7 %)	(31.3 %)	(46.3 %)	(58.6 %)	(67.0 %)
---------------------------------	---------	--------	-------	---------	----------	----------	----------	----------	----------

(How significant is the net amount owed compared with income)

Total operating revenue excludes profit on disposal of non-current assets and revenue from the NRM levy

Net Financial Liabilities Ratio expresses Net Financial Liabilities as a percentage of Total Operating Revenue. This measure equates the outstanding level of a council's financial obligations against the level of one-year's operating revenue. The measure also indicates the capacity of a council to meet its financial obligations from revenue streams. Where the ratio is falling, it indicates that a council's capacity to meet its financial obligations from revenue streams is strengthening. Conversely, where this ratio is increasing, it indicates that a council's capacity to meet its financial obligations is deteriorating.

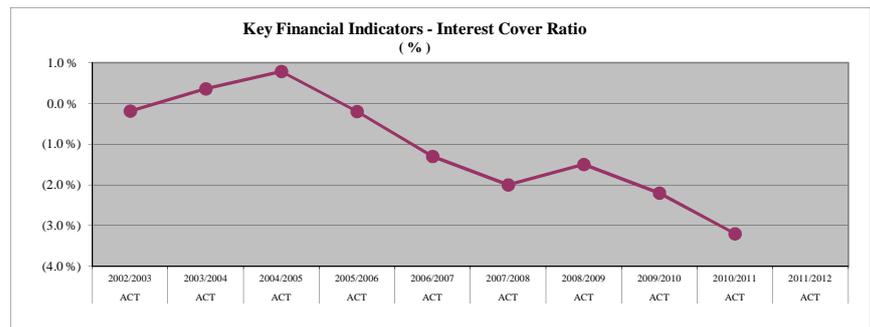


Interest Cover Ratio	(0.2 %)	0.4 %	0.8 %	(0.2 %)	(1.3 %)	(2.0 %)	(1.5 %)	(2.2 %)	(3.2 %)
----------------------	---------	-------	-------	---------	---------	---------	---------	---------	---------

(How much income is used in paying interest on loans)

Net Interest Expenses is defined as total cash interest expenses less total cash interest revenues

Interest Cover Ratio expresses Net Interest Expenses as a percentage of Total Operating Revenue. It indicates the extent to which a Council's operating revenues are committed to interest expenses, however does not take into account the component of interest expenses that is funded directly under a self supporting loan, as for example occurs with the loans for Community Wastewater Management Schemes.



FINANCIAL SUSTAINABILITY AGGREGATES & INDICATORS

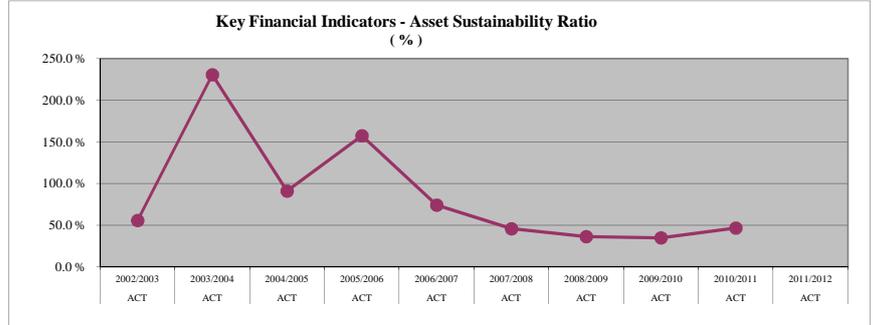
These Financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

KEY FINANCIAL INDICATORS	2002 / 2003 ACT	2003 / 2004 ACT	2004 / 2005 ACT	2005 / 2006 ACT	2006 / 2007 ACT	2007 / 2008 ACT	2008 / 2009 ACT	2009 / 2010 ACT	2010 / 2011 ACT	2011 / 2012 ACT
Asset Sustainability Ratio	55.8 %	230.7 %	91.1 %	157.5 %	74.2 %	45.8 %	36.4 %	35.0 %	46.7 %	

(Are assets being replaced at the rate they are wearing out)

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

Asset Sustainability Ratio expresses net capital expenditure on renewal and replacement of existing assets as a percentage of depreciation costs. This measure assists in identifying the potential decline or improvement in asset condition and standards. A percentage less than 100 on an ongoing basis indicates that capital expenditure levels are not being optimised so as to minimise whole of life cycle costs of assets or that assets may be deteriorating at a greater rate than spending on their renewal or replacement.



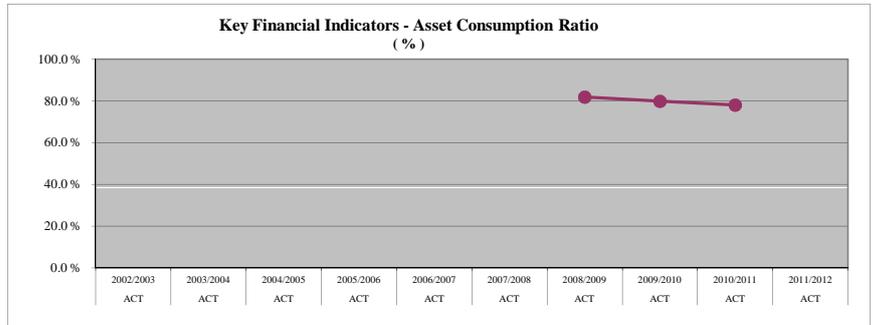
Asset Consumption Ratio

(The average proportion of 'as new condition' left in assets)

Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation

The Asset Consumption Ratio expresses the total carrying value of depreciable assets as a percentage of the total reported value of depreciable assets before accumulated depreciation. This ratio shows the written down current value of a Council's depreciable assets relative to their 'as new' value in up to date prices. This ratio seeks to highlight the aged condition of a Council's stock of physical assets. If a Council is responsibly maintaining and renewing and replacing its assets in accordance with a well prepared I&, then the fact that its Asset Consumption Ratio may be relatively low and/or declining should not be a cause for concern - providing it is operating sustainability.

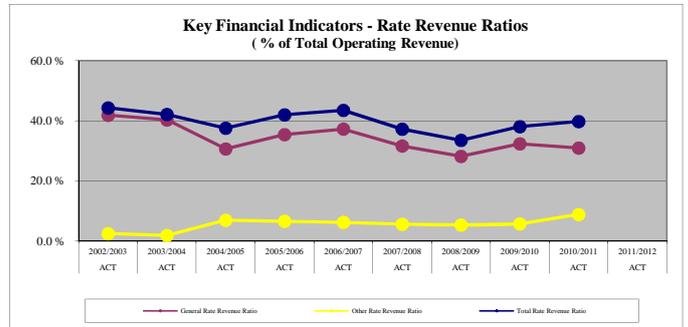
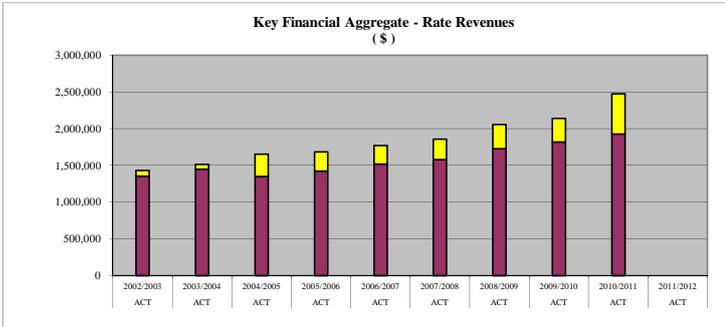
81.8 % 79.8 % 78.0 %



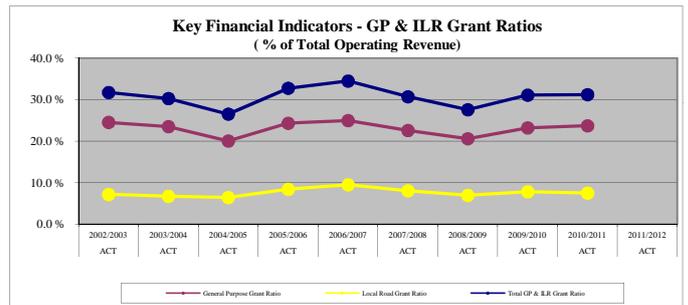
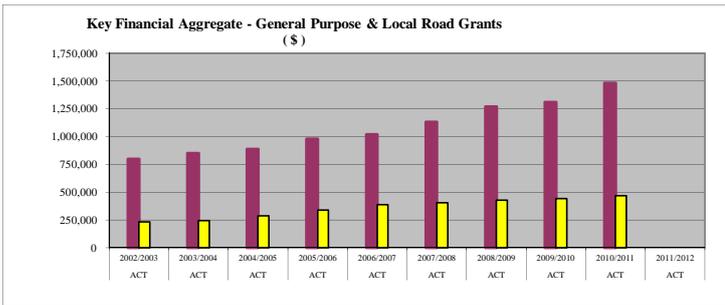
FINANCIAL SUSTAINABILITY AGGREGATES & INDICATORS

The following Financial Aggregates and Indicators are Council's own internal indicators and are intended to supplement the financial sustainability aggregates and indicators established as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

OTHER KEY FINANCIAL AGGREGATES & INDICATORS	2002 / 2003 ACT	2003 / 2004 ACT	2004 / 2005 ACT	2005 / 2006 ACT	2006 / 2007 ACT	2007 / 2008 ACT	2008 / 2009 ACT	2009 / 2010 ACT	2010 / 2011 ACT	2011 / 2012 ACT
General Rate Revenue Ratio	41.9 %	40.3 %	30.7 %	35.4 %	37.3 %	31.7 %	28.2 %	32.4 %	31.0 %	
Other Rate Revenue Ratio	2.4 %	1.9 %	6.9 %	6.6 %	6.2 %	5.6 %	5.3 %	5.7 %	8.8 %	
Total Rate Revenue Ratio	44.3 %	42.2 %	37.6 %	42.0 %	43.5 %	37.2 %	33.5 %	38.1 %	39.8 %	



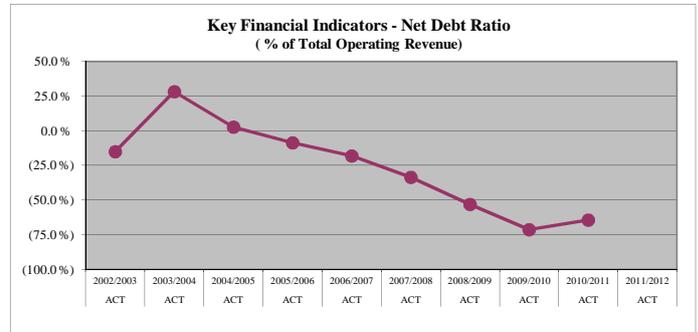
General Purpose & Local Road Grants	2002 / 2003 ACT	2003 / 2004 ACT	2004 / 2005 ACT	2005 / 2006 ACT	2006 / 2007 ACT	2007 / 2008 ACT	2008 / 2009 ACT	2009 / 2010 ACT	2010 / 2011 ACT	2011 / 2012 ACT
General Purpose Grant	796,057	847,317	884,787	978,263	1,018,933	1,130,116	1,266,970	1,308,312	1,479,078	
Identified Local Road Grant	233,000	243,332	285,325	339,569	387,977	404,876	428,699	442,526	468,586	
	1,029,057	1,090,649	1,170,112	1,317,832	1,406,910	1,534,992	1,695,669	1,750,838	1,947,664	
General Purpose Grant Ratio	24.6 %	23.6 %	20.1 %	24.4 %	25.0 %	22.6 %	20.6 %	23.3 %	23.7 %	
Local Road Grant Ratio	7.2 %	6.8 %	6.5 %	8.5 %	9.5 %	8.1 %	7.0 %	7.9 %	7.5 %	
Total GP & ILR Grant Ratio	31.8 %	30.3 %	26.6 %	32.8 %	34.5 %	30.7 %	27.6 %	31.1 %	31.3 %	



FINANCIAL SUSTAINABILITY AGGREGATES & INDICATORS

The following Financial Aggregates and Indicators are Council's own internal indicators and are intended to supplement the financial sustainability aggregates and indicators established as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

OTHER KEY FINANCIAL AGGREGATES & INDICATORS	2002 / 2003 ACT	2003 / 2004 ACT	2004 / 2005 ACT	2005 / 2006 ACT	2006 / 2007 ACT	2007 / 2008 ACT	2008 / 2009 ACT	2009 / 2010 ACT	2010 / 2011 ACT	2011 / 2012 ACT
Net Debt										
Outstanding Borrowings	345,037	1,174,930	1,153,707	1,137,945	1,044,505	1,017,980	938,408	824,619	824,619	
Less: Cash & Investments	833,059	160,261	1,037,700	1,486,903	1,786,487	2,696,486	4,200,290	4,839,695	4,839,695	
	(488,022)	1,014,668	116,007	(348,958)	(741,982)	(1,678,506)	(3,261,882)	(4,015,076)	(4,015,076)	
Net Debt Ratio	(15.1 %)	28.2 %	2.6 %	(8.7 %)	(18.2 %)	(33.6 %)	(53.2 %)	(71.4 %)	(64.4 %)	
Net Debt per Capita	(165)	344	39	(118)	(252)	(572)	(1,103)	(1,361)	(1,354)	



OTHER FINANCIAL INDICATORS

Current Ratio	1.72	1.24	2.66	3.49	4.39	4.78	5.14	4.41	4.69
Debt Ratio	0.02	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Debt Service Ratio	0.01	0.01	0.02	0.02	0.04	0.04	0.02	0.03	0.02
Rate Coverage Ratio	0.44	0.42	0.38	0.42	0.44	0.37	0.34	0.38	0.40
Outstanding Rates Ratio	0.33	0.03	0.04	0.05	0.06	0.07	0.06	0.08	0.08

Current Ratio = Current Assets / Current Liabilities

[A measure of short term liquidity. It indicates the ability of Council to meet its short term debts from its current assets.]

Debt Ratio = Total Liabilities / Total Assets

[Measures the percentage of assets provided by creditors and the extent of using gearing]

Debt Service Ratio = Debt Servicing Cost (Principal & Interest) / Total Operating Revenue

[Measures the proportion of available operating revenues required to finance the debt position of the Council]

Rate Coverage Ratio = Total Rate Revenue / Total Operating Revenue

[Measures Council's reliance on Rate Revenue as a source of income]

Outstanding Rates Ratio = Rates Outstanding / Total Rate Revenue

[Measures the effectiveness of Council's Debt Collection policies and practices]

