



**District Council
of
Mount Remarkable**

**Annual Report
for
Financial Year Ending 30 June 2013**

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

5 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

Council has a population of 3,027 people and is 3,413 sq. kilometres in area. The major townships within the area are Booleroo Centre, Melrose, Port Germein, Wilmington and Wirrabara. Additionally, smaller towns and settlements are located throughout the Council area, including Appila, Bangor, Baroota, Booleroo Whim, Bruce, Hammond, Mambray Creek, Mookra, Murraytown, Nectar Brook, Port Flinders (Weeroona Island), Telowie, Terka, Willowie, Winninowie, Wongyarra & Yandiah.

Much of the area north and east of Wilmington consists of large pastoral holdings. There are also small pockets of apiarists, orchards, market gardens and an intensive forestry area in the southern portion of the Council district around Wirrabara. There are two National Park properties in the district namely the Mount Remarkable National Park (16,149ha) and Telowie Gorge Conservation Reserve (1,946ha). The jetty at Port Germein is also a significant item of State history and heritage.

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 30 JUNE 2013)



Mayor

Cr Sandra Wauchope

Coastal Ward

PO Box 56

Port Germein SA 5495

Mobile: 0408 810 455

Email: sgwauchope@mtr.sa.gov.au



Deputy Chairperson

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

**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

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 COMMITTEES (AS AT 30 JUNE 2013)

- Melrose Caravan Park Management Committee
- Building Fire Safety Committee
- Audit Committee
- Northern Passenger Transport Network Management Committee
- Workplace Health & Safety Committee
- Hall Committees (various)
- Booleroo Centre Swimming Pool Committee
- Booleroo & District Airstrip Management Committee
- Finance Committee
- Works 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 30 JUNE 2013)

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 Sec 41 Committee Northern Areas Council	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	Manager Works & Tech Services
Remarkable Youth Action Team	Cr Nottle
Southern Flinders Tourism Authority Committee	Mayor Wauchope

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 30 June 2013:

Elected Members Council & Committee Meeting Attendances 2012 / 2013 Financial Year	Cr Jacobs	Cr Kerschner	Cr Nottle	Cr Roocke	Cr Ryan	Cr Walker	Cr Wauchope	Totals		
								P	A	Ab
Ordinary Meetings of Council										
P Present	11	12	10	12	12	12	12	81		
A Apology	1		2						3	
Ab Absent without Apology										0
	12	12	12	12	12	12	12			
Special Meetings of Council										
P Present	10	9	10	9	10	10	10	68		
A Apology		1		1					2	
Ab Absent without Apology										0
	10	10	10	10	10	10	10			
Melrose Caravan Park Management Committee										
P Present	3					3	4	10		
A Apology	1					1			2	
Ab Absent without Apology										0
	4					4	4			
Southern Flinders Regional Tourism Authority										
P Present		4					5	9		
A Apology		1							1	
Ab Absent without Apology										0
		5					5			
Northern Passenger Transport Network Management Committee										
P Present	2						1	3		
A Apology	1						2		3	
Ab Absent without Apology										0
	3						3			
Flinders Mobile Library Management Committee										
P Present			1	1		2		4		
A Apology			1						1	
Ab Absent without Apology										0
			2	1		2				
Boomeroo & Districts Airstrip Management Committee										
P Present				3				3		
A Apology									0	
Ab Absent without Apology										0
				3						
Chief Executive Officer Selection Committee										
P Present	1	1	1	1	1	1	1	7		
A Apology									0	
Ab Absent without Apology										0
	1	1	1	1	1	1	1			
Council Statutory Committee Meetings										
Regional Development Assessment Panel										
P Present				1				1		
A Apology				1					1	
Ab Absent without Apology										0
				2						
Building Fire Safety Committee										
P Present							1	0		
A Apology									1	
Ab Absent without Apology										0
							1			
Audit Committee										
P Present						2	2	4		
A Apology									0	
Ab Absent without Apology										0
						2	2			
Overall Attendance Summary										
Total Meetings Eligible to Attend	30	28	25	29	23	31	38	204		
P Present	27	26	22	27	23	30	35	190		
A Apology	3	2	3	2		1	3		14	
Ab Absent without Apology										0

COUNCIL EMPLOYEES

Employees of the District Council of Mount Remarkable as at 30 June 2013 were:

MANAGEMENT

Wayne HART	Chief Executive Officer (from 21 January 2013)
Vacant	Deputy Chief Executive Officer
Brenton PEARCE	Manager Works & Technical Services
Muriel SCHOLZ	Manager Community & Economic Development
Lyn FORSTER	Manager Passenger Transport
Ron ASHENDEN	Development Officer
Mark SMITH	Environmental Health Officer

ADMINISTRATION

Tammy BASTIAN	Administration Officer
Monique ENDEMANN	Administration Officer
Jennifer FRICK	Rates Administration Officer
Alison HENDERSON	NPTN Trainee
Colleen JACOBS	Executive Assistant
Carolyn LOCK	Work Health & Safety Coordinator
Craig MUDGE	Senior Finance Officer
Geoff SLEE	Fire Prevention Officer (Casual)
Helene BLIESCHKE	Northern Passenger Administration Trainee

CONTRACTED/PROJECT OFFICERS

Vacant	<i>Starclub</i> Field Officer
David HUTCHISON	Planning Consultant
Emma YOUNG	OPAL Program Manager
Jacqui MERRETT	OPAL Support Officer
Kate ABRAHAM	Healthy Communities Project Officer
Vacant	Tourism Development Officer
Richard WOODS	Heritage Advisor

WORKS

Peter LOCK	Deputy Manager Works & Technical Services
Andrew BURFORD	Team Leader - Grading & Construction
David PROSSER	Team Leader - Maintenance & Projects
David LAMBERT	Multi-Skilled Operator
Charles EDWARDS	Multi-Skilled Operator
Wayne JANZ	Multi-Skilled Operator
Robert JARVIS	Multi-Skilled Operator
Dean KELLER	Municipal Employee
Michael LAW	Multi-Skilled Operator
Nigel OWENS	Multi-Skilled Operator
Christopher ROWE	Municipal Employee
Reg RAMSEY	Municipal Employee
Jason WESTELL	Multi-Skilled Operator
Fred WOOLFORD	Multi-Skilled Operator
Ronald WOOLFORD	Multi-Skilled Operator
Leigh DALY	Works Trainee
Chantel MOOSHA	Works Trainee
Wendy SPECK	Works Trainee
Jo-Anne WHITCHER	Works Trainee

COUNCIL REPRESENTATION

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

As at 30 June 2013 there were 2,212 House of Assembly electors, with an additional 79 other persons entitled to vote on the District Council of Mount Remarkable Voters Roll, giving a total number of 2,291. This provides an elector representation of 328 electors per elected member.

In comparison, the representations in neighboring Councils are:

- 102 in Orroroo/Carrieton;
- 133 in Flinders Ranges;
- 143 in Peterborough;
- 394 in Northern Areas;
- 909 in Port Augusta; and
- 1,109 in Port Pirie.

[Source: LGA Representation Quotas 2012-2013, derived from information provided by the Electoral Commission of SA at 28/02/2013]

COUNCIL COMPOSITION AND WARD STRUCTURE

The District Council of Mount Remarkable is currently divided into four (4) Wards [*Coastal, Ranges, Plains and Forest*]. The Council currently comprises seven (7) Elected Members or Councillors elected by the electors of the respective Wards. The members of the Council from amongst their own number choose the Principal Member or Chairperson, whom they have determined to have the title of Mayor.

Section 12(4) of the Local Government Act 1999 (the "Act") requires each Council to undertake a review of all aspects of its composition and the division (or potential division) of the Council area into Wards, as prescribed by the Minister from time to time by a notice published in the Government Gazette.

During the period January to August 2013, Council undertook a comprehensive Electoral Representation Review in accordance with the provisions of Section 12 of Act and agreed with the State Electoral Commissioner to be completed by October 2013.

As the elector ratios within Central and Ranges Wards breached the specified 10% quota tolerance limit prescribed under Section 33(2) of the Act, the existing Ward structure could not be retained and alternative composition and Ward structures had to be considered. This involved the development and public consultation phases for an Options Paper and subsequent Review Report in accordance with Section 12 of the Act, with Council considering public submissions at each phase. A Final Report has been forwarded to the State Electoral Commissioner for consideration.

Council fully took into consideration the principles under Section 26(1)(c) and matters referred to in Section 33 of the Act as outlined in detail in the Review Options Paper. In Summary, Council proposed the following representation structure to come into effect as at the next Local Government election in 2014, namely:

- Retaining the name of the District Council of Mount Remarkable;
- Retaining a Chairperson as the Principal Member, selected by Councillors from amongst their own number;
- Retaining the current number of Councillors (7);
- Dividing the Council area into two Wards (rather than the current 4 Wards), with one Ward being represented by three Councillors and the remaining Ward being represented by four Councillors; and
- An adjustment to Ward Boundaries to facilitate the two Ward system.

The Structure that is being proposed by Council is considered to comply with the cited legislative provision, given that it will:

- Incorporate sufficient Councillors to undertake the various roles and responsibilities of Council;
- Provide adequate and fair representation to all electors; and
- Compare favourably with the Ward Quotas of the other regional Councils that are currently of a similar or larger size in terms of elector numbers.

[A subsequent Council on 10 September 2013 resolved to name the two proposed Wards (should that structure be accepted) as '*Willochcra Ward*' and '*Telowie Ward*', representing the two waterway systems that flow through each respective Ward. Copies of the Final Report are available for inspection or purchase at the Council Office during normal working hours].

REGISTERS & CODES OF CONDUCT & PRACTICE

REGISTERS

- Members Register of Interest
- Member Register of Allowances and Benefits
- Officers Register of Remuneration, Salaries and Benefits
- Officers Register of Interest
- Fees and Charges
- Community Lands
- Public Roads
- Campaign Donation Returns
- Development Applications
- Gifts
- Register of Internments
- Register of Internment Rights

CODES

- Members Code of Conduct
- Access to Council Meetings, Council Committees and Council Documents
- Employee Code of Conduct

POLICIES

- Procurement Policy
- Public Consultation Policy
- Elected Members Allowances and Support Policy
- Elected Members Training & Development Policy
- Selection of Road Names and Public Places Policy
- Complaints Handling Policy
- Internal Review of Council Decisions
- Fraud and Corruption Prevention Policy
- Whistleblowers Protection Policy
- Caretaker Policy
- Code of Conduct – Employees
- Protocol – Ombudsman Enquiry Procedure
- Request for Services Policy
- Rating Policy (within the Annual Business Plan)
- Building Inspection Policy
- Assessment Records
- Voters Roll
- Strategic Plan
- Community Land Management Plans
- Various Other Council Policies included in the Policy Manual
- Various Other Work Health & Safety Policies and Procedures

ELECTED MEMBERS ALLOWANCES

Allowances are determined pursuant to Section 76 of the Local Government Act 1999 and the Local Government (*Members Allowances and Benefits*) Regulations 2010. The level of allowances (minimum and maximum amounts) are determined by the Remuneration Tribunal which is appointed by the State Government and outside of the control of Council. Allowances are indexed annually. Allowance levels set in 2010:

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

Members are also reimbursed for prescribed out-of-pocket expenses incurred whilst representing Council on official duties.

ELECTED MEMBERS TRAINING & DEVELOPMENT

Pursuant to the provisions of Section 80A of the Local Government Act 1999, Council has in place 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 2012/2013 financial year, Elected Members undertook various training, both internally and externally.

SENIOR OFFICER REMUNERATION (AS AT 30 JUNE 2013)

Chief Executive Officer (WA Hart).....	ASU; Contract
(from 21 January 2013).....	LG Super Scheme 9% of salary
.....	Subsidised Telephone Rental
.....	Subsidised Internet Access
.....	Private use of vehicle
Deputy Chief Executive Officer (Vacant)	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 Officer (M Smith).....	ASU; Contract
.....	LG Super Scheme 9% of salary
.....	Subsidised Telephone Rental
.....	Subsidised Internet Access
.....	Private use of vehicle
Manager Community & Economic Dev. (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 2012/2013 financial year, the Council utilised the confidentiality provisions on a total of eight (8) occasions, consisting of:

- four (4) occasions under Section 90(3)(a) relating to the unfair disclosure of information concerning the personal affairs of a person; and
- four (4) occasions under Section 90(3)(b) relating to conferring a commercial advantage on a person council is or proposing to conduct business with or prejudicing the commercial position of council.

Council may order that a document or part of a document dealt with on a confidential basis under Part 3 of the Local Government Act 1999 be kept confidential pursuant to Sections 91(7)&(9) Local Government Act 1999. During the 2012/2013 financial year:

- five(5) orders were made under pursuant to Section 91(7);
- three (3) orders expired; and
- five (5) orders remained operative at the end of the financial year in accordance with Regulation 22A(b)(iii) of the Local Government (General) Regulations 1999.

COMPETITIVE TENDER ARRANGEMENTS

Council has prepared and adopted a Procurement Policy pursuant to Section 49 of the Local Government Act 1999. 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 Council's Community Land Management Plans are available for inspection or purchase at the Council Office during normal business hours.

COUNCIL AUDITOR

Section 129(9) of 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 2012/2013 financial year, Council's Auditor, Ian G McDonald, was paid a total amount of \$9,350 (including GST) for work performed. This amount was entirely in relation to the annual audit of Council's financial statements.

REVIEW OF COUNCIL DECISIONS

Section 270 of the Local Government Act 1999 requires that Council must establish grievance procedures for the review of decisions of the Council, employees of the Council and other persons acting on behalf of the Council. Council has a formal Policy Document in this respect entitled "Internal Review of Council Decisions" which is available for inspection or purchase by the public from the Council office.

During the 2012/2013 financial year, no applications for review were made.

RATES

In 2012/2013 Council had a 2.5 per cent increase in general rate revenue and a \$5 increase in the fixed charge. 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	2012 / 2013		2011 / 2012	
	#	Value	#	Value
New Work	57	\$2,773,802	71	\$2,739,657
Alterations/Additions	<u>26</u>	<u>\$ 506,148</u>	<u>31</u>	<u>\$ 507,300</u>
Total	83	\$3,279,950	102	\$3,246,957

PUBLIC & ENVIRONMENTAL HEALTH

The District Council of Mount Remarkable employs an Environmental Health Officer for health inspections, safe water testing, a raft of regulatory functions and community health training as required throughout the year. The compliance workload on local government has increased markedly with the introduction of the new Public Health Act in 2013. Inspections of food handling and preparation premises are undertaken with the overall aim to ensure that all such premises are operating to the required standards.

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 *Starclub* Field Officer with neighbouring Councils and the State Government. The 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 and the process has commenced to rehabilitate the sites. 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. Council also has a 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 complaint will be processed in accordance with Council's Complaint Handling Policy. Copies of this document are available for inspection or purchase at the Council Office during normal business hours.

Council is required 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 12 months.

EEO & HUMAN RESOURCE MANAGEMENT

The Council 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 acknowledges its legal obligations under The SA Equal Opportunity Act 1984, the Local Government Act 1999 and Federal Equal Opportunity laws.

As part of this Council has:

- Incorporated the program into the Strategic Management Plan
- Ensured that recruitment, selection, promotion, transfer and training are based solely on the merit principle
- Ensured that services provided to residents will be delivered in a fair and equitable manner.

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

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. A FOI Information Statement can be found at Appendix A.

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 Annual Business Plan and Budget
- Annual Financial Statements
- Council By-Laws
- The Annual Report
- Assessment Records
- Better Development Plan
- Dog and Cat Management Plan

These documents are available for public inspection at the Council Office between 9.00 am and 5.00 pm Monday to Friday. Members of the public may also purchase copies of these documents.

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

No Freedom of Information applications were received by Council in the 12 months to 30 June 2013.

FINANCIAL STATEMENTS

Pursuant to the provisions of Schedule 4 of the Local Government Act 1999, Council's Audited Financial Statements for the financial year ending 30 June 2013 form part of this Annual Report and are included at Appendix B.

REGIONAL SUBSIDIARIES

Council currently has one regional subsidiary that fall within the provisions of Section 43 of the Local Government Act 1999. This is the Central Local Government Region of SA Inc.

This regional subsidiary produces its own individual Annual Report. The Local Government Act 1999 provides that each constituent Council must incorporate the annual report of each regional subsidiary into its own annual report and this is included at Appendix C.

PROJECTION AND TARGETS FOR THE 2013 /2014 FINANCIAL YEAR

A surplus of \$194k is being targeted in 2013/2014. The Council's long-term financial sustainability is dependent on ensuring that, on average over time, its expenses are less than its revenue.

Council's revenue in 2013/2014 includes \$2.731M proposed to be raised from general and other rates. This is based on an increase of 4%. There is little forecast growth expected for the region accordingly no increases to rates revenue has been factored in for growth. Other sources of proposed revenue for the Council are:

- User Charges and Commercial Revenue
- Statutory Charges set by State Government
- Grants
- Other Revenue

The following proposed non-financial performance measures for the 2013/2014 financial year are linked to *Our 2020 Vision*, District Council of Mount Remarkable Strategic Management Plan 2008 – 2020, namely:

- Re-sheet 30kms of unscaled roads
- Reseal 4kms of town roads
- Reshape and bitumen seal 3.5km on Top Track
- Full construction and bitumen seal 7.6kms of the Booleroo to Pekina Road
- Full construction and bitumen seal 1.1kms town roads – Wirrabara, Melrose
- Continue with plans for the introduction of a Wirrabara CWMS
- Finalise Phase 1 of the Port Flinders Boat Launching Facility
- Build Storage Area at Melrose Institute
- Finalise works at the Council Dog Pound
- Form and bitumen seal Booleroo Centre Airstrip apron
- Investigate construction of a new cell at the Willowie Land Fill
- Implement Council E-Waste Strategy
- Undertake rehabilitation works at closed rubbish dumps at Port Germein and Wirrabara
- Redevelopment of the Port Germein Foreshore
- Develop a Drainage Plan for Port Flinders
- Regional Video Conferencing Project
- Continued delivery of the Opal Program
- Continue delivery of the Healthy Communities Initiative
- Develop Council Asset Management Plan
- Develop Council Long Term Financial Plan
- Review Council's Strategic Plan
- Finalise Phase 1 Work Health Safety Implementation Plan
- Finalise Enterprise Bargaining Agreement
- Develop Control Registers
- Commence a review of all Council policies and procedures

APPENDIX A

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 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, currently 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
- Building Fire Safety Committee
- Audit Committee
- Work Health & Safety Committee
- Hall Committees
- Booleroo Centre Swimming Pool Committee
- Booleroo & District Airstrip Management Committee
- Finance Committee
- Works 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 Delegations Register and are reviewed by Council in keeping with 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 and Reserves

Council Conducts:

- Citizenship Ceremonies
- Citizen and Event of the Year

Council Inspects and Licenses:

- Food Premises
- Sanitary Condition of Buildings
- Outdoor Signage and Furniture
- Community Wastewater Management Scheme
- Community Water Supply

Council Administers:

- Regulatory Signage
- Planning and Building
- Dog Control
- Fire Prevention

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

4.2 Other Information Requests

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

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

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

Freedom of Information Request Forms should be addressed to:

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

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

5.0 AMENDMENT OF COUNCIL RECORDS

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

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

APPENDIX B

FINANCIAL STATEMENTS - District Council of Mount Remarkable

District Council of Mount Remarkable

General Purpose Financial Reports for the year ended 30 June 2013

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District Council of Mount Remarkable

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2013

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.


.....
Wayne Hart
CHIEF EXECUTIVE OFFICER


.....
Sandra Wauchope
MAYOR/COUNCILLOR

Date: 06/11/2013

District Council of Mount Remarkable

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2013

		2013	2012
	Notes	\$	\$
INCOME			
Rates	2	2,723,196	2,563,249
Statutory charges	2	52,785	59,115
User charges	2	450,205	445,034
Grants, subsidies and contributions	2	3,261,230	2,693,799
Investment income	2	259,047	272,171
Reimbursements	2	277,083	305,857
Other income	2	368,410	319,413
Total Income		<u>7,391,955</u>	<u>6,658,638</u>
EXPENSES			
Employee costs	3	1,887,427	1,816,302
Materials, contracts & other expenses	3	2,610,870	2,631,687
Depreciation, amortisation & impairment	3	2,050,953	2,101,005
Finance costs	3	50,494	50,520
Total Expenses		<u>6,599,745</u>	<u>6,599,514</u>
OPERATING SURPLUS / (DEFICIT)		792,210	59,124
Asset disposal & fair value adjustments	4	(83,357)	(6,572)
Amounts received specifically for new or upgraded assets	2	-	340,000
Physical resources received free of charge	2	-	76,428
NET SURPLUS / (DEFICIT)		708,853	468,980
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		<u>708,853</u>	<u>468,980</u>

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

District Council of Mount Remarkable

BALANCE SHEET as at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	8,062,556	7,025,046
Trade & other receivables	5	747,017	689,327
Inventories	5	18,005	33,098
		<u>8,827,578</u>	<u>7,747,471</u>
Total Current Assets		<u>8,827,578</u>	<u>7,747,471</u>
Non-current Assets			
Financial assets	6	53,837	79,651
Infrastructure, property, plant & equipment	7	74,610,195	75,241,317
Total Non-current Assets		<u>74,664,032</u>	<u>75,320,968</u>
Total Assets		<u>83,491,610</u>	<u>83,068,439</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,907,534	2,122,974
Borrowings	8	123,249	154,277
Provisions	8	114,328	121,611
		<u>2,145,111</u>	<u>2,398,862</u>
Total Current Liabilities		<u>2,145,111</u>	<u>2,398,862</u>
Non-current Liabilities			
Borrowings	8	563,328	620,204
Provisions	8	67,671	42,728
Total Non-current Liabilities		<u>630,999</u>	<u>662,932</u>
Total Liabilities		<u>2,776,110</u>	<u>3,061,794</u>
NET ASSETS		<u>80,715,500</u>	<u>80,006,646</u>
EQUITY			
Accumulated Surplus		28,934,912	27,741,788
Asset Revaluation Reserves	9	51,780,587	51,780,587
Other Reserves	9	-	484,271
TOTAL EQUITY		<u>80,715,500</u>	<u>80,006,646</u>

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

District Council of Mount Remarkable

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2013

	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
2013	\$	\$	\$	\$
Balance at end of previous reporting period	27,741,788	51,780,587	484,271	80,006,646
Net Surplus / (Deficit) for Year	708,853	-	-	708,853
Other Comprehensive Income				
Transfers between reserves	484,271		(484,271)	-
Balance at end of period	28,934,912	51,780,587	-	80,715,499
2012				
Balance at end of previous reporting period	27,060,886	51,780,587	696,193	79,537,666
Net Surplus / (Deficit) for Year	468,980	-	-	468,980
Transfers between reserves	211,922	-	(211,922)	-
Balance at end of period	27,741,788	51,780,587	484,271	80,006,646

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

District Council of Mount Remarkable

CASH FLOW STATEMENT for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		2,697,529	2,539,891
Fees & other charges		55,160	61,775
User charges		287,193	1,718,875
Investment receipts		258,801	280,014
Grants utilised for operating purposes		3,342,761	2,761,144
Reimbursements		304,791	336,443
Other revenues		598,834	695,427
<u>Payments</u>			
Employee costs		(1,878,150)	(1,774,575)
Materials, contracts & other expenses		(3,013,380)	(3,220,924)
Finance payments		(59,266)	(38,127)
Net Cash provided by (or used in) Operating Activities		<u>2,594,271</u>	<u>3,359,943</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		-	340,000
Sale of replaced assets		336,159	306,227
Repayments of loans by community groups		34,329	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,595,347)	(1,404,918)
Expenditure on new/upgraded assets		(244,000)	(834,026)
Loans made to community groups		-	(68,985)
Net Cash provided by (or used in) Investing Activities		<u>(1,468,859)</u>	<u>(1,661,702)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	20,762
<u>Payments</u>			
Repayments of borrowings		(87,904)	-
Net Cash provided by (or used in) Financing Activities		<u>(87,904)</u>	<u>20,762</u>
Net Increase (Decrease) in cash held		<u>1,037,508</u>	<u>1,719,003</u>
 Cash & cash equivalents at beginning of period	11	<u>7,025,046</u>	<u>5,306,043</u>
Cash & cash equivalents at end of period	11	<u>8,062,556</u>	<u>7,025,046</u>

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2013

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

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

3 Income recognition

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

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost.

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

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

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

6.2 Materiality

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

6.3 Subsequent Recognition

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

6.4 Depreciation of Non-Current Assets

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

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

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Loans are carried at their principal amounts which represent the value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 16.

10 Construction Contracts

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

11 Joint Ventures and Associated Entities

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

12 GST Implications

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

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

13 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2013 reporting period and have not been used in preparing these reports.

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

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

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

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 2 - INCOME

	Notes	2013 \$	2012 \$
RATES REVENUES			
<u>General Rates</u>		2,120,606	2,031,791
Less: Mandatory rebates		(64,493)	(79,668)
Less: Discretionary rebates, remissions & write offs		(47,776)	(45,520)
		2,008,336	1,906,603
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		85,722	80,138
Waste collection		267,756	226,201
Water supply		54,318	57,452
Community wastewater management systems		254,800	243,200
Separate and Special Rates		26,377	25,535
		688,973	632,526
<u>Other Charges</u>			
Penalties for late payment		25,887	24,120
		2,723,196	2,563,249
STATUTORY CHARGES			
Development Act fees		18,413	22,118
Town planning fees		10,146	12,353
Health & Septic Tank Inspection fees		2,181	2,895
Animal registration fees & fines		14,453	14,242
Search Fees		4,617	3,550
Other licences, fees, & fines		2,976	3,957
		52,785	59,115
USER CHARGES			
Cemetery/crematoria fees		5,250	9,323
Waste Management		80,195	79,170
Melrose Caravan Park		292,576	286,601
Hall & equipment hire		4,987	3,957
Community Bus		12,989	16,264
Road & Reserve Rents		13,224	12,798
Sundry		40,985	36,921
		450,205	445,034
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		254,063	255,658
Banks & other		1,126	9,003
Loans to community groups		3,858	7,510
		259,047	272,171
REIMBURSEMENTS			
- for private works		27,742	42,144
- by joint undertakings		231,295	224,551
- other		18,045	39,162
		277,083	305,857

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

NOTE 2 - INCOME (continued)

	Notes	2013 \$	2012 \$
OTHER INCOME			
Melrose Post Office Income		54,695	57,628
Sanitary & Garbage		137,457	72,416
OPAL Project		-	25,000
Disater Resillience Project		-	20,000
Training Subsidies		1,500	2,500
Pt Flinders Water Supply		7,284	7,114
Sundry		167,474	134,755
		368,410	319,413

GRANTS, SUBSIDIES, CONTRIBUTIONS

Amounts received specifically for new or upgraded assets	-		340,000
Other grants, subsidies and contributions		3,261,230	2,693,799
		3,261,230	3,033,799

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

Sources of grants

Commonwealth government		539,547	35,667
State government		2,721,683	2,658,132
Other		-	340,000
		3,261,230	3,033,799

Conditions over grants & contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period		104,506	104,506
Less: expended during the current period from revenues recognised in previous reporting periods			
Roads Infrastructure		(104,506)	
Subtotal		(104,506)	
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Pt Germaine Foreshore Redevelopment		204,478	
Subtotal		204,478	
Unexpended at the close of this reporting period		204,478	104,506
Net increase (decrease) in assets subject to conditions in the current reporting period		99,972	

PHYSICAL RESOURCES RECEIVED FREE OF CHARGE

Solar Panels			76,428
TOTAL PHYSICAL RESOURCES RECEIVED		76,428	76,428

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 3 - EXPENSES

	Notes	2013 \$	2012 \$
EMPLOYEE COSTS			
Salaries and Wages		1,768,755	1,653,034
Employee leave expense		149,737	125,148
Superannuation - defined contribution plan contributions	17	82,682	77,138
Superannuation - defined benefit plan contributions	17	74,700	65,659
Less: Capitalised and distributed costs		<u>(188,446)</u>	<u>(104,677)</u>
Total Operating Employee Costs		<u>1,887,427</u>	<u>1,816,302</u>
Total Number of Employees		42	42
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		8,500	8,500
Elected members' expenses		<u>93,295</u>	<u>99,521</u>
Subtotal - Prescribed Expenses		<u>101,795</u>	<u>108,021</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		421,109	474,531
Bank Fees		18,201	16,914
Cemeteries		38,810	45,780
Sanitary & Garbage		427,540	369,533
Energy		183,026	194,258
Halls		73,365	73,714
Water		35,193	14,176
Legal Expenses		50,282	4,681
Levies paid to government - NRM levy		84,095	79,958
- Other Levies		5,484	6,783
Melrose Caravan Park		196,947	198,818
Insurances		138,451	125,845
Reserves & Sporting Ovals		212,838	239,475
Unsealed Roads Maintenance		155,160	167,590
Telecommunications		8,425	10,563
Flinders Mobile Library Contribution		68,682	65,690
Tourism Development Officer Contribution		30,000	30,000
Sundry		<u>361,466</u>	<u>405,357</u>
Subtotal - Other Materials, Contracts & Expenses		<u>2,509,075</u>	<u>2,523,666</u>
		<u>2,610,870</u>	<u>2,631,687</u>

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 3 - EXPENSES (cont)

	Notes	2013 \$	2012 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		601,855	602,327
Infrastructure		1,195,253	1,249,606
Plant & Machinery		252,397	226,532
Office Equipment, Furniture & Fittings		509	1,496
Other Assets		939	21,044
Impairment			
(Show asset class)			
		<u>2,050,953</u>	<u>2,101,005</u>
		<u>2,050,953</u>	<u>2,101,005</u>
FINANCE COSTS			
Interest on Loans		50,494	50,520
		<u>50,494</u>	<u>50,520</u>

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2013 \$	2012 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		336,159	306,227
Less: Carrying amount of assets sold		<u>419,516</u>	<u>312,799</u>
Gain (Loss) on disposal		<u>(83,357)</u>	<u>(6,572)</u>

Note 5 - CURRENT ASSETS

	Notes	2013 \$	2012 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		157,769	798,914
Deposits at Call		209,473	202,707
Short Term Deposits & Bills, etc		<u>7,695,314</u>	<u>6,023,425</u>
		<u>8,062,556</u>	<u>7,025,046</u>
TRADE & OTHER RECEIVABLES			
Rates - General & Other		250,928	225,261
Accrued Revenues		72,686	72,440
Debtors - general		399,334	359,042
Loans to community organisations		<u>24,069</u>	<u>32,584</u>
		<u>747,017</u>	<u>689,327</u>
INVENTORIES			
Stores & Materials		<u>18,005</u>	<u>33,098</u>
		<u>18,005</u>	<u>33,098</u>

Note 6 - NON-CURRENT ASSETS

		2013	2012
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		<u>53,837</u>	<u>79,651</u>
		<u>53,837</u>	<u>79,651</u>

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012 \$				2013 \$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	4,500,818	-	-	4,500,818	4,500,818	-	4,500,818	
Buildings	10,406,877	414,478	(2,397,763)	8,423,592	10,417,127	(2,999,618)	7,831,987	
Plant & Equipment	-	4,003,229	(1,266,987)	2,736,242	4,266,761	(1,518,155)	2,748,606	
Office Equ, F & F	-	114,956	(48,366)	66,590	114,956	(48,875)	66,081	
Minor Plant	-	89,815	(75,606)	14,209	89,815	(76,835)	12,980	
Roads, Bridges & Footpaths	58,503,744	13,862,518	(16,672,626)	55,693,636	59,622,476	(17,755,378)	55,729,616	
CWMS	712,996	3,778,609	(1,546,356)	2,945,249	3,778,609	(1,658,857)	2,856,557	
Other Assets	250,000	700,583	(89,602)	860,981	704,091	(90,541)	863,550	
TOTAL PROPERTY, PLANT & EQUIPMENT	74,374,435	22,964,188	(22,097,306)	75,241,317	75,527,226	(24,148,259)	74,610,195	
<i>Comparatives</i>	74,374,435	20,961,615	(19,996,301)	75,339,749	74,374,435	(22,097,306)	75,241,317	

	CARRYING AMOUNT MOVEMENTS DURING YEAR \$							2013 \$		
	2012 \$	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
			New/Upgrade	Renewals						
Land	4,500,818	4,500,818	-	-	-	-	-	-	-	4,500,818
Buildings	8,423,592	8,423,592	-	10,250	-	(601,855)	-	-	-	7,831,987
Plant & Equipment	2,736,242	2,736,242	-	556,362	(292,830)	(251,168)	-	-	-	2,748,606
Office Equ, F & F	66,590	66,590	-	-	-	(509)	-	-	-	66,081
Minor Plant	14,209	14,209	-	-	-	(1,229)	-	-	-	12,980
Roads, Bridges & Footpaths	55,693,636	55,693,636	244,000	874,732	-	(1,082,752)	-	-	-	55,729,616
CWMS	2,945,249	2,945,249	-	23,809	-	(112,501)	-	-	-	2,856,557
Other Assets	860,981	860,981	-	130,195	(126,687)	(939)	-	-	-	863,550
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	75,241,317	75,241,317	244,000	1,595,348	(419,517)	(2,050,953)	-	-	-	74,610,195
<i>Comparatives</i>	75,339,749	75,339,749	834,026	1,481,346	(312,799)	(2,101,005)	-	-	-	75,241,317

This Note continues on the following pages.

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2013

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

Valuation of Assets

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

Land & Land Improvements

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

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

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 2007 at current replacement cost. Additions are recognised at cost.

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

Buildings & Other Structures

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

Infrastructure

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

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

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

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 8 - LIABILITIES

	Notes	2013		2012	
		\$		\$	
TRADE & OTHER PAYABLES		Current	Non-current	Current	Non-current
Goods & Services		209,629		267,186	
Payments received in advance		1,515,483	-	1,656,211	-
Accrued expenses - employee entitlements		159,288	-	167,671	-
Accrued expenses - other		23,134	-	31,906	-
		<u>1,907,534</u>	<u>-</u>	<u>2,122,974</u>	<u>-</u>
BORROWINGS					
Loans		<u>123,249</u>	<u>563,328</u>	<u>154,277</u>	<u>620,204</u>
		<u>123,249</u>	<u>563,328</u>	<u>154,277</u>	<u>620,204</u>
PROVISIONS					
Employee entitlements (including oncosts)		<u>114,328</u>	<u>67,671</u>	<u>121,611</u>	<u>42,728</u>
		<u>114,328</u>	<u>67,671</u>	<u>121,611</u>	<u>42,728</u>

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2012	Net Increments (Decrements)	Transfers, Impairments	30/6/2013
Notes	\$	\$	\$	\$
Land	3,739,613	-	-	3,739,613
Plant & Equipment	5,042,017	-	-	5,042,017
Roads, Bridges & Footpaths	42,998,957	-	-	42,998,957
TOTAL	<u>51,780,587</u>	<u>-</u>	<u>-</u>	<u>51,780,587</u>
<i>Comparatives</i>	<i>51,780,587</i>	<i>-</i>	<i>-</i>	<i>51,780,587</i>
OTHER RESERVES	1/7/2012	Transfers to Reserve	Transfers from Reserve	30/6/2013
Pit Reinstatement Reserve	4,000	-	(4,000)	0
Disaster Reserve	15,000	-	(15,000)	0
Lawnmower Reserve	33,457	-	(33,457)	0
Building Committee & Dogs Reserve	56,865	-	(56,865)	0
Caravan Park Reserve	159,922	-	(159,922)	0
Jetty Reserve	8,772	-	(8,772)	0
General Reserve	206,255	6,287	(212,542)	0
TOTAL OTHER RESERVES	<u>484,271</u>	<u>6,287.00</u>	<u>(490,558.00)</u>	<u>0</u>
<i>Comparatives</i>	<i>696,193</i>	<i>(211,922)</i>	<i>-</i>	<i>484,271</i>

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

		2013	2012
CASH & FINANCIAL ASSETS	Notes	\$	\$
Melrose Medical Centre Upgrade		144,938	
Shared Services Grant		175,023	
Roads to Recovery Grant		72,000	
Healthy Communities		50,000	
		<u>441,961</u>	<u>0</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		441,961	0

The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance.

<i>Payables</i>	8	<i>441,961</i>	
		<u><i>441,961</i></u>	<u><i>0</i></u>

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

	Notes	2013 \$	2012 \$
Total cash & equivalent assets	5	8,062,556	7,025,046
Balances per Cash Flow Statement		8,062,556	7,025,046

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

Net Surplus (Deficit)	708,853	468,980
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	2,050,953	2,101,005
Net increase (decrease) in unpaid employee benefits	9,277	41,727
Non-cash asset acquisitions	-	(76,428)
Grants for capital acquisitions treated as Investing Activity	-	(340,000)
Net (Gain) Loss on Disposals	83,357	6,572
	2,852,440	2,201,856
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(66,205)	200,000
Net (increase) decrease in inventories	15,093	(6,938)
Net increase (decrease) in trade & other payables	(207,057)	965,025
Net Cash provided by (or used in) operations	2,594,271	3,359,943

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	2	-	76,428
		-	76,428

(d) Financing Arrangements

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

Bank Overdrafts	15,000	15,000
Corporate Credit Cards	120,000	120,000
LGFA Cash Advance Debenture facility	100,000	7,500

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES											
	INCOME			EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL 2013	ACTUAL 2012	ACTUAL 2013	ACTUAL 2012	ACTUAL 2013	ACTUAL 2012	2013	2012	2013	2012	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Administration	4,094,977	3,688,736	696,780	696,756	3,398,197	2,991,980	2,010,698	1,660,851	8,808,297	8,763,653	
Regulatory Services	173,732	156,497	181,622	181,616	(7,890)	(25,119)	-	-	2,295,964	2,284,327	
Health	112,063	100,946	117,846	117,842	(5,783)	(16,896)	-	-	1,489,743	1,482,192	
Welfare	238,259	214,623	196,969	196,962	41,291	17,661	124,353	102,717	2,489,963	2,477,343	
Housing & Community	880,632	793,269	1,116,107	1,116,068	(235,475)	(322,799)	43,638	36,045	14,109,189	14,037,678	
Environmental Protection	14,114	12,714	2,918	2,918	11,196	9,796	7,905	6,530	36,886	36,699	
Recreation & Culture	103,030	92,809	339,464	339,452	(236,433)	(246,643)	22,782	18,818	4,291,307	4,269,557	
Agricultural Services	1,182	1,064	83,719	83,716	(82,537)	(82,651)	-	-	1,058,323	1,052,959	
Transport & Community Services	950,558	856,258	2,383,487	2,383,403	(1,432,929)	(1,527,146)	955,245	789,039	30,192,089	30,039,063	
Economic Affairs	479,541	431,968	574,519	574,499	(94,978)	(142,531)	96,609	79,800	7,262,746	7,225,935	
Other NEC	343,867	309,753	81,778	81,775	262,089	227,978	-	-	1,033,788	1,028,548	
Inter Function	-	-	824,536	824,507	(824,536)	(824,507)	-	-	10,423,315	10,370,485	
TOTALS	7,391,955	6,658,638	6,599,745	6,599,514	792,210	59,124	3,261,230	2,693,799	83,491,610	83,068,439	

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2013

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

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

Community Services

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

Culture

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

Economic Development

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

Environment

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

Recreation

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

Regulatory Services

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

Transport

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

Plant Hire & Depot

Council Administration

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 13 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Accounting Policy: Carried at lower of cost and net realisable value;
Term Deposits Interest is recognised when earned.

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Rates & Accounting Policy: Carried at nominal values less any allowance for Associated Charges (including doubtful debts. An allowance for doubtful debts is recognised (and re-legals & penalties for late assessed annually) when collection in full is no longer probable. payment)

Carrying amount: approximates fair value (after deduction of any allowance).
Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Receivables - Fees & other Accounting Policy: Carried at nominal values less any allowance for charges doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

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

Carrying amount: approximates fair value (after deduction of any allowance).

Liabilities - Creditors and 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.
Accruals

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Liabilities - Interest Bearing Accounting Policy: Carried at the principal amounts. Interest is Borrowings charged as an expense as it accrues.

Carrying amount: approximates fair value.

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	8,062,556			8,062,556	8,062,556
Receivables	747,017	-	-	747,017	747,017
Other Financial Assets		53,837	-	53,837	53,837
Total	8,809,573	53,837	-	8,863,410	8,863,410
<u>Financial Liabilities</u>					
Payables	1,907,534	-	-	1,907,534	1,907,534
Current Borrowings	123,249	-	-	123,249	123,249
Non-Current Borrowings	-	563,328	-	563,328	563,328
Total	2,030,783	563,328	-	2,594,111	2,594,111
2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	7,025,046			7,025,046	7,025,046
Receivables	543,717	-	-	543,717	543,717
Other Financial Assets	-	79,651	-	79,651	79,651
Total	7,568,763	79,651	-	7,648,414	7,648,414
<u>Financial Liabilities</u>					
Payables	1,923,397	-	-	1,923,397	1,923,397
Current Borrowings	154,277	-	-	154,277	154,277
Non-Current Borrowings	-	620,204	-	620,204	620,204
Total	2,077,674	620,204	-	2,697,878	2,697,878

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

	30 June 2013		30 June 2012	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Variable Rates	5.00	66,373	5.15	87,642
Fixed Interest Rates	6.85	620,204	7.57	686,839
		<u>686,577</u>		<u>774,481</u>

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 13 (cont) - FINANCIAL INSTRUMENTS

Net Fair Value

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

Risk Exposures

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

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

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

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 14 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2013 \$	2012 \$
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Water Supply		84,424	81,770
CWMS		328,053	318,697
Other		<u>124,446</u>	<u>131,915</u>
		<u>536,923</u>	<u>532,382</u>
These expenditures are payable:			
Not later than one year		<u>536,923</u>	<u>532,382</u>
		<u>536,923</u>	<u>532,382</u>
Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		17,000	25,500
Waste Management Services		74,880	112,320
Employee Remuneration Contracts		662,426	1,936,278
Other		<u>310,000</u>	<u>297,000</u>
		<u>1,064,306</u>	<u>2,371,098</u>
These expenditures are payable:			
Not later than one year		<u>662,426</u>	<u>1,708,672</u>
Later than one year and not later than 5 years		<u>401,880</u>	<u>662,426</u>
		<u>1,064,306</u>	<u>2,371,098</u>

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 15 - FINANCIAL INDICATORS

	2013	2012	2011
--	------	------	------

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

Operating Surplus Ratio

<u>Operating Surplus</u>	30%	2%	(8%)
Rates - general & other less NRM levy			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	(83%)	(72%)	(67%)
Total Operating Revenue less NRM levy			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	61%	52%	47%
Depreciation			

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2013 \$	2012 \$
Income	7,391,955	6,658,638
less Expenses	<u>6,599,745</u>	<u>6,599,514</u>
Operating Surplus / (Deficit)	792,210	59,124
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,595,347	1,404,918
less Depreciation, Amortisation and Impairment	2,050,953	2,101,005
less Proceeds from Sale of Replaced Assets	<u>336,159</u>	<u>306,227</u>
	(791,765)	(1,002,314)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	244,000	834,026
less Amounts received specifically for New and Upgraded Assets	-	340,000
	<u>244,000</u>	<u>494,026</u>
Net Lending / (Borrowing) for Financial Year	<u>1,339,975</u>	<u>567,412</u>

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2013

Note 17 – SUPERANNUATION

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

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2012/13; 9% in 2011/12). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2011/12) of "superannuation" salary.

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

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

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

District Council of Mount Remarkable

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2013

Note 18 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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

1. LAND UNDER ROADS

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

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$77,906 (2011: \$112,235) at reporting date.

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

4. LEGAL EXPENSES

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

5. CONTINGENT LIABILITIES

At the time of preparing these accounts there are no other known contingent liabilities to consider other than those raised above.



**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 2013 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 2013.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Liability limited by a scheme approved under Professional Standards Legislation

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

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 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

Significant Uncertainty Regarding Fair Value of Infrastructure Assets

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



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

Signed 12 day of November 2013 at Eastwood, South Australia

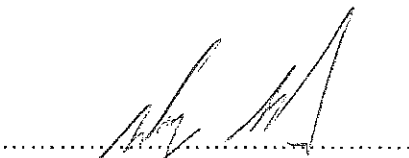
District Council of Mount Remarkable


ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2013

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Mt Remarkable for the year ended 30 June 2013, the Council's Auditor, Ian McDonald, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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


.....
Wayne Hart
CHIEF EXECUTIVE OFFICER


.....
Sandra Wauchope
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 06/11/2013

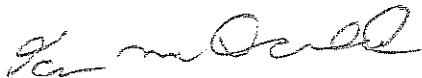
District Council of Mt Remarkable

ANNUAL FINANCIAL STATEMENTS For The Year Ended 30 June 2013

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of the District Council of Mt Remarkable for the year ended 30 June 2013, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



Ian G McDonald FCA

Dated this 15 day of October 2013

FINANCIAL STATEMENTS – Central Local Government Region Inc. - Section 43



Central

Local Government Region of South Australia
Incorporated under provisions of the Local Government Act

ABN: 34 728 242 315

Chairman:
Mayor James Maitland

Executive Officers:
Anita Crisp

Postal Address:
PO Box 168
CRYSTAL BROOK SA 5323

Telephone:
08 86385557

Mobile:
0427 609 404

Facsimile:
08 86385517

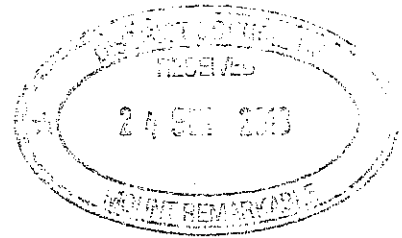
Email:
ceo@centralregion.sa.gov.au

Website:
www.centralregion.sa.gov.au

Member Councils:

- The Barossa
- Barunga West
- Clare & Gilbert Valleys
- Copper Coast
- Flinders Ranges
- Goyder
- Light Regional
- Mallala
- Mount Remarkable
- Northern Areas
- Ororoo/Carrieton
- Peterborough
- Port Pirie Regional
- Wakefield Regional
- Yorke Peninsula

Mail Item:	18702
File Ref:	GDS 773-1
Agenda Item:	Council 8 Oct.
Meeting:	Item 18.1
Copy to:	



Attention: Chief Executive Officer - Participating Councils
Central Local Government Region of SA Inc

19th September 2013

Annual Financial Statements 2012/13

Please find attached hard copy of the Audited Annual Financial Statements for the Central Local Government Region of SA Inc for 2012/13.

Please advise if you require a pdf version (I haven't supplied this as the sheets do not scan in straight – they are slightly skewed).

Regards

Griff

Griff Campbell
Phone 08 8892 0118
Email : gcampbell@goyder.sa.gov.au

14 September 2013

Mayor J Maitland
President
Central Local Government Region of SA Inc.
PO Box 94
MELROSE SA 5483

Dear Mayor Maitland

Please be advised that I have now completed the external financial audit of the Region for the financial year ended 30 June 2013.

The audit opinion has been signed without qualification.

1. Report on Matters Arising from the Audit

There is no matter that requires a report to the Minister.

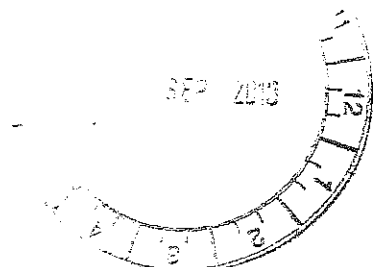
I am satisfied with the action taken in relation to my audit communication during the year.

The Auditor's Independence Declaration has been provided.

2. Adequacy of the Internal Control Environment

In my opinion the Subsidiary's internal control environment is adequate.

A review of the internal control framework documentation should be undertaken annually.



Please do not hesitate to contact me on 0419620906 if further information is required.

Yours sincerely



Ian Mc Donald

Cc: Griff Campbell

Central Local Government Region of SA Inc

General Purpose Financial Reports for the year ended 30 June 2013

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Audit Certificate of Audit Independence	

Central Local Government Region of SA Inc

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
INCOME			
Grants, subsidies and Council contributions	2	636,060	796,980
Investment income	2	17,433	22,516
Other income	2	159,758	161,863
Total Income		<u>813,251</u>	<u>981,359</u>
EXPENSES			
Employee costs	3	57,201	-
Materials, contracts & other expenses	3	749,118	920,340
Depreciation, amortisation & impairment	3	6,160	6,529
Total Expenses		<u>812,479</u>	<u>926,869</u>
OPERATING SURPLUS / (DEFICIT)		772	54,490
Asset disposal & fair value adjustments	4	(7,140)	-
NET SURPLUS / (DEFICIT)		<u>(6,368)</u>	<u>54,490</u>
transferred to Equity Statement			
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>(6,368)</u>	<u>54,490</u>

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

Central Local Government Region of SA Inc

BALANCE SHEET
as at 30 June 2013

ASSETS	Notes	2013 \$	2012 \$
Current Assets			
Cash and cash equivalents	5	601,152	586,594
Trade & other receivables	5	<u>55,249</u>	<u>86,077</u>
Total Current Assets		<u>656,401</u>	<u>672,671</u>
Non-current Assets			
Infrastructure, property, plant & equipment	7	<u>34,008</u>	<u>21,530</u>
Total Non-current Assets		<u>34,008</u>	<u>21,530</u>
Total Assets		<u>690,409</u>	<u>694,201</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	54,838	58,041
Provisions	8	<u>5,668</u>	<u>-</u>
Total Current Liabilities		<u>60,506</u>	<u>58,041</u>
Non-current Liabilities			
Provisions	8	<u>111</u>	<u>-</u>
Total Non-current Liabilities		<u>111</u>	<u>-</u>
Total Liabilities		<u>60,617</u>	<u>58,041</u>
NET ASSETS		<u>629,792</u>	<u>636,160</u>
EQUITY			
Accumulated Surplus		3,486	303,660
Other Reserves	9	<u>626,306</u>	<u>332,500</u>
TOTAL EQUITY		<u>629,792</u>	<u>636,160</u>

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

Central Local Government Region of SA Inc

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2013

2013	Notes	Accumulated Surplus \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		303,660	332,500	636,160
Restated opening balance		303,660	332,500	636,160
Net Surplus / (Deficit) for Year		(6,368)		(6,368)
Transfers between reserves		(293,806)	293,806	-
Balance at end of period		3,486	626,306	629,792
2012				
Balance at end of previous reporting period		249,170	332,500	581,670
Restated opening balance		249,170	332,500	581,670
Net Surplus / (Deficit) for Year		54,490		54,490
Transfers between reserves		-	-	-
Balance at end of period		303,660	332,500	636,160

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

Central Local Government Region of SA Inc

CASH FLOW STATEMENT

for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		17,865	24,457
Grants & Council Contributions		654,641	939,375
Other revenues		250,124	133,453
<u>Payments</u>			
Employee costs		(45,039)	-
Materials, contracts & other expenses		<u>(837,255)</u>	<u>(1,055,053)</u>
Net Cash provided by (or used in) Operating Activities		40,336	42,232
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		10,909	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		<u>(36,687)</u>	<u>-</u>
Net Cash provided by (or used in) Investing Activities		(25,778)	-
 Net Increase (Decrease) in cash held		 <u>14,558</u>	 <u>42,232</u>
Cash & cash equivalents at beginning of period	11	<u>586,594</u>	<u>544,362</u>
Cash & cash equivalents at end of period	11	<u>601,152</u>	<u>586,594</u>

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Accounting

This general purpose financial report has been prepared in accordance with Australian equivalents To International Financial Reporting Standards (AIFRS) 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 the Region by certificate under Regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 9th August 2013

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Region'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 (\$).

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

The Central Local Government Region of South Australia Incorporated ("the Region") is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

- | | |
|---|--|
| 1. The Barossa Council | 2. District Council of Mount Remarkable |
| 3. District Council of Barunga West | 4. Northern Areas Council |
| 5. Clare and Gilbert Valleys Council | 6. District Council of Orroroo/Carrieton |
| 7. District Council of the Copper Coast | 8. District Council of Peterborough |
| 9. The Flinders Ranges Council | 10. Port Pirie Regional Council |
| 11. Regional Council of Goyder | 12. Wakefield Regional Council |
| 13. Light Regional Council | 14. District Council of the Yorke Peninsula, and |
| 15. District Council of Mallala. | |

All funds received and expended by the Region have been included in the Financial Statements forming part of this Financial Report.

1.3 Income recognition

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

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 Region's operations for the current reporting period.

1.4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

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

1.5 Infrastructure, Property, Plant & Equipment

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". All assets are recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Region for each type of asset. In determining such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are as follows:

Office Furniture & Equipment	\$1,000
Motor Vehicles, Other Plant & Equipment	\$1,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value

All plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Region, best reflects the consumption of the service potential embodied in those assets.

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

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

2 Employee Benefits

2.1 Salaries, Wages & Compensated Absences

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

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by its employee up to the reporting date.

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

2.2 Superannuation

The Region makes employer superannuation contributions in respect of its employee to the Statewide Superannuation Scheme.

3 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.

4 Pending Accounting Standards

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

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 10	Consolidated Financial Statements
AASB 11	Joint Arrangements
AASB 12	Disclosure of Interests in Other Entities
AASB 13	Fair Value Measurement
AASB 119	Employee Benefits
AASB 127	Separate Financial Statements
AASB 128	Investments in Associates and Joint Ventures
AASB 132	Financial Instruments: Presentation

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2011-8, AASB 2011-10, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6 and AASB 2012-10.

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

The Region 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.

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 2 - INCOME

	2013	2012
Notes	\$	\$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	17,041	21,431
Banks & other	392	1,085
	<u>17,433</u>	<u>22,516</u>
OTHER INCOME		
Council Contributions	145,245	142,395
Roads Project	0	5,148
Motor Vehicle Contribution	5,400	10,000
Sundry	9,113	4,320
	<u>159,758</u>	<u>161,863</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	636,060	796,980
	<u>636,060</u>	<u>796,980</u>

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

Sources of grants

Commonwealth government	402,636	352,000
State government	135,000	334,000
Other	98,424	110,980
	<u>636,060</u>	<u>796,980</u>

Conditions over grants & contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period	221,816	225,809
Less: expended during the current period from revenues recognised in previous reporting periods		
P002-Flood Remediation	(9,910)	
P008-Coastal Councils Project		(126,473)
P009-Climate Change		(74,202)
P010-Windfarm Liaison	(28,462)	
P014-Water Project		(25,134)
Subtotal	<u>(38,372)</u>	<u>(225,809)</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
P002-Flood Remediation		9,910
P003-Waste Management	7,890	5,584
P007-LGA R&D Projects	3,493	
P008-Coastal Councils Project	13,923	55,104
P009-Climate Change	34,229	75,153
P010-Wind Farm Liaison		76,065
P014-Water Project	21,439	
P022-Roads & Transport	21,458	
Subtotal	<u>102,432</u>	<u>221,816</u>
Unexpended at the close of this reporting period	<u>285,876</u>	<u>221,816</u>
Net increase (decrease) in assets subject to conditions in the current reporting period	<u>64,060</u>	<u>(3,993)</u>

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 3 - EXPENSES

	Notes	2013 \$	2012 \$
EMPLOYEE COSTS			
Salaries and Wages		44,653	-
Employee leave expense		5,779	-
Superannuation - defined contribution plan contributions	18	4,019	-
Other : Career Development		2,750	-
Total Operating Employee Costs		57,201	-
Total Number of Employees		1	-
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		1,500	1,500
Other Audit/Accounting Fees		300	220
Subtotal - Prescribed Expenses		<u>1,800</u>	<u>1,720</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors & Consultants		513,514	769,677
Energy & Fuel		4,502	3,801
Donations - Plants		10,000	11,865
Grants		175,040	87,545
Members Allowances & Support		3,979	5,923
Meetings & Conferences		4,244	2,929
Insurance		7,346	6,920
Professional legal services		1,800	-
Sundry		26,893	29,960
Subtotal - Other Materials, Contracts & Expenses		<u>747,318</u>	<u>918,620</u>
		<u>749,118</u>	<u>920,340</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Motor Vehicle		5,388	6,529
Software		772	-
		<u>6,160</u>	<u>6,529</u>

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2013	2012
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	10,909	-
Less: Carrying amount of assets sold	<u>18,049</u>	<u>-</u>
Gain (Loss) on disposal	<u>(7,140)</u>	<u>-</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(7,140)</u>	<u>-</u>

Note 5 - CURRENT ASSETS

	2013	2012
Notes	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	2,653	130,568
Deposits at Call	<u>598,499</u>	<u>456,026</u>
	<u>601,152</u>	<u>586,594</u>
TRADE & OTHER RECEIVABLES		
Accrued Revenues	45,947	6,715
Debtors - general	<u>9,302</u>	<u>79,362</u>
	<u>55,249</u>	<u>86,077</u>

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

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Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

	2012 \$				2013 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Motor Vehicle	-	28,059	(6,529)	21,530	-	35,915	(1,907)	34,008
Software	-	-	-	-	-	772	(772)	-
TOTAL PROPERTY, PLANT & EQUIPMENT	-	28,059	(6,529)	21,530	-	36,687	(2,679)	34,008
<i>Comparatives</i>		28,059		28,059	-	28,059	(6,529)	21,530

	2012 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR \$							2013 \$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT	
		New/Upgrade	Renewals							
Note 7B - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT										
Motor Vehicle	21,530		35,915	-	(18,049)	(5,388)	-	-	-	34,008
Software	-		772	-	-	(772)	-	-	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT	21,530		36,687	-	(18,049)	(6,160)	-	-	-	34,008
<i>Comparatives</i>	28,059					(6,529)				21,530

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 8 - LIABILITIES

	Notes	2013		2012	
		\$	\$	\$	\$
TRADE & OTHER PAYABLES		Current	Non-current	Current	Non-current
Goods & Services		48,455		58,041	
Accrued expenses - employee entitlements		6,383			
		54,838	-	58,041	-

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.

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PROVISIONS

Employee entitlements (including oncosts)		5,668	111		
		5,668	111	-	-

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

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Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 9 - RESERVES

OTHER RESERVES	1/7/2012	Transfers to Reserve	Transfers from Reserve	30/6/2013
General Reserve	12,500	-	-	12,500
P003-Waste Management	-	13,474	-	13,474
P007-LGA Research & Development	-	3,493	-	3,493
P008-Coastal Councils	-	69,027	-	69,027
P009-Climate Change	-	109,382	-	109,382
P010-Wind Farm Liaison	-	47,603	-	47,603
P011-Regional Broadband	-	2,940	-	2,940
P013-Environment & Roadside Vegetation	-	4,990	-	4,990
P014-Regional Water Supply	-	21,439	-	21,439
P015-Local Government Reform	320,000	-	-	320,000
P022-Roads & Transport	-	21,458	-	21,458
TOTAL OTHER RESERVES	332,500	293,806	-	626,306
<i>Comparatives</i>	<u>332,500</u>	<u>-</u>	<u>-</u>	<u>332,500</u>

PURPOSES OF RESERVES

- 1 **P003-Waste Management**
State Government funded technical support programme - completion 2013/14
- 2 **P007-LGA Research & Development**
LGA funded support programme - expiry 2013/14
- 3 **P008-Coastal Councils**
Federal Government funded "Caring for our Country" programme - completion 2013/14
- 4 **P009-Climate Change**
Regional Partners and State Government funded programme - Project managed by Yorke and Mid North Alliance and includes engagement of technical support and seed distribution - completion 2013/14
- 5 **P010-Wind Farm Liaison**
LGA funded programme - windfarm planning guide - completion 2013/14
- 6 **P011-Regional Broadband**
Federal Government funded - project management - completion 2013/14
- 7 **P013-Environment & Roadside Vegetation**
Federal Government funded - project management - completion 2013/14
- 8 **P014-Regional Water Supply**
State Government funded - water project technical support - completion 2013/14
- 9 **P015-Local Government Reform**
CLGR funded programme - Council Shared Services
- 10 **P022-Roads & Transport**
CLGR funded programme - Regional Development Australia Freight Strategy - anticipated 2014

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2013 \$	2012 \$
Total cash & equivalent assets	5	<u>601,152</u>	<u>586,594</u>
Balances per Cash Flow Statement		<u>601,152</u>	<u>586,594</u>

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

Net Surplus (Deficit)		(6,368)	54,490
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		6,160	6,529
Net increase (decrease) in unpaid employee benefits		12,162	-
Net (Gain) Loss on Disposals		<u>7,140</u>	<u>-</u>
		19,094	61,019
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		30,828	(47,877)
Net increase (decrease) in trade & other payables		<u>(9,586)</u>	<u>29,089</u>
Net Cash provided by (or used in) operations		<u>40,336</u>	<u>42,231</u>

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:
Corporate Credit Cards 2,000 -

Note 12 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 P002-Flood Damage Remediation
- 2 P003-Regional Waste Management
- 3 P007-LGA Research & Development
- 4 P008-Coastal Councils Coastcare
- 5 P009-Climate Change Co-ordinator
- 6 P010-Wind Farm Liaison
- 7 P011-Regional Broadband
- 8 P013-Environment & Roadside Vegetation
- 9 P014-Regional Water Supply
- 10 P015-Local Government Reform
- 11 P022-Roads & Transport

Income and expenses have been attributed to the above functions/activities throughout the financial year.

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and has an interest rate of 2.75% as at 30 June 2013</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Region is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Region's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Region.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Liquidity Analysis

2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	601,152			601,152	601,152
Receivables	55,249			55,249	55,249
Total	656,401	-	-	656,401	656,401
Financial Liabilities					
Payables	48,455			48,455	48,455
Total	48,455	-	-	48,455	48,455
2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	586,594			586,594	586,594
Receivables	86,077			86,077	86,077
Total	672,671	-	-	672,671	672,671
Financial Liabilities					
Payables	58,041			58,041	58,041
Total	58,041	-	-	58,041	58,041

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 Region.

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 Region is the carrying amount, net of any allowance for doubtful debts. All Region investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in the Notes in relation to individual classes of receivables, exposure is concentrated within the Region's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Region'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 Region will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 15 - FINANCIAL INDICATORS

	2013	2012	2011
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	0%	0%	0%
Rates - general & other less NRM levy			

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy, nil value as the Region does not levy rates.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-73%	-63%	-74%
Total Operating Revenue less NRM levy			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	418%	0%	430%
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Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2013	2012
	\$	\$
Income	813,251	981,359
<i>less</i> Expenses	<u>812,479</u>	<u>926,869</u>
Operating Surplus / (Deficit)	772	54,490
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	36,687	-
<i>less</i> Depreciation, Amortisation and Impairment	6,160	6,529
<i>less</i> Proceeds from Sale of Replaced Assets	<u>10,909</u>	<u>-</u>
	19,618	(6,529)
<i>less</i> Net Outlays on New and Upgraded Assets	<u>-</u>	<u>-</u>
Net Lending / (Borrowing) for Financial Year	<u>(18,846)</u>	<u>61,019</u>

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 18 – SUPERANNUATION

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

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2012/13; 9% in 2011/12). No further liability accrues to the Region as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Region does not make employer contributions to Salarylink.

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

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

Central Local Government Region of SA Inc

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 19 - 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 agreement whereby two or more parties undertake an economic activity that is subject to joint control.

The Region has no interest in Joint Ventures or Associated Entities

Although the Region itself is a Regional Subsidiary established by the 15 Member Councils (as per Note 1), it is not considered to be an associate of any of the individual Councils as no one Council has significant influence. As such, equity accounting procedures are not used by the individual Councils. It is likely that each Council's interest in the Regional Subsidiary is non-material and as such, it is appropriate for a Council to write off its annual contribution as an expense.

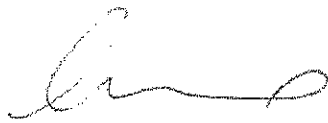
Central Local Government Region of SA Inc

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2013**

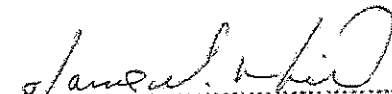
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Central Local Government Region of SA Inc to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Region's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Region provide a reasonable assurance that the Region's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Region's accounting and other records.



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Anita Crisp
CHIEF EXECUTIVE OFFICER



.....
Mayor James Maitland
PRESIDENT

Date: 09 / 08 / 2013


Central Local Government Region of SA Inc

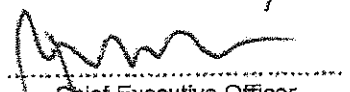
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2013

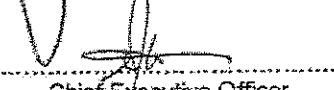
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Central Local Government Region of South Australia Incorporated for the year ended 30 June 2013, 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.

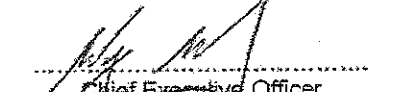
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



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Chief Executive Officer
The Barossa Council

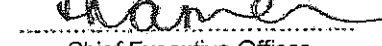

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Chief Executive Officer
Clare and Gilbert Valleys Council


.....
Chief Executive Officer
The Flinders Ranges Council

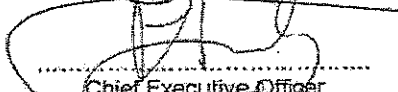

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Chief Executive Officer
Light Regional Council

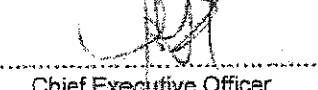

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Chief Executive Officer
District Council of Mount Remarkable


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Chief Executive Officer
Port Pirie Regional Council

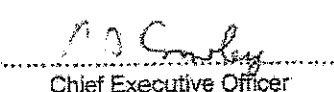

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Chief Executive Officer
District Council of Yorke Peninsula

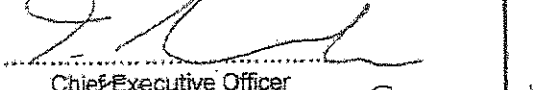

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Chief Executive Officer
District Council of Barunga West


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Chief Executive Officer
District Council of the Copper Coast


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Chief Executive Officer
Regional Council of Goyder

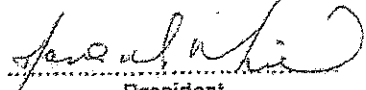

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Chief Executive Officer
District Council of Mallala


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Chief Executive Officer
Northern Areas Council


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Chief Executive Officer
District Council of Peterborough


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Chief Executive Officer
District Council of Peterborough


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Chief Executive Officer
Wakefield Regional Council


.....
President
Central Local Government Region
Board of Management

Central Local Government Region of SA Inc

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2013**

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of The Central Local Government Region of SA Inc for the year ended 30 June 2013, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



Ian G Mc Donald FCA

Dated this 25 day of July 2013



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE CENTRAL LOCAL GOVERNMENT
REGION OF SA INC**

I have audited the accompanying financial report of the Central Local Government Region of SA Inc which comprises the balance sheet as at 30 June 2013 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 2013.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Central Local Government Region of SA Inc. as of 30 June 2013, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

A handwritten signature in black ink, appearing to read 'Ian G McDonald'.

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

Liability limited by a scheme approved under Professional Standards Legislation

Signed 14 day of September 2013, 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