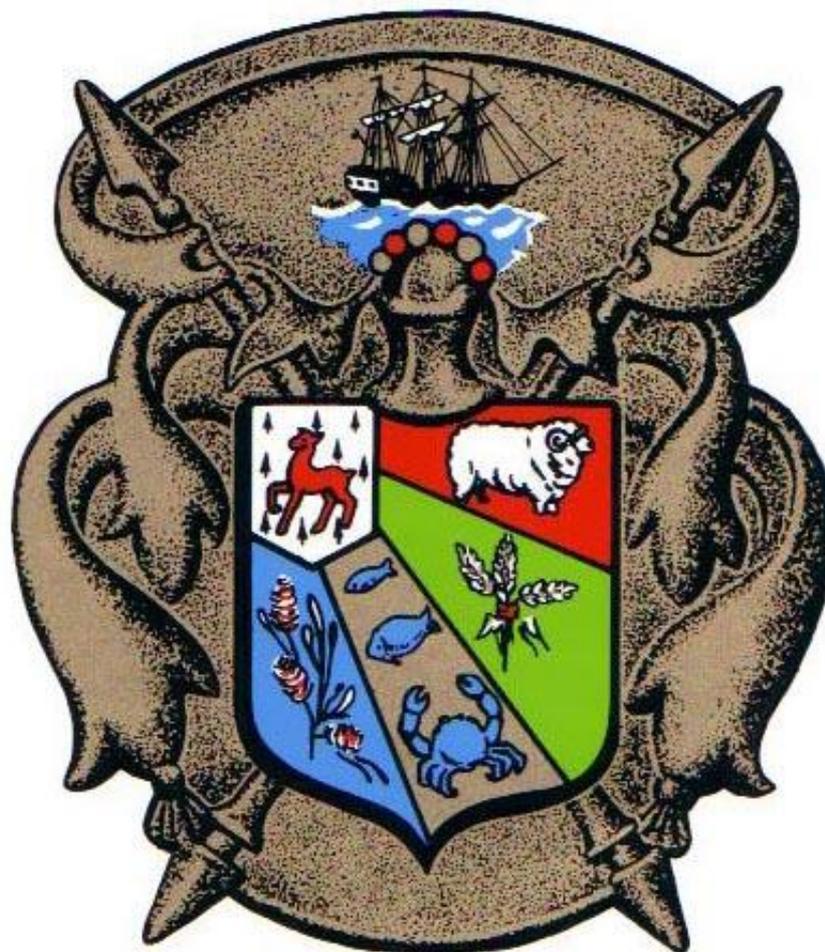


DISTRICT COUNCIL OF



FRANKLIN HARBOUR

Annual Report 2012/2013

RESOLUTION 238/11/13

Vision

A proud, growing and unified community benefiting from a diverse and environmentally sustainable economic base.

Mission Statement

The District Council of Franklin Harbour will provide our community with:

- ~ **A high standard of essential services in an efficient manner**
- ~ **Positive leadership**
- ~ **Representation of our needs to the wider population**
- ~ **Stimulus for economic growth**
- ~ **Sound management of our valuable natural environment**

Council Goals

Community Wellbeing

Maximise the benefit to the community from improved community services

Economic Wellbeing

To foster a diverse and growing economic base that results in an increase in employment and population

Natural and Built Environment

Maintain our high quality living environment

Governance and Organisation

A professional, effective and customer oriented organisation playing the leading role in community development

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MAYOR'S REPORT



Council has three major projects in the planning stage. First is the Community Wastewater Management Scheme (CWMS) which is now in the final stages of planning. The project has had some changes, being the location of the treatment plant and the removal of some pumps from the shoreline.

The second project is the foreshore upgrade. An application has been made for grant funding and it is hoped some work can begin in the future.

The third project is Lucky Bay. Part being the proposed Iron Ore Shipping Project and the other part is to develop a standard which Council believes will give Lucky Bay a future after 2027.

The future of the two Hundreds being Heggaton and Mangalo is still unresolved but it appears unlikely they will remain in the Franklin Harbour Council.

A lot of staff time has been put into planning and regulation to help us comply with new government standards.

During this period a Compliance Officer has been employed. This position is a shared service with the Cleve District Council. We have had some good results from this Officer position at Lucky Bay.

We have a new Health Inspector and results so far have been very encouraging.

Council is building a new house for the Chief Executive Officer and it is near completion. It will get much harder to get good Chief Executive Officers if good salaries and facilities are not at a high standard.

As Mayor I take this opportunity to thank Terry Barnes, CEO and our Staff for their dedication and work making our Council strong and financial.

I would like to thank the support of the Councillors who it is a pleasure to work with.

Our Council is in a strong position both structurally and financially and with proposed projects likely to come onside soon, we have a good future.

Eddie Elleway
MAYOR

CHIEF EXECUTIVE OFFICER'S REPORT



I have now completed my first full year as Chief Executive Officer and this is my second annual report.

After 46 years of service to this community Mr. Stuart Wiseman retired during the year. Last year Mr. Bruce Francis retired after 26 years, therefore in the space of twelve months the Franklin Harbour community has lost a total of 72 years experience, this is a massive loss of corporate knowledge!

On behalf of the Community I would like to record its appreciation to a job well done, congratulations Stewy!

During the year the Works Manager, Mr. Dennis Petty also retired, Mr. Steven Beinke a Plant Operator resigned, Mr. Troy Elleway, a trainee Mechanic completed his traineeship as did Ms. Abby Barnett in the Administration area.

Welcome to new Staff, Mr. Darren Zechner, Works Manager, Ms. Stacey Franklin, Administration and Mr. Wayne Pope, Compliance Officer. I am certain you will all have a satisfying relationship with this Council.

In pursuit of its desire to improve its sustainability Council continued to:

- pursue the Community Wastewater Management Scheme;
- adopted the Development Plan Amendment – Coastal Zone;
- adopted a Cowell Traffic Management Plan;
- reviewed the District Roads, Hierarchy Policy;
- continued to investigate the sharing with D/C's Cleve and Kimba the joint collection of rubbish;
- adopted a Plant Replacement Programme;
- continued to develop a long term financial plan and Asset Management Plan;
- initiated a design for the Cowell streets sealing, kerbing, footpaths and drainage.

Other significant projects Council commenced or continued with, were the purchase of the old SA Water Depot. The idea is for a new Civic Centre to be constructed on this site sometime in the future. The construction of the Chief Executive Officer's house was commenced and at time of writing is nearly completed.

The Boundary Adjustment Facilitation Panel handed down its Proposal in regard to the Mangalo/Heggaton Hundreds being transferred to the D.C. Cleve. That being, that the boundary be altered. At the time of writing this report final public notice was to be given after which there is an eight (8) week period for a Poll to be demanded.

A Review of Elector Representation was carried out during the year with Council deciding on the status quo, that being:

- No wards
- Retain 6 elected members
- Principle member to be elected from Councillors
- Title of Principle member being Mayor.

Council continued to assist the Lucky Bay Shack owners to develop a case to be put to the appropriate Minister to extend the overarching lease Council has for the Lucky Bay Shack Area 80.

The Cowell Cottages Committee approached Council some two (2) years ago with a view to Council taking over ownership and management of this wonderful Community Asset. Council agreed that this would be beneficial to the Community, consequently Terms of Reference have been developed and a review of the Community Land – Management Plan commenced.

Council received a \$2.2 million grant from the Federal Government for the upgrade of the Lucky Bay Ferry Harbour. This upgrade is to develop the harbour into a multi user export facility and if successful will be of great benefit to not only this Council, but the whole Eastern Eyre Peninsula.

In closing I would like to thank all staff for their continued unwavering support both to me and Councillors, we have a good solid team with good leadership from the elected members.

T.D. Barnes
Chief Executive officer

FINANCE MANAGERS REPORT

COUNCIL STRUCTURE



The District Council of Franklin Harbour has six elected members.

The term of the new Council commenced from 13 November 2010, for a four year term.

The December 2010 Council meeting elected the following:-

Mayor Councillor Eddie Elleway

Deputy Mayor Councillor Gavin Jackson

The Elected Members of Council are:-

Mayor	Cr. Eddie Elleway	Yabmana	8628 5037
Deputy Mayor	Cr. Gavin Jackson	Mt. Millar Via Cowell	8628 5028
	Cr. Bob Udy	Unit 32 Cowell Cottages	0427 348 933
	Cr Allan Zerna	Lincoln Highway, Cowell	89629 2088
	Cr. Shaun Hornhardt	4 Smith Road, Cowell	8629 2226
	Cr. Robert Starr	Cowell	8628 5005

The elected members determine Council policies and programmes, which are implemented by Council's Senior Managers and the workforce as per the decision making structure represented in the Annual Information Statement.

The next periodical election is scheduled for November 2014.

MEMBERS' ALLOWANCES

The following Members' Allowances have been determined for the term of the current Council:-

Mayor	\$21,708 - per annum
Deputy Mayor	\$ 6,784 - per annum
Councillors	\$ 5,427 - per annum

Allowances are payable quarterly in arrears.

COMMITTEE ALLOWANCES

Audit Committee - Independent Audit Committee Member
\$2,000 per annum

SENIOR EXECUTIVE OFFICERS' REMUNERATION

Council's Senior Executive Officers are as follows:-

Chief Executive Officer – TD Barnes	L.G. Superannuation scheme 9.3% of Salary Telephone Provision Subsidised House Rental
Works Manager – DJ Zechner	MOA; Senior Officer Stream 3.3 + EBA LG Superannuation Scheme 9.3% of Salary Subsidised House Rental Telephone Provision
Finance Manager – BM Clelland	MOA, Senior Officer Stream 3.1 + EBA LG Superannuation Scheme 9.3% of Salary Subsidised House Rental

REGISTERS

Council has compiled the following Registers in accordance with the provision of the Local Government Act 1999:-

- * Register of Public Roads
- * Register of Community Land
- * Register of Interests – Elected Members
- * Register of Allowances and Benefits
- * Register of Interests – Senior Staff
- * Register of Salaries
- * Register of By-Laws
- * Register of Hazardous Substances

CODES OF PRACTICE

Council has adopted the following Codes of Practice in accordance with the Provisions of the Local Government Act:-

- * Code of Conduct for Employees
- * Code of Conduct for Council Members
- * Code of Practice for Public Access to Council and Committee Meetings and access to Minutes and Documentation.

POLICY MANUAL

Council has adopted the following policies which form Council's Policy Manual:-

- * Building Inspection Policy
- * Occupational Health, Safety & Welfare and Injury Management Policy
- * Occupational Health, Safety & Welfare Consultation Policy
- * Accident/Incident Reporting Policy
- * Emergency Facilities and Procedures Policy
- * Hazardous/Dangerous Substances Policy
- * Asbestos Policy
- * Confined Space policy
- * Training and Development Policy
- * Personal Protection Equipment policy
- * Inclement Weather Policy
- * Isolated/Remote Work policy
- * Non Smoking Policy
- * Aids/Hepatitis B Policy
- * Manual Handling Policy
- * Rating Policy
- * Competitive Tendering, Contracting-out of Services, Purchasing, Sale and Disposal of Land and other Assets Policy
- * Rural Salt Drainage Policy
- * Roadside Vegetation Management Policy
- * Council Members' and Staff Insurance Policy
- * Licences Issue Policy
- * Council Seal policy
- * Travel and Accommodation Policy
- * Public Consultation Policy
- * Internal Control Policy
- * Contractor Management Policy
- * Caretaker Policy
- * Council Member Conduct Complaint Handling Policy
- * Customer Complaints Policy
- * Elected Members Allowances and Support Policy
- * Fraud and Corruption Policy
- * Good Governance and Administrative Practice Policy
- * Internal Review of Council Decisions Policy
- * Order Making Policy
- * Privacy Policy
- * Public Consultation Policy
- * Records Management Policy
- * Risk Management Policy
- * Treasury Management Policy

These Policies are reviewed regularly

STRATEGIC MANAGEMENT PLAN

In accordance with the provisions of Section 122 of the Local Government Act 1999, Council has developed a Strategic Plan, and following widespread Community Consultation, the plan was adopted by Council at its August 2002 meeting, and reviewed in the Budget deliberations each year since.

The Strategic Plan provides a focus for Council's operations, and provides the Vision, Goals and Objectives of our community.

Operational Summary

Objectives		Progress 2012/2013
Goal 1 – Maximise the benefit to the community from improved community services.		
1.02.01	Review aged services requirement in collaboration with service providers	Not Achieved
1.03.05	Investigate the recommendations of the Eyre Peninsula Sport, Recreation and Open Space Strategy	Not Achieved
Goal 2– To foster a diverse and growing economic base that results in an increase in employment and population		
2.01.01	Continue to support and further develop a multi-function visitor information centre linked to the aquaculture industry, fishing, environment, farming, local history and mining	Relocated Visitor Information Centre and liaised with Road House regarding Tourism Screen Upgrade
2.01.02	Maintain and update the roadside visitor information bay promoting the attractions of the area and improve tourism signage linked to regional tourism themes	Updated Design of Town Entrance Signs
Goal 3 – Maintain our high quality living environment		
3.06.04	Review Council's road priorities	Completed – Audit of Sealed Roads and undertook Stormwater Study
3.06.05	Promote Road Traffic Safety in the community	Completed – developed Traffic Management Plan, installed give way signs at intersections
3.08.02	Develop an Asset Management Plan for the establishment, upgrade and maintenance of Council buildings, town parks and gardens	In progress
Goal 4 - A professional, effective and customer oriented organisation playing the lead role in community development		
4.03.01	Pursue opportunities for sharing of resources, plant and equipment amongst neighbouring Councils	Achieved – garbage collection service, Compliance Officer

4.04.01	Develop individual staff development programs to develop a skilled human resource base	In progress and ongoing
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Goals for 2013/2014

Objectives		Goals for 2013/2014
Goal 1 – Maximise the benefit to the community from improved community services.		
1.02	Maximise the provision of aged care facilities and services	Finalise the transfer of the Cowell Cottages to Council
1.03	Provide high quality sporting and recreational facilities	Formalise leases CWMS Irrigation
Goal 2 – To foster a diverse and growing economic base that results in an increase in employment and population		
2.01	Maximise the potential of the tourism industry	Foreshore Upgrade
Goal 3 – Maintain our high quality living environment		
3.01	Effectively manage the waste of the area	Recycling Service utilised Drop Zone for E-Waste
3.05	Enhance the aesthetics of our townships environment	Improved Irrigation 2 nd Hand car lot upgrade

RATES REBATES

Section 23(4) of the Local Government (Implementation) Act 1999, required Council to submit to the presiding members of both Houses of Parliament a report relevant to rate rebates for retirement villages and related matters.

During the 2012/2013 Financial Year, no applications for rebates of rates under Section 166(1) (h) of the Local Government Act 1999 were received.

SUBSIDIARIES

Council has not established any Subsidiaries pursuant to Section 42 of the Local Government Act, 1999.

APPLICATION OF COMPETITION PRINCIPLES

During the 2012/2013 Financial Year, Council has not conducted any significant business activities or maintained any By-Laws which require reporting pursuant to the Revised Clause 7 Statement on the Application of Competition Principles to Local Government under the Competition Principles' Agreement.

CONFIDENTIALITY PROVISIONS

Pursuant to the provisions of Section 90 (2) of the Local Government Act 1999, a Council or Council Committee may order that the public be excluded from attendance at a meeting in order to receive, consider or discuss a matter confidentially. Section 91 (7) of the Local Government Act 1999 provides that a Council may keep a document or minutes of such consideration, review or discussion, confidential.

These provisions were used once by Council during the 2012/2013 financial year.

ELECTOR REPRESENTATION

Council's representation quota (electors per member) is 157. The average representation quota for councils of a similar size and type is 150.

Council completed a review of Elector Representation and composition pursuant to Section 12(4) of the Local Government Act 1999, as amended, in April 2013. Council is required to conduct such a review at least once every eight years.

Public notice of the review was given via the placement of notices in the Government Gazette, the Advertiser and the local Eyre Peninsula Tribune, and a period of six weeks was provided for written submission to be made to Council. Any person or organisation making a submission was given the opportunity to appear personally or by representation before Council.

Council was obliged to consider any submissions received prior to preparing a report on its proposal for Elector Representation and composition. That report was again publicly notified with a further period of three weeks given for public comment and further submissions. The final report and proposal then required the approval and endorsement of the State Electoral Commission.

INTERNAL REVIEW OF COUNCIL'S ACTIONS

Pursuant to Section 270 of the Local Government Act 1999, Council has established procedures for the review of decisions of the Council, employees of the Council or other persons acting on behalf of the Council.

In accordance with Section 270(8) of the Act, Council reports that no applications for review of decisions were received for the 2012/2013 financial year.

COMMUNITY LAND MANAGEMENT PLANS

All land except roads held as at 1 January 2000 is classified as “community land” unless Council resolves 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 of licence of land that has been, or is to be, specifically modified or adapted for the benefit or enjoyment of the community. Such plans have 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.

As required under the Local Government (Implementation) Regulations 1999, Council completed a register of all Council and Community lands prior to the 1st January 2003. Community Land Management Plans were completed in January 2006.

ADMINISTRATION AND FINANCE

Finance

Rates, Income and Expenditure are fully reported in the Annual Financial Statements, which are included with this annual report.

Human Resources

A range of Human Resource issues have been addressed during the year:-

- a/ Training and Development - Council actively supports the ongoing training of elected members and employees, and will continue to access appropriate programs offered by accredited training providers.
- b/ Equal Employment Opportunities - Council has adopted appropriate policies and procedures to comply with the legislative requirements of E.E.O.
- c/ Work Health and Safety – Council has maintained its maximum rebate status under the Local Government Association Workers’ Compensation Scheme, and with the co-operation and dedication of our workforce, Council has further extended the period of no claims on the scheme to more than 17 years.

Freedom of Information

This information summary is published by the District Council of Franklin Harbour in accordance with the requirements of the Freedom of Information Act 1991.

Council welcomes enquiries under the Freedom of Information Act.

Policy and Administrative Documents

The District Council of Franklin Harbour policies and administrative documents are listed separately in this Annual Report, and include:

- Ordinary Council Meeting Agendas
- Committee Minutes
- Council By-Laws
- Policy Manual
- Annual Financial Statements
- Development Plan
- Committee Agendas
- Budget Statements
- Ordinary Council Meeting Minutes
- Annual Report
- Assessment Book

These documents are available for public inspection at the Council office between 9am and 5pm Monday to Friday. Members of the public may also purchase copies of these documents at the prescribed fee, from the Chief Executive Officer.

Freedom of Information enquiries or requests must be addressed to:

The Chief Executive Officer
District Council of Franklin Harbour
PO Box 71
COWELL SA 5602

2012/2013 Budget and Rates

The Council meeting held on 16 July adopted the 2012/2013 Budget and declared the rates for the new financial year.

The Budget includes total revenue of \$2,855,263. Major capital expenditure items are Local Road Construction of \$451,000 and construction of new CEO residence \$443,000. Total rate revenue to be raised is budgeted at \$1,043,983 – which represents an increase of approximately 7% over the 2011/2012 rate revenue collected.

BUILDING DEVELOPMENT STATISTICS

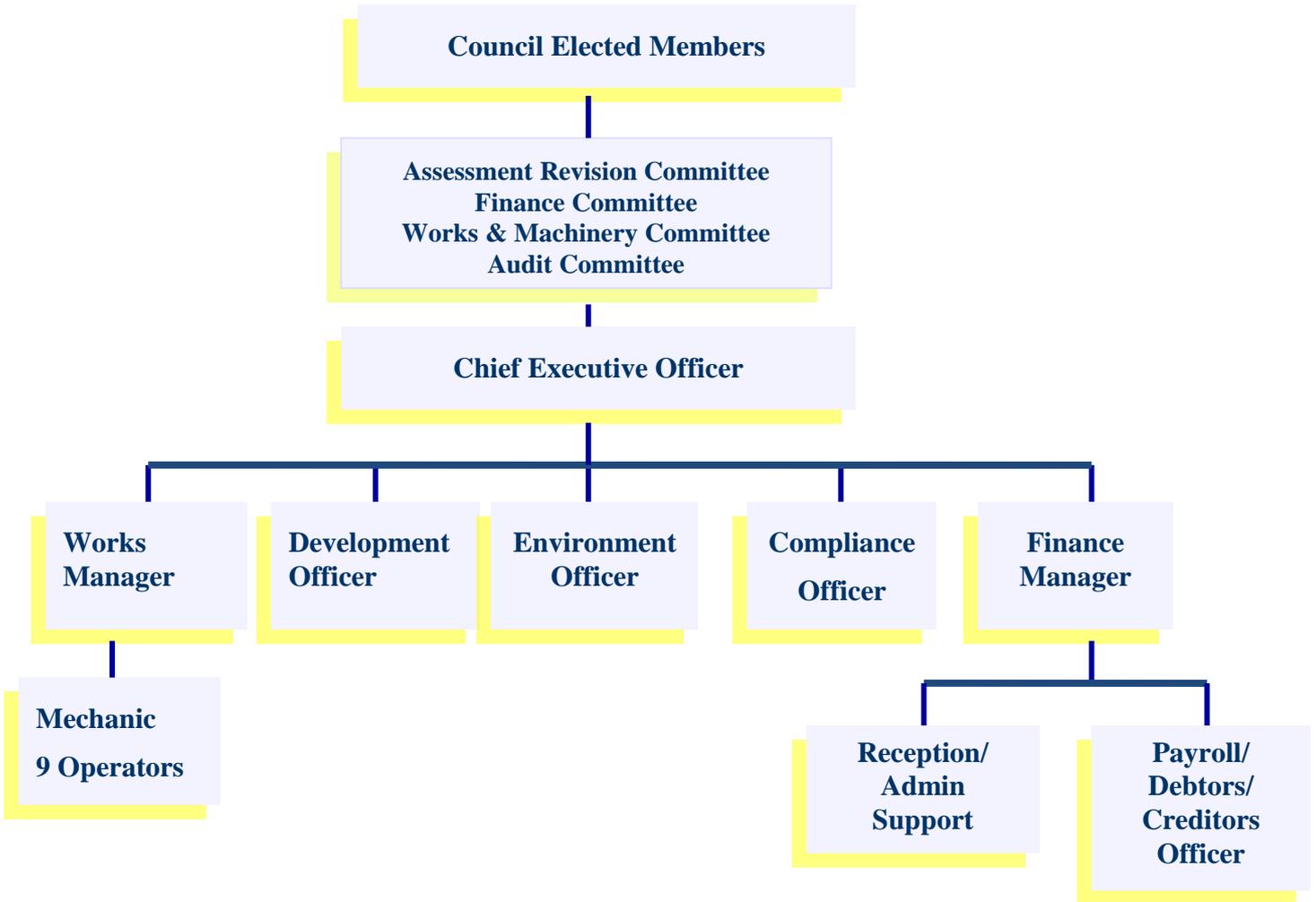
During the 2012/2013 financial year there were 39 Development Applications lodged for Council approval.

These included:

• 10 Dwellings and Relocatables	\$2,009,580
• 11 Domestic Extensions/Renovations	\$425,000
• 15 Sheds/Carports/Lean To	\$266,690
• 3 Commercial Alterations	<u>\$67,000</u>
Total Developments:	<u>\$2,768,270</u>

ANNUAL INFORMATION STATEMENT

The Council's Structure and Functions



Council's overall structure is set out in the above chart and is based around two departments. The senior management team comprises the Chief Executive Officer, the Finance Manager and the Works Manager.

The Administration and Services Department has a staff of five, and is based in the Council Office, 6 Main Street, Cowell SA 5602. The Works Department has a staff of ten, and is based at the Council Depot, Schumann Road Cowell SA 5602.

Council's functions are governed by the provisions of the Local Government Act, 1999, and are grouped as follows:-

ADMINISTRATION

PUBLIC ORDER AND SAFETY

HEALTH

SOCIAL SECURITY AND WELFARE

HOUSING AND COMMUNITY AMENITIES

PROTECTION OF THE ENVIRONMENT N.E.C.

SPORT AND RECREATION

FUEL AND ENERGY

AGRICULTURAL SERVICES

MINING, MANUFACTURING AND CONSTRUCTION

TRANSPORT AND COMMUNICATION

ECONOMIC AFFAIRS

OTHER PURPOSES

Council is involved in these functions to varying degrees, determined by Community demand and legislative requirements.

The Effect of Council's Functions on the Public

All of Council's functions have a direct impact on the residents of this district. Service provision functions such as road construction and maintenance, library services, and refuse collection have a direct effect on the users of those services. Legislative functions such as Building Control, Dog Control and Planning provisions also have an effect on all residents, but in a less obvious way.

The elected members of Council determine the policies and functions of Council within the provisions of the Local Government Act. The Senior Management team provides advice to the elected members, and oversee the implementation of the policies and functions determined by Council, within the overall Budget adopted by Council.

Public Participation in Council Policy Development

Members of the public have access to the elected members of Council. There are six elected members who are elected for a four year term. Councillors represent the whole of the district (i.e. no wards), and following each election they elect a Mayor from within their number.

Council holds regular monthly meetings scheduled for the second Wednesday of each month. Agenda notices are prepared during the week prior to the Council meeting, and members of the public may submit correspondence to Council for inclusion on the agenda, provided such correspondence is received no later than the Thursday prior to the Council meeting.

Council's Standing Committees meet as required:-

COMMITTEE

Assessment Revision Committee
Finance Committee
Works and Machinery Committee
Audit Committee

MEMBERSHIP

the Whole Council
the Whole Council
Crs. Udy, Jackson, Starr and Elleway
Crs Elleway, Udy and Hornhardt and Mr John Ewen (I M)

Submissions can be made direct to elected members on any issue, or presented by correspondence. In addition, deputations can address Council meetings by prior arrangement with elected members or the Chief Executive Officer. Council meetings are open to the public; however some confidential matters may be discussed in camera. Members in the Public Gallery may address Council meetings at the discretion of the Mayor.

Description of the Kind of Documents Held By Council

The District Council of Franklin Harbour holds the following kinds of documents:-

Hard Copy Files

A/ Policy and Administrative Documents

1. Ordinary Council Meeting and Development Assessment Panel Meeting Agendas - these summarise the business to be dealt with at each ordinary Council meeting.
2. Ordinary Council Meeting and Development Assessment Panel Meeting Minutes - these record the business and resolutions of each ordinary Council Meeting.
3. The Policy Manual - this records the general policies and delegated authorities of Council.
4. Council's Strategic Plan – provides a focus for Council's operations and provides the Vision, Goals and Objectives of our community.
5. The Budget Statement - this is the annual Budget adopted for the current financial year as the basis for setting rates.
6. Annual Financial Statements - these record financial results and position of Council each financial year.
7. Council By-Laws - a record of By-Laws adopted by Council pursuant to the provisions of the Local Government Act.
8. The Annual Report - this is an annual report of Council's activities for the information of residents and other interested parties.
9. The Assessment Book - This details property ownership and valuation records.
10. The Development Plan - this details Planning and Zoning policies which guide the Development Assessment Panel in development matters pursuant to the Development Act.

B/ General Correspondence

These are items of correspondence on a range of functional matters dealt with by Council.

These documents are filed and stored in the Council Office, except for very early minute books which are held by the State Archives.

As General Correspondence items become out of date, they may be disposed of in accordance with procedures recommended by the Local Government Records Management Group.

C/ Computerised Information Files

1. Property Information files are held on Council's computer system.
2. Financial and Accounting Information - is processed and stored on Council's computer system.

This information is backed up on Computer tapes and stored in the Council strongroom. This information is also available on hard copy.

Bernadette Clelland
Finance Manager

WORKS MANAGER'S REPORT

It is my pleasure to deliver this, my first annual report with the District Council of Franklin Harbour having been successful in securing the position of Works Manager in November following the retirement of Dennis Petty.



I come to this Council with nine years experience in Local Government senior management roles, the last four of which I spent with Tumbay Bay Council as Works Manager. There are a number of challenges that lie ahead for us with the pending implementation of a CWMS in Cowell and the economic stimulation that the mining sector will bring to the region, I look forward to these and will do my utmost to bring the best possible outcomes to the community of the Franklin Harbour District.

A summary of the major works projects completed for the 2012/13 year is as follows;

Cowell Mangalo Road

Cowell Kimba road was re-sheeted for five kilometres up to Ferns Road and the intersection with Ferns was realigned to 90 degrees for improved safety.

Beach Road

A four kilometre section of Beach road was formed and sheeted with limestone rubble out of Tony Wildman's pit to provide all weather access into Pt Gibbon from Cowell.

Port Gibbon Road

The road was formed up for a two kilometre length up to Wildman Road, high drift banks on either side were pulled in and incorporated into the road base, this was covered by rubble from Tony Wildman's pit also. This provides a safer access into Port Gibbon for the daily School Bus and other road users.

Utera Road

Limestone reefs that were protruding through the road surface were ripped with the excavator, crushed and then spread and compacted back over the road over approximately a two kilometre length. Drainage at the intersection with Bungalo Road was also improved.

Town Roads

Sections of Main Street and Third Street were milled and reconstituted over old power trenches that had sunken over time causing the road to hold water after rain, this has been done in preparation for later resealing. The staff have also conducted many intensive patching patrols to stay on top of potholes around town.

The resealing program in Cowell has been on hold for some time pending the construction of the CWMS because it seems senseless to be freshly sealing roads then digging them up in the short term. Due to the extended period that this has gone on for, some roads (seals) are beginning to fail, leading to numerous potholes forming during wet weather, if this is allowed to continue, more expensive rehab treatments will be required. A complete assessment has been made by an independent road specialist of all town roads and a sealing program will be commencing early in the 2013/14 year to halt further deterioration, this may have to be done in two stages where CWMS trenches are necessary.

Rural Roads

No major sections were resealed this year however a number of patching patrols were conducted and also shoulder grading and rolling to protect road edges was carried out by maintenance staff.

A detailed engineering assessment has been conducted over our rural seals to determine the life expectancy of our sealed roads and a whole of life sealing program has been developed to ensure that preventative maintenance is applied in a timely manner. This is strategic approach to the management of our road assets and will maintain roads in good condition and assist in developing long term financial plans for future budgets.

Traffic Management

A Traffic Management plan was prepared for town streets where there were a number of uncontrolled intersections. Give Way signs have now been installed where required to enhance road safety.

Stormwater Management

An aerial survey was carried out over Cowell and Lucky Bay by Aerometrex, this has produced digital mapping of terrain and high resolution imagery which forms an important tool for future design and study.

Southfront Engineers were commissioned to conduct a Stormwater Management Study of the Cowell Township to identify areas at risk of flooding and also the impact that future developments could have. The digital mapping was used as a basis for this study, 1 in 5 and 1 in 100 annual rainfall events were modelled and flood inundation mapping produced. Once we have the findings summarized a prioritised strategy can be developed to address the highest risk areas. At the time of this report the study is ongoing.

Public Amenities

Prefabricated concrete public toilet blocks were installed at the Cowell Cemetery (thanks to a generous donation from Tim Thompson) and also the Historical Museum for the convenience of visitors to these areas. These toilets are suitable for disabled access and are very cost effective low maintenance buildings that will last well into the future.

Rural Addressing

Council has completed the installation of Rural Address signs at all rural properties in the district. This provides a unique road address for each property for mail delivery (where available) and also a means for emergency services to locate properties when needed. The program implemented is uniform across the country areas in all states to avoid confusion, the numbers on the signs indicate the number of meters from the start point of the particular road divided by 10.

In closing I wish to thank the Elected Members and Administration staff for their ongoing support, but mostly the small group of dedicated outdoor and depot staff for their hard work and I congratulate them for their high standard of workmanship in achieving these projects. I look forward to a challenging and productive year with you all in 2013/14.

**Darren Zechner,
Works Manager**

ENVIRONMENTAL HEALTH OFFICER'S REPORT

Environmental Health inspections for the township of Cowell were conducted twice in the 2012/13 financial year.

Food inspections were conducted bi-annual to high-risk food premises as defined by the Food Safety Standards that include hotels, roadhouse, deli, bakery, kiosk and supermarket. Food inspections were conducted on an annual low risk food activities including sporting clubs, newsagency and ferry terminal.

In general the structural and hygiene of the food premises were at a good standard with continual upgrading of facilities occurring and maintaining a good standard of cleanliness. A warning letter was issued to a food premise requiring unsatisfactory cleanliness and structural conditions to be rectified. These unsatisfactory conditions were rectified to a good standard. No food complaints were received.

All types of accommodation were inspected on an annual basis including cabin park, caravan parks and motel. The facilities varied from exceptional high quality self contained apartments to clean and good standard hotel rooms and holiday homes.

Township swimming pool is being maintained at a high standard.

Complaint was resolved concerning unpleasant odours caused by an oyster processor by rectifying the method of waste disposal.

Keith Simmonds
Environmental Health Officer



COMPLIANCE OFFICER'S REPORT

It has been a very interesting first year in regards to the Compliance Officers role being implemented by Council, and the number of issues that have been raised by the Community.

Dog Matters

Council has 289 dogs currently registered within the Franklin Harbour area.

Council undertook the Dog and Cat Management Board audit in April with some non compliance issues being identified. The holding facility is the major non compliance at this time. We are in the process of having plans drawn up for the replacement of these facilities, which will then be submitted to Council.

The issue that still arises within the community is that some dog owners are allowing their animals to wander at large, causing a nuisance to other residents and animal owners, who continue to walk their dogs in a public place or street without being on a leash.

However, with that said, most owners do understand the need to comply with responsible ownership of a dog or cat, with further information on responsible ownership and the rules being available under Councils By-laws and the Dog and Cat Management Act 1995, with various information brochures being available from the Council office.

Off leash areas for the exercising of dogs that have been appropriately socialised with people and other animals, have been identified at various locations, being Lucky Bay, Port Gibbon and two areas in town.

Cat Matters:

A bigger issue within the Council area is the large number of feral cats.

With the implementation of a trapping program in a number of areas, 98 feral cats have being removed, including 17 from the Lucky Bay transfer station.

Some private residents have also hired cat traps from Council with strict conditions applying.

I have completed a Cat By-law that will help with the control of cats within the community, and hopefully will be ready for the public consultation process in the new year.

Boat Ramp and Facilities

Further development to the boat harbour and its facilities will continue in the new year, with one such suggestion being a wash down area for boats, as a lot of private and commercial operators are not draining their boats before driving onto the public roads, and depositing salt water onto the roads which, in turn, is damaging the roads infrastructure in the town.

Wayne Pope
Compliance Officer



2012/2013 ANNUAL BUSINESS PLAN



District Council of Franklin Harbour 2012 – 2013 Annual Business Plan



District Council of Franklin Harbour
PO Box 71
COWELL SA 5602

www.franklinharbour.sa.gov.au

Phone: (08) 8629 2019

Fax: (08) 8629 2152

Email: council@franklinharbour.sa.gov.au

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INTRODUCTION

The purpose of this Plan is to address the activities Council intends to undertake in the ensuing 2012/2013 financial year to achieve its objectives, and the measures both financial and non-financial it will use to assess this. The Council will measure performance against objectives by the successful completion of all projects on time and within Budget.

It has, and will continue to be a main goal of Council to expand the economic well being of the community and to provide quality services. At the same time this has to be done keeping in mind Council's limited human and financial resources. As such, Council needs to continue to provide value for money and effectiveness of service delivery.

PROFILE

Located on the eastern side of the Eyre Peninsula and bordering the Spencer Gulf, the District Council of Franklin Harbour is home to an estimated population of 1,350 people and covers an area of 3,283 square kilometres. Cowell is the major centre in the district, which also comprises the holiday areas of Lucky Bay and Port Gibbon and the localities of Elbow Hill, Mitchellville and Mangalo.

STRATEGIC DIRECTIONS

The District Council of Franklin Harbour adopted its 2012-2017 Strategic Plan in December 2011. Amongst the obligations when adopting its Plan was the consideration of regional, state and national objectives and strategies relevant to the social, physical, environmental development and management of Council's area of responsibility. The plan identifies key issues and projects which will provide for a range of services and facilities while ensuring the ongoing sustainability and prosperity of Franklin Harbour. The plan is subject to regular review.

VISION

"A PROUD, GROWING AND UNIFIED COMMUNITY BENEFITING FROM A DIVERSE AND ENVIRONMENTALLY SUSTAINABLE ECONOMIC BASE."

CORE VALUES & PRINCIPLES

The values and principles which guide all of Council and which are reflected in the Strategic Plan are as follows:

We will deliver an excellent standard of essential services in an efficient manner

We will facilitate a growing and sustainable economy and employment base to ensure the long term survival and prosperity of the community

We represent the needs of our community to the wider population

We preserve and enhance our heritage and environment

We will ensure the long term financial security of the Council through excellent forward planning and management

STRATEGIC PLAN GOALS AND STRATEGIES

GOAL 1 - COMMUNITY WELLBEING

Maximise the benefit to the community from improved community services.

- 1.01 Ensure the delivery of appropriate health services to the community
- 1.02 Maximise the provision of aged care facilities and services
- 1.03 Provide high quality sporting and recreational facilities
- 1.04 Support the development and retention of the areas youth
- 1.05 Improve the educational opportunities available to the community
- 1.06 Facilitate improvements or increases in community services

GOAL 2 - ECONOMIC WELLBEING

To foster a diverse and growing economic base that results in an increase in employment and population

- 2.01 Maximise the potential of the tourism industry
- 2.02 Facilitate the further development of our mining sector
- 2.03 Support the growth of the aquaculture industry
- 2.04 Expand our aged care / retirement industry
- 2.05 Assist the expansion of the agricultural sector
- 2.06 Provide appropriate infrastructure for economic development
- 2.07 Development of seaside areas in a sustainable manner
- 2.08 Increase the size of our commercial and retail sector
- 2.09 Ensure the adequate provision of power and water supplies
- 2.10 Maximise the benefits to our community from relationships with appropriate organisations

GOAL 3 – NATURAL AND BUILT ENVIRONMENT

Maintain our high quality living environment

- 3.01 Effectively manage the waste of the area
- 3.02 Protect and enhance our foreshore, coast and marine areas
- 3.03 Preservation of the built and natural heritage of the area
- 3.04 Recognise and value the Indigenous heritage and culture of the area
- 3.05 Enhance the aesthetics of our townships environment
- 3.06 Provide high quality footpaths and roads
- 3.07 Ensure the public conveniences are located appropriately and are of a high standard
- 3.08 Increase the number and standard of parks and gardens in our area
- 3.09 Implement best practice stormwater management techniques

GOAL 4 – GOVERNANCE AND ORGANISATION

A professional, effective and customer oriented organisation playing the lead role in community development

- 4.01 Maximisation of Council service delivery
- 4.02 Improve the image and profile of Council through effective communication
- 4.03 Effective utilisation of Council plant and equipment
- 4.04 Encourage staff development in a safe working environment
- 4.05 Provide strong leadership to our community
- 4.06 Support and recognise the efforts of local volunteers

Council is currently developing a range of long term management plans which supplement and run alongside Council's five year Strategic Plan. These other complimentary plans are called the ten year Long Term Financial Management Plan and the ten year Infrastructure and Asset Management Plan. Such plans will assist Council in renewing/replacing its major assets and infrastructure and the long term Financial Plan will help Council adequately fund assets now and into the future. This will ensure Council's financial sustainability.

COUNCIL SERVICES AND RESPONSIBILITIES

Councils are required to provide certain services under various Acts of Parliament including the Local Government Act. The District Council of Franklin Harbour also provides a number of other services.

Required Services:

These are some of the services that Councils must provide for:

- Planning
- Building and Development
- Environmental Health Services
- Fire Prevention
- Dog and Cat Management

Other Services:

In addition to the above the District Council of Franklin Harbour provides the following types of services for the benefit of the ratepayers and the community:

- Street Lighting;
- Roads Construction and Maintenance;
- Waste Management Facilities;
- Health Services;
- School/Communities Libraries Support;
- Recreation Facilities;
- Reserves and Picnic Areas;
- Playgrounds;
- Accommodation;
- Town Rubbish Collection and Town Recycling;
- Tourism;
- Economic Development; and
- Cemeteries.

HOW DOES COUNCIL DETERMINE WHAT SERVICES IT WILL PROVIDE?

Council's Strategic and other Long Term Plans outline the longer-term objectives and priorities for the community. These Plans plus the Council Budget determine the infrastructure needs and services Council will provide, including the costs required to deliver these services.

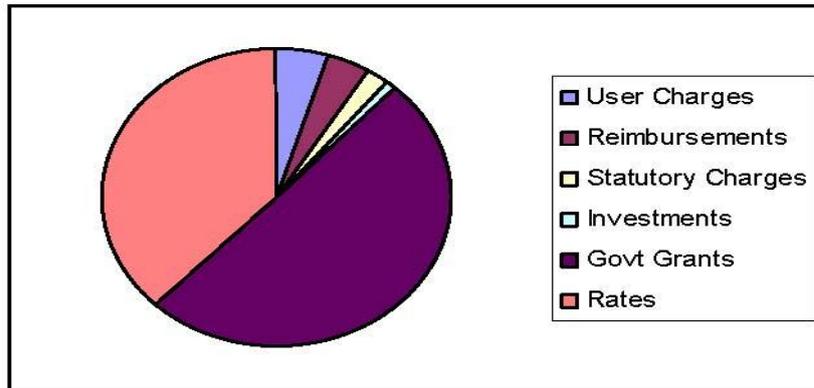
Council adopted the initial Strategic Plan in May 2002 following extensive Community consultation. A further comprehensive review of the Plan was completed in May 2009 and again in December 2011. The full list of the achievements from the previous year is available in Council's Annual Report available from the office or at www.franklinharbour.sa.gov.au.

HOW DOES COUNCIL PAY FOR THESE SERVICES

Council has limited options to pay for these services. It receives substantial State and Federal grants and subsidies. Council can raise income by some fee paying activities (eg hire of community facilities, maintenance fees, private works and rentals). However, Council's primary source of raising income is a property-based tax – Council Rates.

COUNCIL'S OPERATING REVENUE

Council rate revenue makes up approximately 37% of annual operating revenue. Other sources of income include government grants 54%, investments 1%, user charges 5%, reimbursements 1% and statutory charges 2%.



GRANT FUNDING

Local Government receives three (3) types of grant funding:

- **GENERAL PURPOSE FINANCIAL ASSISTANCE AND LOCAL ROADS GRANTS (Federal)**
 - Council has complete discretion as to expenditure of funds received
- **SPECIFIC PURPOSE GRANTS (State and Federal)**
 - Which are to be spent on specific projects or programs
- **'CORE' ROADS TO RECOVERY GRANTS (Federal)**
 - While funds received are to be spent on road projects, Council has complete discretion on whether such spending is on maintaining, renewing or upgrading roads.

HOW DOES COUNCIL DETERMINE WHAT RATES IT WILL SET?

Rate income is generated by the broad application of fundamental principles of taxation (fairness and equity, simplicity, ability to pay and efficiency) with a view to achieving an equitable distribution of the rates burden amongst ratepayers, covering general cost movements, including labour and non-labour costs and being sufficient to cover new initiatives.

Following a comprehensive, independent review in early 2011, Council adopted Capital Values as provided by the State Government Valuer Generals Department on all properties in the Council District. Council determines what revenue is required for Council operations in the District for each financial year in the form of a Council Budget. Differential rates in the dollar are then declared by Council for all properties in the area. Differential rates will be based on land use and zoning of the property.

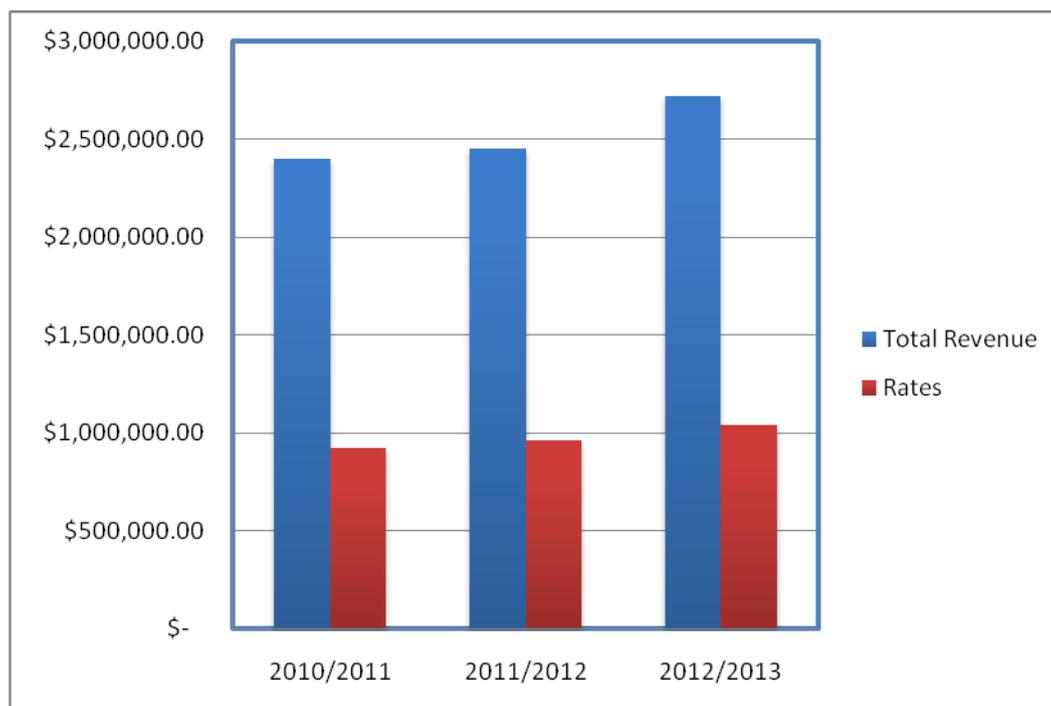
For example – a property has a capital value of \$100,000 and Council declares a rate in the dollar of 0.7800 cents, that property will pay $\$100,000 \times 0.7800\text{cents} = \780.00 .

In the last five years capital value on properties in the Council area has risen by 32.35%. This does not mean that the Council rates have increased by this percentage.

Council reduces or increases the rate in the dollar to meet revenue requirements.

In 2011/2012 Council's rate revenue was \$965,606 and Council has resolved that in the 2012/2013 financial year an approximate 8% increase will apply to raise rate revenue of approximately \$1,042,854.

Operating Revenue and Rates Revenue for financial years 2010/11 – 2012/13



METHOD USED TO VALUE LAND

The Council may adopt one of three (3) valuation methodologies to value the properties in its area. They are:

- Capital Value – the value of the land and all improvements on the land
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- Annual Value – a valuation of the rental potential of the property.

The District Council of Franklin Harbour uses capital value as the basis for valuing land within its Council area. Council considers that this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- The equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth.
- Property value is a relatively good indicator of wealth and capital value provides a fair indicator of overall property value.
- The distribution of property values throughout the Council area is such that some ratepayers will pay more and some less depending on fluctuations of property value. Please note that Council is only proposing to increase its rate revenue by approximately 8%.

RATING INFORMATION FOR 2012/2013

In setting its rates for the 2012/2013 financial year the Council considered the following:

- The current economic climate and relevant factors such as inflation and interest rates.
- The specific issues faced by our community, which are the effects of seasonal variations for the farming community.
- The need to continue to replace and upgrade infrastructure assets that include both plant and machinery and our road network.
- The objective of attracting and continuing to attract and support business activity to generate economic development.
- Council's strategic plan and the meeting of those objectives.
- The budget for the 2012/2013 financial year and the long-term financial plans.
- Householders, businesses and primary producers.
- The broad principal of achieving equity in the distribution of rates.
- Minimising the level of general rates required by levying fees and charges for goods and services where that is possible.
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to readily meet the full cost.
- Taking into account changes to Council valuations by the Valuer-General.
- Submissions made during the Public Consultation process.

ADOPTION OF VALUATIONS

The Council has adopted the valuations made by the Valuer-General effective as at 1st July 2012. If a ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the Valuer-General in writing, within 60 days of receiving notification of the valuation, explaining the basis for the objection to **State Valuation Office, GPO Box 1354, ADELAIDE SA 5001** or email lsgobjections@sa.gov.au.

BUSINESS IMPACT STATEMENT

The Council has considered the impact of rates on all businesses in the Council area, and in particular primary production. Council has also considered the equity of the distribution of the rate burden between ratepayers; Council's policy on facilitating local economic development; current local, state and national economic conditions; changes in the valuation of business and primary production properties; and specific Council projects for the coming year and specific infrastructure maintenance issues.

COUNCIL'S REVENUE RAISING POWERS

All land within a Council area, except for land specifically exempt (eg Crown Land, Council occupied land and other land prescribed in the Local Government Act 1999 – refer Section 147 of the Act), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or services rates or charges for specific services. Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. The list of applicable fees and charges is available at the Council Office, 6 Main Street Cowell.

DIFFERENTIAL RATES

In accordance with the provisions of Section 153 of the Local Government Act 1999 Council has decided to impose differential general rates on the following properties, based on land use and zoning.

Land Use / Zone	Approximate Number of Properties
Residential	593
Commercial – Shop	14
Commercial – Office	1
Commercial – Other	31
Commercial (Bulk Handling) Zone	3
Industry – Light	3
Industry – Other	1
Primary Production	289
Vacant Land	172
Other	10

The use or zoning of the land is used as the factor to levy differential rates. If a ratepayer believes that a particular property has been wrongly identified by the Council as to its use or zoning then they may object to the Council within 21 days of being notified. A ratepayer may discuss the matter with the Chief Executive Officer on 8629 2019 in the first instance.

It is important to note that the lodgement of an objection does not change the due date for payment of rates.

FIXED CHARGE

As well as a differential rate, Council may impose a fixed charge on rateable land within its area. Council has used a fixed charge in lieu of a minimum rate as part of the 2012/2013 rate declaration. Council believes this will provide a more equitable level of rating throughout the district.

SERVICE CHARGE

The Council provides a weekly household refuse collection service in the towns of Cowell, Port Gibbon and Lucky Bay. The full cost of operating this service for this financial year is budgeted to be \$111,000. The charge for this service for 2012/2013 is \$190 for occupied residential property in Cowell and Port Gibbon and \$380.00 for commercial properties in the Cowell Township. The Lucky Bay rental charge is \$190 to cover the permanent and seasonal refuse collection service.

CAPPING INCREASES

The Council have decided to grant a rebate for rates for the financial year ending 30 June 2012, where the general rates have increased by 25% on the previous year's (2011/2012) general rates provided that the rebate shall not apply:

- To land that constitutes the principal place of residence of a principal ratepayer;
- Where the increase results from a change in entitlement to rebates or concessions;
- Where the increase results from new building work or development activity.

LATE PAYMENT OF RATES

The Local Government Act provides that Councils impose a fine of 2% on any instalment unpaid after the due date. At the expiration of each full month from the due date, interest is charged at the prescribed percentage of the total in arrears and unpaid rates. This does not include interest from previous months.

Council issues a final notice for payment of rates when rates are overdue, ie unpaid by the due date. Should rates remain unpaid more than 21 days after the issue of the final notice, then the Council may refer the debt to a debt collection agency for collection. The debt collection agency charges collection fees that are recoverable from the ratepayer.

When Council receives a payment in respect of overdue rates Council applies the money received as follows:

First - to satisfy any costs awarded in connection with court proceedings;

Second – to satisfy any interest costs;

Third – in payment of any fines imposed;

Fourth – in payment of rates, in chronological order (starting with the oldest account first).

In order to raise the funds required for this year's Budget, Council will increase rate revenue by approximately 8%.

Council collects and pays on behalf of the State Government a Natural Resources Management Levy that replaces the previous Eyre Peninsula Catchment Water Management Levy and the levy Council used to pay to the Animal and Plant Control Board. This levy is shown on the Council rate notice. Council has been advised and have budgeted \$58,180 for 2012/2013, slightly more than last year.

Council has considered the impact of the approximately 8% increase in rate revenue and weighed that up with the increasing costs of providing services.

RATE CONCESSIONS

Recipients of the following cards or income may be eligible for Council Rate concessions:

- Holders of current Centre Link or Veteran Affairs, Pension Cards Gold Card, (TPI, EDA, WW) and State Concession Card apply through Revenue SA on 1300 650 950.
- Self funded retirees who hold a current Senior's card apply through Revenue SA on 1300 366 150
- Centre Link allowances and low income earners who qualify can apply through their local CYFS Office.

Ratepayers should not withhold payment of Rates that are due as penalties apply to overdue rates. A refund will be paid to the eligible person if Council is advised that a concession applies and the Rates have already been paid.

POSTPONEMENT OF RATES FOR SENIORS

Section 182A of the Local Government Act 1999, that allows eligible Senior Ratepayers to postpone a proportion of their council rates each financial year commencing 2007/2008, provides for a threshold amount of rates that cannot be postponed. The threshold is set at \$500.00 or if a pension concession is provided that would be reduced to a \$310.00 threshold annually. The outstanding rates will attract interest (ie the scheme is non-concessional) and will remain a charge on the property until the property is sold or that person no longer lives on the property or becomes ineligible to continue the postponement. For further information and details please contact the Chief Executive Officer, District Council of Franklin Harbour PO Box 71, Cowell SA 5602 or on 8629 2019.

PAYMENT OF RATES

The Council has decided that payment of rates will be by four instalments due on 15 September 2012, 15 December 2012, 15 March 2013, and 15 June 2013.

Payment can be made at the Council Office, 6 Main Street, Cowell during normal office hours 9.00 am to 5.00 pm Monday to Friday, by cash, cheque or most credit cards, or can be made by post to PO Box 71, Cowell SA 5602 by cheque or money order payable to the District Council of Franklin Harbour. Payments may also be made by direct Bank Transfer, and anyone wishing to use this facility should contact the Council office on 8629 2019.

SALE OF LAND FOR NON-PAYMENT OF RATES

The Local Government Act 1999 provides that Council may sell any property where the Rates have been in arrears for three years or more.

The council is required to notify the owner of the land of its intention to sell the land. Provide the owner with details of the outstanding amounts and advise the owner of its intention to sell the land if payment is not received within one month.

Except in extraordinary circumstances or approval has been granted for postponement of Rates, the Council enforces the sale of land for non-payment of Rates.

REBATE OF RATES

The Local Government Act 1999 requires Council's to rebate the rates payable on some land. Specific provision is made for land used for Health Services, Community Services, Religious purposes, Public Cemeteries and Education Institutions.

The Council under Section 166 of the Local Government Act 1999 may apply discretionary rebates.

DIFFICULTY IN PAYING RATES

Rates are payable in full or by four separate quarterly instalments. However, Section 182 of the Local Government Act 1999 permits the Council on the application of a Ratepayer to partially or wholly remit Rates or to postpone Rates on the basis of hardship.

If any ratepayer is experiencing financial difficulties and would like to discuss an alternative agreeable payment plan this flexibility is also available.

Contact the District Council of Franklin Harbour on 8629 2019 for a confidential discussion.

COUNCIL'S MAIN OBJECTIVES FOR THE 2012/2013 FINANCIAL YEAR

In accordance with objective 2.06 – Provide appropriate infrastructure for economic development, the following major activities and works are planned – re-sheeting of various sections of the local road network identified in Council's five (5) year Works Plan, including Cowell to Mangalo Road, Beach Road, Port Gibbon Road, Glynn Road and Utera Road.

South Terrace will be reconstructed and sealed and Main Street will have some work carried out .

Other road works proposed for 2012/2013 include reconstruction and sealing of South Terrace and a cold overlay for Main Street.

In accordance with objective 3.01 – Effectively manage the waste of the area, Council is required to meet the tough new guidelines introduced by the Environment Protection Authority (EPA) for the operation of Waste Disposal sites. Costs in this area have increased significantly in recent years. During 2012/2013 Council will continue to develop some recycling services to limit the amount of waste going into landfill. This will also extend the life of the Cowell Refuse site.

Objective 3.09 – Implement best practice stormwater management techniques, in 2010/2011 Council considered Concept Designs from our Consultants for the proposed Community Wastewater Management Scheme (CWMS) for the town of Cowell. Council anticipates making a decision on the proposed CWMS in the near future.

SUMMARY OF PLANNED INCOME, EXPENSES & CAPITAL EXPENDITURE

Major income expected in 2012 – 2013 is as follows:

Financial Assistance Grants	\$858,000
Rates Income	\$1,042,854
Waste Management Charges	\$100,000
Roads to Recovery Grants	\$264,000
Local Roads Grant	\$153,000
SA Adjustment Grant	\$100,000

Major planned expenses or items additional to the normal operational amounts in 2012-2013 are:

Insurance	\$100,000
Land/Building Maintenance	\$168,000
Waste Pickup, Recycling & Refuse Depot	\$111,000
Parks & Gardens Maintenance	\$70,000

Council's planned capital expenditure for 2012 – 2013 is set out as follows:

Roof – Press at Dump	\$8,000
Power in Plant Shed	\$10,000
History Museum Toilet	\$10,000
Vehicles	\$66,000
New Council Residence	\$400,000
Road re-sheeting/Major repairs	\$451,000
Traffic Control Construction	\$29,500



**DISTRICT COUNCIL
OF
FRANKLIN HARBOUR**

FINANCIAL STATEMENTS

**For The Year Ending
30 JUNE 2013**

Res. No. 195/10/13

DISTRICT COUNCIL OF FRANKLIN HARBOUR

General Purpose Financial Reports for the year ended 30 June 2013

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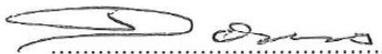
DISTRICT COUNCIL OF FRANKLIN HARBOUR

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.



Terry Barnes
CHIEF EXECUTIVE OFFICER



Edsel Elleway
MAYOR/COUNCILLOR

Date: 3-10-13

DISTRICT COUNCIL OF FRANKLIN HARBOUR

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
INCOME			
Rates	2	1,092,916	1,010,951
Statutory charges	2	30,729	26,932
User charges	2	147,406	108,152
Grants, subsidies and contributions	2	1,851,338	1,871,062
Investment income	2	58,787	45,233
Reimbursements	2	24,738	13,566
Other income	2	67,931	44,003
Total Income		<u>3,273,845</u>	<u>3,119,899</u>
EXPENSES			
Employee costs	3	837,832	955,425
Materials, contracts & other expenses	3	1,245,155	1,208,357
Depreciation, amortisation & impairment	3	1,142,655	1,168,052
Finance costs	3	10,903	13,954
Total Expenses		<u>3,236,545</u>	<u>3,345,788</u>
OPERATING SURPLUS / (DEFICIT)		37,300	(225,889)
Asset disposal & fair value adjustments	4	(870)	(25,573)
NET SURPLUS / (DEFICIT) transferred to Equity Statement		36,430	(251,462)
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	7,708,134
Total Other Comprehensive Income		-	7,708,134
TOTAL COMPREHENSIVE INCOME		<u>36,430</u>	<u>7,456,672</u>

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

DISTRICT COUNCIL OF FRANKLIN HARBOUR

BALANCE SHEET
as at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,389,401	1,986,985
Trade & other receivables	5	680,290	572,687
Inventories	5	20,977	28,362
		<u>3,090,668</u>	<u>2,588,034</u>
Total Current Assets		3,090,668	2,588,034
Non-current Assets			
Financial assets	6	57,748	84,064
Infrastructure, property, plant & equipment	7	24,928,635	25,073,925
Other non-current assets	6	35,703	35,703
		<u>25,022,086</u>	<u>25,193,692</u>
Total Non-current Assets		25,022,086	25,193,692
Total Assets		28,112,754	27,781,726
LIABILITIES			
Current Liabilities			
Trade & other payables	8	721,459	739,222
Borrowings	8	79,952	56,721
Provisions	8	126,875	212,245
		<u>928,286</u>	<u>1,008,188</u>
Total Current Liabilities		928,286	1,008,188
Non-current Liabilities			
Borrowings	8	482,182	119,134
Provisions	8	40,600	29,148
		<u>522,782</u>	<u>148,282</u>
Total Non-current Liabilities		522,782	148,282
Total Liabilities		1,451,068	1,156,470
NET ASSETS		26,661,686	26,625,256
EQUITY			
Accumulated Surplus		10,160,017	10,123,587
Asset Revaluation Reserves	9	16,501,669	16,501,669
Available for sale Financial Assets	9	-	-
Other Reserves	9	-	-
TOTAL EQUITY		26,661,686	26,625,256

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

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

2013	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	TOTAL EQUITY \$
Balance at end of previous reporting period		10,123,587	16,501,669	26,625,256
Adjustment due to compliance with revised Accounting Standards				-
Adjustment to give effect to changed accounting policies				-
Restated opening balance		<u>10,123,587</u>	<u>16,501,669</u>	<u>26,625,256</u>
Net Surplus / (Deficit) for Year		36,430		36,430
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment				-
Available-for-sale Financial Instruments - change in fair value				-
Impairment (expense) / recoupments offset to asset revaluation reserve				-
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment		-		-
Transfer to accumulated surplus on sale of available-for-sale Financial Instruments		-		-
Share of other comprehensive income - equity accounted Council businesses				-
Other equity adjustments - equity accounted Council businesses		-		-
Transfers between reserves				-
Balance at end of period		<u>10,160,017</u>	<u>16,501,669</u>	<u>26,661,686</u>
2012				
Balance at end of previous reporting period		10,375,049	8,793,535	19,168,584
Restated opening balance		<u>10,375,049</u>	<u>8,793,535</u>	<u>19,168,584</u>
Net Surplus / (Deficit) for Year		(251,462)		(251,462)
Other Comprehensive Income				
Changes in revaluation surplus - infrastructure, property, plant & equipment			7,708,134	7,708,134
Balance at end of period		<u>10,123,587</u>	<u>16,501,669</u>	<u>26,625,256</u>

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

DISTRICT COUNCIL OF FRANKLIN HARBOUR

CASH FLOW STATEMENT for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		1,041,327	1,070,888
Fees & other charges		33,802	29,072
User charges		122,890	768,303
Investment receipts		55,434	42,698
Grants utilised for operating purposes		1,947,608	1,871,062
Reimbursements		27,212	14,923
Other revenues		230,437	768,777
<u>Payments</u>			
Employee costs		(916,681)	(935,626)
Materials, contracts & other expenses		(1,543,785)	(1,962,196)
Finance payments		(8,347)	(13,954)
Net Cash provided by (or used in) Operating Activities		989,897	1,653,947
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets		-	49,187
Sale of surplus assets		-	-
Sale of investment property		-	-
Net disposal of investment securities		-	-
Sale of real estate developments		-	-
Repayments of loans by community groups		24,475	23,538
Distributions received from equity accounted Council businesses		-	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(483,914)	(388,992)
Expenditure on new/upgraded assets		(514,321)	(107,857)
Purchase of investment property		-	-
Net purchase of investment securities		-	-
Development of real estate for sale		-	-
Loans made to community groups		-	(132,077)
Capital contributed to equity accounted Council businesses		-	-
Net Cash provided by (or used in) Investing Activities		(973,760)	(556,201)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		443,000	-
Proceeds from aged care facility deposits		-	-
<u>Payments</u>			
Repayments of borrowings		(56,721)	(76,558)
Repayment of finance lease liabilities		-	-
Repayment of aged care facility deposits		-	-
Net Cash provided by (or used in) Financing Activities		386,279	(76,558)
Net Increase (Decrease) in cash held		402,416	1,021,188
Cash & cash equivalents at beginning of period	11	1,986,985	965,797
Cash & cash equivalents at end of period	11	2,389,401	1,986,985

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

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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 Preparation

1.1 Compliance with Australian Accounting Standards

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

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

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 dollar (\$).

2 The Local Government Reporting Entity

The District Council of Franklin Harbour is incorporated under the SA Local Government Act 1999 and has its principal place of business at 6 Main Street, Cowell. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

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

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

District Council of Franklin Harbour

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

Note 1 - Significant Accounting Policies (cont)

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$234,191 was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$264,581; and in June 2013, again two quarters of the 2013/14 allocation: \$543,703. Accordingly, in the reporting period ended 30 June 2012, Council's operating deficit was effectively understated by \$264,581 (or Council's operating surplus overstated).

It is anticipated that these amounts in advance will be adjusted at some future time, but details of the timing of this are not currently available. The total amounts to be adjusted at 30 June 2013 is \$543,703 (2012, \$264,581).

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

3.1 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".

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.

5.1 Real Estate Assets Developments

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

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

5.2 Other Real Estate held for resale

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

District Council of Franklin Harbour

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

Note 1 - Significant Accounting Policies (cont)

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

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

6.2 Initial Recognition

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

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

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

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are shown in Note 7. 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.

District Council of Franklin Harbour

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

Note 1 - Significant Accounting Policies (cont)

6.6 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.

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

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.

District Council of Franklin Harbour

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

Note 1 - Significant Accounting Policies (cont)

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 15.

10 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

11 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.

12 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 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.)

District Council of Franklin Harbour

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

Note 1 - Significant Accounting Policies (cont)

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 FRANKLIN HARBOUR

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>		1,053,217	965,607
Less: Discretionary rebates, remissions & write offs		(21,295)	(16,609)
		1,031,922	948,998
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		57,751	55,505
		57,751	55,505
<u>Other Charges</u>			
Penalties for late payment		3,243	6,448
		3,243	6,448
		1,092,916	1,010,951
STATUTORY CHARGES			
Development Act fees		26,792	23,565
Animal registration fees & fines		3,927	3,337
Other licences, fees, & fines		10	30
		30,729	26,932
USER CHARGES			
Cemetery/crematoria fees		3,386	3,014
Council House Rents		7,680	7,845
Hall & equipment hire		4,074	3,564
Parking fees		125	914
Shack Area Fees		36,081	24,245
Rubbish Collection Fees		96,060	68,570
		147,406	108,152
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		52,334	35,864
Banks & other		6,453	9,369
		58,787	45,233

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

NOTE 2 - INCOME (continued)

	2013	2012
Notes	\$	\$
REIMBURSEMENTS		
- for private works	<u>24,738</u>	<u>13,566</u>
	<u>24,738</u>	<u>13,566</u>
OTHER INCOME		
Rebates received	22,005	18,430
Sundry	<u>45,926</u>	<u>25,573</u>
	<u>67,931</u>	<u>44,003</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	<u>1,851,338</u>	<u>1,871,062</u>
	<u>1,851,338</u>	<u>1,871,062</u>
<i>The functions to which these grants relate are shown in Note 2.</i>		
Sources of grants		
Commonwealth government	110,640	-
State government	1,740,698	1,871,062
Other	<u>0</u>	<u>0</u>
	<u>1,851,338</u>	<u>1,871,062</u>
Individually Significant Item		
Although it is possible to have an <i>individually significant item</i> in relation to revenue, the wording previously included in relation to FAGs grants is superfluous if disclosure is made in Note 1.	0	264,581

Any other *individually significant item* in relation to revenue must be fully described.

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

NOTE 2 - INCOME (continued)

	2013	2012
Notes	\$	\$
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	500,000	
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Roads Infrastructure</i>		
<i>Heritage & Cultural Services</i>		
<i>Subtotal</i>		
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Roads Infrastructure</i>		
<i>Heritage & Cultural Services</i>	135,640	500,000
<i>Subtotal</i>	135,640	500,000
<i>Unexpended at the close of this reporting period</i>	635,640	500,000
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	 135,640	 500,000

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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		852,654	832,092
Employee leave expense		(18,670)	35,646
Superannuation - defined contribution plan contributions	15	117,206	134,684
Superannuation - defined benefit plan contributions	15	38,595	36,622
Workers' Compensation Insurance		46,106	37,544
Less: Capitalised and distributed costs		<u>(198,059)</u>	<u>(121,163)</u>
Total Operating Employee Costs		<u>837,832</u>	<u>955,425</u>
Total Number of Employees		17	15
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the financial reports		8,500	10,020
Bad and Doubtful Debts		14,282	-
Elected members' expenses		79,079	64,284
Election expenses		<u>1,028</u>	<u>401</u>
Subtotal - Prescribed Expenses		<u>102,889</u>	<u>74,705</u>
Other Materials, Contracts & Expenses			
Contractors		740,671	741,544
Energy		174,241	224,315
Legal Expenses		7,424	3,446
Levies paid to government - NRM levy		58,180	55,380
Parts, accessories & consumables		80,377	94,283
Sundry		<u>81,373</u>	<u>14,684</u>
Subtotal - Other Materials, Contracts & Expenses		<u>1,142,266</u>	<u>1,133,652</u>
		<u>1,245,155</u>	<u>1,208,357</u>

DISTRICT COUNCIL OF FRANKLIN HARBOUR

**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		239,011	189,470
Infrastructure		728,893	820,034
Plant & Equipment		174,573	143,076
Furniture & Fittings		<u>178</u>	<u>15,472</u>
		<u>1,142,655</u>	<u>1,168,052</u>
FINANCE COSTS			
Interest on Loans		<u>10,903</u>	<u>13,954</u>
		<u>10,903</u>	<u>13,954</u>

DISTRICT COUNCIL OF FRANKLIN HARBOUR
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		-	49,187
Less: Carrying amount of assets sold		-	74,760
Gain (Loss) on disposal		<u>-</u>	<u>(25,573)</u>
<i>Assets surplus to requirements</i>			
Less: Carrying amount of assets sold		870	-
Gain (Loss) on disposal		<u>(870)</u>	<u>-</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		<u>(870)</u>	<u>(25,573)</u>

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

Note 5 - CURRENT ASSETS

	Notes	2013 \$	2012 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		31,088	137,863
Deposits at Call		2,338,679	1,835,460
Short Term Deposits & Bills, etc		19,634	13,662
		<u>2,389,401</u>	<u>1,986,985</u>
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		166,802	115,213
Accrued Revenues		11,726	8,373
Debtors - general		54,023	23,812
GST Recoupment		41,094	16,659
Prepayments		40,011	31,230
Loans to community organisations		26,316	24,475
Sundry		354,600	352,925
Total		694,572	572,687
Less: Allowance for Doubtful Debts		14,282	-
		<u>680,290</u>	<u>572,687</u>
 INVENTORIES			
Stores & Materials		20,977	28,362
		<u>20,977</u>	<u>28,362</u>

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

Note 6 - NON-CURRENT ASSETS

	Notes	2013 \$	2012 \$
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		57,748	84,064
		57,748	84,064
OTHER NON-CURRENT ASSETS			
Inventories			
Stores & Materials			
Trading Stock			
Real Estate Developments		35,703	35,703
		35,703	35,703

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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	4,974,681	-	-	4,974,681	4,974,681	-	-	4,974,681
Buildings & Other Structures	-	6,573,333	(481,530)	6,091,803	-	7,045,435	(720,541)	6,324,894
Infrastructure	-	18,331,202	(6,219,082)	12,112,120	-	18,828,837	(6,947,974)	11,880,863
Plant & Equipment	-	3,205,865	(1,392,733)	1,813,132	-	3,241,086	(1,567,306)	1,673,780
Furniture & Fittings	-	392,337	(310,148)	82,189	-	384,743	(310,326)	74,417
TOTAL PROPERTY, PLANT & EQUIPMENT	4,974,681	28,502,737	(8,403,493)	25,073,925	4,974,681	29,500,101	(9,546,147)	24,928,635
<i>Comparatives</i>	10,813,871	15,000,576	(7,702,693)	18,111,754	4,974,681	28,502,737	(8,403,493)	25,073,925

This Note continues on the following pages.

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012		CARRYING AMOUNT MOVEMENTS DURING YEAR					2013
	\$		\$					\$
	CARRYING AMOUNT	CARRYING AMOUNT	New/Upgrade	Additions Renewals	Disposals	Depreciation	Net Revaluation	CARRYING AMOUNT
Land	4,974,681	-	-	-	-	-	-	4,974,681
Buildings & Other Structures	6,091,803	472,102	-	-	-	(239,011)	-	6,324,894
Infrastructure	12,112,120	-	-	497,636	-	(728,893)	-	11,880,863
Plant & Equipment	1,813,132	35,221	-	-	-	(174,573)	-	1,673,780
Furniture & Fittings	82,189	6,998	-	-	(14,592)	(178)	-	74,417
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	25,073,925	514,321	514,321	497,636	(14,592)	(1,142,655)	-	24,928,635
	18,111,754	106,136	106,136	390,713	(74,760)	(1,168,052)	7,708,134	25,073,925

Comparatives

This Note continues on the following pages.

DISTRICT COUNCIL OF FRANKLIN HARBOUR

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the 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 2010 at current replacement cost. Additions are recognised at cost.

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 30 June 2010 by Maloney Field Services.

Infrastructure

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2004, based on actual costs. 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 2004 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2004. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2004. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

Capitalisation Thresholds

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

Note 8 - LIABILITIES

	Notes	2013		2012	
		Current	Non-current	Current	Non-current
		\$	\$	\$	\$
TRADE & OTHER PAYABLES					
Goods & Services		65,692		81,080	
Payments received in advance		500,000		500,000	
Accrued expenses - employee entitlements		153,211		158,142	
Accrued expenses - other		2,556			
		<u>721,459</u>	<u>-</u>	<u>739,222</u>	<u>-</u>
BORROWINGS					
Loans		79,952	482,182	56,721	119,134
		<u>79,952</u>	<u>482,182</u>	<u>56,721</u>	<u>119,134</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
PROVISIONS					
Employee entitlements (including oncosts)		126,875	40,600	212,245	29,148
		<u>126,875</u>	<u>40,600</u>	<u>212,245</u>	<u>29,148</u>
<i>Amounts included in provisions that are not expected to be settled within 12 months of reporting date.</i>		90,643		112,631	

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2012	Net Increments (Decrements)	30/6/2013
	Notes	\$	\$
Land		4,741,781	4,741,781
Buildings & Other Structures		5,857,098	5,857,098
Infrastructure		5,902,790	5,902,790
TOTAL		<u>16,501,669</u>	<u>16,501,669</u>
	<i>Comparatives</i>	<u>8,793,535</u>	<u>7,708,134</u>

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2013 \$	2012 \$
Total cash & equivalent assets	5	2,389,401	1,986,985
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		2,389,401	1,986,985

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

Net Surplus (Deficit)		36,430	(251,462)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,142,655	1,168,052
Fair value adjustments		-	
Equity movements in equity accounted investments (increase) decrease		-	
Net increase (decrease) in unpaid employee benefits		(78,849)	19,709
Premiums & discounts recognised & unwound		-	
Change in allowances for under-recovery		14,282	
Non-cash asset acquisitions		-	
Grants for capital acquisitions treated as Investing Activity		-	
Net (Gain) Loss on Disposals		870	25,573
		1,115,388	961,872
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(120,044)	211,995
Net (increase) decrease in inventories		7,385	5,791
Net (increase) decrease in other current assets		-	
Net increase (decrease) in trade & other payables		(12,832)	474,199
Net increase (decrease) in other provisions		-	
Net increase (decrease) in other liabilities		-	
Net Cash provided by (or used in) operations		989,897	1,653,857

(c) Financing Arrangements

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

Corporate Credit Cards		9,000	9,000
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The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

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

Note 11 - FUNCTIONS

INCOME, 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Council Administration	2,303,731	2,393,618	910,658	355,939	1,393,073	2,037,679	1,135,252	1,339,916	3,148,416	2,672,098
Public Order and Safety	8,893	3,337	50,740	65,626	(41,847)	(62,289)				
Health	-	56	7,125	6,099	(7,125)	(6,043)				
Housing & Community Amenities	166,689	145,691	431,720	582,735	(265,031)	(437,044)				
Protection of the Environment	25,029	100	12,141	21,266	12,888	(21,166)	25,000			
Recreation and Culture	34,890	25,551	306,492	352,623	(271,602)	(327,072)				
Mining and Manufacturing	119,428	7,325	9,724	8,758	109,704	(1,433)	110,640			
Transport and Communication	580,446	531,146	1,296,527	1,763,020	(716,081)	(1,231,874)	580,446	531,146	24,964,338	25,109,628
Economic Affairs	161	914	190,741	16,417	(190,580)	(15,503)				
Other Purposes	34,578	12,161	20,677	173,305	13,901	(161,144)				
TOTALS	3,273,845	3,119,899	3,236,545	3,345,788	37,300	(225,889)	1,851,338	1,871,062	28,112,754	27,781,726

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 FRANKLIN HARBOUR

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

Note 11 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

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.

Public Order and Safety

Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Parking Control, and Other Regulatory Services.

Health

Health Inspection, Food Control, immunisation services and other Health Services

Housing and Community Amenities

Maintenance of housing rented to tenants, refuse collection services, operation of refuse and recycling depot, administration of town planning, stormwater drainage, public conveniences, cemetery, street lighting, street cleaning and other community development amenities.

Protection of the Environment

Coastal protection, foreshores, boatramp facilities and other environment

Recreation & Culture

Maintenance of halls, various parks and gardens, reserves, ovals and other sporting facilities, playgrounds, contribution to community library and administration of arts and cultural services.

Mining and Manufacture

Administration of Building Act and the Development Act

Transport and Communication

Construction and maintenance of roads, drainage works, footpaths, parking facilities and signs. Management of aerodrome.

Economic Affairs

Pest control services, tourism, agriculture

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

Note 12 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

<p>Bank, Deposits at Call, Short Term Deposits</p>	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 4% and 5% (2012: 4% and 5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Rates & Associated Charges (including legals & penalties for late payment)</p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 9% (2012: 9%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Receivables - Fees & other charges</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Liabilities - Creditors and Accruals</p>	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Interest Bearing Borrowings</p>	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.1% and 6.4% (2012: 5.1% and 7.2%)</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Finance Leases</p>	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

Note 12 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	2,389,401			2,389,401	2,389,401
Receivables	585,518			585,518	585,518
Other Financial Assets				-	-
Total	2,974,919	-	-	2,974,919	2,974,919
Financial Liabilities					
Payables	565,692			565,692	565,692
Current Borrowings	79,952			79,952	79,952
Non-Current Borrowings		176,248	305,934	482,182	482,182
Total	645,644	176,248	305,934	1,127,826	1,127,826
2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	1,986,985			1,986,985	1,986,985
Receivables	541,538			541,538	541,538
Other Financial Assets	84,064			84,064	84,064
Total	2,612,587	-	-	2,612,587	2,612,587
Financial Liabilities					
Payables	581,080			581,080	581,080
Current Borrowings	56,271			56,271	56,721
Non-Current Borrowings		119,134		119,134	119,134
Total	637,351	119,134	-	756,485	756,935

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 \$
Overdraft				
Other Variable Rates		50,120		66,887
Fixed Interest Rates	5.8	562,134	6.2	175,855
		<u>612,254</u>		<u>242,742</u>

Net Fair Value

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

Risk Exposures

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

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

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

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 FRANKLIN HARBOUR

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

Note 13 - 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>	4%	(24%)	(17%)
Rates - general & other less NRM levy			

This ratio expresses the operating surplus as a percentage of general and other rates, not of NRM levy.

Adjusted Operating Surplus Ratio

	4%	(24%)	(17%)
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In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-52%	-49%	-36%
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>	42%	29%	27%
Infrastructure & Asset Management Plan required expenditure	*	*	*

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

Amounts shown above an asterisk () indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.*

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

Note 14 - 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	3,273,845	3,119,899
<i>less</i> Expenses	3,236,545	3,345,788
Operating Surplus / (Deficit)	37,300	(225,889)
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	483,914	388,992
<i>less</i> Depreciation, Amortisation and Impairment	1,142,655	1,168,052
<i>less</i> Proceeds from Sale of Replaced Assets	-	49,187
	(658,741)	(828,247)
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	514,321	107,857
<i>less</i> Amounts received specifically for New and Upgraded Assets	-	-
<i>less</i> Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	514,321	107,857
Net Lending / (Borrowing) for Financial Year	<u>181,720</u>	<u>494,501</u>

DISTRICT COUNCIL OF FRANKLIN HARGBOUR

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

Note 15 – SUPERANNUATION

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

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

Note 16 - 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 935 km of road reserves of average width 20 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. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of zero (0) 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.

4. "CARBON" TAX

From 1 July 2012 a new tax on emissions of certain "greenhouse" gases commenced operation. Council has a garbage landfill facility which emits, and will continue for many years to emit, gases of this type.

5. PUBLIC INITIATED BOUNDARY ADJUSTMENT

A public initiated submission pursuant to Section 28 of the Local Government Act 1999 to adjust the external boundary of the District Council of Franklin Harbour, by severing the Hundreds of Mangalo and Heggaton and incorporating them in to the Cleve District Council was submitted to the Boundary Adjustment Facilitation Panel on the 23rd December 2010.

In June 2013, the panel advised that they would recommend the proposal should be approved by the Minister for Local Government.

Council is awaiting the outcome as to whether a poll is to be held on the proposal. This will be known on the 4th October 2013. If a poll is not called the Minister is required to make a decision on the recommendation of the panel. If the Minister endorses the panel's report, and a proclamation is made to adjust the boundary there will be both negative and positive effects on Councils financial sustainability.

6. Community Waste Water Management Scheme Proposal

Council is currently in the final stages of determining whether or not to implement a waste water disposal scheme for Cowell.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE DISTRICT COUNCIL OF FRANKLIN HARBOUR**

I have audited the accompanying financial report of the District Council of Franklin Harbour 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 District Council of Franklin Harbour 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.

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

Significant Uncertainty Regarding Fair Value of Infrastructure Assets

Without qualification to the opinion expressed above we draw attention to the fact that the last revaluation of infrastructure was in 2004. The ultimate outcome of an independent valuation cannot presently be determined therefore, the effect on depreciation expense is unknown.



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

Signed 7 day of November 2013, at Eastwood, South Australia

DISTRICT COUNCIL OF FRANKLIN HARBOUR

**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 Franklin Harbour 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 *22* day of *August* 2013

DISTRICT COUNCIL OF FRANKLIN HARBOUR

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

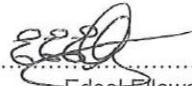
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the District Council of Franklin Harbour for the year ended 30 June 2013, the Council's Auditor, Ian G McDonald FCA, 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*.



.....
Cr Robert Udy
AUDIT COMMITTEE MEMBER



.....
Edsel Elleway
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 3/10/2013



PRESIDENT'S REPORT

2012/13 has proven to be an eventful year with many changes taking place. In December 2012 we said farewell to Diana Laube and welcomed Tony Irvine to the position of EPLGA Executive Officer.

Tony, a familiar face to local government on Eyre Peninsula and South Australia, commenced work on 19th March 2013 in the expanded EO role. It was opportune that the Association was able to take advantage of the LGA "Outreach Services" pilot program that was mooted at the time he commenced as the EO. Sixty percent of Tony's time is spent on EPLGA business and forty percent on "Outreach Services" projects. One of the aims of the pilot program is to provide a way of connecting Councils with the services that they seek from the LGA and at the same time provide feedback to the LGA.

On behalf of member councils I thank Diana for the five and half years of excellent work she did on our behalf and the professional way she represented this region at SAROC and the LGA. Though Dianna officially retired in January she continued to help out until March which was much appreciated. I wish her all the best for the future.

Other new faces at EPLGA Board meetings are Wudinna Chairman Eleanor Scholz who replaces the long term serving District Council of Wudinna Chairman Tim Scholz and, the new CEOs - Geoff Moffatt at Ceduna, Rob Forster at Elliston and Trevor Smith at Tumby Bay.

Farewell to Ian Burfitt, Mary Deakin and Steve Kerrigan, and thank you for your contribution.

The withdrawal of State Government core funding to the RDAWEP was extremely disappointing. It was heartening to see member councils demonstrating regional leadership and working together to ensure the region has a fully functional board that is able to continue assisting the region. After meeting with RDAWEP Board Members the EO and EPLGA Board Executive were successful in having clauses inserted in the agreement to review funding arrangements and an additional review that will consider a number of other issues raised by member councils. No doubt there will be further changes following the federal election.

In June 2013 the EPLGA adopted the Eyre Peninsula Roads Strategy 2013 and Road Assessment 2013 Summary Report and addendum as prepared by SMEC. The EP Roads Strategy is critical in obtaining road funding to our region and to assist councils to meet increasing demands on their road networks.

With increasing demands for road funding and infrastructure funding it is becoming more evident that a more robust methodology is needed to assist EP councils present their case for increased funding.

A major responsibility of my role as President is to represent the 11 member councils at SAROC and LGA Board meetings. SAROC continues to be a valuable forum for regional representatives and the EOs to discuss issues that are specific to regional councils which are then brought to the LGA Board member's attention. The LGA Board meetings consist of representatives from both the regional and metropolitan areas and the focus is governance and policy.

The "Making Regions Matter" forum on 17th April 2013 was a success. Tony and Anita Crisp from the Central Region LGA have continued work on this issue and at the last SAROC other regions agreed to support a combined "Making Regions Matter". This joint approach will ensure it becomes a tool that all regions can utilise and therefore be united in lobbying to make regions matter.

EPLGA Board meetings continue to provide an opportunity for various agencies and groups to inform local government members of opportunities or projects that are happening or about to start in the region. During the year speakers included Minister Russell Wortley, Agrifoods representative Christian Pike, LGA Procurement, Matt Pinnegar from BP Australia, Assoc Professor Michael O'Neil from SA Centre for Economic Studies, ElectraNet, Ombudsman Richard Bingham, SA Ambulance and Planning SA.

I thank Eddie Elleway as Senior Vice President and Mayor John Schaefer Junior Vice President for their support for the year. I would also thank Lachlan Miller, Alan McGuire and Katrina Allen for their assistance during the EO recruitment process.

The introduction of ICAC, new Federal Government and the State Government election early next year and local government elections later in the year will bring new challenges. I look forward to working with all member councils to ensure Eyre Peninsula remains important.

MAYOR JULIE LOW

MEMBER COUNCILS 2012/13

- City of Whyalla
- City of Port Lincoln
- DC Ceduna
- DC Cleve
- DC Elliston
- DC Franklin Harbour
- DC Kimba
- DC Lower Eyre Peninsula
- DC Streaky Bay
- DC Tumby Bay
- Wudinna DC

REPRESENTATIVES:

At the 75th AGM of the Eyre Peninsula Local Government Association, held at Kimba on 9th December 2011, the following Office Bearers were confirmed for the 2011/12 financial year:

PRESIDENT: Mayor Julie LOW (DC Lower Eyre Peninsula)

SNR VICE PRESIDENT : Mayor Eddie Elleway (DC Franklin Harbour.)

JUNIOR VICE PRESIDENT: Mayor John Schaefer (DC Kimba)

Our President and Senior Vice President are our nominated representatives to SAROC and State Executive Forums.

Other local government representatives to regional Boards have been as follows:

RDA Whyalla and EP BOARD:

Mayor Jim Pollock (City of Whyalla)

Cr Jack Velthuisen (City of Whyalla)

Cr Colin Carter (City of Whyalla)

Mayor Allan Suter (DC Ceduna)

Cr Bryan Trigg (DC Cleve)

Cr Malcolm Catt (City of Pt Lincoln)

EYRE PENINSULA NATURAL RESOURCES MANAGEMENT BOARD

Mayor Laurie Collins (District Council of Tumby Bay)

ANNUAL MEETING SCHEDULE, 1981-2020.

A highlight on the EPLGA calendar is the Annual Conference, hosted each year by a member Council. To assist in host Council planning, the following schedule is included:

2000	DC Franklin Harbour
2001	DC Cleve
2002	DC Streaky Bay
2003	DC Elliston
2004	DC Tumby Bay
2005	Whyalla CC
2006	DC Ceduna
2007	DC Lower Eyre Peninsula
2008	DC Kimba
2009	DC Wudinna
2010	DC Franklin Harbour
2011	DC Cleve

2012 DC Streaky Bay
 2013 DC Elliston
2014 DC Tumby Bay
 2015 Whyalla CC
 2016 DC Ceduna
 2017 DC Lower Eyre Peninsula
 2018 Port Lincoln CC
 2019 DC Kimba
 2020 Wudinna DC

The 2014 conference will be held on Monday 24th February 2014 at Tumby Bay.

BOARD MEMBERS FOR 2012/13

Under the terms of our Charter, the following Board appointments were current as at June 30th, 2013:

MEMBER COUNCIL	BOARD MEMBER	DEPUTY BOARD MEMBER
Ceduna	Allan Suter (Mayor)	Lynton Brown (D/Mayor)
Cleve	Roger Nield (Mayor)	Jodie Jones (D/Mayor)
Elliston	Pat Clark (Chairperson)	Kym Callaghan (Dep Chair)
Franklin Harbour	Eddie Elleway (Mayor)	Gavin Jackson (D/Mayor)
Kimba	John Schaefer (Mayor)	Dean Johnson (D/Mayor)
Lower Eyre Peninsula	Julie Low (Mayor)	Paul Pedler (D/Mayor)
Port Lincoln	Bruce Green (Mayor)	Neville Starke (D/Mayor)
Streaky Bay	Rob Stephens (Mayor)	Dean Whitford (D/Mayor)
Tumby Bay	Laurie Collins (Mayor)	Murray Mason (D/Mayor)
Whyalla	Jim Pollock (Mayor)	Merton Hodge (Cr)
Wudinna	Eleanor Scholz (Chair)	Neville Scholz(D/Chair)

REPORT OF ACTIVITIES, 2011/12

Our core activities always include reacting to legislation and policy changes that are likely to negatively affect our region. This year ongoing concerns and/ or participation have been with:

- State and federal Marine parks
- Recreation Fishing limits
- Natural Resources Management
- Regional Development Australia Funding
- Regional Recognition/ Lobbying
- Mining & Impacts
- Fire & Emergency Services Act Review
- MFS Workplace Safety Bill
- Job creation & co-ordination
- Development Act Reform
- Coastal Access
- Independent Commission Against Crime implantation
- Various roads and waste issues
- Regional Strategy for LGA
- Emergency Planning
- Time Zones
- Water Planning
- Regional planning

Projects carried out 2012/13

Regional Training Projects

Following the recommendations of the One System Consultancy, we successfully sought funding through DFEEST for the running of *Certificate IV in OHS* on Eyre Peninsula. Eight Councils have participated with the relevant officer attending day long sessions approximately every month. This project is nearing completion with 2 participants to finalise their assignments to allow the acquittal process to take place for grant funding.

Emergency Management Planning

After success at the Natural Disaster Mitigation Grant rounds, we were advised that our funds could be held over and we were invited to undertake the EMP project with Risk services. This project was completed. Funding is continuing to be held over until regional emergency planning is completed then individual Council Emergency Plans will be reviewed or renewed with the funding to align with the regional planning.

The regional zone emergency planning require the following:

- EPLGA to engage with the ZEMC (Zone Emergency Management Committee) to avoid duplication of work
- The project used the ZONE Risk assessments as a basis for work performed to date and in the future
- a commitment to compliance for the zone plans with NERAG and ISO310000. The Project engaged and incorporated NERAG (National Emergency Risk Management Guideline) components
- CERMS (Council Emergency Management Plans) are to be NERAG Compliant.
- any contractors engaged in this project are to be NERAG qualified.

A series of bushfire risk assessment workshops were held during August and Sept 2013 to assist the Councils and other regional stakeholders in their emergency planning.

Regional Collaboration

The concept of a combined forum was first proposed by the EPLGA's then Executive Officer, Diana Laube in 2012. It was looked at holding the event centrally to both our regions in either Port Augusta or even on the ferry – halfway across Spencer Gulf – however timing and logistics meant that it ended up being more convenient to hold it in conjunction with the LGA conference, when most Councils would already be in one place at one time. The purpose of the forum was to hear from those within the political sphere about how the voices of rural communities can be heard and to give us some insight as to how to get our issues 'on the table' and seriously considered. Country areas often battle to have their voices heard and this is felt acutely in South Australia as we are faced with the reality of being a 'one city state'. Although the weight of population often works against us politically, there are some great examples of politicians and academic experts who are particular champions of rural and regional issues.

There were two main parts to the forum – firstly to hear the views of those in politics about the best way to get the issues of country communities on the table and considered – particularly as we headed into federal and state elections. The panel discussion was designed to provide a cross-section from a wide range of politics – state and federal, lower and upper houses, major and minor parties and independents. We were very pleased to have Professor Dean Jaensch to summarise the panel session and to challenge our thinking about how we can influence the political debate.

The second part of the forum - which was discussion by our local government delegates on the three strategic areas/themes for country communities: strengthening regional investment, growing regional centres and reconnecting Government with regional communities.

We then introduced three expert table facilitators (the “Three Wise Men”) to help guide our discussions on the themes - Professor Dean Carson from Flinders University, Associate Professor Michael O'Neil from Adelaide University and Dr Paul Chapman from Carnegie Mellon University.

We were very pleased to have Lynne Breuer (State Labor Member for Giles); Dan Van holst Pellekaan (State Liberal Member for Stuart); Geoff Brock (Independent Member for Frome); Rob Brokenshire (Family First MLC) and Mark Parnell (SA Greens MLC) to assist us and give good counsel. As is always the risk with members of Parliament being called away for other duties - we did have apologies from Member for Grey – Rowan Ramsey and Labor Duty Senator for Grey – Alex Gallagher. Member for Wakefield – Nick Champion was also a late apology due to other commitments.

A "Regions Matter Too" draft strategy was developed in June 2013 for discussion at a state regional level. This was the outcome of a regional forum held between the Central & EP LGA's.

Outreach Services Pilot Program

With the retirement of Ms Diana Laube the EPLGA and LGA of SA sought to employ a person with the capabilities of undertaking a pilot of how the LGA of SA could deliver "Outreach Services" to the EP Region. The position would not only be 0.4 FTE for the LGA "Outreach Services" but also 0.6 FTE for the EPLGA "Business as Usual" services making the role a full time contract position for 2 years.

Tony Irvine commenced the expanded role of Executive Officer for the Eyre Peninsula Local Government Association (EPLGA) and LGA Outreach Support Officer on the 18th March 2013. To assist him in meeting the needs of the eleven Member Councils, the EPLGA, the Eyre Region and the LGA of SA a pilot program in addition to "business as usual" for the next two years was established outlining defined areas of focus. The pilot program includes:

- Assisting with the preparation of LGA policy on regional development;
- Preparing a profile of the region with a focus on what it contributes to the economic growth of the State & nationally;
- Governance needs of each council;
- Legislative compliance in assets management and long term financial planning;
- Skills assessment in the areas such as IT, planning, environmental health etc and develop a regional training plan;
- Short term employment requirements rather than full time employees;
- Shared services arrangements to assist in meeting the short/long term skills needs and other needs;
- Opportunities arising from the Local Excellence Program – trailing new ways of doing things. For example improving performance, systems & processes that sustain good performance, raising the image of Local Government, effective engagement across the region & State as a whole (i.e. political clout) with other spheres of government, seeking financial arrangements to support the programs required;
- Positioning Local Government & the region for the State 2014 elections by gathering evidence of the needs of the sector and possible solutions that could be an "ask" in an election environment;
- Identify any "centre of excellence" that may exist within the region;
- Developing CEO, Works Manager & any other forums to assist in the sharing of resources and information – save the same thing being undertaken 11 times;
- Managing local issues for the member councils – advocacy, lobbying, problem solving etc.

The LGA and the EPLGA centred the two year pilot on:

- Preserving the current important role of the Executive Officer of the EPLGA;
- Enhancing the connections between the work of the EPLGA and that of the LGA where it is mutually beneficial to do so;
- Enhancing the services of the LGA to be an “outreach” service but targeted to needs identified by the EPLGA/ Region;
- Appointment of a resource that is made jointly between the LGA & EPLGA to deliver on the ground services to Councils;
- Agreeing on a program of works/activity and the funding model required;
- Address other issues deemed important to the success of the pilot.

EPLGA CEO's Committee

On 28th June 2013, the Eyre Peninsula Local Government Association (EPLGA) established a Chief Executive Officer Committee to ‘meet from time to time to consider issues of relevance to Eyre Peninsula Councils, and to provide advice to the EPLGA Board on those issues’.

The Committee's role is:-

1. To provide high level strategic advice to the EPLGA about its identified priority issues.
2. To arrange and coordinate reports to the EPLGA on those priority issues.
3. To initiate reports and advice to the EPLGA on other matters identified by the Committee to be of strategic regional significance.
4. To assist and advise the EPLGA about the development and implementation of its Management Plan and other plans.
5. To share operational information and expertise amongst the committee members and other agency Chief Executive Officers of similar.

The membership of the Committee comprises the Chief Executive Officers of all Councils which are members of the EPLGA.

Other working groups may be established from time to time to undertake specific tasks on behalf of the EPLGA Board or CEO's Committee.

Regional Roads Priorities - review ranking & prioritisation criteria

At the June 2013 EPLGA Board Meeting a resolution was passed to undertake a review of the criteria used to prioritise regional roads to be submitted for funding from the Special Local Roads Funding Program.

A discussion paper was released to seek support for the methodology to be used in the review. Stakeholders were in agreement with the discussion paper and from this the project was scoped for the consultants to carry out the work required. A desired outcome is a roads database for the entire region.

Regional Climate Change Adaptation Plan

The Executive Officer and President sit at the Eyre Peninsula Integrated Climate Change Adaptation (EPICCA) Committee table.

Under the State Climate Change Adaptation Framework, areas across the State, including the Eyre Peninsula, are required to develop a Regional Climate Change Adaptation Plan. EPICCA facilitated the development of the Regional Climate Change Adaptation Plan for the Eyre Peninsula.

EPICCA's goal was to develop and implement practical, regionally-appropriate and sensitive measures to address the likely impacts of climate change.

EPICCA commissioned Stage 1 of this work - a knowledge audit to establish the information base for further adaptation planning.

The approach to developing the Regional Adaptation Plan was to:

- a) engage with representatives of key sectors on the Eyre Peninsula to identify current and future decisions that could be impacted by climate change;
- b) to identify and prioritise adaptation options for the region.

Three workshops were run as part of this project.

Regional Skills Initiative

The Executive Officer was appointed to a position on the Agrifoods Advisory Committee which was established to develop and implement workforce development strategies and industry nationally endorsed qualifications to meet the current and emerging needs of enterprises, employees and students throughout regional and urban Australia.

The Committee worked with a vast array of stakeholders at all levels:

- on the ground with enterprises, regional communities and research organisations to drive adoption of new and better workforce planning and skills development;
- with schools, Registered Training Organisations (RTOs) and the tertiary sector more broadly to drive high quality delivery and assessment of skills;
- with industry peaks and key bodies to build their voice as advocates and change agents of the national skills and workforce development agenda;
- with the three tiers of government to drive evidentiary-based policy formation which supports the needs of agrifood sectors and the challenges facing regional Australia's workforce.

The District Council of Cleve held a round table to address their sub-regional needs and the three Lower Eyre Peninsula Councils were involved in workforce planning through the Agrifoods initiative.

Regional Water Re-use Plan & Funding

In June 2013 a funding submission was lodged to establish a Regional CWMS Users Group with a view to improving regional skills in this area plus having a forum for the sharing of information. The bid was successful and hence a users group has been established.

The Eyre Peninsula Council's jointly own and operate 13 community wastewater management schemes servicing 5775 property connections.

Eyre Peninsula Council's are acutely aware of the potential impact of the Water Industry Act and the increasing regulatory and reporting environment surrounding CWMS operations due to their classification as an essential service.

The following desired outcomes of a CWMS User's group were identified:

- Establishment of users group to facilitate knowledge sharing across Council's operating CWMS'
- Identification of regional capacity and skills gaps to provide for the efficient and compliant ongoing operation and maintenance of existing and new Community Wastewater Management Schemes
- Promote regional training to maintain skill sets required to ensure sustainability
- Development and implementation of standardised recording and reporting mechanisms
- Facilitated development of up-to-date, user friendly operation, maintenance, monitoring and contingency plans
- Schematic mapping of existing schemes to assist with understanding of catchment capacities and constraints
- Development and implementation of standardised accounting systems to assist in comparisons between schemes and Council's
- Identify opportunity for shared resources, including platforms for remote access
- Identification of potential shared procurement opportunities in areas such as spare parts inventories, septic tank desludging and drain flushing.

It was proposed that the initial development of an EPLGA CWMS User Group be facilitated by an external third party, a model which proved successful in the South East Council's User Group.

The member Council's of a CWMS User Group commit both management and operational resources to this project and it is intended that this initial commitment will continue through to the ongoing operations of the User Group as a recognised working group of the EPLGA.

Development of a Regional Training & Development Plan to assist training programming & relativity.

An increase in Council participation has been witnessed through the Executive Officer of the EPLGA being a link and encouraging Councils to participate in LGA sponsored training programs such as CDAP Member training, Code of Conduct Training etc. This was also contributed to the Executive Officer giving advice to the LGA on where to hold such training and when so as to avoid clashes with regional seasonal events (e.g. harvest) and other events.

Management Plan - review.

At the June 2013 EPLGA Board meeting the EPLGA Board considered and adopted the draft EPLGA Management Plan 2013 -16.

To avoid some confusion between the Business Plan prepared by a Council, the EPLGA uses the term "Management Plan." This "Management Plan" was for the period - 2013 to 2016 but will be reviewed annually and has an updated annual work plan & budget included for the current year. It also includes the strategic directions the EPLGA wishes to take for the period 2013 - 16.

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

INCOME STATEMENT
For the year ended 30th June 2013

	Note	2013 \$	2012 \$
INCOME			
Interest Received		15,571	13,244
Membership Fees	5	140,000	140,000
Reimbursable Expenses		1,967	282
Project Management Fees		-	3,000
		<u>157,538</u>	<u>156,526</u>
EXPENSES			
Administration		11,768	9,444
Audit Fees		1,940	1,530
Bank Charges		798	826
Computer Expenses		2,210	287
Consultants		1,560	-
Employee Expenses		77,898	69,980
Insurance		5,281	5,059
Marketing & Promotion		64	652
Meeting Expenses		2,125	3,313
Miscellaneous Expenses		60	-
President's Expenses		1,500	1,500
Secretarial Service		17,000	17,000
Telephone		702	564
Travel Expenses		7,054	8,271
Training Expenses		-	595
		<u>129,960</u>	<u>119,021</u>
SURPLUS/(DEFICIT)		<u>27,578</u>	<u>37,505</u>

The accompanying notes form part of these Financial Statements



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EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

BALANCE SHEET As at 30th June 2013

	Note	2013 \$	2012 \$
ASSETS			
Cash and cash equivalents	3	277,382	238,667
Receivables	4	9,581	19,685
TOTAL CURRENT ASSETS		<u>286,963</u>	<u>258,352</u>
LIABILITIES			
Trade and other payables	6	13,671	13,719
Unspent Grants	2	<u>32,092</u>	<u>31,011</u>
TOTAL LIABILITIES		<u>45,763</u>	<u>44,730</u>
NET ASSETS		<u>241,200</u>	<u>213,622</u>
ACCUMULATED FUNDS			
Balance brought forward		213,622	176,117
Change in Financial Position Resulting from Operations		27,578	37,505
ACCUMULATED FUNDS AT THE END OF THE FINANCIAL YEAR		<u>241,200</u>	<u>213,622</u>

The accompanying notes form part of these Financial Statements

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

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Local Government Act 1999.

The financial report has been prepared in accordance with the requirements of the Local Government Act 1999 and the following Australian Accounting Standards.

AASB 1031 Materiality
AASB 110 Events after the Balance Sheet Date
AASB 119 Employee Benefits
AASB 107 Cash and Cash Equivalents.

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

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

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Liabilities for employee benefits not expected to be paid or settled within 12 months are measured using a shorthand method which produces a result not materially different from the liability measured using the present value of expected future cash outflows method. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.



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EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30th June 2013**

2. PROJECTS

	1/7/2012 Brought Forward	Income	Expenditure	Project Management	Unspent
Regional Capacity Building	26,002	36,424	47,463	-	14,963
EP Coastal Development Strategy	654	-	-	-	654
Human Resource Consultancy	(548)	-	-	-	(548)
Road Assessor Training	(256)	-	-	-	(256)
Cert IV Training	(4,841)	13,686	9,668	-	(823)
Project – Other	10,000	-	-	-	10,000
Cores – EP	-	8,102	-	-	8,102
	31,011	58,212	57,131	-	32,092

2013
\$

2012
\$

3. CASH AND CASH EQUIVALENTS

Bank SA Cheque/Savings	24,122	20,357
Bendigo Term Deposit	137,254	130,514
LGFA	107,904	87,796
LGFA – Cores EP	8,102	-
	277,382	238,667

4. RECEIVABLES

Debtors	-	4,704
GST receivable	4,623	13,501
Accrued Interest	4,958	1,480
	9,581	19,685



5. MEMBERSHIP FEES

District Council of Ceduna	13,600	13,597
District Council of Cleve	10,182	10,184
District Council of Elliston	8,627	8,628
District Council of Franklin Harbour	8,923	8,923
District Council of Kimba	8,596	8,596
Wudinna District Council	9,000	8,998
District Council of Lower Eyre Peninsula	15,286	15,287
District Council of Streaky Bay	10,445	10,445
District Council of Tumby Bay	11,500	11,497
City of Whyalla	25,400	25,403
City of Port Lincoln	18,441	18,442
	<u>140,000</u>	<u>140,000</u>

6. TRADE & OTHER PAYABLES

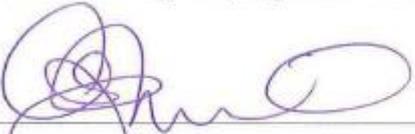
Accrued Expenses – employee entitlements	2,622	6,732
Trade Creditors	2,397	4,161
Payroll Liabilities	8,652	2,826
	<u>13,671</u>	<u>13,719</u>



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CHIEF EXECUTIVE OFFICER'S STATEMENT

I, ANTHONY IRVINE, the person for the time being occupying the position of CHIEF EXECUTIVE OFFICER of EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION do hereby state that the Financial Statements of the Association for the 30 June 2013 financial year are to the best of my knowledge presented fairly and in accordance with accounting procedures which have been maintained in accordance with the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 1999* made under that Act.



Signed

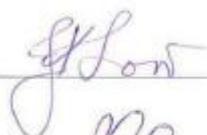
Dated 20/9/13

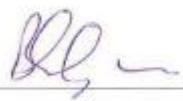
STATEMENT OF THE BOARD OF MANAGEMENT MEMBERS

In the opinion of the Board of Management of the Eyre Peninsula Local Government Association the accompanying Financial Report attached hereto, are drawn up so as to present fairly the results of the Association for the year ended 30 June 2013, and the state of affairs of the Association as at 30 June 2013, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Signed 27th day of September 2013

in accordance with a resolution of the Board of Management

 _____ Member Julia Low
Mayor DCLGP.

 _____ Member Bruce Green.
Mayor RCLC.

_____ 