Annual Report 2014/2015

Res: No. 171/11/15

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

TABLE OF CONTENTS

MAYOR'S REPORT 4
COUNCIL STRUCTURE 5
MEMBERS' ALLOWANCES 5
COMMITTEE ALLOWANCES 5
SENIOR EXECUTIVE OFFICERS' REMUNERATION 6
REGISTERS 6
CODES OF PRACTICE 6
POLICY MANUAL 7
STRATEGIC MANAGEMENT PLAN 8
SUBSIDIARIES 10
APPLICATION OF COMPETITION PRINCIPLES 10
CONFIDENTIALITY PROVISIONS 10
ELECTOR REPRESENTATION 10
INTERNAL REVIEW OF COUNCIL'S ACTIONS 10
COMMUNITY LAND MANAGEMENT PLANS 11
Freedom of Information 11
DEVELOPMENT STATISTICS 12
ANNUAL INFORMATION STATEMENT 13
The Council's Structure and Functions 13
The Effect of Council's Functions on the Public 14
Public Participation in Council Policy Development 14
Description of the Kind of Documents Held By Council 14
ACTING CHIEF EXECUTIVE OFFICER'S REPORT 16
ENVIRONMENTAL HEALTH OFFICER'S REPORT 19
COMPLIANCE OFFICER'S REPORT 20
FINANCE MANAGERS REPORT 21
ADMINISTRATION AND FINANCE 21
Human Resources 21
Finance 21
RATES REBATES 21
2014/2015 Budget and Rates 21
2014/2015 ANNUAL BUSINESS PLAN 23
2014/2015 FINANCIAL STATEMENTS 32
2014/2015 EPLGA ANNUAL REPORT 71

MAYOR'S REPORT

The financial year ending 30 June 2015 has been a challenging year for Council. As noted by the former Mayor and now Councillor Eddie Elleway last year, Cowell Township Community Waste Water Management System (CWMS) and the loss of the "two hundreds" of Mangalo and Heggaton are still being worked through.

The Council elections saw the appointment of three new councillors and later the resignation of Councillor Hornhardt. While congratulating the new councillors I would like to thank the retiring Councillors for their wonderful work. Subsequently an election was held to replace the vacancy.

The controversy of the CWMS system has been difficult for both residents and Council. On the positive side the contractors are progressing well with the works and they are on track for completion in mid 2016. It is acknowledged that there are still unresolved issues with a number of residents and they will be addressed by Council in the coming months.

The loss of the revenue of the "two hundreds" to Cleve will require Council to make adjustments to longer term staffing, plant and costs. Council staff are working to contain costs in other areas to minimise the impact.

Despite these matters Council has a strong balance sheet and can weather the costs impacts while we re-strategise. Focus will be placed on developing revenue streams to mitigate the loss. One such opportunity is the advancement of the sale of the council allotments at Port Gibbon and elsewhere.

Work is progressing to assist the Cowell Cottages by bringing the administration of these cottages under a Section 42 arrangement managed by Council staff but guided by a Board comprising two councillors and four independents. This is expected to be in place early in 2016.

Tenure of the Lucky Bay settlement is still a high priority for Council. An extensive report by SMEC provides the methodology to retain sand in front of the settlement ensuring the sustainability of the shacks. Once the management plan is updated Council will approach Government to extend tenure. Council wishes to thank the Lucky Bay Committee for all their hard work to advance this position.

In a similar vein there have been a number of changes brought by Government Agencies on the boundaries of Coastal Conservation, Coastal Settlement and Agriculture Land. It is Council's view that these matters require closer scrutiny.

Council wishes to formalise a number of these matters through the establishment of Section 41 Committees to improve focus and drive these matters to better outcomes. In this area we add Cowell Sporting Complex and the Boat Ramp Committee.

Finally I would like to thank Council staff and my fellow Councillors for all of their hard work and dedication in what has been a challenging year.

Michael Williams BM
ACTING MAYOR

COUNCIL STRUCTURE

The District Council of Franklin Harbour has six elected members.

The term of the new Council commenced from 8 November 2014, for a four year term.

The November 2014 Council meeting elected the following:-

Mayor	Councillor Robert Starr
Deputy Mayor	Councillor Michael Williams

The Elected Members of Council are:-

Mayor	Cr Robert Starr	Cowell	0427 285 004
Deputy Mayor	Cr Michael Williams	Elbow Hill	0488 147 078
	Cr Daven Wagner	Cowell	0428 618 175
	Cr Robert Walsh	Cowell	0429 862 922
	Cr. Shaun Hornhardt	Cowell	0408 810 298
	Cr. Eddie Elleway	Cowell	0427 037 009

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 2018.

MEMBERS' ALLOWANCES

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

Mayor	$22,800 - per annum (increasing by CPI annually)
Deputy Mayor	$ 7,125 - per annum (increasing by CPI annually)
Councillors	$ 5,700 - per annum (increasing by CPI annually)

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 3.3 + EBA
	LG Superannuation Scheme 9.3% of Salary
	Subsidised House Rental
	Telephone Provision

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:-

* Abuse of Staff Policy
* Acting Chief Executive Officer Policy
* Caretaker Policy
* Council Member Conduct Complaint Handling Policy
* Customer Complaints Policy
* Elected Members Allowances and Support Policy
* Guidelines for the Control of election Signs Policy
* Fraud and Corruption Prevention Policy
* Good Governance & Administrative Practice Policy
* Road Names Policy
* Sale of Roads Policy
* Internal Review of Council Decisions Policy
* Order Making Policy
* Privacy Policy
* Public Consultation Policy
* Training and Development Policy
* Whistleblower Protection Policy
* Workplace Bulling Policy
* Internal Control Policy and Procedure
* Purchasing/Tendering/Contracting Policy
* Rating Policy
* Treasury Management Policy
* Hardship Policy for Residential Customers of Minor and Intermediate Water Retailers
* Australia Day Awards Policy
* Records Management Policy
* Rural Roads Hierarchy and Service Levels Policy
* Risk Management Policy
* Installation of Pipeline under Council Road Policy
* Street Furniture Permit
* Temporary Placement of Portable Furniture Signage and Structures in Public Places Policy and Guidelines
* Involvement in Emergency Response Operations in Support of CFS Policy
* Fire Management – Burning Policy
* Building Inspection Policy
* Events – Lions Park Precinct Policy
* Shack Water Metres Policy
* Land Development Policy
* Lucky Bay Building Policy
* Lucky Bay Water Supply Management Plan Policy
* Swimming Pool Inspection Policy
* Work Health Safety and Injury Management Policy
* Hazard Management Policy
* Administration of the WHS Management System Policy
* Communication and Consultation Policy
* WHS Contractor Management Policy
* Emergency Management Policy
* Hazardous Work 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 2014/2015
Goal 1 –	**Maximise the benefit to the community from improved community services.**	
1.02	Maximise the provision of aged care facilities and services	Ongoing – the transfer of the Cowell Cottages to Council is being investigated
1.03	Provide high quality sporting and recreational facilities	Ongoing – the lease for the Sporting Complex has been finalised, the leases for the Lucky Bay shacks are being developed
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	• Ongoing – Foreshore Upgrade • Ongoing – A Business Plan has been developed for the Boardwalk/Footpath from town through the mangroves to the Harbour View Caravan Park
Goal 3 –	**Maintain our high quality living environment**	
3.01	Effectively manage the waste of the area	Ongoing – Recycling service utilised
3.05	Enhance the aesthetics of our townships environment	Ongoing - Improve irrigation to Parks and Gardens
3.06	Provide high quality footpaths and roads	Roads being resealed as CWMS construction occurs
Goal 4 – A professional, effective and customer oriented organisation playing the lead role in community development		
4.01	Maximisation of Council service delivery	Incomplete - Review Council's Strategic Plan

Goals for 2015/2016

Objectives		Goals for 2015/2016
Goal 1 -	**Maximise the benefit to the community from improved community services**	
1.02	Maximise the provision of aged care facilities and services	Transfer Cowell Cottages to Council
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	• Upgrade of the Foreshore • Work with Development Group to develop Boardwalk/Footpath from town through the mangroves to the Harbour View Caravan Park
Goal 3 –	**Maintain our high quality living environment**	
3.01	Effectively manage the waste of the area	Encourage use of recycling service
3.06	Provide high quality footpaths and roads	Upgrade footpaths and roads as CWMS construction completed
Goal 4 –	**A professional, effective and customer oriented organisation playing the lead role in community development**	
4.01	Maximisation of Council service delivery	Review Council's Strategic Plan

SUBSIDIARIES

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

APPLICATION OF COMPETITION PRINCIPLES

During the 2014/2015 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 five (5) times by Council during the 2014/2015 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 2014/2015 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 1 January 2000 by the 1 January 2005, and land acquired after 1 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 1 January 2003. Community Land Management Plans were completed in January 2006.

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

DEVELOPMENT STATISTICS

During the 2014/2015 financial year there were 42 Development Applications lodged for Council approval.

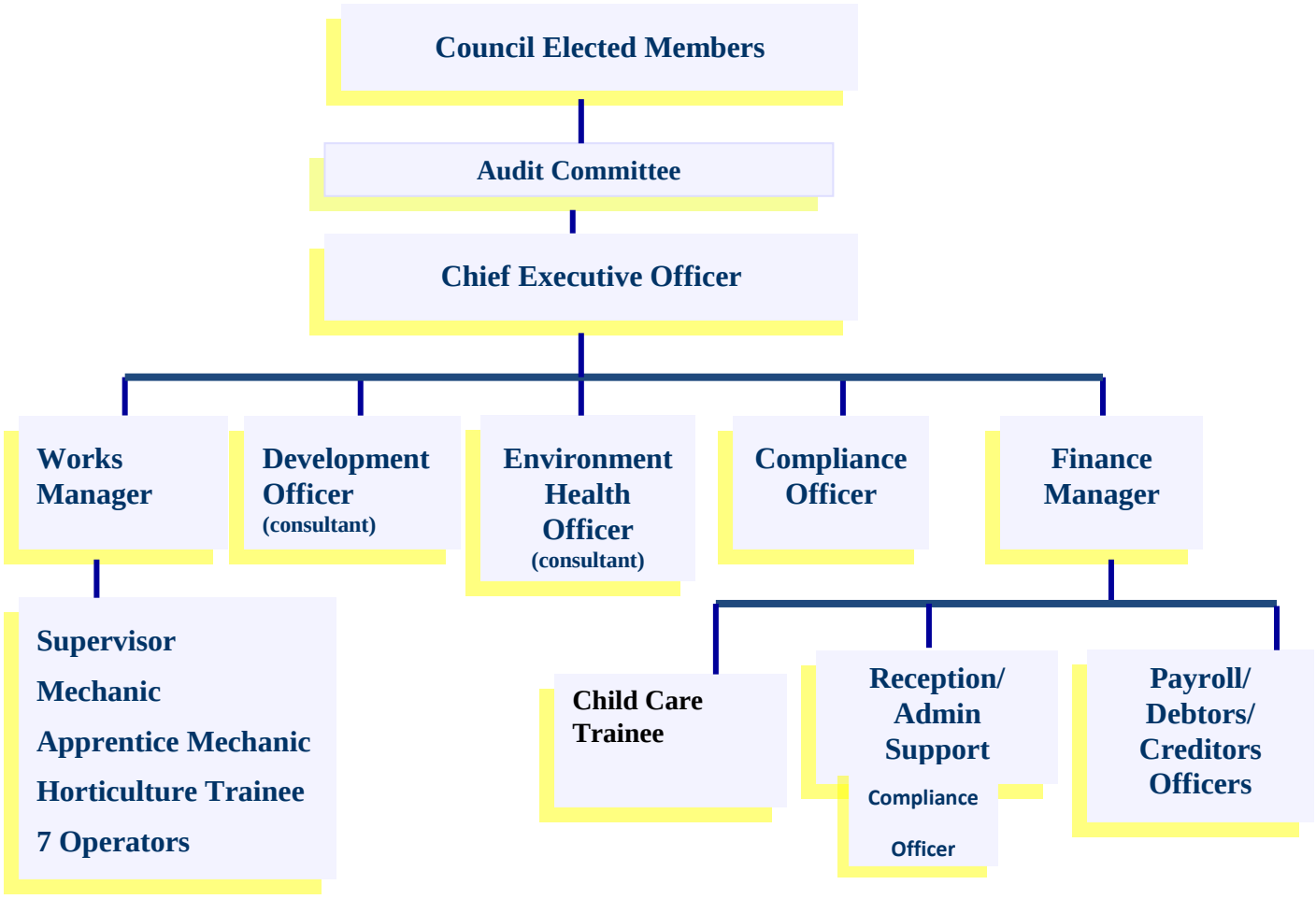
These included:

- 3 Dwellings and Relocatable Houses $408,702
- 5 Domestic Extensions/Renovations $64,000
- 29 Sheds/Carports/Lean To $584,216
- 5 Commercial Alterations (Planning only)

Total Developments: **$1,056,918**

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 four, and is based in the Council Office, 6 Main Street, Cowell SA 5602. The Works Department has a staff of eleven, 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	MEMBERSHIP
Audit Committee	Crs Starr and Wagner 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.

ACTING CHIEF EXECUTIVE OFFICER'S REPORT

2014/15 has been a busy and difficult year for the District Council of Franklin Harbour.

The decision made by the Boundary Adjustment Facilitation Panel to transfer the Hundreds of Mangalo Heggaton from Franklin Harbour Council to Cleve Council took effect on the 1 July 2014. Although Councils finances are in good order this will exert pressure on future year's revenue unless adjustments are made to our operating expenditure.

Construction of the Community Wastewater Management Scheme started in early 2015 and is progressing well. I am certain the benefits will be recognised by all in the fullness of time.

Council elections in late 2014 saw the election of three new Councillors, Michael Williams BM, Daven Wagner and Robert Walsh. Council was pleased with the elector participation in the postal ballot.

Council continue to work closely with the Lucky Bay Shack Committee in an endeavour to have the Crown Lease extended and Management Plan updated. A report has been received from consultants SMEC who foresee a way to make the sites sustainable via a sand nourishment program. We will endeavour to now convince other agencies of this view.

The transfer of the Cowell Cottages has not progressed as planned due to issues with the transfer of the land. Council has gazetted the Section 42 status and is waiting for confirmation from the Commissioner for Corporate Affairs, Consumer and Business Services. It is hoped that by the end of 2015/16, it will be finalised.

The Coastal Conservation Development Plan Amendment was finalised with the Minister for Planning disagreeing with Council's proposal. The shack settlements of Port Gibbon and Lucky Bay have now been put in a Coastal Conservation Zone.

The foreshore upgrade in Cowell is an ongoing project. During the consultation phase Council received several positive contributions from the public. This project will be a major asset for not only Cowell, but Eastern Eyre Peninsula when it is finalised. Council will now progressively explore opportunities for funding for this project.

Council continues to work with Ironclad Mining and SeaSA Transport on the multi-purpose export facility at Lucky Bay which is expected to be complete for operation early in 2016.

In closing, I would like to thank all staff for their continued dedication and hard work during 2014/2015 and I look forward to working with you all in the future.

Bernadette Clelland
Acting Chief Executive Officer

WORKS MANAGER'S REPORT

The Franklin Harbour Asset Management Plan (AMP) sets the way forward for Council to sustainably manage its infrastructure and plant assets. This plan underpins the Long Term Financial Plan and ensures that Council has a clear picture of the future financial implications when making decisions on infrastructure investments.

The AMP was reviewed at the end of the 2014 financial year to accommodate the removal of road assets in the Hundreds of Mangalo and Heggaton, a total of 192km of unsealed road; 11.4km of rural sealed road and one bridge was transferred to DC Cleve as a result of the elector initiated boundary adjustment. This significantly reduces our road asset management liabilities; however this is offset by significant income in the form of rates and road grants that has also been lost.

A summary of the major works projects completed for the 2014/15 year is as follows;

Cowell Mangalo Road

A 5.1 kilometre section of Cowell Mangalo was formed and sheeted between Range Road and the District Council of Franklin Harbour's realigned western boundary. This is a Class 1 unsealed road and links to the silos at Mangalo and the town of Cleve.

Wilton Road

A 4 kilometre section of Wilton Road was formed and sheeted with limestone rubble ending at the intersection of Franklin Road. This is also a Class1 unsealed road.

Town Roads

The resealing program in Cowell has been on hold for some time pending the construction of the CWMS.

Cedar Avenue was newly constructed with kerb/water table and seal and a new stormwater drain was installed in front of the Cowell Foreshore Caravan Park.

Rural Roads

Sections resealed this year were; 4 kilometre in two sections of the Cowell Kimba Road with a single coat 10mm polymer modified binder.

CWMS

Final Plans were submitted for the project by HDS Engineers and Tenders were called and assessed. The construction companies awarded significant contracts were Baker & Gibbons Pty. Ltd. (Civil Contract), Alano Water Pty. Ltd. (Wastewater Treatment Plant), DCFH (construct a 14 Mega litre Water Storage/Treatment Lagoon at the WWTP, the access road and pad for the plant) and Cowell Electric were successful in gaining a contract for a major three phase high voltage power line upgrade along Melrose Road to service the WWTP. The Cowell CWMS Project (Civil works) commenced construction on 25 February 2015.

Baker and Gibbons purchased a brand new specialised Vermeer Trenching machine to cope with the expected amount of hard rock in Cowell. This has performed exceptionally well in sheet limestone up to and over one metre thick leaving a very neat cut and good quality product for trench reinstatement. The contractors have employed a significant number of local people on the project and local sub-contractors have been used wherever possible.

Rashlee Pty Ltd was employed to Superintend the Project which has a total value of $10M and is expected to achieve practical completion in June 2016. The complete system will be commissioned on fresh water and once tested and certified by an independent engineer as compliant, domestic and commercial properties will be able to connect.

Port Gibbon Development

The design for roads and sewer to service the 25 Council owned blocks on the south side of Port Gibbon was completed by MLEI Engineers. Council in now considering the decision to construct.

Waste Facilities

A concrete slab was poured in the new storage shed for safer forklift operation and stockpiles of waste were relocated in preparation for the WWTP construction.

A large volume of tyres, pine posts and timber waste were shredded for landfill and or recycling.

Plant Replacements

Council maintains a fleet of plant/vehicles that suit operational needs; regular replacement is required as they near the end of their economic lives. This year Council purchased a Cat 432 backhoe to replace the JCB and three light commercial vehicles.

Parks & Gardens

No major projects were undertaken this financial year however two staff and one Horticulture Trainee maintain Councils parks, gardens and reserves in Cowell, Pt Gibbon and Lucky Bay which includes two playgrounds, irrigation systems, public toilets and cemetery. In addition to this, regular checks and repairs must be made to potable water reticulation in Pt Gibbon and Lucky Bay and CWMS in Pt Gibbon.

Staff

In closing I wish to thank the small group of outdoor and depot staff for their continuing hard work and dedication, I congratulate them for their high standard of workmanship in achieving these projects to a high standard and on budget this financial year. I look forward to a challenging and productive year with you all in 2015/16.

Darren Zechner
Works Manager

ENVIRONMENTAL HEALTH OFFICER'S REPORT

Environmental Health inspections for the township of Cowell were conducted twice in the 2014/15 financial year.

Food inspections were conducted bi-annually to high-risk food premises as defined by the Food Safety Standards that includes hotels, roadhouse, deli, bakery, kiosk and supermarket. Food inspections were conducted on an annual basis to medium and 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. No warning letters were issued.

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.

The Township swimming pool is being maintained at a high standard.

Keith Simmonds
Environmental Health Officer

COMPLIANCE OFFICER'S REPORT

Dog Matters

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

Council undertook a Dog and Cat Management Board audit in April and still have some non compliance issues to be rectified. The holding facilities are the major non compliance and we are in the process of having plans drawn up for the replacement of these facilities.

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 former Lucky Bay transfer station.

Some private residents have also hired cat traps from Council with strict conditions applying.
A draft Cat By-law has been completed which will help with the control of cats within the community. This By-law will be ready for the public consultation process in the new year.

Fire Prevention

The current fire danger season is now upon us and the community as a whole needs to take responsibility for fire prevention. Residents should have a Prepare, Act, Survive plan and practice such a plan with all members of the family to ensure they are prepared for any incident, whether major or minor.

Wayne Pope
Compliance Officer

FINANCE MANAGERS REPORT

ADMINISTRATION AND FINANCE

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 with the co-operation and dedication of our workforce.

Finance

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

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 2014/2015 Financial Year, no applications for rebates of rates under Section 166(1) (h) of the Local Government Act 1999 were received.

2014/2015 Budget and Rates

The Council meeting held on 23 July 2014 adopted the 2014/2015 Budget and declared the rates for the new financial year.

The Budget includes total revenue of $2,589,433. Major capital expenditure items are Local Road Construction of $562,989 and vehicle/plant replacement of $249,000. Total rate revenue to be raised is budgeted at $1,024,672.

Bernadette Clelland
Finance Manager

District Council of Franklin Harbour 2014 – 2015 Annual Business Plan

District Council of Franklin Harbour
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Email: council@franklinharbour.sa.gov.au

INTRODUCTION

The purpose of this Plan is to address the activities Council intends to undertake in the 2014/2015 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.

This year the Mangalo/Heggaton Boundary Adjustment, along with the loss of the Supplementary Road funding and capping of the F.A.G.S formula grant, has created severe financial strain on Council to frame a balanced budget.

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.

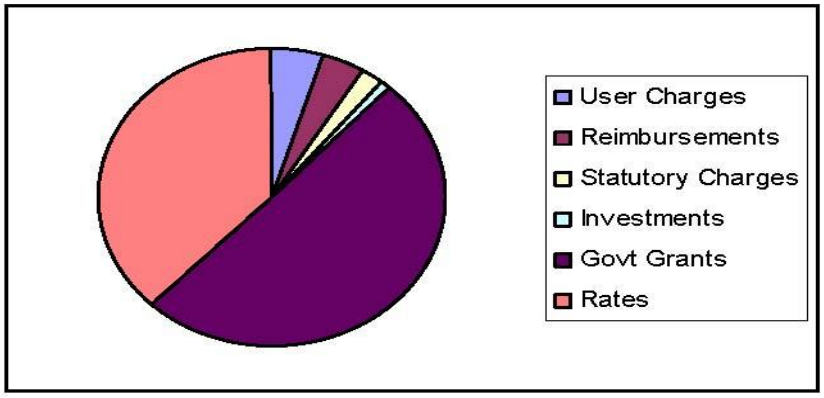
Council adopted the initial Strategic Plan in May 2002 following extensive Community consultation. A further comprehensive review of the Plan was completed in May 2009 and again in December 2011. The full list of the achievements from the previous year is available in Council's Annual Report available 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 45% of annual operating revenue. Other sources of income include government grants 44%, investments 1%, user charges 5%, reimbursements 1% and statutory charges 4%.



GRANT FUNDING

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

- GENERAL PURPOSE FINANCIAL ASSISTANCE (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.

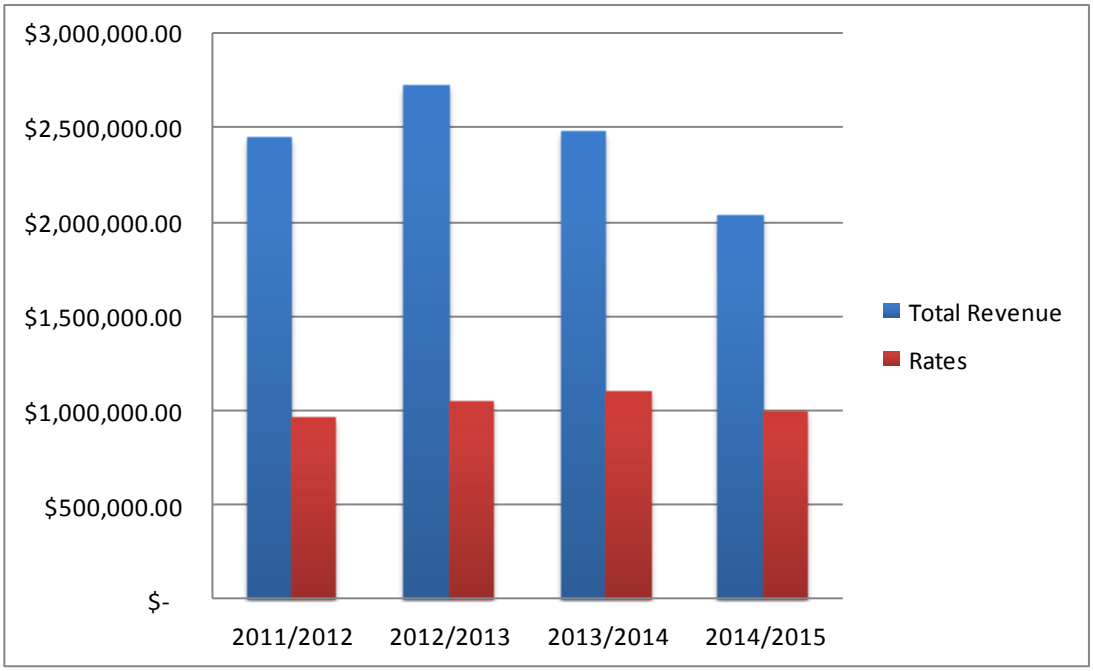
For example – a property has a capital value of $100,000 and Council declares a rate in the dollar of 0.7800 cents, that property will pay $100,000 x 0.0078cents = $780.00.

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

During the 2013/2014 Council was advised by the Boundary Adjustment Panel that the Hundreds of Mangalo and Heggaton were to be severed from Franklin Harbour. This has resulted in a decrease in rateable income of approximately $200,000 per annum.

In 2013/2014 Council's rate revenue was $1,122,272 and Council has resolved that in the 2014/2015 financial year an approximate 8% increase will apply to raise rate revenue of approximately $995,587

Operating Revenue and Rates Revenue for financial years 2011/12, 2012/13, 2013/14 and 2014/2015



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.

RATING INFORMATION FOR 2014/2015

In setting its rates for the 2014/2015 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 2014/2015 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 will consider the valuations made by the Valuer-General effective as at 1st July 2014. 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 purposed 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	606
Commercial – Shop	14
Commercial – Other	30
Industry – Light	14
Industry – Other	2
Commercial (Bulk Handling) Zone	3
Primary Production	250
Vacant Land	172

Other	11

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

Council over the past few years adopted a fixed charge as a part of its rating policy. This is calculated using 40% of the previous year's Administration costs. It is believed this is a fair way to recoup the basic costs of servicing everyone.

SERVICE CHARGE

In 2013/2014Council reviewed its Waste Management Service and implemented the following:

- A standard waste service charge of $190.00 for all occupied properties in Cowell, Port Gibbon and Lucky Bay. This entitles each property to one (1) 140L Mobile Garbage Bin with a weekly pickup service.
- A fee of $135.00 for each additional 200L Mobile Garbage Bin
- A modest gate fee to be implemented at Cowell Waste Depot. (see Fees and Charges Register).

This year, Council will introduce three new service charges. These are:

- Port Gibbon – Water
- Port Gibbon – Effluent
- Lucky Bay – Water

Council will also be introducing a separate charge for the Lucky Bay ratepayers to pay for the Erosion Projection Investigation and Design Project.

REBATES (CAPPING)

Section 159 to 166 of the Local Government Act, 1999 pertain to the Rebate of Rates.

Council is required to provide statutory rebates to schools, churches, hospitals, and Commonwealth / State Government land under Section 159 to 165 of the Local Government Act, 1999.

Council has been applying a discretionary 25% capping rebate, under Section 166 (1) (l) of the Local Government Act, 1999 to lessen the increases in rates due to the effect of the change to capital values. Council only has the ability to provide this discretionary rebate for a period of 3 years. For the 2014/2015 Financial Year there will be no discretionary rebate provided.

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 $56,976 for 2014/2015.

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 2014, 15 December 2014, 15 March 2015, and 15 June 2015.

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.

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.

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 2014/2015 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-Mangalo Road, Glynn Road and Wilton Road.

In accordance with objective 3.01.04 – Promote waste minimisation and recycling within the Community, 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 2014/2015 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 3.01.01 – Establish a community wastewater management scheme that includes the reuse of waste water, 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 2014 – 2015 is as follows:

Financial Assistance Grants	$1,053,968
Rates Income	$995,587
Waste Management Charges	$140,000
Roads to Recovery and Local Road Grants	$434,507

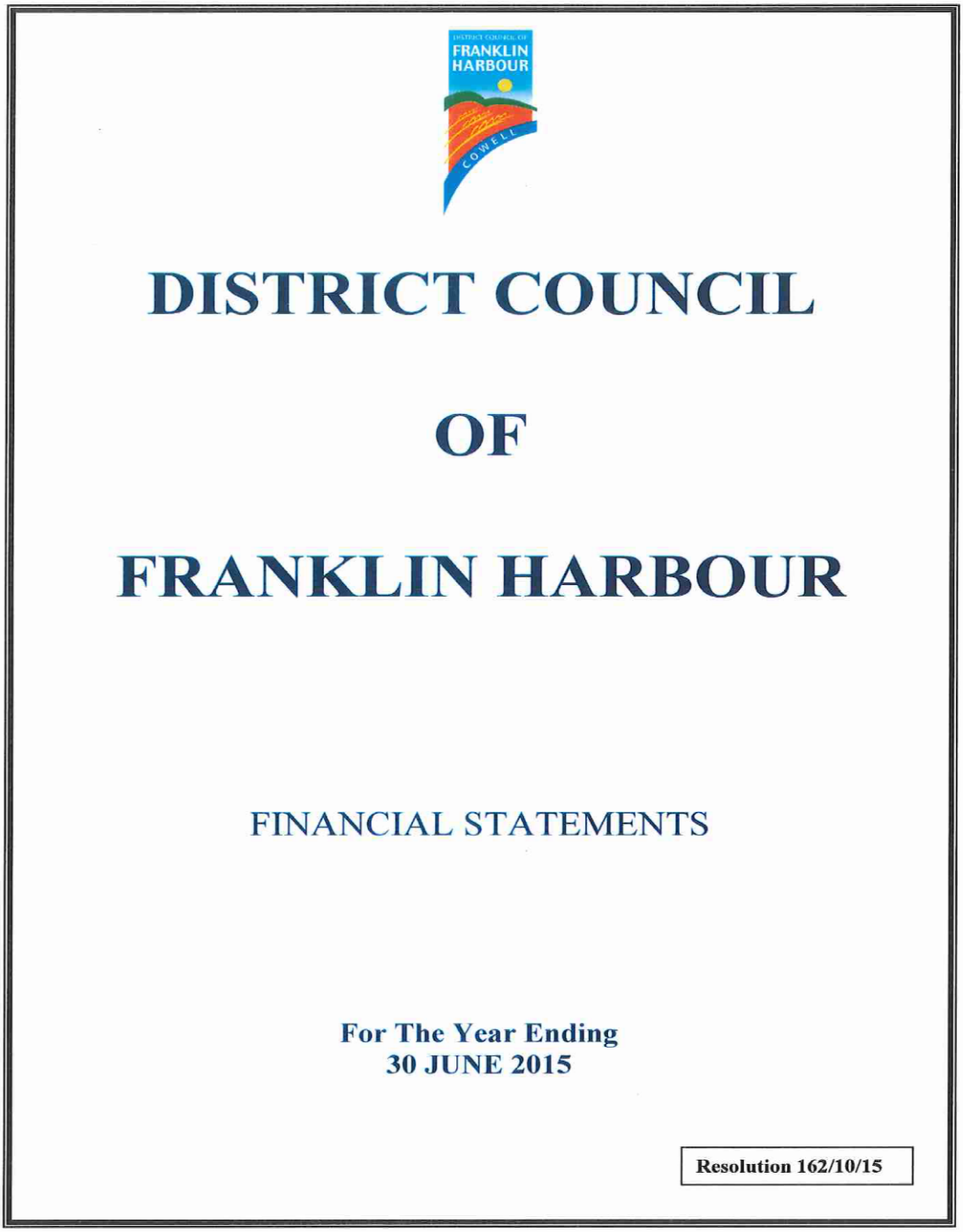
Major planned expenses or items additional to the normal operational amounts in 2014-2015 are:

Insurance	$130,000
Land/Building Maintenance	$294,000
Waste Pickup, Recycling & Refuse Depot	$251,500
Parks & Gardens Maintenance	$92,000

Council's planned capital expenditure for 2014 – 2015 is set out as follows:

Landfill – concrete floor in new shed	$10,000
Depot – intranet connection	15,000
Council Office – photocopier, carpet (front office)	16,500
Vehicles	$249,000
Road re-sheeting/Major repairs	$562,989
Kerbing and Water Table	$20,000

2014/2015 FINANCIAL STATEMENTS



DISTRICT COUNCIL

OF

FRANKLIN HARBOUR

FINANCIAL STATEMENTS

For The Year Ending
30 JUNE 2015

Resolution 162/10/15

District Council of Franklin Harbour

General Purpose Financial Reports
for the year ended 30 June 2015

TABLE OF CONTENTS

	Page
Council Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	11
Note 3 - Expenses	14
Note 4 - Asset Disposal & Fair Value Adjustments	16
Note 5 - Current Assets	17
Note 6 - Non-Current Assets	18
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	19
Note 8 - Liabilities	24
Note 9 - Reserves	25
Note 10 - Reconciliation of Cash Flow Statement	26
Note 11 - Functions	27
Note 12 - Financial Instruments	29
Note 13 - Financial Indicators	31
Note 14 - Uniform Presentation of Finances	32
Note 15 - Superannuation	33
Note 16 - Assets & Liabilities Not Recognised	34
Audit Report - Financial Statements	
Council Certificate of Audit Independence	
Audit Certificate of Audit Independence	

District Council of Franklin Harbour

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2015

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 2015 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.

.....
Bernadette M Clelland
ACTING CHIEF EXECUTIVE OFFICER

.....
Michael V Williams
ACTING MAYOR

Date: 11 September 2015

Page 1

District Council of Franklin Harbour

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Notes	2015 $	2014 $
INCOME			
Rates	2	**1,076,298**	1,170,603
Statutory charges	2	**29,961**	30,679
User charges	2	**271,460**	210,558
Grants, subsidies and contributions	2	**5,766,391**	804,236
Investment income	2	**45,566**	49,635
Reimbursements	2	**13,698**	13,224
Other income	2	**88,071**	165,332
Total Income		**7,291,445**	2,444,267
EXPENSES			
Employee costs	3	**1,000,353**	1,019,060
Materials, contracts & other expenses	3	**2,955,649**	1,517,819
Depreciation, amortisation & impairment	3	**910,000**	1,023,682
Finance costs	3	**44,806**	31,668
Total Expenses		**4,910,808**	3,592,229
OPERATING SURPLUS / (DEFICIT)		**2,380,637**	(1,147,962)
Asset disposal & fair value adjustments	4	**(41,774)**	(38,064)
Amounts received specifically for new or upgraded assets	2	**-**	34,862
NET SURPLUS / (DEFICIT) transferred to Equity Statement		**2,338,863**	(1,151,164)
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	**(5,847,603)**	-
Total Other Comprehensive Income		**(5,847,603)**	-
TOTAL COMPREHENSIVE INCOME		**(3,508,740)**	(1,151,164)

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

District Council of Franklin Harbour

STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	2015 $	2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	**3,253,000**	1,498,086
Trade & other receivables	5	**400,194**	626,102
Inventories	5	**17,807**	23,973
Total Current Assets		**3,671,001**	2,148,161
Non-current Assets			
Financial assets	6	**108,619**	141,666
Infrastructure, property, plant & equipment	7	**20,800,949**	24,896,217
Other non-current assets	6	**35,703**	35,703
Total Non-current Assets		**20,945,271**	25,073,586
Total Assets		**24,616,272**	27,221,747
LIABILITIES			
Current Liabilities			
Trade & other payables	8	**1,415,307**	684,536
Borrowings	8	**123,419**	82,005
Provisions	8	**315,955**	237,174
Total Current Liabilities		**1,854,681**	1,003,715
Non-current Liabilities			
Borrowings	8	**753,148**	676,567
Provisions	8	**6,661**	30,943
Total Non-current Liabilities		**759,809**	707,510
Total Liabilities		**2,614,490**	1,711,225
NET ASSETS		**22,001,782**	25,510,522
EQUITY			
Accumulated Surplus		**11,347,716**	9,008,853
Asset Revaluation Reserves	9	**10,654,066**	16,501,669
TOTAL EQUITY		**22,001,782**	25,510,522

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 2015

2015	Notes	Accumulated Surplus $	Asset Revaluation Reserve $	TOTAL EQUITY $
Balance at end of previous reporting period		9,008,853	16,501,669	25,510,522
Restated opening balance		9,008,853	16,501,669	25,510,522
Net Surplus / (Deficit) for Year		2,338,863	-	2,338,863
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment		-	(5,847,603)	(5,847,603)
Balance at end of period		11,347,716	10,654,066	22,001,782

2014				
Balance at end of previous reporting period		10,160,017	16,501,669	26,661,686
Restated opening balance		10,160,017	16,501,669	26,661,686
Net Surplus / (Deficit) for Year		(1,151,164)	-	(1,151,164)
Balance at end of period		9,008,853	16,501,669	25,510,522

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

District Council of Franklin Harbour

STATEMENT OF CASH FLOWS
for the year ended 30 June 2015

	Notes	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates - general & other		**1,044,068**	1,197,999
Fees & other charges		**31,759**	33,747
User charges		**165,941**	262,129
Investment receipts		**394,540**	52,789
Grants utilised for operating purposes		**5,766,391**	844,448
Reimbursements		**15,068**	14,546
Other revenues		**395,933**	418,832
Payments			
Employee costs		**(946,207)**	(1,035,353)
Materials, contracts & other expenses		**(2,517,658)**	(1,764,168)
Finance payments		**(39,889)**	(29,572)
Net Cash provided by (or used in) Operating Activities		**4,309,946**	(4,603)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		**-**	34,862
Sale of replaced assets		**99,836**	82,500
Repayments of loans by community groups		**31,082**	26,316
Payments			
Expenditure on renewal/replacement of assets		**(1,028,772)**	(1,111,828)
Expenditure on new/upgraded assets		**(1,775,173)**	
Loans made to community groups		**-**	(115,000)
Net Cash provided by (or used in) Investing Activities		**(2,673,027)**	(1,083,150)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings		**200,000**	276,390
Proceeds from aged care facility deposits		-	(79,952)
Payments			
Repayments of borrowings		**(82,005)**	-
Net Cash provided by (or used in) Financing Activities		**117,995**	196,438
Net Increase (Decrease) in cash held		**1,754,914**	(891,315)
Cash & cash equivalents at beginning of period	10	**1,498,086**	2,389,401
Cash & cash equivalents at end of period	10	**3,253,000**	1,498,086

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

District Council of Franklin Harbor 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.

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, the operating results of these periods were distorted compared to those that would have been reported had the grants been paid in a consistent manner.

These amounts in advance were adjusted in the 2013/14 financial year. The total amount of the adjustment was $543,703, which has adversely affected the operating result for that year.

The Federal Government again paid an advance amount of $657,839 relating to one half of the allocation for the 2015/16 year. This has inflated the operating result for the current year.

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.

Note 1 (cont.) - Significant Accounting Policies

5.2 Other Real Estate held for resale

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 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.

Note 1 (cont.) - Significant Accounting Policies

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.

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.

Note 1 (cont.) - Significant Accounting Policies

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

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

9.2 Superannuation

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

10 GST Implications

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

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

11 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 124	Related Party Disclosures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6. (Standards not affecting local government have been excluded from the above list.)

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

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

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 2 - INCOME

	Notes	2015 $	2014 $
RATES REVENUES			
General Rates		**1,029,430**	1,122,272
Less: Discretionary rebates, remissions & write offs		**(14,858)**	(14,867)
		1,014,572	1,107,405
Other Rates (including service charges)			
Natural Resource Management levy		**56,838**	58,440
		56,838	58,440
Other Charges			
Penalties for late payment		**4,888**	4,758
		4,888	4,758
		1,076,298	1,170,603
STATUTORY CHARGES			
Development Act fees		**7,917**	22,351
Town planning fees		**11,348**	-
Health & Septic Tank Inspection fees		**2,099**	-
Animal registration fees & fines		**8,597**	8,328
		29,961	30,679
USER CHARGES			
Cemetery/crematoria fees		**1,826**	2,368
Council House Rents		**6,240**	6,240
Hall & equipment hire		**4,614**	3,285
Parking fees		**1,458**	350
Shack Area Fees		**94,351**	47,229
Rubbish Collection/Disposal Fees		**151,853**	138,817
Boat Ramp Fees		**11,118**	12,269
		271,460	210,558
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		**35,205**	44,184
Banks & other		**10,361**	5,451
		45,566	49,635

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 2 (cont.) - INCOME

	Notes	2015 $	2014 $
REIMBURSEMENTS			
- for private works		**13,698**	13,224
		13,698	13,224
OTHER INCOME			
Rebates received		**17,851**	22,595
Sundry		**70,220**	142,737
		88,071	165,332
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		-	34,862
Individually significant item		**1,220,000**	-
Other grants, subsidies and contributions		**4,546,391**	804,236
		5,766,391	839,098

The functions to which these grants relate are shown in Note 11.

Sources of grants

Commonwealth government	**1,220,000**	-
State government	**4,546,391**	839,098
	5,766,391	839,098

Individually Significant Item

Grant from the Federal Government for the Contribution to Common User Group Export Facility	**1,220,000**	-

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 2 (cont.) - INCOME

	Notes	2015 $	2014 $
Conditions over grants & contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		***610,640***	*635,640*
Less: expended during the current period from revenues recognised in previous reporting periods			
Heritage & Cultural Services		***(610,640)***	*(25,000)*
Subtotal		***(610,640)***	*(25,000)*
Unexpended at the close of this reporting period		***-***	*610,640*
Net increase (decrease) in assets subject to conditions in the current reporting period		***(610,640)***	*(25,000)*

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 3 - EXPENSES

	Notes	2015 $	2014 $
EMPLOYEE COSTS			
Salaries and Wages		**915,957**	856,882
Employee leave expense		**114,935**	64,879
Superannuation - defined contribution plan contributions	16	**97,066**	87,739
Superannuation - defined benefit plan contributions	16	**51,913**	45,436
Workers' Compensation Insurance		**48,508**	46,881
Less: Capitalised and distributed costs		**(228,026)**	(82,757)
Total Operating Employee Costs		**1,000,353**	1,019,060
Total Number of Employees		***17***	*17*
(Full time equivalent at end of reporting period)			
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the financial reports		**8,550**	8,550
Bad and Doubtful Debts		**74**	5,031
Elected members' expenses		**70,768**	60,428
Election expenses		**4,414**	(301)
Subtotal - Prescribed Expenses		**83,806**	73,708
Other Materials, Contracts & Expenses			
Contractors		**1,002,780**	591,701
Energy		**150,092**	209,905
Individually Significant Items		**1,098,833**	-
Legal Expenses		**63,842**	20,433
Levies paid to government - NRM levy		**56,976**	58,532
Parts, accessories & consumables		**91,087**	78,871
Professional services		**56,662**	-
Sundry		**351,571**	484,669
Subtotal - Other Materials, Contracts & Expenses		2,871,843	1,444,111
		2,955,649	1,517,819
INDIVIDUALLY SIGNIFICANT ITEM			
Contribution to Common User Group Export Facility funded by the Federal Government Grant		***1,098,833***	-

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 3 (cont.) - EXPENSES

	Notes	2015 $	2014 $
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		**259,607**	239,011
Infrastructure		**444,188**	605,742
CWMS		**10,675**	-
Plant, Machinery & Equipment		**183,352**	166,691
Office Equipment, Furniture & Fittings		**12,178**	12,238
		910,000	1,023,682
FINANCE COSTS			
Interest on Loans		**44,806**	31,668
		44,806	31,668

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2015 $	2014 $
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		**99,836**	82,500
Less: Carrying amount of assets sold		**141,610**	120,564
Gain (Loss) on disposal		**(41,774)**	(38,064)
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		**(41,774)**	(38,064)

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 5 - CURRENT ASSETS

	Notes	2015 $	2014 $
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		**33,188**	105,885
Deposits at Call		**3,183,183**	1,356,857
Short Term Deposits & Bills, etc.		**36,629**	35,344
		3,253,000	1,498,086
TRADE & OTHER RECEIVABLES			
Rates - General & Other		**171,636**	139,406
Accrued Revenues		**11,192**	360,166
Debtors - general		**9,297**	23,303
GST Recoupment		**112,738**	15,587
Prepayments		**76,566**	70,840
Loans to community organisations		**33,047**	31,082
Total		**414,476**	640,384
Less: Allowance for Doubtful Debts		**14,282**	14,282
		400,194	626,102
INVENTORIES			
Stores & Materials		**17,807**	23,973
		17,807	23,973

Page 17

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 6 - NON-CURRENT ASSETS

	Notes	2015 $	2014 $
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		**108,619**	141,666
TOTAL FINANCIAL ASSETS		**108,619**	141,666
OTHER NON-CURRENT ASSETS			
Inventories			
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 2015
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

		2014 $				2015 $			
	Fair Value Level	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	2	4,974,681	-	-	4,974,681	4,645,697	-	-	4,645,697
Buildings & Other Structures	2	-	7,157,905	(959,552)	6,198,353	-	11,888,283	(9,036,836)	2,851,447
Buildings & Other Structures	3	-	-	-	-	-	1,268,000	(942,928)	325,072
Infrastructure		-	22,536,095	(10,615,547)	11,920,548	-	19,558,358	(10,490,387)	9,067,971
CWMS	3	-	-	-	-	-	2,202,173	(117,425)	2,084,748
Plant, Machinery & Equipment		-	3,375,479	(1,657,198)	1,718,281	-	3,502,252	(1,755,363)	1,746,889
Office Equipment, Furniture & Fittings		-	406,919	(322,565)	84,354	-	393,130	(314,005)	79,125
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		4,974,681	33,476,398	(13,554,862)	24,896,217	4,645,697	38,812,196	(22,656,944)	20,800,949
Comparatives		***4,974,681***	***29,500,101***	***(9,546,147)***	***24,928,635***	***4,974,681***	***33,476,398***	***(13,554,862)***	***24,896,217***

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 2015

Note 7 (cont.) - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2014 $	CARRYING AMOUNT MOVEMENTS DURING YEAR $					2015 $
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				
Land	4,974,681	-	-	-	-	(328,984)	4,645,697
Buildings & Other Structures	6,198,353	-	6,382	-	(215,042)	(3,138,246)	2,851,447
Buildings & Other Structures	-	-	-	-	(44,565)	369,637	325,072
Infrastructure	11,920,548	-	661,871	-	(444,188)	(3,070,260)	9,067,971
CWMS	-	1,775,173	-	-	(10,675)	320,250	2,084,748
Plant, Machinery & Equipment	1,718,281	-	350,169	(138,209)	(183,352)	-	1,746,889
Office Equipment, Furniture & Fittings	84,354	-	10,351	(3,402)	(12,178)	-	79,125
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	**24,896,217**	**1,775,173**	**1,028,773**	**(141,611)**	**(910,000)**	**(5,847,603)**	**20,800,949**
Comparatives	***24,928,635***	***47,852***	***1,063,976***	***(120,564)***	***(1,023,682)***	***-***	***24,896,217***

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 2015

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

Valuation of Assets

General Valuation Principles

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

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

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

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

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

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 7 (cont.) – Infrastructure, Property, Plant & Equipment

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

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

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings	50 to 100 years
Structures	50 to 100 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years

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 was revalued as at 1 July 2014 by Liquid Pacific.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2014 by Liquid Pacific.

Infrastructure

Transportation assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2014, based on actual costs incurred during the reporting periods ended 30 June 2013 and 2014. 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 2012 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2012. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 2014 by Liquid Pacific. All acquisitions made after the respective dates of valuation are recorded at cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 7 (cont.) – Infrastructure, Property, Plant & Equipment

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

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

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 8 - LIABILITIES

		2015 $		2014 $	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		**1,007,342**	-	142,608	-
Payments received in advance		**362,473**	-	501,000	-
Accrued expenses - employee entitlements		**35,923**	-	36,276	-
Accrued expenses - other		**9,569**	-	4,652	-
		1,415,307	-	684,536	-
BORROWINGS					
Loans		**123,419**	**753,148**	82,005	676,567
		123,419	**753,148**	82,005	676,567

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

PROVISIONS					
Employee entitlements (including oncosts)		**315,955**	**6,661**	237,174	30,943
		315,955	**6,661**	237,174	30,943
Amounts included in provisions that are not expected to be settled within 12 months of reporting date.		***68,027***		*89,234*	

Page 24

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 9 - RESERVES

ASSET REVALUATION RESERVE	Notes	1/7/2014	Net Increments (Decrements)	30/6/2015
		$	$	$
Land		4,741,781	(328,984)	**4,412,797**
Buildings & Other Structures		5,857,098	(2,768,609)	**3,088,489**
Infrastructure		5,902,790	(2,750,010)	**3,152,780**
TOTAL		16,501,669	(5,847,603)	**10,654,066**
	Comparatives	*16,501,669*	-	*16,501,669*

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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 statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Notes	2015 $	2014 $
Total cash & equivalent assets	5	**3,253,000**	1,498,086
Balances per statement of cash flows		**3,253,000**	1,498,086
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus (Deficit)		**2,338,863**	(1,151,164)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		**910,000**	1,023,682
Net increase (decrease) in unpaid employee benefits		**54,146**	(16,293)
Grants for capital acquisitions treated as Investing Activity		-	(34,862)
Net (Gain) Loss on Disposals		**41,774**	38,064
		3,344,783	(140,573)
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		**227,873**	58,954
Net (increase) decrease in inventories		**6,166**	(2,996)
Net increase (decrease) in trade & other payables		**731,124**	80,012
Net Cash provided by (or used in) operations		**4,309,946**	(4,603)

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:		
Corporate Credit Cards	**9,000**	9,000

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 11 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	**ACTUAL**	ACTUAL	**ACTUAL**	ACTUAL				
	2015 $	2014 $	**2015** $	2014 $	**2015** $	2014 $	**2015** $	2014 $	**2015** $	2014 $
Council Administration	**2,740,547**	**1,761,211**	**1,039,376**	**375,022**	**1,701,171**	1,386,189	**1,592,592**	513,708	**3,958,582**	2,289,826
Public Order & Safety	**17,588**	**17,166**	**103,647**	**134,479**	**(86,059)**	(117,313)	**-**	-	**-**	-
Health	**-**	**-**	**7,526**	**12,918**	**(7,526)**	(12,918)	**-**	-	**-**	-
Housing & Community Amenities	**2,877,139**	**225,817**	**1,116,636**	**798,079**	**1,760,503**	(572,262)	**2,600,000**	13,465	**-**	-
Protection of the Environment	**11,118**	**60,195**	**50,293**	**44,486**	**(39,175)**	15,709	**-**	6,073	**-**	-
Recreation & Culture	**12,042**	**14,139**	**360,145**	**413,796**	**(348,103)**	(399,657)	**-**	15,324	**-**	-
Mining & Manufacturing	**1,227,917**	**5,720**	**1,099,996**	**6,975**	**127,921**	(1,255)	**1,220,000**	-	**-**	-
Transport & Communication	**353,799**	**294,812**	**1,091,876**	**1,707,022**	**(738,077)**	(1,412,210)	**353,799**	290,528	**20,657,690**	24,931,921
Economic Affairs	**9,084**	**69,121**	**33,424**	**9,231**	**(24,340)**	59,890	**-**	-	**-**	-
Other Purposes	**42,211**	**(3,914)**	**7,889**	**90,221**	**34,322**	(94,135)	**-**	-	**-**	-
TOTALS	**7,291,445**	2,444,267	**4,910,808**	3,592,229	**2,380,637**	(1,147,962)	**5,766,391**	839,098	**24,616,272**	27,221,747

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 2015

Note 11 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	**ACTUAL**	ACTUAL	**ACTUAL**	ACTUAL				
	2015 $	2014 $	**2015** $	2014 $	**2015** $	2014 $	**2015** $	2014 $	**2015** $	2014 $
Council Administration	**2,740,547**	**1,761,211**	**1,039,376**	**375,022**	**1,701,171**	1,386,189	**1,592,592**	513,708	**3,958,582**	2,289,826
Public Order & Safety	**17,588**	**17,166**	**103,647**	**134,479**	**(86,059)**	(117,313)	**-**	-	**-**	-
Health	**-**	**-**	**7,526**	**12,918**	**(7,526)**	(12,918)	**-**	-	**-**	-
Housing & Community Amenities	**2,877,139**	**225,817**	**1,116,636**	**798,079**	**1,760,503**	(572,262)	**2,600,000**	13,465	**-**	-
Protection of the Environment	**11,118**	**60,195**	**50,293**	**44,486**	**(39,175)**	15,709	**-**	6,073	**-**	-
Recreation & Culture	**12,042**	**14,139**	**360,145**	**413,796**	**(348,103)**	(399,657)	**-**	15,324	**-**	-
Mining & Manufacturing	**1,227,917**	**5,720**	**1,099,996**	**6,975**	**127,921**	(1,255)	**1,220,000**	-	**-**	-
Transport & Communication	**353,799**	**294,812**	**1,091,876**	**1,707,022**	**(738,077)**	(1,412,210)	**353,799**	290,528	**20,657,690**	24,931,921
Economic Affairs	**9,084**	**69,121**	**33,424**	**9,231**	**(24,340)**	59,890	**-**	-	**-**	-
Other Purposes	**42,211**	**(3,914)**	**7,889**	**90,221**	**34,322**	(94,135)	**-**	-	**-**	-
TOTALS	**7,291,445**	2,444,267	**4,910,808**	3,592,229	**2,380,637**	(1,147,962)	**5,766,391**	839,098	**24,616,272**	27,221,747

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 2015

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 and 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 Manufacturing
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 2015

Note 12 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** Carried at lower of cost and net realiseable value; Interest is recognised when earned. **Terms & conditions:** Deposits are returning fixed interest rates between 3% and 3.5% (2014: 4% and 5%). **Carrying amount:** approximates fair value due to the short term to maturity.
Receivables - Rates & Associated Charges (including legal & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. **Terms & conditions:** Secured over the subject land, arrears attract interest of 8% (2014: 8%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State. **Carrying amount:** approximates fair value (after deduction of any allowance).
Receivables - Fees & other charges	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. **Terms & conditions:** Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries. **Carrying amount:** approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council. **Terms & conditions:** Liabilities are normally settled on 30 day terms. **Carrying amount:** approximates fair value.
Liabilities - Interest Bearing Borrowings	**Accounting Policy:** Carried at the principal amounts. Interest is charged as an expense as it accrues. **Terms & conditions:** secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed rates between 4.1% and 6.4% (2014: 5.1% and 6.4%) **Carrying amount:** approximates fair value.

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 12 (cont.) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	$	$	$	$	$
Cash & Equivalents	**3,253,000**	**-**	**-**	**3,253,000**	**3,253,000**
Receivables	**400,194**	**-**	**-**	**400,194**	**351,459**
Total	**3,653,194**	**-**	**-**	**3,653,194**	**3,604,459**
Financial Liabilities					
Payables	**1,369,815**	**-**	**-**	**1,369,815**	**1,369,815**
Current Borrowings	**123,419**	**-**	**-**	**123,419**	**123,419**
Non-Current Borrowings		**414,391**	**338,757**	**753,148**	**753,148**
Total	**1,493,234**	**414,391**	**338,757**	**2,246,382**	**2,246,382**

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	$	$	$	$	$
Cash & Equivalents	1,498,086	-	-	1,498,086	1,498,086
Receivables	730,515	-	-	730,515	642,644
Total	2,228,601	-	-	2,228,601	2,140,730
Financial Liabilities					
Payables	643,608	-	-	643,608	643,608
Current Borrowings	82,005	-	-	82,005	82,005
Non-Current Borrowings	-	304,603	371,964	676,567	676,567
Total	725,613	304,603	371,964	1,402,180	1,402,180

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

	30 June 2015		30 June 2014	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	$	%	$
Fixed Interest Rates	**5.5**	**876,567**	5.8	758,572
		876,567		758,572

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

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 13 - FINANCIAL INDICATORS

	2015	2014	2013
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			
Operating Surplus	234%	(103%)	4%
Rates - general & other less NRM levy			
This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.			
Adjusted Operating Surplus Ratio	*169%*	*(54%)*	*4%*
*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			
Net Financial Liabilities	(16%)	(23%)	(51%)
Total Operating Revenue			
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.			
Asset Sustainability Ratio			
Net Asset Renewals	87%	101%	42%
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.			

District Council of Franklin Harbour

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

	2015 $		2014 $	
Income		**7,291,445**		2,444,267
less Expenses		**4,910,808**		3,592,229
Operating Surplus / (Deficit)		**2,380,637**		(1,147,962)
less **Net Outlays on Existing Assets**				
Capital Expenditure on renewal and replacement of Existing Assets	**1,028,772**		1,111,828	
Depreciation, Amortisation and Impairment	**(910,000)**		(1,023,682)	
Proceeds from Sale of Replaced Assets	**(99,836)**		(82,500)	
		18,936		5,646
less **Net Outlays on New and Upgraded Assets**				
Capital Expenditure on New and Upgraded Assets *(including investment property & real estate developments)*	**1,775,173**		-	
Amounts received specifically for New and Upgraded Assets	**-**		(34,862)	
		1,775,173		(34,862)
Net Lending / (Borrowing) for Financial Year		**586,528**		(1,118,746)

Page 32

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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 the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members
Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2014/15; 9.25% in 2013/14). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members
Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2013/14) of "superannuation" salary.

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

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

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

Note 16 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the statement of financial position 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 737 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.

IAN G McDONALD FCA
ABN: 13 550 494 869

Chartered Accountants

District Council of Franklin Harbour

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2015

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 2015, 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 25th day of August 2015

Liability limited by a scheme approved under Professional Standards Legislation

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District Council of Franklin Harbour

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2015

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Franklin Harbour for the year ended 30 June 2015, 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*.

.....
Bernadette M Clelland
ACTING CHIEF EXECUTIVE OFFICER

.....
Michael Williams
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 11 September 2015

2014/2015 EPLGA ANNUAL REPORT

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

Annual Report 2014/2015

Cover photo:
Eyre Highway leading into Wudinna, courtesy of David Crawford - taken during the Black Dog Ride 2015 to raise awareness for depression

THE PRESIDENT'S REPORT

The 2014/15 financial year is the second year of operating jointly with Local Government Association (LGA) Outreach Program assisting EPLGA Member Councils employ Tony Irvine, Executive Officer of our association.

This has proven to be a valuable partnership, enabling a full time resource coordinating service delivery and Member Council assistance.

Detail of the work plan is documented in this annual report together with the activities and priorities of the LGA Outreach Program and summarises successes and difficulties experienced.

During the year we had very significant reform proposals released that will guide direction for Local Government in the short and long term.

Most significant of these was the expert panel report "The Councils of the Future". This report put forward discussion topics that will be subject to much debate over coming years. Already the concept of regionalising much of our governance, administration and service delivery is giving cause for concerted soul searching and adjusting. Government is looking carefully at the report and we, as a sector, need to be prepared and agile in our response.

Second of these was another expert panel report titled "Ideas for Reform on Planning Reform". This report suggested 27 reforms, some of which, if legislated or adopted, would substantially change the process of how we develop and implement our planning schemes.

I encourage all Elected Members to fully engage with opportunities to influence and administer the direction of these reforms. It is my firm view that Councils on Eyre Peninsula will be very different in 10 years, as State Government takes more control of some of our functions and less in others. We expect delegation without funding, regionalisation and funding constraints. How we manage service delivery to our communities will be different. Our work will be to find efficiencies and solutions at the same time in growing our communities.

Some of the highlights for 2014/2015 included:

- Joint regional training.
- Establishment of a mining taskforce.
- Roads hierarchy.
- Zone emergency plans.
- LGA Outreach Program delivery.
- Work on procurement.
- Establishment of a CEO management group.

Further details regarding these activities and actions have been presented in the body of the annual report.

I wish to place on record on behalf of Member Councils, our appreciation and thanks to outgoing President Mayor Julie Low, who ably led our association for 4 years. Julie's commitment to our region and her excellent representation on the SAROC and the LGA Board was critical in maintaining Eyre Peninsula at the forefront of State policy development. She played a significant role in setting our organisation up with talented Executive Officers and guiding us with integrity and poise. Julie was supported by her Executive Committee, which was comprised of Eddie Elleway and John Schaefer, and we endorse her appreciation of them.

Thanks also to Tony Irvine who, with energy and passion, undertakes the challenging role of assisting and leading us through change. He assists Local Government with the delivery of our services and is a strong advocate for our members and our sector.

MAYOR BRUCE GREEN

THE REGION

The region comprises 230,000km² of land in the far west of South Australia; about 23% of the State.

The region has a coastal and rural environment with approximately one third of South Australia's coastline stretching over 2,000 kilometres. The landscape features a rugged and relatively undeveloped coastline, particularly on the western side of the Eyre Peninsula. The coastal and marine environment includes marine and conservation parks and encompasses approximately 250 islands ranging in size from about 180 to 40,000 square metres.

A large proportion of the region has been cleared for agricultural production; but significant areas of native vegetation remain. Vegetation clearance for agricultural purposes ranges from 14% in the far west to 72% in the south. About 15% of the region's grazing area is covered with scattered vegetation.

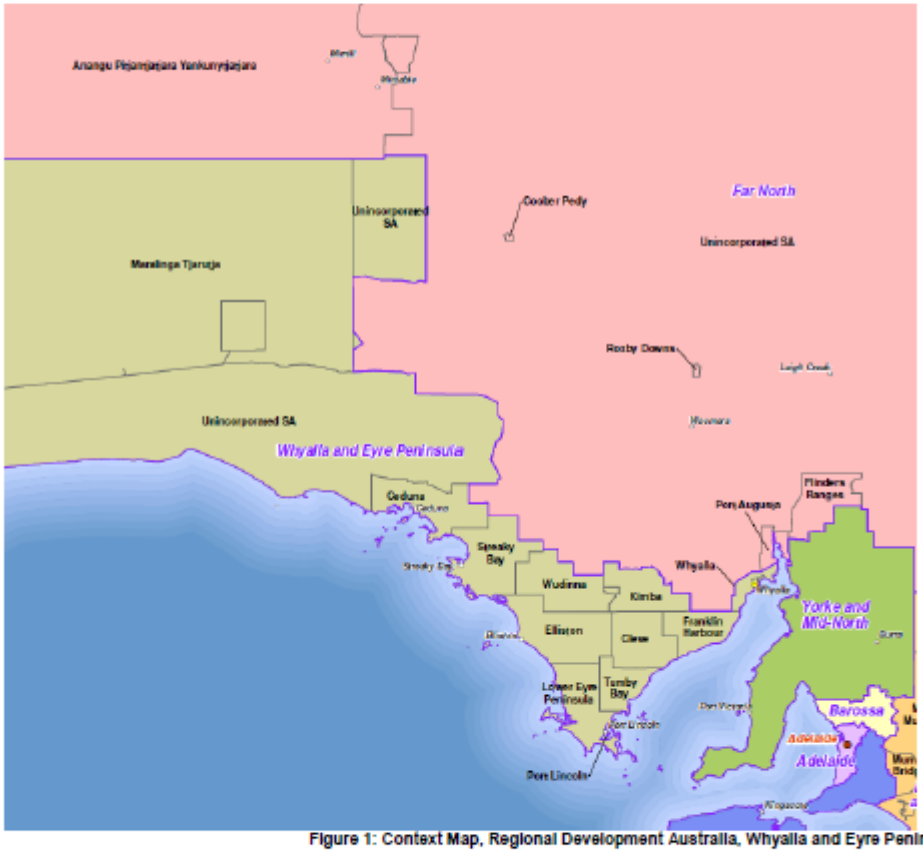

Figure 1: Context Map, Regional Development Australia, Whyalla and Eyre Peninsula.

Regional Population and Local Government

The region has eleven Local Government Authorities (LGAs) as well as remote unincorporated areas serviced by the Outback Communities Authority. The LGAs are: The City of Whyalla and City of Port Lincoln; and the District Councils of Ceduna, Cleve, Elliston, Franklin Harbour, Kimba, Lower Eyre Peninsula, Streaky Bay, Tumby Bay, and Wudinna.

For Census data collection purposes the Maralinga Tjarutja Aboriginal Land (established under the *Maralinga Tjarutja Land Rights Act*, 1984) is regarded as an LGA in its own right. However, Maralinga Tjarutja is not a member of the EPLGA.

The regional population of 56,396 (ABS 2011 Census) comprises about 3.5% of the South Australian population. 98.7% of people reside in the eleven LGAs, which collectively occupy 43,779km² or about 19% of the regional land mass. Most of the population (64.1% or 36,174 people) live in the regional cities of Whyalla and Port Lincoln.

LOCAL GOVERNMENT AREA	LAND AREA		POPULATION	
	Km²	% of Region	No.	% of Region
Whyalla	1,032.5	0.44	22,088	39.16
Port Lincoln	30.4	0.01	14,086	24.98
Ceduna	5,427.1	2.33	3,480	6.17
Cleve	4,506.7	1.94	1,733	3.07
Elliston	6,500.0	2.79	1,046	1.85
Franklin Harbour	3,283.0	1.41	1,273	2.26
Kimba	3,986.2	1.71	1,088	1.93
Lower Eyre Peninsula	4,771.0	2.05	4,916	8.72
Streaky Bay	6,232.0	2.68	2,102	3.73
Tumby Bay	2,615.9	1.12	2,586	4.58
Wudinna	5,393.8	2.32	1,253	2.22
Collective Local Government (11 LGA's)	**43,778.6**	**18.8**	**55,651**	**98.7**

RDAWEP Local Government Land Areas and Population 2011.

It should be noted that the land areas and populations of Cleve and Franklin Harbour changed on 1st July 2014 due to an adjustment of the Council boundaries. The Boundary Adjustment Facilitation Panel supported the transfer of 492km² of land from Franklin Harbour to Cleve to address the concerns of residents living in the Hundreds of Mangalo and Heggaton. Approximately 62 residents live in the area.

In 2011, the region had 3,225 Aboriginal people comprising 5.7% of the regional population. This was notably above the proportions in South Australia (1.9%) and Australia (2.6%). 80% of the region's Aboriginal people (2,572) live in the LGAs of Whyalla, Port Lincoln and Ceduna. The greatest concentration is in Ceduna, where Aboriginal people comprise 24.9% of the Council population

Since 2001, the regional population has grown by 4.5% but this is not consistent across the region as a whole. The District Councils of Elliston, Wudinna and Kimba experienced population decline of -15.2%, -13.7% and -8.5% respectively, but the District Council of Lower Eyre Peninsula experienced growth of 17.2%. Population growth was also experienced in the coastal Councils of Streaky Bay, Tumby Bay and Port Lincoln.

The demographic change is caused by several factors, with the desire for a sea change lifestyle being a key reason. Streaky Bay and Tumby Bay are very desirable coastal locations and new estate developments have been established to cater for growing housing demand, notably by retirees from the agricultural sector. Population growth in the District Council of Lower Eyre Peninsula stems from several locational and lifestyle advantages including numerous coastal townships and proximity to the regional city of Port Lincoln and Port Lincoln Airport. Kimba and Wudinna are the only Councils without a coastline and this impacts their appeal and tourism development potential.

Population Ageing

The regional population is ageing. In 2011, the region's median age was 39, an increase from 38 in 2006. People aged 65 years and over comprised 15.5% of the regional population, which is above the 14.0% rate for Australia, but below the rate of 16.2% for South Australia.

PEOPLE 65 YEARS OF AGE AND OVER	Region	%	South Australia	%	Australia	%
2006 ABS Census	7,758	14.3	233,127	15.4	2,644,374	13.3
2006 Median Age	38		39		37	
2011 ABS Census	8,727	15.5	257,551	16.2	3,012,289	14.0
2011 Median Age	39		39		37	

People 65 Years of Age and Over. (ABS *Census 2006 and 2011*).

The population 65 years and over grew by 1.2% from 2006, exceeding the growth rate of 0.8% for South Australia and 0.7% for Australia.

Almost half of the regional population (49.6%) was 40 years of age and over in 2011 with 21.5% over 60 years of age. The District Council of Tumby Bay has the oldest population profile with 60.1% over the age of 40 and 32.1% over 60 years of age. Similar results for the over 40 age sector were recorded for Kimba (55.9%), Franklin Harbour (55.7%), Cleve (55.3%) and Elliston (54.5%).

Conversely, young people 15-24 years of age comprise the smallest sector of the regional population at 12.1% and this is consistent in all local government areas.

Tumby Bay (8.0%), Kimba (8.5%), Cleve (9.1%), Wudinna (9.3%) and Streaky Bay (9.9%) have the smallest proportion of 15-24 year olds, whereas Whyalla (13.4%), Port Lincoln (13.2%) and Ceduna (12.4%) are the only areas where the 15-24 aged sector exceeds the regional average.

Projections indicate that South Australia's population aged 65 and over will increase to 22.6% in 2020 and to 25.7% by 2030. It is also known that approximately 30% of young people leave the region each year for employment and study in metropolitan Adelaide. The combination of a growing aged sector and diminishing numbers of young people is not sustainable and has serious implications for future workforce provision.

Retirements will diminish the labour force of skilled and experienced labour and create employment openings for young people. It is estimated that over 11,000 workers (about 40% of the regional workforce) will leave their jobs within 20 years if they all retire at 65 years of age. But there will be limited choice with the provision of a capable replacement pool.

The regional population is too small to provide the workforce for anticipated future development needs, with the consequence that approximately 3,800 workers will need to be recruited from elsewhere by 2020.

Regional Economy

The regional economy is extremely diverse, but the industry composition is changing. Based on employment generation, the main industries in 2012-13 were health and community services, retail trade, manufacturing, agriculture, education and training, and construction. Tourism and mining are the region's fastest emerging industries and have significant potential for future growth.

The health care and social assistance industry is the largest employer in South Australia and the largest regional industry. In 2012-13, the industry provided 3,437 jobs or 14.0% of the region's jobs. Due to the ageing of the regional population and increasing demand for aged care services, the aged care sector is expected to grow in future years.

The retail trade industry is an integral part of all regional townships and has the highest concentration in Whyalla and Port Lincoln. The retail sector is the region's second largest industry providing 2,669 jobs in 2012-13 or 10.5% of regional jobs. Most employees are based in Whyalla (997 jobs) and Port Lincoln (1,064 jobs). This sector has experienced steady employment growth of about 7.0% since 2001. The growth and sustainability of the retail sector is largely reliant on the success of the region's major industries; particularly agriculture, manufacturing, mining and tourism. Many retail businesses have been established to directly support and service these industries.

Manufacturing, which includes food processing and the production of metal products, is the region's third largest industry providing 2,552 (10.4%) of jobs in 2012-13. The manufacturing industry experienced modest employment growth of about 3.6% since 2001.

Whyalla is the largest industrial city in regional South Australia and the principal centre for manufacturing, steel production and resources processing in the Upper Spencer Gulf. Manufacturing is the biggest employer in Whyalla providing 1,838 jobs in 2012-13, comprising nearly three quarters (72%) of the region's manufacturing jobs. Port Lincoln provided 577 (or 22%) of the region's manufacturing jobs.

Most of Whyalla's manufacturing jobs (1,648, or 90% of manufacturing jobs) were in the iron and steel production and metal products sectors. Whyalla's reliance on steel manufacturing makes its economy extremely vulnerable to commodity price variations in the international market. Falling commodity prices for iron ore from 2013 led to a substantial reduction of Arrium's workforce during 2015.

Agriculture provided 2,290 (9.3%) of the region's jobs in 2012-13. Agriculture was the largest employer in the District Councils of Lower Eyre Peninsula (428 jobs); Tumby Bay (322); Elliston (260); Kimba (238) and Wudinna (216). Census data indicate that agricultural employment has declined by about 16.8% since 2001; largely due to the rationalisation of farming properties which reduced employment opportunities in this sector. Agriculture is nevertheless a major industry in the region, and is the principal economic driver in some regional townships.

The RDAWEP region is world renowned for its premium seafood product, largely due to the success of the trade mark and brand: '*Eyre Peninsula – Australia's Seafood Frontier*'. However, fishing and aquaculture are small employers in comparison with other industries; providing 250 and 471 jobs respectively during 2012-13.

The region's mining sector is also a relatively small employer. In 2012-13, mining provided 923 (3.7%) of the region's jobs. Most of these jobs were provided in Whyalla (671), Ceduna (142), Franklin Harbour (53), and Tumby Bay (28). Mining is nevertheless the region's fastest growing industry, with a substantial 79.2% growth in employment during 2001-2011. This is largely the result of unprecedented mining exploration. The mining impact is expected to grow substantially in forthcoming years as new ventures move from exploration to operation. This will create numerous employment opportunities and further diversify the regional economy. However, major infrastructure investment in ports, roads, rail, power and water is essential for these development opportunities to be realised.

Tourism is also a fast growing industry with considerable development potential, due to the region's unique and diverse nature-based visitor experiences, and premium seafood products. Tourism is important for the regional economy. Visitor expenditure was estimated to be worth $300 million in 2012-2013 from approximately 616 businesses. New tourism product is continuously being developed, and there is substantial opportunity for further growth through marketing the region as a culinary tourism destination.

A Region of Quality

Diversity is one of the region's greatest attributes and underpins its comparative advantage and competitiveness. Industrial diversity is important for economic growth and sustainability because it gives the region resilience through not being reliant on a single industry or single product for its prosperity.

But the concept of quality is emerging as a distinctive regional attribute. The region is renowned for its premium seafood, high quality grains and the pristine, unblemished nature of its landscapes, seascapes and conservation parks. The region is being lauded for high quality and different nature based tourism experiences – such as swimming with tuna, cage diving with Great White sharks and whale watching at the Head of the Bight. But other qualitative characteristics are becoming apparent as distinguishing features.

- **High quality magnetite** – the magnetite from Iron Road's Central Eyre Iron Project at Warramboo is high quality at 67% iron with few impurities. This is of considerable interest in China because the ore does not need pelletisation which expedites the smelting process and reduces environmental emissions. The magnetite is expected to attract a quality premium differential of $US18 per tonne over the market price for iron ore and this expectation is included in Iron Road's Definitive Feasibility Study for the project.
- **High quality graphite** – the graphite mines at Uley (Valence Industries), Kookaburra Gully (Lincoln Minerals), Campoona and Waddikee (Archer Exploration) are reputed to contain the largest flake and best quality deposits in the world with the capacity for manufacturing graphene products which have increasing world demand for advanced technological and medical applications.
- **High quality kaolin** – Minotaur Exploration's Carey's Well kaolin mine near Poochera is reputed to contain the brightest and whitest kaolin in the world (at ISO brightness of 80) and is much sought after for high quality paints, inks, plastics and ceramic finishes.
- **High quality zircon** – Iluka Resources' Jacinth Ambrosia mine north of Yalata is arguably the largest deposit of the highest quality zircon the world. It is also anticipated that other heavy mineral sand deposits in the far west of the region are likely to produce similar quality product.

These qualitative attributes are complemented with escalating growth of innovative approaches and processes to economic and product development.

Collaborative problem solving approaches to economic development have been adopted region wide through industry based Target Teams and other stakeholder engagement. The region's educational institutions are pursuing research for sustainable farming and renewable technologies. Pilot and demonstration projects are being progressed for the production of biofuels from algae and other feed stocks and the application of wind hydro technology for power generation. Best practice environmentally sustainable production technologies are being pursued by the region's aquaculture industry and world class, advanced technology graphene and interpretive initiatives are being progressed to tap new and emerging international markets.

Coupled with significant and growing capex investment in recent years and yet to be realised export potential in the resources sector, the region is well positioned for long term, sustainable economic growth into the future.

The region's doors are not only open for business but they are marked by branding in big letters stating 'enter here if you want the best'.

MEMBER COUNCILS 2014/2015:

- 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

THE REPRESENTATIVES

Executive:

TITLE	MEMBER NAME	COUNCIL	TENURE
President	**Mayor Bruce Green**	**City of Port Lincoln**	**From 22 February 2015**
Immediate Past President	Mayor Julie Low	DC Lower Eyre Peninsula	To 22 February 2015
Deputy President	**Mayor Sam Telfer**	**DC Tumby Bay**	**From 22 February 2015**
Past Deputy President	Mayor Eddie Elleway	DC Franklin Harbour	To 22 February 2015
Chief Executive Officer	Mr Rob Donaldson		

The President and Deputy President are our nominated representatives to the SAROC and State Executive Forums. The Executive Officer is also a SAROC delegate.

Other Regional Organisations:

Regional Development Australia Whyalla and Eyre Peninsula Inc:

Mayor Jim Pollock, Chair/Executive Member	- City of Whyalla
Cr Colin Carter	- City of Whyalla
Mayor Allan Suter, Executive Member	- DC Ceduna
Cr Bryan Trigg	- DC Cleve
Cr Clare McLaughlin	- City of Whyalla

Eyre Peninsula Natural Resources Management Board:

Mr Rob Donaldson	- CEO, City of Port Lincoln

Zone Emergency Management Committee:

Mayor Julie Low (Presiding Member)	- DC Lower Eyre Peninsula
Tony Irvine, Executive Officer	- EPLGA
Rod Pearson	- DC Lower Eyre Peninsula
Grant Drummond, General Manager Operations	- DC Ceduna
Ivan Noble, Works Manager	- DC Cleve

Eyre Peninsula Integrated Climate Change Adaptation Committee:

Mayor Julie Low (President)	- to 22 February 2015
Mayor Bruce Green (President)	- from 22 February 2015
Tony Irvine, Executive Officer	- EPLGA

EPLGA Board Members 2014/15

Under the terms of our Charter, the following Board appointments were current as at 30 June 2015.

MEMBER COUNCIL	BOARD MEMBER	DEPUTY BOARD MEMBER
Ceduna	Allan Suter (Mayor)	Lynton Brown (D/Mayor)
Cleve	Roger Nield (Mayor)	Bryan Trigg (D/Mayor)
Elliston	Kym Callaghan (Chair)	Dave Allchurch (Deputy Chair)
Franklin Harbour	Robert Starr (Mayor)	Michael Williams (D/Mayor)
Kimba	Dean Johnson (Mayor)	Graeme Baldock (D/Mayor)
Lower Eyre Peninsula	Julie Low (Mayor)	Don Millard (D/Mayor)
Port Lincoln	Neville Starke (D/Mayor)	Andrea Broadfoot (Councillor)
Streaky Bay	Sherron MacKenzie (Mayor)	Robert Stephens (Deputy Mayor)
Tumby Bay	Sam Telfer (Mayor)	Geoff Stewart (D/Mayor)
Whyalla	Jim Pollock (Mayor)	Clare McLaughlin (Councillor)
Wudinna	Eleanor Scholz (Chair)	Ned Luscombe(D/Chair)

ANNUAL CONFERENCE SCHEDULE

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:

Year	Council	Year	Council
2016	DC Ceduna	2022	DC Cleve
2017	DC Lower Eyre Peninsula	2023	DC Streaky Bay
2018	City of Port Lincoln	2024	DC Elliston
2019	DC Kimba	2025	DC Tumby Bay
2020	Wudinna DC	2026	City of Whyalla
2021	DC Franklin Harbour		

The 79th EPLGA Conference will be held on Monday 29 February – Wednesday 2 March 2016 in Ceduna.

REPORT OF ACTIVITIES 2014/15

Our core activities always include reacting to legislation and policy changes that may have a negative impact on our region. This year ongoing concerns and/or participation have been with the following matters:

- State and Federal Marine Parks.
- Natural Resources Management – joint partnership planning, delivery of services.
- Regional Recognition/Lobbying – ongoing on various matters as they arise.
- Mining and Impacts – implementation of a taskforce.
- Emergency Management – regional planning and Council planning, followed by implementation.
- Development Act Reform.
- Coastal Access issues.
- Various roads and waste issues – regional strategy and Zero Waste cessation.
- Regional Strategy for LGA.
- The Councils of the Future
- Television reception and servicing – interstate services.
- Mobile phone hotspots.
- Water Planning – state of the resource, etc.
- Regional planning – RDAWEP, EPNRM, DPTI, etc.
- Financial Assistance and Supplementary Road Funding – ongoing issues of SA's injustice.
- Health – local sub-regional issues.
- Outreach Services:
  - Regional Procurement;
  - CEO's Committee;
  - CWMS Users Group;
  - Regional Training and Seminars delivery;
  - Shared Services – EBA and Award consolidation – LEP Councils;
  - Assets Management and Long Term Financial Planning; and
  - Internal Controls Group.
- Roadside Native Vegetation – management issues.
- Regional Climate Change Adaptation Plan finalisation and continuation of the Eyre Peninsula Integrated Climate Change Agreement [EPICCA].
- Tourism – restructure to sub-regional groups, Food and Tourism Prospectus, RV and Caravan Strategy.
- Speed Limits Review – reduction from 110kph to 100kph.
- Aged Care at the local Council level – Council's role.
- NHVR impacts on farm machinery movements.
- Transport Plan and SLRP Prioritisation and funding applications.
- Oil and gas exploration in the Great Australian Bight.
- Joint submissions with RDAWEP on various issues.

PROJECTS 2014/2015

Regional Training

The LGA and other training providers have delivered many more training sessions in the region to reduce costs for Councils. Training undertaken during the last 12 months includes:

- Audit Committee
- Council Development Assessment Panels
- Civil training - various
- Code of Conduct
- Council Contracts Management
- Developing Confidence
- Elected Members Training
- Intro to Local Government
- Leadership
- Workplace Health and Safety
- Plan Reading and Levelling

- Rating
- Records Management
- Road Safety and Traffic Control
- Volunteering
- Waste Water

Other Legal Seminars on different issues such as planning and development, ICAC, etc, were also organised at individual Councils.

The LGA has developed a training program relevant to the region and this can be further enhanced with Councils submitting training plans to the EPLGA for co-ordination.

TAFE and RDAWEP have been working closely with the EPLGA to deliver more civil training on site at Councils.

Emergency Planning

Software was developed and rolled out to all 11 Member Councils to assist with the development of individual Council Emergency Plans. Difficulty was experienced in most Councils regarding utilisation of the software to develop their plans. The development of the individual plans will be reviewed in 2015/2016 in an effort to ensure all Councils are compliant.

The completion of the individual Council plans are essential, not only for compliance reasons, but for direction to be provided to the Zone Emergency Management Committee in the development of the overall zone plan. The software was developed so the highest risks for individual Councils could be rolled into a zone plan.

Outreach Services Pilot Program

The 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 both the State and Nation;
- governance needs of each Council;
- legislative compliance in assets management and long term financial planning;
- skills assessment in 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 requirements and other needs;
- opportunities arising from the Local Excellence Program – trialling new methods of implementation, eg improving performance, systems and processes that sustain good performance, raising the image of Local Government, effective engagement across the region and State as a whole, ie political clout, with other spheres of government, seeking financial arrangements to support the programs required;
- positioning Local Government and 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;
- identifying any 'centre of excellence' that may exist within the region;
- developing CEO, Works Manager and any other forums to assist in the sharing of resources and information, which would eliminate repetition of the same forum x 10; and
- managing local issues for the Member Councils – advocacy, lobbying, problem solving, etc.

The LGA and the EPLGA have completed the 2 year pilot, which was centred 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;
- appointing a resource collaboratively identified by the LGA and EPLGA to deliver on the ground services to Councils;
- agreeing on a program of works/activity and the funding model required; and
- addressing other issues deemed important to the success of the pilot.

Such was the success of the pilot program that it has now been rolled out to all regional LGAs, with each receiving $50,000 towards the program.

EPLGA CEO COMMITTEE

On 28 June 2013, the 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 to:

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

The membership of the Committee is comprised of the Chief Executive Officers of all Councils, who are members of the EPLGA. Other regional CEOs and the Regional Risk Coordinators are invited to the meetings. These meetings allow the sharing of information and expertise, which mutually benefits clusters of Councils or the region as a whole. The agendas reflect the EPLGA agendas to a degree with other day to day operational matters included and are in the domain of the role of a CEO. However a regional economic component led by the CEO of RDAWEP is now core business for the committee.

Other working groups have been established to assist with specific regional tasks or take advantage of opportunities, eg procurement, CWMS users, WHS Groups, Roads Working Party and Internal Controls Group.

REGIONAL ROADS PRIORITIES/ REGIONAL TRANSPORT PLAN

At the EPLGA Board Meeting in June 2013, 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 with all roads categorised and prioritised.

SMEC is nearing the end of roads component of this project, which has taken considerable effort in the collection of road data. Once the roads database is complete and adopted by Member Councils, the next phase will proceed, being a regional transport strategy. The strategy will incorporate the roads data and all other transport issues such as airports, sea ports, etc.

EP INTEGRATED CLIMATE CHANGE ADAPTATION

The Executive Officer and President sit at the EPICCA Committee table.

Under the State Climate Change Adaptation Framework, areas across the State, including the Eyre Peninsula, were required to develop a Regional Climate Change Adaptation Plan. EPICCA facilitated the development of the plan for Eyre Peninsula, focussing on a practical, regionally-appropriate and sensitive measure to address the likely impacts of climate change.

The plan has now been completed for the region and with continuation of collaboration between the EPNRM, RDAWEP and EPLGA in this area, this working group will move into implementation of the plan's pathways. All parties will contribute $12,500pa for the next 3 years of this project. The State Government has committed $25,000 towards the group's activities for 2015/2016.

REGIONAL WATER RE-USE PLANNING AND 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 in addition to a forum focussed on sharing of information. The bid was successful and hence a users group has been established.

The Eyre Peninsula Councils jointly own and operate 13 community wastewater management schemes servicing 5,775 property connections. The Councils 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 Users group were identified:

- Establishment of a users group to facilitate intel sharing across Councils 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 an up-to-date user friendly operation, and maintenance, monitoring and contingency plans.
- Schematic mapping of existing schemes to assist with an understanding of catchment capacities and constraints.
- Development and implementation of standardised accounting systems to assist in comparisons between schemes and Councils.
- Identification of opportunities 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 Councils of a CWMS User Group committed 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.

The group held its inaugural meeting and commenced work with regular reporting to be tabled at EPLGA Board meetings.

While the LGA CWMS Committee will not be funded beyond 2014/15, the group has successfully obtained a recommitment from those Councils with CWMS Schemes for a further $15,000 in total. This will enable the group to continue its work in 2015/2016.

REGIONAL TRAINING

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 and other training sessions/seminars. This is also contributed to the Executive Officer providing advice to the LGA on locations and timing of training to avoid clashes with regional seasonal events, such as harvest, as well as other scheduled events. As part of the independently conducted Outreach Services Pilot Program Review the following statement was made in regards to training:

"Regional Training has been very successful and continues to be increasingly supported and valued by officers and elected members:

Details	*2012/2013*	*2013/2014*	*2014/2015*
Sessions conducted	*22*	*12*	*18*
Participants	*22*	*176*	*365*

The Executive Officer has identified savings for 2014/ 15 to be in excess of $365k through time, travel, accommodation and course costs per head as a direct result of the dramatic increase in participation. There are also the non-dollar benefits through increased participation and therefore increased skills, experience and networking within the region."

There is no doubt the effort in arranging regionally held training has resulted in significant savings to Councils.

MANAGEMENT PLAN REVIEW

At the June 2015 meeting the EPLGA Board considered and adopted the reviewed EPLGA Management Plan 2013 - 2016.

To avoid confusion between the Business Plan prepared by respective Councils, the EPLGA uses the term 'Management Plan'. The Management Plan is for the period 2013 – 2016 and reviewed annually, incorporating an updated annual work plan and budget for the current year. It also includes the strategic directions the EPLGA wishes to take for the period 2013-16.

Management Plan Performance

1. ACTIVELY ASSIST MEMBERS BY REPRESENTING THEIR COMBINED INTERESTS.

1 Seek invitation to provide responses to legislative and policy changes that materially impact our region.

1.2 Seek the mandated preparation of regional impact statements prior to any state legislated changes likely to affect our region.

Comment: RDAWEP and EPLGA jointly funded the preparation a regional statement and have captured regional evidence by developing 78 industry sets of statistics. This information will not only be used to support or abject to State legislation or policy changes but to develop regional economic and strategic plans.

1.3 Prepare coordinated submissions to relevant inquiries and proposals on behalf of members.

Comment: RDAWEP and EPLGA prepare regional submissions in partnership.

1.4 Take an active interest in regional waste management, water planning, marine parks, mining, food security, climate change, local workforce planning and any activities that could impose changes to our region.

Comment: President and/or Executive Officer are actively involved in regional committees and/ or meetings dealing with regional waste management, water planning, marine parks, mining, food security, climate change, local workforce planning and other activities that may impose change upon the region.

1.5 Continue to advocate for roads funding opportunities.

Comment: The development of a roads database for all EP roads and a Regional Transport Strategy will be used as a tool for prioritising regional roads for funding.

1.6 Develop a coordinated approach to the Commodity Freight Routes across the region, being mindful of divergent needs between Councils.

Comment: Comments in 1.5 will apply to this as freight roads will be weighted to assist in the prioritisation of regional roads seeking funding assistance.

2 BUILDING STRONG PARTNERSHIPS FOR THE PROMOTION OF OUR SECTOR AND OUR REGION

2.1 Ensure we are represented at SAROC, State Executive Committee meetings and the General meetings of the LGA.

Comment: The President and Executive Officer attend these meetings when held.

2.2 Ensure regular information flows to our member Councils via newsletters, website updates, media announcements and personal contacts.

Comment: After each EPLGA Board meeting a wrap of the meeting is prepared and forwarded to all regional media outlets. It is also posted on the EPLGA website. The media are used as and when needed and are also sent the meeting agendas and minutes.

2.3 Seek reports from regional partners at EPLGA Board Meetings and forums.

Comment: Regional partners have a standing agenda item at each Board meeting to present to the constituent Councils. They are also invited to CEO Committee meetings.

2.4 Actively seek direct engagement with state government partners in order to allow bottom up, and more streamlined, planning and engagement.

Comment: The EPLGA has been a strong advocate for state government partners to visit the region on planning and engagement matters, eg Regional Forums, Regional Roadshows, Planning reform, Ministers visiting regional functions and openings, etc.

2.5 Seek opportunities to partner with industry and community groups to promote the economic and social prosperity of Eyre Peninsula.

Comment: RDAWEP and EPNRM CEOs and Staff meet regularly with the Executive Officer on a range of economic and social matters. The EO also meets with NGO's.

2.6 Work with member Councils to facilitate economic expansion by coordinating the approach to structure planning, ensuring consistency with the principles contained in the Eyre and Western Plan.

Comment: The Mining Taskforce has a focus on this functional role for Councils. More detailed work by the Taskforce's Coordinator is expected in 2015/16.

2.7 Work with state departments and regional partners to better coordinate Infrastructure Planning consistent with the principles in the Eyre and Western Plan.

Comment: The Executive Officer along with Council representatives have been involved in the Integrated Transport and Land Use planning undertaken by the state government. The plan is for the region to develop its own infrastructure plan to feed into state government plans. The region is also involved in RDAWEP Infrastructure planning. Further work in regional strategic planning is required and planned for the near future.

2.8 Investigate ways to encourage the state government to streamline its regional consultation processes to avoid multiple meetings that duplicate effort.

Comment: This has been an issue discussed at the SAROC level and continues to be pursued. The Minister for Local Government and Regional Development has held forums and roadshows in the region plus attended EPLGA Board meetings and other regional meetings. This is an example of the State Government's commitment to consulting the region in a more concise way.

3 RAISE THE PROFILE OF THE ASSOCIATION BY GREATER MEDIA PRESENCE

3.1 Issue a media release after each Board meeting and at any occasion where deemed appropriate.

Comment: Media used as and when appropriate. Agenda and minutes of the Board are distributed to regional media to seek interest. The meeting wrap is also distributed to the media outlets.

3.3 Consider the nomination of media representatives to present a coordinated and endorsed approach to all media.

Comment: Still managing media in-house.

4 ASSIST MEMBER COUNCILS BY COORDINATING REGIONAL INVESTIGATIONS OF OPERATIONAL ISSUES

4.1 Actively participate in meetings that promote Continuous Improvement activities in Councils.

Comment: The Outreach Services Program is in part about the continuous improvement of activities in Councils. The Executive Officer also sits on a LGA Assets management Advisory Committee investigating ways that Councils can continually improve the way they manage their assets.

4.2 Continue to promote regional training opportunities to assist Councils to up-skill their workforce.

Comment: The Executive Officer has been assisting with this through better co-ordination of the type of training required, when it could be held and the most suitable location for training. Councils response has been excellent, highlighting the success of this effort.

4.3 Facilitate Shared services investigations and discussions at either the regional or sub regional level, where appropriate.

Comment: The Executive Officer has assisted in the Lower Eyre Peninsula Councils shared service project. The consolidation of awards and EBA's project when completed can be shared with other Councils. Other works undertaken by the various groups and committees is an example of shared services and resources, eg Regional Procurement, CWMS, CEOs' Committee, Internal Control and RRC's WHS meetings.

4.4 Liaise with the LGA program managers to assist in linking funding opportunities to Council activities.

Comment: As an example of this working, funding has been gained for the Outreach Services ($70,000), Regional Capacity Building ($38,000) Lower EP Councils shared services ($15,000) , EP CWMS Users Group ($15,000) , Mining Taskforce ($10,000) and Regional Procurement Road Map ($80,000).

4.5 Review our Charter.

Comment: Completed in Dec 2013

4.6 Coordinate a regional or sub regional approach to road upgrades required for resource sector expansion.

Comment: A Mining Roundtable was held in October 2014 to assist with this type of planning. A report from the SA Centre for Economic Studies was part funded by the EPLGA and LGA to assist with these issues. A Taskforce terms of reference has been developed along with appointing a Coordinator to manage the process. The taskforce met three times during the 2014/15 year. It has gathered much information and developed great working relationships with Mining Companies, State Government, EPNRM, RDAWEP and other groups as required to ensure it can now be more individual mining project and location focussed.

4.7 Review the methodology of preparing the Eyre Peninsula Road Strategy.

Comment: The Roads Strategy was re-worked in 2013. Following this a database has been developed to include all EP roads with a methodology prioritisation tool inbuilt to give better road prioritisation. Further data is being collected to finalise the database to allow better planning and prioritisation. The collection of data has been a difficult task but the part of the overall Transport Strategy is nearing completion and will be presented to the working group for approval then the EPLGA Board.

4.8 Prepare regional submissions to fund combined approaches to governance activities required of Councils, where agreed by Members.

Comment: Working Groups and shared services will lead to this occurring on a more regular basis, eg, CWMS Group has commenced.

5 DEVELOP WAYS TO DIRECTLY ENGAGE WITH BOTH STATE AND FEDERAL GOVERNMENTS TO ASSIST IN REGIONAL PROMOTION

5.1 Include funding in the Annual Business Plan to allow deputation to both State and Federal parliaments on key issues that arise.

Comment: Funding included in the budget.

5.2 Liaise with other regional LGA and RDAs where combined lobbying best represents our interests.

Comment: The Executive Officer meets bi-monthly with other regional LGA's Executive Officers to manage such issues as joint collaboration and lobbying. The Executive Officer is located in the RDAWEP Port Lincoln Offices and has a good connection to RDAWEP lobbying efforts.

5.3 Seek opportunities to strengthen working relationships with the senior levels of state government.

Comment: The Executive Officer has good political connections and uses these when needed.

6 UNDERTAKE A TWO YEAR "OUTREACH SERVICES" PILOT PROGRAM IN PARTNERSHIP WITH THE LGA OF SA

6.1 Establish a funding agreement for $70k per year with the LGA of SA.

Comment: Established in July 2013 and concluded 30 June 2015. Pilot completed – program will continue in all regional LGA's after the pilot at $50,000pa funding from the LGA.

6.2 Establish a work plan for the pilot program in consultation with member councils and the LGA of SA.

Comment: Established as per 6.1 and reported against to EPLGA and LGA of SA. COMPLETED. Independent Evaluation undertaken and such was the success of the pilot the program has been rolled out to other regional LGA's

6.3 Prepare a case study of the pilot program for future reference.

Comment: COMPLETED as independent evaluation.

KEY PERFORMANCE INDICATORS

While the measurement of performance is a key component of planning, the nature of the workload for the Executive Officer has typically made KPI setting and measurement difficult. Much of the day-to-day operational activity remains reactive and in response to legislated and policy changes that routinely emerge. However, the following measurement may be an indication of performance for each year.

KPI	MEASURED BY	TARGET SCORE
Member Ceneral Satisfaction	Number of formal complaints	Zero complaints from members Actual: Zero complaints received.
Member attendance at meetings, workshops, training	Number of members who are represented	All members Actual: Usually all 11Councils represented.
Competitive funding secured	Dollars secured	Equal to membership ($140K) Actual: Outreach Program $70k Lower EP Shared Services $15k EP CWMS Group $30k Regional Capacity $38k Regional Procurement LGA Rebate $10K
Achieved annual work plan		All items either achieved or timeframes for completion, and process, in place. Some subject to external funding. Actual: On target
EPLGA is represented at LGA regions meetings	Number of meetings attended	100% Actual: 100%
Co-ordinate regional training activities on EP	Number of days training per year	At least 6 Actual: target exceeded (18)
Annual review of Executive Officer	Final achievement score	Average Rating of 3/5 for personal evaluation undertaken by EPLGA Executive Actual: Review occurred in June 2015. Report of satisfactory performance by President employment contract extended by 12 months.
Greater media activity	Number of interviews and media releases	At least one interview per month. Media releases at least every 2 months. Actual: Meeting target

USE OF FINANCIAL RESOURCES

The following audited statement indicates another year of solid financial performance.

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

FINANCIAL ACCOUNTS
FOR THE YEAR ENDED
30TH JUNE 2015

CONTENTS

Statement of Income & Expenditure

Balance Sheet

Notes to the Accounts

Board Certificate

Audit Report

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 30TH JUNE, 2015

	NOTE	2015 $	2014 $
INCOME			
Grants Received	2	279,139	197,225
Interest Received		8,955	8,810
Project Income - EP Councils	3	120,472	86,276
Membership Fees	4	151,423	145,600
Reimbursable Expenses		806	1,485
TOTAL INCOME		560,815	349,336
EXPENDITURE			
Administration		8,116	9,139
Advertising & Promotion		1,164	-
Audit Fees		1,200	1,330
Bank Charges & Taxes		445	331
Computer Expenses		3,169	787
Employee Expenses		134,326	134,831
Insurance		5,549	5,429
Meeting Expenses		3,314	3,719
President's Expenses		2,805	1,738
Project Expenditure	5	302,892	228,716
Secretarial Services		17,255	17,808
Sundry Expenses		111	644
Telephone		926	808
Travel & Accommodation		11,684	10,816
TOTAL EXPENDITURE		537,056	407,141
NET SURPLUS/(DEFICIT)		$ 23,759	$ (57,805)

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2015

	NOTE	2015 $	2014 $
Net Surplus/(Deficit)		23,719	(57,605)
Extraordinary Items		-	-
TOTAL NET SURPLUS/(DEFICIT)		23,719	(57,605)
Surplus Funds at July 1		183,595	241,200
SURPLUS/(DEFICIT)		207,314	183,595
ACCUMULATED SURPLUS/(DEFICIT) AT 30TH JUNE, 2015		$ 207,314	$ 183,595

The accompanying notes form part of these financial statements

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2015

	NOTE	2015 $	2014 $
EQUITY			
Accumulated Surplus		$ 207,334	$ 183,595
REPRESENTED BY			
CURRENT ASSETS			
Cash at Bank	6	362,786	249,210
Debtors		28,387	3,830
Income Accrued		1,865	2,870
GST Receivable		1,704	15,049
Prepayments		-	1,180
TOTAL ASSETS		394,722	271,959
CURRENT LIABILITIES			
Sundry Creditors	7	7,472	11,151
Creditors		78,207	5,034
Unspent Project Funds	8	94,084	59,519
Provision for Holiday Pay		2,681	2,610
Provn for Long Service Leave	9	13,024	10,870
		187,388	88,364
NET ASSETS		$ 207,334	$ 183,595

The accompanying notes form part of these financial statements

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. This financial report is a special purpose financial report prepared for use by Board and members of the association. The Board has determined that the association is not a reporting entity.

2. The financial report has been prepared on historical cost basis and does not take into account changing money values or except where stated current valuations of non-current assets. The statements are prepared on an accruals basis.

3. Provision is made in respect of the association's liability for annual and long service leave at balance date. Long service leave is accrued from the employee's start date. Leave provision is based on current wages as at reporting date, and does not include on-costs.

	2015	2014
	$	$
NOTE 2 - Grants Received		
LGA of SA - Outreach Service	120,000	70,000
LGA of SA - Regional Capacity	38,305	37,225
LGA of SA - CWMS Users Group	12,500	-
LGA of SA - Mining Taskforce	10,800	-
DEWNR - EP Integrated Climate Change Agreement Program	25,000	-
SAFECOM - Emergency Management Planning	73,334	-
	$ 279,139	$ 107,225
NOTE 3 - Project Income - EP Councils		
Assets Management	-	12,500
Cert IV Training	-	9,776
CWMS Users Group	15,800	-
Emergency Management Planning	33,800	-
Procurement Roadmap	-	35,000
Shared Services EBACC Project	-	20,000
Tourism Subscriptions	72,472	-
	$ 120,472	$ 86,276

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015

	2015	2014
	$	$
NOTE 4 - Membership Fees		
District Council of Ceduna	14,710	14,144
District Council of Cleve	11,013	10,589
District Council of Elliston	9,331	8,972
District Council of Franklin Harbour	9,651	9,280
District Council of Kimba	9,296	8,939
Wudinna District Council	9,734	9,360
District Council of Lower Eyre Peninsula	16,533	15,897
District Council of Streaky Bay	11,297	10,863
District Council of Tumby Bay	12,438	11,960
City of Whyalla	27,473	26,416
City of Port Lincoln	19,947	19,180
	$ 151,423	$ 145,600
NOTE 5 - Project Expenditure		
Unspent Funds at 1 July	(59,519)	(32,092)
Asset & Long Term Finance Plan	-	23,954
Birdseye Memorial	-	8,000
Cert IV Group	-	600
Charter Review	-	7,901
Committee & Working Group Mtg	8,420	-
CWMS Users Group	26,451	3,595
Emergency Management Planning	87,893	205
EP Regional Statements	-	20,000
Mining Taskforce	45,032	-
One Regional Development Plan	30,000	-
Procurement Roadmap	982	70,869
RDAWEP Internal Review-301/13	-	15,000
Regional Roads Strategy	35,576	9,885
Shared Services EBACC Project	1,500	26,000
Special Local Roads Prioritisation (LGTAP)	-	7,300
Tourism Subscriptions	72,472	-
Unspent Funds at 30 June	94,085	59,519
	$ 342,892	$ 220,736
NOTE 6 - Cash at Bank		
BankSA Society Cheque Account	138,916	34,955
Bendigo Bank Term Deposit	147,438	142,691
LGFA	67,765	63,174
LGFA - Cores EP	8,647	8,390
	$ 362,766	$ 249,210

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2015

	2015	2014
	$	$
NOTE 7 - Sundry Creditors		
PAYG Withheld	6,290	8,652
Superannuation	1,182	1,181
WorkCover	-	1,298
	$ 7,472	$ 11,131
NOTE 8 - Unspent Project Funds		
Regional Capacity Building	10,438	16,129
Coms - EP	8,646	8,390
Outreach Service	50,000	35,000
EP Integrated Climate Change		
Agreement Program	25,000	-
	$ 94,084	$ 59,519
NOTE 9 - Prov'n for Long Service Leave		
District Council of Tumby Bay	6,562	6,562
Eyre Peninsula Local Govt.		
Association	6,462	3,508
	$ 13,024	$ 10,070

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

BOARD CERTIFICATE

The Board have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Board of the association declares that:

1 the financial statements and notes present fairly the association's financial position as at 30th June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;

2 in the Board's opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

signed .....

position .....

Dated this 9 day of September

gpk
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

To the members of Eyre Peninsula Local Government Association,

Report on the financial report

We have audited the accompanying financial reports, being a special purpose financial report, of Eyre Peninsula Local Government Association, for the year ended 30th June 2015.

The responsibility of the members of the Board for the financial report

The members of the Board are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the Local Government Act 1999 and are appropriate to meet the needs of the members. The Board's responsibility also includes establishing and maintaining internal control 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

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian auditing standards. These auditing standards require that we 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 members of Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting responsibilities under the Local Government Act 1999. We

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disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion the financial report of the Eyre Peninsula Local Government Association presents fairly the operations and financial position of the association for the year ended 30th June 2015.

Gill Penfold Kelly Pty Ltd

Gregory S Nicholls
10th August 2015
4 Tasman Terrace, Port Lincoln SA 5606