



Naracoorte Lucindale Council

Better by Nature

Annual Report 2016-2017

The best place in regional South Australia to live, work, do business, raise a family and retire.

Created by having a Prosperous Community with Healthy Landscapes, Liveable Neighbourhoods and a focus on Harmony and Culture.

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MESSAGE FROM THE MAYOR AND CEO

As in previous years Council has continued, through the annual business plan and budget to implement its strategic plan which focuses on five themes Prosperous Community, Healthy Landscapes, Liveable Neighbourhoods, and Harmony and Culture. The first themes relate to the vision the elected members have for building a balanced community, with the fifth theme, Progressive Leadership, outlining what is required to build an organization that can effectively deliver the goals under the community themes.

Council has continued to focus on careful management of its budget with operations again delivering savings and meeting its goal of delivering 85% of planned projects in 2016-17. The culture of the organization has slowly changed with staff taking greater responsibility to manage each budget line to deliver the required services. Operations has also been much stronger in the management of projects and ensuring contractors deliver what they are contracted to deliver and nothing less.

Local government has been challenged with significant legislative changes in the planning, environment and dog and cat management areas being introduced by the State government. Some of these changes, particularly in relation to Planning, are being introduced over a number of years. Each of these changes introduce another level of work and responsibility to local government, and in the case of the new planning legislation, additional costs. Currently these changes are being absorbed by the existing staff, and in the short term it is not anticipated that additional staff will be required.

Council has continued to support economic development, not only by investing in community and transport infrastructure, but also through its Entrepreneur and Innovation fund which is helping small businesses implement their business plans at a faster pace. The agricultural sector has continued to be supported by Council through the Limestone Coast Red Meat Cluster and the provision of a premium livestock exchange in Naracoorte.

The University of Adelaide was successful in winning an Australian Research Council grant early in 2017. Council and a number of other local businesses are partners in this research project that will facilitate research at the Naracoorte Caves World Heritage fossil site. Council's investment in this partnership is part of its broader initiative to build the district's tourist economy. The research work being undertaken by the University is expected to bring many academics and research students into the district but also create ongoing interest to encourage tourist to return to learn about new discoveries and new ideas being implemented.

After a very dry year and a number of very average winters we had two wet ones, the latest which has tested our memories and flood management infrastructure, particularly on the western side of Naracoorte. Farmers had started using the land differently and got caught with flooded crops and flooded pastures. Discussions with the Drainage Board and Natural Resources have been initiated so that work can be taken to alleviate flooding in future years.

After several rounds of community consultation, it was clear that the community wanted their library to provide the range of services that have become commonplace in the modern version of the library. However, the community was less willing for Council to raise additional rates to contribute to its construction. This is reasonable enough, given that part of what rates are raised for is asset replacement. With the potential to gain additional funding from Federal and State grants and other funding raising options, there is still the potential to expand the number of services provided in the Naracoorte Public Library.

Mental health and wellbeing continues to be an important focus with Council represented on a variety of local and regional roundtables and committees. Council continues to support a range of community and civic events and activities. Of particular note this year were the Civic events held for former Naracoorte resident and Australian Ambassador to Zimbabwe, Her Excellency Suzanne McCourt, Mini Jumbuk's 40th year celebration and a dinner for His Excellency the Governor the Honourable Hieu Van Le AC.



Mayor Erika Vickery OAM



CEO Helen Macdonald

COUNCIL STRUCTURE & ELECTED MEMBERS



Mayor Erika Vickery OAM



Councillor Craig McGuire,
Deputy Mayor



Councillor Tom Dennis



Councillor Julie Earl



Cr Scott McLachlan



Councillor Malcolm McLean



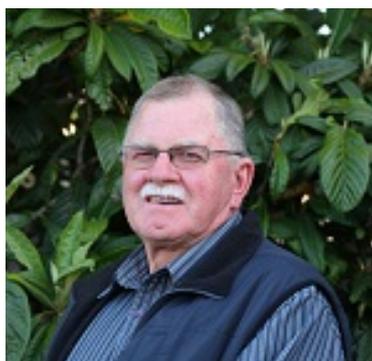
Councillor Trevor Rayner



Councillor Toby Robinson



Councillor Damien Ross



Councillor Ken Schultz



Cr Rebecca Smith

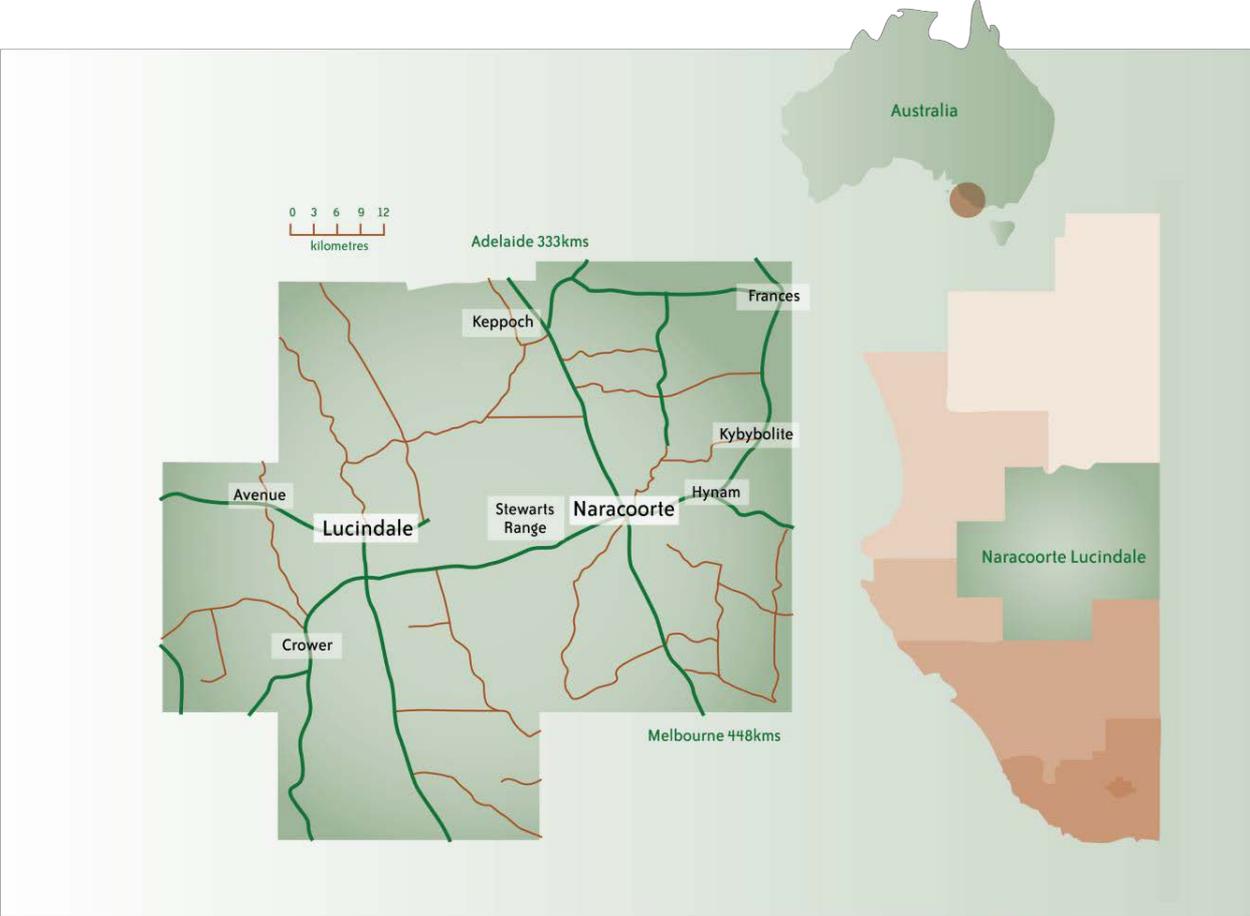
AUSTRALIAN HONOURS

Mayor Erika Vickery received the Order of Australia award in the Queen's Birthday 2017 Honours List for service to local government, and to the community of Naracoorte.

Mayor Vickery OAM is pictured below at the Investiture ceremony and reception for recipients of Australian Honours with His Excellency the Governor the Honourable Hieu Van Le AC.



COUNCIL AREA



COUNCIL PROFILE

Item of interest	Number
Size	452,013 ha
Elected Members including the Mayor	11
Length of constructed road network	1,614 km
State Electorate	MacKillop
Federal Electorate	Barker
Performance Measure	2016/17
The Council Area	
Naracoorte Lucindale population	8,291
Electors	5,782
Representation quota	525
Strategic Plan Progress	
Percentage of Strategic Plan targets underway with investment and activity (%)	66%
Theme 1 - Prosperous Community	2016/17
A sought after visitor destination	
Total visitor nights in Limestone Coast (SATC)	1,873,000
Total tourism expenditure in Limestone Coast (SATC) (\$)	\$308 million
Number of in-person visitors to the Naracoorte Visitor Information Centre	10,817
Number of inquiries to Naracoorte Visitor Information Centre	12,281
Number of Visitor Information Packs provided	534
Visitor Facebook followers	209
Visitor Facebook reach	52,081
Attendances at the Naracoorte Town Hall	225
Occupancy rate of the Naracoorte Town Hall (%)	16,611
Bookings for the Naracoorte Town Hall for external (non-Council) users (% of total)	98%
Number of bookings for the Lucindale Town Hall	14

A vibrant and progressive business centre and townships	
Number of applicants for Entrepreneur/ Innovation Fund	4
Number of grants paid from Entrepreneur/ Innovation Fund	2
Innovation Fund recipients with ongoing businesses 12 months following grant receipt (%)	100%
Diverse range of thriving primary industries	
Grand total value of livestock sold on behalf of primary producers at the Naracoorte Regional Livestock Exchange (\$)	\$157,860,016
Number of cattle sold at the Naracoorte Regional Livestock Exchange	75,543
Number of sheep and lambs sold at the Naracoorte Regional Livestock Exchange	382,844
Theme 2 - Healthy Landscapes	
2016/17	
Sustainable Land Management Practices	
Volume of waste to landfill per capita (tonne)	1,771
Volume of recycling per capita (tonne)	500
Number of hectares of biodiversity restoration (target is 5 ha per year)	18
Number of Garage Sale Trail Registrations	20
Cost to dispose of putrescible waste (\$/tonne)	\$212
Amount of the annual waste levy (\$/property)	\$294
Water resources and Ecosystems	
Volume of the Council water take (ML) for open space	1,278.16
Volume of the Council water take (ML) for NRLE	26
Length of the Naracoorte Creek (km) maintained	1.3km
Theme 3 - Harmony and Culture	
2016/17	
An inclusive community	
Number of events hosted by Council	8
Number of events supported by Council	16
A creative, artistic and learning community	
Number of members of the Naracoorte Public Library	2,651
Number of items borrowed from the Naracoorte Public Library	63,561
Number of visitors to the Naracoorte Public Library	49,074
Number of library programs at the Naracoorte Public Library	88
Number of participants / attendees for library programs	554
Number of visitors to the Lucindale Community Library (not students)	2,146

A healthy and resilient community	
Length of walking and/or cycling trail projects completed (kms)	1.3
Number of public open space developments	2
Theme 4 - Liveable Neighbourhoods	
2016/17	
A well-planned district	
Number of development applications	158
Total value of development approvals (\$)	\$16,050,173
Number of dwellings approved	23
Number of CAP applications processed	4
Number of development plan compliance issues	32
Number of septic systems approved	9
Number of building inspections undertaken	88
A safe and integrated transport network	
Total transport infrastructure project grants (\$)	\$980,500
Number of major road reconstruction projects completed (target of 2 per year)	7
Distance of road re-sheets as identified in NLC Road Hierarchy (km)	14,800
Distance of road reseals as identified in NLC Road Hierarchy (km)	3,290
Preserve the built heritage and character	
Number of projects completed under the Heritage Restoration Fund	1
Theme 5 Progressive Leadership	
2016/17	
Progressive and representative Elected Member leadership	
Number of resolutions carried by Elected Members	313
Organisational Excellence	
Number of external customer requests	693
Number of policies reviewed	14
Sustainable Community Finances and Assets	
Total operating expenditure	\$18.811m
Rateable properties	6,147
Total Rateable Capital Value	\$2.097m
<i>Refer to financial indicators</i>	
Effective delivery of projects and services	
Percent of projects in the annual works program delivered (85% target)	85%

Effective community communication and engagement	
Number of community consultations undertaken	7
Number of community responses from consultation processes	72
Number of meetings held with community groups (Elected Members and/or staff)	6
Number of local events promoted on Council's online event calendar	289
Your Say Website Total Visits	2,700
Your Say Website engaged visitors	85
Your Say Website informed visitors	875
Your Say Website new registrations	63
Council Website Pageviews	104,421
Council Website Unique Pageviews	80,151
Council Facebook reach	319,437
Council Facebook followers	1,199
Engage external stakeholders to leverage local opportunities	
Number of external grants received	10
Council is a preferred employer	
Number of Council staff serving	
>10 years	35%
>20 years	13%
Number of Workers Compensation Claims	9
Hours of Loss Time Injury (actual hours)	251.5
Percentage of workforce turnover (%)	8%
Percentage of Council workforce in age:	
<35	15%
36-50	38%
51-65	43%
>65	4%
Services	
2016/17	
Number of local suppliers (goods and services)	250
Value of expenditure in our Council district (goods and services)	\$4.9m
Number of parking expiations issued	57
Number of dogs registered	1,964
Number of dog impounded	107
Number of dogs returned to owner or rehomed	88 (82%)
No of burials	60

Number of Citizenship ceremonies conducted	4
Number of new citizens	31
Number of food inspections	33
Number of food infringement notices issued	1
Number of waste water inspections	6
Number of buildings inspected for Building Fire Safety Audits	12
Number of incidents of illegal dumping investigated and removed by Council	17
Number of fire prevention/fire hazard notices sent	31
Number of fire prevention / fire hazard works undertaken by Council	0
Number of fire permits / burn off permits issued	219

COUNCIL PROFILE

In the heart of South Australia's renowned Limestone Coast, midway between Adelaide and Melbourne, lies the Naracoorte Lucindale district encompassing an area of 452,013 hectares.

The main centre of Naracoorte and the surrounding townships offer a diverse range of unforgettable experiences: lush farmland scenery, natural wonders and abundant wildlife, wetlands of international importance, not to mention fine wine and fresh local produce.

Natural features of international significance include the World Heritage listed Naracoorte Caves, along with the Bool Lagoon Game Reserve and Hacks Lagoon Conservation Park. The World Heritage Naracoorte Caves preserves Australia's most complete marsupial fossil record for the past 500,000 years, is among the world's 10 greatest fossil sites and is South Australia's only World Heritage Listed Area.

The Bool Lagoon Game Reserve and Hacks Lagoon Conservation Park are recognised under the Ramsar Convention on wetlands as a Wetland of International Significance. Bool Lagoon is one of the largest and most diverse freshwater lagoon systems in southern Australia.

The district is known for its reliable rainfall and underground water. It's home to a strong rural economy featuring beef and dairy cattle, sheep for both wool and meat, as well as a diverse range of crops, wine grape production and wine making.

The district is central to some of Australia's most famous wine producing areas. Two large enterprises; Tey's Australia red meat processor and Mini Jumbuk wool manufacturing centre value add to the primary produce with large grain storage facilities supporting the cereal growing industry.

Naracoorte has a vibrant retail precinct and is a major service hub, offering a range of accommodation, dining and shopping experiences as well as health services and education facilities.

The proud communities of Lucindale, Frances, Kybybolite and Hynam surrounding Naracoorte feature well maintained parks and sporting facilities, museums, historical sites and major events including the South East Field Days, Taste the Limestone Coast Festival and the Frances Folk Gathering.

Other local communities in the district are Keppoch, The Gap, Cadgee, Binnum, Lochaber, Wild Dog Valley, Stewart Range, Hynam, Mount Light, Laurie Park, Moyhall, Koppamurra, Bool Lagoon, Struan, Joanna, Wrattobully, Spence, Woolumbool, Avenue Range, Coles, Conmurra and Fox.

The district has 8,291 residents. The principal office for the Naracoorte Lucindale Council is located in DeGaris Place, Naracoorte.

STRATEGIC PLAN

The Strategic Plan 2016-2026 outlines a vision and outcomes desired for the district and the strategies, key projects and services Council will deliver between 2016 and 2026.

Many of the strategies contained in the Strategic Plan rely on working in partnership with others. Council's responsibility is to deliver the Community Vision by being a progressive leader and creating an organisation that promotes continuous improvement.

Council may be able to take a supporting or facilitating role, however we know that this plan cannot be achieved without the hard work passion and dedication of the community.

Community Vision Statement

By 2026 Naracoorte Lucindale Council will be:

- The best place in regional South Australia to live, work, do business, raise a family and retire.
- Created by having a Prosperous Community with Healthy Landscapes, Liveable Neighbourhoods and a focus on Harmony and Culture.

An organisation known for:

Progressive Leadership with strong community connections, efficiently managing our shared assets, services and natural resources.

What we want to look like in ten years time?

The plan has four themes which contribute to achieving the Community Vision. The fifth theme focuses on Council as an organisation and what is required for it to be effective in the various roles that it has to play in the community.

THEME 1 - Prosperous community

- *Facilitating and supporting sustainable growth to achieve economic prosperity.*

THEME 2 - Healthy Landscapes

- *Working together to protect and enhance our natural environment for the future.*

THEME 3 - Harmony and Culture

- *A safe, healthy and diverse community celebrating our similarities and differences.*

THEME 4 - Liveable neighbourhoods

- *A range of well-planned neighbourhoods and public space, designed with a strong sense of identity and place.*

THEME 5 - Progressive leadership

- *A well led and managed district supported by a professional approach to managing infrastructure, and the delivery of projects and services to the community.*

Strategies

Underpinning the Strategic Plan 2016-2026 are a range of other strategies, plans and hierarchies.

- Asset Management Strategy
- Open Space Strategy
- Naracoorte Regional Livestock Exchange Strategic Management Plan
- Aerodrome Strategic Plan

Plans

- Long Term Financial Plan
- Annual Business Plan and Budget
- Community Land Management Plans
- Economic Development Plan
- Animal Management Plan
- Bike and Walking Master Plan
- Regional Health and Wellbeing Plan
- Community Art Framework
- Development Plan
- Asset and Infrastructure Management Plans
 - Building Asset and Infrastructure Management Plan
 - CWMS Asset & Infrastructure Management Plan
 - Recreation Asset & Infrastructure Management Plan
 - Stormwater Asset & Infrastructure Management Plan
 - Transport Asset & Infrastructure Management Plan
- Suicide Prevention Action Plan
- Structure Plan

Hierarchy and Service Levels

- Footpath, Open Space and Road Hierarchy and Service Levels

A copies of these plans are provided on the website at www.naracoortelucindale.sa.gov.au

PROJECT PRIORITIES FOR 2016-2017

The following tables indicate by each of the five themes in the Strategic Plan 2016-2026 the planned projects and achievements for 2016-2017.

THEME 1 - PROSPEROUS COMMUNITY

Facilitating and supporting sustainable growth to achieve economic prosperity

Outcome	Planned Project 2016-2017	Achievements 2016-2017
<ul style="list-style-type: none"> • A sought after visitor destination • A vibrant and progressive business centre and townships • Diverse range of thriving primary industries 	<ul style="list-style-type: none"> • Continued support for Tourism Industry Development (LCLGA Contribution) • Contribution to a vibrant & current district brochure • Host the Visitor Information Centres Cross Border Conference • Modernise Council's Visitor Information Bay in partnership with Naracoorte Lucindale Business & Tourism • Implementation of a community art plan for the district (seeking grant for \$2,000) • Upgrade to the NRLE cattle selling pens (50% grant funded anticipated and balance funded by a 20-year loan) • Installation of Heritage Trail Signs in Naracoorte (plan endorsed 2014-15; signs purchased 2015-16) • Partner with Adelaide University to commence the ARC Linkage Project (subject to project receiving grant funding) 	<ul style="list-style-type: none"> • Continued to support Tourism Industry Development at a regional level. Limestone Coast Priorities to Grow our Visitor Economy By 2020 adopted. • 6,000 Naracoorte Lucindale Visitor Guides distributed. • Naracoorte Lucindale hosted the 2016 Visitor Information Centre Cross Border conference on 4th and 5th November, ten Visitor Information Centres were represented. • Discussions are ongoing with Naracoorte Lucindale Business & Tourism on modernising the Visitor Information Bay. • Community Art Fund introduced - Naracoorte Regional Art Gallery received \$8,000 to create a mural of Megafauna discovered at the Naracoorte Caves and LINC received \$3,500 for a project to acknowledge its many volunteer groups. • Upgrade to NRLE cattle selling pens is on hold while other funding avenues are investigated.

- Caves Leverage Project
- Continue to facilitate the Red Meat Cluster Project (includes in-kind)
- Encourage new ideas & ways of doing business by continuing the Innovation Fund (introduced in 2015-16)
- The installation of 10 markers around the Naracoorte Town Square completed the first stage of the Naracoorte Heritage Trail. Each marker tells the story of the building or site which can be viewed from the square.
- The University of Adelaide received \$669,000 through the Australian Research Council (ARC)'s Linkage Projects. Council is a partner in the \$2 million research project which will focus on the fossil history of the Naracoorte Caves. The project commences in January 2018.
- The Caves Connection Project group, formed in September 2016, developed the Caves Connection Concept Statement which was adopted by Council in May 2017. The Concept Statement lists ideas for leveraging greater value from the World Heritage listed Naracoorte Caves.
- Council continued to facilitate the Red Meat Cluster which focused on a rib fracture (lambs) project, Performance Measurement Project, Professional development programme in partnership with Livestock SA and Financial Planning workshop
- The second round of grants from Council's Business Entrepreneurs / Innovation Fund were awarded. Frances Strawberries received \$5,000 to support the development of an open hydroponic growing system. Wratttonbully Wine Region Association received \$8,000 to create marketing and promotional material for the Wratttonbully Wine Region linking the viticulture and winemaking story with the Naracoorte Caves and the unique geology.

THEME 2 - HEALTHY LANDSCAPES

Working together to protect and enhance our natural environment for the future

Outcome	Planned Project 2016-2017	Achievements 2016-2017
<ul style="list-style-type: none"> • Contribute to sustainable land management practices • Water resources and ecosystems are protected and restored 	<ul style="list-style-type: none"> • Continued support for Regional Waste Coordinator (LCLGA Contribution) • Continued emphasis on waste management and the reduction of waste to landfill • Management of asbestos in Council owned buildings • Bushfire Mitigation & Corella Management • Upgrade & Renew Stormwater drainage on Gordon Street from Fordham Avenue to Schinckel Road, Naracoorte • Community Waste Management Scheme (Lucindale) - Desludge • Implementation of the Naracoorte Creek maintenance plan 	<ul style="list-style-type: none"> • Free hard waste weekend held to assist with the reduction of illegal dumping • Garage Sale Trail held on Saturday 22nd October with 20 sales registered, a 19% increase from 2015, and the second time in a row Naracoorte Lucindale achieved the most sales per capita in South Australia, and 17th on the national leader board. • Continued Fire Mitigation in Naracoorte's North and South Parklands reducing fuel load • Stormwater system upgraded in Naracoorte on Gordon Street from Fordham Avenue to Schinckel Road • Improvements to the Naracoorte Creek walk included widening of walking tracks, improve linkages over rail corridor, solar lights installed between the Naracoorte town centre and Swimming Lake • Woody weed removal along Naracoorte Creek from Park Terrace to Stewart Terrace • Commitment to work with the Naracoorte Lions Club and Heritage working group to redevelop Pioneer Park in Naracoorte

THEME 3 - HARMONY AND CULTURE

A safe, healthy and diverse community celebrating our similarities and differences

Outcome	Planned Project 2016-2017	Achievements 2016-2017
<ul style="list-style-type: none"> • An inclusive community • A creative and artistic community • Learning community • A healthy and resilient community 	<ul style="list-style-type: none"> • Continued support for Regional Star Club Officer and the Regional Trails Project (LCLGA Contribution) • Extension of hosting of the Regional Volunteer Management Program to 30 June 2017 (grant funded) • Sponsorship and support provided to annual programs, community events, festivals and Community Facilities: - <ul style="list-style-type: none"> ○ Harmony Day ○ Every Generation Festival (previously Seniors Month) ○ Science Week (new Event) ○ Youth Activities ○ Community Challenge ○ Frances Folk Festival ○ TASTE the Limestone Coast ○ Christmas in the Square, Lucindale Xmas Party & Special Kids Xmas Party (Adelaide) ○ Continued support of Naracoorte Art Gallery (including provision for maintenance) • Collaborate with the Art Gallery and local organisations to introduce a bi-annual art event (eg. megafauna competition) • Temporary relocation of Naracoorte Public Library services 	<ul style="list-style-type: none"> • Continued support of the STARCLUB Program which promotes involvement in recreation and sport by supporting all sporting and recreation clubs in the Limestone Coast in the areas of leadership, financial sustainability, compliance, planning and volunteer management. There are 7 STARCLUBs in the district. • Limestone Coast Volunteer Service - 201 volunteer referrals to organisations with a 92% volunteering success rate, 93 volunteers and 11 volunteer managers participated in 11 training workshops. Assistance provided to 35 organisations. • Sponsorship and support provided to annual programs, community events, festivals and Community Facilities <ul style="list-style-type: none"> ○ 4 activities held for Every Generation Festival ○ Drones, Droids, Robots and Fossils - Science Week event attended by 475 students and offered 5 activities. ○ Australia Day events held at Naracoorte and Lucindale. Lynn Hill founder of Dragon Boat Racing for survivors of breast cancer in South Australia gave the Australia Day address. ○ Council had a site at the South East Field Days on

- Events at the Library - 1 Event each month (for 10 months)
- Continuation of Your Tutor (an online tutoring service offering guidance in homework and study for students in years 4 - 12)
- Support for community wellbeing
- Improve lighting along the Creek Walk (Riverside Drive)
- Introduction of Park Run
- Replace the pontoons and renew the entrance gates at the Naracoorte Swimming Lake

- 17 and 18 March and participated in the Blue Yakka Trail run by the Lucindale Area School. The site focus was the Naracoorte Caves Connection project.
 - Harmony Day was held on 24 March with a combined schools festival in the morning attended by 1000 children and 200 spectators. A Community picnic and Wish festival was held in the evening. More than 200 lanterns, were floated on the Naracoorte Swimming Lake.
- Funding was received from Inspiring SA for the art science project Naracoorte Caves on our Doorstep. The project will commence in July 2017.
- In August 2016 the Naracoorte Public Library was relocated to the 165 Smith Street. This temporary relocation was due to the DeGaris Place premises facing major maintenance and repair work.
- Events held at the Naracoorte Public Library included:
 - School holiday activities
 - Library Bookclub (support is also given to individual book clubs held in the community)
 - Author events
 - Little Bang Discovery Clubs
 - Science Week activities
 - Storytime
 - Family history sessions
 - Tax Help
 - Group facilitations eg school class visits, local Scout Group visits
 - Garage Sale Trail
- The Your Tutor service was not continued due to low usage.

- All 21 garden plots were in use at the Naracoorte Community Garden.
- In August, Council assisted Government House with a Vice Regal visit to Naracoorte to commemorate the World War I battle at Pozieres.
- Lighting installed from 55 Ormerod Street to Park Terrace along the realigned Naracoorte Creek walk and new pedestrian access
- Park Run nominated and going through set up process.
- Pontoon at children's area of the Naracoorte Swimming Lake replaced.

THEME 4 - LIVEABLE NEIGHBOURHOODS

A range of well-planned neighbourhoods and public space, designed with a strong sense of identity and place.

Outcome	Planned Project 2016-2017	Achievements 2016-2017
<ul style="list-style-type: none"> • A well planned district that meets the current and future needs of the community • A safe and integrated transport network • Preserve the built heritage and character of the district 	<ul style="list-style-type: none"> • Develop Memorial Parklands Natural Play Area (seeking \$60,000 grant funding) • Upgrade Market Square Skatepark (seeking \$100,000 grant funding) • Undergrounding of powerlines in Robertson Street, Naracoorte (Stage 2) • Continuation of the Heritage Assistance Fund to assist with maintenance of sites listed on the 'Local Heritage Register' • Develop a Masterplan for the Naracoorte CBD & Town Squares 	<ul style="list-style-type: none"> • Memorial Parklands Nature Play Area designed. Planned for construction in 2017/18 • Market Square Skatepark completed • Planning to underground powerlines in Robertson Street, Naracoorte is ongoing • 5 projects received funding from Heritage Assistance • Commencement of masterplan for Frances township • Commencement of a CBD masterplan for Naracoorte

- Develop Storyboard Signs, which tell a story about the heritage of each town

- Storyboards designed for Lucindale, Hynam, Frances and Kybybolite

THEME 5 - PROGRESSIVE LEADERSHIP

A well led and managed district supported by a professional approach to managing infrastructure through the delivery of projects and services to the community.

Outcome

- Progressive and representative Elected Member leadership
- Organisational excellence
- Sustainable community finances and assets
- Effective delivery of projects and services
- Effective community communication and engagement
- Engage external stakeholders to leverage local opportunities
- Council is a preferred employer

Planned Project 2016-2017

- Continued renewal & replacement of infrastructure (refer major projects report for full details) including: -
 - Upgrade Runway at the Naracoorte Aerodrome
 - Cadgee Road Cycle Lanes (road widening)
 - Bridges & major culverts (includes Sandstone Avenue Culvert - \$150,000)
 - Sealed road construction
 - Footpath construction
 - Intersections -
 - Kerb & watertable
 - Unsealed road reconstruction
 - Reseals
 - Resheeting
 - Water supply points (Frances)

Some of these projects were subject to grant funding and may be delayed if grant applications are not successful

- Establishment of "Bang the Table", as an effective on-line consultation & engagement tool
- Representation review (review of the composition of Council eg. number of elected members; number of wards)
- Continued review of work

Achievements 2016-2017

- Civic events held for former Naracoorte resident and Australian Ambassador to Zimbabwe, Her Excellency Suzanne McCourt, Mini Jumbuk's 40th year celebration and a dinner for His Excellency the Governor the Honourable Hieu Van Le AC.
- Projects
 - Upgraded Runway at the Naracoorte Aerodrome as part of a project to establish emergency CFS facilities. Supported by a \$61,854 grant and sponsorship of \$35,000 from Plantation One Forty One. This project also included new toilets in the Aeroclub.
 - Cadgee Road Cycle Lanes constructed from Premier Drive to Higgs Road
 - Bridges & major culverts - Sandstone Ave culvert (supported by \$75,000 grant), Cadgee Road culvert replaced
 - Road constructions - 3 km Bool Lagoon Road (incomplete), 5km Coles Killanoola Road, 2.5km Moyhall Road, Fern Street, Charles Street, Artaud Terrace and Janz Street, Naracoorte, Plane Street and Blackwood Terrace, Lucindale

practices & procedures to ensure a 'best value' approach to the delivery of projects and services to the community

- Continued emphasis on the importance of maintaining a safe workplace and protecting the health and wellbeing of employees

- Footpath construction in Naracoorte - included paving of Naracoorte Town Squares (including Anzac Day grant \$10,000), Ormerod Street from McRae Street, Stewart Terrace from Naracoorte High School to Gum Avenue, Riverside Drive
- Intersections reconstructed in Naracoorte - Church Street closed and landscaping completed
- Kerb & watertables constructed in Naracoorte - Gordon Street from Butler Terrace to Pethick Street, Harding Court traffic island, Hinckley Street, Magarey Crescent spoon drain
- Reseals - approx. 5 km: Cadgee Road, Hinckley Street, Messamurray Road, Ormerod Street, Rolland Street
- Resheeting- approx. 15km completed: Concrete Bridge Road, Elad Road, Penders Road, Pistol Club Road, Pondham Road
- Water supply points installed at Frances Recreation Ground

- 2,700 visits to online consultation and engagement tool Your Say (Bang the Table)
- Representation Review completed - Council decided to retain its current structure.
- Reduction in total hours lost due to work injury from 672.5 hours to 251.5 hours.

PROJECT PRIORITIES FOR 2017-2018

THEME 1 - PROSPEROUS COMMUNITY

Facilitating and supporting sustainable growth to achieve economic prosperity.

Outcome	Planned Project 2017-2018
<p>A sought after visitor destination</p> <p>A vibrant and progressive business centre and townships</p> <p>Diverse range of thriving primary industries</p>	<ul style="list-style-type: none">• Continued support for Tourism Industry Development (LCLGA Contribution)• Continued support for RDA Limestone Coast (LCLGA Contribution)• Economic Strategy (review the efficient use of Council buildings & services in the• Naracoorte CBD, including the Visitor Information Centre)• Contribution to a vibrant & current district brochure• Continued implementation of Community Art Program• Upgrade to the NRLE cattle selling pens (50% grant funded anticipated and balance funded by a 20-year loan & contribution from agents. This project may not proceed if grant funding is not successful.)• Continuation of Heritage Signs Project in Naracoorte• Design eastern & western town entrances (Naracoorte)• Partner with Adelaide University to commence the ARC Linkage Project (subject to project receiving grant funding)• Caves Connection Project• Continue to facilitate the Red Meat Cluster Project (includes in-kind)• Encourage new ideas & ways of doing business by continuing the Innovation Fund (introduced in 2015-16)• Upgrade Corporate Signage

THEME 2 - HEALTHY LANDSCAPES

Working together to protect and enhance our natural environment for the future.

Outcome	Planned Project 2017-2018
<ul style="list-style-type: none">• Contribute to sustainable land management practices• Water resources and ecosystems are protected and restored	<ul style="list-style-type: none">• Continued support for Regional Waste Coordinator (LCLGA Contribution)• Continued emphasis on waste management and the reduction of waste to landfill• Hard waste disposal (first free weekend held in early 2017)• Management of asbestos in Council owned buildings• Bushfire Mitigation & Corella Management• Upgrade Stormwater at Stewart Terrace, Naracoorte• Stormwater Management Planning Deviation Road/Schinckel Road Catchment Area• Installation of Early Flood Warning Monitoring System in the Naracoorte Creek (part grant funded - \$60,900)

THEME 3 - HARMONY AND CULTURE

A safe, healthy and diverse community celebrating our similarities and differences

Outcome	Planned Project 2017-2018
<ul style="list-style-type: none">• An inclusive community• A creative and artistic community• Learning community• A healthy and resilient community	<ul style="list-style-type: none">• Continued support for Regional Star Club Officer (LCLGA Contribution)• Extension of hosting of the Regional Volunteer Management Program to 31 December 2017 (grant funded)• Sponsorship and support provided to annual programs, community events, festivals and Community Facilities: -<ul style="list-style-type: none">○ Harmony Day○ Seniors Month○ Science Week○ Youth Activities○ Lucindale Field Days○ Frances Folk Festival○ TASTE the Limestone Coast○ Christmas in the Square, Lucindale Xmas Party & Special Kids Xmas Party (Adelaide)○ Continued support of Naracoorte Art Gallery (including provision for maintenance)• Community Art & Science Event (part grant funded) (new Event for 2017-18)• Kybybolite Memorial Sports Club Inc Lighting & Power Supply Upgrade (subject to Club raising sufficient funding for the project)• Events at the Library• Support for community wellbeing• Support Limestone Coast Drug Program (LCLGA Contribution)• Development of a Natural Burial Ground• Assess and repair walls at Naracoorte Swimming Lake• Upgrade the Naracoorte Public Library (funded 50% grant - not realised yet; 50% loan. This project may not proceed if a grant is not realised.)

THEME 4 - LIVEABLE NEIGHBOURHOODS

A range of well-planned neighbourhoods and public space, designed with a strong sense of identity and place

Outcome	Planned Project 2017-2018
<ul style="list-style-type: none">• A well planned district that meets the current and future needs of the community• A safe and integrated transport network• Preserve the built heritage and character of the district	<ul style="list-style-type: none">• Contribution to the State Government Planning Portal (legislated contribution)• Develop Memorial Parklands Natural Play Area (seeking \$35,000 grant funding)• Establishment of a dog park at Market Square• Upgrade playground, Musgrave Avenue Lucindale• Improved maintenance at Cockatoo Lake (slashing, new fire pits & improved signage)• Continued support for Heritage Advisor (LCLGA Contribution)• Continuation of the Heritage Assistance Fund to assist with maintenance of sites listed on the 'Local Heritage Register'• Allocation for master planning• Continue the development of the Storyboard Signs, which tell a story about the heritage of each town

THEME 5 – PROGRESSIVE LEADERSHIP

A well led and managed district supported by a professional approach to managing infrastructure and the delivery of projects and services to the community.

Outcome	Planned Project 2017-2018
<ul style="list-style-type: none">• Progressive and representative Elected Member leadership• Organisational excellence• Sustainable community finances and assets• Effective delivery of projects and services• Effective community communication and engagement• Engage external stakeholders to leverage local opportunities• Council is a preferred employer	<ul style="list-style-type: none">• Continued renewal & replacement of infrastructure (refer major projects report for full details) including: -<ul style="list-style-type: none">○ Replace external steps (near stage) at Lucindale Town Hall○ Upgrade fittings & fixtures at the Naracoorte Town Hall○ Update stage curtains at the Naracoorte Town Hall (move old to Lucindale Town Hall)○ Improve entrance to Naracoorte Cemetery○ Design hangar area at Naracoorte Aerodrome○ Langkoop Road Cycle Lanes (road widening)○ Sealed road construction○ Footpath construction○ Intersections○ Kerb & watertable○ Unsealed road reconstruction○ Reseals○ Resheeting○ Upgrade flooring in Market Square & Naracoorte CBD Public Conveniences• Some of these projects are subject to grant funding and may be delayed if grant applications are not successful• Continuation of "Bang the Table", as an effective on-line consultation & engagement tool• Wellness Program to promote & encourage employees to maintain their health and fitness, including cultural change• Continued review of work practices & procedures to ensure a 'best value' approach to the delivery of projects and services to the community• Continued emphasis on the importance of maintaining a safe workplace and protecting the health and wellbeing of employees

COUNCIL REPORT

Representation Structure and Quota

The Council is the decision-making body on all matters of policy and strategic direction, and consists of the Mayor and 10 Councillors, who are all elected from the whole community. The Council also appoints a Deputy Mayor.

Naracoorte Lucindale's total number of electors is 5,782. The quota for Naracoorte Lucindale Council is one member to 525 electors. Councils of a similar size and type have:

Council	Electors	Councillors	Representation Quota
Clare and Gilbert Valleys	6,676	10	667
Coorong	3,804	9	422
Grant	5,441	10	544
Adelaide Plains	5,819	10	581
Mid Murray	6,377	10	637
Naracoorte Lucindale	5,782	11	525
Northern Areas	3,445	9	382
Renmark Paringa	6,376	9	708
Tatiara	4,532	10	453
Wakefield Regional	4,775	10	477

(The above information is provided by the Electoral Commission of SA (ECSA), current as at February 2017.)

Representation Review

Every 8 years, in accordance with Section 12 of the Local Government Act 1999, the Naracoorte Lucindale Council is required to review the composition of the council.

A review was commenced in October 2016 and will be completed by October 2017. Council has undertaken a comprehensive review of all aspects of its composition and structure so as to ensure the fair and adequate representation of the electors within the Council area.

The last review was conducted during 2008 / 2009. The next representation review will commence during 2023 / 2024. Electors may make submissions on Council's representation by writing to Council.

Council Elections

Local Government elections are conducted every 4 years with the last election being held in November 2014. The next election will be held in October and November 2018. Council elections are controlled by the Electoral Commission SA and voting is not compulsory.

The table below lists Naracoorte Lucindale Council's voter participation at the past 4 elections.

Year	Council area voter participation	State average	State Ranking
2014	43%	32%	34
2010	59%	33%	11
2006	58%	31%	4
2003	53%	33%	13

Decision making structure of council

Decisions of Council are made through Council meetings, Committee meetings or by staff through delegated authority. Informed decision making is critical to ensuring that decisions are made in the best interests of the wider community. During 2016- 2017, Council's formal decision making structure comprised of Council, Audit Committee, Development Assessment Panel and Section 41 Committees.

All Council and Committee meetings are generally open to the public. Documentation for each meeting (notice of meetings, agendas with reports, attachments and minutes) is available from Council's offices and on the Naracoorte Lucindale Council website.

Council Meetings

As at 30 June 2017, Council had held a total of 12 General Council meetings and 5 Special Council meetings, totaling 17 meetings for the 2016-2017 financial year. Attendances at meetings were:

Councillors	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
Mayor Erika Vickery OAM	17	15	88%
Councillor Craig McGuire	17	14	82%
Councillor Malcolm McLean	17	17	100%
Councillor Trevor Rayner	17	17	100%
Councillor Toby Robinson	17	16	94%
Councillor Damien Ross	17	13	76%
Councillor Kenneth Schultz	17	17	100%
Councillor Tom Dennis	17	15	88%
Councillor Julie Earl	17	14	82%
Councillor Scott McLachlan	17	14	82%
Councillor Rebecca Smith	17	15	88%

Audit Committee

The Audit Committee is established in accordance with section 126 of the Local Government Act, 1999 and operates as an independent and objective advisory committee to Council. It assists Council to accomplish its objectives by contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of financial reporting, internal controls and risk management systems, whistle blowing and internal and external audits.

Council's Audit Committee comprises five members, appointed by Council. Three are Elected Members while the remainder are independent representatives with experience in financial, audit, legal and business related disciplines. The appointment of independent members to the Audit Committee provides additional assurance to Council and the community that risks are being appropriately managed.

Meetings of the Committee are generally open to the public and are held at the Council Chamber, DeGaris Place, Naracoorte at 4.30pm. The Committee meets at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.

During 2016-2017 the Audit Committee met 8 times. Meetings were held in August, September, October, December, February, April, May and June. Attendances at meetings were:

Members	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
Mr Jim Ker (Independent Member and Presiding Member)	8	8	100%
Ms Robyn Mencil (Independent Member)	8	5	63%
Councillor Damien Ross	8	7	88%
Councillor Rebecca Smith	8	5	63%
Councillor Tom Dennis	8	4	50%

Development Assessment Panel

Council has a Development Assessment Panel established in accordance with section 56A of the Development Act 1993. The Panel's functions are:

To act as a delegate of the Council in accordance with the requirements of the Development Act 1993; and

- As it thinks fit, to provide advice and reports to the Council on trends, issues and other matters relating to planning or development that have become apparent or arisen through its assessment of applications under the Development Act 1993; and
- To perform other functions (other than functions involving the formulation of policy) assigned to the Panel by the Council.

Council's Development Assessment Panel comprises seven members appointed by Council; three are members of Council while the others are independent representatives. The Development Assessment Panel meets as required. Generally, when a meeting is required it is held on the 2nd Thursday of the month.

During 2016-2017 the Development Assessment Panel met in December and May. Attending the meetings were:

Member	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
Mr Frank Brennan (Presiding Member and Independent Member)	2	1	50%
Mrs Liz Travers (Independent Member)	2	2	100%
Ms Emily Finnigan (Independent Member)	2	2	100%
Mr Robert Miles (Independent Member)	2	2	100%
Councillor Ken Schultz	2	2	100%
Councillor Toby Robinson	2	2	100%
Councillor Trevor Rayner	2	2	100%

Section 41 Committees

Under section 41 of the Local Government Act, 1999 (s41) Councils can create Committees to assist in the performance of its functions, to inquire into and report to Council on matters within the ambit of Council's responsibilities, to provide advice to the Council, or to exercise delegated powers, functions or duties.

Each committee has its own terms of reference and meeting schedule as required. The membership of the committee is determined by Council and may consist of Elected Members and people from the broader community with special interests or skills. Council appoints a presiding member for each committee.

Council has not delegated the power to make decisions or to undertake actions to these Committees. The Committees have been created to advise and make recommendations to the Council.

Section 41 Committees

- CEO Recruitment, Performance Review & Remuneration
- Naracoorte Regional Livestock Exchange
- Strategic Planning and Development Policy (established in accordance with section 101A of the Development Act 1993)

CEO Recruitment, performance review & remuneration

The purpose of the CEO Committee is to perform the functions of a selection panel, to monitor the performance of Council’s Chief Executive Officer and to review the remuneration and conditions of employment of the CEO at 12 monthly intervals. The Committee consists of three Elected Members appointed by the Council. An independent member with relevant experience may be appointed by Council.

During 2016-2017 the CEO Committee met in February. Attending the meeting was:

Councillors	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
Mayor Erika Vickery OAM	1	1	100%
Councillor Damien Ross (Presiding Member)	1	1	100%
Councillor Tom Dennis	1	1	100%

Naracoorte Regional Livestock Exchange Board

The Naracoorte Regional Livestock Exchange Board’s purpose is to implement the Naracoorte Regional Livestock Exchange Strategic Management Plan 2012-22.

The Board oversees the development, construction and general operations, monitors financial performance, makes recommendations to Council regarding the implementation and any recommended revisions to the Naracoorte Regional Livestock Exchange Strategic Plan and develops an annual business plan.

The Board membership consists of two Elected Members and two Community Representatives with strong business acumen and a working knowledge of the livestock industry. The Naracoorte Lucindale Council CEO and Director Operations are non-voting members of the Board.

The NRLE Board met 5 times during the financial year. Meetings were held in August, October, December, February and April.

Members	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
Mr Ian O'Loan (Independent Member)	5	4	80%
Mr Robin Gericke (Independent Member)	5	5	100%
Councillor Toby Robinson (Presiding Member)	5	5	100%
Councillor Scott McLachlan	5	4	80%

Strategic Planning and Development Policy

The Strategic Planning and Development Policy committee is established in accordance with Section 101A of the Development Act 1993. The Committee provides advice to Council in relation to the extent to which Council's strategic planning and development policies are in accordance with the Planning Strategy.

From July 2016 until November 2016 the Committee consisted of three Elected Members appointed by Council - Crs McLachlan, Earl and Smith. In November 2016, Cr Schultz was appointed to the Committee. In March 2017 all Elected Members were appointed to the Committee. The Committee met three times during the financial year in November, February and April. Attendances at meetings were:

Councillors	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
Mayor Erika Vickery OAM	1	2 (attended 1 meeting as ex-officio)	100%
Councillor Craig McGuire	1	1	100%
Councillor Malcolm McLean	1	1	100%
Councillor Trevor Rayner	1	1	100%
Councillor Toby Robinson	1	1	100%
Councillor Damien Ross	1	1	100%
Councillor Kenneth Schultz	3	2	66%
Councillor Tom Dennis	1	0	0%

Councillor Julie Earl	3	3	100%
Councillor Scott McLachlan	3	3	100%
Councillor Rebecca Smith	3	2	66%

Community Services and Strategic Asset Management

In September, after a three month trial the business of the Strategic Asset Management and Community Services Committees was moved into the monthly Council meeting. As a result, neither committee met during 2016-2017.

PUBLIC PARTICIPATION

As identified in theme 5 of the Strategic Plan 2013-2023, Progressive Leadership, Council wants to achieve effective community communication and engagement. Actions to achieve this include:

- Engage with the community in Council decision making processes
- Inform the community of Council's progress in the delivery of strategic objectives
- Ensure transparency in Council's responsibilities and decision making

Listed below are some of the ways the community can be involved in decision making processes.

Council and Committee meetings

Members of the public have a number of opportunities to present their views on particular issues to Elected Members at a Council meeting:

Public Forum

Up to 15 minutes is scheduled at the commencement of each ordinary meeting for members of the public to address Council or the Committee to provide information relevant to the Council or the Committee.

Whenever possible a question raised by a member of the public will be answered immediately.

Petitions

Petition is one way in which members of the community may advise Council of their particular concerns regarding a specific issue or make requests of, and provide information to, Council.

A petition is a formally drawn up request to Council seeking action or special consideration of a particular matter, which is signed by more than two (2)

residents/members of the public.

Petitions should be submitted by the close of business 7 days prior to the scheduled Meeting.

Section 10 - Petitions and Section 11 - Deputations of the Local Government (Procedures at Meetings) Regulations 2013 prescribes how a petition and deputation can be made.

Deputations or Presentations to Council

Whenever possible, requests for a deputation to address Council should be received in writing by the Chief Executive Officer no later than the close of business 7 days prior to the scheduled Meeting.

If the deputation relates to a matter of business on the agenda, a person wishing to appear as a deputation at a meeting must deliver their written request to the principal office of the Council by 10.00am on the day of the meeting.

Requests falling outside this guideline (ie: requests received later than specified above) will be accommodated whenever possible with the consent of the Mayor.

Deputation requests must include sufficient information regarding the issue and indicate the preferred meeting that the individual/group wishes to be heard.

Whether or not a deputation may appear is determined on a case-by-case basis, meeting by meeting, and with regard to the particular matter upon which the person wish to address the meeting. In determining whether a deputation is allowed the following considerations will be taken into account:

- the subject matter of the proposed deputation
- whether it is within the powers of the Council
- relevance to the Council or Council Committee agenda nominated - and if not, relevance to the Council's or Council Committee's powers or purpose
- the integrity of the request, and
- the size and extent of the agenda for the particular meeting.

Where a deputation is to be heard, the person/s making the deputation may speak for no more than five minutes without leave of the meeting.

Written Requests

A member of the public can write to Council on any council policy, activity or service. As a result, Council may invite the community member to provide further comment on points raised in the letter.

Elected Members

Members of the public can contact Elected Members of the Council to discuss items relevant to Council. Contact names and phone numbers are available from Naracoorte Naracoorte Lucindale Council, *Annual Report 2016-2017*

Lucindale Council offices or on Council's website at www.naracoortelucindale.sa.gov.au.

Community Consultation

Council's Public Consultation and Community Engagement policy sets out how Council will engage with the community in its decision making processes. During 2016-2017 Council sought comment from the community on the following:

- Lucindale Pine Trees
- Naracoorte Multi Sports Complex
- Representation Review
- Lucindale Community Forum
- Draft Annual Business Plan and Draft Budget for 2017-18
- Naracoorte Caves Connection
- By-Law Review
- Naracoorte Public Library Building

GRANTS RECEIVED

Each year Council applies to the State and Federal Government for funding to support its planned projects. These are competitive grant rounds and are tied to particular projects. Successful grant applications allow Council to maintain a high level of services, facilities and amenity across our district while ensuring sustainable finances.

Council receives an annual general purpose grant from the State Government Grants Commission. In 2016-2017, \$4.160 million was received. The allocation was more than received in previous years due to \$1.424 million of Council's allocation being received in June 2017 for the 2017-2018 financial year. General purpose grants may be expended at Council's discretion. Specific purpose grant money expended during 2016-2017 is listed below. An (a) indicates that a portion of the grant income was received in 2016-2017, but unexpended as at 30 June 2017.

• Red Meat Cluster Project ^(a)	\$40,000
• Volunteer Management Program	\$60,000
• Science Week ^(a)	\$2,970
• Library Maintenance & Books Grant	\$45,062
• Roads to Recovery ^(a) - Moyhall Road	\$801,338
• Special Local Roads Grant - Bool Lagoon Road & Coles-Killanoola Rd	\$839,000
• Heavy Vehicle Grant - Coles-Killanoola Road	\$395,500
• Cycling Grant - Cadgee Road Cycling Lane	\$50,000
• Bridges Grant - Sandstone Avenue Culvert	\$73,000
• Economic Development - Lucindale Road Roundabout	\$190,500
• Community Art Project	\$2,000
• Anzac Day Commemoration	\$10,000
• Total	\$2,509,370

ELECTED MEMBERS' ALLOWANCES

The Local Government Act 1999 (the Act) and the Local Government (Members Allowances and Benefits) Regulations 2010 (the Regulations) provides for the payment of Elected Member Allowances.

An Elected Member is entitled to an annual allowance which is determined every four (4) years by the Remuneration Tribunal of South Australia. The Tribunal's determination for the current Council term was on the 31 July 2014. Section 76(9) of the Local Government Act provides for the allowances to be adjusted by CPI on the first, second and third anniversary of the periodic elections. Allowances effective from November 2016 are:

• Mayor	\$52,412
• Deputy Mayor	\$16,379
• Standing (Key) Committee Presiding Member	\$16,379
• Elected Member	\$13,103

An additional allowance in the form of a sitting fee was introduced in July 2014 for a Councillor who is the presiding member of a Committee (other than the Principal or Deputy Principal Member, Chairperson or Deputy Chairperson or a Presiding Member of a prescribed committee).

Allowance - \$154 per meeting limited to an aggregate amount of \$922 per annum.

Travel time allowances for Members of Non-Metropolitan Councils have also been determined where the Member's residence is located:

• >30 kms <50kms from Council's principal office	\$344 per annum
• >50 kms < 100kms from Council's principal office	\$574 per annum
• >100 kms from Council's principal office	\$1,147 per annum

Council is not required to adopt these allowances as they are based in legislation.

Council pays the cost of Elected Members attendance at training, seminars and conferences related to Council activities.

The following support is also provided to Elected Members to assist them in the performance of their official duties:

Mayor

- Fully maintained Council passenger sedan for travel related to official duties
- Council owned and maintained computer
- Council owned mobile phone
- Reimbursement of expenses relating to functions attended
- Reimbursement of telephone, facsimile or other communication
- Device expenses (up to \$150 per quarter for internet access)

Elected Members

- Council owned and maintained iPad
- Reimbursement of expenses relating to functions attended
- Reimbursement of approved childcare expenses while representing Council
- Reimbursement of travel expenses
- Reimbursement of telephone, facsimile or other communication device expenses (up to \$150 per quarter for internet access)

COMMITTEE MEMBERS' ALLOWANCES

Independent members of the Audit Committee, Development Assessment Panel and Naracoorte Regional Livestock Exchange Board receive a fee for attendance at approved meetings, training and events. The following fees were set by Council at its June 2016 meeting (resolution 330/16):

• Presiding Member	\$275
• Independent Members	\$220

ELECTED MEMBER TRAINING AND DEVELOPMENT

The Local Government Act states that Council must ensure that its Elected Members undertake regular training in accordance with Council's Elected Member Training and Development policy and that training complies with the Local Government Association training standards. There are mandatory training requirements Elected Members must undertake following each Local Government election.

Training and development opportunities focus on assisting Elected Members in the performance and discharge of their functions and duties and contribute to achieving the strategic and good governance objectives of Council.

Training and development activities undertaken by Elected Members during 2016-2017 are listed below.

Councillors	Activities undertaken
Mayor Erika Vickery OAM	2016 Local Government Conference and Annual General Meeting 2017 LGA Ordinary General Meeting and Showcase Meeting Procedures 2016 LGA Roads and Works Conference National General Assembly of Local Government
Councillor Kenneth Schultz	Meeting Procedures
Councillor Damien Ross	Meeting Procedures
Councillor Malcolm McLean	Meeting Procedures
Councillor Craig McGuire	Meeting Procedures
Councillor Trevor Rayner	Meeting Procedures
Councillor Toby Robinson	Livestock Saleyards Association of Victoria annual conference Meeting Procedures
Councillor Tom Dennis	Meeting Procedures
Councillor Julie Earl	Meeting Procedures
Councillor Scott McLachlan	Meeting Procedures
Councillor Rebecca Smith	Meeting Procedures

CONFIDENTIAL ITEMS

Council and Council committees may from time to time discuss an item of business in confidence and as a result the public is excluded from attendance at the meeting for the period of time taken to discuss the relevant item. The Local Government Act 1999, Section 90(3) (a) to (n) sets out the criteria for when this may occur. Following is a summary of the number of occasions that the provisions listed in Section 90 (excluding the public during debate) or Section 91 (documents to be kept confidential for a period of time) were used during 2016-2017.

During 2016-2017:

- 18 orders to move into confidence were made under section 90(2)
- 15 orders were made to retain reports, minutes and other documents in confidence under section 91(7)
- 3 orders from 2015-2016 were released, 3 orders remain operative under section 91(7)

Below is a summary of orders for 2016-2017:

Date	Topic	Grounds for Confidential Order - Section 90(3)	Order expired, ceased or revoked
27-Sep-16	Tender 201617-02: Upgrade Stormwater - Gordon Street & Alexander Avenue, Naracoorte Tender 201617-01: Upgrade Fern Street, Naracoorte (Stage 2) Tender 201617-03: Upgrade Janz Street, Naracoorte Tender 201617-04: Church Street Closure	k	Released 13/12/2016
27-Sep-16	Multiple Quotation: Gordon Street Kerb & Water Table (Contract 201617-07)	k	Released 19/12/2016
25-Oct-16	Naracoorte Aerodrome	d	Released 6/2/2017
08-Nov-16	Tender 201617-05 Ormerod Street, Naracoorte	k	Released 28/11/2016
22-Nov-16	Tender 201617-06 - Stewart Terrace Footpath, Naracoorte	k	Released 13/12/2016
20-Dec-16	Lucindale Karting Club Inc. - Request for Community Loan	d	Released 2/5/2017
20-Dec-16	Tender 201617-08: Upgrade Stormwater - Cadgee Road, Strathyre Culverts	k	Released 2/5/2017
20-Dec-16	Tender 201617-09: Upgrade Stormwater - Sandstone Avenue Culverts, Naracoorte	k	Released 2/5/2017
20-Dec-16	Tender 201617-11: Coles Killanoola Road Construction	k	Released 2/5/2017
20-Dec-16	Tender 201617-12: Upgrade of Market Square Skate Park, Naracoorte	k	Released 6/2/2017
24-Jan-17	Tender 201617-13 - Design for an Improved Naracoorte Public Library / Community Resource Centre	k	Released 9/2/2017
16-Feb-17	CEO Recruitment performance review & remuneration committee	a	Retained in confidence
28-Feb-17	Harry Tregoweth Retirement Village	b	Released 2/5/2017 Retained in confidence
28-Feb-17	Lucindale Road Roundabout	b	Retained in confidence
28-Feb-17	CEO Recruitment performance review & remuneration committee	a	Released 28/2/2017
28-Feb-17	Motions Without Notice - Smith St adjacent to Naracoorte P & A Society Plan Trees	d	Released 28/2/2017
26-Apr-17	Business Entrepreneurs/Innovation Fund Extension of Lease - 30 Ormerod Street, Naracoorte	a	Released 23/05/2017
27-Jun-17	Nature Play Development - Memorial Parklands	a	Released 27/6/2017
27-Jun-17	Naracoorte	j	Retained in confidence

EXECUTIVE MANAGEMENT TEAM AND STAFFING

The Executive Management Team is led by Chief Executive Officer, Dr Helen Macdonald.

Chief Executive Officer	Dr Helen Macdonald
Director Operations	Mr Steve Bourne
Director Corporate Services	Ms Fiona Stringer
Manager Planning & Compliance	Mr Paul McRostie
Manager Governance & Community Development	Ms Sally Klose

Salary packages for these Officers include over Award salary in a band of \$91,903 - \$175,570, and may also include private use of a motor vehicle, packaged overtime allowance, superannuation, home phone, internet data transfer reimbursement and mobile phone or mobile phone reimbursement.

Staff Levels (as at 30 June 2017)

	2016-2017	2015-2016	2014-2015	2013-2014
Total employees (FTE)	69	69	70.9	73
Permanent full time	51	53	54	58
Permanent part time	14	13	14	15
Fixed term contract - full time and part time	6	5	3	2
Casual	6	7	6	8

Naracoorte Lucindale Council follows equal opportunity employment principles across the organisation and the principles of anti-discrimination in all dealings with its employees. Selection to fill any vacancies is based on merit, including skills, experience, and aptitude for the position.

Appropriate work skills are vital to the effective and efficient delivery of services to the community. Council encourages employees to undertake relevant training to develop and enhance those skills.

Approximately 28% (2016: 33%, 2015: 30%) of the Naracoorte Lucindale Council's operating revenue was expended on salaries, wages and associated employment costs. Of this expenditure \$545,000 (2016: \$632,000, 2015: \$484,000) can be attributed to capital expenditure. The decrease in % of operating expenditure on employment costs is due to the timing of receipt of grants. 50% of the 2017-18 Grants Commission payment was received in June 2017.

RISK MANAGEMENT AND INTERNAL AUDIT

Naracoorte Lucindale Council is a member of the Local Government Mutual Liability Scheme which provides Local Government with insurance services at lower premiums than market rates. The Scheme rewards good performance through premium rebates. A comprehensive audit of risk management policies, practices and procedures is undertaken annually to assess the performance of each Council.

Naracoorte Lucindale Council is committed to a high standard of governance and accountability. Council manages its strategic, operational and financial risks at an organisation level in accordance with the AS/NZS ISO 31000:2009. This framework ensures that risks and internal controls are identified, assessed and managed and reported against whilst ensuring that effective policies, operating guidelines and actions are in place.

In 2012 an Organisation Risk Register was developed profiling Council's corporate and operational risks. This register has been reviewed and further refined during 2016-2017. Risks identified through this process are managed and mitigated through inclusion in annual work area plans and other programs.

Dean Newbery & Partners Chartered Accountant have been appointed by Council as the Council's External Auditors for a five (5) year contract, expiring at the completion of the 2019-2020 financial audit. This appointment is in accordance with section 128 of the Local Government Act. The External Auditors

- complete the annual statutory audit by testing the underlying transactions that form the basis of the financial statements.
- provides an opinion on whether the accounts are a true and fair view.

The External Auditors findings are reported to the Audit Committee and Council at the completion of the Audit each year. The Audit Committee meets with Council's Auditor on an annual basis to discuss internal controls, risk management and to seek clarification on financial matters.

DELEGATIONS TO THE CEO

The Council has provided the chief executive officer with the delegated authority to make decisions on a number of specified administrative and policy matters. A copy of the Delegations Policy is available on the website, www.naracoortelucindale.sa.gov.au. Council reviews these delegations annually. In keeping with legislative requirements Council:

- Determines the policies to be applied by the Council in exercising its discretionary powers.
- Determines the type, range and scope of projects to be undertaken by the Council.
- Determines the resources which are to be made available to undertake such works and services.

ETHICAL STANDARDS AND PERFORMANCE

A mandatory Code of Conduct applies to all Elected Members of Council in South Australia.

Any person can make a complaint to Council about a possible breach by an Elected Member under the Behavioural Code (Part 2 of the Code of Conduct). Complaints about behaviour alleged to have breached the Behavioural Code should be brought to the attention of the Mayor or Chief Executive Officer.

Any person may report an alleged breach under the Part 3 of the code, Misconduct to the Council, the Ombudsman, the Electoral Commissioner (for alleged breaches of Code 3.8) or the Office for Public Integrity. Alleged breaches of this Part made to a Council or to the Office for Public Integrity may be referred to the Ombudsman for investigation under Section 263 of the Local Government Act 1999, by the Council's Chief Executive Officer or by the Independent Commissioner Against Corruption, where he or she so determines.

A mandatory Code of Conduct applies to all Council employees in South Australia. Any person may make a complaint about a Council employee under this Code. Complaints about an employee's behaviour that is alleged to have breached this Code should be brought to the attention of the Chief Executive Officer of the Council. Complaints about a Chief Executive Officer's behaviour that is alleged to have breached the Code should be brought to the attention of the Mayor.

REGISTERS

Following is a list of registers required to be kept by Council:

- Section 68 Members Register of Interests
- Section 79 Members Register of Allowances and Benefits
- Section 105 Officers Register of Salaries
- Section 116 Officers Register of Interests
- Section 188 Fees and Charges
- Section 207 Community Land
- Section 231 Public Roads
- Section 252 By-Laws

The following registers are also kept by Council:

- Register of Interests (Council Assessment Panel Members)
- Register of Elected Members Disclosure of Conflict of Interests
- Election Campaign Donation Returns
- Register of Land management agreements
- Register of dogs
- Register of Prohibition Order

- Confidential Items
- Development
- Heritage
- Gifts and Benefits
- Resolutions

CODES

Following is a list of Codes of Conduct or Practice, required under the Local Government Act 1999 or the Local Government (Elections) Act 1999:

- Section 63- Members Code of Conduct
- Section 92 - Code of Practice for Access to Council and Committee Meetings and Associated Documents
- Section 110 - Employees Code of Conduct
- Reg 6 - Code of Practice Meetings of Council and Council Committees

POLICIES

Council has adopted the following policies:

- Accommodation and Associated Expenses
- Accounting Policy - Infrastructure, Property, Plant & Equipment
- Australian Defence Force - Reservist Leave
- Work Health and Safety and Injury Management Policy
- Work Health and Safety and Injury Management Procedure
- Budget Reporting and Amendment Policy
- Building and Swimming Pool Inspection
- CFS Support
- Caretaker Guidelines
- Caretaker
- Cemetery Leases
- Civic Events and Functions
- Access to Council and Committee Meetings and Associated Documents
- Council and Committees Meeting Code of Practice
- Customer Service & Complaint Handling
- Complaints & Dispute Resolution Procedure - Sewerage Services
- Customer Charter - Sewerage Services
- Delegations Policy
- Development Assessment Panel Complaint Handling
- Donations and Sponsorships
- Drug and Alcohol Policy
- Drug and Alcohol Procedure
- Disability Discrimination Act Policy
- Driveway Policy
- Enforcement Policy

- Elected Members Allowances and Benefits
- Elected Members Casual Vacancy
- Elected Members Complaint Handling Procedure
- Elected Members Training and Development
- Employee Assistance Program
- Employee - Recognition of Service, Personal Events and Occasions
- Employee - Corporate Uniform
- Employee Pre-placement Medical Examination
- Fingerboard Signs
- Footpaths
- Firearms
- Footpath Dining
- Fraud, Corruption and Whistle-blower Policy
- Fraud, Corruption Prevention and Whistle-blower Procedure
- Flag Flying
- Grievance / Review of Decision Policy
- Informal Gatherings
- Hardship Policy for Residential Customers of Minor and Intermediate Water Retailers
- Use of Council Equipment by Community and Sporting Organisations
- Use of Council Equipment by Community and Sporting Organisations Procedure
- Internal Controls
- Investments Policy
- Livestock Exchange OHSW Policy
- External Communications
- Motor Vehicles
- Online Purchasing Terms and Conditions
- Order Making
- Procurement
- Council Land - Permit to Use
- Prudential Management
- Public Consultation
- Rate Rebates
- Risk Management
- Road Naming
- Road Network Extension and Upgrade
- Child Safe Environment (and other vulnerable people)
- Sale or Disposal of Land and Other Assets
- Smoke Free Policy
- Shipping Container
- Technology and Communication
- Venue Hire
- Tree Management Policy
- Volunteer
- Waste Collection (Kerbside)
- Re-employment of Work Injured Former Employee
- Return to Work from a Work Injury & Provision of Suitable Employment

REVIEW OF DECISIONS

As required by the Local Government Act 1999, Council has a Grievance / Review of Decisions policy, outlining how decisions of Council or other people acting on behalf of Council are reviewed. There were no applications for review of decisions during 2016-2017.

FREEDOM OF INFORMATION APPLICATIONS AND STATEMENT

The Freedom of Information Statement is published annually by the Naracoorte Lucindale Council in accordance with the requirements of the Freedom of Information Act 1991. There were three Freedom of Information applications received during 2016-2017.

There were no applications brought forward from the previous year and there were no unfinished applications at 30 June 2017. Inquiries or requests for information under the Act should be forwarded to:

Freedom of Information Officer
Naracoorte Lucindale Council
PO Box 555, NARACOORTE SA 5271

The Freedom of Information Statement is available on Council's website, www.naracoortelucindale.sa.gov.au

MANAGEMENT PLANS FOR COMMUNITY LAND

Council has management plans in place for all community land under its care.

LOCAL NUISANCE AND LITTER CONTROL ACT 2017

Section 8 of the Local Nuisance and Litter Control Act requires councils to include information in its annual report on the functions conferred on councils under this Act.

- Council received 4 complaints of local nuisance or littering
- There were no offences under the Act that were expiated
- There were no offences under the Act that were prosecuted
- There was 1 nuisance abatement notice or litter abatement notice issued
- There were no civil penalties negotiated under section 34 of the Act
- There were no applications by the council to the Court for orders for civil penalties under section 34 of the Act and therefore there were no orders made by the Court on those applications
- No other functions were performed by the council under the Act

ACCOUNTABILITY

Provision of Services and the Purchase of Goods

Naracoorte Lucindale Council is committed to ensuring a fair, transparent and accountable process in the provision of services and the purchase of goods and services to enable it to meet its operational and community obligations.

Naracoorte Lucindale Council aims to ensure that its methods of: service provision, including the carrying out of works; and purchasing goods are transparent, cost-effective, and represent best value for money while meeting the needs of Council and the community. At the same time, Council is committed to pursuing a convention of purchasing locally whenever possible and practical.

More detailed information is available in the Procurement Policy.

National Competition Policy - Clause 7 Statement Reporting

Local Government is required to comply with the Competition Policy Reform (South Australia) Act, 1996 to ensure the application of competitive neutrality principles and practices when significant "business activities" are being carried out by Councils. Whether an activity is a significant business activity to which competitive neutrality principles should be applied is a matter for each local government agency to determine. This determination should be made taking into account:

- the intent of National Competition Policy
- whether the business activity possesses sufficient market power to create a competitive impact in the market that is more than nominal or trivial
- whether the size of the business activity relative to the size of the market as a whole is more than nominal or trivial

The National Competition Policy categorises significant business activities as:

- Category 1 - business activities with an annual revenue in excess of \$2 million, or employing assets in excess of \$20 million
- Category 2 - all other significant business activities.

Competitive Neutrality Principles under National Competition Policy require that Councils must report annually on:

- the determination of significant business activities undertaken by Council, and the creation or cessation of significant business activities
- the application, or change in application, of competitive neutrality
- the review and reform of by-laws, including by-laws created or repealed
- complaints about the application of competitive neutrality and
- the structural reform of public monopolies

Significant Business Activities

- Category 1:
 - Council has determined it has no significant business activities to declare under Category 1.
- Category 2:
 - the Naracoorte Regional Livestock Exchange is a business activity falling within Category 2. Council has adopted the Cost Reflective Pricing principle to counter any unfair competitive advantage that might exist. This includes the recovery by Council of administration, loan servicing charges, and other similar business costs associated with the management and operation of the Livestock Exchange.

Commencement or Cessation of Significant Business Activities

Council has neither commenced nor ceased a significant business activity during the course of the reporting period.

By-Laws

Council conducted a review of its by-laws during 2016-2017. At its meeting held in June 2017 having had regard to the National Competition Policy Report Council made and passed the following by-laws:

- Permits and Penalties By-law No. 1 of 2017
- Local Government Land By-law No. 2 of 2017
- Roads By-law No. 3 of 2017
- Moveable Signs By-law No. 4 of 2017 and
- Dogs By-law No. 5 of 2017

The by-laws will commence operation on 11 November 2017.

Complaints Concerning the Application of Competitive Neutrality

Council did not receive any complaints concerning the application of competitive neutrality principles during the 2016-2017 financial year.

Structural Reform of Public Monopolies

These provisions do not apply to any Council activity.

LIMESTONE COAST LOCAL GOVERNMENT ASSOCIATION

Section 43 of the Local Government Act allows two or more councils to establish a Regional Subsidiary to provide specified services or to carry out a specified activity or activities.

The seven (7) Limestone Coast Councils have joined together to develop a regional subsidiary known as the Limestone Coast Local Government Association (LCLGA). The following Councils are Members of LCLGA: City of Mount Gambier, District Councils of Grant, Robe, Tatiara and Kingston and Naracoorte Lucindale and Wattle Range Councils.

LCLGA's overall goal is to represent and serve its Constituent Councils and to advance the Limestone Coast communities through effective advocacy, facilitation and innovation. LCLGA's Annual Report and audited financial statements for the 2016-17 financial year have been prepared in accordance with Schedule 2 (28) of the Local Government Act 1999 and are attached to this report.

FINANCIAL MANAGEMENT

Council's long term financial sustainability is dependent on ensuring that, on average, over time its expenditure is equal to or less than its revenue.

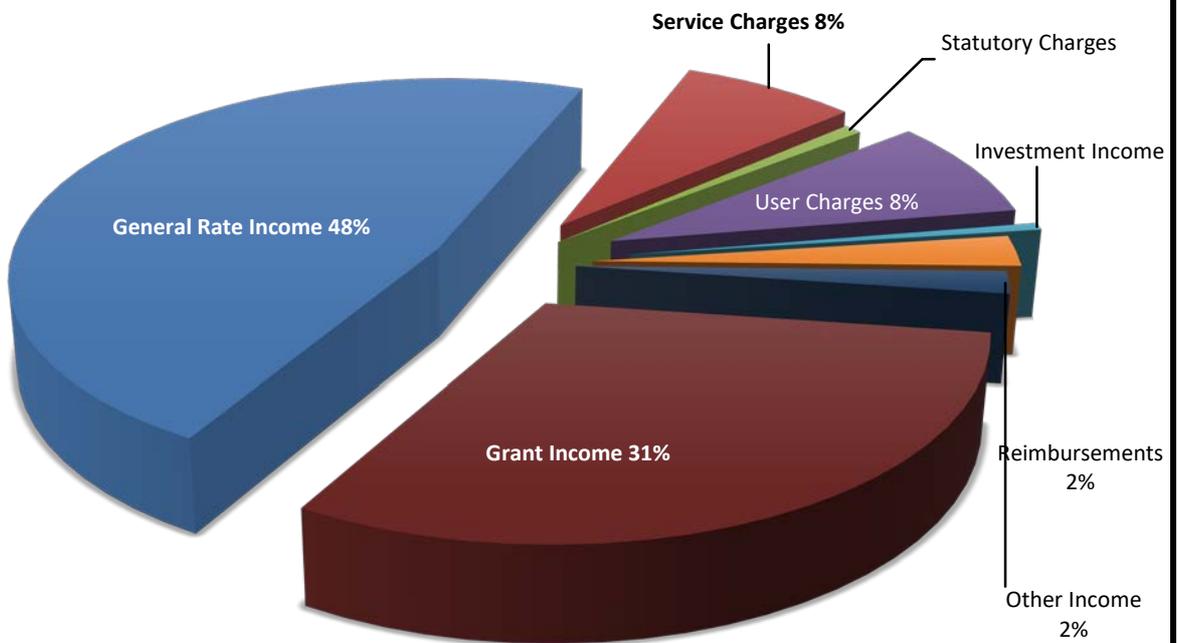
Revenue

Council's primary source of revenue is generated by the levying of general rates and service charges. The 2016-2017 year included a budgeted increase in general rates of approximately 1.0% (2016: 2.0%, 2015: 2.3%). Other sources of revenue for Council included user charges (hall hire and Naracoorte Regional Livestock Exchange fees), statutory fees (animal registration, development and health fees), reimbursements (private work), investment income, grant income and other income (rebates and insurance recoupments).

	2016-2017	2015-2016
Rates		
General Rate Revenue	\$10.260 million	\$10.140 million
Fines, Interest & Legal Fees	\$ 0.071 million	\$0.056 million
<u>Less Rebates</u> (mandatory, discretionary & revaluations)	<u>\$ 0.137 million</u>	<u>\$0.116 million</u>
	\$10.194 million	\$10.080 million
Service Charges		
Waste & Recycling	\$0.925 million	\$0.919 million
Community Waste Management	\$0.091 million	\$0.090 million
Scheme NRM Levy (collected on behalf of the NRM Board)	<u>\$0.618 million</u>	<u>\$0.192 million</u>
	\$1.634 million	\$1.201 million
Statutory Charges	\$0.167 million	\$0.202 million
User Charges	\$1.719 million	\$1.697 million
Investment Income	\$0.122 million	\$0.204 million
Reimbursements & Other Income	\$0.919 million	\$0.435 million
Grant, Subsidies & Contributions		
For New or Upgraded Assets	\$1.368 million	\$1.515 million
Other Grants	<u>\$5.302 million</u>	<u>\$2.785 million</u>
	\$6.670 million	\$4.300 million
TOTAL REVENUE (excluding income from sale of assets)	\$21.425 million	\$18.119 million

Council's grant income for 2016 - 2017 is exaggerated due to the early receipt of 50% of the 2017 - 2018 Grants Commission payment in June 2017 (\$1.424 million).

Income Sources as a % of Total Revenue: 2016-2017



Assets and Capital Expenditure

Land, buildings and specified infrastructure (including Naracoorte Regional Livestock Exchange, Naracoorte Aerodrome, Naracoorte Transfer Station and the Naracoorte Swimming Lake) were revalued as at 30 June 2015 by AssetVal Pty Ltd.

Road and Stormwater infrastructure was revalued by Council staff as at 1 July 2016. The revaluation resulted in the removal of earthworks as a component from Council's asset base. Earthworks were not depreciated, therefore there was no impact on accumulated depreciation. CWMS infrastructure will be revalued as at 1 July 2017. Plant and machinery, furniture & equipment, reserve furniture, minor equipment and library books continued to be valued at cost.

	2016-2017	2015-2016
Capital Expenditure		
Renewal or Replacement of Existing Assets	\$7.037 million	\$ 6.820 million
New Assets	<u>\$2.473 million</u>	<u>\$ 2.609 million</u>
	\$9.510 million	\$ 9.429 million
Work in Progress <i>(capital projects in progress, which will be completed and capitalised year ending 30 June)</i>	\$1.116 million	\$2.500 million
Asset Values	\$308.146 million	\$386.615 million
Asset Values	\$175.653 million	\$278.190 million
Carrying Value (written down value)		

Further details relating to completed capital projects and related expenditure may be found elsewhere in this document.

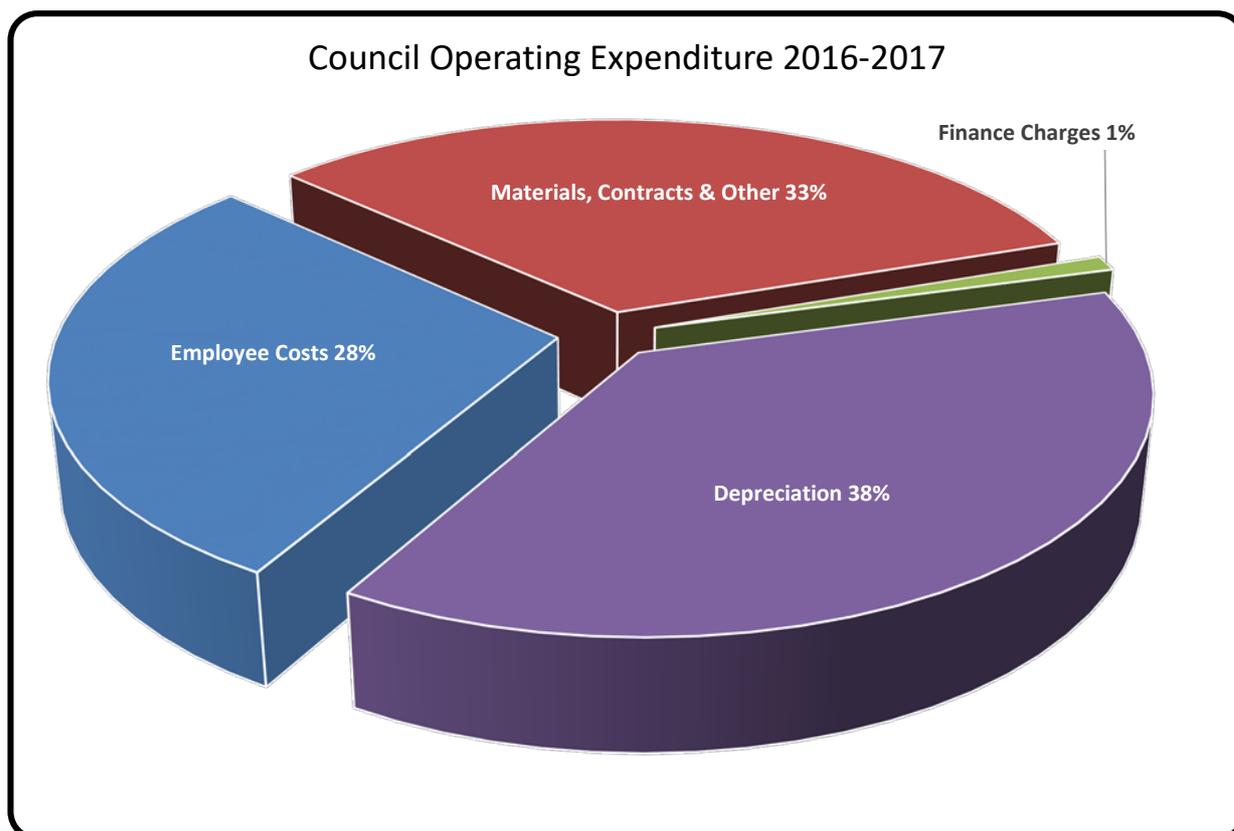
Expenditure

Council's operating expenditure for 2016-17 was \$18.811 million (2016: \$15.687 million). The table below excludes expenditure in relation to capital projects, except in relation to employee costs which are provided for informational purposes only.

Expenditure referenced as 'capital projects' is also included in the amounts shown above for capital expenditure. Employee costs, include wages, workers' compensation, superannuation, income protection and leave accruals.

\$657,000 (2016: \$192,000) was passed onto the Natural Resource Management Board.

	2016-2017	2015-2016
Employee Costs		
Operating Expenditure	\$4.977 million	\$4.847 million
Capital Projects	<u>\$0.545 million</u>	<u>\$0.632 million</u>
	\$5.522 million	\$5.479 million
Materials, Contracts & Other	\$6.360 million	\$5.069 million
Depreciation	\$7.281 million	\$5.736 million
Finance Costs	\$0.193 million	\$0.215 million
TOTAL OPERATING EXPENDITURE	\$18.811 million	\$15.867 million



Other Information

	2016-2017	2015-2016
Cash & Deposits	\$7.544 million	\$5.318 million
Trade & Other Receivables (excludes loans to community groups)	\$2.055 million	\$1.882 million
Inventories	\$0.746 million	\$1.096 million
Loans to Community Organisations	\$0.433 million	\$0.089 million
Loan Liability	\$3.009 million	\$3.358 million
Employee Leave Provisions	\$1.219 million	\$1.204 million
Landfill Provisions (reinstatement & monitoring of landfill sites)	\$0.021 million	\$0.109 million

Net Result

Council's operating result before capital revenues for year ending 30 June 2017 is a surplus of \$1.246 million (2016: surplus of \$0.737 million). Council's 2017 result is exaggerated due to the early receipt of 50% of the 2017 - 2018 Grants Commission payment in June 2017 (\$1.424 million). The Audited Financial Statements for the year ended 30 June 2017 are attached to this report.

Auditor

The Local Government Act 1999 requires Council to report on a range of matters relating to the services provided by its Auditor, including the amount of remuneration paid for audit and other services.

The Adelaide firm Dean Newbery & Partners Chartered Accountants has been engaged to undertake statutory audit duties in relation to Council's financial and operational activities since the year ending 30 June 2011.

During 2016 - 2017, a payment of \$23,000 (GST exclusive) was made to Newbery's for audit services provided in relation to the financial year ending 30 June 2017. No payments were made for any other services.

Budget 2017 - 2018

For the year ending 30 June 2018, Council has adopted the following Operating Budget.

	ACTUALS YEAR ENDED 30.06.2017 (\$'000)	BUDGET YEAR ENDED 30.06.2018 (\$'000)
OPERATING REVENUES		
Rates	11,828	11,984
Statutory Charges	167	153
User Charges	1,719	1,798
Operating Grants, Subsidies and Contributions	5,302	3,783
Investment Income	122	143
Reimbursements	531	159
Other Income	388	163
TOTAL OPERATING REVENUES	20,057	18,182
OPERATING EXPENSES		
Employee Costs	4,977	5,311
Materials, Contracts and Other Expenses	6,360	5,847
Finance Costs	193	179
Depreciation	7,281	6,181
TOTAL OPERATING EXPENSES	18,811	17,519
OPERATING SURPLUS (DEFICIT) BEFORE CAPITAL REVENUES	1,246	663
Asset Disposal & Fair Value Adjustments	(1,137)	-
Amounts Received Specifically for New or Upgraded Assets	1,368	2,970
NET SURPLUS (DEFICIT)	1,477	3,633

Further information in relation to projects proposed for the 2017 - 2018 financial year may be sourced from Council's Annual Business Plan & Budget 2017 - 2018.

MEASURING COUNCIL'S PERFORMANCE

In addition to documenting Council strategic objectives, activities and planned programs for the 2016 -2017 financial year, the Annual Business Plan & Budget and the Strategic Management Plan form the framework against which Council monitors its performance during the year.

Performance can be measured in many ways and in many fields of Council's operations. Financial performance is obviously of significant interest to all ratepayers, as the achievement or otherwise of financial targets can have a direct monetary impact on all of them.

The measurement of Council's actual performance is critical to the successful implementation of the Strategic Plan and Annual Business Plan. In conjunction with that performance measurement, Performance Indicators can be used to highlight a number of key issues that are fundamental to the long-term sustainability of the Council and the wellbeing of the community.

Performance Indicators can include measurements of the effectiveness and efficiency of internal systems and processes as well as the more traditional financial outcomes.

Financial Indicators are 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.

The targets identified below have been adopted by Council following recommendation by Council's Audit Committee.

Indicator 1: Operating Surplus

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

Target

To achieve an operating breakeven position, or better, over any five-year period.

Target	2014-15 Actual (\$'000)	2015-16 Actual (\$'000)	2016-17 Actual (\$'000)
=>0	2,122	737	1,246

Indicator 2: Operating Surplus Ratio

The percentage by which the major controllable income source varies from day to day expenses.

Target

To achieve an operating surplus ratio of between 0% and 15% over any five-year period.

Target	2014-15 Actual	2015-16 Actual	2016-17 Actual
0-15%	11%	4%	6%

Indicator 3: Net Financial Liabilities

Money owed to others less money held, invested or owed to Council

Target

Council's level of net financial liabilities is no greater than its annual operating revenue and not less than zero.

Target	2014-15 Actual (\$'000)	2015-16 Actual (\$'000)	2016-17 Actual (\$'000)
>0 < \$16,604	(3,608)	(848)	(3,279)

This result indicates that Council has more assets than liabilities. Council is in a position where it could increase its borrowings to ensure assets are renewed at a sustainable level. This result is impacted by the early payment of the Grants Commission funds.

Indicator 4: Net Financial Liabilities Ratio

The significance of the net amount owed compared with income received

Target

Net financial liabilities ratio is greater than zero but less than 100% of total operating revenue.

Target	2014-15 Actual	2015-16 Actual	2016-17 Actual
>0 < 100%	(19%)	(5%)	(16%)

Indicator 5: Interest Cover Ratio

The level of income used to pay interest on loans

Target

Net interest is greater than 0% and less than 10% of operating revenue.

Target	2014-15 Actual	2015-16 Actual	2016-17 Actual
>0 < 10%	(0.1%)	0.1%	0.4%

This result indicates that Council's net interest (interest paid less interest received) as a percentage of operating income is very low and is a further indication that Council is in a good position to increase its borrowings.

Indicator 6: Asset Sustainability Ratio

The extent to which assets are being replaced at the rate they are wearing out

Target

Capital outlays on renewing/replacing assets net of proceeds from sale of replaced assets is greater than 90% but less than 110% of depreciation over a rolling 3-year period.

Target	2013-14 Actual	2014-15 Actual	2015-16 Actual
>90 < 110%	61%	95%	141%

Council is meeting its target in renewing/replacing assets, with an average ratio over three (3) years of 99%.

AUDITED FINANCIALS

Understanding the Financial Statements

The Financial Statements are an essential report of the Naracoorte Lucindale Council. They show how Council performed financially during the year and reveal Council's overall financial position as at 30 June.

Council presents its financial report in accordance with all applicable Australian Accounting Standards as it is required to do. Council is a 'not for profit' organisation and some of the generally recognised terms used in private sector company reports are not appropriate for Council reports.

Council's Financial Report was prepared by Council's Administration and audited by Dean Newbery & Partners Chartered Accountants.

Statement of Comprehensive Income

This report discloses Council's revenues broken down into a range of prescribed categories. It also identifies expenses incurred in the running of Council during the year. These revenues and costs relate solely to the day-to-day running of the Council and its various facilities and do not include the purchase of assets or reconstruction / renewal of infrastructure. The difference between revenue and expenditure is Council's operating surplus for the year.

Statement of Financial Position

This report is similar to a Balance Sheet for a private company. It identifies what Council owns as Assets and what it owes as Liabilities.

The Assets and Liabilities are divided into current and non-current. Current means those assets or liabilities which will fall due in the next 12 months. The components of the Balance Sheet are as follows:

Current Assets

- Cash and Cash Equivalents - includes all amounts readily convertible to cash, with an insignificant risk of change in value.
- Trade and Other Receivables - are amounts owed to Council by ratepayers and other persons and organisations.
- Inventories - includes the stores and consumable items stocked at the Council's Works Depots, quarry materials and stationery.

Non-Current Assets

- Financial Assets - are the funds invested on behalf of the Council.
- Infrastructure, Property, Plant & Equipment - are the largest component of Council's wealth and represent the value of all land, buildings, roads, vehicles, equipment etc which have been constructed or accumulated by Council. Roads comprise the majority value of these assets.
- Other Non-Current Assets - includes all loans owed to Council from Community Groups, and amounts that have been prepaid.

Current Liabilities

- Trade & Other Payables - includes amounts owing for goods and services, accrued employee liabilities, amounts received in advance and other deposits.
- Borrowings - comprise loan repayments falling due in the next 12 months.
- Provisions - comprise employee leave (annual & long service) entitlements and Council's liability associated with the closure of its landfill site.

Non-Current Liabilities

- Borrowings - comprise loan repayments that do not fall due in the next 12 months.
- Provisions - comprise employee leave (annual & long service) entitlements and Council's liability associated with the closure of its landfill site that do not fall due in the next 12 months.

Statement of Changes to Equity

This Statement demonstrates how the changes in Total Ratepayers' Equity arose during the year. The main factors associated with the change in equity are:

- The profit or losses from operations;
- The use of monies from Council's reserves;
- Revaluation of assets. Each asset class is revalued as per Council policy, unless it has been determined by Council policy to be valued on a cost basis.

Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. The Statement is presented according to a specific Accounting Standard and needs

some care in analysis. The values may differ from those shown in the Statement of Comprehensive Income, as the latter is prepared on an accrual accounting basis. Cash is used in the following main areas:

- Operating Activities
- Investing Activities
- Financing Activities

The result demonstrates whether the Council's "cash position" increased or decreased as a result of the year's activities.

Notes to the Accounts

The Notes are a very important component of the Financial Statements. They provide a range of detail behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the Statement of Comprehensive Income, Statement of Financial Position, and the Statement of Cash Flows.

Most of the Notes are self-explanatory and contain the following:

- A breakdown of expenses, reserves, revenues and other assets
- Commitments of expenditure



Naracoorte Lucindale Council

Better by Nature



Naracoorte Creek

Financial Statements

for Year Ending 30 June 2017

NARACOORTE LUCINDALE COUNCIL

General Purpose Financial Reports for the year ended 30 June 2017

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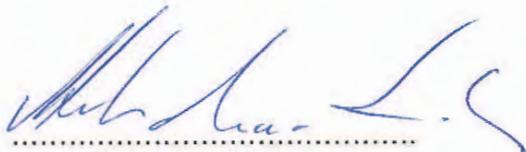
NARACOORTE LUCINDALE COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

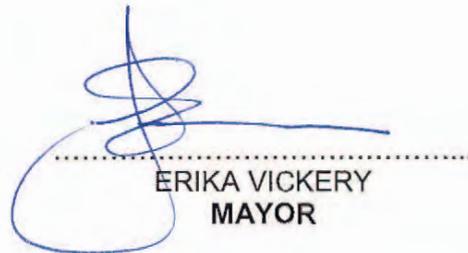
CERTIFICATION OF FINANCIAL STATEMENTS

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 2017 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.



HELEN MACDONALD
CHIEF EXECUTIVE OFFICER



ERIKA VICKERY
MAYOR

Date: 22-8-2017

NARACOORTE LUCINDALE COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
INCOME			
Rates	2	11,828	11,281
Statutory charges	2	167	202
User charges	2	1,719	1,697
Grants, subsidies and contributions	2	5,302	2,785
Investment income	2	122	204
Reimbursements	2	531	187
Other income	2	388	248
Total Income		<u>20,057</u>	<u>16,604</u>
EXPENSES			
Employee costs	3	4,977	4,847
Materials, contracts & other expenses	3	6,360	5,069
Depreciation, amortisation & impairment	3	7,281	5,736
Finance costs	3	193	215
Total Expenses		<u>18,811</u>	<u>15,867</u>
OPERATING SURPLUS / (DEFICIT)		1,246	737
Asset disposal & fair value adjustments	4	(1,137)	(1,104)
Amounts received specifically for new or upgraded assets	2	1,368	1,515
Physical resources received free of charge	2	-	-
Operating result from discontinued operations	20	-	-
NET SURPLUS / (DEFICIT)		<u>1,477</u>	<u>1,148</u>
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	(103,317)	-
Total Other Comprehensive Income		<u>(103,317)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(101,840)</u>	<u>1,148</u>

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

NARACOORTE LUCINDALE COUNCIL

STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	7,544	5,318
Trade & other receivables	5	2,091	1,903
Inventories	5	746	1,096
Total Current Assets		<u>10,381</u>	<u>8,317</u>
Non-current Assets			
Financial assets	6	397	68
Infrastructure, property, plant & equipment	7	175,653	278,190
Other non-current assets	6	1,116	2,500
Total Non-current Assets		<u>177,166</u>	<u>280,758</u>
Total Assets		<u>187,547</u>	<u>289,075</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	2,504	1,770
Borrowings	8	372	349
Provisions	8	993	993
Total Current Liabilities		<u>3,869</u>	<u>3,112</u>
Non-current Liabilities			
Borrowings	8	2,637	3,009
Provisions	8	247	320
Total Non-current Liabilities		<u>2,884</u>	<u>3,329</u>
Total Liabilities		<u>6,753</u>	<u>6,441</u>
NET ASSETS		<u>180,794</u>	<u>282,634</u>
EQUITY			
Accumulated Surplus		47,680	46,134
Asset Revaluation Reserves	9	131,410	234,727
Other Reserves	9	1,704	1,773
TOTAL EQUITY		<u>180,794</u>	<u>282,634</u>

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

NARACOORTE LUCINDALE COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

2017	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period		46,134	234,727	1,773	282,634
Restated opening balance		46,134	234,727	1,773	282,634
Net Surplus / (Deficit) for Year		1,477	-	-	1,477
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	(103,317)	-	(103,317)
Transfers between reserves		69		(69)	-
Balance at end of period		47,680	131,410	1,704	180,794
2016					
Balance at end of previous reporting period		44,894	234,727	1,865	281,486
Restated opening balance		44,894	234,727	1,865	281,486
Net Surplus / (Deficit) for Year		1,148	-	-	1,148
Other Comprehensive Income					
Transfers between reserves		92		(92)	-
Balance at end of period		46,134	234,727	1,773	282,634

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

NARACOORTE LUCINDALE COUNCIL

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		11,789	11,298
Fees & other charges		180	218
User charges		1,882	1,955
Investment receipts		142	217
Grants utilised for operating purposes		5,700	2,994
Reimbursements		114	219
Other revenues		2,277	1,092
<u>Payments</u>			
Employee costs		(4,940)	(5,013)
Materials, contracts & other expenses		(7,762)	(7,430)
Finance payments		(110)	(220)
Net Cash provided by (or used in) Operating Activities		9,272	5,330
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		1,368	1,515
Sale of replaced assets		312	18
Repayments of loans by community groups		26	9
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(7,037)	(8,095)
Expenditure on new/upgraded assets		(1,089)	(2,609)
Loans made to community groups		(370)	(50)
Net Cash provided by (or used in) Investing Activities		(6,790)	(9,212)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from aged care facility deposits		93	-
<u>Payments</u>			
Repayments of borrowings		(349)	(328)
Repayment of aged care facility deposits		-	(65)
Net Cash provided by (or used in) Financing Activities		(256)	(393)
Net Increase (Decrease) in cash held		2,226	(4,275)
Cash & cash equivalents at beginning of period	11	5,318	9,593
Cash & cash equivalents at end of period	11	7,544	5,318

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

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

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 dated 22 August 2017.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Naracoorte Lucindale Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at DeGaris Place, Naracoorte. 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

In June 2017 the Federal Government announced that the payment of untied financial assistance grants would be made early. Approximately 50% of the anticipated grant for 2017-18 was received in June 2017.

The actual amounts of untied grants received during the reporting periods 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 change in value with a maturity of three months or less from the date of acquisition.

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 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 Change to Valuation of Earthworks

Prior to 1 July 2016 earthworks were valued as a component of a road with an infinite life. The revaluation of infrastructure assets on 1 July 2016 resulted in the removal of this component. The effect on valuations was a write down of asset valuations of \$106,348,722. There was no impact on accumulated depreciation or annual depreciation due to the infinite life of the component.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

6.3 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 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.

6.4 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 as follows. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Information Technology	\$1,000
Other Plant and Equipment	\$1,000
Buildings New Construction / Extensions	\$10,000
Park & Playground Furniture & Equipment	\$ 2,500
Road Construction and Reconstruction	\$10,000
Paving & Footpaths, Kerb & Gutter	\$10,000
Bridges & Culverts	\$10,000
Spoon Drains	\$ 2,500
Stormwater	\$10,000
Artworks	\$1,000

6.5 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.

6.6 Depreciation of Non-Current Assets

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

Plant, Furniture & Equipment

Office Equipment - Computerised	3 to 10 years
Office Furniture & Equipment	5 to 15 years
Vehicles and Road-making Equip	5 to 15 years
Minor Plant & Equipment	3 to 15 years

Building & Other Structures

Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 80 years
Memorials	40 to 100 years
Park Structures – other construction	30 years
Playground equipment	5 to 25 years
Benches, seats, etc	5 to 15 years

Infrastructure

Seal	20 years
Lower Seal	80 years
Pavement – Sealed Road	80 years
Pavement – Rubble Road	20 years
Sub Pavement – Rubble Road	200 years
Bridges	100 years
Paving & Footpaths	25 to 50 years
Kerb & Watertable	60 years
Stormwater Drainage	100 to 300 years

Other Assets

Library Books	3 to 20 years
Artworks	indefinite

6.7 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value 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, are not assessed 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

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 the Asset Revaluation Reserve, any excess being recognised as an expense.

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".

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 on-costs) measured in accordance with AASB 119.

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

Weighted average discount rate	1.53% (2016, 1.45%)
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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.

9.2 Superannuation

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

10 Leases

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

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

11 GST Implications

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

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

12 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 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
- AASB 17 Leases
- AASB 1058 Income of Not-for-Profit Entities

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 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7. (Standards not affecting local government have been excluded from the above list.)

Council is of the view that other than AASB 16 and AASB 1058, 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.

Accounting Standard AASB 16 Leases may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

Accounting Standard AASB 1058 Income of Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 2 - INCOME

	Notes	2017 \$'000	2016 \$'000
RATES REVENUES			
<u>General Rates</u>		10,260	10,140
Less: Mandatory rebates		(69)	(67)
Less: Discretionary rebates, remissions & write offs		(63)	(48)
		10,128	10,025
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		618	192
Waste collection		925	919
Community wastewater management systems		91	90
		1,634	1,201
<u>Other Charges</u>			
Penalties for late payment		68	56
Legal & other costs recovered		3	-
		71	56
Less: Discretionary rebates, remissions & write offs		(5)	(1)
		11,828	11,281
STATUTORY CHARGES			
Development Act fees		39	49
Town planning fees		57	77
Health & Septic Tank Inspection fees		5	6
Animal registration fees & fines		47	51
Parking fines / expiation fees		4	4
Other licences, fees, & fines		15	15
		167	202
USER CHARGES			
Cemetery/crematoria fees		91	83
Livestock Exchange Fees and Charges		1,390	1,364
Lease and Rental Income		97	96
Hall & equipment hire		38	40
Aged Home Maintenance Fees		17	16
Sales - general		86	98
		1,719	1,697
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		97	173
Banks & other		18	28
Loans to community groups		7	3
		122	204

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

NOTE 2 - INCOME (continued)

	Notes	2017 \$'000	2016 \$'000
REIMBURSEMENTS			
- for roadworks		462	133
- for private works		32	25
- other		37	29
		531	187
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		163	53
Rebates received		95	110
Sundry		130	85
		388	248
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		1,368	1,515
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		4,160	1,527
Roads to Recovery		801	991
Library & Communications		46	48
Sundry		295	219
		5,302	2,785
		6,670	4,300
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
Commonwealth government		1,580	1,266
State government		5,090	3,034
		6,670	4,300

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

NOTE 2 - INCOME (continued)

	Notes	2017 \$'000	2016 \$'000
Conditions over grants & contributions			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>			658
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<i>Roads Infrastructure</i>	-		(658)
<i>Subtotal</i>			(658)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Roads Infrastructure</i>	-		-
<i>Heritage & Cultural Services</i>	-		-
<i>Subtotal</i>			
<i>Unexpended at the close of this reporting period</i>		-	-
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		-	(658)

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 3 - EXPENSES

	Notes	2017 \$'000	2016 \$'000
EMPLOYEE COSTS			
Salaries and Wages		3,897	3,880
Employee leave expense		891	854
Superannuation - defined contribution plan contributions	18	312	303
Superannuation - defined benefit plan contributions	18	117	129
Workers' Compensation Insurance		235	241
Other		70	72
Less: Capitalised and distributed costs		(545)	(632)
Total Operating Employee Costs		4,977	4,847
Total Number of Employees		68	68
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		23	19
Elected members' expenses		214	217
Election expenses		2	2
Operating Lease Rentals - cancellable leases		31	20
Subtotal - Prescribed Expenses		270	258
<u>Other Materials, Contracts & Expenses</u>			
Contractors		1,123	686
Contribution to Economic Development		290	567
Waste Management		1,065	1,083
Street Cleaning		139	141
Insurance		269	278
Quarry - rubble raising & associated costs		751	446
Subscriptions & Licences		282	469
Energy		610	592
Maintenance		1,123	685
Legal Expenses		12	78
Levies paid to government - NRM levy		652	192
- Other Levies		187	148
Parts, accessories & consumables		634	552
Professional services		167	151
Sundry		582	670
Less: Capitalised and distributed costs		(1,796)	(1,927)
Subtotal - Other Materials, Contracts & Expenses		6,090	4,811
		6,360	5,069

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 3 - EXPENSES (cont)

	Notes	2017 \$'000	2016 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures (L2)		11	11
Buildings & Other Structures (L3)		450	446
Transfer Station		37	37
Furniture & Fittings		57	65
Site Improvement		80	67
Minor Plant		16	17
Plant & Equipment		453	537
Library Books		26	25
CWMS		41	41
Regional Livestock Exchange			
- Building Structures		369	368
- Plant, Equipment & Furniture		31	28
Swimming Lake			
- Building Structures		59	63
- Plant, Equipment & Furniture		4	3
Aerodrome			
- Building Structures		91	92
- Site Improvement		2	2
Infrastructure			
- Bridges & Drainage		80	117
- Roads		5,345	3,714
- Stormwater		129	103
		<u>7,281</u>	<u>5,736</u>
FINANCE COSTS			
Interest on Loans		<u>193</u>	<u>215</u>
		<u>193</u>	<u>215</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2017	2016
Notes	\$'000	\$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	312	18
Less: Carrying amount of assets sold	<u>1,449</u>	<u>1,122</u>
Gain (Loss) on disposal	<u>(1,137)</u>	<u>(1,104)</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(1,137)</u>	<u>(1,104)</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 5 - CURRENT ASSETS

	Notes	2017 \$'000	2016 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		434	705
Deposits at Call		5,986	3,506
Short Term Deposits & Bills, etc		1,124	1,107
		7,544	5,318
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		668	638
Accrued Revenues		49	43
Debtors - general		1,046	947
GST Recoupment		289	238
Prepayments		3	16
Loans to community organisations		36	21
		2,091	1,903
 INVENTORIES			
Stores & Materials		621	954
Trading Stock - VIC		4	4
Fuel & Lubricants		42	52
General Stores		18	23
Other		61	63
		746	1,096

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2017 \$'000	2016 \$'000
Receivables			
Loans to community organisations		<u>397</u>	<u>68</u>
TOTAL FINANCIAL ASSETS		<u>397</u>	<u>68</u>
OTHER NON-CURRENT ASSETS			
Capital Works-in-Progress		<u>1,116</u>	<u>2,500</u>
		<u>1,116</u>	<u>2,500</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2016 \$'000				2017 \$'000			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
		Land (L2)	2	3,354	-	-	3,354	3,354	-
Land (L3)	3	8,971	-	-	8,971	8,971	-	-	8,971
Buildings & Other Structures (L2)	2	285	-	(11)	274	285	-	(22)	263
Buildings & Other Structures (L3)	3	24,577	138	(12,498)	12,217	24,577	162	(12,948)	11,791
Transfer Station	3	1,468	-	(224)	1,244	1,468	-	(261)	1,207
Furniture & Fittings		-	738	(488)	250	-	782	(509)	273
Site Improvement		-	2,174	(713)	1,461	-	2,819	(793)	2,026
Minor Plant		-	358	(282)	76	-	358	(288)	70
Plant & Equipment		-	7,342	(3,938)	3,404	-	7,437	(3,657)	3,780
Library Books		-	714	(532)	182	-	715	(534)	181
CWMS	3	2,638	65	(1,085)	1,618	2,638	65	(1,126)	1,577
Regional Livestock Exchange									
- Building Structures	3	12,737	-	(4,669)	8,068	12,684	107	(5,037)	7,754
- Plant, Equipment & Furniture		-	336	(188)	148	-	322	(152)	170
Swimming Lake									
- Building Structures	3	3,147	159	(1,701)	1,605	3,119	187	(1,732)	1,574
- Plant, Equipment & Furniture		-	39	(23)	16	-	39	(27)	12
Aerodrome									
- Building Structures	3	2,488	-	(782)	1,706	2,488	491	(873)	2,106
- Site Improvement		-	56	(24)	32	-	56	(26)	30
Infrastructure									
- Bridges & Drainage	3	8,832	1,018	(4,973)	4,877	7,697	307	(4,413)	3,591
- Roads	3	272,056	20,633	(70,540)	222,149	207,138	5,727	(94,760)	118,105
- Stormwater	3	7,635	3,657	(4,754)	6,538	13,263	890	(5,335)	8,818
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		348,188	37,427	(107,425)	278,190	287,682	20,464	(132,493)	175,653
<i>Comparatives</i>		351,766	28,368	(104,515)	275,619	348,188	37,427	(107,425)	278,190

This Note continues on the following pages.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016 \$'000	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000							2017 \$'000	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals				In	Out		
Land (L2)	3,354	-	-	-	-	-	-	-	-	3,354
Land (L3)	8,971	-	-	-	-	-	-	-	-	8,971
Buildings & Other Structures (L2)	274	-	-	-	(11)	-	-	-	-	263
Buildings & Other Structures (L3)	12,217	10	14	-	(450)	-	-	-	-	11,791
Transfer Station	1,244	-	-	-	(37)	-	-	-	-	1,207
Furniture & Fittings	250	57	24	(1)	(57)	-	-	-	-	273
Site Improvement	1,461	632	13	-	(80)	-	-	-	-	2,026
Minor Plant	76	10	2	(2)	(16)	-	-	-	-	70
Plant & Equipment	3,404	89	1,025	(285)	(453)	-	-	-	-	3,780
Library Books	182	-	25	-	(26)	-	-	-	-	181
CWMS	1,618	-	-	-	(41)	-	-	-	-	1,577
Regional Livestock Exchange	-	-	-	-	-	-	-	-	-	-
- Building Structures	8,068	57	50	(52)	(369)	-	-	-	-	7,754
- Plant, Equipment & Furniture	148	16	44	(7)	(31)	-	-	-	-	170
Swimming Lake	-	-	-	-	-	-	-	-	-	-
- Building Structures	1,605	-	28	-	(59)	-	-	-	-	1,574
- Plant, Equipment & Furniture	16	-	-	-	(4)	-	-	-	-	12
Aerodrome	-	-	-	-	-	-	-	-	-	-
- Building Structures	1,706	28	463	-	(91)	-	-	-	-	2,106
- Site Improvement	32	-	-	-	(2)	-	-	-	-	30
Infrastructure	-	-	-	-	-	-	-	-	-	-
- Bridges & Drainage	4,877	-	307	(80)	(80)	-	(1,450)	17	-	3,591
- Roads	222,149	1,574	4,153	(937)	(5,345)	1,450	-	(104,939)	-	118,105
- Stormwater	6,538	-	889	(85)	(129)	-	-	1,605	-	8,818
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	278,190	2,473	7,037	(1,449)	(7,281)	-	1,450	(1,450)	(103,317)	175,653
<i>Comparatives</i>	275,619	2,609	6,820	(1,122)	(5,736)	-	348	(348)	-	278,190

This Note continues on the following pages.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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, have been classified as hierarchy level 2. Fair Value is 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 active 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.

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.

Earthworks is assessed as a component of land under roads and as such it has been assessed that no reliable value can be attached to earthworks.

Naracoorte Lucindale Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 – Property, Plant & Equipment (cont)

Freehold land and land over which Council has control, but does not have title, are recognised on the fair value basis. These assets were revalued for the year ending 30 June 2015 by Mr Nick Franks, BSc. MRICS AAPI, Certified Practising Valuer of AssetVal Pty Ltd at market value. Additions since the date of revaluation are recorded at cost. No capitalisation threshold is applied to the acquisition of land or interests in land.

Buildings & Other Structures

Buildings and Other Structures incorporate *Buildings & Other Structures, Transfer Station, Regional Livestock Exchange, Swimming Lake and Aerodrome*.

Regional Livestock Exchange, Swimming Lake & Aerodrome include assets which are valued at Fair Value and on a cost basis.

Buildings and other structures which are valued at Fair Value were revalued for the year ending 30 June 2015 Mr Nick Franks, BSc. MRICS AAPI, Certified Practising Valuer of AssetVal Pty Ltd. Additions are recognised at cost.

Infrastructure

Infrastructure assets were valued at depreciated current replacement cost as at 1 July 2016, based on unit rates calculated on the value of work undertaken during the previous reporting period. All acquisitions made after the respective dates of valuation are recorded at cost.

Prior to 1 July 2016 earthworks were valued as a component of a road with an infinite life. The revaluation of infrastructure assets on 1 July 2016 resulted in the removal of this component. The effect on valuations was a write down of asset valuations of \$106,348,722. There was no impact on accumulated depreciation or annual depreciation due to the infinite life of the component.

Community Waste Management System

Community wastewater management system infrastructure was valued at written down current replacement cost during the reporting period ended 30 June 2011 by Ms Kate Tynan, B. Bus Property (Valuation) AAPI, Certified Practising Valuer of Maloney Field Services. All acquisitions made after the respective dates of valuation are recorded at cost.

Furniture & Equipment, Site Improvements, Minor Plant and Plant & Equipment

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

Library Books

Library books and other lending materials are recognised on the cost basis and capitalised in bulk

Capitalisation Thresholds and Estimated Useful Lives

Refer to Note 1 for details in relation to capital thresholds and estimated useful lives.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 8 - LIABILITIES

	Notes	2017 \$'000		2016 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		305	-	874	-
Payments received in advance		317	-	215	-
Accrued expenses - employee entitlements		105	-	80	-
Accrued expenses - other		601	-	77	-
Aged Care Facility Deposits		449	-	356	-
Deposits, Retentions & Bonds		709	-	150	-
Other		18	-	18	-
		<u>2,504</u>	<u>-</u>	<u>1,770</u>	<u>-</u>

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

449

356

BORROWINGS

Loans		372	2,637	349	3,009
		<u>372</u>	<u>2,637</u>	<u>349</u>	<u>3,009</u>

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

PROVISIONS

Employee entitlements (including oncosts)		980	239	963	241
Landfill Provision		13	8	30	79
		<u>993</u>	<u>247</u>	<u>993</u>	<u>320</u>

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

588

745

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2016	Net Increments (Decrements)	Transfers, Impairments	30/6/2017
Notes	\$'000	\$'000	\$'000	\$'000
Land	7,491	-	-	7,491
Buildings & Other Structures	9,181	-	-	9,181
Infrastructure	216,958	-	(103,317)	113,641
Other Community Assets	1,097	-	-	1,097
TOTAL	234,727	-	(103,317)	131,410
<i>Comparatives</i>	<u>234,727</u>	<u>-</u>	<u>-</u>	<u>234,727</u>

OTHER RESERVES	1/7/2016	Transfers to Reserve	Transfers from Reserve	30/6/2017
Community & Heritage Chest	36	-	-	36
Development	277	17	-	294
Grants Committed	-	10	-	10
IT Upgrade	102	-	(22)	80
Lake Ormerod	2	-	(1)	1
Lucindale Aged Care Facility	5	-	-	5
Lucindale Health Centre	16	-	(1)	15
Lucindale Library	16	-	-	16
Open Space	25	-	-	25
Plant & Machinery	1,013	-	(189)	824
Harry Tregoweth Retirement Village	-	-	-	-
Livestock Exchange (NRLE)	37	59	-	96
CWMS	239	63	-	302
Volunteers	5	-	(5)	-
TOTAL OTHER RESERVES	1,773	149	(218)	1,704
<i>Comparatives</i>	<u>1,865</u>	<u>702</u>	<u>(794)</u>	<u>1,773</u>

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).

Community & Heritage Chest Reserve

The Community & Heritage Chest Reserve acknowledges community grants given by Council but not claimed by Community Groups as at 30 June 2017.

Development Reserve

Reserve to allow for future development in the Council district. May be used to assist community groups and sporting bodies with expansion that has a proven community benefit.

Grants Committed Reserve

Reserve recognises grants received, but not fully expended.

IT Upgrade Reserve

Provision for the upgrade of IT requirements. Includes unexpended capital budget.

Lake Ormerod Reserve

Account for funds held on behalf of Lake Ormerod Community Group.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 9 - RESERVES

Lucindale Aged Care Facility Reserve

Donation May 2005 from National Rally of Caravan Clubs for Aged Care Accommodation to be established in Lucindale

Lucindale Health Centre Reserve

Funds set aside for future maintenance of the Lucindale Health Centre.

Lucindale Library Reserve

Lucindale Community Library. Commitment at amalgamation.

Open Space Reserve

Developers Contribution towards open space reserves.

Plant & Machinery Reserve

Provision for future plant replacement

Harry Tregoweth Retirement Village (Lucindale) Reserve

Balance of monthly rent, retained capital and expenditure held for future maintenance.

Livestock Exchange Reserve (NRLE)

Provision for future capital requirements of the Naracoorte Regional Livestock Exchange.

CWMS Reserve

Balance of fees collected from Lucindale CWMS Scheme held for future maintenance

Volunteers Reserve

Government Grant - general operations.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

	Notes	2017 \$'000	2016 \$'000
CASH & FINANCIAL ASSETS			
Open Space		25	25
Community Waste Management Scheme (CWMS)		302	239
Volunteers Grant		-	5
Committed Grants		10	12
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		337	281

Open Space

Cash contributions received from developers in lieu of the provision of open space as part of a land division proposal. It is a condition of the contribution that the funds are spent either directly on the provision of open space or recreation (eg. playground) or the planning for such infrastructure.

CWMS

Balance of expenditure and income in relation to Council's CWMS Scheme. Required by legislation to be preserved for expenditure in relation to future upgrades and/or maintenance of the Scheme.

Volunteers Grants

Federal funding towards the provision of a volunteer training program.

Committed Grants

Grant to hold Science week in August 2017 and balance of Grant associated with the Red Meat Cluster Project.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	<u>7,544</u>	<u>5,318</u>
Balances per Cash Flow Statement		<u>7,544</u>	<u>5,318</u>

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

Net Surplus (Deficit)		1,477	1,148
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		7,281	5,736
Net increase (decrease) in unpaid employee benefits		40	(169)
Non-cash asset acquisitions		-	-
Grants for capital acquisitions treated as Investing Activity		(1,368)	(1,515)
Net (Gain) Loss on Disposals		<u>1,137</u>	<u>1,104</u>
		8,567	6,304
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(266)	(942)
Net (increase) decrease in inventories		350	(62)
Net increase (decrease) in trade & other payables		709	25
Net increase (decrease) in landfill liabilities		<u>(88)</u>	<u>5</u>
Net Cash provided by (or used in) operations		<u>9,272</u>	<u>5,330</u>

(c) Financing Arrangements

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

Corporate Credit Cards	8	8
LGFA Cash Advance Debenture facility	3,000	3,000

The LGFA Cash Advance Debenture facility may be drawn at any time.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 12 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2017	2016	2017	2016
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administration	14,718	11,560	3,580	3,419	11,138	8,141	3,691	1,055	10,453	8,085
Community Services	240	238	934	982	(694)	(744)	60	67	7,795	7,958
Environment	929	930	1,704	1,570	(775)	(640)	-	-	11,115	8,810
Culture	54	59	473	467	(419)	(408)	48	51	1,663	1,730
Recreation	4	5	849	926	(845)	(921)	-	-	8,817	8,512
Regulatory Services	155	191	300	339	(145)	(148)	-	-	-	1
Transport & Communication	1,297	1,490	7,727	5,649	(6,430)	(4,159)	1,270	1,463	128,223	234,810
Economic Development	368	332	731	989	(363)	(657)	233	149	475	475
Business Undertakings	1,904	1,481	2,353	1,476	(449)	5	-	-	11,993	12,292
Plant Machinery & Depot	96	61	-	-	96	61	-	-	5,370	5,105
Unclassified	292	257	160	50	132	207	-	-	1,643	1,297
TOTALS	20,057	16,604	18,811	15,867	1,246	737	5,302	2,785	187,547	289,075

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.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Administration

Administration, Governance, Elected Members, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates, Records, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose, General Rates and NRM Levy.

Community Services

Fire Prevention, Immunisation & Other Preventative Health, Community Support, Volunteer Management, Halls, Harry Tregoweth Retirement Village, Seniors and Youth Support, Cemeteries, Effluent (not CWMS) and Public Conveniences.

Environment

Waste Management, Stormwater, Street Cleaning and Street Lighting.

Culture

Library, Heritage, Art Gallery and Lucindale Historical Museum

Recreation

Parks & Gardens, Sporting Grounds & Facilities, Playgrounds, Swimming Lake

Regulatory

Urban and rural development, including building and planning. Dog Control, Livestock Control, Parking Control, Health Inspections, Septic Tank Approvals and General Inspectorial Responsibilities.

Transport

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

Economic Affairs

Land Development, Plantations, Visitor Information Centre and Events.

Business Undertakings

Naracoorte Regional Livestock Exchange, Community Waste Management Scheme (CWMS), Rental Property, Private Works and Quarries.

Plant, Machinery & Depots

Depot, fleet and plant operations

Unclassified

Debt, Other Property & Services, Other and Vandalism.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.5% and 2.4% (2016: 1.75% and 3.5%). Short term deposits have an average interest rates of 1.52% (2016: 1.96%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 0.58% (2016: 0.6%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Retirement Home Contributions	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Retirement Home Contributions	<p>Accounting Policy: To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p>Terms & conditions: Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p>Carrying amount: approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable bi-annually; interest is charged at fixed rates between 5.3% and 7.95% (2016: 5.3% and 7.95%)</p> <p>Carrying amount: approximates fair value.</p>

NARACORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	7,544			7,544	7,544
Receivables	1,387	-	-	1,387	1,387
Community Loans	36	137	260	433	433
Total	8,967	137	260	9,364	9,364
Financial Liabilities					
Payables	1,349	449	-	1,798	1,798
Current Borrowings	549	-	-	549	372
Non-Current Borrowings	-	2,165	1,072	3,237	2,637
Total	1,898	2,614	1,072	5,584	4,807

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	5,318			5,318	5,318
Receivables	1,228	-	-	1,228	1,228
Community Loans	21	62	6	89	89
Total	6,567	62	6	6,635	6,635
Financial Liabilities					
Payables	1,199	356	-	1,555	1,555
Current Borrowings	549	-	-	549	349
Non-Current Borrowings	-	2,195	1,591	3,786	3,009
Total	1,748	2,551	1,591	5,890	4,913

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Cash Advanced Facility	3.77	-	4.21	-
Fixed Interest Rates	6.07	3,009	6.1	3,358
		<u>3,009</u>		<u>3,358</u>

Net Fair Value

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

Risk Exposures

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

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

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

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

NARACORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 14 - COMMITMENTS FOR EXPENDITURE

	2017	2016
	<u>Notes</u> \$'000	\$'000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	46	68
Infrastructure	213	106
	<u>259</u>	<u>174</u>
These expenditures are payable:		
Not later than one year	259	174
	<u>259</u>	<u>174</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 15 - FINANCIAL INDICATORS

	2017	2016	2015
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

Operating Surplus Ratio

<u>Operating Surplus</u>	6.0%	4.0%	11.0%
Total Operating Revenue			

This ratio expresses the operating surplus as a percentage of total operating revenue.

Adjusted Operating Surplus Ratio

	(1.0%)	13.0%	4.0%
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In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-16%	-5%	-19%
Total Operating Revenue			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	92%	141%	95%
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Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2017 \$'000	2016 \$'000
Income	20,057	16,604
<i>less</i> Expenses	<u>18,811</u>	<u>15,867</u>
Operating Surplus / (Deficit)	1,246	737
 <i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	7,037	8,095
Depreciation, Amortisation and Impairment	(7,281)	(5,736)
Proceeds from Sale of Replaced Assets	<u>(312)</u>	<u>(18)</u>
	(556)	2,341
 <i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	1,089	2,609
Amounts received specifically for New and Upgraded Assets	(1,368)	(1,515)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>-</u>	<u>-</u>
	(279)	1,094
 Net Lending / (Borrowing) for Financial Year	 <u>2,081</u>	 <u>(2,698)</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

Lease payment commitments of Council

Council has entered into an operating leases for a photocopier and for information technology equipment.

Commitments under operating leases that have not been recognised in the financial statements are as follows:

	2017 \$'000	2016 \$'000
Not later than one year	30	20
Later than one year and not later than 5 years	40	18
	<u>70</u>	<u>38</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 18 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). The Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector 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 employee ordinary time earnings in accordance with superannuation guarantee legislation (2017: 9.5%; 2016: 9.5%). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (2016: 6.3%) 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.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 19 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to users 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.

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.

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 has not been notified of any appeals against planning decisions made prior to the reporting date.

4. RATEPAYER & COMMUNITY ORGANISATION LOANS

Council has extended loans to individual ratepayers relating to the installation of sewer extension schemes and community groups for upgrade to facilities. The amount outstanding at reporting date is \$432,704 (2016: \$89,401).

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

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 20 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO, Senior Management Team, Operations Manager and the Planning Officer. In all, 18 persons were paid the following total compensation:

	2017 \$
Salaries, allowances & other short term benefits	1,164,678
Post-employment benefits	-
Long term benefits	59,396
Termination benefits	-
TOTAL	1,224,074

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

	2017 \$
Contributions for fringe benefits tax purposes	-
Planning and building applications fees	549
Rentals for Council property	-
TOTAL	549

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

KMP and relatives of KMPs own businesses from which services were purchased on account. Purchases did not exceed \$1000.

KMP and relatives of KMPs own businesses from which Council has expended approximately \$150,000. This expenditure is under an on-going contract as awarded by Council in compliance with its Procurement Policy.

One close family member of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the *Local Government Act 1999*.

Key management personnel or close family members (including related parties) lodged a total of two planning and building applications during the year. These persons took no part in the assessment or approval processes for these applications.

Two planning and building approvals, with and without conditions, were granted during the year. Total fees for these applications (all of which are payable on lodgement) amounted to \$549.

INDEPENDENT AUDITOR'S REPORT

To the members of the Naracoorte Lucindale Council

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Naracoorte Lucindale Council (the Council), which comprises the Certification of Financial Statements on the annual statements giving a true and fair view of the financial position and performance, the Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended 30 June 2017 and the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report of the Council is in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011*, including;

- (i) giving a true and fair view of the Council's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- (ii) that the financial records kept by the Council are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Chief Executive Officer's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Chief Executive Officer of the Council is responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA ALLARD
PARTNER**

Signed on the 24th day of October 2017,
at 214 Melbourne Street, North Adelaide

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE NARACOORTE LUCINDALE COUNCIL

We have audited the Internal Controls of the Naracoorte Lucindale Council (Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 have been conducted properly and in accordance with law.

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Auditor's Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assessed risks.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Council has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2016 to 30 June 2017.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to read 'S Allard', with a large loop at the start and several smaller loops following.

**SAMANTHA ALLARD
PARTNER**

Signed on the 24th day of October 2017
at 214 Melbourne Street, North Adelaide, South Australia, 5006

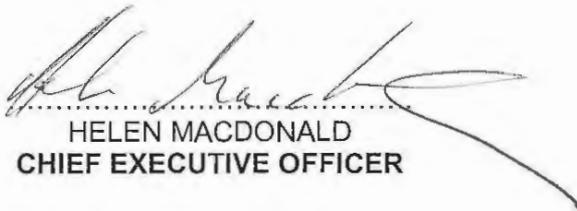
NARACOORTE LUCINDALE COUNCIL

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Naracoorte Lucindale Council for the year ended 30 June 2017, the Council's Auditor, Dean Newbery & Partners, 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*.


HELEN MACDONALD
CHIEF EXECUTIVE OFFICER


JIM KER
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 22-8-2017

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Naracoorte Lucindale Council for the year ended 30 June 2017, 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*.



SAMANTHA ALLARD

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated this 24th day of October 2017

24 October 2017

Mayor Erika Vickery
Naracoorte Lucindale Council
DeGaris Place: PO Box 555
NARACOORTE SA 5271

Dear Mayor Vickery

RE: Completion of Balance Date Audit – Financial Year Ended 30 June 2017

As a result of the work recently completed in connection with our final Balance Date audit of your Council for the financial year ended 30 June 2017, we provide a summary of the audit matters we wish to bring to your attention.

We have enclosed the 2017 Audit Opinions in relation to the audit of Council's Financial Statements and Internal Controls which has been signed without reference to any qualification in relation to audit opinions issued under Section 129(1)(a) and 129(1)(b) of the Act.

Under Section 129(4) of the Act "The auditor must also provide to the council a report on particular matters arising from the audit".

We wish to highlight to the following matters to you as a result of work recently completed:

1. We have received appropriate explanations for all material variations as between 2015/16 actual and 2016/17 actual (operating and capital).
2. We are confident that all audit matters raised in our Management Letters issued during the 2016/17 financial year audit have, or are in the process of being attended to by the Administration.
3. During the financial year the Administration advised us that work is being undertaken to formally review and update the Council's Asset Management Plans (AMPs). It was expected that the Council's AMPs will be completed and adopted by Council by 30 June 2018.

Accordingly, once the AMPs has been updated, Council's Long Term Financial Plan (**LTFP**) will require updating to factor in updated forecasted capital works (i.e. asset maintenance, renewal and new/upgraded capital works) as well as revised forecasted maintenance and depreciation costs.

We will monitor the progress made by the Council Administration, in this regard, during future Audit site visits.

4. As disclosed within Note 7 of Council's 2016/17 Financial Statements, the last asset valuation exercise for Council's Community Wastewater Management Systems (CWMS) asset class was undertaken in during the period ended 30 June 2011.

In order to ensure the continued compliance with AASB 116 Property, Plant and Equipment with respect to technical asset data reflecting current market data for valuation and asset depreciation calculation purposes, we recommend a formal valuation is undertaken on the CWMS asset class during the 2017/18 financial year, with the effective date of valuation of 1 July 2017.

5. There remain no misstatements that have not been adjusted by the Administration that have been identified during the course of our audit or that in our assessment, require to be reported to the Council or Audit Committee.

Summary

I would like to thank the Council and the Administration for the assistance they provided to my audit staff during the course of our audit of the Council this financial year.

If any additional information is required on any of the audit matters raised above, please feel free to contact me on the details provided below.

Yours sincerely

DEAN NEWBERY & PARTNERS



Samantha Allard
Partner

T: 8267 4777

E: sam@deannewbery.com.au

C. Council's Audit Committee

C. Council's Chief Executive Officer

24 October 2017

Mayor Erika Vickery
Naracoorte Lucindale Council
DeGaris Place: PO Box 555
NARACOORTE SA 5271

Dear Mayor Vickery

RE: EXTERNAL AUDIT: PROVISION OF 2017 AUDIT OPINIONS TO COUNCIL

Please be advised that in accordance with the *Local Government Act 1999* (the Act), we have now completed the statutory audit of the Naracoorte Lucindale Council (Council) for the financial year ended 30 June 2017.

We have enclosed the 2017 Audit Opinions in relation to the audit of Council's Financial Statements and Internal Controls which has been signed without reference to any qualification in relation to audit opinions issued under Section 129(1)(a) and 129(1)(b) of the Act.

Under Section 129(4) of the Act "The auditor must also provide to the council a report on particular matters arising from the audit".

Our report under Section 129(4) to the Council is as follows:-

1. Audit Correspondence issued during the 2017 Financial Year

Various audit matters have been formally communicated through our issued Management Letters to you from time to time during the year. We are satisfied that action has, or is being taken to address all matters raised.

2. Accounting Practices and Management of the Council's Financial Affairs

In reaching our audit opinion, we are satisfied as to the overall standard of Council's accounting practices and management of Council's financial affairs.

3. Council's Audit Committee

We are satisfied that Council's Audit Committee has addressed all of its prescribed functions as outlined in Section 126 (4) of the Act.

4. Auditor's Independence Declaration

Please note that our signed Auditor Independence Declaration will be issued to the Chief Executive Officer, as required by Section 16A of the *Local Government (Financial Management) Regulations 2011*.

5. 2017 Balance Date Management Letter

Our 2017 Balance Date Management Letter will be separately issued to you shortly, with a copy forwarded to Council's Audit Committee.

Please contact me on 8267 4777 or sam@deannewbery.com.au if additional information is required.

Yours sincerely

DEAN NEWBERY & PARTNERS

A handwritten signature in black ink, appearing to read 'Sam', with a large loop at the start and several smaller loops and strokes.

Samantha Allard
Partner

C. Audit Committee

Enc:

2017 Independent Auditor's Report on the Financial Statements – Section 129(1)(a)

2017 Independent Assurance Report on the Internal Controls – Section 129(1)(b)

LIMESTONE COAST LOCAL GOVERNMENT ASSOCIATION

ANNUAL REPORT 2016-17



PRESIDENTS REPORT

Through the work of its Constituent Councils, LC LGA will continue to seek and to expand partnerships with Local Government organisations in other regions of South Australia and western Victoria, working across shared boundaries in recognition of the benefits of coordinated action on common issues and opportunities.

To that end, the Board continues to support the adopted five Regional Strategies that will guide the work of the LC LGA over the coming years.

INFRASTRUCTURE

Regional leadership and advocacy to ensure that regional infrastructure is fit for purpose and has the capacity to meet the region's current and future needs.

Our Roads and Transport Management Group have produced an updated 2030 Transport Plan, a series of Actions Plans that ranks priority road works and completed a network road deficiency study. These documents are critical in our efforts to attract further funding for the road network.

SUSTAINABLE ECONOMY

Regional leadership and advocacy to promote a thriving and sustainable economy capitalising on our diverse resources, sustaining growth, prosperity and employment throughout the region.

Our regional Tourism program continues to produce outstanding outcomes and with the adoption of the Regional Strategic Plan and Implementation Plan our region is well positioned and enjoys a sound working relationship with the South Australian Tourism Commission and other regional bodies.

The Associations Economic Development group is looking to update its Work Plans and we look forward to a strategic document that outlines some key projects for the region. We will continue to work closely with the RDA Limestone Coast and other State and Federal bodies involved in regional development.

Our staff have worked closely with the Limestone Coast Collaborative and since becoming custodians of the Regional Brand have produced regional promotional material and have developed an implementation plan for the strategic rollout of the Brand.

ENVIRONMENTAL SUSTAINABILITY

Advocacy and partnerships to responsibly manage our natural environment and resources, ensuring sustainability and diversity.

Our Waste Project Officer has been active this year and ran a very successful waste education program across the Limestone Coast schools with winners announced at the June Board meeting. The committee have also planned to produce a Regional Waste Infrastructure Plan and this document will be a catalyst for future waste management planning.

The LC LGA have partnered with the RDA Limestone Coast and the SENRM Board to form a new committee to address the Actions identified in the Limestone Coast Regional Climate Change Adaptation Plan. All three bodies have contributed funds to bring onboard a Project Officer in the new financial year. That person will work closely with the committee to assess and prioritise the identified actions in the plan and produce a Work Plan for the two-year project.

COMMUNITY AND SOCIAL WELLBEING

Advocacy and partnerships to enhance the quality of life, health and opportunities for our regional communities.

We have two very successful programs running under this pillar. The first is the Road Safety Program that has been funded by the Motor Accident Commission for the past three years. Whilst the current program come to an end on the 30 June 2017 the Motor Accident Commission has extended the program for a further 12 months in recognition of the valuable work that has been carried out.

The second is the StarClub project – we continue to assist many regional sporting clubs with governance, planning, sustainability and sports excellence training. An exciting development will be the launch of the Limestone Coast Academy of Sport with a planned date for this being August 2017.

GOVERNANCE, LEADERSHIP AND FINANCIAL SUSTAINABILITY

Regional leadership and effective Constituent Council coordination to ensure that LC LGA continues as an efficient and well-governed regional organisation.

As the peak Local Government body in the region with important leadership, advocacy and coordination roles it remains imperative that we continued to address issues from a regional perspective. The achievements of the Association will continue to be driven by the direction and input of all LC LGA Board members and its Constituent Councils.

To support our efforts in the area of lobbying and advocacy I continue to prosecute the regions concerns in my capacity as a Board member with the Local Government Association of South Australia and in the position of President of the South Australian Regional Organisation of Councils.

We acknowledge the tremendous efforts of Federal Member of Parliament Mr Tony Pasin MP and State Members Mr Troy Bell MP and Mr Mitch Williams MP. Your assistance and support is not only valued but greatly appreciated.

We would like to extend a special thank you to those agencies that have contributed partner funding over the past twelve months. Without your valuable contribution, many of our projects would not go ahead. South Australian Tourism Commission, Office for Recreation and Sport, KESAB, RDA Limestone Coast, Local Government Association of South Australia, the Australian Federal Government and finally our member Councils – your continued support is very much appreciated.

On behalf of the Board I would like to acknowledge the efforts of our dedicated staff over the past 12 months: Dominic Testoni, Michaela Bell, Tony Elletson, Biddie Shearing, Rob Forgan, June Saruwaka, Mae Steele and Alice MacLeod.

Finally, I would like to acknowledge the continued support of the constituent council Mayors, elected members and Chief Executive Officers.

Mayor Erika Vickery
President LC LGA



INTRODUCTION

This document is the Annual Report of the Limestone Coast Local Government Association Inc (LC LGA) for the period 1st July 2016 to 30th June 2017. This document is prepared pursuant to the Local Government Act 1999 to report to Constituent Councils on the work and operation of the Association for the preceding financial year.

This Report details the activities of the Association to represent and serve the seven Constituent Councils and to advance the Limestone Coast communities through effective advocacy, facilitation and innovation.

OUR ASSOCIATION

LC LGA was established as a regional body on 6th October 1885. LC LGA is a regional subsidiary representing its Constituent Councils and is established pursuant to Section 43 of the Local Government Act 1999 by the Constituent Councils.

The Association is comprised of the following Constituent Councils:

1. District Council of Grant
2. Kingston District Council
3. City of Mount Gambier
4. Naracoorte Lucindale Council
5. District Council of Robe
6. Tatiara District Council
7. Wattle Range Council

Under its Charter, LC LGA's objectives are to:

- > Work in association with both the Local Government Association of South Australia (LGASA) and the Australian Local Government Association to assist in the achievement of their aims and objectives
- > Undertake co-coordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- > Facilitate and co-ordinate activities of local government at a regional level related to social, environmental and community development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- > Develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- > Develop further co-operation between its Constituent Councils for the benefit of the communities of its region
- > Develop and manage policies which guide the conduct of programs and projects in its region with the objective of securing the best outcomes for the communities of the region
- > Undertake projects and activities that benefit its region and its communities
- > Associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest
- > Implement programs that seek to deliver local government services on a regional basis

THE LC LGA BOARD

The LC LGA Board comprises nominated representatives from each of the Constituent Councils, and is chaired by the LC LGA President. Each Constituent Council can nominate up to two Deputy Board Members.

LC LGA BOARD MEMBERS 2016-17

COUNCIL	DELEGATE	DEPUTY BOARD MEMBER/S
City of Mount Gambier	Mayor Andrew Lee	Cr Hanna Persello Cr Ian Von Stanke
District Council of Grant	Mayor Richard Sage	Cr Brian Collins Cr Bruce Bain
Wattle Range Council	Mayor Peter Gandolfi	Cr Robert Dycer
District Council of Robe	Mayor Peter Riseley	Cr Harvey Nolan
Kingston District Council	Mayor Reg Lyons	Cr Kay Rasheed Cr Chris England
Naracoorte Lucindale Council	Mayor Erika Vickery	Cr Scott McLachlan Cr Craig McGuire
Tatiara District Council	Mayor Graham Excell	Cr Diana Penniment Cr Robert Mock

The Board held six ordinary bi-monthly General Meetings, and The Annual General Meeting during 2016 - 2017. Meetings are hosted by Constituent Councils on a rotational basis.

The Coorong District Council attends LC LGA meetings as welcomed observers.

OFFICE BEARERS 2016-17

In accordance with the LC LGA Charter, the positions of LC LGA President and Vice President are appointed at the Annual General Meeting, held in February.

At the Annual General Meeting in February 2017, Mayor Erika Vickery was again elected as LC LGA President, to serve in the position for a period of 12 months. Mayor Richard Sage was elected as LC LGA Vice President.

During 2016 - 2017, the Executive Officer role was filled by Dominic Testoni. Galpins are the appointed Auditor.

During 2016 - 2017, LC LGA engaged the following staff to deliver regional programs:

STAFF MEMBER	ROLE
Dominic Testoni	Executive Officer
Michaela Bell	Project Manager
Tony Elletson	STARCLUB Field Officer
Rob Forgan	Regional Community Road Safety Officer
June Saruwaka	Regional Waste Management Coordinator
Biddie Shearing	Tourism Development Manager
Alice Macleod (until January 16, 2017)	Administration Officer
Mae Steele (commenced January 16, 2017)	Executive Support Officer

LC LGA WORKING PARTIES & COMMITTEES

DELEGATES TO THE LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA

Under the Constitution of the LGASA, regions are represented via appointed members to serve on the LGA Board and the South Australian Regional Organisation of Councils (SAROC).

COUNCIL	LC LGA REPRESENTATIVE
LGA Board	Mayor Erika Vickery Mayor Richard Sage (Proxy)
SAROC	Mayor Erika Vickery Mr Dominic Testoni Mayor Richard Sage (Proxy)

SAROC is an important LGA committee for non-metropolitan Councils. Membership is drawn from each of the six non-metropolitan Regional Local Government Associations with members meeting bi-monthly to discuss the key issues affecting non-metropolitan Councils.

ASSOCIATION COMMITTEES AND WORKING PARTIES

To undertake specific projects or fulfil areas of operational responsibility, LC LGA convenes a number of committees and working parties. LC LGA acknowledges the work of all who have contributed to the following committees and working parties throughout 2016 - 2017.

COMMITTEE / WORKING PARTY	REPRESENTATIVE	COUNCIL
LC LGA Roads and Transport Working Group	Cr Jamie Jackson Mr Surya Prakash	Tatiara District Council
	Mr Daryl Sexton	City of Mount Gambier
	Mr Steve Bourne	Naracoorte Lucindale Council
	Mr Dave Worthley	Kingston District Council
	Mr Peter Halton	Wattle Range Council
	Mr Adrian Schutz	District Council of Grant
	Mr Trevor Hondow Cr David Loxton (proxy)	District Council of Robe
	Mr Dominic Testoni Mr Rob Forgan	LC LGA
Limestone Coast Economic Development Reference Group	Mayor Graham Excell	Tatiara District Council
	Mayor Erika Vickery	LC LGA President
	Mr Mark McShane	City of Mount Gambier
	Mayor Richard Sage Mr Trevor Smart (proxy)	District Council of Grant
	Dr Helen Macdonald	Naracoorte Lucindale Council
	Mr Roger Sweetman	District Council of Robe
	Mr Ben Gower Mr Steve Chapple	Wattle Range Council
	Mr Dominic Testoni	LC LGA
Mr Andrew MacDonald	Kingston District Council	

LC LGA WORKING PARTIES & COMMITTEES

COMMITTEE / WORKING PARTY	REPRESENTATIVE	COUNCIL	
South East Relief Trust (SERT)	Current trustees are LC LGA President and Vice President		
Limestone Coast Climate Adaption Committee	Mr Andrew MacDonald	Kingston District Council	
	Mr Steve Bourne	Naracoorte Lucindale Council	
	Mr Daryl Sexton	City of Mount Gambier	
	Mr Trever Smart	District Council of Grant	
	Mayor Pater Riseley	District Council of Robe	
	Cr Robert Mock	Tatiara District Council	
	Mrs Lauren Oxlade	Wattle Range Council	
	Mr David Wheaton	RDA Limestone Coast	
	Ms Michelle Benison	DEWNR	
	Ms Kerry DeGaris	SE NRM Board	
	Mr Tim Collins	DEWNR	
	Mr Dominic Testoni	LC LGA	
	Mrs Michaela Bell	LC LGA	
	LC LGA Regional Waste Management Committee	Mr David Worthley	Kingston District Council
		Mr Steve Bourne	Naracoorte Lucindale Council
Cr Des Mutton Mr Daryl Sexton (to May 2017) Mr Nick Serle (from May 2017)		City of Mount Gambier	
Ms Nicole Dodds		District Council of Grant	
Mr Nick Brown		District Council of Robe	
Mr Andrew Pollock		Tatiara District Council	
Mr Peter Halton Mrs Lauren Oxlade		Wattle Range Council	
Mr Dominic Testoni		LC LGA	
Mrs June Saruwaka		LC LGA	
Limestone Coast Tourism Management Group		Mrs Sally Klose	Naracoorte Lucindale Council
	Mr Kingsley Green	Tatiara District Council	
	Mr Andrew MacDonald	Kingston District Council	
	Mr Roger Sweetman	District Council of Robe	
	Ms Barbara Cernovskis	City of Mount Gambier	
	Ms Jane Fetherstonhaugh	District Council of Grant	
	Ms Paula Bennet	Wattle Range Council	
	Mr Dominic Testoni Mrs Biddie Shearing	LC LGA	

LC LGA WORKING PARTIES & COMMITTEES

COMMITTEE / WORKING PARTY	REPRESENTATIVE	COUNCIL
Regional Sport & Recreation Advisory Group	Ms Naomi Fallon	Tatiara District Council
	Ms Sally Klose	Naracoorte Lucindale Council
	Ms Heather Schinkel	Kingston District Council
	Mr Nick Brown	District Council of Robe
	Ms Ashlea Fisher	City of Mount Gambier
	Ms Jane Fetherstonhaugh	District Council of Grant
	Ms Sarah Mrzec Mr Steve Chapple	Wattle Range Council
	Mr Tony Elletson	LC LGA

ASSOCIATION REPRESENTATION - OUTSIDE ORGANISATIONS

LC LGA has numerous representatives on working parties, boards and committees including State Government boards, cross border bodies and regional boards and committees. This representation allows LC LGA to keep in touch with communities, and have input to new and existing initiatives. During 2016-2017, LC LGA made or continued the following appointments to other organisations.

BOARD / COMMITTEE	REPRESENTATIVE	COUNCIL
South East Natural Resources Management Board	Mr Dominic Testoni	LC LGA
Local Government Association of SA LGA Board	Mayor Erika Vickery (Delegate)	Naracoorte Lucindale Council
	Mayor Richard Sage (Proxy)	District Council of Grant
SAROC	Mayor Erika Vickery (Delegate)	Naracoorte Lucindale Council
	Mayor Richard Sage (Deputy Delegate)	District Council of Grant
	Mr Dominic Testoni (Delegate)	LC LGA
South East Regional Bushfire Prevention Committee	Mr Dominic Testoni	LC LGA
South East Zone Emergency Management Committee	Mr David Hood (Chair)	Naracoorte Lucindale Council
	Mr Dominic Testoni (Deputy Delegate)	LC LGA
Limestone Coast Zone Emergency Centre Committee	Mr Dominic Testoni (Local Government Controller)	LC LGA
	Mr Leith McEvoy (Local Government Deputy Controller)	District Council of Grant
Green Triangle Freight Action Plan – Implementation Management Group	Mr Peter Halton	Wattle Range Council
	Cr Ian Von Stanke	City of Mount Gambier
Southern Border Fire Coordination Association	Mr Dominic Testoni	LC LGA
Limestone Coast Community Services Roundtable	Mayor Erika Vickery	Naracoorte Lucindale Council
Regional Development Australia Limestone Coast	Mayor Erika Vickery	Naracoorte Lucindale Council
	Mayor Richard Sage	District Council of Grant
	Mayor Andrew Lee	City of Mount Gambier

STRATEGIC ACTIVITIES 2016-17

1. INFRASTRUCTURE

	DESIRED REGIONAL OUTCOME		LC LGA ROLE	LC LGA ACTIONS 2016-17
1.1	Existing and future regional infrastructure is fit for purpose and has the capacity to meet the region's needs.	1.1.1	Regional Leadership	Lead the implementation of the LC LGA 2030 Regional Transport Plan, including a review in response to updated wood flow data and council requirements.
		1.1.2	Advocacy	Advocate for appropriate State and Australian Government investment in the upgrade, maintenance and operation of the South East drainage and bridge network, in partnership with the South East Natural Resources Management Board, RDA Limestone Coast and the South Eastern Water Conservation and Drainage Board.
		1.1.3	Council Coordination	Effectively coordinate regional submissions for the Special Local Roads Program to maximise investment in regional road infrastructure.
1.2	Councils to protect built heritage, heritage spaces and the region's cultural heritage.	1.2.1	Council Coordination	Effectively coordinate and manage a regional Heritage Advisory Service for the benefit of Constituent Councils and private owners.
1.3	Development of a regional approach to the maintenance and provision of improved and new infrastructure and utility services.	1.3.1	Advocacy	Advocate for the region for improved and sustainable services from State and Australian Governments in meeting our regional needs for: <ul style="list-style-type: none"> • Roads • National Broadband Network • Mobile phone coverage

1.1.1 LC LGA 2030 Regional Transport Plan: LC LGA member Councils had been considering developing key strategic documents to complement the 2030 Regional Transport Plan for the past few years. To progress this work, in September 2016 the Roads and Transport Management Group held a workshop facilitated by HDS Australia to not only discuss and map out the process to update the 2030 Transport Plan but to carry out a road deficiency assessment, develop Regional Road Action Plans with the final piece of work to develop an SLRP Roads database. This project commenced in November 2016 with the documents being formally endorsed by the Management committee in April 2017.

1.1.2 South East drainage and bridge network: Several meetings have been held with the Manager Drainage Operations with the Department of Environment and Natural Resources about the priority listing for road and bridge upgrades. We have continued to prosecute the regions concerns with the continued under-investment in the road and bridge network and highlighted the importance of this network to the continued economic viability of the region.

1.1.3 Special Local Roads: LC LGA submitted nine prioritised applications for funding under the Special Local Roads Program (SLRP) for 2016-2017, requesting a total of \$1,654,000.

STRATEGIC ACTIVITIES 2016-17

REGIONAL PRIORITY	COUNCIL	ROAD (PRIMARY PURPOSE)	PROJECT DETAILS	NEW / CONT PROJECT	2016-17 PROJECT COAST (\$M)	SLRP GRANT REQUESTED (\$M)	COUNCIL CONTRIBUTION (\$M)
1	Tatiara District Council	Meatworks Road (Freight)	Stage 1 - Reconstructing and upgrading the sealed road from the intersection of Pigeon Flat Road to the JBS Meatworks Factory (0.9km).	New	0.367	0.183	0.184
2	Tatiara District Council	Pigeon Flat Road (Freight)	Reconstruct and upgrade the 1.4km segment of Pigeon Flat Road from Meatworks Road to Cup a Cup Road	New	0.284	0.142	0.142
3	Naracoorte Lucindale	Bool Lagoon Road (Tourism)	Works will involve a complete re-construction of a 3.2km section of Bool Lagoon Road. The location of these works start from the Bool Lagoon Road intersection and finishes 2kms to the west at the intersection of Moyhall Road. Works will include the realignment and reconstruction of the existing 5.8m wide sealed pavement to a 9.0m pavement with a 7.0m bitumen seal. The pavement will be constructed from 300mm of 70mm minus crushed rubble and include the replacement of the stormwater drainage infrastructure. This pavement is 200mm wider than Naracoorte Lucindale Council's Road Hierarchy to give some protection of the seal edges and shoulders. Works will be completed by NLC works crew with rubble sourced.	New	0.830	0.415	0.415
4	District Council of Grant	Piaccaninnie Ponds Road (Tourism)	The road is sealed from a distance of 1km from Glenelg River Road with the remaining 2.2kms being unsealed. The South East Natural Resources Centre support the sealing of the road as the transport link needs to be maintained at its current level and will reduce erosion issues, improve public safety and accessibility to the Ponds precinct (boardwalk, regional walking trails and fishway). Access is currently restricted to private vehicles due to the state of the road.	New	0.300	0.150	0.150
5	Wattle Range Council	Wandillo Forest Road (Freight)	The project is proposed to be completed in stages, with Stage 1 rehabilitating and reconstructing approximately 1.5km. The additional staging to complete the project would be dependent on available funding at the time. It is anticipated to complete the project over four stages.	New	0.400	0.200	0.200

STRATEGIC ACTIVITIES 2016-17

REGIONAL PRIORITY	COUNCIL	ROAD (PRIMARY PURPOSE)	PROJECT DETAILS	NEW / CONT PROJECT	2016-17 PROJECT COAST (\$M)	SLRP GRANT REQUESTED (\$M)	COUNCIL CONTRIBUTION (\$M)
6	Naracoorte Lucindale	Coles Killanoola Road (Freight)	<p>Works will involve a complete re-construction of a 2.5km section of Coles Killanoola Road. The location of these works start from 1.35km South of Coles Spence Junction and finishes 3.85kms to the south of Coles Spence Junction Works will include the realignment and reconstruction of the existing unsealed pavement to a 10.0m pavement with a 6.8m bitumen seal in line with the construction recently completed by Wattle Range Council at the southern extent of this proposed work. The pavement will be constructed from 350mm of 70mm minus crushed rubble and include the replacement of the stormwater drainage infrastructure.</p> <p>This trafficable pavement is in line with Naracoorte Lucindale Council's Road Hierarchy with the extended shoulders to be consistent with works previously completed on this road between Wattle Range Council and Naracoorte Lucindale Council.</p>	New	0.783	0.382	0.196
7	Wattle Range Council	Furner Road (Social)	<p>Wattle Range Council proposes to renew 9.8 kilometres of road, the existing road is 6.2 metres wide and it has a 10mm single bitumen coat seal. It is proposed that Furner Road would be sealed with a new 7mm SAM reseal, these works shall provide additional skid resistance, and prolong the useful life of the road. The road will be linemarked with two coats of glass bead paint, several Intersections and junctions will have additional guide posts installed to increase delineation, and minor vegetation trimming works will increase clear zone widths. Furner Road is located approximately 10 kilometres Northwest of Millicent as shown in Appendix A, it is part of a main transportation route for vehicles heading in a Southerly direction from the community of Furner and its surrounding area. A bitumen sealing company has inspected the road, provided the seal design and a quotation for the above works, Council will complete the other works.</p>	New	0.200	0.100	0.100
8	Kingston District Council	Agnes Street / Holland Street / Hanson Street (Tourism)	<p>Council has undertaken a lighting audit through SA Power Networks and was advised of non-compliance throughout portions of the township. This application is for the upgrade of lighting in the main streets (district town centre) to meet the standard required. This project will involve the placement of lights on existing columns and installation of one (1) new column.</p>	New	0.080	0.040	0.040



1.2.1 Heritage Advisory Service: LC LGA currently engages Habitable Places Architects to deliver the Limestone Coast Heritage Advisory Services to Constituent Councils on a fee-for-service, under an Agreement for 2016-2021.

The Heritage Adviser works closely with and under the direction of Councils' planning and development assessment staff to provide timely and considered professional advice that includes:

- > Heritage conservation advice
- > Statutory DA assessment and advice
- > Policy advice to Council
- > Local Heritage Development Plan Amendments
- > CDAP/Heritage Committee
- > State Heritage Unit

A copy of the Heritage Advisors Annual Report for 2016-2017 is available from participating councils or the LC LGA.

1.3.1 Advocate for the region for improved and sustainable services from State and Australian Governments in meeting our regional needs for; roads, national broadband network and mobile phone coverage:

Discussions have continued to be held with the Department of Planning, Transport and Infrastructure about the road network and the need to look at more collaborative models of delivering road maintenance and capital improvements.

LC LGA has continued to work with RDA Limestone Coast, the LGA South Australia and Federal and State members of parliament to ensure our region is recognised for continued mobile black spot funding.

STRATEGIC ACTIVITIES 2016-17

2. SUSTAINABLE ECONOMY

	DESIRED REGIONAL OUTCOME		LC LGA ROLE	LC LGA ACTIONS 2016-17
2.1	A growing and diverse economy, based on the region's natural assets and innovative community, under the priorities of: Premium Food and Wine from our Clean Environment; and Growing Advanced Manufacturing.	2.1.1	Regional Leadership	Lead the Limestone Coast Economic Diversification Project. Convene the Limestone Coast Economic Development Group, and lead the implementation of the Limestone Coast Economic Diversification Group Work Plan.
		2.1.2	Advocacy	Strongly advocate for investment, projects, legislation/policy review or development to promote economic growth in the region.
		2.1.3	Partnership	Partner with RDA Limestone Coast to drive economic development projects for the Region.
2.2	A thriving and well-supported tourism industry, growing the region's status as a visitor destination.	2.2.1	Advocacy	Advocate for and support industry leadership and support the work of the Limestone Coast Collaborative and recently adopted regional Brand.
		2.2.2	Delivery	Deliver a Regional Tourism Industry Development Program for the Limestone Coast.
		2.2.3	Regional Leadership and Advocacy	Continue to represent the region at the Regional Tourism Chairs Forum at State level.
2.3	A sustainable population base with the skills and capability to grow regional economic development.	2.3.1	Advocacy	Assist key regional bodies and the South Australian Government with the objective to grow our population, develop our regional workforce, and to build skills and capability in our communities, through participation in the development of a Limestone Coast Attraction and Retention Strategy.

2.1.1 Convene the Limestone Coast Economic Development Reference Group: The Group continues to be an important forum to further regional priorities. The Group consists of LC LGA members, RDA Limestone Coast and the South East Natural Resources Management Board (SENRMB). It continues to work with the State Government through Primary Industries and Regions SA (PIRSA) and the Department of State Development. Some of the major projects discussed include:

- > Bio-economy project: RDA Limestone Coast continue to lead this project and have assessed a number of applications for feasibility of bio-economy concepts.
- > Regional Leadership Program: A steering committee has been formed and has been developing a pilot program that can be rolled out across the Limestone Coast. An application was submitted into the Building Better Regions Fund Community Stream with a decision on the success of the application expected in September 2017.
- > Investor and export ready: Member Councils continue to be very active in this space and have continued to investigate new markets and looking to investigate the regions readiness to export.
- > Innovation hub: preliminary work carried out to investigate the feasibility of developing a hub.
- > Red meat cluster: The Red Meat Cluster has continued to assess the potential of the sector and to gain valuable information related to Industry Benchmarking and Decision Support Systems. They have also conducted a successful series of agent workshops and run several informative webinars.

STRATEGIC ACTIVITIES 2016-17

- 2.1.2 Strongly advocate for investment, projects etc: We continue to have a strong working relationship with the RDA Limestone Coast and cooperate on regional projects.
- 2.1.3 Partner with RDA Limestone Coast to drive economic development: As the lead agency in the Limestone Coast we recognise the importance of resourcing the RDA so that they can continue to represent the regions interests. Our member Councils are looking to continue to be a strategic funding partner. The ongoing partnership will be guided by assessing key strategic projects related to economic diversification activities, the provision of a support service for small business and leadership to attract external funding into the region.
- 2.2.1 Advocate and support industry leadership: The Limestone Coast Collaborative has moved into a brand implementation phase and we will continue to investigate linkages into the work that the Collaborative envisaged and the benefits our member Councils can derive from this brand development and industry leadership.



In January 2017, the LC LGA officially became the custodians of the Limestone Coast Brand and oversee the ongoing governance and support along with the implementation and management of the regional brand

The LC LGA is currently working on the Activation & Implementation of the Limestone Coast Brand through the:

1. Development of a Brand Communication Strategy
2. Development of a Brand Implementation Plan

These two Plans are expected to be completed by August 2017 and detail a series of Strategies and Initiatives that will support and optimise engagement with the new LCC brand, its adoption, proliferation and stakeholder promotion and guide the work of the Limestone Coast Collaborative.

- 2.2.2 Deliver a Regional Tourism Industry Development Program: The regional tourism program continues to be a strategic partnership between LC LGA and the South Australian Tourism Commission. The focus has been to facilitate activities to develop business capacity, grow tourism business through more visitation and longer length of stay. This is achieved through a comprehensive work plan which aligns with the LC LGA Strategic Priority No.2 - SUSTAINABLE ECONOMY: A thriving and well supported tourism industry, growing the regions status as a visitor destination. In the past twelve months, we have endorsed the Regional Tourism Strategy and accompanying Implementation Plan
- 2.2.3 Regional Tourism Chairs Forum: LC LGA has continued to represent the region at the State Level. We have been representing the regions views to the State body and has sought directly from the LC LGA TIDM on many occasions to ensure our work plans remain relevant and in sync with other regional areas.
- 2.3.1 Assist key regional bodies and the South Australian Government with the objective to grow our population: The Limestone Coast Attraction and Retention Strategy is still being considered. Funding for the project has been set aside in the next twelve months to complete this work and to develop a Regional Growth Strategy. We continue to have discussions on the best way to approach the strategy with RDA Limestone Coast and Department of State Development.

STRATEGIC ACTIVITIES 2016-17

3. ENVIRONMENTAL SUSTAINABILITY

	DESIRED OUTCOME		LC LGA ROLE	LC LGA ACTIONS 2016-17
3.1	Local Government is a key partner in the sustainable management of the environment and natural resources in the region.	3.1.1	Advocacy and Partnership	Through implementation of the Local Government Resource Industry Protocol 2015, lead appropriate regional action to ensure that resource development projects, including mining and unconventional gas, are environmentally sustainable, have approval of impacted landholders, provide for community consultation, and are governed by legislation and regulation appropriate to the Limestone Coast.
		3.1.2	Partnership	In partnership with Natural Resources South East and RDA Limestone Coast, participate in the Climate Change Vulnerability Assessment and Planning Project.
3.2	A regional approach to landfill minimisation and innovative waste management.	3.2.1	Council Coordination	Coordinate shared resources for the Regional Waste Management Coordinator to deliver a regional approach to waste management.
		3.2.2	Delivery	In partnership with Constituent Councils, implement the South East Regional Waste Management Strategy to facilitate a regional approach to waste management.
3.3	Well-managed and protected terrestrial, wetland, coastal and marine environments, with active partnership from all responsible organisations.	3.3.1	Partnership	Partner with Natural Resources South East to deliver two Australian Government funded coastal projects: Implementing the Limestone Coast and Coorong Coastal Action Plan; and Limestone Coastwatchers.

STRATEGIC ACTIVITIES 2016-17

3.1.1 Local Government Resource Industry Protocol 2015: LC LGA continues to represent the region with regard to unconventional gas exploration and mining practices that are environmentally sustainable. Each member Council continues to communicate with their respective constituents and we remain open to having a mature debate about the perceived benefits of this industry whilst weighing up the impacts that may be caused to our fragile environment. The Limestone Coast is a unique part of Australia with vast groundwater reserves that should not be compromised if the best scientific evidence suggests there is a risk of environmental degradation or the chance of contamination.

3.1.2 Limestone Coast Regional Climate Adaptation Plan. The Limestone Coast Regional Adaptation Plan project is an initiative of RDA Limestone Coast, LC LGA and the SENRMB. The Regional Adaptation Plan identifies adaptation options for the Limestone Coast to address key vulnerabilities or opportunities presented by a changing climate. The LCRCCAP identified 10 key decision areas for action for the Limestone Coast:

1. Coastal Landscapes
2. Vulnerable members of the community
3. Water security
4. Irrigated agriculture, horticulture and viticulture
5. Marine habitats & fisheries
6. Natural ecosystems
7. Recreation, open space and public realm
8. Road infrastructure
9. Tourism
10. Wetlands

A Sector Agreement was signed between the Government of South Australia (represented by the Minister for Climate Change), LC LGA, RDA Limestone Coast and SENRMB at Bordertown on 11 September 2016. The Agreement will operate as a memorandum of understanding between the partners and sets out the partners' commitment and governance arrangements for implementing the actions in the LCRCCAP. The signatories of the Sector Agreement agreed that it would be beneficial for implementation of the LCRCCAP to formalise a committee. The Limestone Coast Climate Adaptation Committee (LCCAC) has been established to oversee the Implementation of the LCRCCAP

3.2.1 Regional Waste Management Coordinator: This is a fully funded position from the member Councils. The primary purpose of the position is to develop a regional approach to landfill minimization and innovative waste management. The management committee is made up of representatives of each of the member councils and meet bi-monthly to set priorities and monitor the work program.

3.2.2 Implement the South East Regional Waste Management Strategy: Initiatives for the past twelve months include; Public awareness campaigns through Bin Tagging and bio economy forum 'Waste? Make Money, Save Money', The Limestone Coast School Waste Reduction and Recycling Challenge & regional submissions to the Parliamentary Enquiry into Waste Management Industry & South Australia's Waste & Resource Recovery Infrastructure Plan.

3.3.1 Implement the Limestone Coast and Coorong Coastal Action Plan and Limestone Coastwatchers: LC LGA is actively involved in a number of coastal management initiatives in the Limestone Coast.

The Limestone Coast and Coorong Coastal Management Group is a sub-committee of LC LGA formed to implement the Limestone Coast and Coorong Coastal Action Plan. The Group comprises Local Government, State Government and community representatives, and focuses on all aspects of coastal management across the region, including biodiversity protection and enhancement, pest control, coastal access and tourism.

LC LGA is the proponent for two significant regional coastal management projects funded by the Australian Government:

1. Implementing the Limestone Coast and Coorong Coastal Action Plan 2012 – 2017. \$2,300,000, funded by the Australian Government Clean Energy Future Biodiversity Fund.
2. Limestone Coastwatchers 2013 to 2018. \$980,000, funded by the Caring for our Country program.

LC LGA sub-contracts the delivery of the projects to the Department of Environment, Water and Natural Resources in the region. Combined, the projects enable DEWNR to engage a number of staff to deliver key initiatives. A Project Management Committee has oversight of the projects, which includes the LC LGA Executive Officer & Project Manager, Mayor Peter Riseley of District Council of Robe and DEWNR staff.



IMPLEMENTING THE LOWER LIMESTONE COAST AND COORONG ACTION PLAN

- › Strong community participation was achieved through informal and formal activities and events to deliver coastal conservation actions. The program delivered 21 community capacity building events for groups, landowners and councils through field days, training, workshops and provision of equipment to facilitate on-ground works.
- › The project engaged at least 15 volunteer 'Groups' active in coastal conservation, three service clubs/progress associations, numerous private landholders, five councils and local Aboriginal communities in coastal conservation.
- › Together with the Burrendies Aboriginal Corporation, DEWNR facilitated the training and employment of local aboriginals, increasing the opportunity for future ongoing employment in the Department. The project also facilitated three traineeships with young indigenous people with local government.
- › The project implemented priority actions for 427 km and 124,568 ha of the South East Coast, targeting coastal biodiversity conservation and threat abatement: box baiting extended to 60,000 Ha of coastal environments know as significant beach nesting bird habitat; establishing 200 ha of coastal vegetation and protecting 100's Ha of coastal environment form inappropriate vehicle access. Weeds controlled over 19,000 ha of HCV coastal habitat. 200Ha of Biodiverse plantings achieved. Implemented 115 ha of controlled fire in coastal grasslands to control invasive shrubs. Protected > 1,300 ha of HCV habitat from inappropriate grazing or access

LIMESTONE COASTWATCHERS

- › Ongoing school education programs throughout the region
- › Deliver an annual holiday program to 5 coastal communities from Kingston SE through to the SA/Victorian border. This includes four coastal councils. Held in the first two weeks of January the program attracted over 1000 participants in 2017, and is increasing in popularity each year. Promoted by local councils through their Visitor Information centres and sought out by holiday accommodation providers the program introduces coastal conservation to a broader audience with the aim of fostering a greater sense of ownership and appreciation of the coast.
- › Involving over 200 people from 11 different groups, 50km of marine debris was cleaned up from Coastal beaches removing over 3.5 tonnes of rubbish.

STRATEGIC ACTIVITIES 2016-17

4. COMMUNITY AND SOCIAL WELLBEING

	DESIRED OUTCOME		LC LGA ROLE	LC LGA ACTIONS 2016/17
4.1	Regional communities have access to appropriate health and education services and facilities.	4.1.1	Advocacy	Advocate for expanded mental health and drug treatment services and support in the Limestone Coast. Encourage and support the initiatives of Constituent Councils to be expanded regionally, particularly regarding suicide prevention and other priority issues with significant impacts on regional areas.
4.2	Regional communities have access to programs and facilities promoting a healthy lifestyle.	4.2.1	Partnership and Delivery	Partner with Constituent Councils to deliver the Regional Public Health and Well-being Plan. Partner with the Office of Recreation and Sport to deliver the STARCLUB Program for the Limestone Coast. Partner with Constituent Councils to deliver the Limestone Coast Regional Trails Master Plan (Stage 2).
4.3	Local Government is a key regional partner in emergency management, road safety and other community safety programs.	4.3.1	Council Coordination	Assist to coordinate Constituent Councils' role in Zone Emergency Management to ensure appropriate role for Local Government in emergency response and recovery. This includes membership of the Zone Emergency Management Committee and the Zone Emergency Centre.
		4.3.2	Partnership and Delivery	Partner with the Motor Accident Commission (MAC), and work with relevant State agencies and community road safety groups to implement the South East Road Safety Strategy, including the engagement of a Regional Community Road Safety Officer to coordinate regional efforts to reduce road crashes and trauma.

4.1.1 Advocate for expanded mental health and drug treatment: At the February Board meeting we were presented with a proposal to support the Substance Misuse Limestone Coast project. Member Councils have set aside \$40,000 in the coming years budget to match the already announced \$40,000 grant obtained by the working party as part of the Federal Governments Local Drug Action Teams program. It is hoped that the State Government will also match this funding.

4.2.1 Regional Public Health and Wellbeing Plan:

Wellbeing and resilience has been identified as a vital link to improving a significant number of priority areas in Local Government Regional Health Plans and is also recognised at a regional level as a focus area by the agencies represented at the Limestone Coast Community Services Roundtable. Further to a public health context, improving the wellbeing and resilience of our community is also considered an integral key to providing a sustainable solution for diversifying our transitioning economy.

The Region has experienced the impact of a transitioning manufacturing sector, as well as challenging conditions for the agricultural economy, with drought conditions declared in the Upper Limestone Coast for two consecutive years. The region is experiencing rising unemployment, with pockets of high socio-economic disadvantage in some parts of the region.

STRATEGIC ACTIVITIES 2016-17

It is recognised that the wellbeing and resilience of the Limestone Coast community underpins all aspects of regional life.

A detailed proposal was presented to the Premier's office but unfortunately, we were unsuccessful in our attempts to obtain the funding for the program. Over the past few months we have been gathering additional data to support a future bid albeit under a different model to the original proposal.

4.3.1 Zone Emergency Management: LC LGA and all Constituent Councils are members of the Zone Emergency Management Committee with responsibility for regional emergency preparedness and response planning and implementation.

The LC LGA Executive Officer is the Local Government Controller on the Zone Emergency Centre. The Centre is activated in the case of a regional emergency; the role of the Local Government Controller is to provide a single point of contact for Local Government across the region for the Control Agency to enable the efficient transmission of information and coordination of resources.

The Executive Officer also attends the Southern Border Fire Coordination Association meetings with representation from our neighbouring shires in Victoria.

During the past twelve months, the State Government released the updated State Emergency Management Plan. One of the key changes in this Plan is that Local Government sector is now considered a whole of Government Group and the LGA have been instrumental in establishing the Local Government Functional Support Group. The LC LGA and other regional LGA's have been assisting the LGA SA in progressing this work and continues to play a vital role in Local Governments involvement in emergency management.

4.3.2 Partner with Motor Accident Commission: The Limestone Coast Local Government Regional Road Safety Partnership is unique in South Australia.

This three-year partnership project (2014 – 2017) sponsored by the Motor Accident Commission and supported by regional stakeholders continues to generate positive results. It provides evidence that builds a clear case for the successful delivery of road safety initiatives in the region from the very region it serves. The employment of a Regional Community Road Safety Officer (0.6 FTE) provides leadership and coordination within our region. The initial MAC-LC LGA partnership agreement ended on the 30th June 2017.

Local Government has key role as a partner in the continuing campaign "Towards Zero Together" the State Road Safety Strategy 2020. To this end, we have embedded road safety within our core "Health and Well Being" function and integrated road safety into the work we do within our regional roads and transport and emergency management services.

Pleasingly, LC LGA have been able to have the pilot extended for a further 12 month term which will see the past three years work continue throughout the Limestone Coast. We are very grateful to the Motor Accident Commission for the extension and look forward to a continued positive working relationship.

5. LC LGA GOVERNANCE, LEADERSHIP & FINANCIAL SUSTAINABILITY

	Desired Outcome		LC LGA Role	LC LGA Actions 2016-17
5.1	LC LGA is recognised as the regional leadership body which provides a framework and coordination for other regional groups.	5.1.1	Regional Leadership	<p>Lead regional advocacy and action on priority issues, and actively engage and coordinate partner organisations' action on common regional issues, including:</p> <ul style="list-style-type: none"> Emergency Services Sector Reform Unconventional gas exploration and development in the Region <p>Facilitate active engagement and participation of Constituent Councils on issues and decisions that impact their communities.</p>

STRATEGIC ACTIVITIES 2016-17

5. LC LGA GOVERNANCE, LEADERSHIP & FINANCIAL SUSTAINABILITY

	Desired Outcome		LC LGA Role	LC LGA Actions 2016-17
5.2	Regional Local Government is effective and cost efficient.	5.2.1	Council Coordination	<p>Deliver Stage 2 of the Regional Planning Alliance Project and the Memorandum of Understanding between all Constituent Councils.</p> <p>Identify and coordinate practical opportunities for joint investment, shared services and resources between Constituent Councils and the LGA that improve service delivery and provide cost savings.</p> <p>Coordinate and convene specialist LC LGA Working Groups to address and take action on regional issues of common interest to Constituent Councils, including:</p> <ul style="list-style-type: none"> • LC LGA Roads and Transport Working Group • Limestone Coast Economic Development Reference Group • LC LGA Regional Waste Management Committee • Regional Sport and Recreation Advisory Group • Regional Planning Alliance Implementation Group • Limestone Coast Tourism Management Group
5.3	A well-governed regional organisation.	5.3.1	Delivery	Finalise the review of the LC LGA Charter with endorsement from all Constituent Councils.
5.4	LC LGA maintains its reputation with State and Australian Governments as a leading Local Government body and effective advocate for the Limestone Coast.	5.4.1	Advocacy	<p>Lead effective and targeted advocacy campaigns on priority regional issues, in partnership with Constituent Councils, the LGA and regional organisations as appropriate.</p> <p>Continue to be active members of SAROC and the LGA Board to support LC LGA's advocacy on regional issues and issues affecting Local Government.</p> <p>Lead the region's response and input to the State and Australian Governments on key issues and opportunities, acting as a single point of contact for regional visits and requests.</p>

STRATEGIC ACTIVITIES 2016-17

5. LC LGA GOVERNANCE, LEADERSHIP & FINANCIAL SUSTAINABILITY

	Desired Outcome		LC LGA Role	LC LGA Actions 2016-17
5.5	Effective communications with Constituent Councils, partner organisations and the community.	5.5.1	Delivery	<p>Renew the LC LGA website to a modern platform to provide an up-to-date communication tool.</p> <p>Continue LC LGA representation on key outside organisations.</p>
5.6	LC LGA financial processes are transparent and efficient, ensuring a sustainable financial position.	5.6.1	Delivery	<p>Implement an annual program of budget development, consultation, adoption and review.</p> <p>Ensure that the LC LGA Board and Constituent Councils are provided with bimonthly financial and performance reports, and an Annual Report.</p> <p>Explore approaches to attract funding for LC LGA to deliver or partner on priority regional projects, in particular the Regional Planning Alliance and Regional Trails Implementation projects.</p>

5.1.1 Lead Regional Advocacy: As the peak Local Government body in the region, LC LGA continues to work closely with our local Members of Parliament, Federal Member for Barker Mr Tony Pasin, Member for Mount Gambier Mr Troy Bell, and Member for Mackillop Mr Mitch Williams, and commends the work they do on behalf of our region. Additional to maintaining these close working relationships we also maintain close contact with both the State and Federal Government and regularly meets with Ministers and senior agency staff on issues relevant to the Region. During 2016 - 2017, LC LGA maintained its close partnership with the Hon Geoff Brock MP, Minister for Local Government and Minister for Regional Development.

5.2.1 Regional Planning Alliance: Work is continuing with the project to investigate Regional Planning. Delays with the project have occurred principally due to the Planning, Development and Infrastructure Bill 2015 not being passed by parliament until May 2016. LC LGA were successful with our bid to take part in the Pilot program to role out the new legislation with the first workshops being planned for July 2017.

5.4.1 Targeted Advocacy Campaigns on regional priorities and representation at SAROC: President of the LC LGA Mayor Erika Vickery and the Executive Officer Dominic Testoni continue to attend SAROC meetings and have input into the many regional issues that are elevated to the LGASA Board for consideration.

5.5.1 Review Website and develop effective communications strategies: This project will continue into the next financial year in an effort to develop a communication strategy and platform that best targets and represents the important regional work that we undertake. Developing a modern platform for communication is seen to be essential to continually inform, not only our regional and state partners, but to broadcast our regional strengths to an international audience. The Limestone Coast region is a power house of the South Australian economy and our goal is to ensure we have the best resources available to communicate that message.

5.6.1 Financial Reporting and budget development:

We continue to hold our bi-monthly Board meetings across the Limestone Coast with the full suite of financial reports and project reports being tabled for consideration. Throughout the year many motions are also tabled for the Board's consideration and we thank those member Councils for utilising the strength of the regional body to prosecute their case to the State and Federal levels.

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REGIONAL TOURISM

The South Australian Tourism Commission has one single strategic partnership with each region in South Australia (there are 11 regions including Limestone Coast).

The Limestone Coast Local Government Association is the preferred partner and we enjoy a strong working relationship which supports the strategic alliance. The SATC provides \$45k pa to LC LGA, plus access to a further \$20kpa for consumer facing activity which needs to be met. This financial agreement outlines pertinent KPI's to be achieved like being an in-region liaison for industry, political acumen and local intelligence. In addition, there is a requirement for the Tourism Industry Development Manager to assess certain funding applications that may have a tourism outcomes, for example Events Funding & Wine Industry Scheme Funding.

In the last 3 years, the Tourism Industry Development Manager has attracted and secured circa \$170k in additional funding for tourism initiatives, averaging close to \$60k per year. This has occurred across a number of areas including, but not limited to: Trade Show Subsidies from Tourism Australia and SATC, co-operative marketing activities, grants from other stakeholder organisations like the Southern Australian Touring Route Inc. (responsible for the Melbourne to Adelaide Touring Route and Explorers Way).

The region has been elevated in domestic tourism and global through association and representation with the Australian Tourism Export Council. This year the LC LGA will be submitting an application for the SA Tourism Awards to recognise the significant body of work to develop a regional set of Priorities to grow the Visitor economy by 2020. This plan is very well regarded across the regions of South Australia as a highly strategic approach to regional tourism. We believe we are leading the way with our current Regional Tourism Framework.



HIGHLIGHTS

FAMILS

- > Hosted The Today Show in region (Robe), reaching over 1.6M viewers, valued at \$400k (while not specifically a Mount Gambier area, we note that this exposure will help self-drive throughout the region). There was only 2 other South Australian regional places visited.
- > Hosted Trailfinders, arguably the biggest single wholesaler in the UK, responsible for sending 70,000 visitors to Australia each year. This was a result of 3 years of meetings in the UK during Trade Events /educational visits and with the decision makers about the importance of an extra night stay in the Limestone Coast while travelling the Melbourne to Adelaide Touring Route.
- > Hosted the entire marketing team from SATC in region (over 2 weeks). Visited 46 business/experiences.
- > Hosted various members of the Destination Development Team from SATC over the past 3 years to help improve visitor experiences, improve visibility online (digital capabilities) and encourage investment.
- > Hosted Ambercrombie & Kent for a famil throughout the region to entice Cruise Ship on-shore excursions from Portland to Limestone Coast. While most of the region is deemed an emerging option, the City centre of Mount Gambier will be introduced into the 2017/2018 season as an on-shore excursion.
- > Hosted c-Trip in region, arguably the biggest online booking engine globally. This famil was to introduce tourism properties and encourage businesses to consider being contracted with C-Trip (paying commissions on bookings).
- > Hosted representatives from Events SA during the Fringe Festival.

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HIGHLIGHTS (CONT.)

INDUSTRY

- › Regular meetings with the tourism personnel from Mount Gambier Council to keep abreast of opportunities to work together and grow the visitor expenditure.
- › Assisted 5 applicants with submissions to PIRSA Wine Industry Scheme.
- › Partnered with SATC to deliver Understanding China Workshops (held in Coonawarra), highly successful. Further, conducted audits of businesses to ascertain their relevance and readiness to engage with the China market (inbound)
- › The LC LGA partnered with the SATC & South Australian Tourism Industry Council to deliver a series of business capacity building workshops in the region based on the following themes: Marketing, Social Media and Branding. A total of 67 tourism operators participated in these workshops.



TRAVEL TRADE MISSIONS

- › In 2016, met with 300 wholesalers in 2016 – face to face targeted appointments in our key international markets UK, Europe, USA, NZ, Asia/China. The tool for this activity is a trade brochure produced by LC LGA – there are 9 Mount Gambier businesses featured out of 18 involved with this – that meet distribution requirements i.e. pay suitable commissions to be represented in the distribution system.
- › An outcome of only 1 of these appointments resulted in a package being designed and presented to the wholesaler with a minimum \$200k per annum being pumped into the regional economy. This same wholesaler is now (2years on) looking to create a higher-end version, which could result in approx ... \$350k pa, over and above the \$200k.

STRATEGIC

- › Developed a Priority Plan for growing the Limestone Coast Visitor Economy, endorsed by LC LGA Board. Noting the region has been without a regional tourism plan since 2010. This work was built via the LC LGA Tourism Management Group, with a senior representative from each council.
- › An important element to this body of work was the partnership with our 875 tourism operators across the region and 24 individual tourism groups and organisations. This collaboration will drive growth across the visitor economy.
- › Maintained and strengthened the Strategic partnership between the South Australian Tourism Commission and the Limestone Coast region.
- › In addition, represented Limestone Coast tourism sector with state and federal agencies, plus the South Australian Tourism Industry Council.
- › Supported (plus in-kind) the work of the Limestone Coast Collaborative and was instrumental in assisting the LC LGA consider becoming the governance arm for the LCC when the funding was acquitted from WRC.
- › Currently developing a piece of collateral (print and digital) to capture the China relevant tourism experiences available on the limestone coast, with plans to extend across our regional WeChat Channel (under construction).
- › Attended all Caravan & Camping Shows from 2014 – 2016, representing the LC region.

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WASTE MANAGEMENT

Waste Management remains a critical regional issue for the seven Constituent Councils. Through the Regional Waste Management Project, LC LGA together with the seven Constituent Councils examine ways to create efficiencies in regional waste management, in particular to coordinate regional waste management initiatives. The project is administered by the Regional Waste Management Coordinator, June Saruwaka.

'Engaging with the community to create more awareness on correct waste disposal.'

This was achieved through:

The Limestone Coast School Waste Reduction and Recycling Challenge, which will be held over three years. The challenge commenced on the 6th of February and ended on the 7th of April 2017 with a total 6 schools participating. These were Bordertown High School, Grant High School, Independent Learning Centre, Newbery Park Primary School, Penola Primary School and St. Anthony's Catholic Primary School.

Schools competed in the following 3 competition categories:

1. The least general waste.
2. The most recyclables.
3. The least amount of general waste and recycling generated.

Prizes were awarded to the top three schools in each category as follows - First Prize - \$1,000, Second Prize - \$500, Third Prize - \$250.



Grant High School: Winners of Category 1 and 3

OUTCOMES

- > Approximately 1,620 pupils and staff members engaged.
- > 10% decline in general waste generation and 15% decline in generation of recyclables (results of first and fourth week data compared).
- > Schools developed or improved strategies to reduce waste sent to landfill and are continuing to implement them, even after the challenge ended. Strategies used include nude food days, putting up posters around schools in strategic positions; newsletter articles; encouraging students to make their own sandwiches rather than buying sandwiches as these have a lot of packaging; and encouraging students to dispose waste in the correct bin.

BUSINESS WASTE REDUCTION PROJECT

Piloted a Business Waste Reduction Project with City of Mount Gambier in a bid to reduce waste sent to landfill from businesses. 9 businesses participated in the pilot project.

BEVERAGE CONTAINER RECYCLING GRANT

A Campaign to raise awareness on disposing waste in the correct bins at sporting facilities was awarded funding to the tune of \$12,370 by Keep Australia Beautiful from the Beverage Container Grant. This is an expansion of the public place recycling project and captures the public when away-from-home. The rationale behind this was that sport is a big crowd-puller and in the Limestone Coast, Australian Rules popularly known as 'Footy' and netball attract an average of 15,000 people every weekend from April to October. The campaign was held at 16 sporting facilities. Fence signs, canteen signs and banners were erected at participating clubs.



GARAGE SALE TRAIL

8 Councils in South Australia participated in the **Garage Sale Trail** on 22 October 2016 and 4 of these were from the Limestone Coast Region. The 4 Councils which participated are Naracoorte Lucindale Council, City of Mount Gambier, Wattle Range Council and the latest council to join the event, District Council of Grant. A total 123 garage sales/stalls were recorded for the region which is an increase of 16 garage sales/stalls from the previous year.

This year 11,200 pre-loved items went on sale, which is an increase of over 40% from last year's 6,700. The impact of the Garage Sale Trail on waste is that, illegal dumping is reduced as all participants who took part in the event pledged not to illegally dump. It is projected that 2,036 sellers and shoppers will have a change in their attitude towards waste.

BIOENERGY

Bioenergy - Interest in waste to energy continues to grow in the region with the region having been identified as being abundant in biomass.

The infographic provides a snapshot of available biomass waste in the Limestone Coast Region.

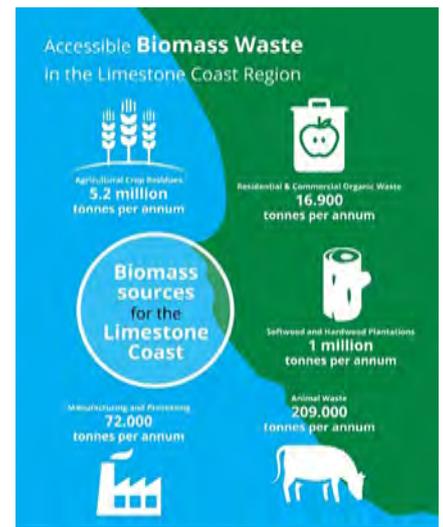
On 24th November 2015, the South Australian Government announced the first stage of the Bioenergy Roadmap for South Australia.

Stage 2 of this Roadmap focuses on hot-spot areas and laying the groundwork for new bioenergy projects in South Australia.

This led to the establishment by the State Government of the Bioenergy Roadmap Programs (BRP), a \$150,000 initiative which provides assistance with pre-feasibility and feasibility funding as well as establishing a regional point of contact for mentoring and information sharing.

The Bioenergy Roadmap Program includes two components:

- i. Bioenergy Connect Program
- ii. Bioenergy Feasibility Fund



The table gives a summary of applications received under the Bioenergy Connect Program for the 2016/17 financial year.

Number of Applications received for a pre-feasibility study	Number of applications approved for pre-feasibility	Number of applications in progress (pre-feasibility stage)	Number of applications not through to feasibility stage	Number of applications through to feasibility stage
10	10	6	1	3

INFORMATION EXCHANGE

- > Promoted information exchange between all Constituent Councils through holding meetings every two months. Through these regular meetings, the committee is moving in one direction as Councils in the region face similar challenges. Guests from the waste industry were invited to some of the meetings.
- > Made a submission to the consultation process on 'South Australia's Waste and Resource Recovery Infrastructure Plan.'

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SPORT AND RECREATION

Local Government recognises the importance of sporting and recreation clubs to regional communities, and is pleased to partner with the Office for Recreation and Sport to deliver the STARCLUB Program in the Limestone Coast. The STARCLUB Program promotes involvement in recreation and sport by supporting all sporting and recreation clubs in the Limestone Coast in the areas of leadership, financial sustainability, compliance, planning and volunteer management. LC LGA hosts the STARCLUB Field Officer, who serves as an on-ground resource and a conduit between clubs, councils, associations and the Office of Recreation and Sport.

STARCLUB PROGRAMME

The STARCLUB Field Officer has met face to face with 84 clubs in the Limestone Coast in the past 12 Months. These meetings have provided clubs with advice on Strategic Planning, Financial Management, Risk Management, Constitution Support, Incorporation, Coaches and Officials, Volunteers, Succession Planning, Equal Opportunity, Complaint Handling, Grant applications and sourcing of Grants and Child Safe Policies and Procedures.

The Field Officer has also helped 12 Clubs become Fully Recognised STARCLUBS taking the total in the region to 34 Fully Recognised STARCLUB's - nearly half of all STARCLUB's in South Australia.

The STARCLUB Field Officer also provided training and education for clubs in the region.

- › 3 Strategic Planning courses – Mount Gambier 25 Attendees, Representing 14 clubs/associations. Naracoorte 1 Attendee, representing 1 club. Bordertown – 10 Attendees, Representing 6 Clubs
- › 2 Child Safe Officer Courses – Mount Gambier 19 Attendees, Representing 15 Clubs/associations. Naracoorte – 2 Attendees, Representing 2 clubs
- › 2 Coaching Excellence Workshops in Mount Gambier Strength and Conditioning– 61 Attendees, Representing 31 Clubs/associations.
- › Sports Nutrition – 26 Attendees, Representing 18 Clubs/Associations



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GRANTS

- › The LC LGA Sporting Grants provided \$10,000 to fully recognised STARCLUB's which provided much needed training, equipment and minor facility upgrades to clubs.
- › \$5,000 grant to run sporting excellence seminars across the region and provided SASI Talent Search testing in Naracoorte and Mount Gambier – with some very positive results being recorded.
- › 2016-17 Community Recreation and Sport Facilities Program
 - › McLaughlin Park Sports Incorporated - McLaughlin Park change rooms project - \$400,000
 - › Naracoorte & District Basketball Association Incorporated - Naracoorte Indoor Sporting Complex - \$30,000
- › Female Facilities Program
 - › Border Districts Netball Club Incorporated new female friendly change rooms and amenities as part of a facility upgrade at Frances Recreation Reserve - \$347,606
 - › Millicent and District International Basketball Association Incorporated - Redevelopment of existing facility to a female friendly change room at McLaughlin Park - \$40,000
- › Round 42 Active Club Program
 - › Blue Lake Golf Club Incorporated - To assist with Program and/or Equipment Funding - \$5,000
 - › The Blue Lake Gymnastic Club Incorporated - To assist with Program and/or Equipment Funding - \$3,921
 - › Borderline Speedway Incorporated - To assist with Program and/or Equipment Funding - \$5,000
 - › Keith Bowling Club Incorporated - To assist with Program and/or Equipment Funding - \$4,190
 - › Kingston S.E. Golf Club Incorporated - To assist with Program and/or Equipment Funding - \$4,191
 - › Penola KNT Netball Club Incorporated - To assist with Program and/or Equipment Funding - \$4,190

NEW INNIATIVES



LIMESTONE COAST REGIONAL SPORTING ACADEMY (PILOT PROGRAM)

In partnership with the Office for Recreation and Sport and the LC LGA, a 12-month Pilot Elite Sporting Academy will start in September 2017. Funding for this pilot will be equal contributions of \$20,000 from the ORS and the LC LGA. The Academy will provide Strength and Conditioning Training as well as education to athletes to close the gap between what is available to regional and metro competitors. We are having discussions with State Sporting organisations and Universities which will see partnerships formed that will allow the formation of a full scale multi-sport elite Academy in the Limestone Coast which will provide enormous benefit to athletes and their families across our region.

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REGIONAL ROAD SAFETY

The partnership with the Motor Accident Commission continues the delivery of the Limestone Coast Regional Community Road Safety Project. The project engages a Regional Community Road Safety Officer (0.6 FTE) to work with community groups and provide leadership in Limestone Coast road safety. The role extends well beyond the work that is done in support of Regional Community Road Safety Groups, MAC, member Councils, State Authorities and agencies, as it also reaches out to industry, schools, sport and recreation clubs, church groups and regional media to promote and deliver road safety messages.

By working closely with the Motor Accident Commission (MAC) road safety messaging is consistent with MAC's campaigns and agendas to achieve extended reach of MAC initiatives and those of SAPOL's.

Our member Councils have witnessed and reported on an increased level of community road safety responsibility through engagement in their Local Government Areas. The project has revived the majority of volunteer road safety groups that were seriously considering folding, a positive outcome in contrast to the demise of other groups in regional and rural South Australia. The Limestone Coast Road Safety Groups as one, attribute their revival to the support and commitment provided by the partnership's Regional Community Road Safety Officer, a position that would not have been possible without the support of the Motor Accident Commission.

Whilst the current program has come to end on the 30 June 2017, we have had continued discussions with the Motor Accident Commission about phase two of the pilot set to commence on the 1st July 2017 for a further twelve-month period.



Key outcomes for the Road Safety Program in 2016/17 include:

COMMUNITY ENGAGEMENT

- › Engaged with and support Community Road Safety Groups that operate in the Upper, Mid and Lower South East.
- › In conjunction with Rotary assisted with the coordination of Road Safety Education (RSE) "Rotary Young Driver Awareness (RYDA) program in September 2016. 99 students from 7 regional schools participated.
- › Provided support to members of the Padthaway APEX Club who convened a Road Awareness Project community road safety event in the Upper SE regional centre of Naracoorte in November 2016
- › With support of the Department of Planning, Transport and Infrastructure (DPTI), and the Council of the Ageing (COTA), facilitated "Moving Right Along" sessions to Probus Clubs in the Tatiara region.
- › Introduced DPTI's "Way2Go" program to the LC LGA for increased community participation.
- › Developed a 2017 Road Safety Calendar that involved contributions from students from Melaleuca Park and Suttontown Primary Schools. This was a collaboration with the Mount Gambier and District Road Safety Group, SAPOL and SAMFS.
- › Assisted the Wattle Range Road Safety Group and Council with the planned upgrade of the regional road safety training centre in Millicent.
- › Promoted the existence of Community and Regional Grants, e.g. DPTI's Community Grants supported by MAC and the RAA's regional safety grants.
- › Alerted industry to informative and business improvement (safety/economic benefits) opportunities through webinars. For example, highlighting "Fresh Thinking on a Tired Subject" fatigue to members of the region's heavy vehicle industry.
- › The introduction of "Slow Down, Kids Around" in December 2016 in all 7 member Councils was a first for South Australian LGA's adding to the 10 LGA's in Australia already hosting this road safety campaign for our young pedestrians.
- › Organised a Voluntary Breath Testing unit at the AFL JLT Community Football pre-season match between Port Power and the Richmond Tigers on 5th March in Mount Gambier. Tests conducted in collaboration with SAPOL and the local Mount Gambier and Districts Road Safety Group.
- › Together with SAPOL Road Safety Educator's promoted and presented MAC Community Football Road Safety presentations to Limestone Coast football clubs.
- › Encouraged regional participation in the 4th UN Global Road Safety Week.
- › Canvased support for a Department of Planning and Infrastructure (DPTI) carpooling project with a selection of societies, groups and clubs.
- › Promoted International and National road safety days, e.g. "World Day of Remembrance for Road Traffic Victims" in November & "Fatality Free Friday" in May.

PROJECT OFFICERS - ANNUAL REPORTS 2016-17

SAFE ROAD USERS

- › Developed a "Lights on During Daylight Driving" that was implemented on regional TV and radio (7/08/16-1/10/2016). Designed to reduce the number and severity of MV crashes during daylight hours it was timed to run during the Rio Summer Olympics and winter driving conditions. The campaign was extended so that it also benefited from peak viewing and listening periods to include the 2016 AFL Final series.
- › Assisted with the promotion and coordination of the Annual Regional "Lights and Car Safety Check" championed by Rotary in the Limestone Coast. Evening sessions were held at Bordertown, Naracoorte, Millicent and Mount Gambier the first Thursday after the end of daylight saving.
- › The Limestone Coast has the highest tourist visitation rates in regional South Australia and the self-drive market comprises the majority of our visitors. Recognising this, a creative full page insert and accompanying editorial was placed in the "Stay Another Day" regional tourism magazine. The magazine with a print run of 20,000 has a long shelf life and now offers several road safety tips to keep visitors & residents safer on our roads.
- › Successful launch of the "Slow Down, Kids Around! Holiday Time" road safety and "Hold My Hand" road safety messages. Michelle and David McLaughlin of the Little Blue Dinosaur Foundation delivered 3 road safety sessions for pre-schoolers and reception classes in regional schools.
- › Assisted managers of regional Migrant Resource Centres identify and take up opportunities for driver education for new arrivals. For example, SAPOL Road Safety Educators delivered sessions to members of the Hazara people from Afghanistan and migrants from Pakistan.
- › Introduced the Preventing Alcohol Related Road Trauma in Youth (PARTY) program to regional road safety groups in the Limestone Coast. Liaison with education unit at the Mount Gambier and Districts Regional Health Service to encourage the wider uptake of road safety education and intervention programs for senior students.
- › Participated in a Goodsports forum on "Tackling Illegal (Elite) Drugs with representatives from regional sporting clubs.
- › Facilitated the distribution of 6 high quality road safety signs (DPTI approved) to member Councils for placement on local roads promoting the "See and Be Seen" message

SAFER CYCLISTS

- › Coordinated bicycle road safety sessions coinciding with the Tour of the Great South Coast in August. In 2016, 3 Council areas and 3 professional racing teams participated in this inspirational and educational program that enabled 800 students from 6 schools to receive health and wellbeing messages focused on cycling and road safety.
- › Won the 2016 Safe Cycling Award for Regional Councils over 10,000 residents sponsored by MAC and the LGA of SA. This award acknowledged our efforts over 3 years in encouraging and promoting safe cycling with young members of our community.
- › Encouraged Councils to participate in online webinars that cover national issues and best practice on Logistics/Construction of Safe Cycling and Safe Cycling as offered by the National Road Safety Partnership Program (NRSPP).

SAFER ROADS

- › Continued the Country Footy SA scoreboard campaign that highlighted the unnecessary level of road trauma on regional and rural roads. The format was changed in Summer so that it was in step with the sport of cricket. This weekly road safety message is circulated to all community road safety groups in South Australia as well as member Councils and interested community groups.
- › Contributed to the Fairfax Media 5-week State wide "Arrive Alive" road safety campaign in the lead up to Christmas 2016. Liaise with Fairfax regional management to identify locals who were willing to share their traumatic road safety experiences with readers.
- › Set up a "Blessing of the Roads" ceremony outside the Mary MacKillop Centre in Penola on December 23rd. A Christmas road safety message aimed at all travellers and families who travel at what should be a joyous time of year.
- › Invited to become a member of the Limestone Coast Local Government Association's Roads and Transport Working Group.
- › When necessary, assisted road safety groups draw road hazards to the attention of the relevant authorities. For example, access issues for vehicles to pull into and out of rest areas, quarantine stations on our state borders.
- › Encouraged the community to respond to the "Risky SA Roads" survey conducted by the Royal Automobile Association of South Australia and promote the locations of Driver Reviver Stations set up in regional South Australia and Western Victoria.

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SAFER SPEEDS

- › All member Councils participated in the successful "Slow Down, Kids Around! Holiday Time" and "Hold My Hand" road safety campaign introduced over the summer school holidays. An initiative that highlights to drivers, parents, guardians and young children of the increased risk associated with children playing on or near roadways and parks with which they are not familiar.
- › Coordinated a collaborative bid between the LCLGA, The City of Mount Gambier and the Riddoch Art Gallery to host renowned artist, Patricia Piccinini's innovative award winning sculpture "Graham" in Mount Gambier. Graham is remarkable sculpture that illustrates the fragility of the human body when it comes to surviving crashes at speed.
- › In conjunction with the Mount Gambier and District Road Safety Group, the District Council of Grant pursued opportunities for the placement of "Slow Down" decals on householder's rubbish bins that are collected from kerbsides each week. The DC of Grant are keen to introduce this initiative in 6 of their townships in the first half of 2017/2018.
- › Supported the Lions Club of Robe with their application to the RAA for the funding of their "Slow Down, Robe Town" bin stickers initiative.

MEDIA

- › Regional media has continued to demonstrate their commitment to regional road safety with their willingness to distribute key road safety messages. We acknowledge ABC SE Local Radio, Southern Cross Austereo, WIN Television, The Border Watch and Fairfax regional media for their support.
- › Our use of social media that began in 2016 is now an important part of our communications package. Facebook posts highlighting campaigns, issues and events are used regularly to educate all road users.

ACKNOWLEDGEMENTS

LC LGA acknowledges the Constituent Council Mayors, Elected Members, Chief Executive Officers and staff for their support of the regional role of the Association.

During 2016 - 2017, the LC LGA Board engaged a small team to implement a diverse and comprehensive regional work plan: Dominic Testoni (Executive Officer), Michaela Bell (Projects Manager), Tony Elletson (LC LGA Star Club Field Officer), Rob Forgan (Community Road Safety Officer), Biddie Shearing (LC LGA Tourism Industry Development Manager) and June Saruwaka (Regional Waste Management Coordinator). The Team farewelled Alice Macleod (LC LGA Administration Officer until January 2017) and welcomed Mae Steele (Executive Support Officer in January 2017)

The Local Government Association SA has continued to provide strong support to LC LGA and its members throughout the year. LC LGA acknowledges the contributions of SAROC members, Chief Executive Officer Matt Pinnegar and the many LGA staff that have supported LC LGA throughout the year.

The Local Government Research and Development Scheme funding has enabled LC LGA to undertake a range of additional projects throughout the year.

LC LGA enjoys a close working relationship with RDA Limestone Coast Board members and staff.

Dominic Testoni
Executive Officer

LIMESTONE COAST LOCAL GOVERNMENT ASSOCIATION

FINANCIAL REPORTS

30 JUNE 2017





**Limestone Coast Local Government
Association**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 June 2017**

Limestone Coast Local Government Association

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Limestone Coast Local Government Association

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Income			
Local Government Council Contributions	2	635,890	697,375
Other Contributions	2	229,313	352,806
Other Income	2	94,152	164,317
Project Income	2	794,787	693,300
Total Income		1,754,143	1,907,798
Expenses			
Operating Expenses	3	(201,469)	(260,033)
Salaries and Wages	4	(503,753)	(460,912)
Project Expenditure	5 & 5a	(1,087,339)	(1,215,307)
Total Expenses		(1,792,561)	(1,936,251)
Total Comprehensive Profit (Loss)		(38,418)	(28,453)

The accompanying Notes form part of these financial statements

Limestone Coast Local Government Association

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash and Cash Equivalents	6	864,031	864,432
Trade and other receivables	7	113,204	17,649
Total Current Assets		<u>977,235</u>	<u>882,081</u>
Total Assets		<u>977,235</u>	<u>882,081</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	32,448	19,918
Staff Benefits	7	24,806	22,182
Other Liabilities	9	526,541	408,123
Total Current Liabilities		<u>583,795</u>	<u>450,223</u>
Total Liabilities		<u>583,795</u>	<u>450,223</u>
Net Assets		<u>393,440</u>	<u>431,858</u>
Member's Funds			
Accumulated surplus		393,440	431,858
Total Members Funds		<u>393,440</u>	<u>431,858</u>

The accompanying Notes form part of these financial statements

Limestone Coast Local Government Association

**STATEMENT OF CHANGES IN MEMBER FUNDS
FOR THE YEAR ENDED 30 JUNE 2017**

	Accumulated Surplus \$
2017	
Balance at the beginning of the year	431,860
Surplus for the year	(38,418)
Balance at the end of year	<u>393,441</u>
2016	
Balance at the beginning of the year	460,313
Surplus for the year	(28,453)
Balance at the end of year	<u>431,860</u>

The accompanying Notes form part of these financial statements

Limestone Coast Local Government Association

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash from operating activities			
Receipts from members		635,890	695,828
Other receipts		1,022,698	1,211,970
Payments to suppliers		(1,658,989)	(1,939,666)
Net cash provided from operating activities	11	(401)	(31,868)
Net increase in cash held		(401)	(31,868)
Cash at beginning of financial year		864,432	896,302
Cash at end of financial year	6	864,031	864,434

The accompanying Notes form part of these financial statements

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act (1999). The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on by the members of the committee.

(a) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Due to improvements in the coding of items in the general ledger, there have been classification changes to several income and expense accounts reflected in these financial statements for the 2016/17 financial year in comparison to the 2015/16 financial year. LCLGA has determined that it is not practical to restate comparative data to reflect these changes.

(b) Cash and cash equivalents

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

(c) Income taxes

The activities of the Association are exempt from taxation under the Income Tax Assessment Act 1997.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(f) Critical Accounting Estimates and Judgments

Key Estimates

(i) Impairment - General

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Revenue

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Revenue from membership subscriptions are recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined by reference to the membership year.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Trade and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Trade and other receivables

These include amounts due from ATO and accrued interest on deposits in financial institutions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 2: Revenue	2017	2016
	\$	\$
Local Government Contributions		
City of Mount Gambier	178,369	195,570
District Council of Grant	77,283	85,070
Wattle Range Council	133,057	144,849
Naracoorte Lucindale Council	89,080	95,924
District Council of Robe	43,080	50,682
District Council of Tatiara	75,025	81,599
District Council of Kingston	39,996	43,681
Total	635,890	697,375
Project Income		
South Australian Tourism Commission	45,441	32,823
Office for Recreation & Sport	55,000	54,600
Local Government Association	88,997	88,726
Regional Development Australia	10,000	10,000
Road Safety Funding (Motor Accident Commission)	29,875	73,600
Funding Partner Contributions	-	93,057
Total	229,313	352,806
Other Income		
Interest Revenue	18,968	9,974
Funds Carried Forward	57,462	131,866
Sundry Income	17,722	22,477
Total	94,152	164,317
Other Project Income		
LGA SA	65,535	-
Keep Australia Beautiful	12,370	-
Motor Accident Commission	2,000	-
Federal Grants	708,700	693,300
Wattle Range Council	5,182	-
Office for Recreation & Sport	1,000	-
Total	794,787	693,300
Total Income	1,754,143	1,907,798

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 3: Other Operating Expenses

	2017	2016
	\$	\$
Advertising	8,230	11,328
Advocacy	-	5,581
Audit fees	2,750	2,650
Bank Charges	541	915
Chairperson's Allowance	8,000	8,000
Computing	6,354	27,851
Governance	8,804	20,846
Insurance	7,781	6,568
Legal Fees	2,430	-
Meeting Expenses	-	4,029
Minor Equipment	13,306	-
Motor Vehicle	48,126	53,203
Office Expenses	23,780	28,996
Rent	38,097	48,755
Seminars	-	3,215
Trade Shows	9,726	57,178
Training	4,671	303
Travel and Accommodation	18,873	22,307
Total	<u>201,469</u>	<u>260,033</u>

Note 4: Salaries and Wages

Salaries and Wages	452,244	419,466
Superannuation	42,296	35,981
Oncosts	6,589	5,465
Accrual movement	2,624	-
Total	<u>503,753</u>	<u>460,912</u>

Note 5: Project Expenditure

Admin	2,543	106,763
Other Projects	203,754	786,014
Road Safety	31,814	52,346
Star Club	21,729	53,924
Tourism	33,395	51,828
Waste	11,602	25,702
Planning	-	100,004
LGA Projects	-	38,726
Total	<u>304,837</u>	<u>1,215,307</u>

Limestone Coast Local Government Association

Note 5a: Unbudgeted Project Expenditure

Admin	112	-
Other Projects	770,713	-
Road Safety	2,000	-
Star Club	1,245	-
Tourism	-	-
Waste	8,430	-
	<u>782,502</u>	<u>-</u>

Note 6: Cash and cash equivalents

	2017	2016
	\$	\$
Petty Cash	250	250
Cash at bank	203,460	864,182
Term Deposit	660,571	-
Total	<u>864,031</u>	<u>864,432</u>

Note 7: Trade and other receivables

Trade and Other Receivables	113,204	17,649
Total	<u>113,204</u>	<u>17,649</u>

Note 8: Trade and other Payables

Trade and other payables	20,642	11,456
GST Payable	4,958	325
PAYG Payable	6,848	7,388
Workers Compensation payable	-	749
Total	<u>32,448</u>	<u>19,918</u>

Note 9: Staff Benefits

Annual Leave Provision	24,806	22,182
Total	<u>24,806</u>	<u>22,182</u>

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 10: Unspent Project Funds

The unexpended funds reserve represent funds set aside for the future use on projects manage by the association

	2017	2016
Star Club Field Officer	\$	\$
Balance brought forward	38,453	38,453
Office for Recreation and Sport Expenses	4,000	-
	-	-
Project funds not expended at year end	<u>42,453</u>	<u>38,453</u>
 Regional Waste Management		
Balance brought forward	50,124	-
Funding Contributions	-	50,124
Expenses	-	-
Project funds not expended at year end	<u>50,124</u>	<u>50,124</u>
 Planning		
Balance brought forward	65,004	65,004
Funding Contributions	-	-
Expenses	-	-
Project funds not expended at year end	<u>65,004</u>	<u>65,004</u>
 Tourism		
Balance brought forward	162,080	162,080
SATC Project Contribution	20,000	-
Expenses	-	-
Project funds not expended at year end	<u>182,080</u>	<u>162,080</u>
 Procurement		
Balance brought forward	7,000	7,000
Project Contribtuion	-	-
Expenses	-	-
Project funds not expended at year end	<u>7,000</u>	<u>7,000</u>
 Training		
Balance brought forward	3,000	3,000
Project Contribution	-	-
Expenses	-	-
Project funds not expended at year end	<u>3,000</u>	<u>3,000</u>

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 10: Unspent Project Funds (cont)

	2017	2016
Attraction & Retention	\$	\$
Balance brought forward	25,000	25,000
Project Contribution	-	-
Expenses	-	-
Project funds not expended at year end	<u>25,000</u>	<u>25,000</u>
Motor Accident Commission - Road Safety		
Balance brought forward	57,462	
Project Contribution	-	57,462
Expenses	<u>(57,462)</u>	-
Project funds not expended at year end	-	<u>57,462</u>
Rubble Royalty		
Balance brought forward	-	-
Project Contribution	45,894	-
Expenses	-	-
Project funds not expended at year end	<u>45,894</u>	-
Climate Change Project		
Balance Brought forward	-	-
DEWNR Contribution	63,000	-
RDA Contribution	37,986	-
Consultancy	-	-
Project funds not expended at year end	<u>100,986</u>	-
LC Collaborative		
Balance Brought forward	-	-
PIRSA Contribution	5,000	-
Transfer from accumulated surplus	-	-
Project funds not expended at year end	<u>5,000</u>	-
Total unspent funds reserves	<u>526,541</u>	<u>408,123</u>

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 11: Reconciliation of cash flow from operations with surplus for year

	2017	2016
	\$	\$
Net surplus for the year	(38,418)	(36,455)
<i>Changes in assets and liabilities</i>	-	-
(Increase)/decrease in trade and other receivables	(95,555)	(1,547)
Increase/(decrease) in trade and other payables	12,530	(21,816)
Increase/(decrease) in staff benefits	2,624	9,824
Increase/(decrease) in other liabilities	118,418	10,124
	<u>(401)</u>	<u>(39,870)</u>

Note 12: Financial Instruments

Details of the significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 Summary of Significant Account Policies.

Categorisation of Financial Instruments

	Note	2017		2016	
		Due < 1 Year	Due > 1 Year	Due < 1 Year	Due > 1 Year
Financial Liabilities		\$	\$	\$	\$
Trade and other Payables	6	20,642	-	11,456	-
Total Financial liabilities		20,642	-	11,456	-
Financial Assets					
Cash and cash equivalents	4	864,031	-	864,432	-
Total Financial Assets		864,031	-	864,432	-

Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables.

The fair values disclosed in the table above have been based on cash and cash equivalents, trade and other receivables and trade and other payables short term instruments in a nature whose carrying value is equal to fair value.

I. **Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligation that could lead to a financial loss to the association.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 12: Financial Instruments (cont)

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties and by investing surplus funds in financial institutions that maintain a high credit rating.

There is no collateral held by the association securing trade and other receivables.

ii. **Liquidity Risk**

Liquidity risk arises from the possibility that the association might accounting difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

No assets have been pledged as security for any liabilities.

iii. **Market Risk**

Exposure to interest rate risk arises on financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

The following table illustrates sensitives to the association's exposure to changes in interest rates.

	2017	2016		Carrying Value
	% Weighted Average Interest rate	Carrying Value	% Weighted Average Interest rate	
Financial liabilities:	\$	\$	\$	\$
Trade and other Payables	0.00%	20,642	0%	25,998
Financial Assets				
Cash at bank	0.00%	203,460	0%	994
LGFA Investment	1.80%	660,571	1.8%	160,629
Cash on hand	0.00%	250	0%	100

Note 13: Contingent Liabilities and Contingent Assets

At 30 June 2017, the association is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 14: Capital Commitments

At 30 June 2017, the association is unaware of any capital or leasing commitments which have not already been recorded elsewhere in this financial report.

Note 15: Events after the end of the reporting period

Since the reporting date, there have been no events that would materially impact on the contents of this report.

Note 16: Economic Dependence

Limestone Coast Local Government Association is dependent on the Local Councils within its jurisdiction and other funding bodies for the majority of its revenue used to operate the business. At the date of this report, the Committee believe that the Local Councils and other bodies will continue to fund the Association.

Note 17: Capital Management

The Committee controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Committee ensures that the overall risk management strategy is in line with this objective. The committee operates under policies approved by the board. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements. The entity's capital consists of financial liabilities, supported by financial assets. There have been no changes to the strategy adopted by the Committee to control the capital of the entity since the previous year.

Limestone Coast Local Government Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 18: Related Party Transactions

The total remuneration paid to key management personnel of Limestone Coast Local Government Association Incorporated during the year was as follows;

	2017
	\$
Short term employee benefits incl. Allowanc	134,118
Post employment benefits	12,689

Key management personnel above includes the executive and Board of Management.

The specific banding of key management personnel and Board of management from the Limestone Coast Local Government Association Incorporated during the year was as follows;

\$	2017	2016
under \$50,000	1	1
\$50,000 to \$100,000	0	0
\$100,000 to \$150,000	1	1

Other related parties includes close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. There were no transactions with other related parties.

Note 19: Association Details

The registered office of the association and principal place of business is;

Limestone Coast Local Government Association
Level 1, 9 Bay Road
Mount Gambier SA 5290

Limestone Coast Local Government Association

**STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2017**

In the opinion of the committee, the Financial Statements comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Members' Funds, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Limestone Coast Local Government Association as at 30 June 2017 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Limestone Coast Local Government Association will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Mayor Erika Vickery
President

Date: 13th October 2017



Dominic Testoni
Executive Officer

Date: 13th October 2017

Limestone Coast Local Government Association

**STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2017**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Limestone Coast Local Government Association for the year ended 30 June 2017, the Association's Auditor, Tim Muhlhausler has maintained his 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)



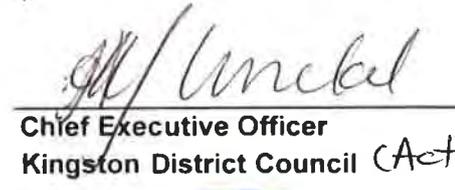
**President
LC Local Government Association**



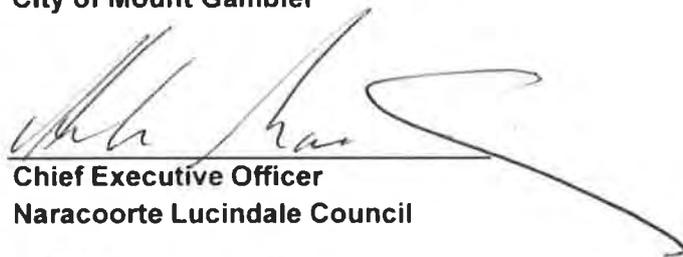
**Chief Executive Officer
District Council of Grant**



**Chief Executive Officer
City of Mount Gambier**



**Chief Executive Officer
Kingston District Council (Acting)**



**Chief Executive Officer
Naracoorte Lucindale Council**



**Chief Executive Officer
District Council of Robe**



**Chief Executive Officer
Tatiara District Council**



**Chief Executive Officer
Wattle Range Council**