



Naracoorte Lucindale Council

Better by Nature

Annual Report 2013-2014

The best place in regional South Australia to live, work, 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

The 2013/2014 year has seen Council move from being predominantly focused on planning to implementation.

Community engagement continues to be the cornerstone of how we do business. Not quite as many hours have been spent engaging with community members about strategic issues but the focus has been on engaging with the sections of the community that are impacted by specific proposals and activities. This has been an extremely effective way of ensuring that individuals understand what is happening in their backyards as well as providing an opportunity for them to provide input.

Council commenced the implementation of the Asset Management Strategy which will provide us with a more robust approach to asset management. The implementation of this Strategy has moved Council a little closer to having a sustainable long term financial management plan. The 2014/2015 year will see the full implementation of the strategy and provide Council with the opportunity to have robust information available for its capital investment decisions.

Again Council met the challenge it had set itself and worked within its budget, making operational savings rather than the deficit predicted in the budget. For 2014/2015 we have planned for an extremely modest rate increase of 2.6%. It is unlikely that we will be able to sustain for an extended period rate increases at these historically low levels and meeting community expectations at the same time.

Council has continued to focus on strategic theme 1 “Prosperous community”. We work with the other regional Councils through SELGA’s Economic Diversification Group which released its vision and goals statement and updated its work plan. Council also continued working on its Structure Plan and Economic Development plans. Both are targeted for completion by the end of the 2014 calendar year.

The Structure Plan takes a close look at existing planning zones and provides an understanding of the look and feel of the district that the community wants to have in place in ten years time. The plan will provide long term clarity and certainty for those on the business side, but also help to preserve and enhance those aspects of the district that the community values.

Through the SELGA Economic Diversification Reference Group, which is supported by the Regional Development Australia - Limestone Coast, Primary Industries & Resources SA (PIRSA) and Department Manufacturing Innovation, Trade, Resources & Energy (DMITRE) the region has been activity developing a framework to drive prosperity in the region.

Continuing with its commitment to host a new event each year, Council hosted the 2014 Masters Games for a second time which again was extremely successful, bringing many external visitors into our district. Council also formally celebrated Harmony Day for the first time. Several shipping containers magically appeared in the town square, each containing a range of activities for school children to engage with during the day. In the evening, a range of cuisines were available to support a family “picnic in the square”.

Council underwrote the Masters Cricket event that was held in November 2013. This proved a great prelude to the full Masters Games. Retired test cricketers showed their skill in playing against the home team and shared their knowledge over dinner.

Council teamed up with the Multicultural Resource Centre to host a dinner to thank those members of the community that have provided support to migrants and refugees in the past.

A stylized, handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Mayor Erika Vickery

A handwritten signature in black ink, appearing to read 'Helen Macdonald' in a cursive style, with a long horizontal stroke extending to the right.

CEO Helen Macdonald

COUNCIL STRUCTURE & ELECTED MEMBERS

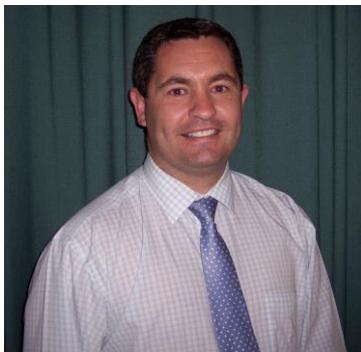
The Council comprises an elected Mayor and 10 Councillors all elected at large (by electors from the whole Council area).



Mayor Erika Vickery



Councillor John Flynn, Deputy Mayor



Councillor Brett Armfield



Councillor Ken Banning



Councillor Ann Bell
(resigned from Council 30 July 2013)



Councillor Craig McGuire



Councillor Malcolm McLean



Councillor Trevor Rayner



Councillor Toby Robinson

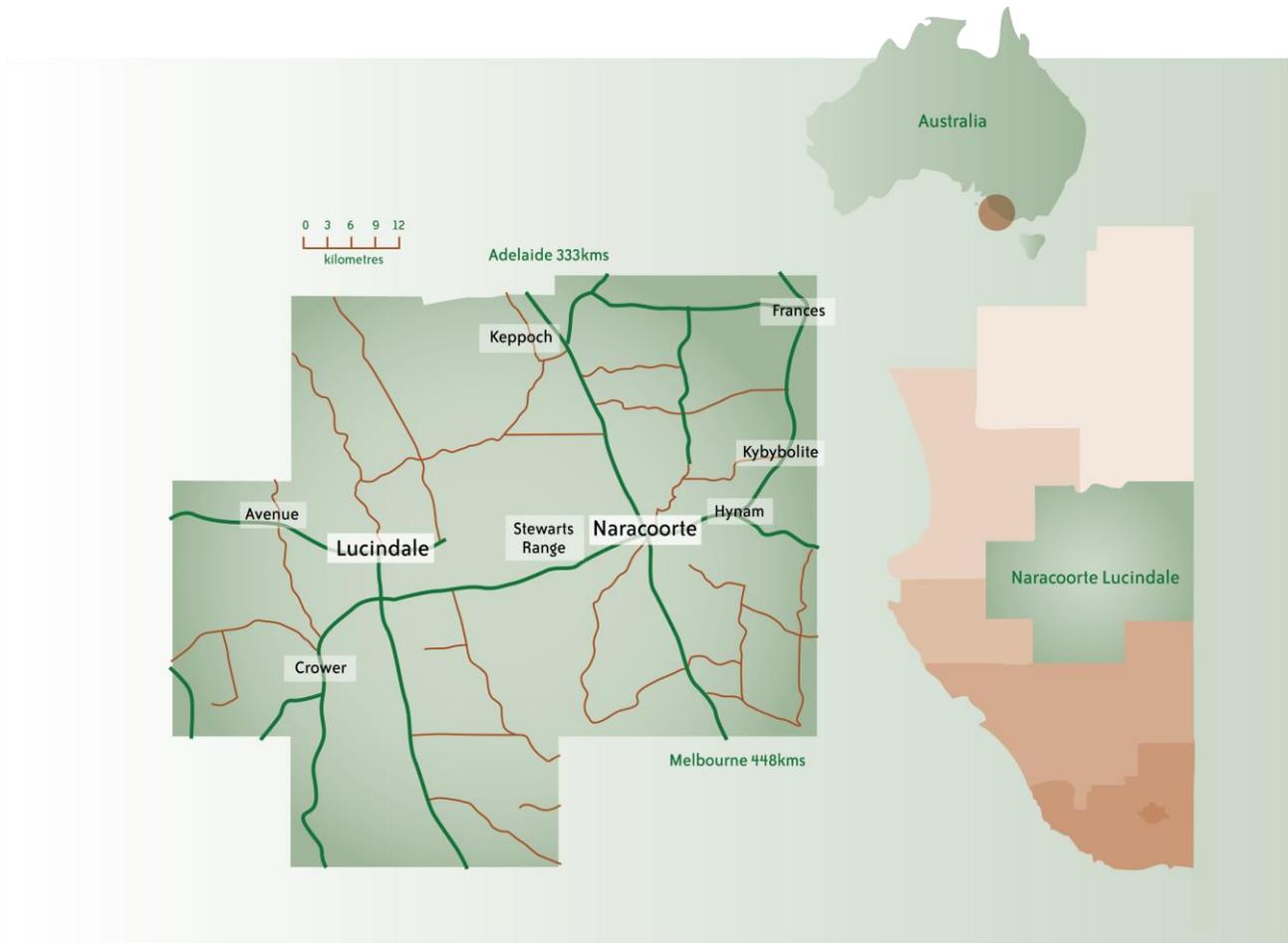


Councillor Damien Ross



Councillor Ken Schultz

COUNCIL AREA



COUNCIL PROFILE

Item of interest	Number
Population (Australian Bureau of Statistics total population 2011)	8441
Size	453,117 hectares
Elected Members including the Mayor	11
Electors	5,798
Resolutions carried by Elected Members	472
Length of constructed road network	1,614 km
Rateable properties (January 2014)	6,146
Total Rateable Capital Value (as at 17 June 2014)	\$2,124,279,721
Total operating expenditure 2013-2014 ('000)	\$15,721
Customer Service Requests resolved	365
Library items borrowed	75,618
Development approvals	181
Total value of development approvals	\$12,065,516
State Electorate	MacKillop
Federal Electorate	Barker

COUNCIL PROFILE

The Naracoorte Lucindale Council is located in the centre of the Limestone Coast region (South East of South Australia). The Council is approximately 300 kilometres from Adelaide and 450 kilometres from Melbourne. The Council encompasses an area of 4,520.1 square kilometres.

Naracoorte, the main service centre, is a regional hub, offering a broad range of retail, commercial, community and health services and education facilities.

The Council district also contains the smaller communities of Lucindale, Hynam, Kybybolite and Frances. Other local communities are Keppoch, The Gap, Cadgee, Binnun, Lochaber, Wild Dog Valley, Stewart Range, Hynam, Mount Light, Laurie Park, Moyhall, Koppamurra, Bool Lagoon, Struan, Joanna, Wrattenbully, Spence, Woolumbool, Avenue Range, Coles, Conmurra and Fox.

The district is characterised by reliable rainfall and contains prime agricultural land and accessible underground water. It is home to a thriving and vibrant rural economy; featuring beef and dairy cattle, sheep for both wool and meat, and cereal growing.

Two large enterprises; Teys Australia abattoir and Mini Jumbuk wool manufacturing centre value add to the primary produce with large grain storage facilities supporting the cereal growing industry. Naracoorte Lucindale Council is central to some of Australia's best wine producing areas with parts of both the Wrattenbully and Padthaway wine regions within the district.

There is a strong tourism industry in the Council area supported by the Visitor Information Centre in Naracoorte. Natural features of international significance in the Naracoorte Lucindale Council are the Naracoorte Caves and the Bool Lagoon Game Reserve and Hacks Lagoon Conservation Park.

The Naracoorte Caves is South Australia's only World Heritage Listed Area and preserves Australia's most complete marsupial fossil record for the past 500,000 years.

The Bool Lagoon Game Reserve and Hacks Lagoon Conservation Park is 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 Council area hosts the following major annual events: Taste the Limestone Coast Festival (February), Frances Folk Gathering (February), the South East Field Days (March) and the Naracoorte Swap Meet (May).

The Council has 8,116 residents with an average age of 40. Eighty five percent of the population was born in Australia. The principal office for the Naracoorte Lucindale Council is located in DeGaris Place, Naracoorte.

Information on tourist attractions and events in the Naracoorte Lucindale Council area is available on the Visitor Information Centre website.

STRATEGIC PLAN

During 2012-2013 an extensive review of the Strategic Plan was undertaken with the objective of having a plan in place that enables the district to develop in line with the community wishes and is dynamic enough to respond to the needs of a changing world.

During the review extensive community consultation was undertaken, with sessions being held with communities in each of the major population centres; Naracoorte, Lucindale, Frances and Kybybolite. Nine more sessions were held with community groups, schools and in public places such as shopping centres and coffee shops.

As a result in March 2013 the Strategic Plan 2013-2023 was adopted and came into effect from the 2013-2014 year.

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.

What we want to look like in ten years time?

- Facilitating and supporting sustainable growth to achieve economic prosperity.
- Working together to protect and enhance our natural environment for the future.
- A safe, healthy and diverse community celebrating our similarities and differences.
- A range of well-planned neighbourhoods and public space, designed with a strong sense of identity and place.
- Active community with lots of open space for walking, cycling and other recreational activities.
- A district that people want to continue to live in, move to, retire or raise their family

Vision Statement

By 2022 Naracoorte Lucindale Council will be:

The best place in regional South Australia to live, work, 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 in managing community assets and natural resources for future generations

Structure of Plan

The plan has four themes which contribute to achieving the community vision:

Prosperous Community	Healthy Landscapes	Liveable Neighbourhoods	Harmony and Culture
A sought after visitor destination	Contribute to sustainable land management practices	Preserve the rural atmosphere, open spaces & natural resources	An inclusive community
A vibrant & progressive business centre	Water resources & ecosystems are protected & restored	A safe and integrated transport network	A creative and artistic Community
Diverse range of thriving primary industries		Preserve the built heritage & character of the district	A learning community
			A healthy & resilient community

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.

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

Underpinning the Strategic Plan 2013-2023 are a range of other strategies, plans and hierarchies. Below is a list of those documents - for more information click on the links below:

Strategies

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

Plans

- Annual Business Plan and Budget
- Animal Management Plan
- Bike and Walking Master Plan
- Community Land Management Plans
- Development Plan

Hierarchy and Service Levels

- Footpath, Open Space and Road Hierarchy and Service Levels

A copy of these plans is available on the website at
<http://www.naracoortelucindale.sa.gov.au/plansstrategieshierarchies>

PROJECT PRIORITIES FOR 2013-2014

The following tables indicate by each of the five themes in the Strategic Plan 2013-2023 the planned projects and achievements for 2013-2014.

THEME 1 - PROSPEROUS COMMUNITY

Facilitating and supporting sustainable growth to achieve economic prosperity

Outcome	Planned Project 2013-2014	Achievements 2013-2014
<p>A sought after visitor destination</p>	<ul style="list-style-type: none"> • Market and promote the district • Continuation of media promotion enticing visitors to the region • Interpretive signage installed at town entrances • Develop a tourism plan • Further develop planning for a bike path along Old Caves Road route including establishing an interpretive trail (dependent on receiving external funding) 	<ul style="list-style-type: none"> • 12,703 face to face visitors to the Visitor Information Centre • Advertised in key visitor guides including the Limestone Coast Visitor Guide and Stay Another Day • Attended the Melbourne Caravan and Camping Show • Provided editorial for the Stay Another Day guide • Contributed to the Limestone Coast Daytrippa self-drive guide app - http://www.daytrippa.com.au/the-limestone-coast • Attracted grant funding to plan for a bike path to the Caves

Outcome	Planned Project 2013-2014	Achievements 2013-2014
<p>A vibrant and progressive business centre</p>	<ul style="list-style-type: none"> • A successful Business & Tourism Association, increase in membership, increase feedback, establish regular meetings between key business people • Develop a structure plan that directs development and protects the identity of the district • Develop an economic plan to assist in creating a prosperous economic environment • Work with SELGA Eco Diversification Group to drive development in the Region 	<ul style="list-style-type: none"> • Supported the production of the Naracoorte Town brochure • Worked with SELGA economic diversification group, DFEEST and RDA • Draft Structure Plan prepared and community consultation undertaken • Hosted the SA Regional Awards at the Naracoorte Town Hall • Submitted an entry for the Sustainable Communities program - winning the Leadership and Youth Activities and Community Action and Partnerships categories
<p>Diverse range of thriving primary industries</p>	<ul style="list-style-type: none"> • Complete a structure plan that directs development and protects the identity of the district by 2014 • Upgrading of loading ramps at the Naracoorte Regional Livestock Exchange 	<ul style="list-style-type: none"> • Draft Structure Plan prepared and community consultation undertaken • The loading ramps project was not completed due to a delay in receiving funding from the Federal Government and difficulties in finalising designs for the project, the \$486,000 project will be delivered during 2014-2015 supported by a \$225,000 grant from the Australian Government's Heavy Vehicle Safety Productivity Program

THEME 2 - HEALTHY LANDSCAPES

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

Outcome	Planned Project 2013-2014	Achievements 2013-2014
<p>Contribute to sustainable land management practices</p>	<ul style="list-style-type: none"> • Implementation of roadside vegetation plan, fire mitigation program and corella management program • Develop and implement tree management policy • Develop a project brief for a regional waste management strategy 	<ul style="list-style-type: none"> • Tree management policy adopted by Council • Corella Monitoring and Management Program undertaken between November and April • Introduced free e-waste at the Naracoorte Waste Transfer Station
<p>Water resources and ecosystems are protected and restored</p>	<ul style="list-style-type: none"> • Naracoorte Regional Livestock Exchange - reduce water take from the bore by 50% (based on 2011-2012 water extraction) and monitor and report on groundwater quality in the vicinity of the Livestock Exchange • Implement water sensitive urban design (WSUD) principles into one capital works project • Continue maintenance program of Naracoorte Creek • Update stormwater management guidelines for new developments 	<ul style="list-style-type: none"> • Reduced water use from 52 megalitres/year to 30 megalitres/year at the Naracoorte Regional Livestock Exchange • Implemented water sensitive urban design principles into Gordon/Foster/Loveday Streets project • Feral plant species removed from Naracoorte Creek to improve water flows • Liaised with SE NRM regarding Council developments that potentially impact on natural water courses

THEME 3 - HARMONY AND CULTURE

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

Outcome	Planned Project 2013-2014	Achievements 2013-2014
<p>An inclusive community</p>	<ul style="list-style-type: none"> • Hold an Annual Harmony Day event (March) • Celebrate Volunteers Week (May) • Promote the value of seniors to the community and encourage participation in Senior's Month (October) • Support Youth Week and the Youth Advisory Committee • Continue to the host the Limestone Coast Volunteer Resource Centre (fully grant funded) • Sponsorship provided to TASTE the Limestone Coast, South East Field Days, Christmas in the Square, Lucindale Christmas Party and Special Kids Christmas Party (Adelaide) 	<ul style="list-style-type: none"> • Hosted a range of activities during Seniors Month such as: <ul style="list-style-type: none"> ○ Concert ○ Bingo Day ○ Bus trip ○ Film Day ○ Craft day ○ Library days • Initiated a Harmony Day event • Supported Refugee Week activities • Provided road closures for the following events: <ul style="list-style-type: none"> ○ Rotary Naracoorte-Caves Fun Run and Pedalfest ○ Masters Games ○ Naracoorte Christmas Pageant ○ South East Field Days ○ Frances Folk Gathering ○ Taste the Limestone Coast Festival ○ Anzac Day • Conducted 5 citizenship ceremonies - welcoming 36 new Australian citizens • Community Chest - \$24,956 allocated to community groups • Participated in Australia Day functions at Naracoorte and Lucindale • Conducted the 2014 Citizen of the Year award

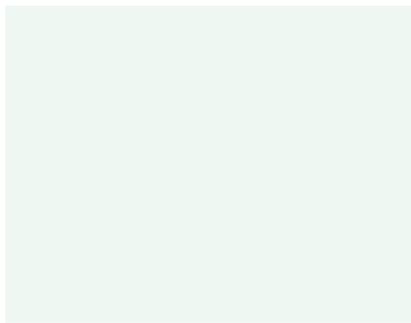
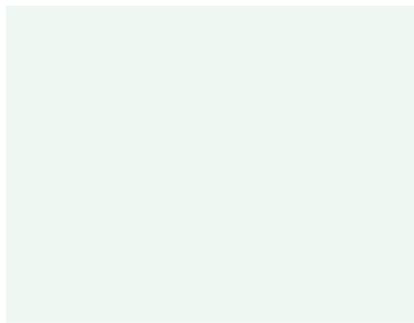
		<ul style="list-style-type: none"> • Surveyed the community on improved access in and around Naracoorte for people with mobility concerns
A creative and artistic community	<ul style="list-style-type: none"> • Support and work with the Naracoorte Cultural Trust to develop and implement its strategic plan • Sponsorship provided to Frances Folk Festival 	<ul style="list-style-type: none"> • Council staff participated in the Naracoorte Regional Art Gallery Show off Your Business exhibition • Sponsorship provided to Frances Folk Festival
Learning community	<ul style="list-style-type: none"> • Improve the library experience • Facilitate heritage trail for Naracoorte town centre 	<ul style="list-style-type: none"> • 56,901 Naracoorte Public Library customers (2.4% increase from 2012-2013) • 75,618 items borrowed from the Naracoorte Public Library (14% increase from 2012-2013) • The Naracoorte Public Library held <ul style="list-style-type: none"> ○ family history sessions ○ school holiday activities ○ One Card information sessions • Consultation undertaken on the Naracoorte Town Centre Precinct • Funding received to initiate the Trail Head project
Healthy and resilient community	<ul style="list-style-type: none"> • Develop master plans for Market Square, Memorial Parklands, Naracoorte Sports Centre and Lucindale Sports Centre • Complete Safer Greener more active travel project • In consultation with the community develop concept plans for additional bike lanes in Naracoorte • Sponsorship provided to Rotary Fun Run 	<ul style="list-style-type: none"> • Memorial Parklands Fitness Trail and Car park completed - new adult exercise equipment and outdoor furniture, new and improved pathways including a 1.1km walking track and lighting and signage • 2014 Naracoorte Masters Games successfully undertaken <ul style="list-style-type: none"> ○ 997 Athletes competed in 18 sports ○ 40% of participants were visitors to the region

	<ul style="list-style-type: none"> • Host Masters Games in April 2014 • Participate in emergency management planning and ensure preparedness for natural disasters 	<ul style="list-style-type: none"> ○ 60% of businesses responding to a post event survey reported a significant increase in trade • Supported the Australia Cricket Association Masters visit to Naracoorte • Prescribed burn at Naracoorte's North Parklands undertaken • Promoted Bushfire Action Week • 332 permits for burning off issued (average 11 per day)
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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 2013-2014	Achievements 2013-2014
Preserve the rural atmosphere, open spaces and natural resources	<ul style="list-style-type: none"> • Develop a Structure Plan that directs development and protects the identity of the district 	<ul style="list-style-type: none"> • Promoted and supported Clean Up Australia Day activities
A safe and integrated transport network	<ul style="list-style-type: none"> • Develop a Transport Management Plan • Develop a road hierarchy and service level • Advocate for rail trails in the region and contribute to the regional trails strategy • Naracoorte Aerodrome - resurface apron and taxiway 	<ul style="list-style-type: none"> • Road reseals on <ul style="list-style-type: none"> ○ Coles-Spence Road ○ Cadgee Road ○ Railway Terrace, Frances ○ Wrattontully Road ○ Burgess Lane ○ Clarksons Road ○ Conkar Rd and Cadgee Rd Intersection ○ Cadgee Rd, Mahoney Rd and Higgs Rd Intersection ○ Langkoop Road ○ Loveday Gordon St Junction



- Adopted road and footpath hierarchies
- Adopted a Strategic Plan for the Naracoorte Aerodrome
- Naracoorte Aerodrome Taxiway and Apron reseal completed

Preserve the built heritage and character of the district

- Develop heritage trail design and seek funding
- Continue to support the Heritage Working Group

- Funding received to initiate the Trail Head project
- Binnum woolshed roof restored
- Supported Heritage Week and the local heritage collection
- 181 development applications approved - total project value of \$12,065,516

THEME 5 - PROGRESSIVE LEADERSHIP

A well led and managed district supported by an ethical approach to managing infrastructure through the delivery of projects and services to the community

Outcome	Planned Project 2013-2014	Achievements 2013-2014
Sustainable community finances and assets	<ul style="list-style-type: none"> • Implementation of Asset Management Strategy (3 year implementation) • Continuous Improvement of Long term Financial Management Plan that encompasses the outcomes of the Asset Management Strategy • Review Council's financial system 	<ul style="list-style-type: none"> • Reconstruction work undertaken on Old Caves Rd and Bool Lagoon West Rd • Commenced planning for reconstruction of Caves Rd between Arthur St and Price Ave • Asphalt works undertaken included <ul style="list-style-type: none"> ○ Footpaths sealed on Arthur and Gordon Streets and ○ Redden Bridge and the Burgess Lane / Wimmera Highway intersection • Replacement of Culverts on Radfords and Black Range Roads • Assessment of the Swimming Lake completed • Long Term Financial Plan endorsed by Council's Audit Committee and adopted by Council • Joint workshop to discuss sustainability and long term planning held involving Council, Audit Committee & Executive Team • Council's financial system reviewed and migrated to windows environment commencing from the 2014/2015 year

<p>Effective delivery of projects and services</p>	<ul style="list-style-type: none"> • Establish a benchmarking reporting tool • Establish post project review process in project methodology • Establish a works program identifying all major projects 	<ul style="list-style-type: none"> • 12,703 face to face visitors to the Visitor Information Centre • 56,901 Naracoorte Public Library customers (2.4% increase from 2012-2013) • 75,618 items borrowed from the Naracoorte Public Library (14% increase from 2012-2013) • 238 bookings for the Naracoorte Town Hall • 15,529 people attended the Naracoorte Town Hall for functions • 181 development applications approved - totalling project value of \$12,065,516 • NRLE - <ul style="list-style-type: none"> ○ 97,316 cattle yarded (up from 90,381 yarded in 2012-2013) ○ sheep numbers declined slightly to 411,461 from 417,969 in 2012-2013 ○ grand total of \$106,239,214 sold on behalf of primary producers (cattle \$63,350,059 & sheep & lambs \$42,889,155). This was an increase in total value of \$14,833,084 from 2012-2013
<p>Effective community communication and engagement</p>	<ul style="list-style-type: none"> • Presence at the South East Field Days including participation in the Blue Yakka Trail (March) • Production of a quarterly newsletter • Hold at least four community meetings on key major projects 	<ul style="list-style-type: none"> • Site at the South East Field Days and participated in the Blue Yakka Trail by providing free children's books to participants • Four Council newsletters distributed during the year

	<ul style="list-style-type: none"> • Support constitutional recognition of Local Government activities 	<ul style="list-style-type: none"> • Meetings held for <ul style="list-style-type: none"> ○ Butler Terrace upgrade ○ On the Couch (a range of topics) ○ Lucindale P A & H Shed ○ Cameron & Freeling St Stormwater Drainage upgrade project ○ Hynam Hall ○ Caves Road reconstruction ○ Capital works projects in Frances ○ Draft Annual Business Plan and Budget • Promotion of the Constitutional recognition of Local Government was undertaken (unfortunately the referendum did not proceed)
Engage external stakeholders to leverage local opportunities	<ul style="list-style-type: none"> • Investigate shared regional strategies (for example waste management, development assessment panel) • Establish SELGA working group for Economic Development • Establish and maintain partnerships with regional state and federal bodies (NRM, RDA) 	<ul style="list-style-type: none"> • South East Natural Resources Management Board presentation on its draft business plan • SELGA appointed a Waste Management Officer to coordinate and research waste management & waste minimisation strategies
Organisational excellence	<ul style="list-style-type: none"> • Update risk policy and guidelines • Undertake risk assessments • Participate in Video Conferencing Pilot Program (LGA Project) 	<ul style="list-style-type: none"> • Cr Trevor Rayner was acknowledged for 20 years of service to Local Government • 27 policies reviewed (42% of policies)
Council is a preferred employer	<ul style="list-style-type: none"> • All staff undertake Performance Review and Development with their supervisor/manager 	<ul style="list-style-type: none"> • WHS and Bullying workshops held for all staff • Worked with consultant People Vision to develop new WHS system for

- Review of Work Health and Safety policies, procedures and practices
- Emphasis on the importance of maintaining a safe workplace and protecting the health and wellbeing of employees

Council - achieving a reduction in both injuries and incidents

- Introduced Wellness Program, involving a weight loss challenge & provision of weekly newsletters.
- Continued to participate in the LGA Healthy Lifestyle Program

PROJECT PRIORITIES FOR 2014-2015

THEME 1 - PROSPEROUS COMMUNITY

Facilitating and supporting sustainable growth to achieve economic prosperity

Outcome	Planned Project 2014-2015
A sought after visitor destination	<ul style="list-style-type: none">• Shakespeare Underground (new Event)• Marketing & Promotion of district• Wine tourism enhanced by participating in the regional Food, Wine, Tourism and Agriculture Cluster• Community celebration of twenty years since the Naracoorte Caves received World Heritage list status• Support production of local visitor guide• Participate in the Regional Trails Project• Local trail head project in place and local heritage trail developed• Increase engagement between Council and DEWNR• Establish "Tourism Zone" around Naracoorte Caves within Council's Development Plan to drive tourism support businesses
A vibrant and progressive business centre	<ul style="list-style-type: none">• Continued membership of Naracoorte Lucindale Business & Tourism Association and support for Limestone Coast Tourism (SELGA Contribution)• Local Trails Project - installation of Trail Head and improved linkage between Naracoorte CBD and walking trails• Prepare Development Plan Amendment to address issues and opportunities identified within the Structure Plan• Implement Economic Development Plan• Improve infrastructure for Disability Access within the CBD.

Diverse range of thriving primary industries

- Participate in the regional Red Meat Cluster
- Participate in the regional Food, Wine, Tourism and Agriculture Cluster
- Engage with NRM and EPA on agricultural development
- Continue to contribute to political debate about urban encroachment onto agricultural land

THEME 2 - HEALTHY LANDSCAPES

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

Outcome

Planned Project 2014-2015

Contribute to sustainable land management practices

- Engage with NRM, respond to their annual plans, integrate with Council plans
- Seek grants to implement weed control programs
- Contribute to the Native Vegetation Council's Significant Environmental Benefits offset review
- Continued emphasis on waste management and the reduction of waste to landfill
- Develop tree management procedures and complete a street tree audit
- Bushfire Mitigation
- Corella Management

Water resources and ecosystems are protected and restored

- On-going protection & maintenance of the Naracoorte Creek
- Implement pollution control measures on Council owned stormwater drainage assets that directly outflow to creeks
- Update engineering development standards to encourage Water Sensitive Urban Design implementation
- Benchmark water use on parks and implement efficiency program
- NRLE - reduce water take from bore by 10% on 2013/14 figures
- Develop environmental management report for NRLE to meet EPA guidelines

THEME 3 - HARMONY AND CULTURE

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

Outcome	Planned Project 2014-2015
An inclusive community	<ul style="list-style-type: none"> • Sponsorship provided to annual programs, community events and Festivals:- <ul style="list-style-type: none"> ○ Harmony Day ○ Seniors Month ○ Youth Week & Youth Advisory Committee (50% grant funded) ○ Frances Folk Festival ○ TASTE the Limestone Coast ○ Rotary Fun Run ○ Christmas in the Square, Lucindale Xmas Party & Special Kids Xmas Party (Adelaide) ○ Life Be In It! Community Challenge • Continue to host the Limestone Coast Volunteer Resource Centre (fully grant funded) for the Limestone Coast region with 200 volunteer referrals per year • Implement Structure Plan • Research opportunities to engage with youth
A creative and artistic community	<ul style="list-style-type: none"> • Continued support of Naracoorte Art Gallery (including provision for maintenance) • Continue to explore community art projects with the Art Gallery • Commission a plaque explaining town entrances
Learning community	<ul style="list-style-type: none"> • Cultural Heritage Project (new project) • Facilitate a Neighbourhood Centre • Develop a cooperative marketing plan with DEWNR • Seek funding for Naracoorte Creek Walk signage

<p>Healthy and resilient community</p>	<ul style="list-style-type: none"> • Enhancement of the Naracoorte Creek walk • Upgrade to Memorial Parklands Carpark, BBQ & Shelter • Upgrade of Market Square Facilities to provide a premium facility which is easy to maintain • Renew Lucindale Basketball Court • Naracoorte Swimming Lake - Upgrade of change rooms and replacement of security cameras • Establish one incorporated body to represent the interests of the Lucindale Recreation Reserve • Complete and implement Regional Health Plan • Seek further funding opportunities for the implementation of more footpaths and shared paths • Participate in the Zone Emergency Management Committee for the region • Continue to develop Disaster Recovery Plan
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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 2014-2015
<p>Preserve the rural atmosphere, open spaces and natural resources</p>	<ul style="list-style-type: none"> • Introduction of a street tree planting program • Implement Structure Plan • Implement Local Trail Head project
<p>A safe and integrated transport network</p>	<ul style="list-style-type: none"> • Master planning (for example planning for Memorial Parklands) • Naracoorte Sports Centre Traffic Management Plan • Complete review of hierarchy and service levels and implement into everyday operational context • Develop a whole of Council Trail Network Master Plan • Develop a looped trail network plan for Lucindale utilising the parklands that ring the township and the decommissioned rail corridor

Preserve the built heritage and character of the district

- Provide information to owners of properties with local heritage listing status
- Implement heritage trail and signage
- Undergrounding of power lines in Robertson Street, Naracoorte

THEME 5 - PROGRESSIVE LEADERSHIP

A well led and managed district supported by an ethical approach to managing infrastructure through the delivery of projects and services to the community

Outcome

Planned Project 2014-2015

Sustainable community finances and assets

- Continue to develop asset hierarchies and service levels and consult with the community
- Progressively revalue infrastructure
- Continue to review Council's Long Term Financial Management Plan
- Develop a long term financial plan for the NRLE
- Continued renewal & replacement of infrastructure (refer major projects report)
- Upgrade Naracoorte CBD Drainage

Effective delivery of projects and services

- Establish improved customer service measuring tools
- Establish project management framework with clear responsibilities and accountabilities
- Implement a project management methodology and supporting organisational structure

Effective community communication and engagement

- Continue to engage with the community on major projects
- Site at the South East Field Days (March 2015)
- Produce a reader friendly Annual Report
- Quarterly newsletter, Facebook, Herald weekly advertisement, My Local Government app, improve the look and feel of the website

Engage external stakeholders to leverage local opportunities

- Participate in and support regional organisations such as the South East Local Government Association, Regional Development Australia, South East Natural Resource Management Board

Organisational excellence

- Local Government Association
- Continued review of work practices to explore opportunities for improvements in efficiencies and service delivery
- Implement Windows financial software
- Embed risk management framework into Council practice
- Formalise Performance Review and Development process
- Develop and implement an action plan resulting from BRS report
- Implement a post project review process and establish a lessons learned register

Council is a preferred employer

- Continued emphasis on the importance of maintaining a safe workplace and protecting the health and wellbeing of employees
- Employee Wellness Program
- Ensure managers / supervisors are equipped to undertake effective Performance Review and Development process

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 5,798. The quota for Naracoorte Lucindale Council is one member to 527 electors. Councils of a similar size and type have:

Council	Electors	Councillors	Representation Quota
Clare and Gilbert Valleys	6,545	10	654
Coorong	3,924	9	436
Grant	5,507	10	550
Mallala	5,810	10	581
Mid Murray	6,087	10	608
Naracoorte Lucindale	5,798	11	527
Northern Areas	3,385	9	376
Renmark Paringa	6,384	9	709
Tatiara	4,514	10	451
Wakefield Regional	4,676	10	467

(The above information is provided by the Electoral Commission of SA (ECSA), current as at February 2014.)

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.

The last review was conducted during 2008 / 2009. At this time Council undertook 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 next representation review will be conducted between October 2016 and October 2017. The procedures for electors to make submissions on representation will be in accordance with Council's Public Consultation and Community Engagement Policy.

Naracoorte Lucindale Council, *Annual Report 2013-2014*

Council Elections

Local Government elections are conducted every 4 years with the last election being held in November 2010. The next election will be held in 2014. 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 3 elections.

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

Decision making structure of council

Decisions of Council are made through various 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 2012-2013, Council's formal decision making structure comprised of the following committees:

Section 41 Committees

- 2014 Masters Games Committee (dissolved 24 June 2014, resolution 435/14)
- Aerodrome (dissolved 22 October 2013, resolution 148/14)
- CEO Recruitment, performance review and remuneration committee
- Community Recreation and Sports Facilities
- Liquor Management
- Naracoorte Regional Livestock Exchange Board
- Strategic Asset Management
- Strategic Planning and Development Policy

Other Committees

- Audit Committee (established in accordance with section 126 of the Local Government Act, 1999)
- Development Assessment Panel (established in accordance with section 56A of the Development Act 1993).

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

Council Meetings

As at 30 June 2014, the Council had held a total of 12 General Council meetings and 6 Special Council meetings, totalling 18 meetings for the 2013-2014 financial year.

Council meetings were held on the 4th Tuesday of every month, except the December meeting, which was held on the 3rd Tuesday of the month.

Attendances at meetings were:

Councillors	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
Mayor Erika Vickery	18	17	94
Councillor Brett Armfield	18	12	67
Councillor Kenneth Banning	18	18	100
Councillor Ann Bell	1	1	100
Councillor John Flynn	18	15	83
Councillor Craig McGuire	18	14	78
Councillor Malcolm McLean	18	17	94
Councillor Trevor Rayner	18	17	94
Councillor Toby Robinson	18	16	89
Councillor Damien Ross	18	17	94
Councillor Kenneth Schultz	18	18	100

Audit Committee

The Audit Committee 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 4.00pm. The Committee meets at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required.

During 2013-2014 the Audit Committee met 8 times during the financial year. Meetings were held in August (2 meetings were held), November, 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	8	100
Councillor Brett Armfield	8	3	38
Councillor John Flynn	8	6	75
Councillor Damien Ross	8	6	75

Development Assessment Panel

Council has a Development Assessment Panel (constituted in accordance with 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 2013-2014 the Development Assessment Panel met once in July and May.

Attending the meetings were:

Members	Number of meetings eligible to attend	Number of meetings attended	% of eligible meetings attended
Mrs Liz Travers (Independent Member and Presiding Member)	2	2	100
Mrs Judy Murdoch (Independent Member)	2	2	100
Mrs Charlene Grant (Independent Member)	2	2	100
Mr Peter Stuart (Independent Member)	2	1	50
Councillor Brett Armfield	2	2	100
Councillor John Flynn	2	2	100
Councillor Ken Schultz	2	2	100

Section 41 Committees

Under section 41 of the Local Government Act, 1999 (s.41) Councils can create Committees to assist Council 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 will often consist of Elected Members and people from the broader community with special interests or skills. The Council appoints a person as the presiding member of each committee.

The 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.

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

At every Council Meeting, time is set aside for members of the public to ask questions, or address Council on any general matter.

Petitions

Written petitions can be addressed to Council on any issue within the Council's jurisdiction.

Deputations or Presentations to Council

With the approval of the Mayor or Committee Chairman a member of the public may address the Council or Committee personally or on behalf of a group or organisation.

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

Community Consultation

Council's Public Consultation policy sets out how Council will engage with the community in its decisions making processes. It also provides a model framework for planning and implementing community engagement.

When Council chooses to engage the community the following steps will be considered

1. Clarify the decision
2. Identify key stakeholders
3. Consider legislative requirements
4. Select a level of community engagement
5. Set up and maintain a community engagement record
6. Collate and Analyse Information
7. Make a decision and implement the final decision

During 2013-2014 Council sought comment from the community on the following:

- | | |
|--|---|
| 1. Accessibility survey | 15. Old Caves Road |
| 2. Annual Business Plan and Budget | 16. Open Space Hierarchy & Service Levels |
| 3. Cameron & Freeling St Stormwater Drainage Upgrade | 17. Order Making Policy |
| 4. Change of Road Name from Walla Walla Road to Munns Road | 18. Public Consultation Policy |
| 5. Closure of Range Road, Cadgee | 19. Removing Trees from Smith Street |
| 6. Footpath Policy | 20. renew a lease of community land for Part Piece 30, Hundred of Naracoorte, occupied by the Naracoorte & District Sports Centre Inc |
| 7. Road Network Extension & Upgrade Policy | 21. Road Network Extension & Upgrade policy |
| 8. Gwladys McTernan Park | 22. Shed located near the Lucindale Football Club rooms |
| 9. Hynam Hall | 23. Speed limit reductions Wimmera Highway, Jenkins Terrace, Cadgee Road |
| 10. Market Square | 24. Structure Plan Twenty-35 |
| 11. Masters Games Survey | 25. Upgrade works for Butler Terrace |
| 12. Memorial Parklands | |
| 13. Naracoorte Polocrosse Club lease | |
| 14. Naracoorte Town Centre Precinct | |

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 initial determination was on the 26 August 2010. 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. Accordingly allowances were adjusted in November 2013 to:

Mayor	\$35,416
Deputy Mayor	\$11,068
Standing (Key) Committee Presiding Member	\$11,068
Elected Member	\$8,854

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 computer
- 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

Audit Committee members

Audit committee members receive a fee for attendance at approved meetings, training and events:

- Audit Committee Presiding Member \$250
- Audit Committee Independent Members \$200
- Elected Member representative Nil

Development Assessment Panel

Development Assessment Panel members receive a fee for approved meetings, training and events:

- Presiding Member \$250
- Independent Members \$200
- Elected Member Representatives Nil

Naracoorte Regional Livestock Exchange Board

Naracoorte Regional Livestock Exchange Board members receive a fee for approved meetings, training and events:

- Presiding Member \$250
- Independent Members \$200
- Elected Member Representatives Nil

ELECTED MEMBER TRAINING AND DEVELOPMENT

Training and development activities undertaken by Elected Members during 2013-2014 are listed below.

Councillors	Activities undertaken
Mayor Erika Vickery	<ul style="list-style-type: none">• 2013 Mayors' and Chairpersons' Residential Seminar• Code of Conduct Training for Elected Members• 2013 Local Government Conference and Annual General Meeting• Australian Local Government Association National General Assembly• 2014 Local Government Showcase and Ordinary General Meeting• Wind Farm Symposium• State Election and Regional Development Lunch
Councillor John Flynn	<ul style="list-style-type: none">• Code of Conduct Training for Elected Members• Wind Farm Symposium
Councillor Kenneth Schultz	<ul style="list-style-type: none">• Code of Conduct Training for Elected Members
Cr Damien Ross	<ul style="list-style-type: none">• Wind Farm Symposium
Cr Malcolm McLean	<ul style="list-style-type: none">• Wind Farm Symposium

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 2013-2014.

During 2013-2014 there were:

- 37 orders to move into confidence were made under section 90(2) as follows:
 - 32 by Council (6.78% of Council resolutions)
 - 2 by the Strategic Asset Management Committee
 - 2 by the CEO Recruitment, performance review and remuneration committee
 - 1 by the Naracoorte Regional Livestock Exchange Board
- 36 orders were made to retain reports, minutes and other documents in confidence under section 91(7)
- 22 orders remaining operative under section 91(7) as at 30 June
- 6 orders from 2012-2013 were released
- 3 orders from 2011-2012 were released
- 2 orders from 2010-2011 were released

Below is a summary of orders for 2013-2014:

Subject matter	Sub section of 90(3)	Number of occasions moved into confidence Section 90	Number of retention orders Section 91(7)	Status as at 30 June 2013
Asphalt Surfacing and Pavement Line Marking Contract Execution	k	1	1	Released October 2013
Cameron Street Stormwater Drainage Construction Tender	k	1	1	Released April 2014
CEO KPIs for 2013-2014	a & e	5	4	Retained in confidence
Contract 201314-03: VHF Digital Radio System	k	1	1	Released February 2014
Contract 201314-04: Supply & Delivery of Fuel	k	1	1	Retained in confidence
Development Application 674 / D008/13	h	2	2	Retained in confidence
Industrial Zones	b	1	1	Retained in confidence
Kill-A-Weed Contract Dispute	a	1	1	Retained in confidence
Naracoorte Rail Yards	b	5	5	Released February 2014
Naracoorte Rail Yards	j	1	1	Retained in confidence
Operational Review: 200506-11 Street Sweeping and Associated Works Contract	k	1	1	Released February 2014
Patrol Grading Operations	a and d	1	1	Retained in confidence
Purchase of Land (Allotment 604 Filed Plan 205950)	b	2	2	Retained in confidence
Review of Council's operations	a and d	1	1	Retained in confidence
Road construction	a and d	1	1	Retained in confidence
Roads (Opening and Closing) Act 1991 - Range Road	a	2	2	Released February 2014
Roadside verge management	a and d	1	1	Retained in confidence
Rubble Raising and Crushing	b	2	2	Retained in confidence
Shepherds Road Upgrade Construction Tender	k	1	1	Released April 2014
Spray Seal Bituminous Surfacing Contract 201213-13 - Confidential	k	1	1	Released October 2013
Swimming Lake Operations	a and d	1	1	Retained in confidence
Tender 201314-08 Naracoorte Regional Livestock Exchange Cattle Loading Ramps and Holding Pens	k	1	1	Released April 2014
Waste Transfer Station Operations	e, a & d	3	3	Retained in confidence

EXECUTIVE MANAGEMENT TEAM

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

Chief Executive Officer	Dr Helen Macdonald
Director Operations and Technical Services	Mr Phil Burton (ceased employment with Council in May 2014)
Director Operations and Technical Services	Mr Steve Bourne (from May 2014)
Director Planning, Environment and Community Development	Mr Steve Bourne (until May 2014)
Director Corporate Services	Ms Fiona Stringer
Manager Planning & Compliance	Mr Paul McRostie (from May 2014)
Manager Governance & Community Development	Ms Sally Klose (from May 2014)

Senior Executive Salary Packages

Council currently has six Senior Officers, including the positions of Chief Executive Officer, Director Corporate Services, Director Operations & Technical Services, Manager Technical Services, Works Manager and Project Manager.

Salary packages for these Officers include over Award salary in a band of \$89,034 - \$160,550, and may also include private use of a motor vehicle, superannuation, home phone, internet data transfer reimbursement and mobile phone.

Staff Levels (as at 30 June 2014)

Total employees (FTE)	73
Permanent fulltime	58
Permanent part time	15
Fixed term contract - full time and part time	2
Casual	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 36% of the Naracoorte Lucindale Council's operating revenue was expended on salaries, wages and associated employment costs. Of this expenditure approximately 33% related to operating expenditure, with just over 0.5 million attributed to capital expenditure.

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. The Council has begun to manage 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 2013-2014. Risks identified through this process are managed and mitigated through inclusion in annual work area plans and other programs.

Dean Newbery & Partners Chartered Accountant were appointed by Council as the Council's External Auditors in accordance with section 128 of the Local Government Act. They complete the annual statutory audit by testing the underlying transactions that form the basis of the financial statements. The external auditor provides an opinion on whether the accounts are a true and fair view. Their findings are reported to the Audit Committee at the completion of the Audit each year.

Dean Newbery & Partners has been appointed as Council's Auditor for a five (5) year contract which commenced for the year ending 30 June 2011.

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

Since 1 September 2013 a mandatory Code of Conduct for Elected Members 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.

Since 13 February 2014 a mandatory Code of Conduct for Employees 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 kept by Council:

- Members Register of Interests
- Members Register of Allowances and Benefits
- Officers Register of Salaries
- Officers Register of Interests
- Campaign Donation Returns
- Fees and Charges
- Community Management Plans
- Community Land
- Public Roads
- By Laws

CODES

Following is a list of Council Codes of Conduct or Practice, adopted in accordance with the Local Government Act 1999 or the Local Government (Elections) Act 1999 and Local Government (Procedures at Meetings) Regulations 2000:

- Code of Conduct for Elected Members
- Code of Conduct for the Development Assessment Panel
- Code of Practice - Access to Council and Committee Meetings and Associated Documents
- Code of Practice - Meetings of Council and Council Committees

POLICIES

Council has adopted the following statutory policies:

- Building and Swimming Pool Inspection
- Caretaker
- Contracting, Purchasing of Goods and Services
- Council and Committee Meetings and Associated Documents Access
- Complaint Handling Policy
- Complaint Handling and Review of Decision Procedure
- Hardship Policy for Residential Customers of Minor and Intermediate Water Retailers
- Internal Control Policy & Procedure
- Elected Members Complaint Handling Procedure
- Elected Members Training and Development
- Sale or Disposal of Land and Other Assets
- Grievance / Review of Decision Policy
- Prudential Management
- Public Consultation
- Road Naming
- Order Making

Council has adopted the following discretionary policies:

- Accommodation and Associated Expenses
- Accounting Policy - Infrastructure, Property, Plant & Equipment
- Asset Management
- Australian Defence Force - Reservist Leave
- Budget Reporting and Amendment Policy
- Caretaker Guidelines
- Cemetery Leases
- Customer Service
- Council and Committees Meeting Code of Practice
- Donations and Sponsorships
- Delegations Policy

- Developer Requirement Guidelines for Industrial Developments
- Developer Requirement Guidelines for Residential Developments
- Development Assessment Panel Complaint Handling
- Request for Information - Section 7 Statements
- Drug and Alcohol Policy
- Drug and Alcohol Procedure
- Disability Discrimination Act Policy
- Elected Members Access to Council Documents and Information
- Elected Members Allowances and Benefits
- Elected Members Casual Vacancy
- Emergency Response - Council Involvement in Emergency Response Operations in Support of CFS
- Employee - Corporate Uniform
- Employee - Recognition of Service, Personal Events and Occasions
- Employee Assistance Program
- Employee Pre-placement Medical Examination
- Election Signs
- Footpaths
- Firearms
- Fraud, Corruption and Whistle-blower Policy
- Fraud, Corruption Prevention and Whistle-blower Procedure
- Investments Policy
- Livestock Exchange OHSW Policy
- Media
- Motor Vehicles
- Parklands and Community Open Space
- Footpath Dining
- Rate Rebates
- Register of Interests
- Risk Management
- Road Closure and Sale
- Road Network Extension and Upgrade
- Child Safe Environment (and other vulnerable people)
- Smoke Free Policy
- Social Media
- Technology and Communication
- Town Hall Hire - Naracoorte and Lucindale
- Tree Management Policy
- Volunteer

REVIEW OF DECISIONS

As required by the Local Government Act 1999, Council has an Internal 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 2013-2014.

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 no Freedom of Information applications received during 2013-2014.

There were no applications brought forward from the previous year and there were no unfinished applications at 30 June 2013.

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 2014 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.

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 Contracting, Purchasing of Goods and Services 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.

Naracoorte Lucindale Council, *Annual Report 2013-2014*

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.

Complaints Concerning the Application of Competitive Neutrality

Council did not receive any complaints concerning the application of competitive neutrality principles during the 2013-2014 financial year.

Structural Reform of Public Monopolies

These provisions do not apply to any Council activity.

SOUTH EAST 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 SELGA. The following Councils are Members of SELGA: City of Mount Gambier, District Council of Grant, Kingston District Council, Naracoorte Lucindale Council, District Council of Robe, Tatiara District Council and Wattle Range Council.

SELGA's overall goal is to represent and serve its Constituent Councils and to advance the Limestone Coast communities through effective advocacy, facilitation and innovation. SELGA's Annual Report and audited financial statements for the 2013-14 financial year have been prepared in accordance with Schedule 2 (28) of the Local Government Act 1999.

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

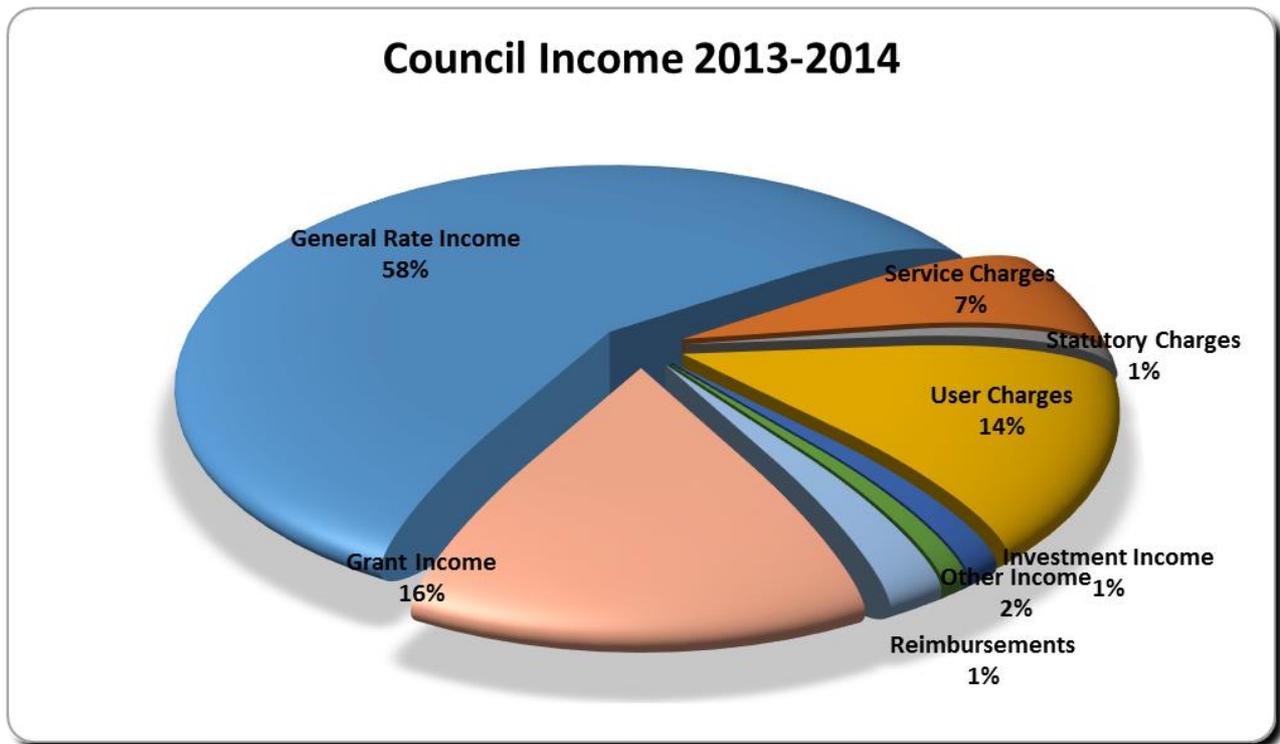
Council's primary source of revenue is generated by the levying of general rates and service charges. The 2013-14 year included a budgeted increase in general rates of approximately 2.5%. General rate income of \$9.718 million was raised. This amount was reduced by rebates totaling \$133,000 (mandatory, discretionary and revaluations).

Service charges of \$1.173 million were levied, including waste & recycling levy (\$912,000) and community waste management scheme (\$77,000). An amount of \$184,000 was collected on behalf of the South East Natural Resource Management Board.

Other sources of revenue for Council included user charges (hall hire, transfer station and saleyard fees), statutory fees (animal registration, development and health fees), reimbursements (community contribution to projects and private work), investment income, grant income and other income (rebates and insurance recoupments).

Council revenue for 2013-14 was \$16.808 million. This included \$646,000 received specifically for new or upgraded assets.

The graph below clearly shows that general rates (includes rebates, fines and interest) have generated 58% (2012-13 56%) of Council's income, service charges (including NRM Levy) a further 7%, grant income 16% (2012-13 20%), user charges 14% (2012-13 11%) and reimbursements and other income 3%. Meanwhile, statutory charges and investment income generated 2% of Council's income.



Assets and Capital Expenditure

For year ending 30 June 2011 a revaluation of Council assets was conducted by Maloney Field Services.

Land, buildings and infrastructure (including Saleyards and Naracoorte Swimming Lake) were revalued as at June 30 2011.

Plant & machinery, furniture & equipment, reserve furniture, minor equipment and library books continued to be valued at cost.

Capital expenditure totaled \$5.401 million in 2013-14. \$3.44 million related to expenditure on renewal or replacement of existing assets. \$1.961 million was expended on new assets. Council also carried forward \$892,000 of capital projects in progress, which will be completed and capitalised year ending 30 June 2015. Further details relating to completed capital projects and related expenditure may be found elsewhere in this document.

Council's asset base was valued at \$368.497 million as at 30 June 2014, with a carrying (written down) value of \$269.3872 million.

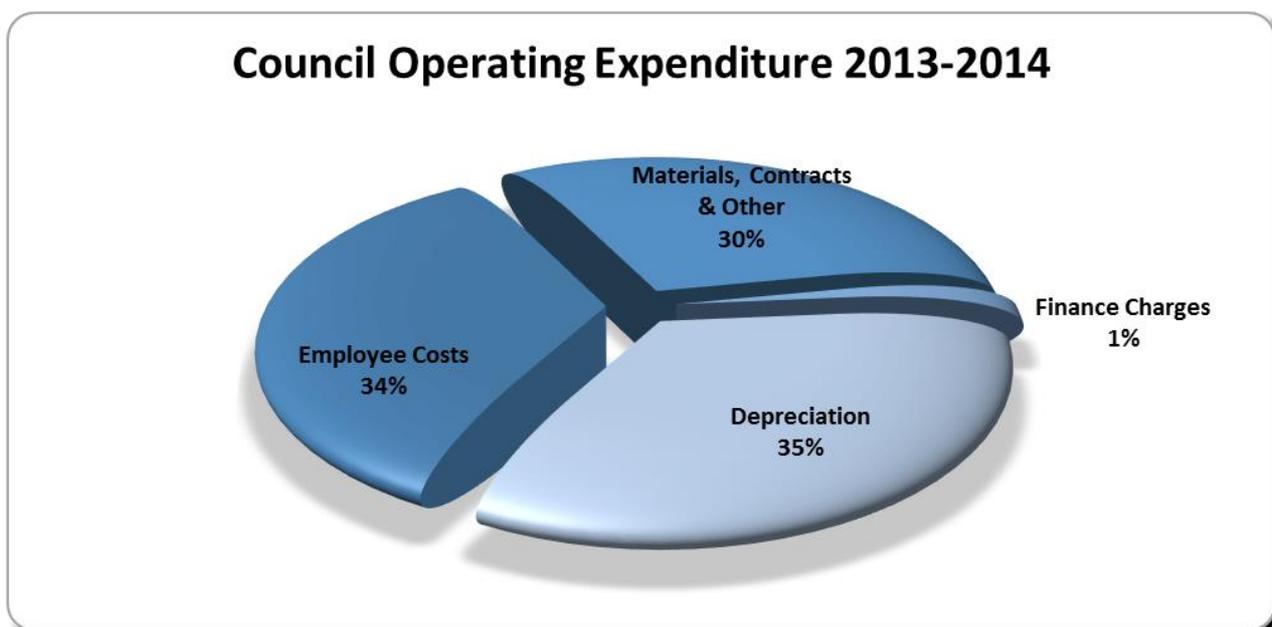
Expenditure

Council's operating expenditure for 2013-14 was \$15.721 million. Expenditure included depreciation of \$5.447 million.

Employee costs, including workers compensation, superannuation, income protection, leave accruals and protective clothing totaled \$5.895 million (2012-13: \$5.830 million), which when adjusted for costs relating to capital projects resulted in an operational expenditure of \$5.344 million (2012-13: \$5.304 million).

\$270,000 (2012-13: \$255,000) was expended on finance costs, with \$184,000 passed onto the Natural Resource Management Board and a further \$93,000 paid in other government levies (eg. emergency services levy).

The graph below indicates that depreciation makes up one third of all Council expenditure.



Loan Borrowings

Council's loan liability as at 30 June 2014 was \$4 million (2013: \$4.294 million). Principal payments of \$314,000 are due before 30 June 2015.

Loans to Community Organisations

As at 30 June 2014 Council has extended loan facilities totaling \$72,000 (2013: \$98,000) to individuals and community organisations. \$19,000 is due and payable by 30 June 2015.

Employee Provisions

Leave provisions (annual leave & long service leave) as at 30 June 2014 was \$1.283 million.

Naracoorte Lucindale Council, *Annual Report 2013-2014*

Net Result

Council's operating result before capital revenues for year ending 30 June 2014 is a surplus of \$441,000 (2013: surplus of \$1.203 million).

The Audited Financial Statements for the year ended 30 June 2014 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 2013-2014, a payment of \$18,000 (GST exclusive) was made to Newbery's for audit services provided in relation to the financial year ending 30 June 2013. No payments were made for any other services.

Budget 2014-2015

For the year ending 30 June 2015, Council adopted the following Operating Budget.

	ACTUAL RESULT - YEAR ENDED 30/6/2014 (\$'000)	BUDGET - YEAR ENDING 30/6/2015 (\$'000)
OPERATING REVENUES		
Rates	10,839	10,996
Statutory Charges	167	209
User Charges	2,281	2,164
Operating Grants, Subsidies and Contributions	2,114	3,147
Investment Income	233	188
Reimbursements	163	218
Other Income	365	66
	<hr/>	<hr/>
TOTAL OPERATING REVENUES	16,162	16,988
OPERATING EXPENSES		
Employee Costs	5,344	5,635
Materials, Contracts and Other Expenses	4,675	5,617
Finance Costs	255	261
Depreciation	5,447	5,519
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	15,721	17,032
OPERATING SURPLUS (DEFICIT) BEFORE CAPITAL REVENUES	441	(44)
ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS	(77)	
AMOUNTS RECEIVED SPECIFICALLY FOR NEW OR UPGRADED ASSETS	646	475
	<hr/>	<hr/>
NET SURPLUS (DEFICIT)	\$1,010	\$431
	<hr/>	<hr/>

Further information in relation to projects proposed for the 2014-2015 financial year may be sourced from Council's Annual Business Plan & Budget 2014-15.

MEASURING COUNCIL'S PERFORMANCE

In addition to documenting Council strategic objectives, activities and planned programs for the 2013-2014 financial year, the Annual Business Plan & Budget and the Strategic Management Plan 2009-2030 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	2013-14 Actual (\$'000)	2012-13 Actual (\$'000)	2011-12 Actual (\$'000)
=>0	441	1,203	586

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	2013-14 Actual	2012-13 Actual	2011-12 Actual
0-15%	4%	12%	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	2013-14 Actual (\$'000)	2012-13 Actual (\$'000)	2011-12 Actual (\$'000)
>0 < \$16,162	(1,663)	(587)	1,715

This result indicates that Council has more assets than liabilities. Council is in a good position to increase its borrowings to ensure assets are renewed at a sustainable level.

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	2013-14 Actual	2012-13 Actual	2011-12 Actual
>0 < 100%	(10%)	(4%)	10%

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	2013-14 Actual	2012-13 Actual	2011-12 Actual
>0 < 10%	0%	1.5%	1.3%

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	2012-13 Actual	2011-12 Actual
>90 < 110%	61%	61%	39%

Council is not meeting its target in renewing/replacing assets. This indicates that Council's overall asset base is deteriorating faster than it is being replaced. Council is aware that this ratio needs to be improved in the short term to ensure its future sustainability.

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 operation surplus for the year.

Balance Sheet

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 in 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 Financial Performance, 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

FINANCIAL STATEMENTS

Year Ending 30 June 2014

NARACOORTE LUCINDALE COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

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 2014 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: 23 September 2014

NARACOORTE LUCINDALE COUNCIL

General Purpose Financial Reports for the year ended 30 June 2014

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NARACOORTE LUCINDALE COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
INCOME			
Rates	2	10,839	10,496
Statutory charges	2	167	155
User charges	2	2,281	1,943
Grants, subsidies and contributions	2	2,114	3,315
Investment income	2	233	182
Reimbursements	2	163	404
Other income	2	365	351
Total Income		<u>16,162</u>	<u>16,846</u>
EXPENSES			
Employee costs	3	5,344	5,304
Materials, contracts & other expenses	3	4,675	4,701
Depreciation, amortisation & impairment	3	5,447	5,365
Finance costs	3	255	273
Total Expenses		<u>15,721</u>	<u>15,643</u>
OPERATING SURPLUS / (DEFICIT)		441	1,203
Asset disposal & fair value adjustments	4	(77)	(332)
Amounts received specifically for new or upgraded assets	2	646	234
NET SURPLUS / (DEFICIT)		<u>1,010</u>	<u>1,105</u>
transferred to Equity Statement			
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>1,010</u>	<u>1,105</u>

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

NARACOORTE LUCINDALE COUNCIL

STATEMENT OF FINANCIAL POSITION as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	7,428	6,564
Trade & other receivables	5	961	1,037
Inventories	5	<u>1,034</u>	<u>858</u>
Total Current Assets		<u>9,423</u>	<u>8,459</u>
Non-current Assets			
Financial assets	6	53	77
Infrastructure, property, plant & equipment	7	269,387	269,812
Other non-current assets	6	<u>892</u>	<u>709</u>
Total Non-current Assets		<u>270,332</u>	<u>270,598</u>
Total Assets		<u>279,755</u>	<u>279,057</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,398	1,880
Borrowings	8	314	294
Provisions	8	<u>1,051</u>	<u>703</u>
Total Current Liabilities		<u>2,763</u>	<u>2,877</u>
Non-current Liabilities			
Borrowings	8	3,686	4,000
Provisions	8	<u>330</u>	<u>214</u>
Total Non-current Liabilities		<u>4,016</u>	<u>4,214</u>
Total Liabilities		<u>6,779</u>	<u>7,091</u>
NET ASSETS		<u>272,976</u>	<u>271,966</u>
EQUITY			
Accumulated Surplus		42,600	40,903
Asset Revaluation Reserves	9	228,939	228,939
Other Reserves	9	<u>1,437</u>	<u>2,124</u>
TOTAL EQUITY		<u>272,976</u>	<u>271,966</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 2014

	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Available for sale Financial Assets \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
2014						
Balance at end of previous reporting period		40,903	228,939	-	2,124	271,966
Net Surplus / (Deficit) for Year		1,010	-	-	-	1,010
Other Comprehensive Income						
Transfers between reserves		687	-	-	(687)	-
Balance at end of period		<u>42,600</u>	<u>228,939</u>	<u>-</u>	<u>1,437</u>	<u>272,976</u>
2013						
Balance at end of previous reporting period		39,285	228,939	-	2,637	270,861
Net Surplus / (Deficit) for Year		1,105	-	-	-	1,105
Other Comprehensive Income						
Transfers between reserves		513	-	-	(513)	-
Balance at end of period		<u>40,903</u>	<u>228,939</u>	<u>-</u>	<u>2,124</u>	<u>271,966</u>

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 2014

		2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$'000	\$'000
<u>Receipts</u>			
Rates - general & other		10,779	10,391
Fees & other charges		180	167
User charges		2,688	2,174
Investment receipts		219	165
Grants utilised for operating purposes		2,273	3,564
Reimbursements		185	534
Other revenues		1,486	1,267
<u>Payments</u>			
Employee costs		(5,213)	(5,205)
Materials, contracts & other expenses		(6,545)	(6,418)
Finance payments		(284)	(333)
Net Cash provided by (or used in) Operating Activities	11(b)	5,768	6,306
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		646	234
Sale of replaced assets		119	90
Repayments of loans by community groups		26	30
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,440)	(3,361)
Expenditure on new/upgraded assets		(1,961)	(1,189)
Net Cash provided by (or used in) Investing Activities		(4,610)	(4,196)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	2,000
<u>Payments</u>			
Repayments of borrowings		(294)	(238)
Net Cash provided by (or used in) Financing Activities		(294)	1,762
Net Increase (Decrease) in cash held		864	3,872
Cash & cash equivalents at beginning of period	11	<u>6,564</u>	<u>2,692</u>
Cash & cash equivalents at end of period	11	<u>7,428</u>	<u>6,564</u>

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 2014

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 23 September 2014.

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 these Notes.

1.4 Rounding

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

Naracoorte Lucindale Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

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

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. In June 2013 \$1.324 million was received in relation to the 2013-14 year, however, in June 2014 the Federal Government announced that the payment of these grants would return to their normal cycle and no early payment was received in June 2014.

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

3.1 Construction Contracts

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

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of 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 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.

Naracoorte Lucindale Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. 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	\$5,000
Park & Playground Furniture & Equipment	\$1,000
Road Construction and Reconstruction	\$5,000
Paving & Footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$5,000
Artworks	\$1,000

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

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

Naracoorte Lucindale Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Memorials	40 to 80 years
Park Structures – other construction	5 to 15 years
Playground equipment	5 to 15 years
Benches, seats, etc	5 to 15 years
Infrastructure	
Seal	15 years
Pavement	40 years
Earthworks	indefinite
Bridges	60 to 100 years
Paving & Footpaths, Kerb & Gutter	15 to 40 years
Stormwater Drainage	60 years
Other Assets	
Library Books	3 to 5 years
Artworks	indefinite

6.5 Impairment

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

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

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

6.6 Comparative Information

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

Comparative information for Land and Building assets disclosed in Note 7 as Level 2 assets have been amended to comply with the new measurement and disclosure requirements as a result of the introduction of AASB 13 *Fair Value Measurement*. Comparative information has been amended for comparability purposes and this has resulted in no change in the comparative financial position or performance of the Council.

Naracoorte Lucindale Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

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 oncosts) measured in accordance with AASB 119.

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

Weighted average discount rate	2.51% (2013, 2.3%)
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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. Council does not make payment for untaken sick leave.

9.2 Superannuation

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

10 Provision for Carbon Taxation

Council operates one landfill facility, which receives limited waste in the form of asbestos only. The amount received is substantially below the taxation threshold of 25,000 tonnes of carbon dioxide equivalent (CO₂e) gas emissions.

Council considers that it has no current or likely future liability for this tax.

Naracoorte Lucindale Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

11 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.

12 GST Implications

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

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

13 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been used in preparing these reports.

- AASB 7 *Financial Instruments - Disclosures*
- AASB 9 *Financial Instruments*
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 132 *Financial Instruments: Presentation*

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6, AASB 2012-10, AASB 2013-3, AASB 2013-8 and AASB 2013-9.

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

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

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

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 2 - INCOME

	Notes	2014 \$'000	2013 \$'000
RATES REVENUES			
<u>General Rates</u>		9,718	9,485
Less: Mandatory rebates		(76)	(112)
Less: Discretionary rebates, remissions & write offs		(57)	(46)
		9,585	9,327
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		184	183
Waste collection		912	864
Community wastewater management systems		77	70
		1,173	1,117
<u>Other Charges</u>			
Penalties for late payment		54	54
Legal & other costs recovered		28	1
		82	55
Less: Discretionary rebates, remissions & write offs		(1)	(3)
		10,839	10,496
STATUTORY CHARGES			
Development Act fees		34	31
Town planning fees		64	65
Health & Septic Tank Inspection fees		5	5
Animal registration fees & fines		42	36
Parking fines / expiation fees		5	4
Other licences, fees, & fines		17	14
		167	155
USER CHARGES			
Cemetery/crematoria fees		77	74
Livestock Exchange Fees and Charges		1,448	1,265
Lease and Rental Income		78	80
Transfer Station		485	410
Hall & equipment hire		36	40
Aged Home Maintenance Fees		18	18
Sales - general		137	54
Sundry		2	2
		2,281	1,943
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		177	148
Banks & other		53	27
Loans to community groups		3	7
		233	182

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

NOTE 2 - INCOME (continued)

	Notes	2014 \$'000	2013 \$'000
REIMBURSEMENTS			
- for private works		62	241
- other		<u>101</u>	<u>163</u>
		<u>163</u>	<u>404</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		184	132
Rebates received		98	109
Sundry		<u>83</u>	<u>110</u>
		<u>365</u>	<u>351</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		646	234
Other grants, subsidies and contributions		<u>2,114</u>	<u>3,315</u>
		<u>2,760</u>	<u>3,549</u>
<i>The functions to which these grants relate are shown in Note 2.</i>			
Sources of grants			
Commonwealth government		417	428
State government		<u>2,343</u>	<u>3,121</u>
		<u>2,760</u>	<u>3,549</u>

NARACORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

NOTE 2 - INCOME (continued)

	2014	2013
Notes	\$'000	\$'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>		276
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Roads Infrastructure</i>	-	(272)
<i>Heritage, Cultural Services & Other</i>	-	(4)
<i>Subtotal</i>	<u>-</u>	<u>(276)</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Heritage, Cultural Services & Other</i>	<u>194</u>	<u>-</u>
<i>Subtotal</i>	<u>194</u>	<u>-</u>
<i>Unexpended at the close of this reporting period</i>	<u><u>194</u></u>	<u><u>-</u></u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<u><u>194</u></u>	<u><u>(276)</u></u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES

	Notes	2014 \$'000	2013 \$'000
EMPLOYEE COSTS			
Salaries and Wages		4,133	4,129
Employee leave expense		989	928
Superannuation - defined contribution plan contributions	18	177	157
Superannuation - defined benefit plan contributions	18	271	286
Workers' Compensation Insurance		234	243
Other		91	87
Less: Capitalised and distributed costs		(551)	(526)
Total Operating Employee Costs		5,344	5,304
 Total Number of Employees		 73	 76
<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		18	17
Elected members' expenses		129	142
Election expenses		2	2
Operating Lease Rentals - cancellable leases		3	5
Subtotal - Prescribed Expenses		152	166
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		542	457
Waste Management		1,418	1,569
Street Cleaning		189	188
Insurance		281	275
Quarry - rubble raising & associated expenses		433	619
Subscriptions & Licences		242	294
Energy		780	726
Maintenance		663	566
Legal Expenses		8	3
Levies paid to government - NRM levy		184	182
- Other Levies		93	111
Parts, accessories & consumables		531	611
Professional services		264	99
Sundry		585	249
Less: Capitalised and distributed costs		(1,690)	(1,414)
Subtotal - Other Materials, Contracts & Expenses		4,523	4,535
		4,675	4,701

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES (cont)

	Notes	2014 \$'000	2013 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures (L3)		421	434
Buildings & Other Structures (L2)		10	-
Infrastructure			
- Roads		3,742	3,711
- Bridges & drainage		93	92
- Street Furniture		9	8
- CWMS		41	41
- Site Improvements		7	7
- Reserve Furniture		50	50
- Storm Water		93	91
- Aerodrome		51	47
Plant & Equipment		497	469
Furniture & Fittings		63	65
Minor Plant		16	20
Library books		20	18
Saleyards		286	263
Swimming Lake		48	49
		<u>5,447</u>	<u>5,365</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		-	22
Interest on Loans		255	251
		<u>255</u>	<u>273</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2014 \$'000	2013 \$'000
	Notes	
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	119	91
Less: Carrying amount of assets disposed	171	423
Gain (Loss) on disposal	(52)	(332)
 <i>Assets surplus to requirements</i>		
Proceeds from disposal	-	-
Less: Carrying amount of assets disposed	25	-
Gain (Loss) on disposal	(25)	-
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		
	(77)	(332)

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 5 - CURRENT ASSETS

	Notes	2014 \$'000	2013 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		439	457
Deposits at Call		1,946	5,107
Short Term Deposits & Bills, etc		<u>5,043</u>	<u>1,000</u>
		<u>7,428</u>	<u>6,564</u>
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		536	516
Accrued Revenues		84	95
Debtors - general		287	375
GST Recoupment		32	17
Prepayments		3	13
Loans to community organisations		<u>19</u>	<u>21</u>
		<u>961</u>	<u>1,037</u>
 INVENTORIES			
Stores & Materials		877	727
Trading Stock - VIC		4	3
Fuel & Lubricants		50	28
General Stores		81	80
Other		<u>22</u>	<u>20</u>
		<u>1,034</u>	<u>858</u>

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 2014

Note 6 - NON-CURRENT ASSETS

	Notes	2014 \$'000	2013 \$'000
FINANCIAL ASSETS			
Loans to community organisations		<u>53</u>	<u>77</u>
TOTAL FINANCIAL ASSETS		<u>53</u>	<u>77</u>
OTHER NON-CURRENT ASSETS			
Capital Works-in-Progress		<u>892</u>	<u>709</u>
		<u>892</u>	<u>709</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2013 \$'000				2014 \$'000			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land (L3)	3	8,715	-	-	8,715	8,715	-	-	8,715
Land (L2)	2	3,004	-	-	3,004	3,004	-	-	3,004
Buildings & Other Structures (L3)	3	19,704	16	(10,104)	9,616	19,519	(10,348)	9,219	
Buildings & Other Structures (L2)	2	363	-	(139)	224	363	(149)	214	
Infrastructure									
- Roads	3	278,250	7,218	(64,354)	221,114	276,319	(66,213)	220,926	
- Bridges & drainage	3	9,050	419	(4,818)	4,651	8,893	(4,791)	4,670	
- Street Furniture	3	12	184	(90)	106	12	(99)	97	
- CWMS	3	2,688	50	(1,008)	1,730	2,638	(1,006)	1,697	
- Site Improvements		-	284	(10)	274	-	(17)	267	
- Reserve Furniture		-	1,254	(446)	808	-	(497)	866	
- Storm Water	3	9,252	160	(5,562)	3,850	9,252	(5,655)	4,066	
- Aerodrome	3	323	1,604	(705)	1,222	323	(667)	1,482	
Plant & Equipment									
Furniture & Fittings			7,099	(3,034)	4,065	-	(3,356)	3,822	
Minor Plant			573	(363)	210	-	(409)	289	
Library books			339	(235)	104	-	(251)	90	
Saleyards	3	6,110	5,655	(3,085)	8,680	6,110	(3,362)	8,568	
Swimming Lake	3	2,920	51	(1,706)	1,265	2,920	(1,754)	1,217	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		340,391	25,621	(96,200)	269,812	338,068	(99,110)	269,387	
Comparatives		342,939	19,749	(92,542)	270,146	340,391	(96,200)	269,812	

This Note continues on the following pages.

NARACOOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2014 \$'000
	\$'000										
	2013 \$'000	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT		
CARRYING AMOUNT	New/Upgrade	Renewals									
Land (L3)	8,715	-	-	-	-	-	-	-	-	8,715	
Land (L2)	3,004	-	-	-	-	-	-	-	-	3,004	
Buildings & Other Structures (L3)	9,616	46	2	(24)	(421)	-	-	-	-	9,219	
Buildings & Other Structures (L2)	224	-	-	-	(10)	-	-	-	-	214	
Infrastructure											
- Roads	221,114	1,116	2,486	(48)	(3,742)	-	-	-	-	220,926	
- Bridges & drainage	4,651	11	138	(37)	(93)	-	-	-	-	4,670	
- Street Furniture	106	-	-	-	(9)	-	-	-	-	97	
- CWMS	1,730	-	15	(7)	(41)	-	-	-	-	1,697	
- Site Improvements	274	-	-	-	(7)	-	-	-	-	267	
- Reserve Furniture	808	108	-	-	(50)	-	-	-	-	866	
- Storm Water	3,850	309	-	-	(93)	-	-	-	-	4,066	
- Aerodrome	1,222	-	311	-	(51)	-	-	-	-	1,482	
Plant & Equipment	4,065	64	262	(72)	(497)	-	-	-	-	3,822	
Furniture & Fittings	210	132	11	(1)	(63)	-	-	-	-	289	
Minor Plant	104	-	2	-	(16)	-	-	-	-	90	
Library books	174	-	24	-	(20)	-	-	-	-	178	
Saleyards	8,680	175	5	(6)	(286)	-	-	-	-	8,568	
Swimming Lake	1,265	-	-	-	(48)	-	-	-	-	1,217	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	269,812	1,961	3,256	(195)	(5,447)	-	-	-	-	269,387	
Comparatives	270,146	2,801	2,652	(422)	(5,365)	-	-	-	-	269,812	

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 2014

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 restated 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".

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. When they are revalued their fair value will be 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.

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.

Pursuant to Council's election, 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 2011 by Ms Kate Tynan, B. Bus Property (Valuation) AAPI, independent Certified Practising Valuer of Maloney Field Services 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.

Naracoorte Lucindale Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 – Property, Plant & Equipment (cont)

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the fair value basis, originally deriving from a valuations for the year ending 30 June 2011 by Ms Kate Tynan, B. Bus Property (Valuation) AAPI, Certified Practising Valuer of Maloney Field Services at current replacement cost. Additions since the date of revaluation are recorded at cost.

Land reclassified in 2014 as Level 2 valuation pursuant to AASB13 *Fair Value Measurement* was not revalued in 2014 as the estimated impact on the financial statements was not material.

Buildings & Other Structures

Buildings and other structures are recognised on the fair value basis. These assets were revalued for the year ending 30 June 2011 by Ms Kate Tynan, B. Bus Property (Valuation) AAPI, independent Certified Practising Valuer of Maloney Field Services at current replacement cost. Additions are recognised at cost.

Buildings reclassified in 2014 as Level 2 valuation pursuant to AASB13 *Fair Value Measurement* was not revalued in 2014 as the estimated impact on the financial statements was not material.

Infrastructure

Transportation assets were valued at written down current replacement cost during the reporting period ended 30 June 2011. All acquisitions made after the respective dates of valuation are recorded at cost.

Drainage & Bridges infrastructure was valued for the year ending 30 June 2011 at written down current replacement cost, based on actual costs incurred during the reporting period. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at written down current replacement cost during the reporting period ended 30 June 2011. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

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

All other assets

Pursuant to Council's election, these assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk.

Capitalisation Thresholds and Estimated Useful Lives

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

NARACORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 8 - LIABILITIES

	Notes	2014 \$'000		2013 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		429		445	
Payments received in advance		194	-	131	-
Accrued expenses - employee entitlements		206	-	633	-
Accrued expenses - other		123	-	194	-
Aged Care Facility Deposits		427	-	432	-
Deposits, Retentions & Bonds		-	-	34	-
Other		19	-	11	-
		<u>1,398</u>	<u>-</u>	<u>1,880</u>	<u>-</u>
BORROWINGS					
Loans		<u>314</u>	<u>3,686</u>	<u>294</u>	<u>4,000</u>
		<u>314</u>	<u>3,686</u>	<u>294</u>	<u>4,000</u>

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

PROVISIONS

Employee entitlements (including oncosts)		1,032	251	608	116
Landfill Liability		19	79	95	98
		<u>1,051</u>	<u>330</u>	<u>703</u>	<u>214</u>

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

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NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2013	Net Increments (Decrements)	Transfers, Impairments	30/6/2014
	Notes	\$'000	\$'000	\$'000
Land		7,170	-	7,170
Buildings & Other Structures		4,340	-	4,340
Infrastructure		216,499	-	216,499
Other Community Assets		930	-	930
TOTAL		228,939	-	228,939
<i>Comparatives</i>		<i>228,939</i>	<i>-</i>	<i>228,939</i>

OTHER RESERVES	1/7/2013	Transfers to Reserve	Transfers from Reserve	30/6/2014
Community Chest	22	-	(5)	17
Development	273	17	-	290
Grants Committed	1,360	194	(1,340)	214
Heritage	5	-	(5)	0
IT Upgrade	11	80	-	91
Lake Ormerod	2	-	-	2
Lucindale Aged Care Facility	5	-	-	5
Lucindale Health Centre	4	4	-	8
Lucindale Library	26	-	-	26
Open Space	25	-	-	25
Plant & Machinery	308	304	-	612
Harry Tregoweth Retirement Village	4	-	-	4
Livestock Exchange (NRLE)	-	28	-	28
CWMS	74	36	-	110
Volunteers	5	5	(5)	5
TOTAL OTHER RESERVES	2,124	668	(1,355)	1,437
<i>Comparatives</i>	<i>2,637</i>	<i>1,715</i>	<i>(2,228)</i>	<i>2,124</i>

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 Chest Reserve

The Community Chest Reserve acknowledges community grants given by Council but not claimed by Community Groups as at 30 June 2014.

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 to recognise grants received, but not expended.

Heritage Reserve

Reserve to recognise Council's matching contribution to a Heritage Grant received which has been recognised in Grants Committed. This grant has now been acquitted.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 9 - RESERVES

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.

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 2014

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.

CASH & FINANCIAL ASSETS	Notes	2014 \$'000	2013 \$'000
Open Space		25	25
Community Water Management Scheme (CWMS)		110	74
Volunteers Grant		5	5
Committed Grants		214	32
Heritage Grant		-	5
		354	141
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		354	141

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

Specific purpose grants which were unexpended as at 30 June 2014.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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	2014 \$'000	2013 \$'000
Total cash & equivalent assets	5	<u>7,428</u>	<u>6,564</u>
Balances per Cash Flow Statement		<u>7,428</u>	<u>6,564</u>

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

Net Surplus (Deficit)		1,010	1,105
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		5,447	5,365
Net increase (decrease) in unpaid employee benefits		132	43
Grants for capital acquisitions treated as Investing Activity		(646)	(234)
Net (Gain) Loss on Disposals		<u>77</u>	<u>332</u>
		6,020	6,611
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		74	69
Net (increase) decrease in inventories		(176)	(40)
Net increase (decrease) in trade & other payables		(55)	(181)
Net increase (decrease) in landfill liability		<u>(95)</u>	<u>(153)</u>
Net Cash provided by (or used in) operations		<u>5,768</u>	<u>6,306</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 bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

NARACORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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	2014	2013	2014	2013	
	2014	2013	2014	2013	2014	2013	\$'000	\$'000	\$'000	\$'000	
	10,897	12,068	2,682	2,516	8,215	9,552	901	2,348	9,527	8,745	
Administration	10	10	51	61	(41)	(51)	-	-	-	-	
Health	26	29	69	69	(43)	(40)	-	-	617	515	
Social Security & Welfare	1,681	1,539	2,491	2,494	(810)	(955)	87	89	2,674	2,697	
Housing & Community Amenities	219	206	1,717	1,661	(1,498)	(1,455)	46	56	14,274	14,451	
Sport & Recreation	155	259	486	394	(331)	(135)	-	80	94	215	
Regulatory Services	1,117	782	6,033	6,008	(4,916)	(5,226)	1,080	742	232,889	232,253	
Transport & Communication	43	43	223	227	(180)	(184)	-	-	3,867	3,929	
Economic Affairs NEC	518	641	639	950	(121)	(309)	-	-	6,808	7,057	
Other Purposes NEC	1,496	1,269	1,330	1,263	166	6	-	-	9,005	9,195	
Business Undertakings											
TOTALS	16,162	16,846	15,721	15,643	441	1,203	2,114	3,315	279,755	279,057	

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.

NARACORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Administration

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

Health

Health Services, Immunisation, Preventive Health Services, Other Health Services.

Social Security and Welfare

Elderly Citizens Facilities, Seniors Week, Retirement Village

Housing & Community Amenities

Community Support, Youth Services, Community Assistance, Other Community Support, Community Amenities, Cemeteries/Crematoria, Public Conveniences, Effluent, Sanitation and Garbage

Sport & Recreation

Library Services, Art Gallery, Swimming Lake, Parks & Gardens, Playgrounds

Regulatory

Urban and rural development, including building and planning. Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Dog Control, General Inspectorial.

Transport & Communication

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

Economic Affairs

Land Development, Visitor Information Centre.

Other Purposes NEC

Depot and plant operations

Business Undertakings

Saleyards

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

<p>Bank, Deposits at Call, Short Term Deposits</p>	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 2.5% and 3.9% (2013: 2.75% and 4.2%). Short term deposits have an average interest rates of 2.53% (2013: 3.13%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Rates & Associated Charges (including legals & penalties for late payment)</p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 0.67% (2013: 0.71%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Receivables - Fees & other charges</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Liabilities - Creditors and Accruals</p>	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Retirement Home Contributions</p>	<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>
<p>Liabilities - Interest Bearing Borrowings</p>	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable twice per year; interest is charged at fixed rates between 5.3% and 7.95% (2013: 5.3% and 7.95%)</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Finance Leases</p>	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2014	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	7,428	-	-	7,428	7,428
Receivables	475	-	-	475	478
Community Loans	19	29	24	72	72
Total	7,922	29	24	7,975	7,978
Financial Liabilities					
Payables	1,679	-	-	1,679	1,204
Current Borrowings	554	-	-	554	314
Non-Current Borrowings	-	2,195	2,689	4,884	3,686
Total	2,233	2,195	2,689	7,117	5,204
2013	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	6,564	-	-	6,564	6,564
Receivables	577	-	-	577	577
Other Financial Assets	21	45	32	98	98
Total	7,162	45	32	7,239	7,239
Financial Liabilities					
Payables	1,749	-	-	1,749	1,749
Current Borrowings	555	-	-	555	294
Non-Current Borrowings	-	2,750	2,689	5,439	4,000
Total	2,304	2,750	2,689	7,743	6,043

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

	30 June 2014		30 June 2013	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Overdraft	4.78	-	5.28	-
Other Variable Rates	0.00	-	0.00	-
Fixed Interest Rates	6.15	4,000	6.16	4,294
		<u>4,000</u>		<u>4,294</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. The majority of Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. The Council also has an Incentive Saver Investment held with BankSA. 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.

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 14 - COMMITMENTS FOR EXPENDITURE

	2014 Notes \$'000	2013 \$'000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Infrastructure	1,603	-
Plant & Equipment	-	65
	1,603	65
These expenditures are payable:		
Not later than one year	1,052	65
Later than one year and not later than 5 years	551	-
	1,603	65

Finance Lease Commitments

Council has no finance leases

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 15 - FINANCIAL INDICATORS

	2014	2013	2012
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

Operating Surplus Ratio

<u>Operating Surplus</u>	4%	12%	6%
Rates - general & other less NRM levy			

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

Adjusted Operating Surplus Ratio

	4%	11%	(1%)
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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>	-10%	-4%	10%
Total Operating Revenue less NRM levy			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	61%	61%	39%
Infrastructure & Asset Management Plan required expenditure			

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

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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

	2014 \$'000	2013 \$'000
Income	16,162	16,846
less Expenses	<u>15,721</u>	<u>15,643</u>
Operating Surplus / (Deficit)	441	1,203
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,440	3,361
Depreciation, Amortisation and Impairment	(5,447)	(5,365)
Proceeds from Sale of Replaced Assets	<u>(119)</u>	<u>(90)</u>
	(2,126)	(2,094)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	1,961	1,189
Amounts received specifically for New and Upgraded Assets	(646)	(234)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	<u>1,315</u>	<u>955</u>
Net Lending / (Borrowing) for Financial Year	<u>1,252</u>	<u>2,342</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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 fees and charges 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 a operating lease for photocopier.

The lease in relation to the photocopier permits Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

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

	2014 \$'000	2013 \$'000
Not later than one year	5	2
Later than one year and not later than 5 years	15	-
	<u>20</u>	<u>2</u>

NARACOORTE LUCINDALE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

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. From the 1st July 2010 Salarylink was closed to all new members. The closure does not affect the rights of existing contributors to Salarylink. All new employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.25% in 2013/14; 9% in 2012/2013). 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% (6.3% in 2012/13) of "superannuation" salary.

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

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

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

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 2014

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. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$5,439 (2013: \$10,470) at reporting date.

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

4. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council has not been notified of any appeals against planning decisions made prior to the reporting date.

5. RATEPAYER 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 \$66,296 (2013: \$87,154).

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

6. "CARBON" TAX

From 1 July 2012 a new tax on emissions of certain "greenhouse" gases commences operation. Council has a number of garbage landfill facilities which emit, and will continue for many years to emit, gases of this type. Information currently available provides assurances that "legacy emissions" from garbage placed in landfills prior to commencement of the tax will not subsequently become liable to the tax. However, details of the mechanisms for measuring such emissions or of providing the exemption are not currently available.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NARACOORTE LUCINDALE COUNCIL

We have audited the accompanying financial report of the Naracoorte Lucindale Council, which comprises the Statement of Comprehensive Income for the year ended 30 June 2014, the Statement of Financial Position as at 30 June 2014, the Statement of Changes in Equity for the year ended 30 June 2014, the Statement of Cash Flows for the year ended 30 June 2014, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

The Responsibility of the Chief Executive Officer for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 and the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Naracoorte Lucindale Council as of 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards (including Australian Accounting Interpretations).

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS


JIM KEOGH
PARTNER

Signed on the 1st day of October 2014,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

NARACOORTE LUCINDALE COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

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 2014, 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: 23-9-2014

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of Naracoorte Lucindale Council for the year ended 30 June 2014, 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*.



JIM KEOGH

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 1st day of October 2014



Naracoorte Lucindale Council
Better by Nature



Annual Report 2013-2014

South East Local Government Association

South East Local Government
Association Inc.

PO BOX 1445, MOUNT GAMBIER, SA
5290

Phone: (08) 8723 1057

Email: eo@selga.sa.gov.au

Web address: www.selga.sa.gov.au

Introduction

This document is the Annual Report of the South East Local Government Association Inc. for the period 1st July 2013 to 30th June 2014. 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

The South East Local Government Association (SELGA) was established as a regional body on 6th October 1885. SELGA 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:

City of Mount Gambier
District Council of Grant
Kingston District Council
Naracoorte Lucindale Council
District Council of Robe
Tatiara District Council
Wattle Range Council

Under its Charter, SELGA's objects are to:

- Work in association with both the Local Government Association of South Australia 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 SELGA Board

The SELGA Board comprises the seven Mayors of the Constituent Councils, and is chaired by the SELGA President. Meetings are also attended by Council CEOs.

Council	Delegate	Proxy Delegate
City of Mount Gambier	Mayor Steve Perryman	Cr Merv White Cr Ian Von Stanke
District Council of Grant	Mayor Richard Sage	Cr Brian Collins Cr Bruce Bain
Wattle Range Council	Mayor Peter Gandolfi	Cr Rob Dycer (Deputy Mayor)
District Council of Robe	Mayor Peter Riseley	Cr Harvey Nolan (Deputy Mayor)
Kingston District Council	Mayor Evan Flint	Cr Christopher England (Deputy Mayor) Cr Chris (Sid) Frankling
Naracoorte Lucindale Council	Mayor Erika Vickery	Cr John Flynn
Tatiara District Council	Mayor Richard Vickery	Cr Graham Excell (Deputy Mayor) Cr John Ross (to 07/02/14) Cr Robert Mock (from 07/02/14)



SELGA Delegates and Chief Executive Officers with Acting LGA SA President Mayor Lorraine Rosenberg and LGA SA Chief Executive Officer Wendy Campana (front) at the SELGA Annual General Meeting in February 2014. Photo: Alan Richardson

The Board held six ordinary bi-monthly General Meetings, one Special Meeting and the Annual General Meeting during 2013-14. Meetings are hosted by Constituent Councils on a rotational basis, with every second meeting held at the central location of Naracoorte.

The Coorong District Council attends SELGA meetings as welcomed observers. The Coorong District Council is represented by Mayor Roger Strother, Deputy Mayor Peter Wright and Chief Executive Officer Mr Vincent Cammell.

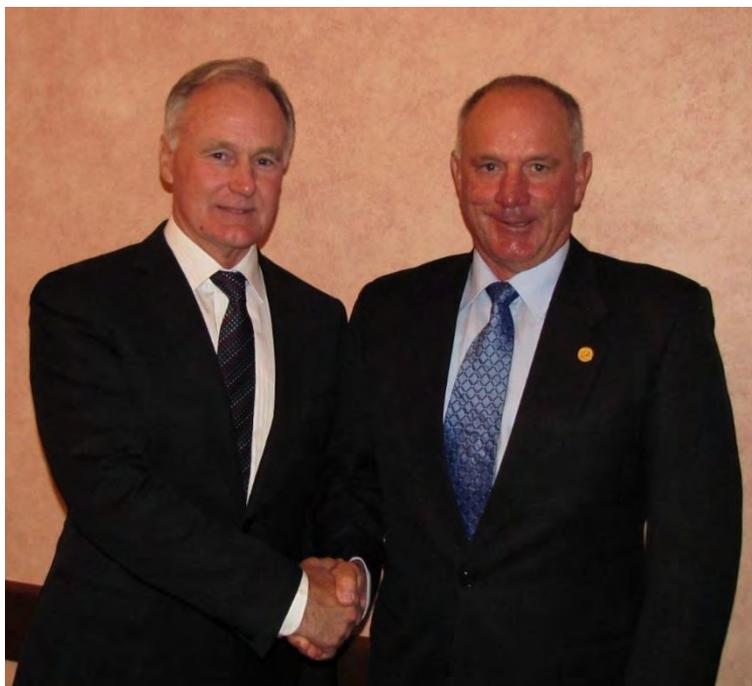
Office Bearers 2013-2014

Under the SELGA Charter, the Office Bearers in 2013-14 are:

President	Mayor Richard Vickery
Vice President	Mayor Evan Flint
Executive Officer	Ms Ann Aldersey
Auditor	Galpins

In addition, SELGA engages staff to deliver regional programs:

SELGA STARCLUB Field Officer	Ms Josephine Duigan
Regional Community Road Safety Officer	Mr Rob Forgan (from 1 st April 2014)
Regional Waste Management Coordinator (2014)	Mr Daniel Willsmore (from 31 st March 2014)



(L-R) SELGA President Mayor Richard Vickery and SELGA Vice President Mayor Evan Flint. Photo: Alan Richardson

SELGA Delegates to the Local Government Association of South Australia

Under the Constitution of the Local Government Association of South Australia (LGA), a number of SELGA representatives are elected to represent the region. SELGA President Mayor Richard Vickery is the South East Zone Delegate and Vice President of the LGA Board. Mayor Evan Flint serves as Proxy Delegate.

SELGA has two Delegates to the South Australian Regional Organisation of Councils, Mayor Richard Vickery and Ms Ann Aldersey, with Mayor Evan Flint serving as proxy.

The South Australian Regional Organisation of Councils (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, SELGA convenes a number of committees and working parties. SELGA acknowledges the work of all who have contributed to the following committees and working parties throughout 2013-14.

Committee / Working Party	Representative	Council
SELGA Roads and Transport Working Group	Cr Jamie Jackson	Tatiara District Council
	Cr Merv White Mr Daryl Sexton	City of Mount Gambier
	Mr Tom Krieger	Naracoorte Lucindale Council
	Mr Bob Bates	Kingston District Council
	Mr Peter Halton	Wattle Range Council
	Mr Adrian Schutz	District Council of Grant
Limestone Coast Economic Diversification Group	Mayor Richard Vickery (Chair)	Tatiara District Council
	Cr Jim Maher Mr Mark McShane	City of Mount Gambier
	Mayor Richard Sage	District Council of Grant
	Dr Helen Macdonald	Naracoorte Lucindale Council
	Mayor Peter Riseley	District Council of Robe
	Mr Peter Harriott	Wattle Range Council
	Ms Ann Aldersey	SELGA
SELGA SE Road Safety Strategy Steering Group	Ms Ann Aldersey (Convenor)	SELGA
	Mayor Erika Vickery (Delegate)	Naracoorte Lucindale Council
SELGA Building Fire Safety Committee	Cr Brian Collins	District Council of Grant
	Mr Rocky Callisto	Tatiara District Council
	Mr Milan Hodak	Kingston District Council
	Mayor Erika Vickery	Naracoorte Lucindale Council
SELGA Development Assessment Panel Working Party	Mayor Richard Vickery	Tatiara District Council
	Mayor Peter Riseley Mr Roger Sweetman	District Council of Robe
	Mr Trevor Smart	District Council of Grant

Committee / Working Party	Representative	Council
	Mayor Erika Vickery	Naracoorte Lucindale Council
	Mr Peter Harriott	Wattle Range Council
South East Local Government Inspectorate Group - SELGIG	Mr John Best (President)	Wattle Range Council
	Mr Milan Hodak	Kingston District Council
	Mr Paul McRostie	Naracoorte Lucindale Council
South East Local Government Supervisory Officers Association - SELGSOA	Mr Bob Bates	Kingston District Council
	Mr Tom Krieger	Naracoorte Lucindale Council
	Mr Daryl Morgan	City of Mount Gambier
South East Relief Trust (SERT)	<i>Current trustees are SELGA President and Vice President</i>	

Association Representation – Outside Organisations

SELGA has numerous representatives on working parties, boards and committees including State Government boards, cross border bodies and regional boards and committees. This representation allows SELGA to keep in touch with communities, and have input to new and existing initiatives.

During 2013-14, SELGA made or continued the following appointments to other organisations.

Board / Committee	Representative	Council
South East Natural Resources Management Board	Dr Helen Macdonald	Naracoorte Lucindale Council
South East Regional Bushfire Prevention Committee	Mr David Hood	On behalf of Naracoorte Lucindale Council
South East Zone Emergency Management Committee	Mr David Hood (Chair)	On behalf of Naracoorte Lucindale Council
	Cr Ian VonStanke (Delegate)	City of Mount Gambier
	Ms Ann Aldersey (Deputy Delegate)	SELGA
Limestone Coast Zone Emergency Centre Committee	Ms Ann Aldersey (Local Government Controller)	SELGA
	Mr Ken Stratton (Local Government Deputy Controller)	District Council of Grant
South East Resource Information Centre (SERIC)	Mr Tom Krieger	Naracoorte Lucindale Council
Anglicare Community Care	Mrs Jane Fetherstonhaugh	District Council of Grant
Green Triangle Freight Action Plan – Implementation Management Group	Cr Merv White (Delegate) Mayor Steve Perryman (proxy)	City of Mount Gambier
Group Training Employment	Cr Julie Reis	District Council of Grant
	Cr Ian VonStanke (from 7/02/14)	City of Mount Gambier

Board / Committee	Representative	Council
Greater Green Triangle University Department of Rural Health (GGTUDRH)	Cr Jim Maher	City of Mount Gambier
Limestone Coast Strategic Youth Coalition (LCSYC)	Mayor Steve Perryman (from 7/02/14)	City of Mount Gambier
Limestone Coast Community Services Roundtable	Mayor Erika Vickery (from 7/02/14)	Naracoorte Lucindale Council
	Ms Ann Aldersey (to 6/02/14)	SELGA
Regional Development Australia Limestone Coast	Mayor Richard Vickery	Tatiara District Council
	Mayor Erika Vickery	Naracoorte Lucindale Council
	Mayor Richard Sage	District Council of Grant
	Cr Harvey Nolan	District Council of Robe

Strategic Activities 2013-2014

SELGA Strategic Plan 2014-2019

In December 2013, SELGA commenced the process to review and update its Strategic Plan. Early discussions of the SELGA Board indicated a desire for SELGA to grow its capacity to provide regional leadership and advocacy for opportunities and issues impacting the South East region. A further aim of the planning process was to closely define the specific role of SELGA relative to the range of activities and demands on Local Government in the Region. Following a number of workshops and meetings of the SELGA Board, Constituent Councils and staff, the SELGA Strategic Plan 2014-2019 was adopted in June 2014.

South Australian Government

In both the lead up to and following the State Election in March 2014, SELGA and its Constituent Councils engaged closely with the South Australian Government on regional issues and opportunities.

In the period post the election, SELGA has met a number of times with Hon Geoff Brock, the Minister for Local Government and Minister for Regional Development. SELGA has actively engaged the Minister on key issues of regional development, including the work of the Limestone Coast Economic Diversification Group, as well as on Local Government issues.

In April 2014, SELGA representatives met with Hon Leon Bignell, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism and Minister for Recreation and Sport. The meeting discussed the key initiatives of the Limestone Coast Economic Diversification Group, regional tourism, as well as the significant role of the SELGA Sport and Recreation Field Officer in the region.

Infrastructure

SELGA Roads and Transport Working Group

The SELGA Roads and Transport Working Group led the finalisation of the SELGA 2030 Regional Transport Plan, with the final Plan adopted by the SELGA Board in October 2013. The Plan is a strategic level assessment of transport needs and priorities within the region to 2030. The Plan identifies the Regional Significant Routes for the South East for freight, tourism and community demand.

Special Local Roads Program 2013-2014

In 2013, SELGA submitted eight prioritised applications for funding under the Special Local Roads Program (SLRP) for 2013-14, requesting a total of \$2.11million.

The following roads were approved for investment under the SLRP by the Local Government Transport Advisory Panel:

Council	Road	\$ SLRP	Category
Tatiara District Council	Emu Flat Road (Stage 1 – Segment 3)	59,300	Freight
City of Mount Gambier	O’Leary Road	255,000	Freight
Tatiara District Council	Emu Flat Road (Stage 2)	397,000	Freight
District Council of Grant	Meyers Road	130,000	Tourism
District Council of Robe	Wright’s Bay Road (Stage 2)	178,700	Freight
Wattle Range Council	V&A Lane	190,000	Freight

SELGA engaged HDS Australia in 2014 to ensure an independent and robust process of assessing the quality and regional priority of SLRP applications. HDS provide an independent review and assessment of each application, allowing the SELGA Roads and Transport Working Group to prioritise the applications for submission.

The Group recommended that the SELGA Board endorse six applications for submission for funding under the SLRP in 2014-15, for a total of \$1,680,237.

With the announcement of the 2014-15 Federal budget, SELGA has been active in supporting the LGA SA to lobby the federal government regarding the loss of significant funding to the State for local roads and for Financial Assistance Grants. These changes result in the loss of \$18 million of roads funding and \$6 million of Grants to South Australian councils in 2014-15.

South East Drainage Infrastructure

SELGA continued to work with the South East Natural Resources Management Board, the South Eastern Water Conservation and Drainage Board and Regional Development Australia Limestone Coast on actions to secure additional funding for the upgrade, maintenance and operation of the South East drainage network. There is over 2,500km of drains and 3,621 structures in the network, with a replacement value in the order of \$250 million. The current level of investment in the infrastructure is \$500,000 per annum.

In particular, SELGA leads regional activity to attract funding to upgrade critical State-owned bridge infrastructure in the drainage network. There are currently 46 bridges identified as

requiring significant upgrade to continue to support economic activity and growth in the region, including the region's significant forestry and agricultural industries.

With the support of the Federal Member for Barker Tony Pasin, the region hosted a visit by Jamie Briggs, Assistant Minister for Infrastructure and Regional Development in February 2014. It was an opportunity for the region to discuss opportunities to attract federal funding for the upgrade of critical bridge infrastructure, in particular highlighting the importance of the bridge infrastructure for regional economic development.

SELGA continued to liaise with the South Australian Minister for Sustainability, Environment and Conservation, Hon Ian Hunter MLC on a range of issues related to the funding for the upgrade, maintenance and operation of critical bridge and drainage infrastructure in the region.

SELGA also considered the Australian Government-funded South East Flows Restoration Project, which will provide an expanded floodway to transmit water from the Blackford Drain at Kingston to the Southern Lagoon of the Coorong. SELGA expressed significant concerns regarding new infrastructure without certainty of funding for the maintenance, upgrade and operation of the existing regional drainage network.

Heritage Advisory Service

A heritage advisory service is an important part of Local Government's planning role for the proper care and management of heritage assets in the region. On behalf of the seven Constituent Councils, SELGA coordinates the engagement of a consultant to provide heritage advisory services; the project is funded by councils on a fee for service basis.

During 2013-14, SELGA engaged Habitable Places Architects to provide heritage advisory services to the seven Constituent Councils in the region.

A copy of the Heritage Advisor's Annual Report for 2013-14 is available from participating councils or from SELGA.

Sustainable Economy

Limestone Coast Economic Diversification Group

As in 2012-13, a key priority for SELGA in 2013-14 has been the work of the Limestone Coast Economic Diversification Group. The Group is advancing the outcomes of a forum convened by the Premier of South Australia in 2012 where industry and business leaders articulated the priorities for economic diversification in the Limestone Coast.

The membership of the Group includes representatives from the South East Local Government Association, Regional Development Australia Limestone Coast and the South East Natural Resources Management Board. It continues to work with the State Government through Primary Industries and Regions SA and the Department of State Development, and with the initial Forum facilitator, Mr Dennis Mutton. The group is formalised under the structure of the South East Local Government Association.

Key achievements of the Group in 2013-14 include:

- Engagement with the South Australian Economic Development Board to prepare a strategic direction document to focus State attention on the priority economic and industry drivers of the Region. The Economic Development Board recognise the significant potential to grow the region's food, wine and forestry industries, and contributing to the South Australian economy.
- The Group has been successful in informing the projects and programs of the State Government. This has included the VTT Cellulose Fibre Value Chain Study with the forest and forest products industry, and securing the Limestone Coast as a pilot region for PIRSA's Premium Food and Wine Regional Innovation Cluster Program.
- Following discussions with the Group, the University of South Australia Vice Chancellor convened a forum in the region with other South Australian universities and training organisations, government agency heads, industry and business leaders to discuss skills, research and development needs for a potential innovation hub in the region; the development of a 'regional leaders network'; and promoting development and investment opportunities across the Limestone Coast to key stakeholders.
- The Group worked with PIRSA to convene a 'Mobilising Regional Leaders' function in July 2013.

Members of the Group provided a briefing to each SELGA Constituent Council in November 2013.

Following an assessment of the Group's achievements and future work plan, the Group sought to update its membership and Terms of Reference. All SELGA Councils now have a nominated representative to the Group. In June 2014, the SELGA Board endorsed the updated Terms of Reference for the Group.

PIRSA Regional Manager Peta Crewe has provided significant expertise and time toward the Group and is recognised for her contribution to the Group's success.

In December 2013, SELGA and the Economic Diversification Group organised for Sean Keenihan to present to SELGA Constituent Councils regarding engagement with the China Market. Sean is the South Australian Government's Strategic Advisor for China and the Chair of the South Australia China Council, as well as Chairman of Partners at Normal Waterhouse Lawyers. Sean provided a valuable overview of engaging with the China market, investment, the realities of doing business and defining the market.

Unconventional Gas Exploration in the South East

Leading Local Government's consideration of new exploration activities for unconventional gas resources in the South East has been a significant component of work for SELGA in the 2013-14 year.

In late 2013, SELGA and its Constituent Councils began receiving correspondence regarding the commencement of exploratory drilling for gas resources near Penola, in the Wattle Range Council area.

Following detailed discussion on the issue at the February General Meeting, SELGA convened two information sessions to inform both Local Government and the community on the issue. SELGA convened an internal briefing for Local Government Elected Members and staff in March and a Community Information Session in Penola in April. Both sessions focussed on providing information from a range of sources on the legislative and regulatory decision making regarding unconventional gas exploration and extraction, as well as the scientific and community understanding of the issue in the South East. The Community Information Session in Penola was attended by approximately 110 community members.

SELGA again considered the issue at the June 2014 General Meeting, resulting in a number of resolutions seeking to strengthen both State and Federal legislative controls relating to protection of water resources, landholder approval for access to land, separation distances from community assets, and appropriate placement of unconventional gas projects in the South East agricultural landscape. The resolutions also called for SELGA to support a moratorium on unconventional gas projects in the South East until these legislative and industry practice issues are addressed.

The SELGA President and Executive Officer have been engaging with the South Australian Minister for Mineral Resources and Energy Hon Tom Koutsantonis, as well as the Department for State Development, industry and the Federal Government to further these resolutions.

Regional Development Australia Limestone Coast

SELGA continues to partner with Regional Development Australia (RDA) Limestone Coast to support the development of the region. Following the loss of the State Government's funding to RDA's in South Australia, RDA has relied on the continued support of Local Government to fund core operational and strategic functions.

The partnership between SELGA and RDA Limestone Coast is formalised through a Funding Agreement for the period 2013-2015. During July – October 2013, SELGA and RDA Limestone Coast developed agreed Key Performance Indicators to monitor the achievements under the Funding Agreement. RDA reports on progress against the KPIs at bi-monthly SELGA Meetings.

SELGA and RDA Limestone Coast continue to collaborate on priority regional actions, in particular arising from the Limestone Coast Economic Diversification Group.

Local Government is represented on the RDA Limestone Coast Board by four SELGA Delegates.

Regional Tourism

The SELGA Constituent Councils continue to invest in regional tourism in the Limestone Coast through the Tourism Development Officer, as well as through multiple initiatives, events and local Visitor Information Centres.

Tourism is recognised as a key economic driver in the region, with 497,000 visitors and \$244M in expenditure in the year ending June 2014. Of those visitors, 60% are from Intrastate, 31% from Interstate and almost 9% International, noting that international visitation has been a steady growth area.

During 2013-14, considerable work has continued in the Melbourne to Adelaide Touring Route through industry participation, trade and distribution workshops and importantly scheduled appointments promoting the experiences within the Limestone Coast section of the touring route. The Limestone Coast has a record number of 38 industry participants.

An overarching piece of work has been regional contributions to the South Australian Touring Routes strategy that will result in the development of an interactive digital tool for consumers to utilise during the entire self-drive experience: planning, driving and/or post experience.

Educating the tourism trade about the product offering from the region has been a key focus in order to leverage opportunities in conjunction with South Australian Tourism Commission, such as SA Uncorked and the New Zealand Roadshow. In addition the region has worked with SATC to reach consumers with high propensity to travel to our region through regional presence at the Royal Adelaide Show, Melbourne Caravan & Camping Show, New Zealand Travel Expo and Tasting Australia.

The region has made contribution to significant regional planning documents including the Naracoorte Caves Master Plan, Limestone Coast Regional Trails Master Plan, and the South Australian Tourism Plan 2020. The Limestone Coast Destination Action Plan is due for a comprehensive review in the next 12 months.



World Heritage Fossil Site, Naracoorte Caves National Park

While the P&O Pacific Pearl did not visit the region as scheduled on 23rd April 2014, a comprehensive Cruise Ship Community Action Plan was developed and will be a valuable document to guide future cruise ship visits.

During the year, a comprehensive photo shoot was undertaken in the region in conjunction with the SATC to update the regional image gallery stock and enhance our communication through all forms like websites, mainstream publications, public relations and social media.

SELGA recognises the excellent efforts of the Tourism Industry Development Officer Biddie Shearing, and Regional Development Australia Limestone Coast and the South Australian Tourism Commission as partners in regional tourism.

South East Resource Information Centre

The South East Resource Information Centre (SERIC) is a not for profit organisation established in 2003 by a group of government and non government partners to provide spatial expertise, house data and provide valuable analysis to support significant regional projects.

As a key funding partner in SERIC, SELGA has been engaged in ongoing discussions with SERIC staff and at a Board level regarding the future of the current funding model. In May 2014, SELGA and the Constituent Councils were advised that the SERIC Board had recommended to wind up the organisation by 30th June 2014.

SELGA acknowledges the valuable regional service provided by SERIC over 12 years, and recognises the efforts of the SERIC Board and staff.

Environmental Sustainability

Waste Management

In recognition of the opportunities to better coordinate waste management activities of the Constituent Councils, SELGA submitted an application for funds under the Zero Waste SA Regional Implementation Program in 2013. As a result of a successful application, Daniel Willsmore joined SELGA as the Regional Waste Management Coordinator in late March 2014.

SELGA re-formed a Regional Waste Management Steering Committee to guide the work of the Coordinator, and to set priorities for regional waste management. The Committee comprises membership from each Constituent Council, and guides the Regional Waste Management Coordinator's Work Plan, including action items for:

- Benchmark and targets for regional waste
- Public education to improve waste management behaviour
- Information exchange and coordination
- Identify future options for Council waste contracts and practices

The Regional Waste Management Program achievements in 2013/14 include:

1. Existing kerbside waste collection and composition data has been collated from across the region. This data revealed a range of diversion rates and collection methodologies within the region.
2. SELGA has been successful in applying for funding from external parties for public awareness waste calendars, a public awareness bin tagging program, a public awareness public place recycling program and E-waste public awareness regional banners.
3. A regional program to audit kerbside bins was undertaken in 2013. This included in-region training for all Constituent Councils. Results of kerbside bin audits assist in identifying specific target waste streams, understanding the current waste compositions will assist in a targeted public awareness program, assist in grant applications, assist in providing consistent data to prospective new recycling businesses and assist in case studies for alternative waste disposal options.
4. SELGA has been successful in attaining a school education provider to roll out a school education program across the region.
5. Multiple site visits outside of the region to review composting technologies, Waste Transfer Station layouts and operations, Salvage Yard facilities and compacting technologies.
6. Undertaking a review of previous SELGA Waste Management Plan and updating in association with the Committee.
7. Assisted Councils with problem wastes and found alternate disposal options.

The regional waste management project will continue to pursue opportunities to coordinate and gain efficiencies in regional waste management, including:

1. Review current waste contracts in terms of aligning expiry dates and suggested a sub-regional tender call based on contract expiry date.
2. Discuss regional possibilities with new and current services providers to ensure best value for money is being obtained by Councils.

3. Prepare business cases on a number of regional waste management options.

SELGA gratefully acknowledges the support provided by the Naracoorte Lucindale Council in developing this project, and in hosting the Regional Waste Management Coordinator at the Naracoorte office.



Examples of Pull-Up Banners created for all SELGA Constituent Councils as part of the Regional Waste Management awareness raising campaign.

South East Natural Resources Management Board

The South East Natural Resources Management (SENRM) Board plays an active role in the management of the region's soil, water, ecosystems, coastal and marine environments.

Dr Helen Macdonald, CEO of Naracoorte Lucindale Council, is SELGA's nominee to the SENRM Board, providing a Local Government perspective for the Board.

SELGA has worked closely with staff of Natural Resources South East on a number of issues during 2013-14, including exploration and development of unconventional gas in the South East, drainage infrastructure operation and maintenance, the early stages of the review of the South East Natural Resources Management Plan, grant opportunities under the National Disaster Resilience Program and coastal management.

Limestone Coast and Coorong Coastal Management

SELGA is actively involved in a number of coastal management initiatives in the South East.

The Limestone Coast and Coorong Coastal Management Group is a sub-committee of SELGA formed in 2003 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.

SELGA 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, which provides \$2,300,000 from 2012 to 2017; and
2. Limestone Coastwatchers, a \$980,000 project from 2013 to 2018.

SELGA 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, including:

1. An extensive on-ground works program including: fox baiting, habitat protection, fence repair and construction, weed control, prescribed burns and revegetation of coastal areas on crown and private land;
2. A Ranger Program provide opportunities for Indigenous Ranges to lead on-ground activities;
3. Coastal Connections, a summer education and activity program attracting over 1,100 visitors over two weeks in seven coastal locations.
4. Clean Up Australia Day beach clean-ups attracting 50 volunteers and disposing of 900kg of rubbish, with an ongoing program cleaning up over 50km of beach.
5. Shorebird and waterfowl bird counts.
6. Ongoing advice and support to landholders and Local Government on coastal management, and grants for on-ground works.

A Project Management Committee has oversight of the projects, which includes the SELGA Executive Officer and Mayor Peter Riseley of District Council of Robe.

Native Vegetation

During 2013-14, the Native Vegetation Council undertook consultation on potential changes to the method of calculating Significant Environment Benefit under the Native Vegetation Act. SELGA and Constituent Councils were involved in workshops and provision of response to discussion papers, providing significant input to the review.

SELGA also engaged with SA Power Networks regarding changes to protocols for the management of native vegetation and power lines.

Community and Social Well-Being

Sport and Recreation

In partnership with the Office for Recreation and Sport, SELGA delivers the Star Club Program in the Limestone Coast. The Star Club Program promotes sport and recreation clubs to register and participate in the Program, as well as participate in training and other Star Club events. All clubs in the Limestone Coast are eligible to participate in this governance program.

The target for completed club registrations in the Limestone Coast is 35 by April 2014. As of June 2014, there were 123 clubs registered in the Region, with clubs represented in all seven council areas.

The SELGA Star Club Field Officer Josephine Duigan has supported many clubs in accessing grant funding. In 2013-14, grants totalling \$389, 451 were awarded in the region, including: Community Recreation and Sports Facilities Program \$282,000 and Active Club Grants \$107,451. Grants ranged from small grants for minor facility upgrades, to significant grants up to \$90,000 for major sporting infrastructure.

A key part of the STARCLUB Program is the provision of training for clubs in the region. The STARCLUB Field Officer has provided training to over 340 people in the region. Training included Essentials for Coaching Children, Responsible Service of Alcohol, and Child Safe Officer Training in multiple locations across the region.

The inaugural Sports Star Awards Program commenced in 2013. Monthly winners were presented with certificates in the following categories: Athlete, Coach, Club, Volunteer, Event and the Hall of Fame Award. The Awards culminated in an Annual Awards ceremony held in October 2013. More than 120 guests attended the presentation and luncheon at the City Hall in Mount Gambier. International Tennis Coach Roger Rasheed was the guest speaker and also an event sponsor. Feedback from guests and sports people highlighted our great community sporting spirit and the wonderful opportunity it provided to celebrate volunteers and athletes. Where categories aligned, winners were nominated for the Sport SA State Awards – held in Adelaide in November 2013. Local athlete James Dukalskis from Mount Gambier was the recipient of the Sport SA 'Country Athlete of the Year' award.



(L-R) SELGA Star Club Field Officer Josephine Duigan, Volunteer of the Year nominee Justine Brown of Millicent, Wattle Range Council Mayor Peter Gandolfi and Award Sponsor Tash Sutchter, Branch Manager, People's Choice Credit Union Millicent.

The event has attracted significant sponsors, a panel of well-regarded judges and local media partners. Planning is well underway to host the second SportSE Sports Star of the Year Awards in October 2014. The local awards have also become a pathway to the state awards program – The KPMG South Australian Sport Hall of Fame, The Advertiser Channel Seven Sports Star of the Year Awards and Sport SA Awards. The Limestone Coast is represented in all categories.

The STARCLUB Field Officer provides information and resources in the region via Twitter (occasionally with a reach of 5000) Facebook, the SportSE web site and e-news, Sport Network meetings, and regional radio and print media.

Regional Road Safety

In late 2013 SELGA realised a long term ambition with the appointment of the region's first Regional Community Road Safety Officer. This achieved a goal that was identified in the South East Road Safety Strategy 2008-2010 that would assist SE Community Road Safety Groups, SELGA and other bodies develop and coordinate the delivery of regional road safety projects.

Through the sponsorship of the Motor Accident Commission (MAC) Mr Rob Forgan was appointed to this part time regional position with SELGA in April 2014. It is a three year pilot project built on the benefits of having a regionally based officer to work with stakeholders in and outside the Limestone Coast region to improve road safety outcomes. The regionally-based pilot program provides MAC with an important working link to our region with the potential to be replicated elsewhere in regional South Australia.

This role has been welcomed at a local and regional level and supported by a broad range of stakeholders that include South Australian Police and emergency services. The value of having a dedicated resource has assisted with the promotion and delivery of regionally based projects. For example the successful regional Rotary Club Light and Vehicle Safety check at 4 regional centres (Bordertown, Naracoorte, Millicent and Mount Gambier) in May 2014 and the securing of RAA grant funding for the Mount Gambier and Districts Road Safety Group for a project that will address the issue "Driver Distraction".

Current regional projects include those that underpin MAC promotions into communities via country football and netball clubs, safer cycling for school children and driver awareness programs that include Rotary's Youth Driver Awareness program (RYDA).

SELGA acknowledges the dedication and the ongoing commitment of the volunteer members of our network of Regional Community Road Safety Groups, the support of our Constituent Councils and the generous sponsorship of the Motor Accident Commission.

Limestone Coast Regional Trails Master Plan

In 2013, SELGA was successful in winning a grant from the Office of Recreation and Sport to prepare a Regional Trails Master Plan. The grant funding was matched by contributions by Constituent Councils. The Trails Master Plan will provide for a connected network of trails in the region, including walking, cycling, horse riding, driving and potentially four-wheel driving trails.

Under the guidance of the SELGA Regional Trails Master Plan Working Group, the planning process has brought together a range of regional stakeholders to examine the opportunities for a network of existing and new trails with a range of cultural, environmental and tourism themes. An audit of existing trails has indicated that there are currently over 100 trails in the region. The Master Plan will look for opportunities to better integrate and connect these trails, as well as identify priority trails for development.

SELGA has engaged Tredwell Management Services to deliver the Master Plan, with the final document due for consideration by SELGA in December 2014.

Emergency Management

SELGA and the Constituent Councils continue to play an active role in South East Zone Emergency Management. SELGA and all Constituent Councils are members of the Zone Emergency Management Committee with responsibility for regional emergency preparedness and response planning and implementation.

The SELGA 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 full Zone Emergency Centre was not activated in 2013-14.

SELGA Governance, Leadership and Financial Sustainability

On behalf of the seven Constituent Councils, SELGA takes a lead role in regional projects, briefings and workshops for Local Government in the South East. A summary of these is provided below:

- On behalf of the Constituent Councils, SELGA convened a number of briefing sessions with the Independent Commissioner Against Corruption the Hon Bruce Lander QC, to ensure that Elected Members and staff are fully informed on relevant legislation and requirements.
- Based on a resolution of the SELGA Board, SELGA convened discussions with Bicycle SA regarding bringing the 2014 or 2015 Bicycle SA Annual Tour to the Limestone Coast.
- In partnership with the Local Government Association SA, the SELGA region is a pilot region to examine options for regional development planning and development decision making. This project is assessing the opportunities to streamline regional development planning processes, including Development Assessment Panels, plans as well as models for regional decision making. The project will be concluded in December 2014.
- SELGA has participated in the Local Excellence Expert Panel “Council of the Future” process, to examine the future of local government, its role and functions and governance framework, and provide recommendations for the future. The Region hosted a number of visits from the Panel and LGA to discuss the recommendations.
- SELGA convenes a number of regional working parties to provide detailed recommendation on key issues to the SELGA Board. SELGA sub-groups and working parties include:
 - The Limestone Coast Economic Diversification Group
 - The Regional Waste Management Steering Committee
 - The Regional Development Planning Working Party
 - The Bike SA Annual Tour Working Party
 - The Limestone Coast Regional Trails Master Plan Working Party
 - The SELGA – RDA Funding Agreement Working Group (May – October 2013)
- SELGA also convened workshops to support consultation with external organisations or projects, such as the development of the Integrated Transport and Land Use Plan for South Australia and the Native Vegetation Council.

SELGA Chief Executive Officer Group

The Chief Executive Officers of the seven Constituent Councils and the SELGA Executive Officer meet bi-monthly to further operational cooperation and implement shared projects across the region. The Group has been instrumental in coordinating the development of regional internal control policies for use by all councils resulting in significant savings. Wattle Range Council has led the development of the SELGA Regional Public Health and Well Being Plan, supported by staff of the Constituent Councils. The CEO Group continue to look for opportunities to share services and expertise to create efficiencies and cost savings.

The Group is chaired by Chief Executive Officer of the City of Mount Gambier Mark McShane, with excellent administration support provided by Lynne Dowling.

Local Government Association SA

SELGA and the Constituent Councils continue to work closely with the LGA SA on a range of local government issues and opportunities. The LGA SA provided sector leadership in advance of the Referendum to recognise Local Government in the Constitution, as well as the South Australian Election. SELGA worked with the LGA SA on developing sector positions on issues such as the review of rural speed limits and future options for Natural Resources Management. SELGA is represented on both the South Australian Regional Organisation of Councils (SAROC) and the LGA Board and plays a key role in forming and implementing sector-wide initiatives on a range of matters.

Financial Management

Financial reports are considered by the SELGA Board at each General Meeting. The Audited Financial Statements for 2013-14 are included at the rear of this report.

Acknowledgements

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

SELGA is served by a talented and committed staff of Ann Aldersey (Executive Officer), Josephine Duigan (SELGA Star Club Field Officer), Rob Forgan (Community Road Safety Officer) and Daniel Willsmore (Regional Waste Management Coordinator). SELGA is well supported by staff of Regional Development Australia Limestone Coast, including Jan Shanahan (Finance Officer), Dani McKinnon (Administration and Board Minutes) and Julie Scott (Administration). Alan Richardson provides media support to communicate the results of each SELGA meeting.

The Local Government Association SA has continued to provide strong support to SELGA and its members throughout the year, including the implementation of joint projects and initiatives. SELGA acknowledges the contributions of SAROC members, Chief Executive Officer Wendy Campana and the many LGA staff that have supported SELGA throughout the year.

The Local Government Research and Development Scheme funding has enabled SELGA to undertake a range of additional projects throughout the year, including continued support of the Limestone Coast Economic Diversification Group, providing regional leadership on the issue on unconventional gas projects and completion of the 2030 SELGA Regional Transport Plan. The importance of this funding to enhance SELGA's capacity to undertake important regional projects is recognised.

SELGA enjoys a close working relationship with Regional Development Australia Limestone Coast Board members and staff. In particular, SELGA recognises CEO Mike Ryan in his efforts to host and support SELGA staff as part of the Old Town Hall cooperative.

Ann Aldersey
Executive Officer
South East Local Government Association
September 2014



Accountants, Auditors
& Business Consultants

Laurie Galpin FCPA
David Chant FCPA
Simon Smith FCPA
David Sullivan CPA
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INDEPENDENT AUDITOR'S REPORT

To the members of South East Local Government Association Inc,

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of South East Local Government Association Inc (the association), which comprises the balance sheet as at 30 June 2014 and profit and loss statement for the year then ended and notes comprising a summary of significant accounting policies.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Associations Incorporation Act SA 1985* and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

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

Audit Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of South East Local Government Association Inc as at 30 June 2014, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the *Associations Incorporation Act SA 1985*.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial report has been prepared to assist South East Local Government Association Inc to meet the requirements of the *Associations Incorporation Act SA 1985*. As a result, the financial report may not be suitable for another purpose.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Simon Smith FCPA, Registered Company Auditor
Partner

31 / 07 / 2014

SOUTH EAST LOCAL GOVERNMENT ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

This financial statement is a special purpose financial report prepared in order to satisfy the requirements of the *Associations Incorporation Act 1985*. The Committee has determined that the association is not a reporting entity.

The financial statement has been prepared in accordance with the requirements of *the Associations Incorporation Act 1985* and the following Australian Accounting Standards.

AASB1031 Materiality

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied to the financial report.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

(a) Income Tax

The Association is exempt from income tax

NOTE 2: PROJECT FUNDING ACCOUNT

South East Local Government Association Inc maintains a separate general ledger and bank accounts for the purpose of managing external funding received for specific projects. The purpose of the project account financial statements is to separate the interest and other income and expenses associated with administering external project funding held. These statements have not been consolidated with the main account financial statements for the purpose of annual financial reporting.

SOUTH EAST LOCAL GOVERNMENT ASSOCIATION

PO BOX 1445
MOUNT GAMBIER SA 5290
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Balance Sheet [Last Year Analysis]

June 2014

	This Year	Last Year
Assets		
Cheque Account	\$15,237.97	\$10,866.71
Business Access Saver Account	\$242,725.72	\$206,445.43
Trade Debtors	\$7,619.38	\$0.00
Total Assets	<u>\$265,583.07</u>	<u>\$217,312.14</u>
Liabilities		
Trade Creditors	\$34,731.75	\$2,467.72
Unspent Funds (RR&S)	\$38,499.79	\$32,106.14
Funds Rec in Advance	\$2,500.00	\$30,000.00
GST Liabilities		
GST Collected	\$100.00	\$0.00
GST Control Account	-\$6,699.12	\$3,941.00
GST Paid	-\$384.69	-\$133.43
Total GST Liabilities	<u>-\$6,983.81</u>	<u>\$3,807.57</u>
Payroll Liabilities		
PAYG Payable	\$12,032.00	\$6,272.00
Superannuation Payable	\$0.00	\$1,090.35
Workcover Payable	\$159.66	-\$369.00
Accrued A/Leave	\$9,230.13	\$2,532.65
Total Payroll Liabilities	<u>\$21,421.79</u>	<u>\$9,526.00</u>
Total Liabilities	<u>\$90,169.52</u>	<u>\$77,907.43</u>
Net Assets	<u>\$175,413.55</u>	<u>\$139,404.71</u>
Equity		
Retained Earnings	\$139,404.71	\$146,760.55
Current Year Earnings	\$36,008.84	-\$7,355.84
Total Equity	<u>\$175,413.55</u>	<u>\$139,404.71</u>

SOUTH EAST LOCAL GOVERNMENT ASSOCIATION

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Profit & Loss [Last Year Analysis]

July 2013 through June 2014

	This Year	Last Year
INCOME		
SUBSCRIPTIONS-MEMBER COUNCILS		
City of Mount Gambier	\$55,123.58	\$43,614.00
District Council of Grant	\$26,834.84	\$21,239.00
Kingston District Council	\$13,458.96	\$10,647.00
Naracoorte Lucindale Council	\$30,178.81	\$23,870.00
District Council of Robe	\$11,901.21	\$9,413.00
District Council of Tatiara	\$26,024.81	\$20,596.00
Wattle Range Council	\$44,177.79	\$34,954.00
Total SUBSCRIPTIONS-MEMBER COUNCIL	\$207,700.00	\$164,333.00
CONTRIBUTIONS		
RDA Limestone Coast	\$82,682.66	\$80,666.00
TDO - Councils Contributions	\$90,000.24	\$256,420.00
TDO - Partner Funding	\$40,000.00	\$0.00
TDO - Additional Project Funds	\$15,950.00	\$0.00
SE Resource Info Centre	\$50,205.02	\$48,970.00
Total CONTRIBUTIONS	\$278,837.92	\$386,056.00
PROJECTS		
REG REC & SPORT		
Rec & Sport Funding	\$50,000.00	\$50,000.00
Council Funding	\$47,100.00	\$41,027.00
C/Over Funds/Workshops/Sundry	\$37,612.50	\$27,264.71
Total REG REC & SPORT	\$134,712.50	\$118,291.71
LGR&DS Regional Capacity Build	\$37,225.00	\$36,424.00
Heritage Services	\$54,107.00	\$30,573.00
Review 2030 Transport Strategy	\$0.00	\$45,000.00
Review SELGA Charter	\$0.00	\$8,000.00
LCCSRT	\$0.00	\$10,000.00
SLRP Consultancy	\$0.00	\$9,700.00
Total PROJECTS	\$226,044.50	\$257,988.71
OTHER INCOME		
Interest	\$12,075.53	\$17,936.09
Transfer From Reserves	\$50,000.00	\$0.00
Sundry	\$314.50	\$0.00
SCADA	\$11,498.18	\$0.00
Total OTHER INCOME	\$73,888.21	\$17,936.09
Total INCOME	\$786,470.63	\$826,313.80
EXPENSES		
EXEC OFFICER/OFFICE EXPENSES		
Executive Officer Salary Costs		
EO Salary/Costs	\$122,011.04	\$85,361.05
FBT	\$2,304.76	\$524.11
Contract - Acting EO	\$0.00	\$14,708.13
Total Executive Officer Salary Costs	\$124,315.80	\$100,593.29
Vehicle & Travel		
Vehicle Lease	\$20,982.80	\$12,384.95
Fuel	\$4,500.80	\$2,617.32
Travel/Accommodation	\$2,285.52	\$2,771.64
Total Vehicle & Travel	\$27,769.12	\$17,773.91
Office Expenses		
Financial/Admin/Rent	\$35,000.00	\$16,000.00
Advertising	\$648.00	\$5,709.50
Printing/Stationery	\$3,289.16	\$4,066.98
Postage	\$106.34	\$140.04
Audit Fees	\$2,400.00	\$1,780.00
Bank Fees	\$580.45	\$509.87
Insurance	\$6,297.72	\$6,131.72
Seminars	\$2,054.58	\$1,333.18
Review Internal Controls S43	\$0.00	\$733.64
Consultancy	\$0.00	\$9,700.00
Legal Costs	\$0.00	\$1,763.00
Miscellaneous	\$2,236.06	\$11,524.18
Meeting Expenses	\$7,686.84	\$6,689.30

SOUTH EAST LOCAL GOVERNMENT ASSOCIATION

Profit & Loss [Last Year Analysis]

July 2013 through June 2014

	<u>This Year</u>	<u>Last Year</u>
Executive Expenses	\$2,747.04	\$4,341.15
President Allowance	\$6,000.00	\$6,000.00
Telephone	\$2,015.20	\$1,170.56
Computing & IT	\$986.19	\$2,946.12
SCADA	\$11,498.18	\$0.00
Total Office Expenses	<u>\$83,545.76</u>	<u>\$80,539.24</u>
CONTRIBUTIONS		
RDA Limestone Coast	\$82,682.65	\$81,084.49
Tourism Development Officer	\$130,000.00	\$256,420.00
TDO - Additional Project Exp	\$15,950.00	\$0.00
SE Resource Information Centre	\$50,205.00	\$48,970.00
Total CONTRIBUTIONS	<u>\$278,837.65</u>	<u>\$386,474.49</u>
PROJECTS		
REG REC & SPORT		
RR&S Salary/costs	\$66,206.37	\$58,356.32
Office Expenses	\$4,564.26	\$5,792.77
Vehicle Expenses	\$12,062.94	\$11,476.71
Admin/Rent	\$2,000.00	\$2,000.00
Programs	\$49,878.93	\$40,665.91
Total REG REC & SPORT	<u>\$134,712.50</u>	<u>\$118,291.71</u>
LGR&DS Regional Capacity Build	\$37,225.00	\$36,424.00
Heritage Services	\$54,105.96	\$30,573.00
Review 2030 Transport Strategy	\$0.00	\$45,000.00
Review SELGA Charter	\$0.00	\$8,000.00
LCCSRT	\$0.00	\$10,000.00
SLRP Consultancy	\$9,950.00	\$0.00
Total PROJECTS	<u>\$235,993.46</u>	<u>\$248,288.71</u>
Total EXPENSES	<u>\$750,461.79</u>	<u>\$833,669.64</u>
Net Profit / (Loss)	<u>\$36,008.84</u>	<u>-\$7,355.84</u>