



District Council of Yankalilla



Annual Report 2013-2014

For further information on any aspect of the District Council of Yankalilla Annual Report or council services and operations, please contact council or visit the website.

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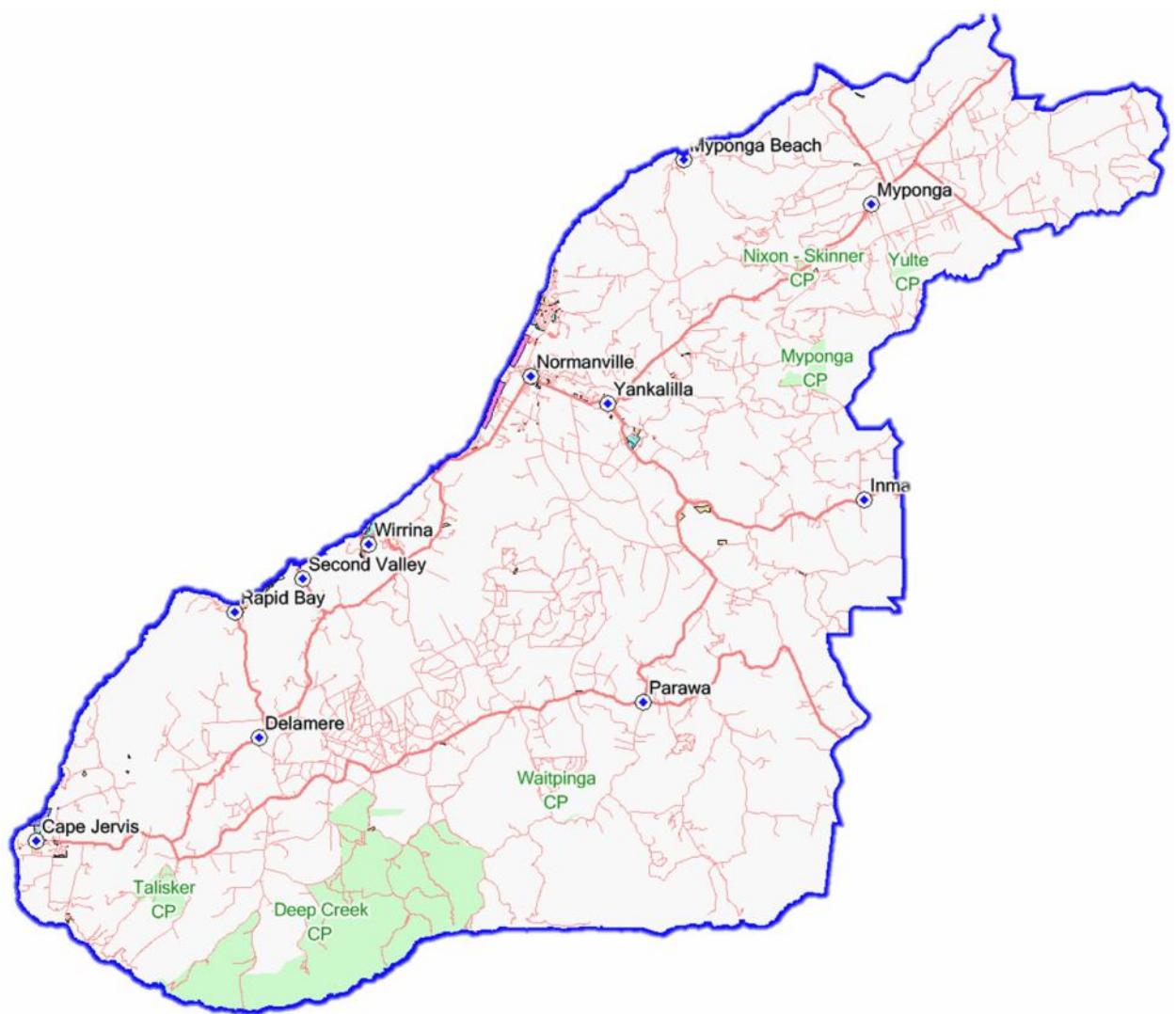


Cover image: Mouth of the River Bungala at Normanville Beach

This Page: Fish Sculpture, Normanville Foreshore.

Contents

Mayor's message	5
Overview	7
Your council	11
Elected members	11
Representation	13
Committees	13
Subsidiaries	15
Councillor and committee support	15
Services & operations	17
Community services	17
Planning & development	20
Infrastructure & environment	22
Leisure & tourism	25
Regulatory services	27
Administration	29
Organisational structure	29
Senior management	30
Staff	30
Community land & council facilities	30
Communication & consultation	35
Public documents	35
Freedom of information	37
Governance	38
Confidentiality	38
Internal review	39
Budget & financial reports	40
Applying competition principles	40
Financial management & performance	41
Appendices	42
Financial statements	
FRWA annual report	
S&HLGA annual report	



The Yankalilla district covers 751 square kilometres, with 86 kilometres of coastline.

Mayor's message



2013-14 saw a continuation of Council's focus in exercising extreme care in our spending, on making further savings where possible and introducing initiatives to drive down our overall level of debt. The program of restraint, which began three years ago, has been very successful and points the way to an optimistic future for the District

Over the full year 2013-14 we again reduced our budget deficit, from an estimated \$541,000 to \$23,000 which is a very pleasing result. Three years ago the projected deficit was \$2.7 million but as a result of the new policies of Council and the hard work of the Chief Executive and staff there has been a dramatic turnaround in Council's operational budget deficit.

Wirrina Cove water and sewerage infrastructure has been substantially improved and Council now has systems that are providing and will continue to provide quality water and sewerage systems to residents for years to come. This has been realised through the negotiation of some \$900,000 to upgrade of the plant and equipment from the receivers.

The largest consumer of Council's funds is roads, buildings, bridges and vehicles. To manage these assets efficiently Council has begun a detailed evaluation, which will lead to a prioritised works plans and improved management resulting in savings. Council has worked with neighboring Councils to participate in developing a comprehensive regional Health Plan. This plan has highlighted where Council's resources should be placed in developing District Public Health Policies for the next four years.

The Home and Community Care (HACC) initiative is a very successful program that provides transport for community members unable to access medical appointments. Council continues to provide support for this service in partnership with the Churches of Yankalilla which is important in assisting our senior citizens to remain in their own homes and in our district.

A mini bus has been sourced (with external sponsorships) to help alleviate some of the issues around the lack of access to public transport in the region. The Thursday regular service has been operating well and Council is looking to expand the service in the New Year. Council is very aware of the problems that residents have with limited public transport in our district and are identifying ways in which residents can access both goods, services and entertainment not available in our region.

A series of business functions have been successfully organised, in close cooperation with hospitality students from the Yankalilla School. These functions provide an opportunity not only for businesses to meet with the Council and discuss concerns but also to network with other businesses.

One of the keys to the region's sustainability is to attract new business and increased employment opportunities. Council has allocated additional funding to provide the right business environment. To build business relationships within the region and externally will be a key driver to future success.

The past year has seen a continuation of great initiatives from community and businesses. The Yankalilla and District Show Society continues to improve and visitor numbers increase. The Yankalilla Cruise goes from strength to strength. Our New Years Eve Pageant is still flourishing after a decade of operation and this year has seen a new event in History Month which promises to be continued and highlight the importance of our unique local history. The Fleurieu West Business Association has commenced a pole trail to entice visitors to explore our district. The Council assists the community and organizations where possible and commends them on their great efforts to raise the awareness of our district.

Overview

In April 2014 the Australian Bureau of Statistics estimated the resident population of the district in 2013 to be 4,556 people. Our population has grown by 1.6 per cent (from 2012), compared with 0.9 per cent growth for the whole state.

A significant part-time population, who own holiday homes within our area, is not officially counted and some 45 per cent of dwellings in the district were unoccupied at the time of the 2011 census. During peak holiday periods, population numbers swell considerably as part-time residents and visitors make use of holiday homes and tourist accommodation.

The southern Fleurieu region has a long history of both Indigenous and European settlement due to its high rainfall, productive soils and attractive landscape.

Indigenous people, who are the traditional owners of the land, first inhabited much of the District Council of Yankalilla. Many names in the district, including the townships of Yankalilla, Carrickalinga and Myponga, originate from the Kaurna language.

The Kaurna, Ngarrindjeri and Ramindjeri peoples all have active Native Title claims under assessment and council is actively participating in their resolution.

The area was settled by Europeans in the early 1830s and was identified as a possible location for South Australia's capital city. The town of Yankalilla was established in 1839 and officially proclaimed in 1854. The district was a productive agricultural area in the early years of settlement, providing livestock, grain and flour for the colony.

Highlights and significant projects that were substantially completed in 2013-14 are detailed below.

Wirrina Cove

A significant upgrade to the water and sewerage infrastructure servicing Wirrina Cove (funded by the receivers) was completed during 2013/14. Over \$900,000 was spent to bring the plant and equipment up to current legislative standards and Council commenced operating the services. This action has meant that residents have been able to continue living in their homes and the Wirrina Resort, Golf Course, Caravan Park and Marina can continue to operate.

The VR Hotels Group has begun investing in refurbishing the Wirrina Hotel and Golf Course Resort and developing the business into a success.

Economic Development

Council appointed Amber Nancarrow to the position of Economic and Tourism Development Leader in the latter half of 2013. Greg Mackie OAM undertook some work for Council in this important area and together with Amber, a strategy for rolling out this role was developed. One of the first initiatives undertaken was an online survey of residents and visitors to discover what it is about this place that we all love.

A Business Connections Network has been established to provide an opportunity for businesses to connect better and tap into helpful information.

In March 2013, Council hosted a visit by Chris Sands, the founder of Totally Locally (an open source marketing campaign that empowers local business communities and individuals by giving them the campaign tools they need to communicate the value of spending money in local independent businesses) This concept is taking off around the world, and along the way picking up international awards and helping local communities help themselves to grow.

Chris visited local businesses, walked our main streets and presented at the Council Chambers before finishing the day with a community gathering hosted in the Calaboose at the Court House, Normanville.

Business Connections Events

A number of successful events were held during 2013/14. Michael Angelakis addressed a breakfast event where around 100 participants gathered to network and gain insights into one of South Australia's successful businesses.



Festival Fleurieu – a new name (and evolution) for the Leafy Sea Dragon Festival

Our district's biennial arts festival,(part sponsored by Council),was revamped with a new vision and will continue to showcase the talents of people living in or inspired by the district. A refreshed committee chaired by Greg Mackie OAM has appointed Jill Langford to manage the festival in 2015 and much work was done in 2013/14 to connect with local communities and put together an exciting and challenging program of events.

It was estimated that more than 30,000 people enjoyed the last festival held in 2013.

National Broadband Network

Normanville, Carrickalinga and Yankalilla remains included within the early rollout program of the National Broadband Network.

Delays in the NBN schedule meant that NBN contractors have been busy remediating the Telstra pipes and pits network through the 3 towns in preparation for the installation of the optic fibre cabling. A final decision has not yet been announced on whether the towns will be serviced by ‘fibre to the home’ or ‘fibre to the node’. It is expected that we will hear about which option and when it will be installed hopefully in 2015.

Work has however progressed on the construction of 3 Fixed Wireless NBN Towers during 2014. As of June 2014, wireless high speed broadband services have commenced for the hinterland around Yankalilla, Normanville and Carricakalinga, whilst work is progressing on the construction of towers in Second Valley and at Cape Jervis to service parts of the rural and coastal areas of the district.

The Satellite service to deliver high speed broadband to the remaining areas of the district (not serviced by fibre or fixed wireless) will commence in 2016 when NBN Co launches new communications satellites.

Australia Day

Bungala Park was again the location for the 2014 Australia Day celebrations, where a large crowd gathered to celebrate the day. Our guest speaker was Greg Mackie OAM, who had attendees mesmerised with his inspirational speech about our local community. “There’s actually a really simple way that we can all play a part in strengthening our community and our local economy”...“The very best thing we can do if we want better services and a stronger and more resilient community – is to participate”

After official proceedings, guests were invited to attend the opening of the Pathway to Sustainability art installation, funded by the Normanville Natural Resource Centre. The art of local artist Ruth Eisner was transformed into 4 steel sculptures representing the elements of earth, wind, water and fire

Mayor Malcolm Schlein presented Awards to the following recipients:

Geoff Bowyer was named Citizen of the Year in recognition of his on going fundraising and support for the Daffodil Day, Cancer Council, South Australia.

Sam Noack was recognised for his sporting contribution to the district

The Yankalilla Cruise was awarded the Event of the Year



Citizen of the Year, Geoff Bowyer, Young Citizen of the Year, Sam Noack, Mayor Malcolm Schlein, Yankalilla Cruise representatives, Hanna and Don Law (Rotary Club), guest speaker, Greg Mackie OAM and Chief Executive, Adrian Skull at Bungala Park on Australia Day 2014.



Your council

Council meetings were held on the third Thursday of each month, from 2.00pm, and are open to the public. A public forum, where ratepayers and others may address or question council, took place at 2.30pm.

Special meetings may be

called as needed to address matters that cannot wait until the next ordinary meeting. They are also open to the public.

Notices of meetings and agendas are available for public viewing at the council office or on its website, three business days before each meeting date.

Minutes of all public meetings are also made available at the council office and on its website. The newly elected body has resolved to hold council meetings on the 3rd Tuesday at 4.00pm.

Elected members

Council comprises nine councillors, representing two wards. Light Ward elects five councillors to represent the townships of Yankalilla, Normanville and Carrickalinga, where around 60 per cent of the district's population lives. Field Ward elects four councillors to represent the remaining rural and coastal residents. The nine councillors elect one of themselves as the mayor.

The last council election was held in November 2010. In late 2013, Cr Jerry Moller resigned due to health reasons and we sadly lost Cr Jim Pile who passed away suddenly. This resulted in a Supplementary Election which transpired in March 2014. There were three candidates for each of the Ward Councillor positions. The result was that Glen Rowlands was elected as the councillor for Light Ward and Peter O'Neil was elected to the Field Ward.

The General Periodic Council election is scheduled to be held in November 2014.



*Back : Councillors O'Neil,, Jones, Trigg, Rothwell
Front: Councillors Rowlands, Schlein, Allstrom, Spilsbury Insert: Councillor Sanderson*



Light ward

Glen Rowlands

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John Sanderson

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Malcolm Schlein

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Bruce Spilsbury

PO Box 50, Normanville, SA 5204
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Louise Allstrom

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Field ward

Janet Jones

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Simon Rothwell

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E: rockhardptyltd@bigpond.com

Bruce Trigg

PO Box 212, Yankalilla, SA 5203
P: 8558 8180 M: 0418 825 233
E: nallyappa@skymesh.com.au

Peter O'Neil

P O Box 446, Yankalilla SA 5203
M: 0419 974 111
E: peteroneil@yankalilla.sa.gov.au

The membership listed above is from March 2014 onwards.

Representation

State legislation requires council to review its electoral representation at least once in every eight years. The last review for the district was completed in 2008-9, resulting in the current two-ward structure.

Details of the quota of electors per councillor, and a comparison with other South Australian councils of a similar size, appear in the table below.

Council	Total electors	Elected members	Wards	Quota
Goyder	3136	7	4	448
Kangaroo Island	3442	10	0	344
Lower Eyre Peninsula	3414	7	0	487
Yankalilla	3652	9	4	405

These figures reflect the position at the time of the last review, and include changes to Goyder, which conducted its required review in 2013.

In May 2012 the State Minister for Local Government gazetted a schedule for all local government representation reviews. The next review for the District Council of Yankalilla must take place between April 2016 and April 2017. It is likely to identify a significant drop in the number of electors in the district, due to State legislation that has restricted the voting eligibility of non-resident ratepayers. The review will include the opportunity for electors to make submissions on representation in the district.

Committees

The Local Government Act allows council to delegate a power, function or duty to a council committee and to the chief executive. Section 44 of the Act also prohibits some powers from delegation.

The use of delegated authority enables many routine matters to be acted on promptly and facilitates a more efficient operation and better service to residents. It also allows councillors to concentrate their efforts on policy development, representation, strategic planning and community leadership.

Council reviews its delegations to the chief executive each year. These are available for inspection at the council's office and website. The chief executive can further delegate powers, functions and duties to appropriate staff.

As well as formal council and committee meetings, councillors attended regular elected members' forums on the second Thursday of each month to receive informal briefings and presentations.

Development Assessment Panel

Council has a Development Assessment Panel (DAP) established under section 56A of the Development Act 1993 and Development Regulations 2008. This panel considers all development applications that are not dealt with by staff as delegated by council.

DAP comprises four independent members, including the presiding member, and three elected members. Council appoints the independent members. It met nine times during 2013-14.

Council has established the following committees under Section 41 of the Local Government Act 1999.

Audit

Required by legislation, audit committees are part of the financial reporting framework of council and oversee and monitor the management of the financial reporting process.

Membership comprises two elected members and an independent presiding officer, appointed by council. In 2013-14 the audit committee met four times.

Caravan Parks

This committee oversees management of the Jetty Caravan Park and Rapid Bay Campground, which are important tourism assets. It has been tasked with implementing major improvements to the parks. It met 9 times in 2013-14.

Strategic Directions Committee

Council established this committee in June 2013 to replace both the Strategic Planning and Development Committee and the Community Development and Support Committee. Membership comprises all elected members and its role includes:

- developing plans and budgets for implementation of council's goals.
- community consultation.
- developing policies to support council in achieving its goals.
- advocating on behalf of council to gain support from other levels of government.
- advising council on matters that will affect its ability to achieve its goals.
- providing advice to council on all aspects of its planning obligations in accordance with Section 101A of the Development Act 1993.

The committee met on ten occasions during 2013/14.

All Section 41 committee meetings are open to the public, except when a committee determines an item must be dealt with in confidence.

Future dates of these committees' meetings are listed on council's website, where their agendas and minutes are also published. All meetings are held at the council administration office.

Council has delegated its powers to two further committees on an as needed basis. They are the Tenders Committee and the Chief Executive Performance and Remuneration Review Committee.

External groups

Council participates in several state and regional committees, boards and associations whose operations add value to the district. One or more councillors or staff members represent it on these groups.

In 2013-14 council was a member of:

- Adelaide Hills, Fleurieu and Kangaroo Island Regional Development Australia

- Fleurieu Peninsula Tourism
- Local Government Association of SA
- Community Library Management Board
- Fleurieu Community Road Safety Group
- Fleurieu Alliance
- Southern & Hills Local Government Association
- Fleurieu Regional Waste Authority
- Fleurieu Community Services Committee
- Kangaroo Island Ports Management Group

Subsidiaries

Two of the above groups are formal council subsidiaries, established under Section 43 of the Local Government Act.

Fleurieu Regional Waste Authority

The Fleurieu Regional Waste Authority (FRWA) was set up to facilitate and coordinate the management of waste across the region.

Members are the District Council of Yankalilla, Alexandrina Council, City of Victor Harbor and Kangaroo Island Council.

The FRWA annual report for 2013-14 is attached at Appendix 2.

Southern & Hills Local Government Association

The Southern & Hills Local Government Association (S&HLGA) was established to identify available resources within the region and manage them to the benefit of communities across the region.

It also liaises with state and commonwealth governments on behalf of its member councils to maximise benefit to the region as a whole.

Member councils are District Council of Yankalilla, Alexandrina Council, City of Victor Harbor, Kangaroo Island Council, Adelaide Hills Council, Barossa Council and District Council of Mount Barker.

The SHLGA annual report for 2013-14 is attached at Appendix 3.

Councillor & committee support

All councillors receive a general allowance to compensate them for time spent in meetings and on council business. The annual amounts are set by an independent remuneration tribunal, are indexed to the Consumer Price Index and are paid monthly in advance.

Mayor - \$34,719 Deputy Mayor - \$10,850 Councillors - \$8,680

Chairs of Section 41 committees receive an allowance equivalent to that of the deputy mayor.

In addition councillors may claim reimbursement of travel, internet, telephone and some other expenses, incurred within the council area.

Full details of the council policy on allowances and benefits are available on the website. A register of elected member allowances, benefits and reimbursements may be viewed at the council office.

The council pays sitting fees to the following members of council committees:

Audit Committee

Independent committee chairman - \$1,000 per meeting

Development Assessment Panel

Independent panel chairman - \$400 per meeting

Independent panel members (4) - \$350 per meeting

Elected members (3) - \$350 per meeting

Elected members of council undertook the following training courses and information sessions during 2013-14:

- Financial Sustainability Workshop
- Media Training for Councillors
- Strategic Planning Workshop
- Local Government Association Annual Conference
- Prevention of Corruption – ICAC Workshop

Services & operations

Strategic Planning provides the platform and base from which all council's decisions are made.

Individual actions or processes are developed from the strategic plan to implement strategies to achieve desired outcomes. These actions or processes are defined on an annual basis to form business plans.

Strategic plans span a four-year period but are reviewed on an annual basis.

Managers use the strategic and business plans in the delivery of services and to assist staff in linking their professional performance and development to the goals of the organisation.

Council adopted the Annual Business Plan, budget and rates for the 2012-2013 financial year within the following parameters and working within the framework of its strategic plan, *Strategic Directions 2012–2016*, which is available on the website:

- Requirement to maintain road infrastructure assets at current levels.
- Commitment to work towards a balanced budget by June 2015.
- Commitment to reduce council borrowings, working towards less than 100 per cent liabilities ratio by June 2015.
- Commitment to keep rate increases to a minimum.

Consequently, council has worked hard to contain spending on operational matters and has carefully targeted capital spending on renewal projects during 2012-13 to improve its financial situation.

The senior management team and staff conducted a comprehensive assessment of the operational costs of delivering services to the community. As a result, operational costs have been reduced by more than \$300,000.

Community services

Goal: Provide a well-planned district that supports community needs and enhances the visitor experience

A small team of part-time staff, based at the Yankalilla Youth & Community Centre, oversees a range of community programs, including several aimed specifically at seniors, youth and disadvantaged people.

Highlights include:

Building Skills for Parents Program: a series of short courses relevant to low-income local families eg Budget Cooking, Returning to earning, Parenting Skills.

Broadband for Seniors: Computer classes for over 50s. A Federal Government grant provided a new Windows 8 Touch Screen and training for the tutors

Sea Mural: A 2 x 3 metre woollen Sea Mural was created by the Knitters Group and is now permanently on show at the Centre

Community Grants Program: More than \$55,000 was distributed amongst 12 community groups throughout the district to assist with their operational and project expenses

Yankalilla Transport Service Quality Audit: In October 2013, the Yankalilla Transport Service was audited by the Federal Government concluding with report showing

97% compliance with Community Care Common Standards. A Quality Management System has been developed ensuring continuous improvement practices



Regional programs

Council contributes financially to the following community programs in the Fleurieu region: Fleurieu Families; Family Links; Family Home Visiting Program; Southern Volunteering;; Positive Ageing; Star Club Program.

Transport

Council runs a community transport program in partnership with the five church communities within the Yankalilla district, known as 5CY. Council funds the pool of cars and their running costs, while administration is funded by a grant from Home and Community Care (HACC)

Five volunteer coordinators and 45 drivers enable eligible residents aged over 65, as well as those with a disability and their carers, to attend medical appointments.

This year the program's three vehicles completed 122,027km in total, transporting 1,878 passengers on 1,121 journeys. The program provided 3,008 service deliveries in 2013-14, to and from appointments in Adelaide and across the Fleurieu region, a 5.5 per cent increase on the previous year.

The majority (approx **70%**) of the medical appointments are either in **the Adelaide metropolitan area or in Victor Harbor**.

- An average 95 trips each month (1137 pa) were made
- 32 trips/car/month (379 pa)
- 7.9 trips / car / week. = **1.58 trips / day**
- An average 1.55 passengers were transported per trip.
- Each car is on the road (inc waiting time) for 6-7 hrs a day
- Total mileage for 3 cars in 2013-2014 129,500Km. 43,166km/car pa.
- Approx 26 regularly available drivers to coordinate.
- 387 clients are registered.
- In 2013-2014 the program transported 1933 passengers

The fortnightly community bus service that linked Cape Jervis and Second Valley to Normanville and Yankalilla was discontinued at the end of March 2013 because the number of users did not justify the cost. Some regular users with no other way of

attending appointments and shopping in the townships were offered an interim substitute service utilising the Council managers' cars until the current van was introduced in early 2014.

Youth program

An active program of events for young people in the community included a skate park tours, Blue Light disco, surf workshop and a series of family BBQs and movie nights.

Council has continued the support for the community run youth mentor running project Run Yank Run. This is an ongoing project with the participants preparing for the 2015 Gold Coast Marathon.

A Youth Forum with local youth from the schools LEO club was held allowing them to meet with the Mayor to discuss what is important to local youth. Students from the school also catered the 100 years of Red Cross in Australia event for council.

Training projects include Introduction to Automotive and a community art project. As a result, young people painted the Leafy Sea Dragon and HMAS Hobart murals at Normanville Beach.

Workshops focussing on safe partying for schoolies week, coping with stress and depression and positive body image have been offered throughout the year.

This year also saw the Youth Transport project involving a team of local youth mechanically restoring a people mover and then decorating it with an airbrushed mural. The vehicle was then donated back to the community to help with local community transport programs.



For National Youth Week 2014 a day on the skate park was held for local youth offering free workshops in skating, aerosol art and DJ skills. Council also had a henna artist, smoothie bike and Lions BBQ here for the day

Planning & development

Goal: Encourage appropriate growth that protects the environment and creates a vibrant and active community and employment opportunities

Development applications are assessed against the Yankalilla Development Plan and the Building Code of Australia, conforming to the state government Development Act of 1993 and the Development Regulations 2008.

The number of development applications received in 2013-14 was 310, representing a 6.5% increase from the previous year. New dwelling applications increased by 34% to 86, and there were 15 applications for alterations and additions to existing dwellings, down from 24.

Seventeen land division applications were lodged in 2013-14, 4 less than last year, covering realignment of boundaries and creation of additional allotments. Site works commenced for the development of a 130-lot land division on Hay Flat Road in Normanville.

Compliance

Council contracted a building surveyor to undertake the assessment of the Building Rules part of development applications and undertake inspections of construction and building compliance. Some relatively minor instances of unauthorised development were discovered and remedied.

The mandatory inspection of timber roof trusses continued and has resulted in an increased need and frequency for inspections of new domestic and commercial buildings and where alterations and additions involve new roof areas.

Planning Strategy

Updating the Yankalilla Development Plan

Following on from our work with the community between 2008 and 2011 on Stages 1 and 2 of the District 30 Year Plan, Council prepared a Strategic Directions – Issues Paper to enable community input to help establish our priorities to update our Development Plan to guide new development and re-zone land. Public consultation was undertaken over a 3 month period ending in December 2013 and Council worked through the submissions to arrive at a priority order for carrying out Development Plan Amendments over the next 5 years.

Structure Plan for Yankalilla, Normanville & Carrickalinga – reporting back.

The draft Structure Plan updates Stage 1 of the District – 30 Year Plan for the towns of Yankalilla, Normanville and Carrickalinga, that was adopted in 2009. The Plan identifies the ways in which the needs of a growing population can be managed and staged over the next 15 years to respect the rural and coastal character of these towns and deliver community benefits combined with sensitive environmental outcomes.

This planning highlights that the natural population growth will see demand for housing double within these towns within the next 20 years. It proposes the staged re-zoning of Growth Areas for each town, located to protect sensitive environmental areas and create high amenity public open spaces for the community. Work on finalising the Structure Plan continues.



Participants at a Public Forum held to discuss the draft Structure Plan

Carrickalinga Planning – Brown Road (Residential) Development Plan Amendment process

In 2013, Council considered a request from the owner of land located at the end of Brown Road, to initiate planning investigations into the possible re-zoning of a small portion of that land to Residential Zoning. The land in question is about 2Ha in area and could accommodate up to 18 new allotments adjoining the existing residential area. The owner of the land also proposed to fund this work.

The land in question is located within one of the future Growth Areas for Carrickalinga identified within the District 30 Year Plan in 2009 and as a result, Council resolved to agree to undertake this privately funded Development Plan Amendment (DPA). Public consultation was undertaken during May and June 2013 and this generated significant interest and comment from nearby property owners and residents. Council continues to work through the planning issues that have been identified during the DPA process.

Infrastructure and environment

Goal: Build and maintain infrastructure and assets that support existing and future community and business needs

Plant replacement and road works

The road network is the life vein of our district supporting both business and the community. It is imperative that a sustainable management plan be implemented to maintain roads that meet the districts growing needs.

From mid year the organisation has been under review to maximise output and minimise waste. As a result plant has been reduced with the sale of one truck.

The aim is to ensure the need for hire or contractors, as well as increasing asset utilisation by ensuring; “what we hold is what we need”. This can only be achieved from a clear understanding of “what we do”. Additional equipment has been earmarked for sale to provide funds for needed equipment.

A review of maintenance practices has been completed with the assistance of the Australian Road Research Bureau & Tonkin Engineering. Council no longer “patrol grades’ its assets a practice that has caused extensive damage to the unsealed road network.

The review has included a structure change coupled with a competency based training model for all works employees. *Small teams, working with assigned fit for purpose plant to perform a consistent approach* to road maintenance. This is designed to minimise wastage whilst extending the wear life of a road. From effective procedures and enhanced skills we are increasing operational capability to reach the greater than 400 kilometres of unsealed roads in need of maintenance. Already the community have provided praise from the change in process visible from the completed outcomes.

Enlisting technologies such as binding agents to materials is being trialed on various roads. Polymer & other environmentally friendly binding agents have been used within road pavement surfaces to increase durability allowing additional strength of pavement to combat high rainfall and prevent pot holing and corrugation. Early indication is that this has saved council considerable time and money in future maintenance costs.

Particular attention is being directed to storm water management and roadside culverts. From the analysis undertaken of our unsealed road network, the resultant damage by water is the principle cause of our road failures. Considerable expense is being directed toward this area of road management.

Our asset management database is also part of the review and we are leading the way in innovation with the creation of a road assessor. This position updates the database with conditional assessments to ensure that our estimations of lifespan of a road are regularly reviewed and updated to signal the need for changes to schedules and works.

In all, we have set our council as a pioneer in unsealed road maintenance. From practice, and processes, plant and equipment to management and disciplines, a serious and committed change has occurred. Other councils are now asking for advice and visiting our road network for ideas as to what they can utilise from our work.

Operations are working toward asset management 80/20, meaning 80% of works are scheduled preventative maintenance with 20% reactionary. It is estimated it will take council approximately 3 years to fully achieve the 80/20 scenario of asset management.

Building Maintenance.

We have as part of our commitment to the community and environment worked to ensure that our building assets meet strict safety and building compliance.

The Normanville Beach Café as part of the lease agreement has been repainted to ensure it promotes the community as a destination point for visitors and enhances community pride.

The Second Valley Community Hall has seen the inclusion of disabled ramp and toilets to ensure it complies with building code requirements. Council working with the community to ensure that the new additions will be blue stone fronted achieved from volunteer labour.

Extensive consultation with townships such as Cape Jervis, Inman Valley and Carrickalinga similarly have been undertaken to ensure our maintenance of council assets promotes the area as not only attractive and vibrant but instils community pride.

Community Wastewater Management System

The Normanville Wastewater Treatment Plant services Yankalilla, Normanville, Carrickalinga Sands, Lady Bay and the Links Golf Course Estate, has been reviewed by internal management as well as external experts to ensure it is operating effectively and efficiently.

Council commenced management of the Wirrina water and sewer treatment station in 2014. This has been an extensive task for council with assets updated, maintenance undertaken and procedures and legislative requirements met.

The site has been providing high quality water without interruption throughout the year.

As this is the first year of operating the plant, actual costs of production are still being compiled.

Water Quality and Uninterrupted Supply are the two key aspects of this operation.

Normanville Waste Water Treatment Facility is also subject to strenuous reviews by internal staff and external experts. The production of B class re-useable water is required along with the ability to store sufficient volumes of water over winter months for use in summer. Work in this area is still under review with key aspects being Supply Volume and Storage Capability.

Early in 2013/14 Council undertook comprehensive investigations into the idea of selling the water and wastewater assets to a private entity. Council was one of the first local governments in the State to look into this idea as a way of realising a financial benefit for such a sale and eliminating the risks associated with operating

these types of services. Considerable public interest was generated during the public consultation on this idea, particularly in respect of issues such as benefits/disbenefits, value of the assets and the impact of the proposed sale on ratepayers.

Negotiations with the company that first approached Council about this idea did not proceed after they revised their offer to something that was not considered to represent the best cost/benefit for the community.



South Shores Planting 2012 and 2014

Coast, Estuarine and Marine Projects

The Southern Fleurieu Coast, Estuary and Marine Officer continued to coordinate projects and coastal community groups across the Fleurieu Peninsula coastline. A complete review of the *Southern Fleurieu Coastal Action Plan and Conservation Priority Study* (SFCAP) has been completed with all identified stakeholders. The review highlighted the gains that have been made and identified the focus for the next 3 years. Funding for coastal projects has continued to be predominantly from the Adelaide and Mount Lofty Ranges Natural Resource Management Board levy and its community grants, with contributions from the Coast Protection Board and Council.

Coastal projects have focused on controlling ‘Red Alert’ priority weeds; revegetation of weeded areas; adding to fragmented plant communities; and stabilising eroding dunes and banks. Priority areas with high conservation and threat values highlighted in the SFCAP for this council area are the Normanville State Heritage listed sand dunes and the State biodiversity hot spot within the Cape Jervis coastal reserves.

Coastal community education has been delivered through the Coastal Ambassadors, Community Group Action and Hooded Plover programs. Free community education workshops have been held across the district including a Coastal Gardens workshop at Cape Jervis promoting the use of the *Coastal Gardens Planting Guide* booklet. The community have played a significant role in conserving and improving the coastal environment. One example is the South Shores Coastal Community Group who revegetated a degraded section of the Normanville State Heritage listed sand dunes with locally rare plants in July 2010. They have continued to maintain this site and the surrounding sand dunes. See progress photos attached from June 2010 through to December 2014.

Public & Environmental Health

Council’s Environmental Health Officer has continued to assess and approve onsite wastewater system applications for all new development and alterations in a timely manner, ensuring their compliance with the Department of Health’s Code.

There were several instances where failing septic systems were reported to Council and these were rectified through liaison with the relevant property owners.

There were 68 permanent food premises in the Council area, together with numerous temporary premises operating out of venues such as markets, one off events and shows. Council staff carried out routine and complaint-based inspections throughout the reporting year on a range of issues from food safety to swimming pool water quality.

Several audits of high-risk premises were also carried out. These activities were undertaken in compliance with recommended Department of Health risk-based schedules.

Council continued to monitor the groundwater at the closed Myponga and Yankalilla landfill sites throughout the period.

The school-based disease control immunisation program at the local Area school continued throughout the reporting period and the data was forwarded to the Department of Health.

Leisure & tourism

Goal: Support and encourage the development of facilities, events and programs that enhance the recreational experience and cultural vibrancy of the community

Jetty Caravan Park, Normanville

The Caravan Parks Committee has continued to oversee upgrade and refurbishment of the caravan park.

Council resolved to take management control back and appointed new managers after an open tender process. Work has progressed on updating the annual licences for vans to occupy space within the Jetty Caravan Park to a more comprehensive document.

A revised Community Land Management Plan was adopted in July 2013 and enables the continued use of the land as a caravan park for the next five years. During this time, council will examine the long term future for the park as part of its planning for the future of the district. This work will be the subject of further engagement with the community and annual licence holders.





Visitor Information Centre

The Yankalilla Bay Visitor Information Centre (VIC) is run by a full time coordinator with the support of a team of 35 dedicated volunteers, who handled 17,771 enquiries during the year. In 2013-14 the VIC received a total of 10,264 visitors with 1,441 of those being international and received 7,507 enquiries via phone or email.

The team organises regular familiarisation tours of tourism attractions and businesses throughout the district, to ensure it provides the most up-to-date information to customers.

The centre has been focusing on getting its online booking system functioning well and has increased its bookable accommodation products from 75 to 94. The main aim was to increase visitor nights stayed in the area. Extensive training of volunteers took place to enable the on-line booking system to become operational. The selling of community event tickets through the booking system has proved to be very successful. Bookings for 2013/14 increased to approximately \$20,500 from approximately \$15,900 the previous year which was fantastic growth considering it was a non Leafy Sea Dragon Festival Year.

The VIC has participated in road shows at various events including the Tour Down Under, Yankalilla Show, Yankalilla Cruise and Deep Creek Conservation Park open day to promote our district.

The VIC adopted a 'Totally Local' campaign and source as much locally made souvenirs as possible which has proved to be a success.

Community library

Council partners with the Department of Education and Child Services to part fund the school community library that operates from the Yankalilla Area School.

In 2013-14 council allocated around \$60,000 in funding for books, equipment and other resources to stock the library and to employ additional part time staff to enable the library to extend its opening hours beyond normal school hours.

The school community library is one of the ways in which library services are delivered for small local communities.. The Library Board commissioned a report on the future transition of the Community Library away from the School Library in recognition of how close the district's population has grown to the limit of 5,000 people for this model of service delivery. The school's Governing Council made a decision to separate the Community Library from the school premises at the end of the financial year and Council began preparations for the move.

The move into an interim location was successfully completed in November 2014 and will be fully reported within the 2014/15 Annual Report.

Regulatory services

Goal: Provide a well-planned district that supports community needs and enhances the visitor experience

Activities included dealing with wandering stock; investigating abandoned vehicles; conducting parking patrols; assisting with community events; enforcing council by-laws; animal management and investigating roadside dumping.

Animal management

During the 2012-13 financial year council registered 1,396 dogs. It investigated eight complaints of dog attacks or harassment and issued five expiation notices. There were three official complaints of barking dogs, with one expiation notice issued. Eight unofficial barking dog complaints were also investigated and resolved.

Six dogs were impounded and taken to the RSPCA or Sagewood Kennels. Four were returned to their owners; one was rehomed; and one is deceased. Approximately 40 dogs that were found wandering were returned to their owners. Seven expiation notices were issued for dogs unregistered and wandering at large. There were six complaints of dogs allowed to wander at large; they were resolved with verbal cautions delivered.

There were 12 complaints of wandering stock.

Fire prevention

Following an initial inspection of 960 properties, 700 hazard reduction notices were issued. Forty second-notices were subsequently issued and 22 property owners were issued expiation notices for non-compliance; most of these were companies in receivership or based interstate.

In a joint exercise with National Parks SA, council organised a tree-trimming program along Blowhole Beach Road, at Deep Creek, to improve access for CFS fire trucks.

Beach patrol

Council conducted regular proactive patrols along the district's coastline. New signage was installed at the Normanville foreshore entrance and Cape Jervis boat ramp car park entrance.

Officers delivered education and information to the public about dogs being off leash

within dog on leash areas; and issued cautions to vehicle owners about vehicles without a boat trailer on the foreshore.

Other regulatory services

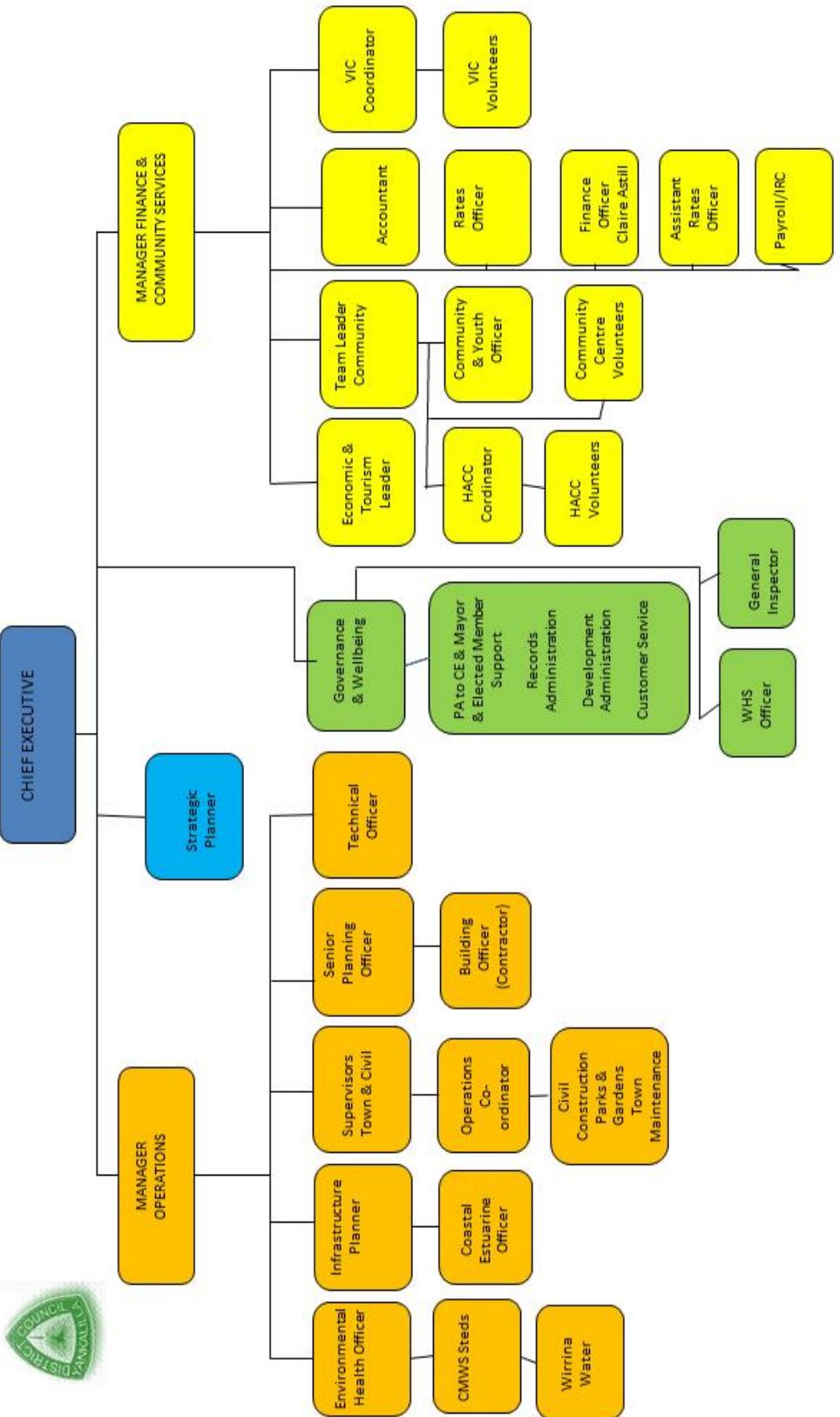
Council received 12 complaints about hard rubbish and illegal dumping.

Five cautions were issued to illegal overnight campers.

Expiation notices not detailed above included: two for abandoned motor vehicles; three for breaching council by-laws; and 18 for motor vehicles.

Administration

Organisational structure



Senior management

The executive management team comprises the Chief Executive and two senior managers.

The Chief Executive is employed on a performance-based contract negotiated with council; it includes private use of a vehicle.

The two senior managers are employed on performance-based contracts, with salary paid within the Senior Officers Band of the SA Municipal Salaried Officers award. Their packages also include private use of a vehicle.

Council's publicly available register of salaries and allowances contains full details.

Mr Adrian Skull took on leadership of council's administration on September 28, 2012.

Mr Mark Heinrich the Finance and Community Services Manager commenced on November 26, 2012. The role of Manager District & Environmental Services and Deputy Chief Executive was held by Mr John Tillack. In December 2013, Mr Tillack resigned from Council to take on the role of Chief Executive at Streaky Bay. Mr Warren Kaeding commenced with Council on the 17th February 2014 in the role of Manager Operations.

The senior management team and other relevant officers have delegated authority to make operational decisions to administer council policies. Council officers also formulate policy options and recommendations for council determination.

Staff

Council employs 47 permanent staff, although as several work part-time, this amounts to 42.5 full time equivalence (FTE). It also employs 16 staff on a casual basis, in roles where demand is seasonal, such as in the library and caravan park and in backfilling for key staff absences and on specific projects.

Employees of council are paid in accordance with a registered enterprise agreement. They are recruited, developed and trained in accordance with this enterprise agreement and in accordance with equal opportunity and human resource management principles.

The enterprise agreement and the register of salaries and allowances is available for inspection at the council office, or may be downloaded from the website.

The chart on page 29 represents council's organisational structure at June 2014.

Community land & council facilities

The concept of Community Land was introduced by the Local Government Act 1999, where it was intended that local government land held for the benefit of the community should remain in the ownership or care, control and management of the council for that purpose.

A central plank of the community land regime is to ensure that a council may only deal with that land after formal public consultation with the community for whose benefit the land is held.

The Act also recognised that some local government land was held by councils for operational purposes, or had been acquired for strategic or economic development purposes. An opportunity to exclude such land from classification as Community Land was provided in the Act and in 2002 Council undertook the exclusion process for a number of its operational sites.

The Community Land Management Plan for the land occupied by the Jetty Caravan Park, Normanville was revised to introduce an initial five-year lease of the area for use as a caravan park, to enable council an opportunity to resolve land ownership and tenure and to review the long-term future of the park.

The register of community land can be viewed at the council offices. It contains the following information:

- Legal description and location of the land
- Commonly known name of land (if applicable)
- The area of the land
- The owner of the land. In most cases this will be The District Council of Yankalilla but there are also several parcels of land owned by the Crown but under council's control and management
- Details of any leases or licences applicable to the community land
- Copies of community land management plans under the following categories:

Part 1 – Reserves

Town Reserves General
Town Buffer Reserves
Town Drainage Reserves
Coastal Reserves
Broad acre Reserves
Broad acre Reserves Native
Vegetation

Part 3 – Commercial and Business Facilities

Normanville Beach Café
Surf Life Saving Club
Jetty Caravan Park
Rapid Bay Camping Ground

Part 2 – Community Facilities

Second Valley Soldiers Memorial Hall
Bullaparinga Cemetery
Yankalilla Cemetery
Rapid Bay Oval and Clubrooms
The Centre

Part 4 – Not Otherwise Classified

Operational
Country Fire Services
Land with no restrictions

Council facilities

Following is a list of council-owned and run facilities and their locations. Many include halls and meeting rooms that community groups, individuals and businesses may hire.

Council Office & Chambers

I Charles Street
PO Box 9
Yankalilla SA 5203
P: 8558 0200 F: 8558 2022
E: council@yankalilla.sa.gov.au

The Centre

181 Main South Road
Yankalilla SA 5203
P: 8558 0200 F: 8558 3577

Visitor Information Centre

163 Main South Road
Yankalilla SA 5203
P: 8558 0240
E: tourism@yankalilla.net.au

Works Depot

Kemmiss Hill Road
Yankalilla SA 5203
P: 8558 0200
F: 8558 3835

Normanville Beach Café & Surf Life Saving Club

Beach Reserve, Jetty Road
Normanville SA 5204

Yankalilla Waste Depot

Yankalilla to Victor Road
Yankalilla, SA 5203

Yankalilla/Normanville Wastewater

Treatment Plant
Lot 801 Hay Flat Road
Normanville SA 5204

Myponga Beach Wastewater

Treatment Plant
Sec 240+ Myponga Beach Road
Myponga SA 5202

Wirrina Wastewater Treatment Plant

Paradise Drive
Wirrina Cove SA 5204

Jetty Caravan Park

Jetty Road, Normanville SA 5204
PO Box 867, Normanville SA 5204
P: 8558 2038
F: 8558 3573
E: info@jettycaravanparknormanville.com.au
www.jettycaravanparknormanville.com.au

Rapid Bay Campground

Rapid Bay Road
Rapid Bay SA 5204
P: 8598 3003

Rapid Bay oval

Essington Lewis Drive, Rapid Bay

Second Valley Hall

Finniss Vale Drive, Second Valley



Council partnered with Yankalilla Area School and the State government to provide library services at the Yankalilla Area School. This arrangement will change during 2014/15 when the Community Library is relocated away from the school premises.

Community Library

Yankalilla Area School
Main South Road
Yankalilla SA 5203
P: 8558 2043
E: yas@yankas.sa.edu.au

Community-owned facilities

Various community groups throughout the Yankalilla District own and operate sporting and community facilities that serve local populations.

These facilities are supported by council through the rate rebate and community grant programs funded by council each year.

These facilities include:

- Myponga Memorial Hall
- Myponga Sporting Club
- Yankalilla Memorial Sports Grounds
- Yankalilla Senior Citizens Hall
- Inman Valley Hall
- Cape Jervis Community Club



Myponga Football Club receiving its Grant from Minister Bignall (MP) to build a Gymnasium at the Myponga Sporting Club.

Communication & consultation

Eleven issues of the newsletter *In the Loop* were produced to keep residents informed of council news during 2013-14. They were published on the website and inserted within the free monthly publication *Yankalilla Regional News*.

Council held public meetings throughout the year and invited feedback on issues that legally required a formal public consultation process; it also met its legal obligation to publicise such consultation via newspapers, the website and *In the Loop*.

Public consultation also took place on other issues council determined were important to the community, in accordance with its public consultation policy.

These included: the annual business plan, development plan DPA, caretaker policy, Volunteer policy, building inspection policy, temporary food trading policy, public consultation policy, code of practice for Council and Committee meetings, building inspection policy, privately funded DPA policy.

Regular Meet the Council evenings were initiated to enable specific groups in the community to interact with councillors and senior staff and discuss the intersection of their interests with council policy and planning.

The first function targeted the district's sporting clubs and associations; the second was aimed at business and tourism operators; and a third gathered rural residents and primary producers. More evenings have been planned for 2014-15.

Public documents

Councils are required to have the following documents available for public inspection. Many documents will be found on council's website but all are available for inspection at the council office. Hard copies may be purchased at the fee prescribed in council's Fees and Charges Register.

Reviews of council constitution, wards and boundaries

Representation options papers and reports on reviews of council composition or ward structure

Reports to the minister provided to the council by the Boundary Adjustment Facilitation Panel

Summary of issues surrounding a proposal to be submitted to a poll

Registers and returns

Registers as listed below under 'Mandatory Registers' other than the Register of Interests

Campaign donations returns

Codes

Codes of conduct or codes of practice

Meeting papers

Notice and agenda for meetings of the council, council committees and electors

Minutes of meetings

Documents and reports to the council or a council committee that can be supplied to members of the public

Recommendations adopted by resolution of the council

Policy and administrative documents

Record of delegations
Contracts and tenders policies
Policy for the reimbursement of members' expenses
Strategic Management Plans
Annual Business Plan
Annual budget
Audited financial statements
Annual report
Extracts from the council's assessment record
Lists of fees and charges
Public consultation policies
Management plans for community land
Policy on the making of orders
Procedures for the review of council decisions and any associated report
The most recent information statement of the council under the *Freedom of Information Act 1991*.
Any policy document of the council within the meaning of the *Freedom of Information Act 1991*.

By-laws

By-laws made by the council.

Mandatory registers, codes and policies

Below is a list of registers, codes and policies which councils are required to have under legislation.

Local Government Act 1999

Registers

Members Register of Interest
Members Register of Allowances and Benefits
Officers Register of Salaries
Officers Register of Interests
Fees and Charges
Community Land Management Plans
Community Land
Public Roads
By Laws

Codes

Members Code of Conduct
Code of Practice for Access to Meetings and Documents
Employees Code of Conduct

Statutory Policies

Contracts and Tenders Policies
Public Consultation Policies
Reimbursement of Council Member Expenses Policy
Provision of Facilities and Support for Council Members Policy
Council Member Training and Development Policy
Internal Control Policies
Road Naming Policy
Policy on Order Making
Internal Review of Council Decisions Policy

Local Government (Elections) Act 1999

Campaign Donation Returns prepared by candidates.

Freedom of information

Council provides information to residents and ratepayers in a spirit of openness and accountability, which means there is seldom need to refer to the provisions of the Freedom of Information (FOI) Act.

Where information is requested under the FOI Act a request form must be completed and forwarded, with the required application fee (unless an exemption is granted). FOI request forms are available from the website or from the office.

Council responds to FOI applications as soon as possible, within the statutory 30 days of receipt of a request and application fee or proof of exemption.

Council produces a detailed FOI statement annually, which is made available on the website and in the office.

In accordance with Section 38(1) of the FOI Act 1999, a person who is aggrieved by a determination made by the council is entitled to an internal review of the determination.

There were two FOI requests received during 2013-14.

The first request was made in relation requesting a council report re Shacks on Road Reserves presented to Council at its meeting held on 17th October 2013. This report was provided and advised it was a public document.

The second request was made requesting a listing of rateable addresses for which the ratepayer is classed as a public housing provider.

Governance

Confidentiality

Council must be open and accountable in its operations and decision-making, but there are circumstances in which confidentiality is required, as outlined in Sections 90 and 91 of the Local Government Act 1999.

A summary of these issues dealt with by Council in 2013-14 as well as those that remained in confidence during the year, appears below:

Date	Meeting	Item No.	Title	Relevant Section LG Act	Period of Months
24/01/2013	Audit Committee	17.1	Appointment of External Auditor 2012/13-2016/17	90(2) & (3)(d), 91 (7)&(9)	12
21/02/2013	Council	18.2.5	Appointment of External Auditor 2012/13-2016/17	90(2) & (3), 91 (7)&(9)	12
4/04/2013	Caravan Park Committee	13.1	Management Agreement for the Jetty Caravan Park Normanville	90(2) & (3)(b), 91 (7)&(9)	12 or when contract signed
16/05/2013	Strategic Policy & Planning Committee	13.1	Section 30 Review - Yankalilla Development Plan	90(3), 91(7) & (9)	6
6/06/2013	Caravan Park Committee	13.1	Recruitment of Jetty Caravan Park Managers	90(2) & (3)(b), 91 (7)&(9)	2 weeks
7/06/2013	Council	5.1	Water and Sewerage Services	90(2) & (3)(b), 91 (7)&(9)	1
20/06/2013	Council	19.2	Water and Wastewater Assets	90(2) & (3)(a), 91 (7)&(9)	6
27/06/2013	Council	5.14	Waste & Wastewater Assets	90(2) & (3)(a)	
18/07/2013	Council	13.6	Wirrina Water and Wastewater Service Charges	90(2) & (3)(d)	
18/07/2013	Council	14.2	Report on the Investigation of Code of Conduct Allegations	90(2) & (3)(a), 91 (7)&(9)	31/12/2013
19/09/2013	Caravan Park Committee	4.1	Rapid Bay Camping Ground Facilities User Agreement	90(2) & (3)(b)	

17/10/2013	Council	19.2	Chief Executive Performance Review	90(2) & (3)(e), 91(7)&(9)	12
12/12/2013	Council	11.1	Consideration of Nominations for Australia Day Awards	90(2) & (3)(a)	
16/01/2014	Council	19.2	Briefing Enterprise Bargaining Agreement	90(2) & (3)(a)	
6/02/2014	Caravan Park Committee	7.1	Rapid Bay Campground	90(2) & (3)(b)	
17/04/2014	Audit Committee	4.1, 4.2, 4.3	Presentations from External Clients	90(2) & 3(b)	
5/06/2014	Caravan Park Committee	7.1	Leasing Arrangements	90(2) & (3)(d) & 91(7) & (9)	12

Internal review of decisions

Complaints may arise as a result of dissatisfaction with a decision of council, or the way a policy, procedure, service or fee have been applied. Council and staff will endeavour to resolve complaints as they arise without having to resort to a formal procedure.

If a complaint cannot be resolved, the complainant may choose to request a formal review of the decision.

Any concerns or complaints should initially be addressed in writing to the council office.

In 2013-14 council received three Section 270 Requests.

One request was to review the proposed Sale of Council assets – Community Waste Management System and water assets, specifically relating to a complaint in relation to the process and public consultation. A review was undertaken by Mr Frank Brennan, an independent consultant. The outcome of the report recommended that Council should review its LTFP & reporting to ensure consistency, review its Prudential Management Policy, Review its Sale and Disposal of Council Land and other Assets Policy, Public Consultation policy and develop a communication plan and structured consultation plan.

One Code of Conduct complaint in relation to the behaviour of a Councillor was the subject of three investigations which concluded that the member had no conflict of interest and had not acted in a discriminatory manner. The non observance of meeting procedures by staff and councillors was, however, noted and copies of the meeting procedures are now available for all Council and Committee meetings.

An investigation was commenced in 2012-13 about a Code of Conduct complaint in relation to the role and alleged influence of a Councillor within an examination of a section of public road. This investigation found that the Councillor did not breach the Code of Conduct. Council subsequently resolved to initiate action to improve traffic arrangements at Bower Road, Yankalilla.

Another internal investigation was undertaken in relation to a complaint about staff decisions to dispose of surplus property and then other Council decisions. The investigation concluded that the decision to dispose of the surplus property was rightfully within the authority of the manager and that the complainant held a different opinion about the usefulness of the material.

Budget and financial reports

Applying competition principles

Council's obligations under the National Competition Policy fall within two principal categories. Firstly, the identification of 'significant business activities' and then the application of competitive neutrality principles to these activities.

Council carries out no commercial business activities with annual revenue in excess of \$2 million, nor does it employ assets in excess of \$20 million. Council's only significant business activity is the Jetty Caravan Park, Normanville with annual revenue of \$834,696. In addition, council leases out the Normanville Beach Café and Rapid Bay Campgrounds and receives income from those sources.

Council has in place the following policies, codes and practices relevant to competition policy:

Acquisition Policy

Council has updated the Acquisition policy to, where possible, purchase goods and services locally to help with development of competitive local business. Local contractors may also have an advantage in not having to travel as far to the work site.

All council's by-laws have been reviewed to ensure they place no barrier to market entry and do not discriminate between competitors.

Council's Acquisition Policy outlines the procedures to be followed and the criteria for selecting the required purchasing method when staff purchases goods and services on behalf of council.

The policy objectives are to ensure council provides a fair, transparent and accountable process for provision of services and purchasing goods and services, and to achieve the best value for money outcome in an efficient and effective manner.

Options for different methods of providing a service are identified, together with the required purchase methods for five different levels of value. For example, at the lowest level goods and services not exceeding \$10,000 may be selected with a direct quote, whereas at the top-level expenditure over \$50,000 requires a public tender process.

Officers undertake these processes within their level of delegated authority.

During the year tenders were considered by Council.

Financial management & performance

A key focus continues to be on reducing the value of unpaid rates that represent outstanding debts to council and ultimately to the community. Money not paid to council must be borrowed every year to make up the difference for budgeting purposes and this increases the amount of interest paid on loans.

It is apparent that the demographic profile of the community, which is older and with lower income than the state average, contains a proportion of ratepayers who are vulnerable to the tight economic times of recent years and experience a degree of financial hardship.

While individual hardship cases are assessed and arrangements to pay negotiated, other instances where ratepayers are not paying rates are being taken through the legal processes to recover the outstanding debts.

Council increased the Rate in the dollar paid by property owners by 5.0 per cent in 2013-2014 to help fund the annual budget. This represented a 2.9 per cent rise above the national CPI, as of December 2012, and was a lower increase when compared with nearby councils and most across the state. Local Government CPI was running at 4.1 per cent for the same period. This placed an even greater emphasis on continuing to be prudent with council spending.

Income for 2013-14 increased by \$300,000 from the original estimate, to \$12.707 million, as a result of receiving payments from Wirrina Water & CWMS;

Operational costs were reduced by approximately than \$500,000 due to further reducing the administration fleet; and reductions in spending across the organisation, including the use of contractors and consultants. Changing our IT provider has resulted in a \$50,000 saving per annum.

Some proposed works were delayed or not completed during the year and about \$380,000 of these have been carried over, to be completed during 2014-15. These include Youth Park Irrigation; Cole/Range Road; Plant replacement; and Cape Jervis Jetty.

While the above information is a brief indication of some of the more substantial financial results, over the full year 2013-14 council substantially reduced its budget deficit from an estimated \$541,000 to \$23,000. Outstanding loans were further reduced from \$8.8 million to \$7.66 million.

Auditors

HLB Mann Judd was appointed as council's independent external auditors for 2013-14. The remuneration for undertaking the audit of council financial statements was \$11,000 plus travel expenses.

Council's audited financial statements are attached as Appendix I.

Appendices

Appendix 1 - Financial statements

Appendix 2 - FRWA Annual Report

Appendix 3 - S&HLGA Annual Report

DISTRICT COUNCIL OF YANKALILLA
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014	2013
		\$	\$
INCOME			
Rates	2	9,951,674	9,395,932
Statutory charges	2	168,094	142,974
User charges	2	1,062,680	966,821
Grants, subsidies and contributions	2	1,189,898	1,320,807
Investment income	2	83,694	57,329
Reimbursements	2	59,370	151,519
Other income	2	173,630	137,735
Net gain - equity accounted Council businesses	19	18,182	5,479
Total Income		12,707,222	12,178,596
EXPENSES			
Employee costs	3	3,715,299	3,530,217
Materials, contracts & other expenses	3	4,842,409	4,802,160
Depreciation, amortisation & impairment	3	3,647,982	3,624,182
Finance costs	3	524,539	601,940
Net loss - equity accounted Council businesses	19	-	1,744
Total Expenses		12,730,229	12,560,242
OPERATING SURPLUS / (DEFICIT)		(23,007)	(381,646)
Asset disposal & fair value adjustments	4	(112,512)	(430,323)
Amounts received specifically for new or upgraded assets	2	48,931	55,523
Physical resources received free of charge	2	273,934	2,601,056
NET SURPLUS / (DEFICIT)		187,346	1,844,610
transferred to Equity Statement			
Other Comprehensive Income <i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	324,135	11,168,299
Total Other Comprehensive Income		324,135	11,168,299
TOTAL COMPREHENSIVE INCOME		511,481	13,012,909
Share of Net Surplus / (Deficit) Council		187,346	1,844,610
		187,346	1,844,610
Share of Other Comprehensive Income Council		324,135	11,168,299
TOTAL COMPREHENSIVE INCOME		511,481	13,012,909

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

DISTRICT COUNCIL OF YANKALILLA

STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

ASSETS	Notes	2014	2013
		\$	\$
Current Assets			
Cash and cash equivalents	5	1,380,400	308,751
Trade & other receivables	5	1,524,664	1,375,515
Inventories	5	44,627	32,076
		Total Current Assets	2,949,691
		1,716,342	
Non-current Assets			
Financial assets	6	30,997	59,584
Equity accounted investments in Council businesses	6	79,352	61,170
Infrastructure, property, plant & equipment	7	109,003,125	110,800,195
		Total Non-current Assets	109,113,474
		110,920,949	
Total Assets		112,063,165	112,637,291
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,073,580	1,030,434
Borrowings	8	708,894	1,149,121
Provisions	8	262,567	221,861
		Total Current Liabilities	2,045,041
		2,401,416	
Non-current Liabilities			
Borrowings	8	6,952,734	7,661,628
Provisions	8	108,687	129,025
		Total Non-current Liabilities	7,061,421
		7,790,653	
Total Liabilities		9,106,462	10,192,069
NET ASSETS		102,956,703	102,445,222
EQUITY			
Accumulated Surplus		30,768,504	30,994,227
Asset Revaluation Reserves	9	71,465,353	71,141,218
Other Reserves	9	722,846	309,777
		TOTAL EQUITY	102,956,703
		102,445,222	

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

DISTRICT COUNCIL OF YANKALILLA

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

		Accumulate d Surplus	Asset Revaluation Reserve	Available for sale Financial Assets	Other Reserves	TOTAL EQUITY
2014	Notes	\$	\$	\$	\$	\$
Balance at end of previous reporting period		30,994,227	71,141,218	-	309,777	102,445,222
Net Surplus / (Deficit) for Year		187,346				187,346
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment			324,135			324,135
Transfers between reserves		(413,069)			413,069	-
Balance at end of period		30,768,504	71,465,353	-	722,846	102,956,703
<hr/>						
2013						
Balance at end of previous reporting period		29,180,162	59,972,919	279,232	89,432,313	
Net Surplus / (Deficit) for Year		1,844,610				1,844,610
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment			11,168,299			11,168,299
Transfers between reserves		(30,545)			30,545	-
Balance at end of period		30,994,227	71,141,218	-	309,777	102,445,222

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

DISTRICT COUNCIL OF YANKALILLA

STATEMENT OF CASH FLOWS for the year ended 30 June 2014

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2014	2013
		\$	\$
Receipts			
Operating Receipts		13,245,414	12,658,846
Investment receipts		76,715	57,552
Payments			
Operating Payments to Suppliers & Employers		(9,221,488)	(8,203,484)
Finance payments		(601,101)	(652,086)
Net Cash provided by (or used in) Operating Activities	11b	3,499,540	3,860,828
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		48,931	55,523
Sale of replaced assets		202,879	
Sale of surplus assets		1,860	27,127
Repayments of loans by community groups		39,746	39,400
Payments			
Expenditure on renewal/replacement of assets		(1,454,138)	(1,441,330)
Expenditure on new/upgraded assets		(118,048)	(29,929)
Net Cash provided by (or used in) Investing Activities		(1,278,770)	(1,349,209)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings		-	
Payments			
Repayments of borrowings		(1,149,121)	(2,496,851)
Net Cash provided by (or used in) Financing Activities		(1,149,121)	(2,496,851)
Net Increase (Decrease) in cash held		1,071,649	14,768
Cash & cash equivalents at beginning of period	11(a)	308,751	293,983
Cash & cash equivalents at end of period	11(a)	1,380,400	308,751

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



Annual Report

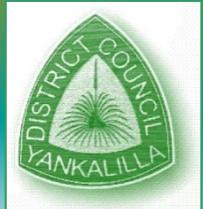
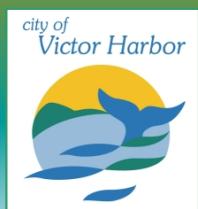
2013 – 2014



Fleurieu Regional Waste Authority

CONSTITUENT COUNCILS:

Alexandrina Council
City of Victor Harbor
Kangaroo Island Council
Yankalilla District Council



	Page No.
ABOUT THE AUTHORITY	3
CHAIRPERSONS MESSAGE	4
THE BOARD	5
EXECUTIVE OFFICERS MESSAGE	6-9
OUR PEOPLE	10
CORPORATE GOVERNANCE	11
WASTE STATISTICS	12
FINANCIAL STATEMENTS	15- onwards

Contents



Fleurieu Regional Waste Authority

About the Authority

WHO WE REPRESENT

The Fleurieu Regional Waste Authority (FRWA) was formed by the member councils of the Fleurieu Peninsula in South Australia in order to manage their waste and recycling. The member councils are:

- Alexandrina Council
- City of Victor Harbor
- Kangaroo Island Council
- District Council of Yankalilla

WHAT WE DO

FRWA provides and operates waste management services on behalf of the four councils. This includes:

- the operation of four Waste and Recycling Depots and four Bulky Waste Stations;
- the provision of waste, recycling and green waste kerbside collection services;
- public litter bin collections;
- event bin provision and collection; and
- the provision of community information and education.

These services are covered by a Service Level Agreement with each Council setting out the Key Performance Indicators (KPI's) that must be achieved and the agreed budgets to deliver the services.

The services are benchmarked against comparable services provided by Local Government and the Private Sector.

OUR HISTORY

In 2007 the Constituent Councils of the Fleurieu Region unanimously adopted the Fleurieu Peninsula Waste Strategy. A key recommendation of the strategy was that if Councils decided to own and operate common assets, then they should establish a Regional Subsidiary pursuant to Section 43 of the Local Government Act, 1999.

The Fleurieu Regional Waste Authority (FRWA) was subsequently established as a regional subsidiary.

The FRWA Charter was approved in January 2010 and gazetted on 11 February 2010. A review and subsequent update was approved and gazetted in August 2012.

THE FUTURE

An important factor going forward for FRWA is to ensure the region has the necessary strategy, infrastructure and planning in place to meet the legislative requirements under the EPA's Environment Protection (Waste to Resources Policy) and the regions population growth.

Education and promotional programs within the community will continue to remain a high priority with community education being based around:

- waste avoidance and reduction;
- recycle right, composting; and
- hazardous waste management.

The Authority commits to its continued support of local and regional businesses and services as their preferred suppliers where possible.

Chairperson's Message

The Fleurieu Regional Waste Authority (FRWA) is charged with the responsibilities of providing sustainable waste and recycling services on behalf of its four Constituent Councils. This includes the operation of four Waste and Recycling Depots (WRD) and the provision of waste, recycling and green waste collection services, public litter and event bins collection for the Constituent Councils. FRWA is also responsible for the delivery of waste education and information across the region, including the education programs for kindergartens and primary schools.

During the past year we have embarked on a number of significant projects with emphasis on a new approach for sustainable and cost effective kerbside collection services for our Constituent Councils.

Integral to all our activities is the engagement with our community and education activities to encourage greater diversion of waste from landfill.

With the support of its Constituent Councils FRWA undertook a Pilot project, trialing the fortnightly collections of general waste, greenwaste and recyclables within a small area, crossing the boundary of Alexandrina Council and City of Victor Harbor, from 2 October 2013 to 22 January 2014.

Three kerbside bin audits were undertaken during the Pilot project to determine the outcomes of the changed schedule and education program in altering behavior and increasing recycling rates. Feedback was sought from stakeholders regarding the effectiveness of the community engagement and education activities undertaken.

The Pilot project allowed issues to be identified and solutions evaluated on a small scale, allowing a strategy to be developed for the successful future introduction of an altered collection schedule across a wider area.

The ambassador for the project, Sophie Thomson from ABC's Gardening Australia and the Sunday Mail attended the official launch of the Pilot. As part of the project, Sophie conducted two composting workshops, with a total of 78 attendees, advocating the diversion of food waste from landfill and raising community awareness of the value of food waste as a resource for improving soils.



Grants from Zero Waste SA assisted greatly to implement further improvements of infrastructure at three of our four Waste and Recycling Depots. The improvements benefited the diversion of waste from landfill, improved on site processing and increased recycling.

FRWA has further developed its professional links to neighbouring councils, regional authorities and commercial business partners to ensure the continuous provision of efficient services for its communities.

In cooperation with the City of Onkaparinga, we selected a new processor for kerbside collected recyclables, allowing for additional materials to be placed in the yellow bin, thus diverted from landfill.

On behalf of the Board of the Fleurieu Regional Waste Authority, it is my pleasure to present the Annual Report for the 2013/14 financial year and to confirm that the Fleurieu Regional Waste Authority continues to meet its responsibilities under the FRWA Charter in a manner which is both fiscally and environmentally responsible

During 2013/14 there were a number of changes to the Board with the departure of Michael Culley, former senior staff member for Kangaroo Island Council, Jeremy Moller and Peter O'Neil, both elected members for the District Council of Yankalilla and John Tillack a senior staff member for the District Council of Yankalilla. Their input and knowledge was greatly appreciated. Chris Smith, Director Asset Services Kangaroo Island Council, Kim Vivian Environmental Health Officer and Malcolm Schlein elected Member for the District Council of Yankalilla have since been appointed to the Board. They continue the good work with the same enthusiasm and dedication.

I would like to thank my fellow Board members for their continued support and encouragement and I particularly congratulate the Executive Officer, FRWA staff, drivers and Waste and Recycling Depot operators for their hard work and contribution to placing the Authority on such a sound strategic and financial footing to meet the challenges ahead.

CATHERINE COOPER
INDEPENDENT CHAIRPERSON

The Board

THE BOARD MEMBERS

FRWA is governed by a nine member Board comprising an Independent Chair to govern and lead the Authority and eight other members, made up of an Elected Member and Officer from each Constituent Council.



Catherine Cooper
Independent Chairperson



Kym McHugh
Mayor
Alexandrina Council



Simon Grenfell
General Manager
Engineering & Open Space
Alexandrina Council



Cr Tim Telfer
Councillor
City of Victor Harbor



Glenn Sanford
Director Environment &
Infrastructure
City of Victor Harbor



Kim Vivian
Environmental Health
Officer
District Council of Yankalilla



Malcolm Schlein
Councillor
District Council of Yankalilla



Chris Smith
Director Asset Services
Kangaroo Island Council



Cr Malcolm Boxall
Councillor
Kangaroo Island Council

BOARD MEETINGS

The Board meets 6 times each year, with each council taking turns in hosting the proceedings. Special 'Out of Session' meetings are occasionally held for specific matters. All Board members complied with the statutory requirement to submit pecuniary interest returns.

Executive Officer's Message

The 2013/14 Annual Report marks the fourth year of FRWA's operation. I would like to acknowledge the dedication and good work of our staff and thank the FRWA Board for its continued support.



BEST PRACTICE SERVICES

Over the last 12 months total waste streams have increased by 10% due to a continuous population growth across the region. Through its best practice services FRWA achieved a diversion rate of over 66% of waste from landfill, an increase of 2.8% compared to the previous financial year.

The most significant increase in waste diversion from landfill was achieved in e.waste: we increased diversion by 69% compared to the previous year.

Regional initiatives, including:

- operation of e.waste drop off centers in Yankalilla, Goolwa and Strathalbyn;
- hosting chemical and household hazardous waste collections;
- securing state government funding for further improvements to the waste and recycling depots at Yankalilla and Kingscote;
- and the expansion of kerbside greenwaste services;

have played an important role in increasing diversion from landfill.

The Authority continued its good relationships and cooperation with neighbouring councils and regional authorities for which the joint tender process with City of Onkaparinga is a fine example. As a direct result FRWA entered in a new processing contract for that waste stream, allowing for recycling of additional materials, thus reduction of waste going to landfill.

FRWA represented its member councils on relevant state and national industry stakeholder working groups and forums and is an active member of the Waste Management Association of Australia/SA Branch.

FRWA'S PEOPLE

Enterprise Bargaining Agreement

The Authority's first Enterprise Bargaining Agreement was cooperatively developed between management and employees. It was implemented on 1st December 2011 and will remain in force until 30 November 2014.

A Single Bargaining Unit has been formed under the Authorities Enterprise Bargaining Agreement through which negotiations for the 2014 FRWA EBA commenced in February 2014.

Employee Assistance Program & Crisiscare

An Employee Assistance Program and Crisiscare Program have been implemented and are available for all employees.

Training and Development

The annual review of training and development needs and funding requirements for all Authority staff was completed and consolidated in the Training and Development Plan.

Training completed included:

- Asbestos Awareness Course;
- FRWA senior staff attended tailored training program for Emerging Leaders, organised by KI Council as a joint venture between both organisations;
- Drug and Alcohol Education Course conducted by Medvet was attended by management in line with our Drug and Alcohol Policy;
- Kangaroo Island staff member completed online training in the operation of the weighbridge, obtaining a Statement of Attainment of Competency;
- WHS Training and awareness around the new WHS Policies and Procedures and Injury Management;
- First Aid Training.



Executive Officer's Message

WORKPLACE HEALTH AND SAFETY (WHS) AND INJURY MANAGEMENT

FRWA is proud of its continued good record in Workplace Health and Safety (WHS) and Injury Management and is committed to ensuring, as far as reasonably practicable, that all workers are safe from injury and risk whilst they are at work.

We are committed to providing visible leadership and best practice in workplace health and safety and driving ongoing improvement. In close consultation with staff, our insurer, relevant government agencies and the FRWA Board we have developed the WHS & IM Management Improvement Plan 2014-2016 which will guide us through key programs and actions.

We embarked on a Safety Culture Improvement Program across all FRWA operations and achieved a 100% engagement with all staff in our endeavours to make safety the number 1 priority.

FRWA has a risk rating system for incidents / near miss events, rating all incidents in the following categories: High, Medium, and Low.

2013 – 2014 STATISTICS		
Rating Type	Rating Description	Number
High	Investigated by SafeWork SA	0
Medium	Lodged with Workcover and/or requires medical attention or LTI	2
Low	No injury and/or minor plant damage or NLT, near miss	35

LTI – Lost Time Injury NLT – No Lost Time

ZWSA FUNDING

ZWSA provided funding for a regional drop off day of hazardous waste from households and farms at the Goolwa WRD in June 2014. The event was attended by 128 customers who dropped off 2.9tonnes of hazardous waste.

FRWA was successful with a number of grant applications and funds from Zero Waste SA to a total value of \$97,100, assisting with upgrades to the Yankalilla and Kingscote WRDs and providing continuous co-funding for the regional manager

position. ZWSA also funded the regional household hazardous waste collection and promotional material in support of recycling right across all four member council.

WASTE AND RECYCLING DEPOTS (WRDs) AND BULKY WASTE STATIONS

FRWA operates Waste and Recycling Depots (WRD's) in Strathalbyn, Goolwa, Yankalilla and Kingscote as well as four Bulky Waste Stations on Kangaroo Island. All WRD's offer a wide range of services and are well received by our communities.

We also offer to our business and farming community important services such as drumMuster, Plasback and periodic ChemCollect programs for unwanted chemicals.

Strathalbyn WRD

Additional security measures have been implemented to improve security to the site. Waste received at the Strathalbyn site is steadily trending upwards, due to the population increase and building developments in the area.

Goolwa WRD

The Builders Waste cell was closed on the 31st January with all waste to landfill now being sorted on site prior to its transfer for disposal at the Southern Regional Waste Resource Authority site in McLaren Vale or at Brinkley in the Adelaide Hills. A newly constructed dome shelter over the waste transfer area serves as an interim solution during the redevelopment of the site to a modern subregional waste and recycling hub.



Executive Officer's Message

At the Goolwa site we processed approximately 14,000 tonnes of construction and demolition waste into crushed rock, collected over 454 tonnes of scrap metal, 5,863 car batteries and 7,900 litres of waste oil for recycling.

A total of 1,290 mattresses were received and passed onto Finding Workable Solutions for disassembly and processing of recyclable product.

Greenwaste is processed on site into valuable mulch and regular campaigns, such as 'Buy One Get One Free' offer budget options to our communities to improve their gardens and reduce evaporation.

Kangaroo Island WRD

The Site has seen a number of projects completed improving site efficiency and layout:

- ❖ Two additional bays have been constructed for the unloading of recyclables eliminating the need for the general public to have access to the rear of the depot, which posed a WHS risk.
- ❖ Additional signs have been erected across the site identifying to the public where products are to be dropped.
- ❖ A new asbestos pit has been erected with bunting and signage to identify the hazardous nature.
- ❖ A new shed has been erected for receiving and sorting e.waste as a result of co-funding from ZWSA.

Yankalilla WRD

Changes were made to improve the entry and exit and drop off area to allow for improved operations of the site for a sole operator. Mobile surveillance cameras have also been installed in areas across the site.

Waste streams through the gate have been steady with an average of 30 tonnes being transported to SRWRA landfill per month.

Mulch sales were steady across the year, with increased sales over the winter months.



The construction of a new workshop and salvage shop was completed providing better storage and improved display for salvage items. The project was jointly funded by ZWSA and the Yankalilla Council.

E.WASTE

This year was our first full year as an approved regional e.waste drop off center with 392 tonnes of e.waste received across all WRD's.

FRWA secured an extension of its contract with ANZRP, an Approved Arrangement under the National Television and Computer Recycling Scheme (the Scheme) ensuring the continued free drop off services for e.waste covered under the national Scheme until the end of June 2015.

KERBSIDE COLLECTIONS

FRWA provides kerbside services for over 31,178 premises across its four Constituent Councils in accordance with council approved collection schedules and frequencies:

	Alexandrina Council	C o VH	DC of Yankalilla	KI Council
MSW	140lt weekly	140lt weekly	140lt weekly	140lt weekly
Recycling	240lt 4 weekly	240lt 4 weekly	240lt 4 weekly	140lt weekly
Greenwaste	240lt 4 weekly	240lt 4 weekly	x	x

Over the last 12 months we provided over 1.7 million bin pick ups, collecting 13,086 tonnes of general waste, 3,090 tonnes of greenwaste and 3,756 tonnes of comingled recyclables.

FRWA and its Constituent Councils are committed to improving kerbside services to better meet community needs, promote recycling and reduce waste to landfill.

Executive Officer's Message

Together with our member councils we evaluated five options for improved kerbside services. The fortnightly collection of all waste types was identified as the preferred option and FRWA's Constituent Councils supported a Pilot project to trial fortnightly collections within a small selected area (crossing the boundary of Alexandrina Council and City of Victor Harbor) comprising of 630 dwellings.

The Pilot project was very successful and delivered a strong message that remaining with the existing kerbside collection schedule of weekly general waste and 4-weekly recycling and green waste collections would be unpopular. There is very strong demand in the community for fortnightly collection of recyclables and green waste.

Follow up work resulting from this project will continue into 2014/15 and a detailed strategy and costings for the introduction of improved kerbside services, including of the fortnightly kerbside collection option, will be prepared for further discussion with all stakeholders.

The RACV maintenance contract was extended for 12 months with the local service provider.

A contract was finalised with a South Australian Distributor for the supply of an onsite fuel bowser and fuel. This has resulted in improved efficiencies in manpower fuelling time and fuel costs.

THE NEW KERBSIDE WASTE COLLECTION POLICY

The Council approved new Kerbside Waste Collection Policy was progressively implemented across the three mainland councils. The Policy sets out the terms and conditions for standard kerbside services and includes a 'user pays' provision for additional kerbside services.

COMMUNITY INFORMATION AND EDUCATION

The Authority continued its successful education and information program with community groups, kindergartens and primary schools, delivering 72 presentations to an audience of over 2,200 people between July 13 and June 14.



The FRWA webpage was re-vamped, offering easier navigation and online access to the waste collection calendar. Customers have access to a broad variety of detailed information relating to waste, recycling and FRWA services. A kerbside collection search engine has been developed and is now included on the website, allowing clients to locate their collection day by entering their street details.

INTERNAL AUDIT COMMITTEE

During the year the Internal Audit Committee provided advice and recommendations to the FRWA Board on the Authority's financial performance, the review of core financial controls and asset management matters.

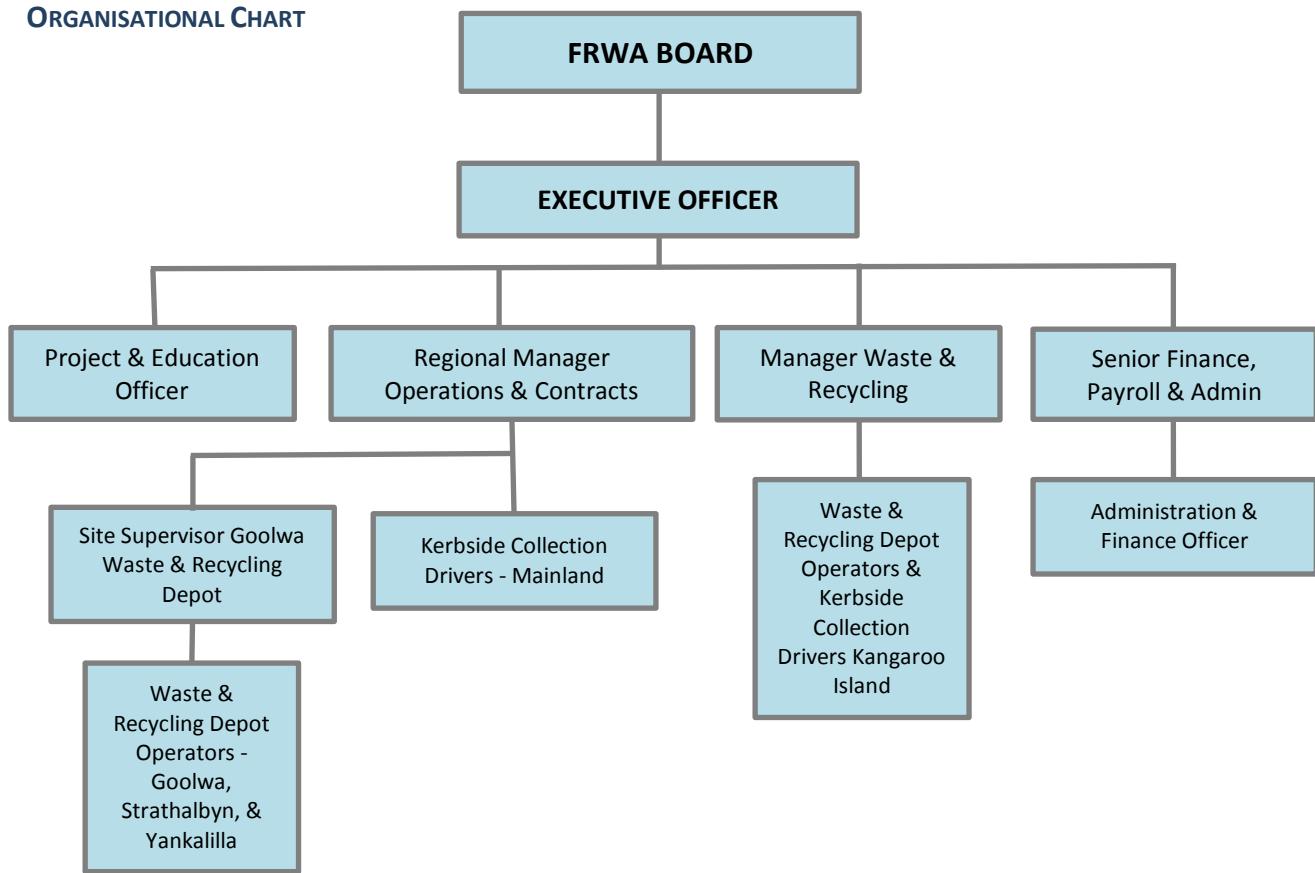
FINANCIAL STATEMENTS

I am pleased to report that the overall performance of the Authority during the 2013/14 financial year meets the budget expectations and the Audited Financial Statements for the year have confirmed FRWA's expected results and performance. A complete copy of the Audited Financial Statement 2014 forms part of this report.

**MARINA WAGNER
EXECUTIVE OFFICER**

Our People

ORGANISATIONAL CHART



EMPLOYEES BY OCCUPATION

DESIGNATED GROUPS	2013/14 (FTE & Casual Staff)
Executive Officer	1
Managers	2
Site Supervisor	1
Finance & Projects	3.00
Kerbside Drivers	8.5
Waste and Recycling Depot Operators	13.02
Total	28.52 FTE & Casual Staff

EXECUTIVE OFFICER

Marina Wagner

MANAGERS

Jason Kerr, Regional Manager Operations & Contracts

Darren Stephens, Manager Waste and Recycling

Corporate Governance

Good governance activities play a key role in ensuring the Authority achieves the highest standards of integrity and transparency.

The Authority's approach to good governance includes policy development and review, strategic planning, adherence to legislation and open and transparent reporting.

AUDITED FINANCIAL STATEMENTS 2013-2014

Edward Marshall audited the 2013-2014 books and issued the Financial Statements which were provided to all Constituent Councils.

EXTERNAL MANAGEMENT REVIEW

UHY Haines Norton Chartered Accountants completed quarterly external finance reviews during the financial year.

INTERNAL AUDIT COMMITTEE MEETINGS

Four meetings of the Internal Audit Committee were conducted throughout the year.

POLICY DEVELOPMENT AND REVIEW

Through this financial year the Authority continued to develop and review its Policies and Procedures. A number of corporate document reviews were completed across the financial year.

Newly developed documents:

- Tender Policy and Procedure
- Drug and Alcohol Policy and Procedure
- Fraud and Corruption Prevention Policy
- Corporate Risk Register.

Waste Statistics

DIVERSION OF WASTE FROM LANDFILL PER COUNCIL (From all sources – WRD and Kerbside)	
Council	Tonnage Total
Alexandrina Council	31,340.33
City of Victor Harbor	2,561.08
DC of Yankalilla	1,537.58
Kangaroo Island Council	488.36
TOTAL TONNAGE	35,927.35

Note: City of VH is KS diversion only.

WASTE TO LANDFILL PER COUNCIL (From all sources - WRD and Kerbside)	
Council	Tonnage Total
Alexandrina Council	10,402.55
City of Victor Harbor	3,518.94
DC of Yankalilla	2,037.79
Kangaroo Island Council	2,162.18
TOTAL TONNAGE	18,121.46

WASTE SUMMARY ALL COUNCILS (WRD and Kerbside)	Tonnages
Total Waste Collected and Received	54,048.81
Total Waste Diverted from Landfill	35,927.35
Total Waste to Landfill	18,121.46

DIVERSION OF E.WASTE FROM LANDFILL PER COUNCIL	
Council	Tonnage Total
Alexandrina Council	350
DC of Yankalilla	36.36
Kangaroo Island Council	5.46
TOTAL TONNAGE	391.82

DIVERTED FROM LANDFILL PER COUNCIL THROUGH KERBSIDE COLLECTION SERVICE				
	Alexandrina Council	City of Victor Harbor	DC of Yankalilla	Kangaroo Island
Green Organic Waste	1,780.10	1,310.23	0	0
Recyclables	1942.60	1,250.85	366.78	196.25
TOTAL TONNAGE	3,722.10	2,561.08	366.78	196.25

Note: Kangaroo Island kerbside figures for recyclables are not separated from the Waste & Recycling Depot recyclables, the above figure is from both sources.

Financial Statements

2013-2014



Fleurieu Regional Waste Authority

Fleurieu Regional Waste Authority

General Purpose Financial Reports for the year ended 30 June 2014

TABLE OF CONTENTS

	<u>Page</u>
Authority Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
 Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N5
Note 3 - Expenses	N6
Note 4 - Current Assets	N7
Note 5 - Infrastructure, Property, Plant & Equipment & Investment Property	N8
Note 6 - Liabilities	N11
Note 7 - Reconciliation of Statement of Cash Flows	N12
Note 8 - Financial Instruments	N13
Note 9 - Expenditure Commitments	N15
Note 10 - Financial Indicators	N16
Note 11 - Uniform Presentation of Finances	N17
Note 12 - Operating Leases	N18
Note 13 - Superannuation	N19
Note 14 - Assets & Liabilities not Recognised	N20
Note 15 - Events Occurring After Reporting Date	N21
 Audit Report - Financial Statements	
Authority Certificate of Audit Independence	C1
Audit Certificate of Audit Independence	

FLEURIEU REGIONAL WASTE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Authority 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 Authority'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 Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.


Kym McHugh
ACTING CHAIR OF BOARD

Date: 17 Sep 2014

Fleurieu Regional Waste Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014	2013
		\$	\$
INCOME			
User charges	2	6,621,775	6,403,974
Grants, subsidies and contributions	2	89,295	51,662
Investment income	2	28,939	33,735
Reimbursements	2	44,012	93,216
Other income	2	38,359	74,042
Total Income		<u>6,822,380</u>	<u>6,656,629</u>
EXPENSES			
Employee costs	3	2,239,551	2,030,996
Materials, contracts & other expenses	3	3,812,612	3,916,878
Depreciation, amortisation & impairment	3	528,936	522,785
Finance costs	3	127,529	149,443
Total Expenses		<u>6,708,628</u>	<u>6,620,102</u>
OPERATING SURPLUS / (DEFICIT)		113,752	36,527
NET SURPLUS / (DEFICIT)			
transferred to Equity Statement		<u>113,752</u>	<u>36,527</u>
Other Comprehensive Income		-	-
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>113,752</u>	<u>36,527</u>

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

Fleurieu Regional Waste Authority

STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Notes	2014	2013
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	1,189,690	860,948
Trade & other receivables	4	398,517	116,875
Inventories	4	45,493	10,912
		Total Current Assets	<u>1,633,700</u>
		<u>988,735</u>	
Non-current Assets			
Infrastructure, property, plant & equipment	5	1,965,191	2,397,806
		Total Non-current Assets	<u>1,965,191</u>
		<u>2,397,806</u>	
Total Assets		<u>3,598,891</u>	<u>3,386,541</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	6	1,058,456	677,469
Borrowings	6	359,128	336,387
Provisions	6	210,314	165,840
		Total Current Liabilities	<u>1,627,898</u>
		<u>1,179,696</u>	
Non-current Liabilities			
Borrowings	6	1,459,195	1,818,323
Provisions	6	20,181	10,657
		Total Non-current Liabilities	<u>1,479,376</u>
		<u>1,828,980</u>	
Total Liabilities		<u>3,107,274</u>	<u>3,008,676</u>
NET ASSETS		<u>491,617</u>	<u>377,865</u>
EQUITY			
Accumulated Surplus		491,617	377,865
TOTAL EQUITY		<u>491,617</u>	<u>377,865</u>

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

Fleurieu Regional Waste Authority

STATEMENT OF CHANGES IN EQUITY **for the year ended 30 June 2014**

Here list each individual change and the component of equity

		Notes	Accumulated Surplus	TOTAL EQUITY
	2014		\$	\$
Balance at end of previous reporting period			377,865	377,865
Net Surplus / (Deficit) for Year			113,752	113,752
Other Comprehensive Income			-	-
Balance at end of period			491,617	491,617

	2013		
Balance at end of previous reporting period		341,338	341,338
Net Surplus / (Deficit) for Year		36,527	36,527
Other Comprehensive Income		-	-
Balance at end of period		377,865	377,865

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

Fleurieu Regional Waste Authority

STATEMENT OF CASH FLOWS for the year ended 30 June 2014

	Notes	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
User charges		7,073,196	6,893,221
Investment receipts		28,939	33,735
Grants utilised for operating purposes		95,992	51,662
Reimbursements		48,413	93,216
Other revenues		42,195	74,042
<u>Payments</u>			
Employee costs		(2,156,689)	(2,026,119)
Materials, contracts & other expenses		(4,235,835)	(4,462,173)
Finance payments		(134,761)	(159,089)
Net Cash provided by (or used in) Operating Activities		761,450	498,495
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Payments</u>			
Expenditure on new/upgraded assets		(96,321)	(131,287)
Net Cash provided by (or used in) Investing Activities		(96,321)	(131,287)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		-	-
<u>Payments</u>			
Repayments of borrowings		(336,387)	(315,086)
Net Cash provided by (or used in) Financing Activities		(336,387)	(315,086)
Net Increase (Decrease) in cash held		328,742	52,122
Cash & cash equivalents at beginning of period	7	860,948	808,826
Cash & cash equivalents at end of period	7	1,189,690	860,948

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

FLEURIEU REGIONAL WASTE AUTHORITY

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 Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the City of Victor Harbor, Alexandrina Council, The District Council of Yankalilla and The District Council of Kangaroo Island. The Authority commenced trading as from the 5th July 2010.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 17th 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 Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollars.

2 The Local Government Reporting Entity

The Fleurieu Regional Waste Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and has its principal place of business at 25b Hutchinson Street, Goolwa SA 5214. These financial statements have been prepared for use by the constituent Councils of the Authority.

3 Income recognition

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

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

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 8.

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 5. No capitalisation threshold is applied to the acquisition of land or interests in land.

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 5.

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 Authority, best reflects the consumption of the service potential embodied in those assets.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 1 - Significant Accounting Policies (cont)

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

Major depreciation periods for each class of asset are shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.5 Impairment

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

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Authority 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.

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 Authority 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.

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

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 1 - Significant Accounting Policies (cont)

9.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Authority's involvement with the schemes are reported in Note 13.

10 Leases

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

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

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

11 GST Implications

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

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

12 Pending Accounting Standards

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

AASB 9	Financial Instruments
AASB 127	Separate Financial Statements
AASB 128	Investments in Associates and Joint Ventures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2012-3, 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.)

The Authority 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.

Fleurieu Regional Waste Authority

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

Note 2 - INCOME

	Notes	2014	2013
		\$	\$
USER CHARGES			
Waste Disposal Operations		<u>6,621,775</u>	<u>6,403,974</u>
		<u>6,621,775</u>	<u>6,403,974</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		2,208	4,621
Banks & other		<u>26,731</u>	<u>29,114</u>
		<u>28,939</u>	<u>33,735</u>
REIMBURSEMENTS			
- other		<u>44,012</u>	<u>93,216</u>
		<u>44,012</u>	<u>93,216</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		32,643	30,644
Sundry		<u>5,716</u>	<u>43,398</u>
		<u>38,359</u>	<u>74,042</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		<u>89,295</u>	<u>51,662</u>
		<u>89,295</u>	<u>51,662</u>
<i>Sources of grants</i>			
Other		<u>89,295</u>	<u>51,662</u>
		<u>89,295</u>	<u>51,662</u>

Fleurieu Regional Waste Authority

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

Note 3 - EXPENSES

	Notes	2014	2013
		\$	\$
EMPLOYEE COSTS			
Salaries and Wages		1,888,354	1,747,417
Employee leave expense		71,585	24,193
Superannuation - defined contribution plan contributions	13	162,107	131,100
Superannuation - defined benefit plan contributions	13	-	17,489
Workers' Compensation Insurance		88,096	97,933
Other		29,409	12,864
Total Operating Employee Costs		2,239,551	2,030,996
Total Number of Employees		26	26
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		8,450	9,000
Bad and Doubtful Debts		-	1,206
Board members' expenses		28,464	22,408
Operating Lease Rentals - non-cancellable leases	12		
- minimum lease payments		26,000	26,000
Subtotal - Prescribed Expenses		62,914	58,614
<u>Other Materials, Contracts & Expenses</u>			
Contractors		792,944	1,128,797
Energy		574,693	540,106
Waste Disposal		1,214,030	1,028,880
Maintenance		515,789	379,845
Parts, accessories & consumables		14,433	6,840
Professional services		109,117	64,243
Sundry		528,692	709,553
Subtotal - Other Materials, Contracts & Expenses		3,749,698	3,858,264
		3,812,612	3,916,878
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		971	1,061
Plant & Equipment		521,087	514,846
Furniture & Fittings		6,878	6,878
		528,936	522,785
FINANCE COSTS			
Interest on Loans		127,529	149,443
		127,529	149,443

Fleurieu Regional Waste Authority

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

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS	Notes	2014	2013
		\$	\$
Cash on Hand and at Bank		147,615	74,128
Deposits at Call		1,042,075	786,820
		<u>1,189,690</u>	<u>860,948</u>

TRADE & OTHER RECEIVABLES

Debtors - general		398,517	116,875
Total		<u>398,517</u>	<u>116,875</u>
Less: Allowance for Doubtful Debts		-	-
		<u>398,517</u>	<u>116,875</u>

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

INVENTORIES

Stores & Materials		45,493	10,912
		<u>45,493</u>	<u>10,912</u>

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

Fleurieu Regional Waste Authority

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

Fair Value Level	2013 \$				2014 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT							
Buildings & Other Structures	-	3,181	(2,210)	971	-	3,181	(3,181)	-
Plant & Equipment	-	3,314,193	(929,025)	2,385,168	-	3,410,514	(1,450,112)	1,960,402
Furniture & Fittings	-	20,634	(8,967)	11,667	-	20,634	(15,845)	4,789
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	3,338,008	(940,202)	2,397,806	-	3,434,329	(1,469,138)	1,965,191
Comparatives		3,206,720	(417,416)	2,789,304		3,338,008	(940,202)	2,397,806

This Note continues on the following pages.

Fleurieu Regional Waste Authority

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

	2013 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR							2014 \$
		Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	
	CARRYING AMOUNT	New/Upgrade	Renewals					CARRYING AMOUNT	
Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Buildings & Other Structures	971	-	-	-	(971)	-	-	-	-
Plant & Equipment	2,385,168	96,321	-	-	(521,087)	-	-	-	1,960,402
Furniture & Fittings	11,667	-	-	-	(6,878)	-	-	-	4,789
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	2,397,806	96,321	-	-	(528,936)	-	-	-	1,965,191
<i>Comparatives</i>	2,789,304	131,287			(522,785)				2,397,806

This Note continues on the following pages.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 5 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

Buildings & Other Structures

Buildings and other structures generally are recognised on the cost basis.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

Capitalisation thresholds

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$1,000

Estimated Useful Lives

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

Plant, Furniture & Equipment	3 to 20 years
Building & Other Structures	30 to 80 years

Fleurieu Regional Waste Authority

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

Note 6 - LIABILITIES

	Notes	2014		2013	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		782,660	-	403,522	-
Payments received in advance		-	-	-	-
Accrued expenses - employee entitlements		211,864	-	148,000	-
Accrued expenses - other		60,367	-	123,545	-
Other		3,565	-	2,402	-
		1,058,456	-	677,469	-

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

BORROWINGS

Loans	359,128	1,459,195	336,387	1,818,323
	359,128	1,459,195	336,387	1,818,323

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

PROVISIONS

Employee entitlements (including oncosts)	105,314	20,181	95,840	10,657
Other	105,000	-	70,000	-
	210,314	20,181	165,840	10,657

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

Fleurieu Regional Waste Authority

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

Note 7 - RECONCILIATION TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Notes	2014	2013
		\$	\$
Total cash & equivalent assets	4	<u>1,189,690</u>	<u>860,948</u>
Balances per Statement of Cash Flows		<u>1,189,690</u>	<u>860,948</u>

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

Net Surplus (Deficit)	113,752	36,527
Non-cash items in Statement of Comprehensive Income		
Depreciation, amortisation & impairment	528,936	522,785
Net increase (decrease) in unpaid employee benefits	<u>82,862</u>	<u>-</u>
	<u>725,550</u>	<u>559,312</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(281,642)	6,503
Net (increase) decrease in inventories	(34,581)	(10,912)
Net increase (decrease) in trade & other payables	317,123	(97,167)
Net increase (decrease) in other provisions	<u>35,000</u>	<u>40,759</u>
Net Cash provided by (or used in) operations	<u>761,450</u>	<u>498,495</u>

(c) Non-Cash Financing and Investing Activities

-

(d) Financing Arrangements

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

Corporate Credit Cards	10,000	10,000
LGFA Cash Advance Debenture facility	500,000	500,000

Fleurieu Regional Waste Authority

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

Note 8 - FINANCIAL INSTRUMENTS

Note: The above summary of contribution plans represents the total of Council's individual contribution
All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.
Terms & conditions: Deposits are returning fixed interest rates between 1% and 3.5% (2013: 1% and 3.5%).
Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Fees & other charges
Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.
Carrying amount: approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals
Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.
Terms & conditions: Liabilities are normally settled on 30 day terms.
Carrying amount: approximates fair value.
Liabilities - Interest Bearing Borrowings
Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.
Terms & conditions: secured over future revenues, borrowings are repayable on a 6 monthly basis; interest is charged at fixed rate of 6.65% (2013: 6.65%)
Carrying amount: approximates fair value.
Liabilities - Finance Leases
Accounting Policy: accounted for in accordance with AASB 117.

Fleurieu Regional Waste Authority

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

Note 8 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

	2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
		\$	\$	\$	\$	\$
Financial Assets						
Cash & Equivalents		1,189,690	-	-	1,189,690	1,189,690
Receivables		398,517	-	-	398,517	398,517
Total		1,588,207	-	-	1,588,207	1,588,207
Financial Liabilities						
Payables		846,592	-	-	846,592	786,225
Current Borrowings		474,174	-	-	474,174	359,128
Non-Current Borrowings		-	1,659,609	-	1,659,609	1,459,195
Total		1,320,766	1,659,609	-	2,980,375	2,604,548
 2013						
	2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
		\$	\$	\$	\$	\$
Financial Assets						
Cash & Equivalents		860,948	-	-	860,948	860,948
Receivables		116,875	-	-	116,875	116,875
Total		977,823	-	-	977,823	977,823
Financial Liabilities						
Payables		529,469	-	-	529,469	405,924
Current Borrowings		474,174	-	-	474,174	336,387
Non-Current Borrowings		-	2,137,784	-	2,137,784	1,818,323
Total		1,003,643	2,137,784	-	3,141,427	2,560,634

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 \$
Fixed Interest Rates	6.65	1,818,323	6.65	2,154,710
		1,818,323		2,154,710

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 4 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.

Fleurieu Regional Waste Authority

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

Note 9 - COMMITMENTS FOR EXPENDITURE

	Notes	2014	2013
		\$	\$
Capital Commitments			
Other Expenditure Commitments			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		9,000	18,000
Kangaroo Island Bin Replacement		175,000	175,000
Employee Remuneration Contracts		143,895	292,871
Maintenance contracts		<u>82,560</u>	<u>33,000</u>
		<u>410,455</u>	<u>518,871</u>
These expenditures are payable:			
Not later than one year		192,255	220,564
Later than one year and not later than 5 years		218,200	298,307
Later than 5 years		<u>-</u>	<u>-</u>
		<u>410,455</u>	<u>518,871</u>

Fleurieu Regional Waste Authority

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

Note 10 - FINANCIAL INDICATORS

	2014	2013	2012
These Financial Indicators have been calculated in accordance with <i>Information Paper 9 - Local Government Financial Indicators</i> 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>	1.67%	0.55%	2%
--------------------------	-------	-------	----

This ratio expresses the operating surplus as a percentage of Total Income.

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	24%	31%	41%
----------------------------------	-----	-----	-----

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	NA	NA	NA
Infrastructure & Asset Management Plan required expenditure	*	*	*

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

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

Fleurieu Regional Waste Authority

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

Note 11 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2014	2013
	\$	\$
Income	6,822,380	6,656,629
/less Expenses	6,708,628	6,620,102
Operating Surplus / (Deficit)	113,752	36,527
 less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Depreciation, Amortisation and Impairment	(528,936)	(522,785)
Proceeds from Sale of Replaced Assets	-	-
	(528,936)	(522,785)
 less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	96,321	131,287
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	96,321	131,287
 Net Lending / (Borrowing) for Financial Year	546,367	428,025

Fleurieu Regional Waste Authority

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

Note 12 - OPERATING LEASES

Lease payment commitments of Authority

The Authority has entered into non-cancellable operating leases for office premises in Goolwa.

No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.

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

	2014	2013
Not later than one year	\$ 26,000	\$ 17,333
Later than one year and not later than 5 years	15,167	-
Later than 5 years	-	-
	<hr/> 41,167	<hr/> 17,333

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 13 – SUPERANNUATION

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

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.25% in 2013/14; 9% in 2012/13). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions to Salarylink as determined by the Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2012/13) of "superannuation" salary.

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

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

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

Contributions to Other Superannuation Schemes

The Authority 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 Authority.

Fleurieu Regional Waste Authority

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

Note 14 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

At times there are contingencies, assets or liabilities that do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to the user of the financial report making and evaluating decisions about the allocation of scarce resources. From our knowledge there are no known contingencies, assets or liabilities that should be disclosed that have not been included in the Statement of Financial Position.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 15 - EVENTS OCCURRING AFTER REPORTING DATE IN THE BALANCE SHEET

There were no events subsequent to 30 June 2014 that need to be disclosed in the financial statements.



Edwards Marshall

FLEURIEU REGIONAL WASTE AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014
STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority 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 and 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*.

Jamie Dreckow
Partner

Edwards Marshall
Chartered Accountants

Dated this 11th day of September 2014



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a worldwide network of independent accounting and consulting firms.



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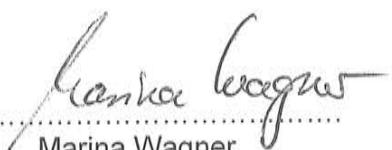
FLEURIEU REGIONAL WASTE AUTHORITY

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 Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.


.....
Marina Wagner
Executive Officer
Fleurieu Regional Waste Authority

Date: 9/9/2014

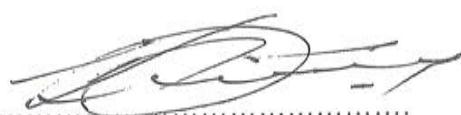
FLEURIEU REGIONAL WASTE AUTHORITY

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 Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



Peter Dinning
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 4/9 | 2014

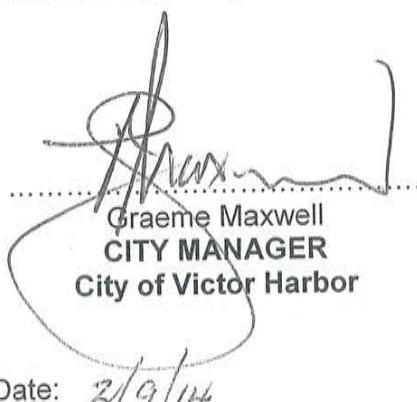
FLEURIEU REGIONAL WASTE AUTHORITY

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 Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



Graeme Maxwell
CITY MANAGER
City of Victor Harbor

Date: 2/9/14

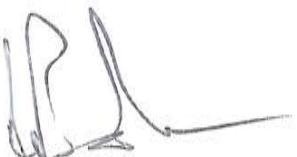
FLEURIEU REGIONAL WASTE AUTHORITY

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 Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



.....
Andrew Boardman
CHIEF EXECUTIVE OFFICER
Kangaroo Island Council

Date: 5/09/14

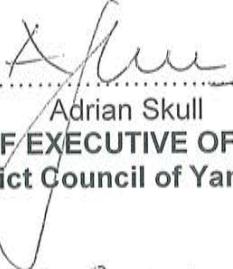
FLEURIEU REGIONAL WASTE AUTHORITY

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 Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.

.....

Adrian Skull
CHIEF EXECUTIVE OFFICER
District Council of Yankalilla

Date: 29.06.14

FLEURIEU REGIONAL WASTE AUTHORITY

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 Fleurieu Regional Waste Authority for the year ended 30 June 2014, the Authority's Auditor, Edwards Marshall, 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*.



.....
Catherine Cooper
CHAIR OF BOARD

Date: 11/9/2014



Edwards Marshall

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLEURIEU REGIONAL WASTE AUTHORITY

Report on the Financial Report

We have audited the accompanying financial report of Fleurieu Regional Waste Authority, which comprises the Statement of Financial Position as at 30 June 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Certification of Financial Statements.

Board's Responsibility for the Financial Report

The Board of Fleurieu Regional Waste Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011. The Board's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that it 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 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, 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 ethical pronouncements and the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FLEURIEU REGIONAL WASTE AUTHORITY

Auditor's Opinion

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



Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide
South Australia

Date 11/09/14

25b Hutchinson Street
(PO Box 2375)
Goolwa SA 5214
Telephone: (08) 8555 7401 Facsimile (08) 8555 0970
Website: www.frwa.com.au





Southern & Hills Local Government Association

Adelaide Hills, Alexandrina, Barossa, Kangaroo Island, Mt Barker, Victor Harbor and Yankalilla



Southern Hills

ANNUAL REPORT 2013-2014

Address:
Email:
Mobile:
Website:

13 Ringmer Dr. Burnside SA 5066
graeme@shlga.sa.gov.au
0418 502 311
www.shlga.sa.gov.au

About the Southern & Hills Local Government Association region

The Southern & Hills Local Government Association was first formed in July 1969 and is now constituted as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. Consisting of seven (7) local government Councils:

- Adelaide Hills Council
- Alexandrina Council
- The Barossa Council
- Kangaroo Island Council
- District Council of Mt Barker
- City of Victor Harbor
- District Council of Yankalilla

Collectively these seven (7) Councils have:

- More than 137,500 people as at 30th June 2013.
- 7,274 kilometres of local roads of which 2,585 are sealed, 4,440 are formed unsealed and the remaining 249 are unformed.
- Area consists of 9,658 square kilometres.
- An ocean coastline of 653 Km.
- The River Murray and lakes form the southeast boundary of the region.
- The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- Much of the area has, (by South Australian standards) a high rainfall.
- A large part of the area is within the 30 Year Plan for Greater Adelaide.
- Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- Projected change in the population to 2026 by approximately 25%.
- Within the region, Victor Harbor and Goolwa are key retirement destinations.
- Within the region, The Barossa Valley, The Adelaide Hills, The Fleurieu and Kangaroo Island are all major tourism destinations.
- Kangaroo Island is a major component of the Australian and SA tourism plan with tourist numbers targeted to double over the next decade.

Office Bearers 2013 – 2014

President	Mayor Ann Ferguson, DC Mount Barker
Deputy President	Mayor Jayne Bates, Kangaroo Island Council
Executive Officer	Mr Graeme Martin
Auditor	Mr Trevor Hirth, FCA, HLB Mann Judd
Elected under the provisions of the Constitution of the Local Government Association	
Delegate to LGA Board	Mayor Ann Ferguson
Proxy Delegate to LGA Board	Mayor Jayne Bates, Kangaroo Island Council
Delegates to SAROC	Mayor Ann Ferguson Mr Graeme Martin
Proxy Delegate to SAROC	Mayor Jayne Bates

President's Forward

We have completed another successful year, one of consolidation and reflection for the Southern and Hills Local Government Association.

The organisation is in a sound financial position and has now commenced its new four year Business Plan for the period 2013-2017. This past year has seen our energies devoted to the core business of the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, the continuing work to develop and co-ordinate a regional plan to comply with the SA Public Health Act and maintaining and reviewing key strategy and performance documents such as the Annual Action Items and Annual Budget.

Once again the key to our future success will be in our continued collegiate co-operation and development of efficient shared services particularly in the face of economic headwinds. These conditions will force us in future years to question our essential business and sustainability. One of life's certainties is 'change'.

Our Executive Officer, Graeme Martin now in his second year has been active in many management and representative roles as we continue to advocate and promote the S&HLGA region and the association's activities. The S&HLGA Board conducted a thorough EO performance review and successfully negotiated a new contract. I thank our EO for his continued support and commitment.

We have continued to foster our relationships with our peak representative body the LGA (SA) and other key bodies such as Regional Development Australia and the Natural Resource Management Boards as we confront the many impacting regional issues.

In closing, I once again thank all the member councils for their support, and the ongoing contribution of member Mayors and CEOs.



Mayor Ann Ferguson
President



The Board

The Board held 6 ordinary bi-monthly meetings, and a Board workshop, during the year. Board Members are generally the Mayor and Chief Executive Officer of each Council. To provide the opportunity for Board Members to gain first hand knowledge of regional issues, meetings are hosted by Member Councils on a rotational basis and were held at:

16 August 2013	-	Adelaide Hills
18 October 2013	-	Barossa
6 December 2013	-	Victor Harbor
21 February 2014	-	Kangaroo Island
4 April 2014	-	Alexandrina
21 June 2013	-	Adelaide Hills

Key Issues acted on by the Board included:

- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to develop the regional Investment portfolio.
- o Recommended and developed policy and involvement in the campaign on “making regions matter” for the 2014 State election.
- o Lobbied and worked with the LGA on the review of the Native Vegetation Council Significant Environmental Benefits (SEB) offset scheme.
- o Developed and completed stage one of a regional SA Public Health Plan.
- o Developed the regional priorities following the critical strategic review of the organisation.
- o Completed the updating of the Roads Database component of the regional 2020 Transport Plan and commenced the comprehensive review of the Regional Transport Plan.
- o Successfully completed the Chief Executive Officer Contract renewal negotiations following on from the comprehensive formal performance review.
- o Updating and maintaining of the S&HLGA Website and developing new promotional material.

Regional Consultations and briefings were coordinated to occur on the day of Board meetings. 10 various speakers addressed meetings of the Board and 2 regional hearings were held.

In addition the CEO’s group conducted several of their meetings in the morning preceding the Board meeting.

The Board reviewed its achievements to date and developed a new Action Plan for 2013-2014

At the conclusion of the period 2013-2014 the Board completed a review of its Annual Key Actions and its Annual Budget performance.

S&HLGA Roads Working Party

The Working Party, with membership drawn from directors /managers of technical services of Councils and regional managers and infrastructure planners of the Department of Planning, Transport and Infrastructure held its annual meeting in April to review the S&HLGA 2020 Transport Plan (Plan) Roads database priority summary list and to make recommendations on regional priorities for the Special Local Roads Program (SLRP). The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.
- Co-ordinated and supported the application process of Councils to the SLRP.
- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2014 – 2015
 - Alexandrina Road - District Council of Mt Barker, Requested Grant \$1,000,000
 - Cape Willoughby Bay Road – Kangaroo Island Council, Requested Grant \$466,666
 - Ocean Road – City of Victor Harbor, Requested Grant \$734,000

CWMS Group

The S&HLGA Community Waste Water Management Systems (CWMS) User group has been formally constituted with member establishment levies set comprising a base rate plus a percentage based on the number of connections.

Following on from 2012 workshop with the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, the group has been reviewing options for CWMS assets in light of registered interests from the private sector.

This work should continue during the following years along with the recommendations for CWMS owners to seek and implement best practices and efficient maximum return operations.

Regional Papers and Submissions

The following Papers and Submissions have been prepared on behalf of Member Councils during the course of the year:

- To the Commonwealth Financial Assistance Scheme review on behalf of the S&HLGA region.
- To the Native Vegetation Council concerning the SEB offset review and Local Government exemptions
- To LGA on Mobile Communication Blackspots in the S&HLGA Region

Task Force and Working Groups

The S&HLGA EO was a member of the following Task Force and Working Groups during the course of the year:

- SA Public Health Plan.
- Regional LGA CEOs group.
- LGA Regional Airports group.
- 2020 Transport Review task force

Workshops and seminars

The Executive officer represented the member Councils at various workshops and seminars during the course of the year:

- NBN Briefing for the region
- Planning Reform for the State
- Integrated Land Use Study
- Local Excellence Expert Panel on Councils of the Future

SAROC

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that focuses on key issues affecting country Councils.

The S&HLGA supports the Governance process by contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to S&HLGA Board meetings and collegiate support to prepare submissions on behalf of country Councils that included:

- Provide initial feedback and then assist with the ongoing review of the Native Vegetation Council SEB offsets methodology and calculation
- Recommending and developing policy on Regional Development for the 2014 State Elections
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits
- Input into the development of a balanced and consistent community access policy and position to Department of Education sport and recreational facilities.
- Input into the development of policy on the use of Council Resources in Emergency response operations
- Providing input into the Financial Assistance Grants Commission methodology review
- Active support for the LGA position on the implementation of the National Heavy Vehicle Regulations and assisting the development of a policy to manage this into the future

LGA Board Committee

S&HLGA President, Mayor Ann Ferguson has represented the Southern and Hills Region at the Local Government Association State Board meetings as the region's Delegate, and Kangaroo Island Mayor, Jane Bates has acted as proxy delegate.

Resources

The continuation of the capacity building grant from the Local Government Research and Development Scheme has consolidated the capacity of the Executive Officer that has been applied across a range of Association activities during the year.

Part of the additional capacity has supported the administrative processes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC and various reports and submissions throughout the year.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement for the period 2013 - 2014.

Acronyms

AMLRNRM.....	Adelaide and Mt Lofty Ranges Natural Resources Management Board
CEO.....	Chief Executive Officer
CWMS.....	Community Wastewater Management Systems
DEWNR.....	Department of Environment, Water & Natural Resources
EO.....	Executive Officer
ESCOSA.....	Essential Services Commission of South Australia
LGA.....	Local Government Association
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
RDA.....	Regional Development Australia
SAROC.....	South Australian Regional Organisation of Councils
SEB.....	Significant Environmental Benefits
S&HLGA.....	Southern and Hills Local Government Association
SLRP.....	Special Local Roads Program

SUMMARY FINANCIAL STATEMENTS**For the Year Ending 30th June 2014**

	2014	2013
	\$	\$
Income		
Subscriptions	98,423	70,000
Operating Grants	37,225	36,424
Investment Income	1,988	2,566
Other	19,269	284
<hr/>	<hr/>	<hr/>
Total Income	156,905	109,558
Expenditure		
Contractual Services	128,575	102,124
Finance Charges	3,588	3,203
Other	15,790	18,182
<hr/>	<hr/>	<hr/>
Total Expenditure	147,953	123,509
Surplus (Deficit) from Operations	8,953	(13,951)
<hr/>	<hr/>	<hr/>
	\$	\$
Current Assets		
Investments	59,548	45,614
Debtors	3,721	3,397
<hr/>	<hr/>	<hr/>
Total Current Assets	63,269	49,011
<hr/>	<hr/>	<hr/>
Current Liabilities		
Accounts Payable	18,398	13,094
<hr/>	<hr/>	<hr/>
Total Current Liabilities	18,398	13,094
<hr/>	<hr/>	<hr/>
Net Current Assets	44,871	35,917
<hr/>	<hr/>	<hr/>
Net Assets	44,871	35,918
<hr/>	<hr/>	<hr/>
Equity		
Accumulated Surplus	44,871	35,918
<hr/>	<hr/>	<hr/>
Total Equity	44,871	35,918
<hr/>	<hr/>	<hr/>



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Constituent Councils

Adelaide Hills Council
Alexandrina Council
The Barossa Council
Kangaroo Island Council
District Council of Mount Barker
City of Victor Harbor
District Council of Yankalilla

S&HLGA KEY ACTION PLAN

2013 - 2014

Address: 13 Ringmer Dr. Burnside, South Australia 5066
Telephone: (08) 7122 4348
Mobile: 0418 502 311
Email: graeme@shlga.sa.gov.au
Web Site: www.shlga.sa.gov.au

The Business Plan 2013 – 2014 prepared in accordance with Clause 18 of the Charter, and to comply with Clause 24 of Schedule 2 of the Local Government Act 1999, was adopted on 21 June 2013. The Business Plan should be read in conjunction with the Budgets 2013 – 2014, 2014 – 2015, 2015 - 2016 and 2016 - 2017 that provides the resources for the Plan.

An Annual Key Actions Plan is prepared based on a framework of the Business Plan that incorporates the Key Issues identified by the Councils and the Executive Officer in various Board meetings and forums during the preceding period. The Key Actions Plan is the framework for review and reporting against the Business Plan.

This report format will facilitate the reviews required by Clause 18.3 of the Charter to be conducted by the Board during the course of the year.

The Executive Officer will report to Ordinary Board meetings against the following criteria

1. To keep maintained the business office of the Authority
2. To prepare the Business Plan, Budgets and reports in a timely manner
3. To liaise with Councils, and Stakeholders to foster the outcomes of the Business Plan
4. To attend all meetings of the Authority, to prepare agendas, minutes and correspondence as required.

AND against recognised and documented success indicators (Key Performance Outcome KPO, Key Performance Indicator, KPI).

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
1. <i>To provide leadership and advocacy for Member Councils on regional issues.</i>	Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by: o Meetings to include presentations, workshops and forums on Key Issues Respond as necessary to State and Federal Government Policies which impact on the region	<input checked="" type="checkbox"/> Strategies that give priority to S&HLGA issues <input checked="" type="checkbox"/> Satisfaction data on the meeting format, speakers <input checked="" type="checkbox"/> Number of policy responses	To maintain a vibrant responsive format for the S&HLGA Board	Key issues are addressed and format of meetings constantly meet the needs of the Association's members.	1. Responded to Commonwealth FAGs review August 2013
2. <i>To promote & market the Southern & Hills Local Government Association</i>	Ensure the new website is current and marketed appropriately	<input checked="" type="checkbox"/> Update the website as required and review <input checked="" type="checkbox"/> Upgrade the logo to incorporate appropriate State Branding	Maintain an informative, current and appealing S&HLGA website		1. Updated logo presented to Board Dec 6 th 2013
	To provide sound financial management and manage resources effectively	<input checked="" type="checkbox"/> To prepare annual Budget and review as required	To manage the financial affairs within budget and to prepare reporting within the required timeframes. Business Plan objectives and actions are addressed.	Budget is maintained and reports meet timelines. Objectives and actions within Business Plan have been addressed meeting agreed to timelines.	1. Actual v Budget performance reviewed each Bi monthly S&HLGA Board meeting. 2. Annual External Audit commenced July 2013 3. Audit completed and Annual Report completed & distributed 13 Sept 2013

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	<ul style="list-style-type: none"> <input type="radio"/> CEO's to inform EO of issues for each meeting <input type="radio"/> Stakeholders to inform EO of issues for each meeting <input type="radio"/> Strengthen interaction with State government and opposition MP's 	<input checked="" type="checkbox"/> Activate the CEO's forum		CEO meeting recommendations and feedback. Management of key stakeholder relationships with the S&HLGA Board	1. CEO meeting prior to S&HLGA Board meetings 1. Key Stakeholders present at each Board meeting 2. Invitation issued to new Regional Development Minister Geoff Brock April 2014
	<ul style="list-style-type: none"> <input type="radio"/> Regional issues to be raised with LGA through SAROC 	<input checked="" type="checkbox"/> Number of issues raised with LGA / SAROC / Agencies <input checked="" type="checkbox"/> Number of LGA/SAROC Task groups and Committees involved in			1. NV report presented to SAROC meeting 11 Sept 2013 2. Updated NV report presented to SAROC meeting 19 March 2014 3. Attended LGA workshop on Expert Panel report on "Council of the Future" 1. Regional Airports Committee membership 2, Attendance at joint AAA SA/Vic meeting 12/3/14

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
2. To support sustainable economic, environmental, & social development in the region	Environment In co-operation with adjoining regions support the adoption of the Individual Member Council/ NRM MoUs <ul style="list-style-type: none"> ○ Rollout one additional MoU with one member Council and one of the other regional NRMs ○ Review current operational plans ○ Agree and commence the process for a regional Climate Change Vulnerability Assessment and/or Climate change adaptation study ○ Support LGA review of the current NRM model 	<input checked="" type="checkbox"/> Signing of new additional MoU. <input checked="" type="checkbox"/> Formal Board Report on existing Operational plan <input checked="" type="checkbox"/> Recommendation and regional study commenced		1. LGA NRM survey completed 1. Consultant quote to undertake the study received July 2013. 2. Management Committee formed in partnership with RDA, DEWNR 3. Consultant appointed Sept 2013 4. Stage 2 funding application submitted by RDA May 2014 1. LGA options paper on NRM available for comment Feb 2014	
	research Explore (with the LGA) research and /or pilot programs for the Region.	<input checked="" type="checkbox"/> Successful Research applications or projects facilitated in the region		1. KI successful applicant to the LGA Video Conferencing Pilot study 2. Peri Urban Research project request submitted April 2014	

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	Health Undertake a regional Health Plan in accordance with the State Public Health Plan	<input checked="" type="checkbox"/> Completed Regional Health Plan			1. Working Party meeting 30 July 2013. 2. Consultant brief completed 24 Sept 2013 3. Consultant appointed Nov 2013 4. Draft Regional snapshot produced March 2014 5. Stakeholder Consultations completed April 2014
	Regional Development Review LG involvement and contributions in the RDA	<input checked="" type="checkbox"/> Signed contract with the RDA with agreed contribution levels and regional KPI's		Key Stakeholder feedback and Council satisfaction	1. New LG contract with agreed LG KPIs and contributions formulated with RDA and distributed August 2013.

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
3. <i>To improve infrastructure to meet the community's needs.</i>	<p>Transport Review and update S&HLGA 2020 Transport Plan.</p> <p>Waste Activate the CWMS user group</p> <p>Review existing Regional Waste Management arrangements and support LGA review of waste levy management and projects</p> <p>Telecommunication Lobby for equitable access for the region for digital technology including broadband upgrades and mobile coverage</p>	<p><input checked="" type="checkbox"/> Completed review of 2020 Transport Plan</p> <p><input checked="" type="checkbox"/> Documented CWMS meetings and outcomes</p> <p><input checked="" type="checkbox"/> Waste management report presented to the Board and/or Regional Forum conducted</p>	<p>To update the 2020 Roads Database Report to provide the reference for the 2014 round of SLRP project recommendations.</p> <p>The review of the 2020 Transport Study provides the basis of a regional infrastructure plan.</p>	<p>Roads Database Report is updated and meeting critical timelines. This provides a reference for the 2014 SLRP recommendations for 2015 funding</p>	<ol style="list-style-type: none"> 1. HDS quote submitted July 2013 and accepted 2. Deficient Roads template and guidelines issued to each Council July 2013 3. Workshop on proposed DPTI "Integrated Transport & Land use Strategy – ITLUS" conducted May 30 4. Presentation ITLUS draft Nov 19 5. Completed Deficient Roads template and new regional priority list developed March 2014 6. SLRP 2014-15 Funding applications submitted 30/4/14 <ol style="list-style-type: none"> 1. NBN workshop attended 21 Aug 2013 2. Blackspot funding submission via LGA Feb 2014

Business Plan	Action Plan 2013 - 2014	Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI
4. To strengthen the capacity of the Association to meet its service obligations.	The Executive Officer to work with the Council CEO's, LGA and Key Stakeholders to explore identified opportunities to share resources that will build capacity in the region and its networks by establishing Task Group/s	<input checked="" type="checkbox"/> LGA Regional Capacity Building Grant successfully applied for <input checked="" type="checkbox"/> Formation of Shared Services Task Group and the implementation of shared services		1. LGA Regional Capability grant invoice submitted 3 August 2013 2. Acquittal form for 2012-2013 submitted 5 August 3. LGA Regional Capability grant received 20 Sept 2013
	Review the membership base of the S&HLGA and explore the possibility of a Peri Urban Region or identify additional members		Issues have been identified, investigations into a Peri Urban Region has been completed and reported back to S&HLGA Board, including recommendations.	1. Discussions commenced with Central Region EO in Feb 2014 regarding possible boundary realignments and membership review.
	Support the LG Business Partner Program which promotes Long term financial sustainability of Councils	<input checked="" type="checkbox"/> Workshop participation and Progress and Outcome Reports to the Board		1. Workshops under Terry Bruun continuing
	Explore the opportunities of boosting the regional tourism activity and yields	<input checked="" type="checkbox"/> Review of regional tourism delivery, marketing and product <input checked="" type="checkbox"/> Facilitate an inter-government planning forum with a tourism theme for the region		1. Investment Planning day with RDA conducted 20 th Feb on KI

9th September 2014

The Board
Southern & Hills Local Government Association
C/- Mr G Martin
Executive Officer
13 Ringmer Drive
BURNSIDE SA 5066

Dear Graeme and Board Members

STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

In accordance with Regulation 22(5) Local Government (Financial Management) Regulation 2011 and the Local Government Act 1999, we confirm that, for the audit of the financial statements of Southern and Hills Local Government Association for the year ended 30 June 2014 we have maintained our 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



TREVOR D HIRTH
HLB Mann Judd

Dated this *9th* day of *September* 2014

HLB Mann Judd (SA Partnership) ABN: 22 640 925 071

169 Fullarton Road, Dulwich SA | Telephone +61 (0)8 8133 5000 | Facsimile +61 (0)8 8431 3502

Postal: PO Box 377, Kent Town SA 5071

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Liability limited by a scheme approved under Professional Standards Legislation

**SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT**

To the constituent councils of the Southern & Hills Local Government Association:

We have audited the accompanying financial report of Southern & Hills Local Government Association, which comprises the balance sheet as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Board's responsibility for the Financial Report

The board of the association 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 the Local Government (Financial Management) Regulations 2011 (Regulations) made under that Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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 or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Southern & Hills Local Government Association, 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.

**SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT (continued)*****Independence***

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Local Government Act and Regulations.

Auditor's Opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Southern & Hills Local Government Association as at 30 June 2014 and its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and Regulations.

HLB Mann Judd
Chartered Accountants

Trevor Hirth
Partner

Adelaide, South Australia
 September 2014

HLB Mann Judd (SA Partnership) ABN: 22 640 925 071

169 Fullarton Road, Dulwich SA | Telephone +61 (0)8 8133 5000 | Facsimile +61 (0)8 8431 3502

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Southern & Hills Local Government Association

Report to the Members of the Board and Audit Committee

Year ended 30 June 2014

Your Business | Our Specialty



Accountants | Business and Financial Advisers

Contents

Contents	2
1. Audit Overview.....	3
2. Significant Accounting and Auditing Issues.....	4
3. Specific matter to be reported to those charged with governance	4
4. Internal Control Findings.....	6

1. Audit Overview

1.1 Purpose

The purpose of this closing report is to communicate any significant matters arising from our audit with the Board. The matters raised in this report have been discussed with management.

1.2 Scope

We conducted our audit of the financial report of Southern & Hills Local Government Association for the year ended 30 June 2014 in accordance with the terms of our engagement and with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

1.3 Status

We have completed the audit including the following which were required in order to finalise the audit:

Matter	Responsibility
Management Representation letter	Management completed 2.9.2014
Signed Financial Statements for the year ended 30 June 2014	Pending - <i>SINCE RECEIVED</i>
Statement of Auditors Independence	Pending - <i>ATTACHED</i>
Independent Auditors Report	Pending - <i>ATTACHED</i>

1.4 Access and co-operation

We can confirm that we were not restricted in any way from being able to perform our audit and were provided with access to all information when requested. We would like to express our thanks to the Executive Officer Graeme Martin for his co-operation and assistance.

1.5 Audit opinion

Subject to receiving the signed statement, an unqualified audit report will be issued for the year ended 30 June 2014.

1.6 Disclaimer

Other than our responsibility to the Board of Southern & Hills Local Government Association ("the Association") neither HLB Mann Judd nor any member or employee of HLB Mann Judd undertakes responsibility arising in any way from reliance placed by a third party, on this report. Any reliance placed is that party's sole responsibility.

Our report is for the sole use of the Association and is not to be used by any other person for any other purpose and may not be distributed, duplicated, quoted, referred to, in whole or in part, without our prior written consent.

2. Significant Accounting and Auditing Issues

Any matters raised during the course of our audit, were considered and discussed with management and appropriate action was taken by management to resolve any issues.

2.1 Accounting and Financial Statements

We again assisted the Executive Officer with balancing the financial statements and the Cashflow Statement ,assisting with the finalisation of the financial statements for the year ended 30th June 2014 and updating to the General Purpose presentation. We understand that a new system has been adopted from 1st July 2014.

2.2 Audit Committee and Internal Control

We continue to note that the Minister confirmed by letter on the 27th July 2012 that a further exemption from the requirement to establish an audit committee under Regulation 18 of the Local Government (Financial Management) Regulation 2011 was granted until 30th June 2016.

3. Specific matters to be reported to those charged with governance

3.1 Independence and ethics

All partners and staff on the Southern & Hills Local Government Association ("the Association") audit engagement team have confirmed that they have been independent for the year ended 30 June 2014.

Furthermore, audit engagement team members have confirmed their compliance with the ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Regulation 22(5) of the Local Government (Financial Management) Regulation 2011 required the independent auditor to make a declaration to the Board and Audit Committee Members regarding their independence.

HLB Mann Judd's policies relating to financial interests with audit clients (loans, shares in the client or share investments) are more stringent than the requirements imposed by the regulatory and professional bodies.

Specifically we represent to you:

- There are no business interests between the Association and HLB Mann Judd.
- No portion of fees paid by the company to HLB Mann Judd is paid on a contingency basis.
- There is no litigation between the company and HLB Mann Judd.
- We are satisfied that the policies and procedures we have in place adequately address any conflicts of interest.

3.2 Audit Considerations in relation to Fraud

Under Australian Auditing Standard ASA 240, The Auditors' Responsibility to Consider Fraud in an Audit of a Financial Report, the auditor is responsible for planning and performing the audit to obtain reasonable assurance about whether the financial report is free of material misstatements as a result of fraud or error.

Management have a responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

While our audit work during the year was not primarily directed towards the detection of fraud, as part of our annual procedures, we consider the following:

- likelihood of material misstatements arising from fraudulent financial reporting or omissions of amounts of disclosures designed to deceive financial statement users; and
- likelihood of material misstatements arising from misappropriation of assets involving theft and embezzlement of assets.

As a result of the above procedures, we have not become aware of any instances of fraud or non compliance with legislative, regulatory or contractual requirements, which have come to our attention during our procedures.

3.3 Other Matters

Apart from any issues detailed in section 2, we confirm that:

- We noted no errors or irregularities that would cause the financial report to contain a material misstatement, and noted no apparent illegal acts.
- There were no difficulties encountered in dealing with management relating to the performance of the audit.
- The accounting policies selected by the Association are appropriate to the particular circumstances of the Association.
- There are no financial report disclosures issues that we wish to bring to your attention.
- We are not aware of any significant unusual transactions in controversial or emerging areas for which there is a lack of authoritative accounting guidance or consensus.
- We are not aware of any material inconsistencies or material misstatements of fact in information accompanying the financial report that have been corrected.
- We are not aware of any significant matters arising during the audit in connection with the Association's related parties

4. Internal Control Findings

During the course of our audit for the year ended 30 June 2014, we obtained an understanding of the Association's internal control structure and procedures sufficient to allow us to determine our audit procedures for the purpose of expressing our opinion on the financial report.

Our consideration of the control structure and procedures would not necessarily disclose all material weaknesses, as our audit is based on selective tests of accounting records and supporting data, and is not intended to provide specific assurance on the internal control structure.

Subject to earlier comments in this report we have not identified any significant matters that warrant the attention of management or the Board in this area.

Meanwhile management and the Board are required to closely monitor the internal controls in the future in view of the changes made to the Regulations, with an obligation to report from 1st July 2014 for the 2014/2015 year.



TREVOR HIRTH
PARTNER



September 2014

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
FINANCIAL STATEMENTS

**Statement of Comprehensive Income for the Year Ending
 30th June 2014**

	Notes	2014	2013
		\$	\$
Income			
Subscriptions	1.8	98,423	70,000
Operating Grants		37,225	36,424
Investment Income	1.7	1,988	2,566
Other		19,269	284
 Total Income		 156,905	 109,558
 Expenditure			
Contractual Services	3	128,575	102,124
Finance Charges		3,588	3,203
Other		15,790	18,182
 Total Expenditure		 147,953	 123,509
 Surplus (Deficit) from Operations		 8,953	 (13,951)

The above Income Statement should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2014

	2014	2013
	Notes	\$
Current Assets		
Investments	59,548	45,614
Debtors	3,721	3,397
Total Current Assets	<hr/> 63,269	<hr/> 49,011
Current Liabilities		
Accounts Payable	<hr/> 18,398	<hr/> 13,094
Total Current Liabilities	<hr/> 18,398	<hr/> 13,094
Net Current Assets	<hr/> 44,871	<hr/> 35,917
 Net Assets		
	1.4	<hr/> 44,871
		<hr/> 35,918
 Equity		
Accumulated Surplus	<hr/> 44,871	<hr/> 35,918
Total Equity	<hr/> 44,871	<hr/> 35,918

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2014

	2014	2013
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	35,918	49,869
Net Surplus / (Deficit)	8,953	(13,951)
Balance at end of period	<u>44,871</u>	<u>35,918</u>
 Total Equity		
	44,871	35,918

The above Statement of Change in Equity should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2014

	2014	2013
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts	176,348	125,717
Payments	(164,401)	(143,481)
Interest Receipts	1,988	3,134
Net Cash Provided by (Used in) Operating Activities	13,935	(14,630)
Net increase in Cash Held	13,935	(14,630)
Cash at the beginning of the reporting period	45,613	60,243
Cash at the end of the reporting period	59,548	45,613

The above Statement of cash Flows should be read in conjunction with the accompanying notes

Reconciliation of Change in Net Assets to Cash from operating activities

	2014
	\$
Net Surplus	8,953
Less	
Net Increase in Debtors	324
Add	
Net Increase in Accounts Payable	5,306
Net Cash provided by Operating Activities	13,935

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

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 subject to the changing from special purpose to general purpose accounts, 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 Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, The Barossa Council, Kangaroo Island Council, District Council of Mt Barker, City of Victor Harbor and District Council of Yankalilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

1.2 Historical Cost Convention

Except where 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 the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar

1.5 Non Current Assets and Non Current Liabilities

The Association has no non current assets or non current liabilities.

1.6 Employees

The Association has no employees.

1.7 Investments

Investments are valued at cost. Interest revenues are recognized as they accrue.

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions by Constituent Councils are equal.

Constituent Council Subscription 2014	\$10,000
Constituent Council Subscription 2013	\$10,000

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.9 Income recognition

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

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration: The operation of the Office of the Association and its decision making forums.

Special projects: The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.

Transport and Communication: The review and implementation of the S&H 2020 Transport Plan.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue			Expenses			Surplus (Deficit)
	Grants	Other	Total Revenue	%	Expenses Total	%	
2014	37,225	84,180	121,405	77.4%	117,777	79.6%	3,628
2013	36,424	73,134	109,558	100.0%	119,785	96.9%	(10,227)

Projects

2014	0	18,000	18,000	11.5%	22,000	14.9%	(4,000)
2013	0	0	0	0%	0	0	0

Transport and Communication

2014	0	17,500	17,500	11.1%	8,175	5.5%	9,325
2013	0	0	0	0%	3,724	3.1%	(3,724)

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Revenue			Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue	%	Expenses Total	
Total						
2014	37,225	119,680	156,905	100.0%	147,953	100.0%
2013	36,424	73,134	109,558	100.0%	123,509	100.0%
						(13,951)

3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

	2014	2013
Consultants:		
Suter Planners	\$22,000	\$0
Grange Advisors Pty Ltd	\$98,400	\$98,400
HDS Australia Pty Ltd	<u>\$8,175</u>	<u>\$3,724</u>
Totals	\$128,575	\$102,124

4. Comparison of Budget and Actual Results

	2014	2013		
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	119,257	121,405	109,505	109,558
Projects	20,500	18,000	0	0
Transport and Communication	<u>17,500</u>	<u>17,500</u>	0	0
Total Revenue	157,257	156,905	109,505	109,558
Expenditure				
Administration	116,933	117,777	113,850	119,785
Projects	30,000	22,000	500	0
Transport and Communication	<u>17,500</u>	<u>8,175</u>	750	3,724
Total Expenditure	164,433	147,952	115,100	123,509
Surplus (Deficit)	(7,176)	8,953	(5,595)	(13,951)

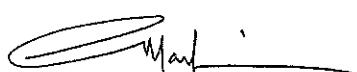
Southern & Hills Local Government Association – Financial Statements Year Ended 30th June 2014

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

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

Dated 30th August 2014



**Graeme Martin
EXECUTIVE OFFICER**



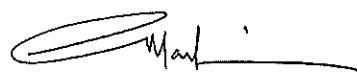
**Mayor Ann Ferguson
PRESIDENT**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2014, the Association's Auditor, HLB Mann Judd, 169 Fullarton Rd, Adelaide, 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*.

Dated 30th August 2014



**Graeme Martin
EXECUTIVE OFFICER**



**Mayor Ann Ferguson
PRESIDENT**