



ANNUAL REPORT

2016/2017



MOUNT BARKER
DISTRICT COUNCIL



CONTENTS

VALUES, KEY ACHIEVEMENTS & VISION	2
COUNCIL MEMBERS AND COMMITTEES	4
COMMUNITY PROFILE AND POPULATION	6
ANNUAL BUSINESS PLAN	12
COMMUNITY WELLBEING	22
ECONOMIC PROSPERITY	28
URBAN ENVIRONMENT	32
THE NATURAL ENVIRONMENT AND SUSTAINABLE LIVING	36
GOVERNANCE AND LEADERSHIP	38
FINANCIAL STATEMENTS	50

VALUES

ACCESSIBILITY

Ready to listen to ideas and concerns of the individuals, groups and institutions and respond with straightforward answers.

COMMITMENT

Working hard to deliver appropriate and quality services and projects and build resilient communities. -

INVOLVEMENT

Decision making processes are transparent and open to community scrutiny. Individuals and communities can be involved in influencing policies and local activities.

FAIRNESS

All people working, living and visiting the Mount Barker District make this a rich community and we aim to represent them equally.

RESOURCEFULNESS

Making the most of Council and community assets and strengths and building on local resources by attracting investment from outside the District.

LONG TERM THINKING TO INFORM DECISION MAKING

Council will consider all the consequences of decisions and ensure they reflect the Strategic Plan. We need to act for now and the future. Council will have regard to the long term and cumulative effects of its decision.

KEY ACHIEVEMENTS

Indoor Sports Facility

Council has committed to partner with St Francis de Sales College for a new indoor sports facility with the capacity of four full size basketball courts. The facility will be available for community use both during and outside of school hours.

Regional Sports Hub

Funding commitments secured from the Federal Government of \$3.75 million and the State Government of \$3.0 million with further grant funding applications pending. Concept designs prepared.

Wastewater Mains Construction

Design has been completed and construction tender awarded for a new wastewater main to serve the western sector of Mount Barker and the replacement of a section of an existing main servicing Littlehampton. In total almost 4 kilometres in length at a cost of approximately \$4 million assisted by a State Government grant of approximately \$310,000.

Other Key Achievements

- Land division consent granted for over 1400 allotments
- 443 allotments cleared/developed and available
- Completion of Community Facilities Delivery Strategy
- Completion of Littlehampton Township Plan
- Approval of Mount Barker Town Centre DPA, Rural DPA and Nairne and Environs DPA
- Hills and Coast Climate Adaptation plan finalised
- Events program delivered
- Business liaison and May Business Month
- Mount Lofty ranges National heritage nomination lodged



VISION

The Mount Barker district will be recognised as being highly liveable, prosperous and safe, built from a foundation of community spirit and energy, quality of lifestyle and unique heritage, environment and landscape.

COUNCIL MEMBERS AND COMMITTEES



Ann Ferguson

MAYOR

- Council's Strategic Planning and Development Policy Committee
- Council's Community Grants Assessment Committee
- Regional Development Australia – Adelaide Hills, Fleurieu & Kangaroo Island
- Business Mt Barker
- Anembo Park Working Group

SOUTH WARD



COUNCILLOR
(DEPUTY MAYOR
1 DEC 15 - 30 NOV 16)

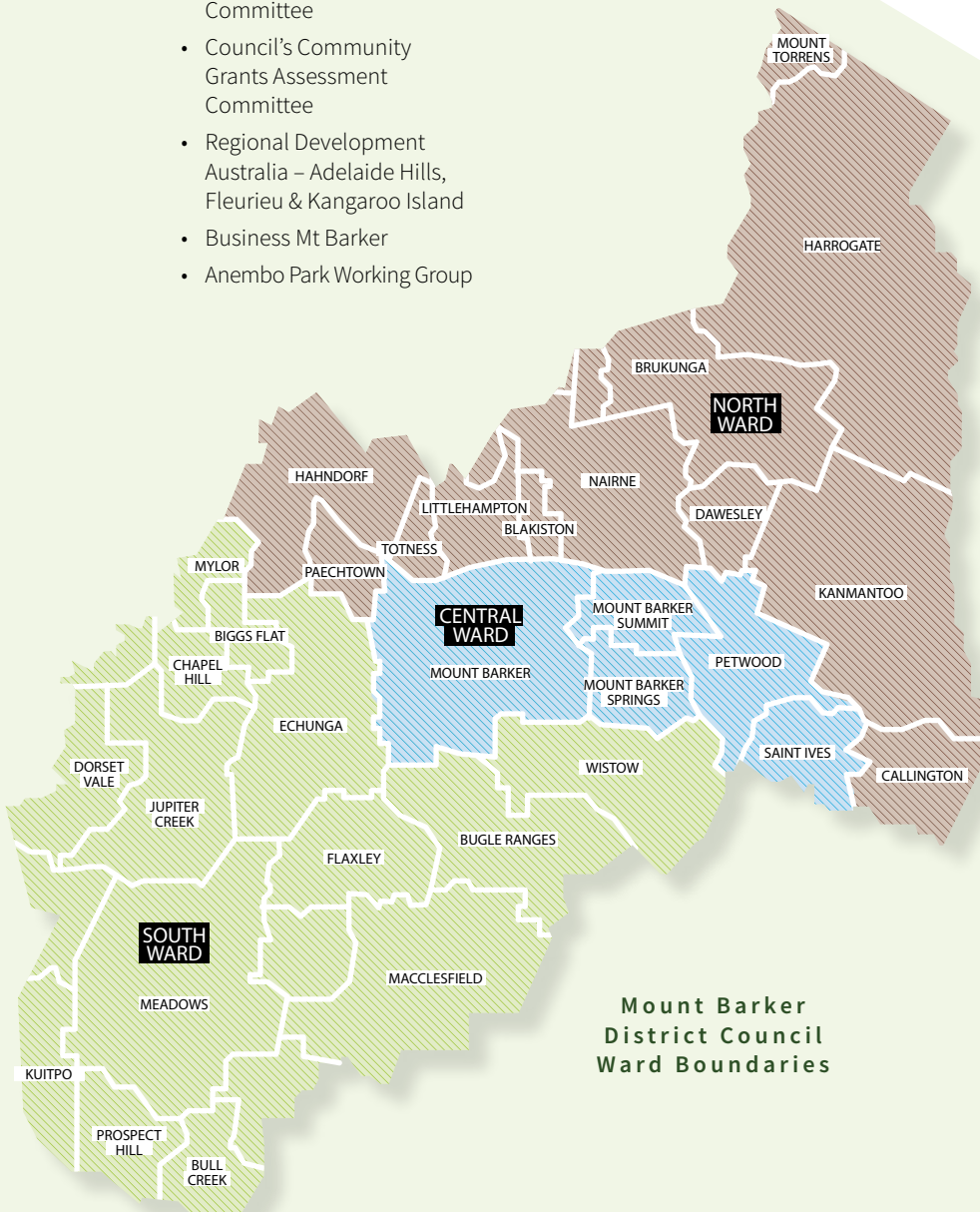
Roger Irvine

- Council's Development Assessment Panel
- Echunga Recreation Grounds Committee
- Macclesfield Recreation Grounds Committee Inc
- Meadows Recreation Grounds Committee Inc



COUNCILLOR
Greg Morrison

- Council's Strategic Planning and Development Policy Committee
- Macclesfield Community Association Committee (for the Macclesfield Institute only)
- Meadows Memorial Hall Inc
- Prospect Hill Community Association (for Prospect Hill Hall only)
- Adelaide Hills Region Waste Management Authority - proxy member



Mount Barker
District Council
Ward Boundaries

CENTRAL WARD



COUNCILLOR
Carol Bailey

- Council's Development Assessment Panel
- Ranges to River Local Government NRM Advisory Group
- Kanmantoo-Callington Community Consultative Committee
- Hills Areas Health Advisory Council



COUNCILLOR
Lindsay Campbell

- Chairperson Council's Strategic Planning and Development Policy Committee
- Mount Barker Football Club (manage Mt Barker Oval)
- Chairperson Adelaide Hills Region Waste Management Authority



COUNCILLOR
Ian Grosser

- Council's Strategic Planning and Development Policy Committee
- Mt Barker High School Council
- Ranges to River NRM Advisory Group



COUNCILLOR
Trevor Keen

- Council's Strategic Planning and Development Policy Committee
- Council's Community Grants Assessment Committee
- Anembo Park Working Group

NORTH WARD



COUNCILLOR
Jeff Bettcher

- Council's Strategic Planning and Development Policy Committee
- Council's Audit Committee
- Hahndorf Business & Tourism Association
- Hahndorf Academy Board
- Hahndorf Memorial Institute Committee
- Hahndorf Community Recreation and Sports Ground Inc



COUNCILLOR
Susan Hamilton

- Council's Strategic Planning and Development Policy Committee
- Council's Audit Committee
- Chairperson Council's Community Grants Assessment Committee
- Littlehampton Peace Memorial Hall Inc
- Mount Barker Community Centre
- Proxy Hahndorf Academy
- Anembo Park Working Group



COUNCILLOR
Debs Buchmann

- Council's Strategic Planning and Development Policy Committee
- Council's Community Grants Assessment Committee
- Nairne Institute Committee Inc
- Nairne Market Inc
- Proxy for Nairne Oval Committee Inc



COUNCILLOR
(DEPUTY MAYOR
1 DEC 16 - 30 NOV 17)
Harry Seager

- Council's Development Assessment Panel
- Nairne Oval Committee Inc
- Brukung Hall Committee Inc
- Callington Memorial Hall Committee
- Kanmantoo Grounds Committee

COMMUNITY PROFILE AND POPULATION

The Mount Barker District Council Community Profile provides demographic analysis for the District based on results from the 2016, 2011, 2006, 2001, 1996 and 1991 Censuses of Population and Housing. The profile is updated with population estimates when the Australian Bureau of Statistics (ABS) releases new figures.

The Council's estimated resident population in 2016 was 33,810, with a population density of 0.57 persons per hectare.

The Council's population and household forecasts present what is driving population change in the community and how the population, age structure and household types will change each year between 2011 and 2036.

The forecasts are designed to provide community groups, Council, investors, business, students and the general public with knowledge to make confident decisions about the future.

The Council's population forecast for 2017 is 33,915, and is forecast to grow to 55,416 by 2036.

These forecasts were last updated in April 2017 by .id, the population experts, on behalf of the District Council of Mount Barker. Forecasts are available for each year from 2011 to 2036.

Further information is available on Council's website, enabling the resident and business community to access and utilise this information.





FORECAST POPULATION GRAPH

Population and household forecast, 2011 to 2036, prepared by .id, April 2017



DECISION MAKING STRUCTURE OF COUNCIL

Decisions are made through either Council meetings, Committee meetings or by staff through delegated authority. Council's decision making structure comprised:

- Council meetings which were held on the 1st and 3rd Monday of every month (other than January when it is held on the 3rd Monday). As of January 2017 Council held Council meetings once per month on 1st Monday (other than January when it is held on the 3rd Monday).
- Strategic Planning and Development Policy Committee meetings which were scheduled to be held bi-monthly on the third Monday
- Audit Committee meetings which were held at least five times per year
- Community Grants Assessment Committee meetings which were held at least once per year
- Rates Review Committee meetings were held in the first year of the Council term
- Development Assessment Panel meetings were held every third Wednesday or when required.

All these meetings were open to the public. Notice of meetings, agenda with reports and attachments and minutes are available from the Local Government Centre and on Council's website. A limited number of hard copies are provided at the meeting.

As part of this decision making framework, Council may engage with particular community groups or undertake widespread consultation.

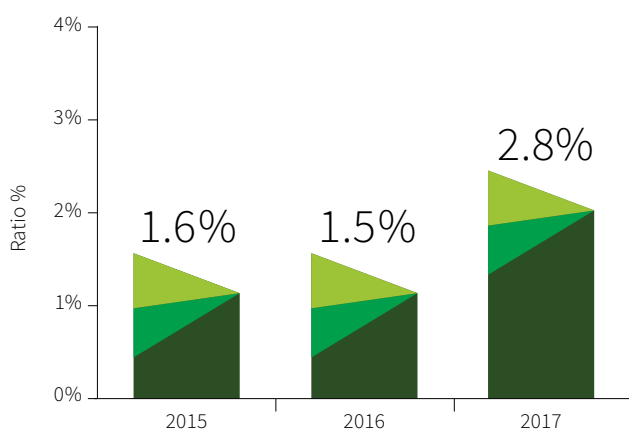
Once a decision is determined the outcome is advised to the relevant person or authority.

ORGANISATIONAL CHART



FINANCIAL INDICATORS

1. OPERATING SURPLUS RATIO

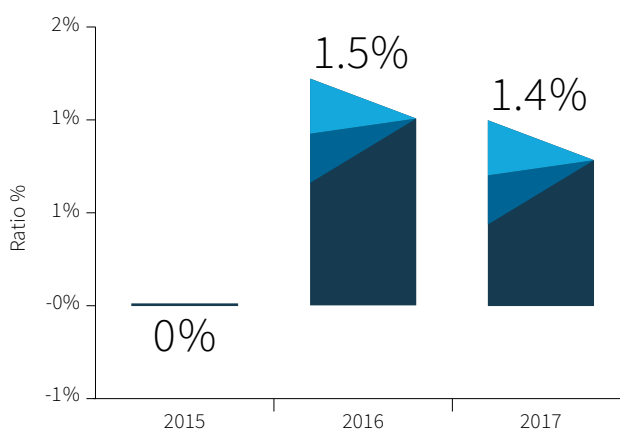


Purpose of Operating Surplus Ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure.

Council's long term strategy is to achieve at least an annual 1% operating surplus. In 2016/17 the Federal Government re-instated the early payment of Financial Assistance Grants equating to 1.4% of the surplus ratio.

1a. ADJUSTED OPERATING SURPLUS RATIO

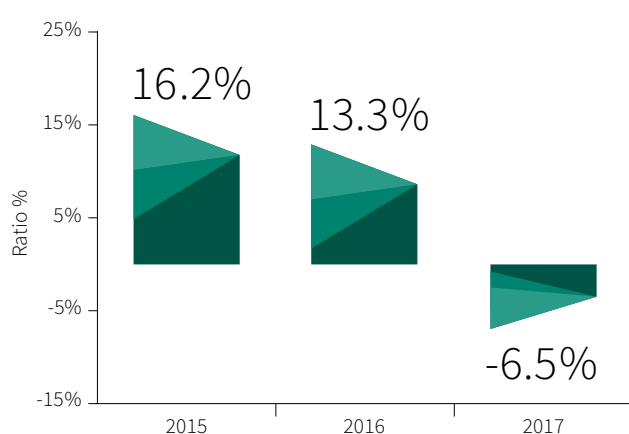


Purpose of Adjusted Operating Surplus Ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure.

Council achieved its long term strategy of 1% operating surplus however the budgeted surplus ratio of 2.4% was not achieved due to the significant financial impact of storm damage to trees in parks and on roadsides and repairs to unsealed roads.

2. NET FINANCIAL LIABILITIES RATIO

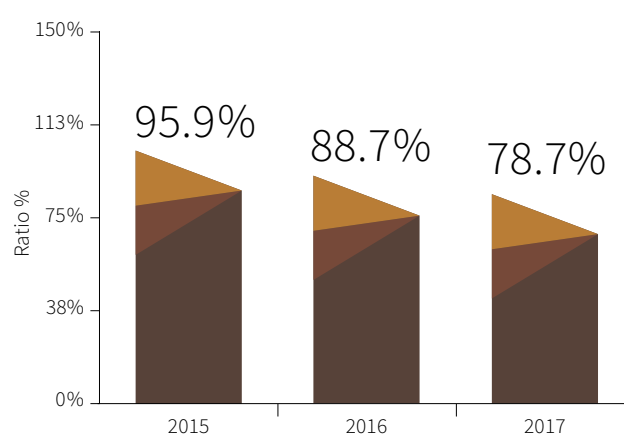


Purpose of Net Financial Liabilities Ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue.

Due to a significant increase in current assets and the subsequent deferral of borrowing net financial liabilities have been reduced compared to the previous financial year and the annual budget. Council's Long Term Financial Plan includes major strategic new projects of significance which depend upon this strong financial position.

3. ASSET SUSTAINABILITY RATIO



Purpose of Asset Sustainability Ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way.

Council accelerates or reduces the level of asset renewal over time whilst ensuring the value of its existing asset stock is maintained in the long term. 17% of the budgeted renewal projects have been carried forward for completion in 2017/18.

ANNUAL BUSINESS PLAN

2016/17 Performance Measures

1 COMMUNITY WELLBEING

AIM Community spirit is strong, sustained and inclusive. Our people live in safe and friendly towns and neighbourhoods where wellbeing is paramount. The District has high quality facilities that enable healthy activity and a thriving sporting art and cultural scene. It encourages and supports individuals, local organisations and community groups in their endeavours and celebrates their achievements.

WASTEWATER

Measure	Outcome
100% compliance with the EPA, Essential Services Commission of South Australia (ESCOSA) and Department for Health and Ageing requirements	Achieved.
Target of zero complaints received via the Energy and Water Ombudsman that are considered by the Ombudsman to require Council action	Achieved.

LIBRARY

Measure	Outcome
Maintain or improve current library (Libraries Board – ‘metropolitan’) ranking of 6/20 for Membership as % of Population	Achieved.
Improve current library (Libraries Board – ‘metropolitan’) ranking of 10/20 for Loans per Capita	Partially achieved - This measure was only achieved for the period January – June 17.
Maintain or improve current library (Libraries Board – ‘metropolitan’) ranking of 5/20 for Visits per Capita	Partially achieved - This measure was only achieved for quarters 2 and 3.
Maintain current library (Libraries Board – ‘metropolitan’) ranking of 1/20 for percentage of Population that attend Library Events	Achieved.



Mount Barker Community Library
8393 6400
library.mountbarker.sa.gov.au
Mount Barker Community Library

D. DAHL Boy and Going Solo

CF DAH DR

The Prince, the Princess and the Bee

CF BAN A

Peppa Pig

Potato City and other stories

CF BAN A

The Flowerbobs Fun At The Fair

CF BAN A

blueberry pancakes forever

CF BAN A

a week without Tuesday

CF BAN A

finding serendipity

CF BAN A

THE ICE CREAM KID

CF CLAT

Rent a Bridesmaid

Jacqueline Wilson

CF WIL J

Jacqueline Wilson

CF WIL J

ENVIRONMENTAL HEALTH

Measure	Outcome
Percentage inspection of food premises in accordance with risk schedule (80% target)	Achieved for 3 quarters.
Percentage of health premises inspected (piercing, tattooists, public pools) according to the schedule (80% target)	Achieved.
Percentage of waste control applications (80% target)	Achieved.
Report annually to SA Health regarding activities undertaken under the Food Act 2001	Achieved.
Five (5) public Immunisation Clinics held per month	Achieved.

PUBLIC SAFETY

Measure	Outcome
One subsidised microchipping day	Achieved.
Monitor private parking areas according to contract agreements	Achieved.
Number of school parking patrols (target 40 per quarter)	Partially achieved (quarters 2 - 4).
Premises providing outdoor dining to be registered (100% target)	Partially achieved - only achieved in 4th quarter.
100% of Council infrastructure damaged by new developments reinstated	Achieved.

COMMUNITY & CUSTOMER SERVICES

Measure	Outcome
80 social outings for 65+ cohort	Achieved with 95 social outings.
Meet contract requirements for Home and Community Care and Hills Community Passenger Network	Achieved.
Continue to implement HACC service delivery efficiency measures and new delivery model	Achieved: <ul style="list-style-type: none"> • Community Bus sponsor • New transport project • Hills Community Transport Taxi Money project to assist disadvantaged older people access social activities • Volunteer Green Gardens Program

Action graffiti reports within 7 days	96% of action on graffiti was achieved within 7 days.
Maintain level of current volunteers at 126	Achieved an average of 144 volunteers.
Ensure new volunteers are inducted and trained	Achieved.
Develop new volunteer program related to open space areas	Achieved - Laratinga Wetlands Group & Community.
Maintain two (2) existing youth programs and further develop Youth Engagement Program	Achieved: <ul style="list-style-type: none"> • Gear 2 Drive Program; • Pyrographix Youth Public Mural project • Support those attending YoungMayo forums • Engaging with Cornerstone College on Forest Festival
Manage agreements that are in place with each incorporated association	Achieved - New amended Management Agreements have been finalised and forwarded to incorporated associations.
Maintain service levels for building and built recreation assets	Achieved – ongoing as per management agreements that provide clarity of repair and maintenance responsibilities.
Implement the annual projects within the 3 year building and recreation capital works program	Achieved – Project delivery is on track.
Develop and distribute the community customer service survey	Achieved.

2 ECONOMIC PROSPERITY

AIM A clean and thriving economy in an attractive and vibrant hills setting offering employment, investment and business opportunities.

COMMUNITY AND CUSTOMER SERVICES

Measure	Outcome
Facilitate 50 community events including six major events	Achieved – over 60 events.
Four District Matters produced annually	Achieved.
Design corporate documents within legislated or agreed timeframes	Achieved.



STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT

Measure	Outcome
Demonstrable progress of Council's involvement in World Heritage Listing of the cultural landscape of the Mount Lofty Ranges	Achieved with National Heritage Nomination lodged on 17 February 2017.
Economic development strategy initiatives pursued	Achieved: <ul style="list-style-type: none"> • marketing and promotion • Investment • Co-working hub • Smart Cities paper developed • May Business Month • Networking and collaboration and support for business engagement and case management.

3 THE URBAN ENVIRONMENT

AIM Heritage is protected and the built environment is planned and designed to a high standard to endure and remain relevant into the future. Liveability is at the forefront of the design and establishment of neighbourhoods and landscapes that are highly usable accessible and connected. Linear trail linkages are a significant regional attraction and a point of difference with other areas.

PLANNING POLICY AND STRATEGY

Measure	Outcome
DPA's implemented in accordance with Strategic Directions Report	Achieved: <ul style="list-style-type: none"> • Nairne DPA approved by Minister • Rural DPA awaiting approval by the Minister • Final revisions to stormwater modelling for Totness Privately Funded DPA.
Strategic projects implemented in accordance with priorities	Achieved: <ul style="list-style-type: none"> • The Littlehampton and Blakiston Neighbourhood Plan was endorsed by Council • Detailed designs for Nairne nearing completion • Progress on detailed concepts of playing fields projects in Mount Barker Growth Area.
Town centre strategy initiatives pursued	Achieved: <ul style="list-style-type: none"> • Detailed designs complete for Gawler Street intersection upgrades • Relocation of Parklet • Additional Parklets approved.

Strategic infrastructure plan initiatives pursued	Achieved: <ul style="list-style-type: none"> • Ongoing advice on growth management matters to align with strategic directions • Review and updated Mt Barker Growth Plan underway • Community Facilities Study Delivery Strategy endorsed by Council
Successful introduction of Development Plan policies aligning with outcomes in Council's Strategic Plan and Strategic Directions Report	Achieved: <ul style="list-style-type: none"> • Regional Town Centre DPA approved and consolidated into the Development Plan • Integrated water management Regional DPA was consolidated into DPA.

CITY DEVELOPMENT

Measure	Outcome
100% compliance with statutory assessment timeframes	Not achieved – average of 89% compliance.
100% of known breaches of the Development Act investigated	Achieved.
Comply with statutory building inspection regulations requirements	Achieved.
14 day turnaround for new housing planning applications	Not achieved – average of 39%. This reflects lack of all relevant information being provided by the applicant.

TRANSPORT ASSETS

Measure	Outcome
Deliver 100% of the budgeted capital works program for unsealed roads and footpath renewal	<p>Not achieved - 91% of original budgeted unsealed roads program achieved. The target was not met in full due to Council resources being redirected to higher priority road repairs as a result of extreme storm events in late 2016.</p> <p>Not achieved - 62% of the original footpath renewal budgeted program completed. The target was not met in full due to Council resources being redirected to higher priority road repairs as a result of extreme storm events in late 2016.</p>
Review and update the service standards for Councils unsealed roads	Not achieved – service standards have been reviewed and only partially updated. The patrol grading program has been updated and further service levels are being refined.

Deliver 100% of the budgeted new footpath connectivity program	Achieved.
--	-----------

Complete the annual line marking program	Achieved.
--	-----------

Complete the street sweeping program	Achieved.
--------------------------------------	-----------

STORMWATER

Measure	Outcome
Deliver the stormwater maintenance program	Achieved – additional maintenance required due to storm events and seasonal leaf fall.

CIVIL INFRASTRUCTURE AND PROJECTS (CIP)

Measure	Outcome
85% of CIP managed capital projects completed within the approved construction budget (including contingency)	Achieved – 87% completed.
85% of CIP managed construction projects are substantially completed by 30 June 2017	Not achieved – 61% completed. The target was not met in full due to Council resources being redirected to higher priority activities as a result of extreme storm events in late 2016 and delays in project planning.
100% of available grant funding is utilised within the prescribed time limits	Achieved. Roads to Recovery Grant funding was fully utilised at Kanmantoo and Callington.

WASTEWATER

Measure	Outcome
Finalise the long-term wastewater and recycled water strategy	Not achieved Work was undertaken to progress recommendations of the report “Employment Generation through recycled Water” and development of a hydraulic model for provision of recycled water to the South and township areas. Potential new customers for water reuse investigated. Tenders called for treatment and procurement strategy upgrade to the Mt Barker Wastewater Treatment Plant in a staged manner.
Develop a comprehensive asset management plan including planned maintenance program	Partially achieved An Asset Management Plan was not developed. A program was developed for planned maintenance for critical pumps, other infrastructure and equipment.

Reduction in discharge to Mt Barker & Nairne creeks and eliminate where possible

Not achieved for 3 quarters due to large volumes of wet weather flows coming into the plant.

Target 100% recycling of wastewater collected

Not achieved for 3 quarters due to large volumes of wet weather flows coming into the plant.

PARKS AND PUBLIC PLACES

Measure	Outcome
Open space maintained to the service level	Achieved between 80%-100%.
Review and update the park categories and associated service standards	Partially achieved. The review has commenced but the service standards will not be updated until later in 2017.

4 THE NATURAL ENVIRONMENT & SUSTAINABLE LIVING

AIM The natural environment is celebrated, promoted and protected. Conflicts between development and the environment are managed to minimise impacts and to compensate where significant impacts are unavoidable. The District is known for the commitment of its community to live within sustainable limits.

OPEN SPACE AND ENVIRONMENT

Measure	Outcome
Completion of Environment Plan and Landscape Plan (2 lead Strategy Plans)	Not achieved. Environment Plan still being drafted for consultation. Landscape plan sub-components being developed.
Completion of identified actions from Biodiversity Strategy (a lead Strategy Plan)	Not achieved due to reduced staff resources.
Completion of review of Laratinga Reserve Management Plan	Not achieved due to reduced staff resources.
Seedlings planted with success rate of 70% of 8,500 seedling survival	Partially achieved - 8,500 seedlings 60-70% survival. The seedlings were impacted by wet conditions where watercourse and floodplain plants were inundated.



KERBSIDE WASTE

Measure	Outcome
Reduce the amount of waste to landfill to below 9kg per household per week	Not achieved. Although the kilograms of waste per household has not met the target the amount of waste produced per household has not increased as much as it has in previous years, with a 0.9% increase this year compared to a 3.55% increase in the previous year.
Maintain diversion levels of recycling from landfill of 46.5% per year	Achieved. Diversion levels for the year are tracking at 47%.
Reduce contamination in recycling by 2% annually.	Achieved – there was a reduction of 11%.

TRANSFER STATION

Measure	Outcome
Maintain the net cost of Transfer Station Operations	Achieved. Net costs have decreased by 34% including the removal of street bin collection costs but excluding transfer of internal costs for disposal of Council construction waste.
Develop a waste management strategy	Partially achieved. The development of the strategy has commenced and will be completed in 2017/18 year.

5

GOVERNANCE AND LEADERSHIP

AIM The Council demonstrates innovation, strong governance and leadership and fully integrated community engagement practices. It manages finances effectively and efficiently and uses innovative solutions to achieve long term financial sustainability.

STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT

Measure	Outcome
An integrated Strategic Planning framework completed including process for prioritising goal area plans actions into corporate planning processes	Partially achieved. The development of the framework is in process with lead strategies being developed that will progressively inform the Corporate Plan.

RISK AND GOVERNANCE

Measure	Outcome
By Law review is commenced	Achieved. Final By-Laws are with Parliament until 13 October 2017 and will come into effect on that date unless any concerns are identified.
High risks are reported to senior management team and Audit Committee	Achieved.

FINANCE

Measure	Outcome
Internal control framework audited	Achieved. Interim audit conducted in May 2017.
Long Term Financial Planning Process adopted	Achieved. Process adopted and Draft Long Term Financial Plan was provided for consultation.
New Strategic Planning Process used for 2017/18 Budget	Achieved. Commencement of 4 year Corporate Planning implemented in budget process for 2017/18 financial year.

RATES

Measure	Outcome
Overdue rates reduced to 4% of total rates	Not achieved - 4.59%

INFORMATION, COMMUNICATION AND TECHNOLOGY

Measure	Outcome
No less than 95% uptime of ICT corporate systems	Achieved – 98.7%.
Improved ICT security controls and defences to minimise disruption to Council Services	Implemented. Additional security measures installed to value and protect data and information, securing delivery of essential services. Draft of ICT governance and risk security controls completed.

CONTINUOUS BUSINESS IMPROVEMENT AND QUALITY

Endorsement and commencement of the Business Process Improvement Program Endorsed and commenced 15th March 2017

ASSETS AND PROCUREMENT

Measure	Outcome
Local purchases and contractors to increase from 9% to 12%	Achieved an average of 16%.

PEOPLE AND CULTURE

Measure	Outcome
Achievement of targets in the Work Health and Safety and Injury Management Plan	Achieved.
Organisational Development Strategy developed and implemented	Achieved. Key activities implemented: – Phase 2 of Leadership Development program.

COMMUNITY WELLBEING

PUBLIC SAFETY

PUBLIC SAFETY

Public Safety Officers play an important role by performing the following activities:

- School patrols at drop off and pick up times to ensure the safety of children
- Responding to dog attacks and barking dog complaints
- Patrolling reserves and parks to monitor animal management issues
- Responding to parking complaints
- Monitoring timed parking areas to ensure the turnover of vehicles which benefits local businesses.

The review of Council's Animal Management Plan was undertaken during 2016/17, a new plan will be operational for 2017/18 that responds to changes to legislation, addresses population growth and aims to educate the community in regard to animal management requirements.

ENVIRONMENTAL HEALTH

The Environmental Health team perform a variety of tasks which ensure the public health of the community. Routine food premises inspections are undertaken and food premises complaints are also investigated.

Environmental Health officers also assess wastewater applications and inspect sanitary plumbing for waste control systems. Public health complaints such as stormwater pollution, odour issues and vermin complaints are also investigated.



IMMUNISATION

Council holds a public clinic every Tuesday Morning and one on the second Saturday of every month in the Civic Centre.

The school based immunisation program is also delivered by Council's immunisation team and they regularly visit our local schools to administer the vaccines according to the schedule.

Council's Immunisation team have also participated in the Adelaide University Meningococcal Trial in which school children in years 10, 11 and 12 in 2017 will be offered free of charge vaccinations against Meningococcal B as part of a state wide study into the impact of immunising large community groups against the disease.

LOCAL NUISANCE AND LITTER CONTROL ACT

The following information is provided in relation to the Local Nuisance and Litter Control Act 2016

(a) the number of complaints of local nuisance or littering received by the council;	122
(b) the number and nature of—	
(i) offences under the Act that were expiated; and	nil
(ii) offences under the Act that were prosecuted; and	nil
(iii) nuisance abatement notices or litter abatement notices issued;	1
(iv) civil penalties negotiated under section 34 of the Act;	nil
(v) applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications; and	nil
(c) any other functions performed by the council under the Act.	nil



COMMUNITY AND SPORTING FACILITIES DEVELOPMENT

SPORTING FACILITIES DEVELOPMENT

The following progress was made on the development of sporting facilities:

- Completion and endorsement of detailed concept designs for Mount Barker South Polo Grounds and Mount Barker West Bollen Road Sports Fields
- Commitment of a total of \$3 million of State Government funding for Regional Sporting Hub on Springs Road to compliment Federal Government funding of \$3.75 million.
- MOU endorsed to further investigate the feasibility of a partnership with Lutheran Schools Association to develop and operate an indoor Aquatic, Sports and Wellness Centre
- Female Facilities Grant received for upgrade of Anembo Park clubrooms and Mount Barker Football Club.
- Indoor Sports facility at St Francis De Sales College for shared community and school use, progressed through ongoing negotiations.

COMMUNITY BUILDINGS

Council has 25 Management Agreements with Incorporated Associations who manage community buildings and recreation grounds on behalf of Council.

OPEN SPACE

OPEN SPACE

Davenport Square won a Parks and Leisure Australia State award for reserve development, and will be considered for a national award in October.

Tourism heritage investigation at Callington Recreation grounds (stage 1) successfully completed.

Emerald Quarry revegetation completed.



Open Space Team:

RESERVE MAINTENANCE

All Parks and Gardens were maintained to the required service levels during the previous 12 months.

A review of Councils park categories and associated service levels is currently underway to ensure resourcing and maintenance requirements are understood for future gifted developments.

Approximately 1,000 cubic metres of mulch has been distributed to the garden beds which assists in reducing the use of herbicides to manage weeds and assist in retaining the moisture in the soil. The mulch is provided from the Windmill Hill Transfer Station which has been recycled from green waste in the district.

Over 2,000 hours of community service were supplied by Department of Corrections Labour including mulching, brush cutting and rubbish removal.

TRAIL NETWORK

A review of the Trails Plan is currently in draft form. The primary trail will be extended in 2017/2018.

COMMUNITY DEVELOPMENT

LIBRARY

More than 176,000 people visited the Mount Barker Community Library during the year and staff issued over 300,000 books, DVDs, CDs, eBooks, eAudiobooks, eMagazines and toys to members of the community and TAFESA staff and students.

The Council's Community Library offered a diverse range of programs and services, engaging, educating and inspiring the community. Resources in a variety of formats were purchased which reflected current cultural and social trends and community needs.

422 library programs and activities were delivered with 17,340 people participating. These included:

- Author events featuring Jimmy Barnes, Matthew Reilly and Liane Moriarty
- Performances by the Splash Theatre Company
- Family holiday activities including cooking, craft and creative play
- Exhibitions from local primary and high schools
- Educational events for adults including a bee-keeping session
- Giggletime for babies and pre-school storytime sessions.

New Items added to the collection	5,745
Program Activities	422
Program Attendance	17,340
Visitors	176,000
Loans	300,000

VOLUNTEERS

Volunteering - Regionally

The 9th Annual Regional Volunteer Movie day was held on Friday 12 May 2017 at Wallis Cinemas Mount Barker. The celebration of volunteering across the region is a collaborative event between the Mount Barker District Council, Adelaide Hills Council, Alexandrina Council and supported by Hills Volunteering. This year 923 volunteers attended the day.

A volunteer survey is conducted annually and 1,346 participated in 2016/17. Data from the survey is used to identify volunteer needs, training, and assists to plan and develop future volunteer programs across the region. An increase in younger volunteers attending the event was recorded for the third year in a row.

Council Volunteers

Planning for a new Green Gardens volunteer program has been finalised. The program, commencing in September 2017 will support aged and frail community members who require assistance with their gardens and maintenance.

Council currently maintains a pool of around 152 active volunteers across seven programs. Activities include Community Programs (Hills Community Transport, Friendly Visiting and Social Options), Library (Local History, Toy Library, Story-time, Collection, and Maintenance), Justice of the Peace Day Room Services, Adelaide Hills Visitor Information Centre - Hahndorf (and Events), GET Proud Graffiti Program, Laratinga Wetlands and Youth programs (Pyro Graphix Public Artists and Barker Crew Skate Park Coaches).

Council worked with Hills Volunteering to identify and deliver relevant volunteer training needs with most free or at minimal cost.

In 2011 the Office for Volunteers, Government of South Australia released a report on the Economic value of volunteering, and valued volunteer hours at \$27.45 per hour. Applying this formula to Council's volunteers who gifted around 16,493 hours during the 2016/17 period, it equates to an amazing dollar value of approximately \$452,733 contribution to the community.



YOUTH

Youth of the District have been engaged through a number of initiatives and activities including the continuation of the Pyrographix Public Art program, regular skate and scooter events and Rockit Dance's annual "King of the Hill" breakdance event.

Work continues around the audit and activation of the various youth focussed organisations and services within the community to achieve a collaborative model of opportunity creation and activation by and for our young people.

ARTS AND CULTURE

Council has worked in collaborative partnership with a number of individuals and groups within our community to celebrate and enable the wide diversity of arts and cultural talents within our communities.

These activities and events include:

- the celebration of 20 years of the Artist's Voice
- celebration and recognition of the traditional custodians of the Adelaide Hills, the Peramangk Nation, through projects and events including Reconciliation and NAIDOC weeks
- the delivery of the 2017 Sculptors @ Crystal Lake event
- continuing our partnerships with Ink Pot Arts in the delivery of Performance Arts outcomes
- increased opportunities for local visual artists through the Hills Arts Collective's exhibitions
- regular opportunities for local musicians to display their talents at the Meadows Cheese Factory
- the Stephen St Art Mural project
- successful SALA events throughout the District.

HILLS COMMUNITY TRANSPORT

Hills Community Transport (HCT) is funded by the State Department for Communities and Social Inclusion (DCSI), State Department of Planning Transport & Infrastructure (DPTI), Commonwealth Department of Health and Mount Barker, Adelaide Hills and Alexandrina Councils.

The Program provides transport for people who live in the Adelaide Hills region and do not have any other transport options and this year assisted 348 people with 4,094 one-way trips mostly for medical, health and specialist appointments.

In April 2017, HCT initiated a new transport project called HCT Taxi Money to assist people in the region to attend social activities.

The Mount Barker Shopping Shuttle, funded by Council and administered by HCT delivered 2,140 one-way trips to residents who needed transport assistance – an increase on 16% on last year.

Council purchased a 12 seat bus to deliver the Mount Barker Shopping Shuttle service and some Social Options Program outings. Kalyra Community is a major sponsor contributing \$15,000.

Council also provides the opportunity to charter a 19 seat bus that can be converted to a 15 seat bus plus two wheelchairs. This year it was used by 12 different groups on 37 occasions.

These services are provided with the assistance of 23 transport and administrative volunteers who contributed 5,080 hours to their local community.

HOME ASSIST, SOCIAL OPTIONS AND RESPITE

The Community Programs Unit is funded by the State Government's Home and Community Care (HACC) Program, the Commonwealth Home Support Program (CHSP) and Council to deliver the Home Assist, Social Options and Respite programs.

These programs support people over 65, people with a disability and their carers to continue to remain living in their homes by providing minor home and garden maintenance, house cleaning, social activities and respite.

In 2016/17 Home Assist provided the following assistance:

SERVICE PROVIDED	
Cleaning	2,329 hours
Home Maintenance	2,062 hours

The Social Options Program continues to provide vital social connection to Council residents aged 65 and over, including information sessions at the Library, cinema outings, Barker Blokes, Coffee Club, full day bus trips and community group information sessions.

The Social Options Program provided the following assistance in 2016/17:

SERVICE PROVIDED	
Social support	7,267 hours
Transport for social support program	1,561 one-way trips



VOLUNTEERS PROVIDED 1,515 HOURS OF ASSISTANCE WITH SOCIAL SUPPORT.

GLOBAL CARE AND THE KIWANIS CLUB OF THE ADELAIDE HILLS VOLUNTEERS PROVIDED 183 HOURS OF GARDEN AND HOME MAINTENANCE TASKS TO 14 RESIDENTS OVER THE YEAR.

THE 'TAKE A BREAK' RESPITE PROGRAM PROVIDED 18 CARERS OF PEOPLE WITH A DISABILITY WITH 107 OCCASIONS OF RESPITE TOTALLING 893 HOURS. ALSO, A SIBLINGS RETREAT WAS DELIVERED IN COLLABORATION WITH THE CARER WELLNESS CENTRE.

ECONOMIC PROSPERITY

ECONOMIC DEVELOPMENT

BRANDING AND MARKETING

Two editions of 'The Barker' magazine were produced in partnership with The Advertiser. The Barker promotes stories on people and communities that make the district vibrant and sustainable.

Lodging the National heritage nomination as a first step in achieving World Heritage listing for the Mount Lofty Ranges.

EMPLOYMENT GROWTH

ECONOMIC DEVELOPMENT

A number of initiatives to progress the Economic Development Strategy have been pursued. These have included:

- Engagement with training providers, business and industry groups to pursue employment generation and training and development opportunities
- Research and business case to develop a co-working hub
- May Business Month
- Business support through maintenance of business pages on Council's website, business newsletter and events
- Developing resources and working with business and industry leaders to attract investment to the district.

MAIN STREETS

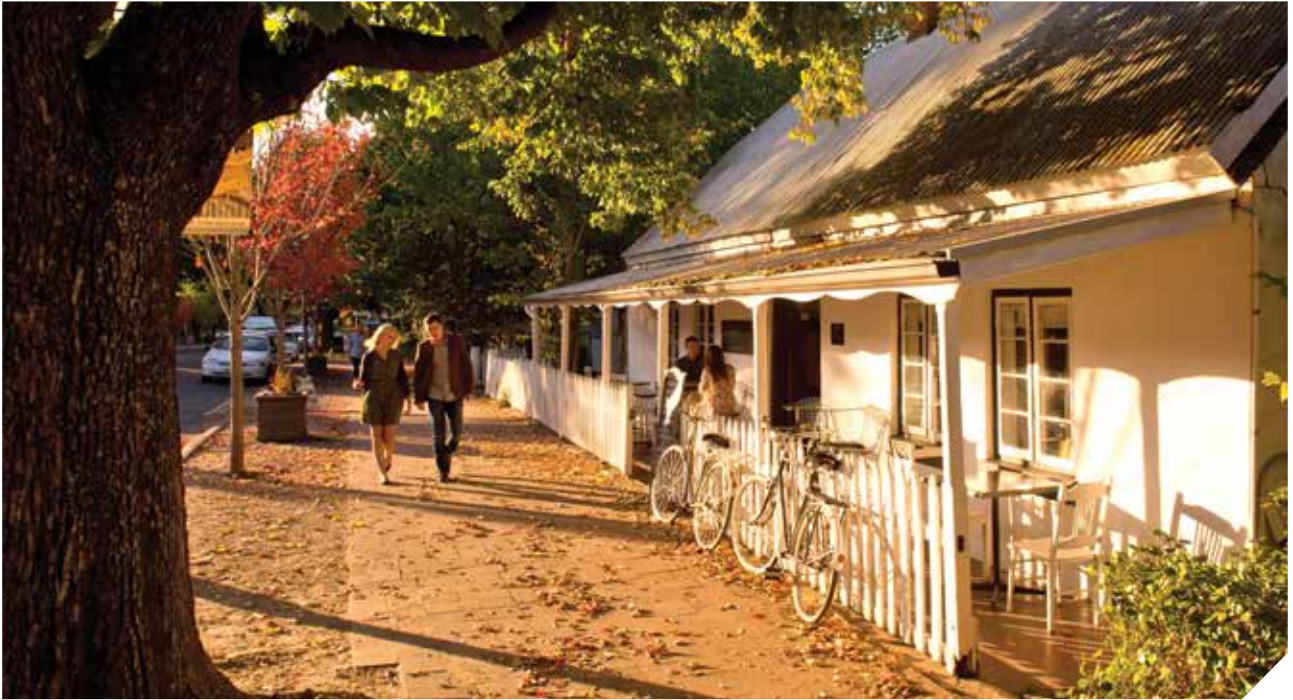
GAWLER STREET

- Completion of detailed design for upgrades to Gawler Street
- Completion of concept design for street tree up-lighting
- Parklet relocation
- Receipt of \$297,000 as part of a Places for People Grant to assist with construction of Stephen/Gawler Street intersection upgrade and entrance statement at Adelaide/Gawler
- Busking program delivered through a partnership with Adelaide Hills Radio.

NAIRNE MAIN STREET

- Detailed Design nearing completion
- Partnership with Nairne Districts Residents Association to deliver activation of main street through community events.





TOURISM AND EVENTS

VISITOR INFORMATION CENTRE

Council works collaboratively with Adelaide Hills Tourism and Adelaide Hills Council in the Visitor Servicing sector.

The Adelaide Hills Visitor Information Centre (AHVIC) in Hahndorf is resourced by a full time Visitor Centre Co-ordinator and 25 volunteers who provide in excess of 5,000 hours of time annually.

THE CENTRE SERVICED THE NEEDS OF **46,500 VISITORS** DURING 2016/17 WHICH CONTRIBUTED POSITIVELY TO THE **LOCAL AND REGIONAL ECONOMY**.

Economic modelling undertaken by Tourism Research Australia indicates that the operation of the AHVIC contributes to additional spending in the order of \$4 million and the creation of 26 full time equivalent jobs as part of the wider tourism industry.

TOURISM AND EVENTS

Tourism marketing of the region was significant during 2016/17 with full page advertisements in the Adelaide Hills Regional Guide, Due South Magazine, the Platform Magazine and an episode of South Aussie with Cosi.

Printed material for Hahndorf, Mount Barker, the Old Princes Highway plus Mount Barker and Nairne heritage walks have been produced to enhance the visitor experience in the region.

The regional tourism website www.adelaidehills.org.au has increased hits to approximately 15,000 each month and is considered one of the best regional tourism websites in the state.

Events continue to drive visitation to the region, provide economic and social benefit within our communities, showcase the rich beauty and wonderful lifestyle that we enjoy.

Council's Event of the Year for 2016/17 was the Mount Barker Carols in the Park for the continued development of the event, professionalism, increased attendance and atmosphere created.

60 Community events throughout the district were recipients of Council sponsorship and other assistance.

TOURIST PARK

Council, in conjunction with the park managers made improvements to the park including the establishment of a new camp kitchen, several cabin refurbishments and safer access/egress for visitors. The park also achieved an increased financial surplus of approximately \$100,000 for the year. Actual visitor numbers increased by 400 to 6,900 with occupancy for both cabins and sites increasing by 6%. The 6,900 visitors potentially may have realised an additional \$2.14 million economic income for the region (based on Caravan Industry Association of Australia Economic Benefit Report 2015).



REGIONAL TOURISM STRATEGY

ADELAIDE HILLS TOURISM COMMENCED THE DEVELOPMENT OF A REGIONAL VISITOR SERVICING STRATEGY THAT INCLUDES BOTH MOUNT BARKER AND ADELAIDE HILLS COUNCILS AS PROPOSED FUNDING PARTNERS. IMPLEMENTATION IS ENVISAGED TO OCCUR IN 2017/18

URBAN ENVIRONMENT

TRANSPORT

INFRASTRUCTURE

Council invested \$1.7 million into resealing its sealed roads and a further \$0.86 million into resheeting its unsealed roads across the district. This investment ensures that assets remain serviceable over the long term. In addition to this, Council constructed 2.14 km of new footpath and resurfaced 1.48 km of existing footpath. New paths constructed via recent development totalled 3.76 km.

Council also took advantage of the *Roads to Recovery* grant fund and sealed a number of township roads in Callington and Kanmantoo.

Council undertook a revaluation of its bridges and completed investigations into the Gawler St bridge which will lead to planned repair works in coming years. Other investigation and design continued on key roads such as Springs Rd and the Heysen Boulevard, the latter being constructed by developers and gifted to Council.

Council continued to maintain its transport infrastructure through an allocation of funds for activities such as pothole patching, patrol grading, tree pruning, kerb reinstatement, street light repair and street sweeping.

TOWNSHIPS

HAHNDORF TOWNSHIP PLAN

Investigations and initial stakeholder consultation complete. Plan to be completed in 17/18

NAIRNE TOWNSHIP PLAN

- Nairne DPA endorsed
- Bald Hills Road Freeway Interchange complete
- Continued upgrade of North Road
- Footpath renewal program (eastern end of Main Street).

LITTLEHAMPTON TOWNSHIP PLAN

- Endorsed by Council
- Glebe Stage 1 complete
- Footpath works along North Terrace continued
- Consultation complete for revocation of 2A Fulford Terrace, Littlehampton (linked with further development of the Glebe).

GROWTH AREA INFRASTRUCTURE

The Growth Plan for Mount Barker review has commenced, to be updated in 2018/19



PROJECTS

DEVELOPMENT

In the last 12 months Council established the City Development Unit which incorporates all areas of the organisation which have an interface with the development industry. The City Development Unit worked proactively with the Development Industry to achieve the best possible development outcomes for the community.

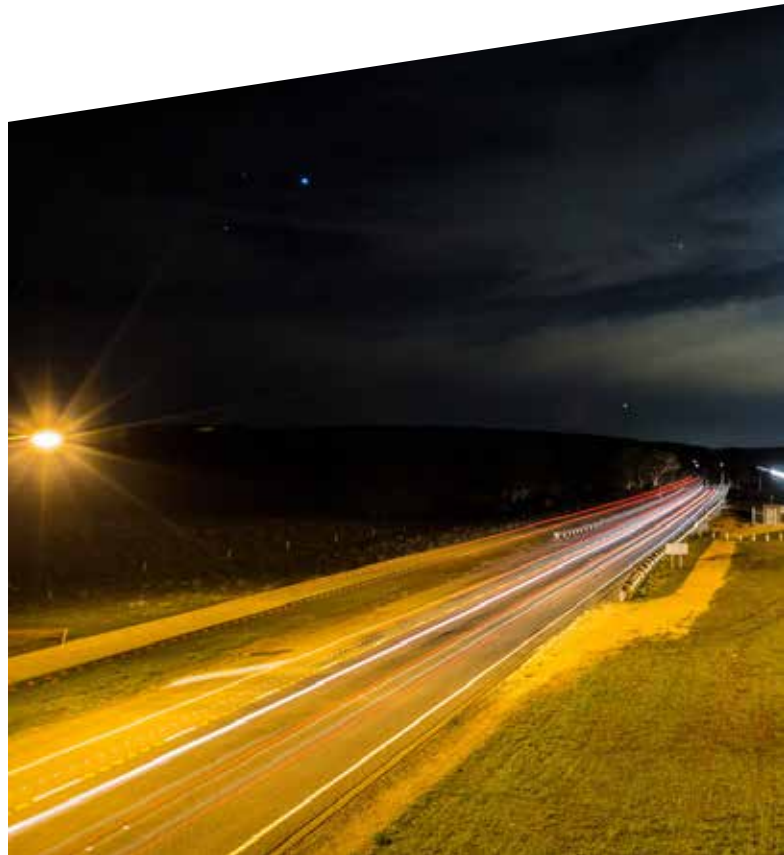
There has been a significant amount of development activity within the Council area over the year with 1,210 Development Applications received and assessed by the City Development Unit.

From a growth perspective Council has seen significant growth with much of this focused in the Mount Barker Growth Area. Some key statistics include;

- Approximately 10 km of road built (Inc. 800m of Heysen Boulevard)
- Approximately 12.5 ha of reserves dedicated to Council
- Land divisions approved resulting in approximately 1,400 new allotments
- 443 allotments cleared/developed and available for purchase/dwelling construction.

STORMWATER

The Mt Barker Totness and Littlehampton Stormwater Management Plan (SMP) was formally adopted by Council and subsequently approved by the Stormwater Management Authority (SMA). The first works to be co-funded with the SMA as a result of the approved SMP was the first stage of improvements to capacity of the Bollen Road regional detention basin.



Laratinga Wetlands Boardwalk



RECYCLED WATER

Council achieved approximately 68% re-use of the total wastewater treated at the Springs Road plant. The largest customer continues to be the Hillgrove Resources mine although this demand decreased in comparison to the two previous years.

There were significant wet weather flows into the plant due to the higher than average rainfall (stormwater intrusion in the network). Given the above it was necessary to discharge water to the creek via the wetlands during winter. The Laratinga Wetlands water requirements were fully met with a combination of recycled water and stormwater harvesting.

Council has continued to meet EPA licence requirements and Health SA and Office of the Technical Regulator requirements.

WASTEWATER

COUNCIL IS LICENSED BY THE **ESSENTIAL SERVICES COMMISSION OF SA (ESCOSA)** AS A WATER INDUSTRY ENTITY. THIS YEAR COUNCIL WAS ASSESSED **AS FULLY COMPLIANT** WITH ALL OF ESCOSA'S REQUIREMENTS.

WASTEWATER

- A wastewater flow monitoring exercise was undertaken to determine the performance of the network and extent of infiltration and in flow (stormwater)
- An Infiltration/Inflow abatement program (smoke and dye testing) commenced
- Hanny Crescent, Devereux Road, Les Bell Drive pump stations were upgraded
- A number of manholes were refurbished as part of a long term program
- At the treatment plant a number of improvements were made operational.
- Design was completed and a construction tender awarded for a new wastewater main to service the western sector of Mount Barker and the placement of a section of an existing main servicing Littlehampton. In total almost 4 kilometres in length at a cost of approximately \$4 million assisted by a State Government grant \$310 000.

A study on employment generation through recycled water was composed. The development of a hydraulic model for provision of recycled water to the Mount Barker Growth land was completed.

Development of a comprehensive asset management plan including a planned maintenance program was progressed for maintenance of critical pipes and other equipment.

Reduction in the discharge to Mount Barker and Nairne creeks was partly achieved due to substantial wet weather events as well as Hillgrove resources reducing their intake. This resulted in discharges to the Mount Barker Creek in three quarters.

THE NATURAL ENVIRONMENT AND SUSTAINABLE LIVING



Laratinga Wetlands

BIODIVERSITY

The Biodiversity Strategy was endorsed in November 2016. An action plan is being developed.

An audit of approx. 40% of roadside marker scheme sites was undertaken in 16/17.

RESERVE MANAGEMENT PLANS

No specific site management plans were generated for natural areas in 2016/17. These will be identified and works prioritised as part of developing action plans from the Biodiversity strategy.

The Bird Fair in November 16 was hugely successful, and will be repeated in 2018.

Springs Road wetlands site development and maintenance overseen.

ENVIRONMENT

WASTE

Council continues to provide a three bin service to its residents within townships for the collection of waste, recyclables and organics and a two bins service outside of townships. Free green organics days were held throughout the year at the Windmill Hill Waste Transfer Station. Council is in its second year of a new kerbside collection contract. The diversion rate of material recycled has been maintained at 47%, while green organics collected has increased by 5% and recycling collected has increased by 3%. Waste to landfill collected has increased by 3%, which is less than the increase seen in previous years.

CLIMATE CHANGE MITIGATION/ADAPTATION

A regional climate adaptation plan was completed in partnership with other Councils and the implementation of actions commenced.

BUSHFIRE MANAGEMENT

Council continues to provide a representative on the Adelaide Mount Lofty Ranges Bushfire Management Committee and fulfil our obligations under the Interim Bushfire Management Plan.

WETLANDS

Various environmental and community projects have been implemented at Laratinga Wetlands over the last year. These have included volunteer events, revegetation projects, community events, fauna surveys and educational programs. The wetland has attracted over 160 bird species, five frog species, and various mammals and also attracts local, interstate and international visitors. It provides a passive and active recreational area and forms part of the district's trail network.

Vegetation within the recently developed Springs Wetland continues to mature well and provide valuable habitat for birds, insects, reptiles and mammals.



GOVERNANCE AND LEADERSHIP

ACTIVE DEMOCRACY AND EFFECTIVE REPRESENTATION

FREEDOM OF INFORMATION REQUESTS

Eleven (11) Freedom of Information requests were received.

COUNCIL MEMBER TRAINING AND DEVELOPMENT

Council has a Training and Development Policy and Training and Development Plan.

The following training was attended by some Council Members:

- Mayors and Chairpersons Forum
- National General Assembly
- Local Government National Summit
- Audit Committee Training
- Cities 4.0 Summit.

INTERNAL REVIEW OF A COUNCIL DECISION

No requests were received for an internal review of a Council decision.

COMMUNITY CONSULTATIONS

- Draft Annual Business Plan 2017/18
- Long Term Financial Plan
- Littlehampton Development Sites Infrastructure Separate Rates Proposal
- Community Land Classification Revocation 2A Fulford Terrace, Littlehampton
- Animal Management Plan
- By-Law Review
- Community Land Classification Revocation - Closed Road North of Bradfield Lane Mount Barker
- Haines Road, Mount Barker - Road Closure
- Permit to use Road for Business Purposes, Picnic Race Rd Echunga
- 1 Charles Street Revocation of Community Classification
- Nairne and Environs DPA
- Draft Littlehampton & Blakiston Neighbourhood Plan.

COUNCIL MEMBER ALLOWANCES AND BENEFITS

The Mayor's Allowance was \$64 830 in total.

The Deputy Mayor's Allowance was:

Cr Irvine: \$17,885 in total

Cr Seager: \$18,581 in total

The Chair of the Strategic Planning and Development Policy Committee Allowance:

Cr Campbell: \$20,259 in total

Other Councillors Allowance: \$16,207





COUNCIL MEMBER MEETING ATTENDANCE AT COUNCIL MEETINGS

In January 2017 Council reduced its meeting frequency from twice per month to once per month. During 2016/17 there were 18 Council meetings.

Mayor Ann Ferguson	16
Cr Carol Bailey	17
Cr Jeff Bettcher	16
Cr Debs Buchmann	15
Cr Lindsay Campbell	11
Cr Ian Grosser	15
Cr Susan Hamilton	15
Cr Roger Irvine	15
<i>(Deputy Mayor 1 December 2015 – 30 November 2016)</i>	
Cr Trevor Keen	13
Cr Greg Morrison	14
Cr Harry Seager	17
<i>(Deputy Mayor 1 December 2016 – 30 November 2017)</i>	

CORPORATE CAPACITY AND LEADERSHIP

STRATEGIC PLAN

Corporate implementation and reporting of Council's Strategic Plan is being integrated across the organization.

POLICIES REVIEWED

The following policies were reviewed:

- Code of Practice for Meeting Procedure
- Council Member Allowances and Benefits Policy
- Council Member Training Plan
- Development Act Delegations Policy
- Disposal of Council Land and Other Assets Policy
- Employee Conduct Complaint Resolution Procedure
- Flags Policy
- Fraud and Corruption Prevention Policy
- Indirect Developer Contributions Funds Management Policy
- Informal Gatherings Policy
- Internal Review of a Council Decisions Policy
- Procurement Policy
- Rating Policy
- Service Award for Former Council Members Policy
- Significant Environmental Benefit Policy
- Strategic Partnership Policy
- Transport Infrastructure In-Kind Contributions Policy
- Treasury Management Policy
- Urban Forest Policy
- Volunteer Policy
- Wastewater Accounting Principles Policy
- Whistleblowers Protection Policy.

REPRESENTATION QUOTA

The table below shows a grouping of similar Councils in South Australia using the Australian Classification of Local Governments:

Council	Electors	Total Council Members	Representation Quota	Mayor or Chairperson	Number of Wards	Number of Area Councillors	Aust Classification of Local Government
Onkaparinga	121366	21	5779	M	5	0	UFV
Coober Pedy	1079	9	119	M	0	0	URS
Mt Barker	23429	11	2129	M	3	0	URM
Mt Gambier	19337	11	1757	M	0	0	URS
Pt Augusta	9457	10	945	M	0	0	URS
Pt Lincoln	10342	11	940	M	0	0	URS
Roxby Downs [#]	-	-	-	-	-	-	URS
Whyalla	15221	10	1522	M	0	0	URS

[#]Roxby Downs does not yet have an elected Council UFV – Urban Fringe Very Large URM – Urban Regional Medium URS – Urban Regional Small

REPRESENTATION REVIEW

Council last undertook a Representation Review in 2013 where the only change was Paechtown moving from Central Ward into North Ward.

The timing of the review of the Council composition and wards is determined by the Minister and then Gazetted.

In accordance with the existing provisions in Section 12 of the Local Government Act 1999, the Representation Review process requires Council to review all aspects of the composition of Council including ward boundaries. The process involves the opportunity for community submissions at key stages of the review. The Council is then provided with a report on the consultation and the proposals for any amendment (in any). The report is then submitted to the Electoral Commissioner to determine if the requirements of the review have been satisfied.

LIST OF CODES

The list of Codes required under the Local Government Act is:

- Code of Conduct for Council Members (prescribed by regulation)
- Code of Conduct for Council Employees (prescribed by regulation)
- Code of Practice – (for access to Council Committee Meetings and Documents).

LIST OF REGISTERS

- Register of Interest
- Register of Allowances and Benefits
- Register of Remuneration, Salaries and Benefits
- Register of Community Land
- Register of Public Roads
- Register of By-Laws
- Register of Delegations
- Register of Fees and Charges
- Register of Campaign Donations
- Register of Gifts and Benefits to Council Members
- Register of Gifts and Benefits to Employees.

Top 10

CUSTOMER REQUEST CATEGORIES 2016-2017



SITTING FEES / REMUNERATION

The following sitting fees were paid:

	Per Meeting
Chair of the Community Grants Assessment Committee (Cr Hamilton)	\$150
Chair of the Audit Committee (independent Member)	\$460
Other Independent Audit Committee Members	\$345
Chair of DAP (independent member)	\$450
DAP members (both Council and independent members)	\$380

Council's Auditor for 2016/17 was Dean Newbery & Partners.

Remuneration paid for the annual audit of Council's financial statement was \$ 22,000 ex GST.

Executive Officers Salaries / Benefits are noted below:

Chief Executive Officer	\$239,374
Deputy CEO / General Manager Infrastructure and Projects	\$170,007
Three General Managers each	\$148,777 - 177,477

In addition, oncosts such as superannuation, mobile phone, laptop, Ipad and private use of a vehicle are also provided.

BY-LAW REVIEW

Council's existing By-Laws on:

- Moveable Signs
- Roads
- Local Government Land and
- Dogs

are due to expire on 1 January 2018.

A review of the By-Laws was undertaken and the community were invited to provide feedback.

The key changes involved from the existing by-laws are:

- Reduction of the allowable size of the Moveable Signs
- Addition of allowing overnight camping in the Local Government Land By-Law and Roads By-Law
- Greater ability for Council to make separate policies in relation to the By-Laws (there are none envisaged at this point in time).

Council considered the feedback and the revised By-Laws were made by Council on 5 June 2017 and provided to Parliament to review. If no feedback is received they will come into force on 13 October 2017.



PEOPLE AND CULTURE

The following People and Culture policies and procedures were reviewed or created:

- Probationary Period Review Procedure
- Return to Work Procedure for Non-Work Related Injuries/Illnesses.

As part of Council's commitment to develop our staff and ensure all compliance requirements are met, the following training programs were delivered:

- Driver Awareness
- Stress and Resilience
- Media
- Wellbeing at Work / Mental Health
- Emerging Leaders
- Child Safe Environment.

Council's Organisation Development Strategy involved the development and implementation of various initiatives in the following areas:

- Leadership Development – Design and delivery of a leadership development program targeted at Council's emerging leaders. The program further embedded Council's Leadership Values and Behaviours.
- Customer Service – A comprehensive customer service satisfaction survey was undertaken and feedback received from both community members and internal staff. Organisational development programs will be developed in response to the survey results in 2017/18.

Council implemented a Wellbeing Program where all staff were provided with the opportunity to participate in health assessments, skin cancer screening, audiometric testing, health coaching sessions and yoga.

WORK HEALTH & SAFETY

Council has endorsed a Work Health Safety & Return to Work (RTW) Plan 2017/18 to systematically address the requirements set out in the WHS legislation and the RTWSA Performance Standards for Self-Insurers (PSSI). Key actions are to:

- Review, develop and implement a robust Hazard Management System for the Waste Water team
- Address findings from the 2016 WHS and RTW KPI Audit.

RETURN TO WORK CLAIMS

In 2016/17 Council has had three RTW Claims with two days in lost time.

REBATE / PENALTY SUMMARY

Contributions: 48 month period \$2,205,314

Claims Paid: 48 month period \$491,791

Loss ratio 22%

Rebate entitlement 42.90%

Gross contribution 2016/17 \$650,406

WHS rebate component \$139,512

HAZARD, INJURY & INCIDENT REPORTS

A total of 24 reports have been received for the financial year 2016/17.

- Injury / illness: 5
- Hazard: 2
- Near miss: 6
- All other: 2.



Information and Communications Technology

The following advancements in Information and Communications and Technology were implemented to enhance the protection of information and enable service delivery across all facets of Council including:

- Upgrade to Council's electronic records management software
- Corporate software upgrade further improving mobility and remote access services
- Upgraded computer database system to support a number of essential business systems
- Phase 2 of Council's Computer Network Security upgrade implementing - Next Generation:
 - Firewall
 - Application Whitelisting
 - Advanced Threat Detection
 - Anti-Virus
 - Multi Method Malware and Exploit Protection
- Public Mapping Portal to enhance spatial information availability to the community
- Supported the state government "Internet of Things" (IoT) initiative to deliver to the community enhanced internet connection district wide to control low frequency automated home and industry electronic devices available to the community.

CONTINUOUS BUSINESS IMPROVEMENT AND QUALITY

In Council's ongoing pursuit of continuous business improvement, innovation and quality, the following improvement initiatives aimed at measurably optimising business effectiveness & efficiency have been implemented:

- Design and implementation of an "all of Council business management process" to account for both statutory and non-statutory developer obligations relating to urban growth
- Completion of a review of Council's Customer Request Management (CRM) system and commencement of an all of Council CRM Improvement Project.
- Design and endorsement of a business process articulating a systematic framework for the transparent consideration, governance and execution of Legal Agreements relating to Urban Growth.
- Through innovative use of Council's Geographical Information System and allied corporate software, a process of capture and integration of both textual and spatial data combining financial, strategic, civil, population and urban growth data has been achieved, providing Council with a unique and highly versatile spatial planning tool.

Innovation & Continuous Improvement – Various programs have been identified and commenced implementation coordinated by Council's Continuous Improvement Coordinator. Business Process Improvement Programs including Section 51 of the Development Act process; Capital Infrastructure Business systems; and Electronic Data Customer Request Management system.

COMMITTEES AND DEVELOPMENT ASSESSMENT PANEL

Audit Committee

The Audit Committee met six times this year.

Its purpose is to enquire, observe and then report to Council its concerns and observations that relate to Council operations, policies, risk and compliance. The Audit Committee in turn received regular reports as per its work plan that is derived from its Terms of Reference.

As the term for the existing independent members expired in December 2016 an expression of interest process occurred. The existing independent members were reappointed until December 2020.

Members of the Committee are:

Independent Members: Michael Bails (Chairperson), Chris Howis, Greg Holman

Council Members: Cr Jeff Bettcher and Cr Susan Hamilton

Community Grants Assessment Committee

The Community Grants Assessment Committee met three times this year.

Its purpose is to report to Council appropriate recipients for community grants and discretionary rebates.

Members of the Committee are: Cr Susan Hamilton (Chairperson), Mayor Ann Ferguson, Cr Trevor Keen, Cr Debs Buchmann.

Strategic Planning Development Policy Committee

Members of the Committee are: Cr Lindsay Campbell (Chairperson), Mayor Ferguson, Cr Greg Morrison, Cr Ian Grosser, Cr Trevor Keen, Cr Jeff Bettcher, Cr Susan Hamilton and Cr Debs Buchmann.

The passing of the new Planning Development and Infrastructure Act has resulting in the suspending of new Development Plan Amendments with a subsequent reduction in the need for the Strategic Planning and Development Policy Committee to meet. It should also be noted that the new Act does not have the requirement for a SPDPC or similar committee.

Development Assessment Panel (DAP)

The DAP met twelve times this year and considered 18 reports:

- 6 merit applications
- 12 non-complying applications
- 4 were granted development plan consent
- 11 were granted development plan consent subject to Development Assessment Commission concurrence
- 1 was refused
- 2 were deferred.

DAP acts as a delegate of the Council in accordance with Part 4 of the Development Act 1993 and Regulations 2008. It can also provide reports to Councils on planning or development matters.

Members of the DAP were: Roger Freeman (Presiding Member), Mike Canny (Deputy Presiding Member), Ross Bateup, Dr Lissa van Camp, Harry Seager, Roger Irvine and Carol Bailey.



Wine Festival

CONFIDENTIAL ITEMS TO COUNCIL AND COMMITTEE

The following confidential orders were made:

Order made under 90(3)(a)

- a) Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)

Section 91(7) Order

15 Aug 16	Rate Relief Remission – Long Term Debt Echunga	Yes
15 Aug 16	Rate Relief Remission – Long Term Debt Mt Barker Springs	Yes
15 Aug 16	Rate Relief Remission – Long Term Debt Saint Ives	Yes
5 Sept 16	CEO's Review	Yes

Orders made under 90(3)(b)

- (b) Information the disclosure of which:

Could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting or proposing to conduct, business or to prejudice the commercial position of the Council.

Section 91(7) Order

4 July 16	Proposed Sale of Portions of Unmade road known as Haines Road Mount Barker	Yes
17 Oct 16	Mount Barker city Centre Land Strategy	Yes
16 Jan 17	Public Lighting Services Business Case	Yes
5 June 17	Strategic Land Parcel	Yes

Orders made under 90(3)(b) & (d)

- (b) Information the disclosure of which:

Could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting or proposing to conduct, business or to prejudice the commercial position of the Council.

- (d) Commercial information of a confidential nature (not being a trade secret) the disclosure of which:

- Could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- Would on balance, be contrary to the public interest.

Section 91(7) Order

4 July 16	Adelaide Hills Recreation Centre Contract Extension with YMCA	Yes
-----------	---	-----

Orders made under 90(3)(h)

- (h) Legal advice

Section 91(7) Order

1 May 17	Adelaide Hills Region Waste Management Authority	Yes
----------	--	-----



Tai Chi at the Market

The following confidential items were revoked during the financial year:

DATE	TOPIC
20/2/12	Monarto Quarries Expression of Interest
19/3/12	Monarto Quarries Expression of Interest
2/10/12	Monarto Quarries Expression of Interest
4/8/14	Monarto Quarries Expression of Interest
1/9/14	Proposed Road Closure and Sale of Land
21/9/15	CEOs Annual Performance Review
21/12/15	Recycled Water Supply Agreement
18/4/16	Aquatic Facility Site Investigations
15/8/16	Rate Relief / Remission Long Term Debt Saint Ives

Part of the following confidential orders were revoked during the financial year:

DATE	TOPIC
6/6/16	Mt Barker Tourist Park
5/9/16	CEOs Annual Performance Review
17/10/16	Mt Barker City Centre Land Strategy
1/5/17	Adelaide Hills Region Waste Management Authority

24 items remain operative or part operative at the end of the financial year as listed below (excluding orders made before November 2010):

DATE	TOPIC
3/12/12	Adelaide Hills Region Waste Management Authority (AHRWMA)
17/6/13	October 2008 Ombudsman's report
17/6/13	December 2008 Ombudsman's report
17/6/13	2009 Ombudsman's report
16/12/13	AHRWMA
16/12/13	Outcome of First Stage Office and Multi-level Carpark EOI

23/6/14	Multi-Deck Car Park & Council Office Accommodation
18/5/15	Regional Tender for Waste, Recycling, Green Organics & Street Litter Bin Collection Services for Recycling /Green Organics Processing Services
7/9/15	Mount Barker Town Centre Commercial Strategies Update
19/10/15	Mount Barker Town Centre Land Strategy
21/12/15	Mount Barker Town Centre Land Strategy
15/2/16	The Cedars Marketing & Pre-Feasibility Study
21/3/16	Council Wastewater Services New Customer
6/6/16	Mount Barker Tourist and Caravan Park
6/6/16	AHRWMA – Offer from Resource Co
4/7/16	Adelaide Hills Recreation Contract Extension with YMCA
4/7/16	Proposed Sale of Portion of Unmade road known as Haines Road Mt Barker
15/8/16	Rate Relief Remission – Long Term Debt Echunga
15/8/16	Rate Relief Remission – Long Term Debt Mt Barker Springs
5/9/16	CEOs Annual Performance Review
17/10/16	Mt Barker City Centre Land Strategy
16/1/17	Public Lighting Services Business Case
1/5/17	Adelaide Hills Region Waste Management Authority
5/6/17	Strategic Land Parcel

CONFIDENTIAL ITEM – AUDIT COMMITTEE

Orders made under 90(3)(b)

- (b) Information the disclosure of which:
Could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting or proposing to conduct, business or to prejudice the commercial position of the Council.

		Section 91(7) Order
17 Oct 16	Meeting with the Auditors	No

Orders made under 90(3)(k)

Tenders for the supply of goods, the provision of services or the carrying out of works

		Section 91(7) Order
24 Apr 17	Appointment of an External Auditor	Yes



Laratinga Wetlands

NATIONAL COMPETITION POLICY

The following statement has been prepared in accordance with the reporting requirements of Clause 7 Statement on the application of competition principles to Local Government under the Competition Principles Agreement.

The Council ceased its business activity known as Monarto Quarries.

Competitive neutrality measures applied to each significant business activity has continued.

Council recently reviewed its By-Laws. The By-laws related to Moveable Signs, Local Government Land and Roads have potential to restrict competition, however the benefits outweigh that potential.

Category 1

Category 1 applies to business activities with annual revenue in excess of \$2 million or employing assets with a value in excess of \$20 million which includes:

- Community Wastewater Management Scheme (CWMS)

Category 2

Category 2 applies to all other significant business activities which includes:

- Mount Barker Tourist Park
- Windmill Hill Waste Transfer Station
- Adelaide Hills Recreation Centre
- Various Council owned building / properties which are leased

No complaints were received and therefore none were referred to the State Competition Commissioner.

EFFECTIVE MANAGEMENT AND FINANCIAL SUSTAINABILITY

Council has engaged Bentleys to conduct an independent internal audit program based on a risk based plan endorsed by the Audit Committee.

There has been a number of continuous improvement recommendations that have been made and implemented with regular oversight of progress from the Audit Committee.



COMPETITIVE TENDERS

Numerous and various competitive tenders undertaken including:

- Management of the Mount Barker Caravan & Tourist Park
- Roads to Recovery for Kanmantoo
- Linemarking
- Beerenberg Trail Construction
- Printing Services
- Gutter Cleaning Council Buildings
- Nairne Soldiers Memorial Hall Upgrade
- Mount Barker Oval Lighting Upgrade
- Adelaide Hills Hockey Club Lighting Upgrade.

FINANCIAL STATEMENTS



CONTENTS

MOUNT BARKER DISTRICT COUNCIL GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017	53
---	----

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY ANNUAL REPORT	107
--	-----

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION ANNUAL REPORT	153
---	-----



MOUNT BARKER DISTRICT COUNCIL

Mount Barker District Council
General Purpose Financial Statements
For the year ended 30 June 2017



MOUNT BARKER DISTRICT COUNCIL**General Purpose Financial Statements**
for the year ended 30 June 2017

Contents	Page
1. Council Certificate	2
2. Understanding Council's Financial Statements	3
3. Primary Financial Statements:	
- Statement of Comprehensive Income	4
- Statement of Financial Position	5
- Statement of Changes in Equity	6
- Statement of Cash Flows	7
4. Notes to the Financial Statements	8
5. Independent Auditor's Report - Financial Statements	46
6. Independent Auditor's Report - Internal Controls	48
7. Certificates of Audit Independence	
- Council Certificate of Audit Independence	50
- Audit Certificate of Audit Independence	51

MOUNT BARKER DISTRICT COUNCIL**General Purpose Financial Statements**
for the year ended 30 June 2017**Certification of Financial Statements**

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Andrew Stuart
CHIEF EXECUTIVE OFFICER



Ann Ferguson
MAYOR

Date: 19th October 2017

MOUNT BARKER DISTRICT COUNCIL

General Purpose Financial Statements for the year ended 30 June 2017

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true & fair view" of the Council's financial results for the year, and ensuring both responsibility for and ownership of the Financial Statements across Council.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2017.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income & expenses.

2. A Balance Sheet

A 30 June snapshot of Council's financial position including its assets & liabilities.

3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

MOUNT BARKER DISTRICT COUNCIL

Statement of Comprehensive Income

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Income			
Rates Revenues	2a	35,264	32,398
Statutory Charges	2b	1,190	1,182
User Charges	2c	2,580	2,218
Grants, Subsidies and Contributions	2g	3,834	2,503
Investment Income	2d	177	127
Reimbursements	2e	486	735
Other Income	2f	416	544
Total Income		43,947	39,707
Expenses			
Employee Costs	3a	14,409	13,238
Materials, Contracts & Other Expenses	3b	19,278	17,165
Depreciation, Amortisation & Impairment	3c	8,390	8,315
Finance Costs	3d	348	264
Net loss - Equity Accounted Council Businesses	19	272	120
Total Expenses		42,697	39,102
Operating Surplus / (Deficit)		1,250	605
Asset Disposal & Fair Value Adjustments	4	(1,629)	(1,813)
Amounts Received Specifically for New or Upgraded Assets	2g	5,463	2,672
Physical Resources Received Free of Charge	2i	10,274	3,457
Net Surplus / (Deficit) ¹		15,358	4,921
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	6,672	12,931
Total Other Comprehensive Income		6,672	12,931
Total Comprehensive Income		22,030	17,852

¹ Transferred to Equity Statement

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 4

MOUNT BARKER DISTRICT COUNCIL

Statement of Financial Position as at 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	11,465	5,983
Trade & Other Receivables	5b	4,739	2,726
Inventories	5c	3	9
Total Current Assets		16,207	8,718
Non-Current Assets			
Financial Assets	6a	1,515	18
Equity Accounted Investments in Council Businesses	6b	384	656
Infrastructure, Property, Plant & Equipment	7a	490,496	477,227
Other Non-Current Assets	6c	2,944	2,081
Total Non-Current Assets		495,339	479,982
TOTAL ASSETS		511,546	488,700
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	5,023	3,932
Borrowings	8b	199	223
Provisions	8c	1,989	1,988
Total Current Liabilities		7,211	6,143
Non-Current Liabilities			
Borrowings	8b	7,251	7,494
Provisions	8c	381	390
Total Non-Current Liabilities		7,632	7,884
TOTAL LIABILITIES		14,843	14,027
Net Assets		496,703	474,673
EQUITY			
Accumulated Surplus		176,359	166,154
Asset Revaluation Reserves	9a	304,548	297,876
Other Reserves	9b	15,796	10,643
Total Council Equity		496,703	474,673

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 5

MOUNT BARKER DISTRICT COUNCIL

Statement of Changes in Equity
for the year ended 30 June 2017

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2017					
Balance at the end of previous reporting period		166,154	297,876	10,643	474,673
Restated Opening Balance		166,154	297,876	10,643	474,673
a. Net Surplus / (Deficit) for Year		15,358	-	-	15,358
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	6,672	-	6,672
Other Comprehensive Income		-	6,672	-	6,672
Total Comprehensive Income		15,358	6,672	-	22,030
c. Transfers between Reserves		(5,153)	-	5,153	-
Balance at the end of period		176,359	304,548	15,796	496,703
2016					
Balance at the end of previous reporting period		160,545	284,945	11,331	456,821
Restated Opening Balance		160,545	284,945	11,331	456,821
a. Net Surplus / (Deficit) for Year		4,921	-	-	4,921
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	12,931	-	12,931
Other Comprehensive Income		-	12,931	-	12,931
Total Comprehensive Income		4,921	12,931	-	17,852
c. Transfers between Reserves		688	-	(688)	-
Balance at the end of period		166,154	297,876	10,643	474,673

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 6

MOUNT BARKER DISTRICT COUNCIL

Statement of Cash Flows for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Cash Flows from Operating Activities			
Receipts			
Operating Receipts		42,043	41,798
Investment Receipts		177	127
Payments			
Operating Payments to Suppliers and Employees		(32,861)	(30,537)
Finance Payments		(348)	(264)
Net Cash provided by (or used in) Operating Activities	11b	9,011	11,124
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		5,463	2,672
Sale of Replaced Assets	4	362	233
Sale of Surplus Assets	4	810	175
Repayments of Loans by Community Groups		-	3
Payments			
Expenditure on Renewal/Replacement of Assets		(4,636)	(5,989)
Expenditure on New/Upgraded Assets		(3,741)	(5,034)
Loans Made to Community Groups		(1,497)	-
Net Cash provided by (or used in) Investing Activities		(3,239)	(7,940)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Bonds & Deposits		-	14
Payments			
Repayments of Borrowings		(267)	(381)
Repayment of Bonds & Deposits		(23)	-
Net Cash provided by (or used in) Financing Activities		(290)	(367)
Net Increase (Decrease) in Cash Held		5,482	2,817
plus: Cash & Cash Equivalents at beginning of period	11	5,983	3,166
Cash & Cash Equivalents at end of period	11	11,465	5,983

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

page 7

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	9
2	Income	15
3	Expenses	18
4	Asset Disposal & Fair Value Adjustments	19
	Current Assets	
5a	Cash & Cash Equivalents	20
5b	Trade & Other Receivables	20
5c	Inventories	20
	Non-Current Assets	
6a	Financial Assets	21
6b	Equity Accounted Investments in Council's Businesses	21
6c	Other Non-Current Assets	21
	Fixed Assets	
7a	Infrastructure, Property, Plant & Equipment	22
7b	Valuation of Infrastructure, Property, Plant & Equipment	23
	Liabilities	
8a	Trade & Other Payables	27
8b	Borrowings	27
8c	Provisions	27
	Reserves	
9a	Asset Revaluation Reserve	28
9b	Other Reserves	28
10	Assets Subject to Restrictions	29
11	Reconciliation to Statement of Cashflows	30
12a	Functions	31
12b	Components of Functions	32
13	Financial Instruments	33
14	Commitments for Expenditure	36
15	Financial Indicators	37
16	Uniform Presentation of Finances	39
17	Operating Leases	40
18	Superannuation	41
19	Interests in Other Entities	42
20	Non Current Assets Held for Sale & Discontinued Operations	42
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	43
22	Events After the Balance Sheet Date	44
23	Related Party Transactions	44

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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 on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 6 November 2017.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

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

2 The Local Government Reporting Entity

Mount Barker District Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 6 Dutton Road, Mt Barker, SA 5251. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income Recognition

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

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

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2014/15	\$2,861,238	\$2,213,106	\$648,132
2015/16	\$562,285	\$1,207,494	(\$645,209)
2016/17	\$1,840,328	\$1,214,131	\$626,197

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

5.1 Real Estate Assets Developments

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

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

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

5.2 Other Real Estate Held for Resale

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Furniture, Plant & Equipment	\$5,000
Buildings - new construction/extensions	\$10,000
Recreation & Other Structures	\$5,000
Road construction & reconstruction	\$5,000
Paving & Footpaths, Kerb & Gutter	\$5,000
Stormwater Drainage	\$5,000
Wastewater & Water Assets	\$5,000

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

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

Building & Other Structures	20 to 300 years
Road Assets	20 to 300 years
Footpaths	10 to 150 years
Bridges	80 to 100 years
Wastewater	5 to 100 years
Drainage	80 to 120 years
Plant, Furniture & Equipment	5 to 20 years

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other 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 inflows or value in use).

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

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted avg. discount rate 0.35% (2016, 0.27%)
Weighted avg. settlement period 0.52 years (2016, 0.52 years)

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is

funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

11 Leases

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

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

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

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

12 Construction Contracts

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

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

13 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

14 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.

15 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Mount Barker District Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of*

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 13 February 2017

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

Effective for annual reporting periods beginning on or after 13 December 2017

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* AASB 1057 *Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*

- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*

16 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

17 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income

\$ '000	Notes	2017	2016
(a). Rates Revenues			
General Rates			
General Rates		25,862	24,334
Less: Mandatory Rebates		(356)	(306)
Less: Discretionary Rebates, Remissions & Write Offs		(34)	(32)
Total General Rates		25,472	23,996
Other Rates (Including Service Charges)			
Wastewater		5,221	4,811
Refuse		2,628	2,508
Natural Resource Management Levy		1,433	616
Mount Barker Separate Rate		115	115
Hahndorf Separate Commerce Rate		95	96
Meadows Water Supply		15	15
Water Supply		6	4
Total Other Rates		9,513	8,165
Other Charges			
Penalties for Late Payment		183	162
Legal & Other Costs Recovered		96	75
Total Other Charges		279	237
Total Rates Revenues		35,264	32,398
(b). Statutory Charges			
Building & Development Act Regulatory Fees		521	566
Animal Registration Fees & Fines		289	272
Septic Tank Inspection Fees		174	142
Parking Fines / Expiation Fees		74	88
Sundry		132	114
Total Statutory Charges		1,190	1,182
(c). User Charges			
Mount Barker Tourist Park		849	771
Sale of Reclaimed Water		712	498
Waste Dumping Fees		497	404
Rental of Council Facilities		422	421
Monarto Quarries		3	17
Sundry		97	107
Total User Charges		2,580	2,218

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(d). Investment Income			
- Local Government Finance Authority		122	79
- Banks & Other		54	47
- Loans to Community Groups		1	1
Total Investment Income		177	127
(e). Reimbursements			
Library		254	289
Immunisation		35	46
Landfill		2	31
Sundry		195	369
Total Reimbursements		486	735
(f). Other Income			
Contributions and Donations		187	317
Insurance & Other Recoupments - Infrastructure, IPP&E		88	56
Sundry		141	171
Total Other Income		416	544
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		5,463	2,672
Other Grants, Subsidies and Contributions		3,208	2,503
Individually Significant Item - Additional Grants Commission Payment (refer below)		626	-
Total Grants, Subsidies, Contributions		9,297	5,175
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
State Government		2,440	1,372
Commonwealth Government		1,441	1,409
Other		5,416	2,394
Total		9,297	5,175
(ii) Individually Significant Items			
Grant Commission (FAG) Grant Recognised as Income		626	-

Refer to Note 1 for details of Grant Commission (FAG) grant payment recognised as income.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(h). Conditions over Grants & Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		4,787	1,177
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(20)	-
Recreation Infrastructure		-	(500)
Other		(991)	(340)
Subtotal		(1,011)	(840)
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		1,457	2,921
Recreation Infrastructure		923	26
Other		3,344	1,503
Subtotal		5,724	4,450
Unexpended at the close of this reporting period		9,500	4,787
Net increase (decrease) in assets subject to conditions in the current reporting period		4,713	3,610
(i). Physical Resources Received Free of Charge			
Roads, Bridges & Footpaths		4,504	1,402
Stormwater Drainage		2,508	674
Wastewater		1,729	602
Land & Improvements		1,314	779
Recycled Water		219	-
Total Physical Resources Received Free of Charge		10,274	3,457

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 3. Expenses

\$ '000	Notes	2017	2016
(a). Employee Costs			
Salaries and Wages		11,582	10,590
Employee Leave Expense		1,631	1,747
Superannuation	18	787	686
Superannuation - Defined Benefit Plan Contributions	18	421	463
Workers' Compensation Insurance		327	303
Other		220	190
Less: Capitalised and Distributed Costs		(559)	(741)
Total Operating Employee Costs		14,409	13,238
Total Number of Employees (full time equivalent at end of reporting period)		156	150
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		662	666
Elected Members' Expenses		246	245
Bad and Doubtful Debts		187	95
Auditor's Remuneration			
- Auditing the Financial Reports		22	29
Election Expenses		9	9
Subtotal - Prescribed Expenses		1,126	1,044
(ii) Other Materials, Contracts and Expenses			
Contractors		5,305	4,498
Waste Collection & Disposal		2,223	2,171
Parts, Accessories & Consumables		1,692	1,573
Levies Paid to Government - NRM levy		1,425	609
Energy		935	884
Septic Tank Clean Outs		424	415
Street Lighting		424	402
Water		185	204
Professional Services		166	159
Legal Expenses		107	151
Sundry		5,317	5,284
Less: Capitalised and Distributed Costs		(51)	(229)
Subtotal - Other Material, Contracts & Expenses		18,152	16,121
Total Materials, Contracts and Other Expenses		19,278	17,165

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
- Road Assets		3,764	3,836
- Wastewater		1,082	1,050
- Furniture, Plant & Equipment		735	790
- Recreation & Open Space		591	578
- Footpaths		518	495
- Drainage		507	522
- Buildings & Other Structures		466	379
- Bridges		345	339
- Recycled Water		187	183
Subtotal		8,195	8,172
(ii) Impairment			
Capital Work in Progress		195	143
Subtotal		195	143
Total Depreciation, Amortisation and Impairment		8,390	8,315
(d). Finance Costs			
Interest on Loans		348	264
Total Finance Costs		348	264

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced

Proceeds from Disposal		362	233
Less: Carrying Amount of Assets Sold	7	(1,921)	(2,072)
Gain (Loss) on Disposal		(1,559)	(1,839)

(ii) Assets Surplus to Requirements

Proceeds from Disposal		810	175
Less: Carrying Amount of Assets Sold	7	(880)	(149)
Gain (Loss) on Disposal		(70)	26

Net Gain (Loss) on Disposal or Revaluation of Assets		(1,629)	(1,813)
---	--	----------------	----------------

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

Note 5. Current Assets

\$ '000	Notes	2017	2016
(a). Cash & Cash Equivalents			
Deposits at Call		9,106	3,769
Cash on Hand at Bank		2,359	2,214
Total Cash & Cash Equivalents		11,465	5,983
(b). Trade & Other Receivables			
Rates - General & Other		1,375	1,309
GST Recoupment		292	279
Prepayments		137	135
Accrued Revenues		37	212
Loans to Community Organisations		3	3
Sundry		3,082	877
Subtotal		4,926	2,815
Less: Allowance for Doubtful Debts		(187)	(89)
Total Trade & Other Receivables		4,739	2,726
Amounts included in receivables that are not expected to be received within 12 months of reporting date.			
Private Works		60	120
(c). Inventories			
Stores & Materials - Fuel		3	6
Trading Stock - Quarries		-	3
Total Inventories		3	9

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 6. Non-Current Assets

\$ '000	Notes	2017	2016
(a). Financial Assets			
Receivables			
Loans to Community Organisations		15	18
Loan - Hans Heysen Foundation - "The Cedars"		1,500	-
Total Receivables		1,515	18
(b). Equity Accounted Investments in Council Businesses			
Adelaide Hills Regional Waste Management Authority	19	384	656
Total Equity Accounted Investments in Council Businesses		384	656
(c). Other Non-Current Assets			
Capital Works-in-Progress		2,944	2,081
Total Other Non-Current Assets		2,944	2,081

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 7a. Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2016				Asset Movements during the Reporting Period						as at 30/6/2017			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
						New / Upgrade	Renewals								
- Bridges	3	29,368	719	6,056	24,031	756	102	(89)	(345)	-	2,805	34,491	-	7,230	27,261
- Buildings & Other Structures	3	49,505	427	7,027	42,905	214	191	(1,068)	(466)	-	-	48,272	782	7,277	41,777
- Drainage	3	42,505	3,160	9,804	35,861	2,815	-	(5)	(507)	-	3,867	54,081	-	12,050	42,031
- Footpaths	3	19,579	471	3,765	16,285	1,006	222	(43)	(518)	-	-	20,069	1,097	4,215	16,961
- Furniture, Plant & Equipment	3	-	7,910	3,738	4,172	-	796	(398)	(735)	-	-	-	7,491	3,655	3,836
- Land - Community	3	64,635	-	-	64,635	-	-	-	-	-	-	22,080	66	-	22,146
- Land - Other	2	17,139	5,012	-	22,151	1,330	-	(393)	-	-	-	60,566	5,012	-	65,578
- Recreation & Open Space	3	14,909	4,856	6,380	13,385	230	53	(107)	(591)	-	-	14,717	5,139	6,886	12,970
- Recycled Water	3	12,367	28	754	11,641	293	-	-	(187)	150	-	12,735	102	967	11,870
- Road Assets	3	227,434	-	45,302	182,132	4,942	2,503	(697)	(3,764)	-	-	228,871	4,300	48,053	185,118
- Wastewater	3	79,247	986	20,204	60,029	1,843	294	(3)	(1,082)	(150)	-	80,822	1,394	21,258	60,958
Total Infrastructure, Property, Plant & Equipment		556,688	23,569	103,030	477,227	13,429	4,162	(2,801)	(8,195)	-	6,672	576,704	25,383	111,591	490,496
Comparatives		525,904	30,703	96,578	460,029	8,647	6,015	(2,221)	(8,172)	-	12,931	556,688	23,569	103,030	477,227

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

\$ '000

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

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

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

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land & Land Improvements

Council being of the opinion that it is not possible to attribute value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Land - Level 2, Council officers applied the market approach for valuation of non specialised land, the market value was deemed to be as per the Valuer General values as at 30 June 2015 or where material valuation information inputs were available such as recent sales of similar land parcel this input was applied.

Additions in the current year are held at cost.

Land - Level 3, Land which is subject to restriction for its use or sale. ie Community Land, etc or land where there is no active market such as Drainage Reserves or subject to Community Service Obligations. Land assets revaluation was undertaken by Council officers using the Valuer Generals values as at 30 June 2015.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Buildings & Other Structures

Councils Buildings and other structures were revalued at 30th June 2014 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use. The valuation technique applied was the depreciated replacement cost approach. The valuation has been indexed at 30th June 2015 based on the Rawlinson's 'Australian Construction Handbook 2015' estimated comparative rates for Adelaide. Unobservable inputs have been utilised and therefore these assets are classified as level 3.

Infrastructure

For the purpose of AASB 13 Fair value Measurement, Council has determined classes of infrastructure and level of fair value hierarchy to be Level 3. Level 3 inputs have been applied to these classes of assets as there are no relevant observable inputs (Markets) available and other unobservable inputs have been utilised such as estimates of useful lives, residual values and asset conditions. Therefore these assets are classified as level 3.

Recreation and Open Space Assets were valued by Council officers at depreciated current replacement costs during the reporting period ending 30 June 2013. The values have been adjusted based on Rawlinson's 'Australian Construction Handbook 2013' estimated comparative rates for Adelaide. All additions post 30 June 2013 are held at cost.

Road Assets were revalued as at the 30th June 2016 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use. All additions post 30th June 2016 are held at cost.

All Road infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

Bridges Assets were revalued on a desktop valuation basis as at the 30th June 2017 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Bridge infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Infrastructure (continued)

Footways Assets were valued by Council officers at depreciated current replacement costs during the reporting period ending 30 June 2013. Available Current prices for materials and labour, the value of each being based on recent experience of Mount Barker District Council, and benchmarked with Rawlinson's 'Australian Construction Handbook 2013' comparative rates for Adelaide. All additions post 30 June 2013 are held at cost. A revaluation of Footway infrastructure assets is scheduled for the period ending 30 June 2018.

Wastewater Assets were revalued as at the 30th June 2015 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Wastewater infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. All additions post 30 June 2015 are held at cost.

Recycled Water Assets were revalued as at the 30th June 2015 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

Recycled water infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. All additions post 30 June 2015 are held at cost.

Drainage Assets were revalued as at the 30th June 2016 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Drainage infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

All acquisitions made after the respective dates are recorded at cost.

Furniture, Plant & Equipment

These assets are recognised on a cost basis.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 8. Liabilities

\$ '000	Notes	2017	2017	2016	2016
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		2,778	-	1,911	-
Accrued Expenses - Employee Entitlements		1,493	-	1,562	-
Payments Received in Advance		325	-	41	-
Deposits, Retentions & Bonds		239	-	262	-
Accrued Expenses - Other		188	-	156	-
Total Trade and Other Payables		5,023	-	3,932	-
(b). Borrowings					
Loans - LGFA		199	7,251	223	7,494
Total Borrowings		199	7,251	223	7,494
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements (including oncosts)		1,989	381	1,988	390
Total Provisions		1,989	381	1,988	390

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(a). Asset Revaluation Reserve					
- Road Assets	136,037	-	-	-	136,037
- Land - Community	50,271	-	-	-	50,271
- Buildings & Other Structures	35,628	-	-	-	35,628
- Wastewater	23,024	-	-	-	23,024
- Bridges	19,442	2,805	-	-	22,247
- Land - Other	10,569	-	-	-	10,569
- Drainage	5,706	3,867	-	-	9,573
- Footpaths	7,907	-	-	-	7,907
- Recreation & Open Space	6,594	-	-	-	6,594
- Recycled Water	2,700	-	-	-	2,700
Total Asset Revaluation Reserve	297,877	6,672	-	-	304,549
Comparatives	284,945	12,931	-	-	297,877

\$ '000	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2017
(b). Other Reserves					
Wastewater Maintenance Reserve	3,085	5,890	(5,078)	-	3,897
Indirect Developer Contributions	2,901	435	(37)	-	3,299
Wastewater Infrastructure Fee	1,492	1,959	(454)	-	2,997
Refuse Reserve	883	273	-	-	1,156
MDPA Recreation & Open Space	157	911	-	-	1,068
MDPA Transport	-	1,063	-	-	1,063
Infrastructure Fund	705	11	-	-	716
Car Park Reserve	301	-	-	-	301
Open Space Development	238	-	-	-	238
Other Reserves	881	240	(60)	-	1,061
Total Other Reserves	10,643	10,781	(5,628)	-	15,796
Comparatives	11,331	3,894	(4,582)	-	10,643

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

Wastewater Reserves

Wastewater maintenance reserve - Surplus Wastewater service charges raised for the specific purpose of establishing, operating, maintaining, improving and replacing (including by future capital works and depreciation of assets) as per Section 155 of the Local Government Act 1999, LGA Costing Principles for Local Government and ESCOSA Principles.

Wastewater Infrastructure fee reserve - Surplus Wastewater connection fee funds specifically for capital expansion of the Wastewater network.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 9. Reserves

\$ '000

Refuse Reserve

Surplus refuse service charges raised for the specific purpose of maintaining the Council's domestic rubbish collection requirement.

Infrastructure Reserve

A percentage of budgeted general rate for future Infrastructure which is reviewed by Council on an annual basis.

Open Space Development

Capital grants from State Government and developers for the development of open space.

Car Park Reserve

Developers capital contribution for the purpose of car parking facilities.

Indirect Developer Contributions

Developers capital contribution for the development of infrastructure within Mt Barker precinct.

MDPA Recreation & Open Space Reserve

Developer contributions which contribute to Recreation, Sport and Community Infrastructure required due to growth within the 2010 Mount Baker Urban Growth DPA.

MDPA Transport Infrastructure Reserve

Developer contributions which contribute to Transport Infrastructure required due to growth within the 2010 Mount Baker Urban Growth DPA.

Note 10. Assets Subject to Restrictions

\$ '000

Notes

2017

2016

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

Cash & Financial Assets

Unexpended amounts received from Federal Government

Open Space Contributions	238	238
Developer Contributions	155	180
DPTI State Bicycle Fund Shared Path	-	20
Total Cash & Financial Assets	393	438

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2017	2016
---------	-------	------	------

(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 Balance Sheet as follows:

Total Cash & Equivalent Assets	5	11,465	5,983
Balances per Statement of Cash Flows		11,465	5,983

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

Net Surplus/(Deficit)		15,358	4,921
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		8,390	8,315
Equity Movements in Equity Accounted Investments (Increase)/Decrease		272	120
Non-Cash Asset Acquisitions		(10,274)	(3,457)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(5,463)	(2,672)
Net (Gain) Loss on Disposals		1,629	1,813
		9,912	9,040
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(2,111)	2,098
Change in Allowances for Under-Recovery of Receivables		(98)	(89)
Net (Increase)/Decrease in Inventories		6	6
Net (Increase)/Decrease in Other Current Assets		196	178
Net Increase/(Decrease) in Trade & Other Payables		1,114	(1)
Net Increase/(Decrease) in Unpaid Employee Benefits		(8)	103
Net Increase/(Decrease) in Other Provisions		-	(211)
Net Cash provided by (or used in) operations		9,011	11,124

(c). Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	10,274	3,457
Amounts recognised in Income Statement		10,274	3,457
Total Non-Cash Financing & Investing Activities		10,274	3,457

(d). Financing Arrangements

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

Corporate Credit Cards	150	150
LGFA Cash Advance Debenture Facility	10,378	13,010

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
\$ '000										
Rates	27,458	25,101	2,674	1,795	24,783	23,307	49	12	-	-
Wastewater & Recycled Water	5,998	5,363	5,535	4,873	463	490	-	-	72,829	71,670
Field Services	2,375	1,856	8,651	7,265	(6,276)	(5,409)	2,139	1,272	271,360	258,309
Commercial Assets	862	831	1,025	907	(163)	(76)	9	9	-	-
Community & Customer Services	1,445	1,532	4,325	5,258	(2,880)	(3,727)	1,102	1,043	-	-
Corporate Services	1,284	516	2,353	1,430	(1,070)	(914)	119	33	17,722	8,736
Health & Public Safety	677	605	1,741	1,708	(1,064)	(1,103)	123	33	-	-
Planning Policy & Development	596	590	5,245	4,251	(4,648)	(3,662)	186	42	-	-
Infrastructure & Projects	-	304	1,310	1,930	(1,310)	(1,626)	20	14	-	-
Asset Management	75	53	6,662	6,668	(6,587)	(6,615)	87	45	149,251	149,329
Waste Management	3,179	2,955	2,904	2,897	274	59	-	-	384	656
Total Functions/Activities	43,947	39,707	42,426	38,982	1,522	725	3,834	2,503	511,546	488,700

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

RATES

General, separate & other rates.

CORPORATE SERVICES

Chief Executive Officer, Information Communication & Technology, Financial Services, Records & Information Management, People & Culture, Governance & Administration.

ASSET MANAGEMENT

Asset Management, Contracts, Procurement & Depreciation of Assets.

COMMUNITY & CUSTOMER SERVICES

Library, Home & Community Care, Community Development, Family & Children, Customer Services, Hills Community Transport, Community Bus, Aged & Disabled Persons Homes & Marketing.

FIELD SERVICES

Works Depot, Street Cleaning, Sealed & Unsealed Roads, Bridges, Footways, Traffic Management, Vandalism, Cemeteries, Parks & Gardens & Sporting Facilities. Property Management, Halls & Civic Centres, Public Conveniences, Fire Prevention & Stormwater.

PLANNING & STRATEGIC DEVELOPMENT

Planning Policy & Development Assessment, Building Act, Strategic Planning & Economic Development, Open Space. Visitor Information Centre & Tourism.

HEALTH & PUBLIC SAFETY

Animal Control, Health Inspection, Immunisation, Impounding Livestock, Council By Laws & Parking.

INFRASTRUCTURE & PROJECTS

Project Management, Engineering, Major Capital Works.

WASTEWATER

Water Supply, Community Waste Water Management Schemes, Sewage & Recycled Water.

COMMERCIAL ASSETS

Monarto Quarries, Caravan Park & Pool.

WASTE MANAGEMENT

Sanitary & Garbage, Refuse Management & Adelaide Hills Regional Waste Management Authority Equity

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates at an average interest rate of 1.51% (2016: 1.96%). Short term deposits are held either in LGFA or NAB at call deposit accounts.

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 7% (2016: 7.25%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Liabilities

Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, Fixed borrowings are repayable by two instalments annually; interest is charged at a fixed rate of 4.75% (2016: 4.75%). Variable interest Cash advance loans are drawdown for short term cash requirements and are charged at a variable interest rate.

Carrying Amount:

Approximates fair value.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2017					
<u>Financial Assets</u>					
Cash & Equivalents	11,465	-	-	11,465	11,465
Receivables	6,266	60	-	6,326	6,080
Total Financial Assets	17,731	60	-	17,791	17,545
<u>Financial Liabilities</u>					
Payables	4,698	-	-	4,698	4,698
Current Borrowings	468	-	-	468	199
Non-Current Borrowings	-	1,872	8,067	9,939	7,251
Total Financial Liabilities	5,166	1,872	8,067	15,105	12,148
2016					
<u>Financial Assets</u>					
Cash & Equivalents	5,983	-	-	5,983	5,983
Receivables	2,397	120	-	2,517	2,397
Total Financial Assets	8,380	120	-	8,500	8,380
<u>Financial Liabilities</u>					
Payables	3,891	-	-	3,891	3,891
Current Borrowings	502	-	-	502	223
Non-Current Borrowings	-	1,872	8,579	10,451	7,494
Total Financial Liabilities	4,393	1,872	8,579	14,844	11,608

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	3.77%	1,732	4.22%	1,775
Fixed Interest Rates	4.75%	5,718	4.76%	5,942
		7,450		7,717

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.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

Note 14. Commitments for Expenditure

\$ '000

Notes

2017

2016

(a). Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Infrastructure	3,761	3,342
Furniture, Plant & Equipment	494	21
Recreation	-	1,500
	4,254	4,863

These expenditures are payable:

Not later than one year	4,254	4,863
	4,254	4,863

(b). Finance Lease Commitments

Council has no Finance Leases.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2017	2017	2016	2015

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	1,250			
Total Operating Revenue	43,947	2.8%	1.5%	1.6%

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

1a. Adjusted Operating Surplus Ratio

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

624			
43,947	1.4%	1.5%	(0.0%)

2. Net Financial Liabilities Ratio

Net Financial Liabilities	(2,876)			
Total Operating Revenue	43,947	(6.5%)	13.3%	16.2%

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

3. Asset Sustainability Ratio

Net Asset Renewals	4,274			
Infrastructure & Asset Management Plan required expenditure	5,429	78.7%	88.7%	95.9%

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.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 15. Financial Indicators - Graphs (continued)

<div><div><div>1. Operating Surplus Ratio</div><div><div><div></div><div></div><div></div></div><div><div>Ratio %</div><div></div></div><div><div>4%</div><div>3%</div><div>2%</div><div>1%</div><div>0%</div></div><div><div>1.6%</div><div>1.5%</div><div>2.8%</div></div><div><div>2015</div><div>2016</div><div>2017</div></div></div></div></div> <div><div><div>Purpose of Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the operating revenue varies from operating expenditure</div></div></div></div> <div><div><div>Commentary on 2016/17 Result</div><div><div>2016/17 Ratio2.8%</div></div><div><div>Council's long term strategy is to achieve at least an annual 1% operating surplus. In 2016/17 the Federal Government re-instated the early payment of Financial Assistance Grants equating to 1.4% of the surplus ratio.</div></div></div></div>
<div><div><div>1a. Adjusted Operating Surplus Ratio</div><div><div><div></div><div></div><div></div></div><div><div>Ratio %</div><div></div></div><div><div>2%</div><div>2%</div><div>1%</div><div>0%</div><div>-1%</div><div>-1%</div></div><div><div>0.0%</div><div>1.5%</div><div>1.4%</div></div><div><div>2015</div><div>2016</div><div>2017</div></div></div></div></div> <div><div><div>Purpose of Adjusted Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</div></div></div></div> <div><div><div>Commentary on 2016/17 Result</div><div><div>2016/17 Ratio1.4%</div></div><div><div>Council achieved its long term strategy of 1% operating surplus however the budgeted surplus ratio of 2.4% was not achieved due to the significant financial impact of storm damage to trees in parks and on roadsides and repairs to unsealed roads.</div></div></div></div>
<div><div><div>2. Net Financial Liabilities Ratio</div><div><div><div></div><div></div><div></div></div><div><div>Ratio %</div><div></div></div><div><div>25%</div><div>20%</div><div>15%</div><div>10%</div><div>5%</div><div>0%</div><div>-5%</div><div>-10%</div><div>-15%</div></div><div><div>16.2%</div><div>13.3%</div><div>(6.5%)</div></div><div><div>2015</div><div>2016</div><div>2017</div></div></div></div></div> <div><div><div>Purpose of Net Financial Liabilities Ratio</div><div><div>This indicator shows the significance of the net amount owed to others, compared to operating revenue</div></div></div></div> <div><div><div>Commentary on 2016/17 Result</div><div><div>2016/17 Ratio(6.5%)</div></div><div><div>Due to a significant increase in current assets and the subsequent deferral of borrowing net financial liabilities have been reduced compared to the previous financial year and the annual budget. Council's Long Term Financial Plan includes major strategic new projects of significance which depend upon this strong financial position.</div></div></div></div>
<div><div><div>3. Asset Sustainability Ratio</div><div><div><div></div><div></div><div></div></div><div><div>Ratio %</div><div></div></div><div><div>140%</div><div>120%</div><div>100%</div><div>80%</div><div>60%</div><div>40%</div><div>20%</div><div>0%</div></div><div><div>95.9%</div><div>88.7%</div><div>78.7%</div></div><div><div>2015</div><div>2016</div><div>2017</div></div></div></div></div> <div><div><div>Purpose of Asset Sustainability Ratio</div><div><div>This indicator aims to determine if assets are being renewed and replaced in an optimal way</div></div></div></div> <div><div><div>Commentary on 2016/17 Result</div><div><div>2016/17 Ratio78.7%</div></div><div><div>Council accelerates or reduces the level of asset renewal over time whilst ensuring the value of its existing asset stock is maintained in the long term. 17% of the budgeted renewal projects have been carried forward for completion in 2017/18.</div></div></div></div>

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	43,947	39,707
less Expenses	(42,697)	(39,102)
Operating Surplus / (Deficit)	1,250	605
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	4,636	5,991
less Depreciation, Amortisation and Impairment	(8,390)	(8,315)
less Proceeds from Sale of Replaced Assets	(362)	(233)
Subtotal	(4,116)	(2,557)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	3,741	5,034
less Amounts Received Specifically for New and Upgraded Assets	(5,463)	(2,672)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	(810)	(175)
Subtotal	(2,532)	2,187
Net Lending / (Borrowing) for Financial Year	7,898	975

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 17. Operating Leases

\$ '000	2017	2016
---------	------	------

Leases Providing Revenue to the Council

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

Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of Plant and Equipment & Property.

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

Not later than one year	602	516
Later than one year and not later than 5 years	2,238	33
Later than 5 years	-	-
	2,840	549

Amount above includes a renewed lease for the Civic Centre.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 18. Superannuation

\$ '000

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% in 2016/17; 6.3% in 2015/16 of "superannuation" salary.

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

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

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

Contributions to Other Superannuation Schemes

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

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Regional Subsidiaries	(272)	(120)	384	656
Total	(272)	(120)	384	656

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Adelaide Hills Regional Waste Management Authority	Waste Management	384	656
Total Carrying Amounts - Joint Ventures & Associates		384	656

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity	
	2017	2016	2017	2016
Adelaide Hills Regional Waste Management Authority	31%	30%	41%	36%

(c) Movement in Investment in Joint Venture or Associate

	Adelaide Hills Regional Waste Management Authority	
	2017	2016
Opening Balance	656	776
Share in Operating Result	(272)	(120)
Council's Equity Share in the Joint Venture or Associate	384	656

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge & is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 814 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

4. CONTINGENT LIABILITY - REGIONAL SUBSIDIARY

Mount Barker District Council is a member of the Adelaide Hills Regional Waste Management Authority. The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, Mount Barker District Council and Rural City of Murray Bridge.

The Authority Has disclosed in their Audited Financial Statements the following contingent liability:

"The Authority as at 30 June 2017 is a defendant in Supreme Court proceedings in which it is asserted that the Authority made misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. The Authority is defending the claim and legal costs will continue to be incurred. The claim for damages is approximately \$2.5 million plus legal costs. The Authority's legal advisors have stated the claim is denied and has been fully defended."

Mount Barker District Councils share of this liability is restricted to its ownership share of the Authority (Refer Note 19) as at 30 June 2017 this was reported as 41%.

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2017, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 6 November 2017.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 23. Related Party Transactions

\$ '000

2017

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, **16** persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits

1,295

Total

1,295

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.),

No other receipts greater than \$1,000 were recorded.

Transactions with Council Regional Subsidiary entities:

The information presented below represents additional information relating to transactions recorded during the financial year with Council's Subsidiary entities. The information presented below is in addition to that already disclosed in Note 19. Council is an equity owner of each Regional Subsidiary disclosed in Note 19 along with other Member Councils.

Member Councils have equal representation on the Board of which Council is a member of the following Subsidiaries:

- Adelaide Hills Regional Waste Management Authority
- Southern & Hills Local Government Association

MOUNT BARKER DISTRICT COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 23. Related Party Transactions (continued)

\$ '000

Member Councils have influence on the financial and strategic operational decisions of the Subsidiary given their equal Board member representation.

No one Member Council individually has control over these decisions.

The following material transactions occurred with the each Regional Subsidiary during the financial year:

	Payments Made to Entity during 2016/17 Financial Year	Outstanding Balances Owed to the Entity as at 30 June 2017
	\$	\$
Adelaide Hills Regional Waste Management Authority	681	57
Southern & Hills Local Government Association	14	-
Total	695	57

Amounts recorded above as outstanding are recorded as a liability in Note 8.

MOUNT BARKER DISTRICT COUNCIL



INDEPENDENT AUDITOR'S REPORT

To the members of the Mount Barker District Council

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

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

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

Responsibilities of the Chief Executive Officer for the Financial Report

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

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

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

Office:
214 Melbourne Street
North Adelaide SA 5006

All Correspondence:
PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
F: (08) 8239 0895
E: admin@deannewbery.com.au

Liability limited by a scheme approved under Professional Standards Legislation

page 46

MOUNT BARKER DISTRICT COUNCIL

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS



SAMANTHA ALLARD
PARTNER

Signed on the 25th day of October 2017,
at 214 Melbourne Street, North Adelaide

MOUNT BARKER DISTRICT COUNCIL

**INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE MOUNT BARKER DISTRICT COUNCIL**

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

The Council's Responsibility for the Internal Controls

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

Auditor's Responsibility

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

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

Limitation on Use

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

Limitations of Controls

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

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

Office:
214 Melbourne Street
North Adelaide SA 5006

All Correspondence:
PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
F: (08) 8239 0895
E: admin@deannewbery.com.au

Liability limited by a scheme approved under Professional Standards Legislation

page 48

MOUNT BARKER DISTRICT COUNCIL

Independence

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

Opinion

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

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



SAMANTHA ALLARD
PARTNER

Signed on the 25th day of October 2017
at 214 Melbourne Street, North Adelaide, South Australia, 5006

MOUNT BARKER DISTRICT COUNCIL**General Purpose Financial Statements**
for the year ended 30 June 2017**Certification of Auditor Independence**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Mount Barker District Council for the year ended 30 June 2017, the Council's Auditor, Dean Newberry 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 Stuart
CHIEF EXECUTIVE OFFICER

Michael Bails
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 19th October 2017

MOUNT BARKER DISTRICT COUNCIL**Certification of Auditor's Independence**

I confirm that, for the audit of the financial statements of the Mount Barker District Council for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

SAMANTHA ALLARD**Partner****DEAN NEWBERY & PARTNERS****CHARTERED ACCOUNTANTS****Dated this 25th day of October 2017**

Office:
214 Melbourne Street
North Adelaide SA 5006

All Correspondence:
PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
F: (08) 8239 0895
E: admin@deannewbery.com.au

Liability limited by a scheme approved under Professional Standards Legislation

page 51





ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

ANNUAL REPORT



ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

CR. LINDSAY CAMPBELL DEPUTY CHAIR AHRWMA



This year, in addition to its core tasks, the Authority has managed several high priority tasks, including addressing a legal claim and administering a governance audit as part of an SA Government audit of Local Government. Despite the resourcing challenges created by these matters the Authority has continued to manage the Landfill and Transfer Station operations in a professional manner and achieve results.

SOME OF THE HIGHLIGHTS FOR THIS YEAR INCLUDE CONTINUING TO MANAGE THE BRINKLEY AND HEATHFIELD RESOURCE RECOVERY CENTRES AHEAD OF SCHEDULED BUDGETS AND UNDERTAKING CONCRETE CRUSHING ACTIVITIES FOR OUR MEMBER COUNCILS.

We have continued to maintain positive working relationships with commercial and non-member local government customers, including continued work and collaboration with the Mid Murray Council and assisting the Coorong Council with a review of their Transfer Station facilities.

The design of Cell 8/9 has received EPA approval and we have completed the excavation works for this cell, ready for lining in the coming financial year. Thanks also goes to the Executive Officer and his team for achieving results in a difficult environment.

We are looking forward to an exciting period as the Authority continues to pursue opportunities where it can add value to Member Council waste and recycling services and embarks on a review of its 10 year Strategic Plan.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

THE BOARD

MOUNT
BARKER
DISTRICT
COUNCIL

Lindsay Campbell (Deputy Chair)
Councillor



David Peters
GM Corporate Services



Greg Morrison (Deputy)
Councillor

ALEXANDRINA
COUNCIL

Jim Davis
Councillor



Simon Grenfell
GM Infrastructure & Assets



Ben Brazzalotto (Deputy)
Councillor

ADELAIDE HILLS
COUNCIL

Ian Bailey
Councillor (Chair)
Served to 24/11/16



Nathan Daniell
Councillor
Served from
22/11/16



Marc Salver
Director Strategy & Development



John McArthur (Deputy)
Manager Waste, Health
& Reg Services

RURAL CITY
OF MURRAY
BRIDGE

Theo Weinmann
Councillor



Simon Bradley
GM Infrastructure and Environment



Andrew Baltensperger
(Deputy) Councillor
Served to 13/06/17



Jerry Wilson (Deputy)
Councillor
Served from 14/06/17

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

THE VISION

“SUSTAINABLE WASTE MANAGEMENT THROUGH SHARED SERVICES FOR THE COMMUNITIES OF ADELAIDE HILLS, ALEXANDRINA, MT BARKER AND MURRAY BRIDGE” .

THE MISSION

- **TO MEET THE ZERO WASTE SA RESOURCE RECOVERY TARGETS ACROSS THE REGION WHERE ECONOMICALLY AND ENVIRONMENTALLY JUSTIFIED.**
- **TO CONTINUE TO DEVELOP AND MANAGE THE AUTHORITY’S LANDFILL AS AN EPA COMPLIANT MODEL REGIONAL LANDFILL THAT PROVIDES THE MOST COST EFFECTIVE DISPOSAL OPTION FOR MEMBER COUNCILS AND COMMERCIAL CUSTOMERS.**
- **TO EDUCATE THE REGIONAL COMMUNITY ON RESPONSIBLE WASTE CHOICES THAT ENHANCE AND MAINTAIN THEIR ENVIRONMENT.**

THE OBJECTIVES

The Authority's vision and mission will be achieved through five key objectives:

1. To take a leadership role in resource recovery and community education.
2. Responsibly develop and manage the Authority's landfill to be a model regional landfill meeting all legislative requirement and operating benchmarks.
3. Financial sustainability in waste services for Member Councils by pursuing a shared services model.
4. Advocate, research and promote best practice waste management and actively represent Member Councils in all forums.
5. A fully compliant Regional Subsidiary that meets the highest standards in governance, financial and human resource management.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**SUMMARY OF 2016/17**

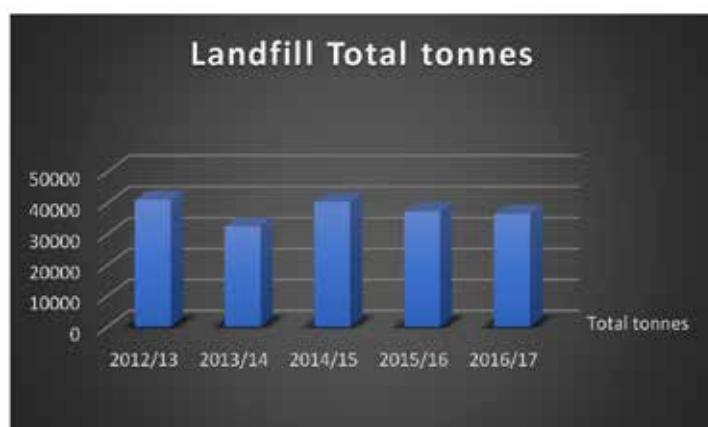
Some of the key activities for this year include:

- Continued legal response to SWR Claim.
- Continued excavation of Cell 8/9.
- Continued Management of the Brinkley and Heathfield Waste and Recycling facilities.
- Patronage at the Brinkley Waste and Recycling Facility (Transfer Station) increased by 28% to 10,613 transactions, while patronage at the Heathfield Resource Recovery Centre increased by 10% to 25,323.
- Continued consultancy service role offered and provided to Member Councils.
- Second year of the combined collection contract with the Mount Barker District Council and the Rural City of Murray Bridge.
- Authority's crushing plant will have crushed approximately 8,000 tonnes this financial year which is down by about 2,000 tonnes on last year's result. This business area will require additional focus to achieve our aim to grow this operation.
- Landfill tonnages were down by approximately 765 tonnes compared to last year's result. There was a reduction in non-member Local Government tonnes, which has since improved and an increase in commercial waste of 1,000 tonnes.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**MEMBERS COUNCIL MAP**

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

LANDFILL OPERATIONS



BRINKLEY LANDFILL STATISTICS

There has been continued high competition for waste streams in 2016/17. Overall the tonnes to landfill for 2016/17 have continued to show improvement on 2013/14, however were down by approximately 765 tonnes when compared to 2015/16.

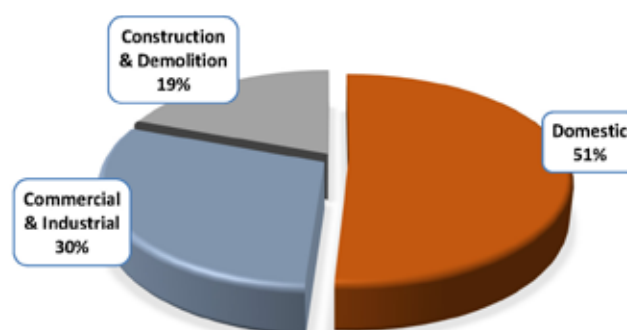
The slight reduction on last years result was largely due to a significant drop in non-member Local Government tonnes as a result to a change in transport contractor and processes. Following renegotiation with these customers the tonnes have now increased to previous levels.

Commercial tonnes have increased by approximately 1,000 tonnes in 2016/17.

The Authority will continue to focus on maintaining customers in future years. Ideally, we will continue to focus on providing quality service and looking at opportunities to value add for customers.

It is important for Local Government to ensure waste management and landfill activities remain sustainable both now and into the future. We will continue to monitor the market effects on our longer term planning.

WASTE TYPE PERCENTAGE TO LANDFILL

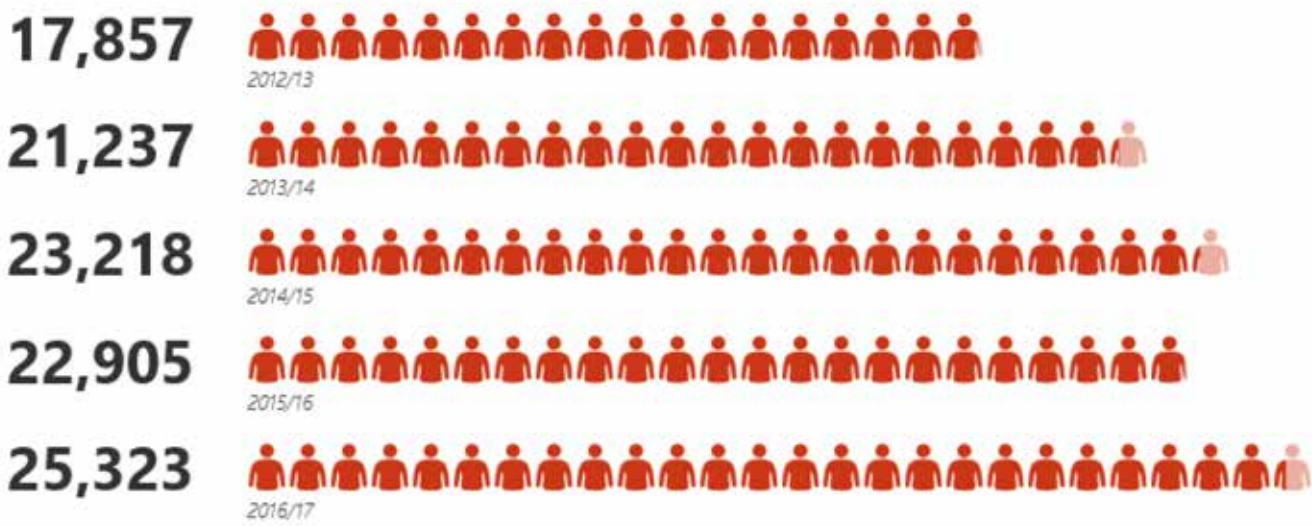


ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

TRANSFER STATION OPERATIONS

The Authority currently manages two transfer stations on behalf of its Member Councils. These sites are the Heathfield Resource Recovery Facility which serves the Adelaide Hills Council area with an approximate population of 40,000 people and the Brinkley Waste and Recycling Facility which serves the Rural City of Murray Bridge area with an approximate population of 21,000 people.

HEATHFIELD TS TRANSACTIONS



The Heathfield Transfer Station has shown strong customer growth since the Authority commenced operations in 2012. This has been assisted by the continued and consistent use of the facility by the Adelaide Hills Council (AHC) operations area and joint projects to produce quality road base materials from recycled products.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

The Brinkley Transfer Station has shown improved usage in the 2016/17 financial year. The Authority has worked with the Rural City of Murray Bridge to extend the operating hours of the site to a 7-day operation. The Rural City of Murray Bridge operations area is also utilising the site, resulting in an increase in transactions. The Authority in conjunction with Council has also held free green organics drop off days for residents. The Authority will continue to focus on expanding the construction and demolition resource recovery operations at the site which should further improve performance of the transfer station and will be investigating options to receive other waste streams for the benefit of the community.

BRINKLEY TS TRANSACTIONS



TRANSFER STATION TONNES

The following table demonstrates the Transfer Station Tonnes disposed to landfill from Brinkley and Heathfield over the past two years. The Authority focuses heavily on diverting waste from landfill at the Transfer Stations and as a result achieves a diversion rate of close to 80%

	2015/16	2016/17
Adelaide Hills Council	2010	1840
Heathfield		
Murray Bridge Brinkley	1682	1818

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

TRANSFER STATION GROSS REVENUE



Following a drop in steel revenue in 2015/16 as a result of a drop in steel prices the Authority worked towards improving steel revenue by negotiating transportation using the hooklift truck and as a result receiving a greater return for steel.

The Heathfield Transfer Station finished the year with a net loss of approximately \$37,000, compared to its budgeted loss of \$77,000, a positive variance of close to \$40,000. The Brinkley Transfer Station finished the year with a net loss of approximately \$61,000, compared to a budgeted loss of \$91,000, a positive variance of \$30,000.

The Authority responded to an Expression of Interest Process undertaken by the Adelaide Hills Council for the operation of the Heathfield Transfer Station. This response enabled the Authority to provide an update to Adelaide Hills Council on the successful operation over the last five years and proposed continuing the operation on the same basis, which was accepted by the Council with a new agreement being established.

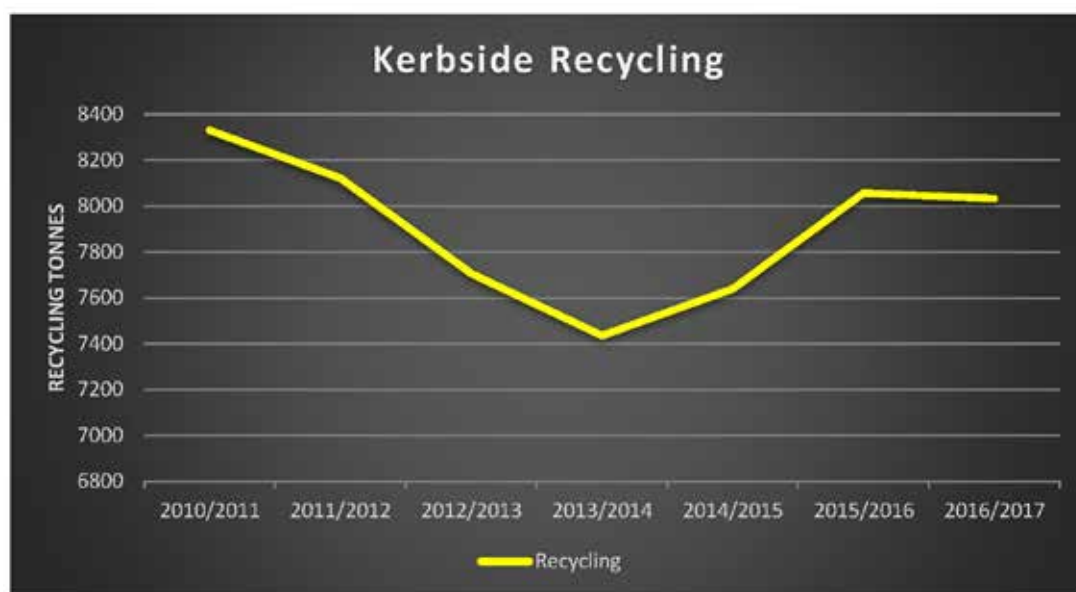
The Authority will continue to monitor the Transfer Station budgets and adjust operations where required.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

KERBSIDE WASTE AND RECYCLING COLLECTIONS

The Adelaide Hills Region Waste Management Authority employs a Waste Strategy Coordinator on behalf of three of its Member Councils. The Waste Strategy Coordinator manages waste services across the Adelaide Hills Council, the Mount Barker District Council and the Rural City of Murray Bridge.

Year	Recycling
2010/2011	8330
2011/2012	8122
2012/2013	7706
2013/2014	7435
2014/2015	7640
2015/2016	8057
2016/2017	8032



Across the three Councils a total of 8,032 tonnes of recycling was collected via the kerbside service, which is a decrease of 24 tonnes compared to the 2015/16 year. Recycling has remained fairly steady and has increased since 2013/14, however the overall tonnes of recyclables collected are still down in comparison to 2010-2011, which is likely due to an initial large uptake following the introduction the two/three bin service. All Councils now receive a rebate for their kerbside recyclables.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

WASTE SERVICE

The amount of waste collected through the kerbside service across the three member Councils has increased slightly to 9.1kg/hh/wk, up from 8.9kg/hh/wk. Total waste including Transfer Station and Kerbside waste across the Authority's four Member Councils has decreased by 166 tonnes between 2015/16 and 2016/17.



Kerbside waste tonnage comparisons

	Kerbside Services	Waste Tonnes
2010/2011	37722	17674
2011/2012	38298	17839
2012/2013	38696	17406
2013/2014	39059	17625
2014/2015	39533	18206
2015/2016	41168	18969
2016/2017	41628	19652

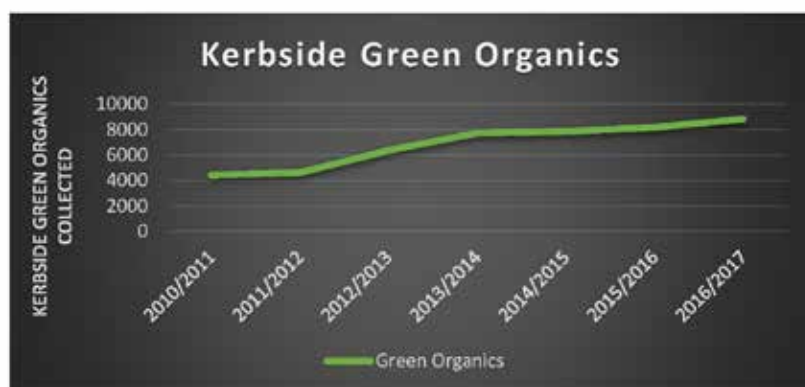
ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

GREEN ORGANICS SERVICE

Properties within the Township areas of the three Councils are entitled to a green bin service. The table and graph below shows that the amount of green organics collected has increased significantly over the last five years, with the introduction of the kerbside service to townships within the Adelaide Hills Council and the introduction of a complete food scraps collection program across the Mount Barker District Council and an optional program within the Adelaide Hills Council. In 2016/17 a total of 8,830 tonnes was collected, which is an increase of 653 tonnes.

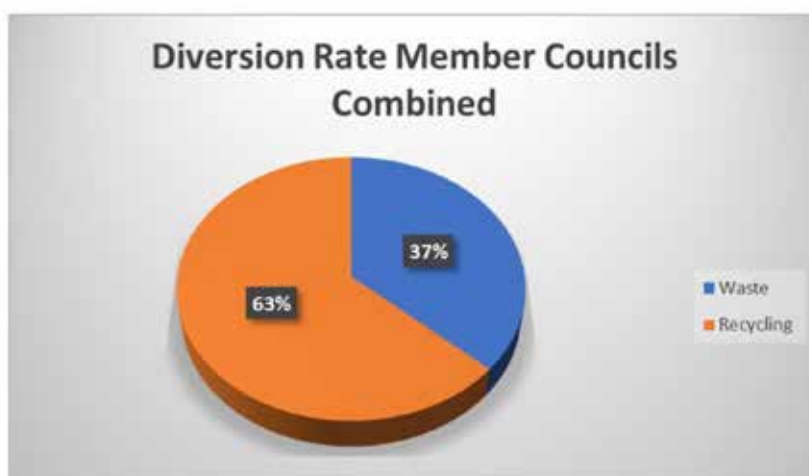
Kerbside green organics tonnage comparisons

Year	Greens Tonnes
2010/2011	4430
2011/2012	4624
2012/2013	6360
2013/2014	7718
2014/2015	7850
2015/2016	8176
2016/2017	8830



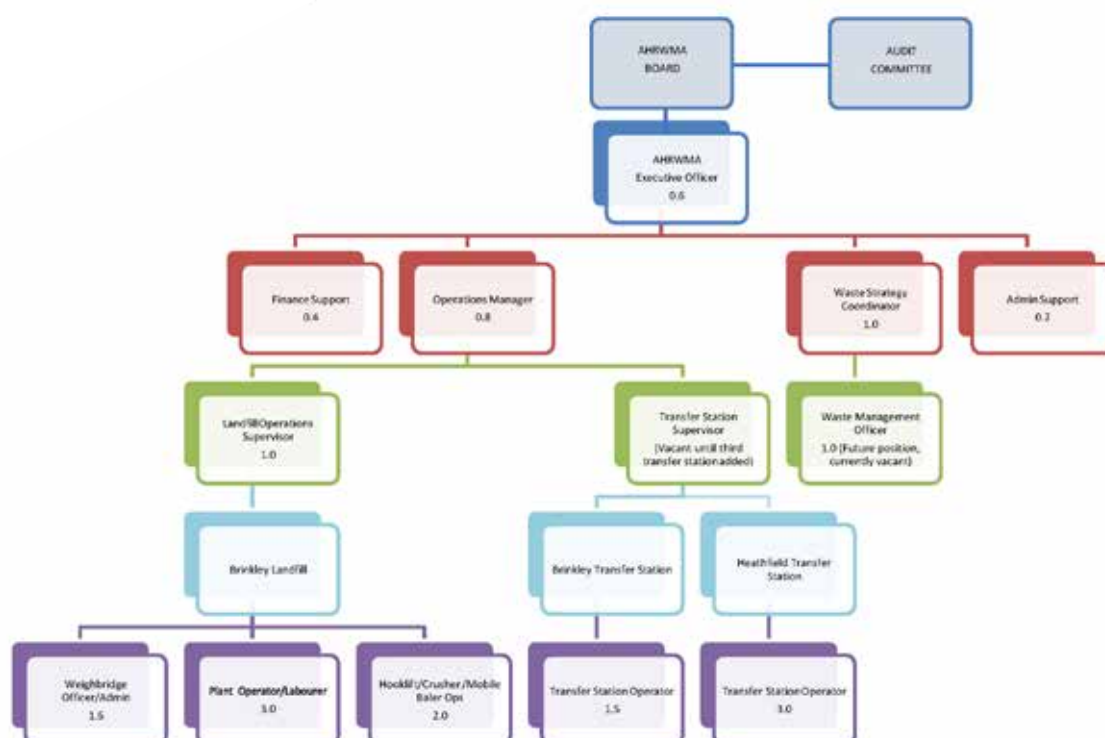
The total waste diversion rate across the Authority's four Member Councils was 63% in 2016/2017, with 37% of all waste generated being disposed to landfill.

TOTAL DIVERSION



ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

ORGANISATIONAL CHART



ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

General Purpose Financial Reports for the year ended 30 June 2017

TABLE OF CONTENTS

	<u>Page</u>
Principal Financial Statements	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
 Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N5
Note 2 - Income	N10
Note 3 - Expenses	N11
Note 4 - Asset Disposal & Fair Value Adjustments	N13
Note 5 - Current Assets	N14
Note 6 - Infrastructure, Property, Plant & Equipment	N15
Note 7 - Liabilities	N17
Note 8 - Reserves & Equity	N18
Note 9 - Reconciliation to Cash Flow Statement	N19
Note 10 - Financial Instruments	N20
Note 11 - Commitments for Expenditure	N22
Note 12 - Operating Leases	N22
Note 13 - Contingencies, Assets & Liabilities not Recognised	N22
Note 14 - Events Occurring After Reporting Date	N22
Note 15 - Disclosures of Related Party Transactions	N23
Note 16 - Uniform Presentation of Finances	N24
 Certification of Financial Statements	
Constituent Councils Certification of Auditor Independence	
Audit Certificate of Audit Independence	

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
INCOME			
User charges	2	2,908,740	2,987,716
Investment income	2	488	1,087
Other income	2	2,069,442	1,882,276
Total Income		4,978,670	4,871,079
EXPENSES			
Employee costs	3	875,446	878,100
Materials, contracts & other expenses	3	4,459,718	3,678,129
Depreciation, amortisation & impairment	3	506,074	705,773
Finance costs	3	10,785	1,284
Total Expenses		5,852,023	5,263,286
OPERATING SURPLUS / (DEFICIT)		(873,353)	(392,207)
Asset disposal & fair value adjustments	4	(14,143)	(7,134)
NET SURPLUS / (DEFICIT)		(887,496)	(399,341)
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		(887,496)	(399,341)

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	294,370	236,715
Trade & other receivables	5	411,917	479,556
Inventories	5	3,537	6,283
Total Current Assets		709,824	722,554
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	2,479,808	3,102,524
Total Non-current Assets		2,479,808	3,102,524
Total Assets		3,189,632	3,825,078
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	859,928	785,076
Borrowings	7	400,000	-
Provisions	7	125,082	108,702
Total Current Liabilities		1,385,010	893,778
Non-current Liabilities			
Borrowings	7	-	100,000
Provisions	7	859,354	998,536
Total Non-current Liabilities		859,354	1,098,536
Total Liabilities		2,244,364	1,992,314
NET ASSETS		945,268	1,832,764
EQUITY			
Accumulated Surplus	8	945,268	1,832,764
TOTAL EQUITY		945,268	1,832,764

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

		Accumulated Surplus	TOTAL EQUITY
2017	Notes	\$	\$
Balance at end of previous reporting period		1,832,764	1,832,764
Net Surplus / (Deficit) for Year		(887,496)	(887,496)
Balance at end of period		945,268	945,268
2016			
Balance at end of previous reporting period		2,232,105	2,232,105
Net Surplus / (Deficit) for Year		(399,341)	(399,341)
Balance at end of period		1,832,764	1,832,764

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS
for the year ended 30 June 2017

		2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
<u>Receipts</u>			
Operating receipts		5,499,960	5,298,941
Investment receipts		633	904
<u>Payments</u>			
Operating payments to suppliers & employees		(5,700,561)	(4,676,903)
Finance payments		(7,376)	(1,423)
Net Cash provided by (or used in) Operating Activities	9	(207,344)	621,519
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets	4	49,500	32,806
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(36,509)	(67,611)
Expenditure on new/upgraded assets		(47,992)	(559,027)
Net Cash provided by (or used in) Investing Activities		(35,001)	(593,832)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		300,000	-
<u>Payments</u>			
Repayments of Borrowings		-	(100,000)
Net Cash provided by (or used in) Financing Activities		300,000	(100,000)
Net Increase (Decrease) in cash held		57,655	(72,313)
Cash & cash equivalents at beginning of period	9	236,715	309,028
Cash & cash equivalents at end of period	9	294,370	236,715

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, Mount Barker District Council and The Rural City of Murray Bridge.

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 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.

2 The Local Government Reporting Entity

Adelaide Hills Region Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act 1999, and has its principal place of business at c/-of Mount Barker District Council, 6 Dutton Road, Mt Barker. These financial statements have been prepared for use by 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 income 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 income in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

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 the 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 policy applied to financial instruments forms part of Note 10.

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.

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Road Construction & Reconstruction	\$10,000
Paving & Footpaths, Kerb & Gutter	\$2,000

6.3 Subsequent Recognition

Certain 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.

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 in a manner which reflects the consumption of the service potential embodied in those assets.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - Significant Accounting Policies (cont)

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to 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.

<u>Plant, Furniture & Equipment</u>	
Office Equipment	5 years
Other Plant & Equipment	5 years
<u>Infrastructure</u>	
Unsealed Roads	15 years
Fencing	15 years
Water Tanks	30 years
Litter Fence	5 years
Pumps	5 years
Monitor Bore	10 years
Buildings	20 years
Roads	25 years

Cell construction expenditure for this year has been capitalised and will be amortised over the estimated filling life of the cell. Any further expenditure on the cell to complete its useful life will be amortised over that remaining life.

6.5 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 inflows 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 the 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.

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with the allowed alternative treatment in AASB 123 Borrowing Costs. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - Significant Accounting Policies (cont)

7.2 Payments Received in Advance & Deposits

Amounts (other than grants) 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

Borrowings 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 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.

9.2 Superannuation

The Authority makes employer superannuation contributions in respect to its employees to the Local Government Superannuation Scheme. The scheme has two types of membership, each of which is funded differently. The Authority's employees are only members of the accumulated fund.

Accumulated fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2016/17). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the net assets of the Fund.

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

10 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustment to the liability as required ensuring an accurate projected cost of the liability is showing in the Statement of Financial Position. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017****Note 1 - Significant Accounting Policies (cont)****11 Revenue from Contracts with Customers**

AASB 15 Revenue from Contracts with Customers commences 1 January 2018 and hence will first affect the financial reports for 2018/19. (The commencement date has already been deferred once, and there may be further deferrals).

The commencement of the new Standard will not result in any changes to the amounts recognised in the Authority's financial statements under this classification, as the Authority does not enter into contracts with customers.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 2 - INCOME

	Notes	2017 \$	2016 \$
USER CHARGES			
Waste disposal fee - Adelaide Hills Council		896,446	824,591
Waste disposal fee - Alexandrina Council		178,304	203,322
Waste disposal fee - Mount Barker District Council		574,859	565,552
Waste disposal fee - Rural City of Murray Bridge		477,967	388,523
Waste disposal fee - Other Customers		781,164	1,005,728
		<u>2,908,740</u>	<u>2,987,716</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		488	1,087
		<u>488</u>	<u>1,087</u>
OTHER INCOME			
Consultancy service		5,900	-
Waste officer contribution		139,740	132,300
Waste Transfer Station Income		1,440,949	1,150,675
Waste Transfer Station Management		98,611	219,202
Transport Income		199,048	174,646
Fuel Tax Rebate		47,421	34,822
Machinery Charge Out		117,042	141,857
Recycled Income		3,124	4,575
Sundry		17,607	24,199
		<u>2,069,442</u>	<u>1,882,276</u>

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 3 - EXPENSES

	Notes	2017 \$	2016 \$
EMPLOYEE COSTS			
Salaries and Wages		675,230	684,456
Employee leave expense		84,851	84,847
Superannuation		69,180	68,406
Workers' Compensation Insurance		22,771	18,909
Other		23,414	21,482
Total Operating Employee Costs		875,446	878,100
Total Number of Employees		10	10
<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		3,730	3,620
<u>Other Materials, Contracts & Expenses</u>			
Contractors		271,171	116,560
Waste Transfer Station Expenses		1,059,032	893,033
Repairs and Maintenance		188,121	231,814
Leachate Monitoring/Pumping		-	-
Research and Development		6,435	435
Administration and Accountancy Service		53,603	51,800
EPA Waste Levy		1,545,590	1,236,687
EPA Licence Fees		8,055	7,922
Land Lease		48,022	47,487
Insurance and Legal		891,492	605,979
Professional Services		260,490	329,503
Parts, accessories & consumables		118,031	149,037
Sundry		5,946	4,253
Subtotal - Other Materials, Contracts & Expenses		4,455,988	3,674,509
		4,459,718	3,678,129

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 3 - EXPENSES (cont)

	Notes	2017 \$	2016 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Road Infrastructure	6	5,534	5,534
Buildings	6	13,879	12,618
Vehicles	6	20,988	19,867
Plant & Equipment	6	174,015	263,708
Landfill Cells*	6	194,906	276,116
Leachate Ponds	6	8,697	8,697
Landfill Rehabilitation	6	14,463	22,877
Landfill Cell Capping	6	73,592	96,356
		<u>506,074</u>	<u>705,773</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		<u>10,785</u>	<u>1,284</u>
		10,785	1,284

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2017 \$	2016 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		49,500	32,806
Less: Carrying amount of assets sold	6	63,643	39,940
Gain (Loss) on disposal		(14,143)	(7,134)
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS			
		(14,143)	(7,134)

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 5 - CURRENT ASSETS

	2017	2016
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	283,939	226,733
Deposits at Call	10,431	9,982
	<u>294,370</u>	<u>236,715</u>
 TRADE & OTHER RECEIVABLES		
Accrued Revenues	1,729	183
Debtors - general	410,188	479,373
	<u>411,917</u>	<u>479,556</u>
 INVENTORIES		
Stores & Materials	3,537	6,283
	<u>3,537</u>	<u>6,283</u>

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016				2017			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Road Infrastructure	-	138,352	(16,671)	121,681	-	138,352	(22,205)	116,147
Buildings	-	266,243	(37,942)	228,301	-	266,763	(51,821)	214,942
Vehicles	-	92,963	(16,784)	76,179	-	92,963	(37,772)	55,191
Plant & Equipment	-	2,603,780	(1,368,924)	1,234,856	-	2,406,080	(1,372,893)	1,033,187
Landfill Cells*	-	1,527,521	(771,650)	755,871	-	1,575,513	(966,556)	608,957
Leachate Ponds	-	173,938	(19,318)	154,620	-	173,938	(28,015)	145,923
Landfill Rehabilitation	-	541,300	(106,639)	434,661	-	395,900	(121,102)	274,798
Landfill Cell Capping	-	390,400	(294,045)	96,355	-	398,300	(367,637)	30,663
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	5,734,497	(2,631,973)	3,102,524	-	5,447,809	(2,968,001)	2,479,808
Comparatives		5,091,988	(1,987,389)	3,104,599		5,734,497	(2,631,973)	3,102,524

This Note continues on the following page.

* Please note Landfill Cells includes an amount relating to Cell 8 which is in WIP.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont.)

	2016	CARRYING AMOUNT MOVEMENTS DURING YEAR							2017
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Adjustments	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Road Infrastructure	121,681	-	-	-	(5,534)	-	-	-	116,147
Buildings	228,301	-	520	-	(13,879)	-	-	-	214,942
Vehicles	76,179	-	-	-	(20,988)	-	-	-	55,191
Plant & Equipment	1,234,856	-	35,989	(63,643)	(174,015)	-	-	-	1,033,187
Landfill Cells*	755,871	47,992	-	-	(194,906)	-	-	-	608,957
Leachate Ponds	154,620	-	-	-	(8,697)	-	-	-	145,923
Landfill Rehabilitation	434,661	-	-	-	(14,463)	-	(145,400)	-	274,798
Landfill Cell Capping	96,355	-	7,900	-	(73,592)	-	-	-	30,663
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	3,102,524	47,992	44,409	(63,643)	(506,074)	-	(145,400)	-	2,479,808
<i>Comparatives</i>	<i>3,104,599</i>	<i>559,027</i>	<i>184,611</i>	<i>(39,940)</i>	<i>(705,773)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3,102,524</i>

* Please note Landfill Cells includes an amount relating to Cell 8 which is in WIP.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 7 - LIABILITIES

		2017		2016	
		\$		\$	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		736,928	-	764,657	-
Accrued expenses - other		3,584	-	175	-
Other		119,416	-	20,244	-
		<u>859,928</u>	<u>-</u>	<u>785,076</u>	<u>-</u>
 BORROWINGS					
Cash Advance Debenture		400,000	-	-	100,000
CAD Facility due to expire on 15/4/18		<u>400,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
 PROVISIONS					
Annual Leave		89,701	-	96,284	-
Long Service Leave		35,381	65,154	12,418	66,836
Future reinstatement / restoration, etc		-	794,200	-	931,700
		<u>125,082</u>	<u>859,354</u>	<u>108,702</u>	<u>998,536</u>
 <i>Movements in Provisions - 2017 year only</i> <i>(current & non-current)</i>					
			<i>Future Reinstatement</i>		<i>Total</i>
Opening Balance		541,300	390,400		931,700
Add Additional amounts recognised		(145,400)	7,900		(137,500)
Closing Balance		<u>395,900</u>	<u>398,300</u>		<u>794,200</u>

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

RESERVES & EQUITY Note 8 - RESERVES & EQUITY

DISTRIBUTION SHARE OF SURPLUS/(DEFICIT)

The net surplus for the year has been allocated in proportion to the volumes of waste deposited by each respective constituent council.

	2017	2016
Volumes of waste dumped (in tonnes)	%	%
Adelaide Hills Council	34.6%	35.9%
Alexandrina Council	9.2%	11.0%
Mount Barker District Council	30.7%	30.1%
Rural City of Murray Bridge	25.5%	23.0%
	<u>100%</u>	<u>100%</u>

Distribution in accordance with the above percentages

	\$	\$
Adelaide Hills Council	(307,074)	(143,523)
Alexandrina Council	(81,650)	(44,064)
Mount Barker District Council	(272,461)	(120,079)
Rural City of Murray Bridge	(226,311)	(91,675)
	<u>(887,496)</u>	<u>(399,341)</u>

DISTRIBUTION SHARE OF EQUITY

Adelaide Hills Council		
Balance at end of previous reporting period	693,591	837,114
Share of surplus	(307,074)	(143,523)
Balance at end of period	<u>386,517</u>	<u>693,591</u>
Alexandrina Council		
Balance at end of previous reporting period	187,311	231,375
Share of surplus	(81,650)	(44,064)
Balance at end of period	<u>105,661</u>	<u>187,311</u>
Mount Barker District Council		
Balance at end of previous reporting period	656,176	776,255
Share of surplus	(272,461)	(120,079)
Balance at end of period	<u>383,715</u>	<u>656,176</u>
Rural City of Murray Bridge		
Balance at end of previous reporting period	295,686	387,361
Share of surplus	(226,311)	(91,675)
Balance at end of period	<u>69,375</u>	<u>295,686</u>
TOTAL EQUITY AT END OF REPORTING PERIOD	945,268	1,832,764

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$	2016 \$
Total cash & equivalent assets	5	294,370	236,715
Balances per Cash Flow Statement		<u>294,370</u>	<u>236,715</u>

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

Net Surplus (Deficit)	(887,496)	(399,341)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	506,074	705,773
Net increase (decrease) in unpaid employee benefits	14,698	39,353
Grants for capital acquisitions treated as Investing Activity	-	-
Net (Gain) Loss on Disposals	14,143	7,134
	<u>(352,581)</u>	<u>352,919</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	67,639	(1,574)
Net (increase) decrease in inventories	2,746	147
Net (increase) decrease in other current assets	-	-
Net increase (decrease) in trade & other payables	74,852	270,027
Net increase (decrease) in other provisions	-	-
Net Cash provided by (or used in) operations	<u>(207,344)</u>	<u>621,519</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:		
- Estimated future reinstatement etc. costs	<u>(137,500)</u>	<u>117,000</u>

(d) Financing Arrangements

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

Cash Advance Debenture Facility (CAD)	450,000	450,000
Loan Facilities - Outstanding Principle	-	-
Corporate Credit Cards	8,000	6,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice, this facility is provided by the Local Government Finance Authority of SA.

As at 30 June 2017 the Authority has drawn down \$400,000 of the available CAD limit.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 10 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits at call have an average maturity of 90 days and an average interest rate of 1.52% (2016: 90 days, 1.96%).</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts.</p> <p>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.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Overdraft	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues interest is charged at an average variable rate of 4.02%.</p> <p>Carrying amount: Approximates fair value.</p>

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 10 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	294,370	-	-	294,370	294,370
Receivables	411,917	-	-	411,917	411,917
Total	706,287	-	-	706,287	706,287
Financial Liabilities					
Payables	856,344	-	-	856,344	856,344
Borrowings	400,000	-	-	400,000	400,000
Total	1,256,344	-	-	1,256,344	1,256,344

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	236,715	-	-	236,715	236,715
Receivables	479,556	-	-	479,556	479,556
Total	716,271	-	-	716,271	716,271
Financial Liabilities					
Payables	784,901	-	-	784,901	784,901
Borrowings	100,000	-	-	100,000	100,000
Total	884,901	-	-	884,901	884,901

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	4.70	400,000	4.7	100,000
Non Interest Bearing	-	856,344	-	784,901
		1,256,344		884,901

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 Authority.

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 Authority is the carrying amount, net of any allowance for doubtful debts. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Authority'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 the Authority'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 the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a bank overdraft that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Authority 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.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017****Note 11 - COMMITMENTS FOR EXPENDITURE**

The Authority as at 30 June 2017 had no commitments for expenditure.

Note 12 - OPERATING LEASES

The Authority as at 30 June 2017 has a commitment to lease the land on which the Brinkley landfill presides. The current lease expires on the 13th February 2019.

Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2017 is a defendant in Supreme Court proceedings in which it is asserted that the Authority made misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. The Authority is defending the claim and legal costs will continue to be incurred. The claim for damages is approximately \$2.5 million plus legal costs. The Authority's legal advisors have stated the claim is denied and has been fully defended.

Note 14 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2017 that need to be disclosed in the financial statements.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 15 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair, the Board, Executive Officer and Acting Executive Officer prescribed as officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2017
Salaries, allowances & other short term benefits	\$ 213,277
Post-employment benefits	\$ -
Long term benefits	\$ 3,054
Termination Benefits	\$ -
TOTAL	\$ 216,331

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Adelaide Hills Council	896	85	Provision of waste processing and disposal services.
Alexandrina Council	178	16	Provision of waste processing and disposal services.
Mount Barker District Council	575	57	Provision of waste processing and disposal services.
Rural City of Murray Bridge	478	61	Provision of waste processing and disposal services.

Amounts recorded as outstanding from Related Parties are recorded in trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial operating decisions of the Authority. No one Member Council individually has control of those policies.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2017 \$	2016 \$
Income	4,978,670	4,871,079
less Expenses	<u>5,852,023</u>	<u>5,263,286</u>
Operating Surplus / (Deficit)	(873,353)	(392,207)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	36,509	67,611
less Depreciation, Amortisation and Impairment	506,074	705,773
less Proceeds from Sale of Replaced Assets	<u>49,500</u>	<u>32,806</u>
	(519,065)	(670,968)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	47,992	559,027
	<u>47,992</u>	<u>559,027</u>
Net Lending / (Borrowing) for Financial Year	<u>(402,280)</u>	<u>(280,266)</u>

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2017, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



Andrew Aitken
CHIEF EXECUTIVE OFFICER
Adelaide Hills Council

Date:

30/6/2017

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2017, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Andrew Stuart
CHIEF EXECUTIVE OFFICER
Mount Barker District Council

Date:



ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2017, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.


.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 29/06/2017

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2017, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.


.....
Michael Sedgman 10.07.2017
CHIEF EXECUTIVE OFFICER
Rural City of Murray Bridge

Date:

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2017, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



Leah Maxwell
ACTING EXECUTIVE
OFFICER



Peter Brass
CHAIR AUDIT
COMMITTEE

Date: 27/7/17





SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

ANNUAL REPORT



Southern & Hills Local Government Association

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



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Table of contents

Item	Page
Region summary	1
S&HLGA Description	2
The Board	3
Office Bearers	4
President's Message	5
The Board Key activities	5
S&HLGA Roads Works Party	6
CWMS	7
Regional submissions/reports	8
Task and Works Groups	8
Workshops and seminars	8
SAROC	9
Rubble Royalties	9
LGA Board	10
Resources	10
Acronyms	11
Past Presidents/Executive Officers	12
Summary of Financial position	13
Key Action report	14
Subscription and Levy history	24
Audited Financial Accounts	25

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Area of 8,656 Km²



Population
120,989



Prominent retirement
destination



Coastline 652 Kilometres



Total Council revenue
\$174.9 million



Adelaide Hills, Fleurieu and
Kangaroo Island are major
tourism destinations



5,539 kilometres of Local
Roads



25% projected
Population increase
by 2026



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

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 six (6) local government Councils:

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

Collectively these six (6) Councils have:

- ☑ More than 120,000 people as at 30th June 2016.
- ☑ 5,539 kilometres of local roads
- ☑ Area consists of 8,656 square kilometres.
- ☑ An ocean coastline of 652 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 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.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

The Southern and Hills Local Government Association Board

June 2017

Council	Elected Member Representative	Council Staff Representative
Adelaide Hills Council	Mayor Bill Spragg	CEO Andrew Aitken
Alexandrina Council	Mayor Keith Parkes	CEO Glenn Rappensberg
Kangaroo Island Council	Mayor Peter Clements	CEO Andrew Boardman
Mt Barker District Council	Mayor Ann Ferguson	CEO Andrew Stuart
City of Victor Harbor	Mayor Graham Philip	CEO Graeme Maxwell
District Council of Yankalilla	Mayor Glen Rowlands	CEO Nigel Morris

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

Office Bearers 2016 – 2017

President Mayor Bill Spragg, Adelaide Hills Council

Deputy President Mayor Keith Parkes, Alexandrina 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

Delegates to LGA Board Mayor Keith Parkes
Mayor Bill Spragg (via Metro)
Mayor Ann Ferguson retired during the term

Proxy Delegate to LGA Board Mayor Glen Rowlands, District Council of Yankalilla

Delegates to SAROC Mayor Bill Spragg
Mayor Keith Parkes
Mr Graeme Martin

Proxy Delegate to SAROC Mayor Glen Rowlands, District Council of Yankalilla

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

President's Forward

The 2016-2017 year largely has been one of continuation of Key Activities and Projects from the previous year for the Southern and Hills Local Government Association.

The 2016-2017 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 monitor the very comprehensive S&HLGA Regional Public Health plan including our first progress report, monitoring and implementing the region's Climate Change Adaptation Plan, working very closely with the RDA to further the Regional Infrastructure Plan, the Hills Rail Re-alignment review and maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and drafting a new 4 year Business Plan.

As in the past 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 continuing and now pronounced economic headwinds at regional, state and national level. Ensuring financial sustainability and best practice service delivery for the region's Councils in the face of revenue capping and cost shifting policies and developing key quantitative and qualitative benchmarking criteria towards optimal Council shape and performance remains a key regional focus.

We have continued to build our strong relationship with our peak representative body the LGA (SA) as it continues on its comprehensive journey reviewing its governance and organisation. We are indebted and grateful for the support we receive from the LGA (SA) via the capacity building and outreach grants. We acknowledge and continue to work with the State Government's Office of Local Government. We have partnered with our regional economic development organisation, Regional Development Australia as well as PIRSA and the Natural Resource Management Boards as we continue to confront the many impacting regional issues.

Thank you to our Executive Officer, Graeme Martin for his continued support and commitment.

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

Mayor Bill Spragg
President



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

The Board

The Board held 6 ordinary bi-monthly meetings 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:

19 August 2016	–	Yankalilla
28 October 2016	-	Victor Harbor
9 December 2016	-	Mt. Barker
24 February 2017	-	Kangaroo Island
28 April 2017	-	Yankalilla
23 June 2017	-	Victor Harbor

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 review the 2010 Hills Rail Realignment study, develop the regional Infrastructure Plan, the regional China Engagement strategy, the regional Climate Change Adaptation project and a regional workplan in partnership with PIRSA. The S&HLGA and the RDA are both represented on the Kangaroo Island Commissioner's Economic Growth Advisory Board
- o Continued working with the Local Government Association and the lobbying on the review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards, continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits, continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy and input into the LGA governance and organisational review.
- o Monitoring and implementing the S&HLGA Regional Public Health Plan.
- o Monitoring and implementing the S&HLGA Regional Climate Change Adaptation Plan
- o Input into the LGA response to the SA State Emergency Management Plan review and the proposed Functional Support role for the sector.
- o Continued the updating of the Roads Database component of the regional 2020 Transport Plan and continued the comprehensive review of the Regional Transport Plan including the development of the South Coast Freight Corridor marketing material and advocating on Public Transport issues
- o Developing key quantitative and qualitative criteria for Council sustainability and reviewing the Fleurieu Futures findings
- o Updating and maintaining of the S&HLGA Website and developing new promotional material.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

Regional Consultations and briefings were coordinated to occur on the day of Board meetings. 12 various speakers addressed meetings of the Board. The Board also hosted a forum with the Ombudsman.

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 2016-2017

At the conclusion of the period 2015-2016 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance. The Board also considered a draft Business Plan covering the period 2017-2021.

S&HLGA Roads Working Party

The Working Party (RWP), 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 March 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 2017 – 2018

Project	Council	Total Project Cost for this stage	SLRP request	Council contribution	comment
Ocean Rd	City of Victor Harbor	\$711,000	\$474,000	\$237,000	Stage 3 of 3
Waitpinga Rd	City of Victor Harbor	\$669,000	\$446,000	\$223,000	Stage 2 of 4
9 Mile Rd	Alexandrina	\$5375,000	\$250,000	\$125,000	Stage 2 of 2
Springs Rd	Mt Barker	\$997,000	\$665,000	\$333,000	Stage 1 of 4
Total		\$2,752,000	\$1,835,000	\$918,000	

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 the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, The S&HLGA Council CEO group has been reviewing options for CWMS assets in light of:

- The risk factors and increasingly time and resource consuming compliance regime associated with this critical asset management.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

- The opportunity for regional scale
- Continued investment interest from the private sector.

This work will be a regional priority and a particular focus for the CEO group which 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 LGA on behalf of the S&HLGA region – Updated Discussion paper on alternative LGA and Regional organisation relationship model
- To the Ombudsman on behalf of the S&HLGA region - response to the recommendations for a Regional Panel to review Internal Council decisions
- To the Office of LG on behalf of the S&HLGA region- review into Financial Regulations for Regional Subsidiaries and Conflict of Interest exemptions for membership of Regional subsidiaries.
- To The Office of Mayo MP Rebekha Sharkie on behalf of the sector – Review of MyGov and Auskey applications for Local Government

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:

- Regional LGA CEOs group
- 2020 S&HLGA Transport Plan RWP
- Implementation and Monitoring of the S&HLGA Regional Public Health Plan
- Implementation and Monitoring of the S&HLGA Regional Climate Change Adaptation Plan (Resilient Hills & Coast)

Workshops and seminars

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

- LGA Showcase / OGM
- LGA Conference / AGM
- SA Murray Darling Association / MDBA Forum
- 30 Year Adelaide Plan 5 year review
- ESCOSA Strategic Directions Forum

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

- LGA Conflict of Interest / informal gatherings seminar
- Fleurieu Regional Awards Dinner
- State Government Key Department heads meeting in the Fleurieu
- LGA Functional support Group and State Emergency Plan review
- Various Council presentations on S&HLGA Key Activities and Projects

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:

- Continuing lobbying and input into the ongoing review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits as well as advocating the return of appropriate Road funding for SA
- Lobbying and continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy and cost shifting policies such as e-planning portal contributions, hard waste levy, transfer of rate exempt community housing.
- Influence and input into the State Emergency Plan and the role of the LGA as a functional support group
- Input into the ombudsman recommendations around s270 Internal review of Council decisions
- Lobbying State Government on contributions to Mobile black spot funding
- Raising concerns with the State Government on the impact of education charges on 457 visa holders and the potential regional impact of restrictions on 457 visas

Rubble Royalties

The S&HLGA received top up funds from Rubble Royalties in 2016-2017. The S&HLGA has member Council Kangaroo Island as the sole contributor to this scheme. During the year funds were allocated to:

- Contribution to the Resilient Hills & Coast Climate Change Adaptation Project Officers 12 month contract extension
- Contribution to undertake preliminary design of the proposed Penneshaw Coupling/decoupling project
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

LGA Board

Mayor Bill Spragg (Adelaide Hills Council) along with Mayor Keith Parkes (Alexandrina Council) have represented the Southern and Hills Region at the Local Government Association State Board meetings as the region's Delegates. District Council of Yankalilla Mayor, Glen Rowlands has acted as proxy delegate.

Mayor Ann Ferguson (Mt Barker District Council) retired from the LGA Board during this period.

Resources

The continuation of the capacity building grant from the Local Government Research and Development Scheme and the new Outreach Grant has improved 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, the regional EO group, the regional working groups and various reports, submissions and forums 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 2016 - 2017.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association

Annual Report 2016 - 2017

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
MDBA.....	Murray Darling Basin Authority
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
OLG.....	Office of Local Government
PIRSA.....	Primary Industries & Regions SA
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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association Past Presidents and Secretaries / Executive Officers

Years	President	Council	Secretary / EO
2016 - 2017	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2015 - 2016	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2014 - 2015	Mayor Bill Spragg ^f	Adelaide Hills Council	Graeme Martin
	Mayor Ann Ferguson	DC Mount Barker	
2013 - 2014	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2012 - 2013	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2011 - 2012	Mayor Ann Ferguson	DC Mount Barker	Fred Pedler ^d
			Graeme Martin ^e
2010 - 2011	Mayor Ann Ferguson ^c	DC Mount Barker	Fred Pedler ^b
	Mayor Brian Hurn OAM	The Barossa Council	
2009 - 2010	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2008 - 2009	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2007 - 2008	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2006 - 2007	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2005 - 2006	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2004 - 2005	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2003 - 2004	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2002 - 2003	Mayor John Crompton ^a	City of Victor Harbor	Fred Pedler ^b
2001 - 2002	Mayor John Crompton	City of Victor Harbor	Fred Pedler ^b
1999 - 2000	Mayor Bernie Eglinton APM	DC Mt Barker	Fred Pedler ^b
1998 - 1999	Mayor Bernie Eglinton APM	DC Mt Barker	Dean Gollan
1997 - 1998	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1996 - 1997	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1995 - 1996	Mayor Anita Aspinall	DC Stirling	Peter Vlatko
1993 - 1994	Cr GR Mayfield	DC Yankalilla	Malcolm Davis
1991 - 1992	Mayor Val Ball	DC Strathalbyn	John Coombe
1989 - 1990	Cr Val Bonython	DC East Torrens	Eric March
1987 - 1988	Cr PD Secker	DC Mt Barker	Dean Gollan
1985 - 1986	Mayor Leon O'Driscoll	DC Strathalbyn	Vernon Cotton
1984 - 1985	Cr CA Phieffer	DC Onkaparinga	David Seaman
1982 - 1983	Cr Brian Pym	DC Mt Pleasant	Adrian Hamiester
1980 - 1981	Cr Roy Galpin	DC Port Elliot and Goolwa	Ron Wellington
1979	Mayor M Checker	DC Gumeracha	Malcolm Anderson
1978	Mayor M Checker	DC Gumeracha	John Grosvenor
1976 - 1977	Mayor A Davidson	DC Strathalbyn	Vernon Cotton
1975	Cr Ray Orr	DC Mt Barker	Reginald Walters
1974	Cr L Hughes	DC Meadows	Wally Richards
1969-1973	No minutes available		
30 th July 1969	First Constitution for S&HLGA Adopted		

Attendance register maintained for annual and half yearly conferences from 1968 to 1990

^a Until 12th May 2003

^b Executive Officer

^c From February 2011

^d To December 2011

^e From January 2012

^f From February 2015

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

SUMMARY FINANCIAL STATEMENTS

For the Year Ending 30th June 2017

	2017	2016
	\$	\$
Income		
Subscriptions	72,995	84,037
Operating Grants	182,506	38,726
Investment Income	2,634	2,384
Other	21,736	323
Total Income	279,871	125,470
Expenditure		
Contractual Services	168,080	146,025
Finance Charges	3,326	3,126
Other	64,692	15,729
Total Expenditure	236,098	164,880
Surplus (Deficit) from Operations	43,773	(39,410)
	\$	\$
Current Assets		
Investments	97,928	69,597
Debtors	0	0
Total Current Assets	97,928	69,597
Current Liabilities		
Accounts Payable	4,620	20,062
Total Current Liabilities	4,620	20,062
Net Current Assets	93,308	49,535
Net Assets	93,308	49,535
Equity		
Accumulated Surplus	93,308	49,535
Total Equity	93,308	49,535

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Constituent Councils Adelaide Hills Council
 Alexandrina Council
 Kangaroo Island Council
 Mount Barker District Council
 City of Victor Harbor
 District Council of Yankalilla

S&HLGA KEY ACTION PLAN

2016 - 2017

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

The Business Plan 2013 – 2017 has been 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 Budget of each of the Financial Years covered by the plan. These provide the resources for the Plan.

An Annual Key Action 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 Action 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).

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		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: <ul style="list-style-type: none"> 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. 12/07/16 Conflict of Interest exemption letter to OLG 2. 22/09/16 Forum AHC on draft 30 Year Adelaide Plan 5 year review 3. ESCOSA strategic Directions forum 14/09/16 4. State Govt key Department heads meeting Fleurieu region 18/10/16 5. Response to Ombudsman recommendation for regional panel to review internal Council decisions 8/3/17 6. Email to OLG concerning Financial Management Regulations for Regional subsidiaries
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	Maintain an informative, current and appealing S&HLGA website		1.13/07/16 Meeting with LGA to edit website 2. Fleurieu Regional Awards Dinner 18/10/16

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	To provide sound financial management and manage resources effectively	<input checked="" type="checkbox"/> To prepare annual Budget and review as required <input checked="" type="checkbox"/> Oversee Annual Audit	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. 2016-2017 Budget adopted 1/07/16 2. 2016-2017 Audit completed 25/08/16 3. 2015-2016 Annual Report adopted 28/10/16 4. Mid Year 2016-2017 Budget Review 24/02/17 5. 2017-2018 Draft Budget presented 28/04/17
	Regular CEO's meetings ○ CEO's to inform EO of issues for each meeting ○ Stakeholders to inform EO of issues for each meeting ○ Strengthen interaction with State government and opposition MP's	<input checked="" type="checkbox"/> Maintain the CEO's forum	Management of key stakeholder relationships with the S&HLGA Board	CEO meeting recommendations and feedback. Key Stakeholder feedback and Board satisfaction	1. Council presentations 11/10/16 KI, 17/10/16 Alexandrina, 7/11/16 Mt Barker. 2. FFP presentation to CVH 8/05/17
	Regional issues to be raised with LGA directly or 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. Alternative RO model discussion paper tabled 02/02/16 2. Updated RO /SAROC discussion paper Nov 2016 1. Regional EO SAROC governance review

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	Attend along with the RDA the next Shanghai outbound mission on behalf of the region	<input checked="" type="checkbox"/> Attend maximum workshops and marketing events during the visit	Post visit Report to the S&HLGA Board identifying future investment opportunities		

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
3. <i>To support sustainable economic, environmental, & social development in the region</i>	Environment Liaise with the regions NRM's o Actively participate in the regional Climate Change Vulnerability Assessment and/or Climate change adaptation study o Actively support the region's position in the LGA review of the current NRM model Review the Regional Zone Emergency Management Plan and assist in marketing and communications	<input checked="" type="checkbox"/> Regional Adaptation report presented to S&HLGA Board <input checked="" type="checkbox"/> SAROC/LGA Reports/Papers produced and forums attended	Climate Change Adaptation report finalized and implementation program instigated with the Project Officer contract extended		1.11/07/16 Murray Darling Association & MDBA forum 2. 02/08/16 Resilient Hills & Coast Climate Change adaptation Working Group meeting to formalize report and develop the implementation plan 3. Plan launched 9 Dec by Minister Hunter 4. Plan a finalist in the Premiers Climate Change awards 5. Ongoing Rubble Royalty review with LGA and Ros 6. Regional Climate Change Sector Agreement agreed with DEWNR/NRM 01/07/16 ZEMC presentation to the S&HLGA Board

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	research Explore (with the LGA) research and /or pilot programs for the Region.	<input checked="" type="checkbox"/> Successful Research or funding applications or projects facilitated in the region			1. S&HLGA application on behalf of the region for the Northern Freight bypass and passenger rail option 2. Successful LGA R&D application 30/09/16 3. Fleurieu Futures Report completed Jan 2017 4. Progress report Northern Freight bypass project 12/05/17
	Public Health Complete all compliance requirements of the regional Health Plan in accordance with the State Public Health Plan	<input checked="" type="checkbox"/> Completed reporting and monitoring implementation aspect of the Regional Health Plan	Reports lodged with SA Health in accordance with regulations	Individual Council Action Plans monitored and evaluated through the S&HLGA PH Working Group	1. Report for the period July 1 2014-June 30 2016 submitted to SA Health 2. Ongoing Working Group meetings. EO providing secretarial assistance.

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	Regional Development Support the RDA in all regional economic issues and projects	<input checked="" type="checkbox"/> Regular meetings with the RDA <input checked="" type="checkbox"/> Assist the RDA in Contract negotiations with member Councils for the next 3 year RDA funding agreement <input checked="" type="checkbox"/> RDA reports to the Board against the agreed KPIs <input checked="" type="checkbox"/> Successful S&HLGA/RDA partnership rollout of the RDA/PIRSA funded Regionalisation project during 2016-17 <input checked="" type="checkbox"/> Completion of the Regional Infrastructure Plan	Regional Infrastructure Plan presented to the S&HLGA Board Formation of the Regional Governance Body to progress the Regional Infrastructure Plan S&HLGA contribution to a review of Regional Planning policies with a view to regional harmonisation and response to the new Planning Development and Infrastructure Act	Key Stakeholder feedback and Council satisfaction	1. 11/8/16 - RDA/S&HLGA workplan for 2016-2017 developed to implement Regional Infrastructure Plan and progress Regional Development and Planning Policy 2. Regional Eco Development/Infrastructure Working Group formed with RDA
	Telecommunication Monitor regional NBN rollout & continue to lobby for equitable access for the region for digital technology including Broadband upgrades and extended mobile telephone coverage		Completed Blackspot submissions and NBN requests		

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

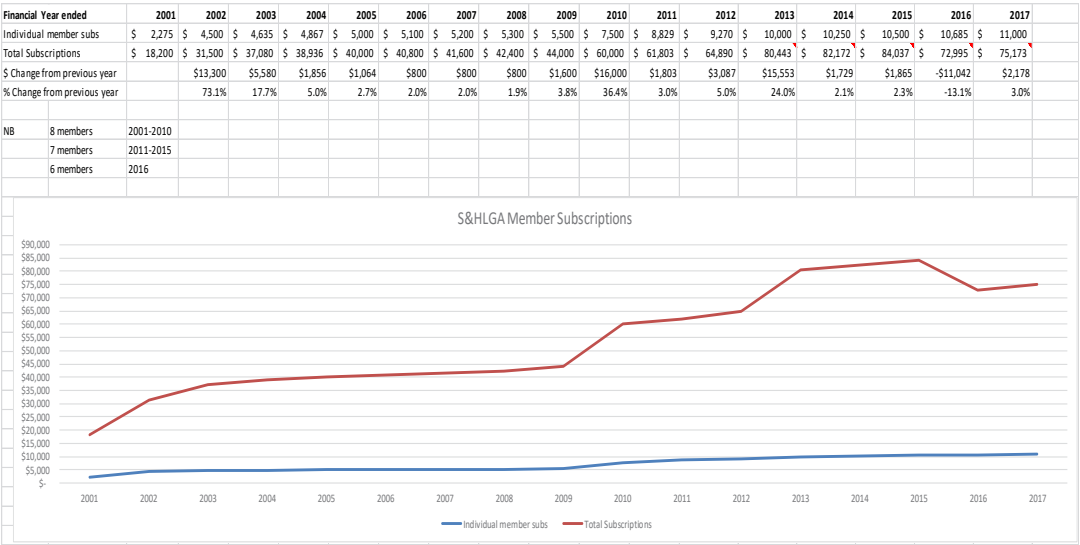
Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
4. To strengthen the capacity of the Association to meet its service obligations.	The Executive Officer to work with the Council CEO's, LGA and Key Stakeholders to explore identified opportunities to share resources that will build capacity in the region and its networks	<input checked="" type="checkbox"/> LGA Regional Capacity Building Grant successfully applied for <input checked="" type="checkbox"/> LGA Outreach Grant successfully applied for			1. 19/07/16 LGA Regional 2015-2016 Capacity Grant acquitted and 2016-2017 Grant applied for 2. 2016-2017 LGA Regional Capacity grant received 1. 22/08/16 LGA Outreach 2016-2017 Grant application and agreement signed off and invoiced. 2. 2016-2017 LGA Outreach Grant received
	Continue to Review the membership base of the S&HLGA and explore the possibility of a Peri Urban Region or identify additional members		S&HLGA Membership negotiations with Onkaparinga commenced		1. Onkaparinga included in outreach Training needs survey.
	Benchmark and review the Long term financial sustainability of Councils including future growth trends, alternative revenue options and optimal size and boundaries	<input checked="" type="checkbox"/> Workshop participation and Progress and Outcome Reports to the Board <input checked="" type="checkbox"/> Project management with the LGA of the Fleurieu Futures Project (FFP)	FFP final report presented to the S&HLGA Board	Key Stakeholder feedback and Council satisfaction	1. Stage 1 draft report completed July 2016 2. Stage 2 draft report completed August 2016 3. Nov 2016 LGA meeting re:FFP and ongoing associated projects 4. Final report completed Jan 2017 5. Tri - Council presentation 6/4/17 6. CVH presentation 8/05/17

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	Manage S&HLGA Local Government compliance obligations in 2016-2017	<input checked="" type="checkbox"/> Input into Local Government Act review and any proposed amendments <input checked="" type="checkbox"/> Complete Charter Review <input checked="" type="checkbox"/> Audit Committee Exemption granted	Revised Charter approved and published	Ministerial Audit Committee Exemption granted to S&HLGA for 3 years	1. LGA conflict of interest/Informal gatherings seminar 9/11/16 2. LGA Emergency support seminar 28/11/16 3. 15/01/17 SAROC briefing paper on s270 Internal Review recommendation of the ombudsman 4. Issues with Financial Regulations for Regional Subsidiaries raised with OLG 4/05/17 01/07/16 Ministerial exemption granted to June 30 th 2021
	Partner LGA in efforts to progress action on Rate capping, NRM levy collection and Funding, Elected member and Council staff Training and PD and Financial Assistance Grants indexing	<input checked="" type="checkbox"/> Participate in SAROC/LGA task groups, reports and negotiations <input checked="" type="checkbox"/> Outreach Regional Training program developed			1. LGA AGM 20/21 Oct 2016 2. RO Executive Officers regular forum implemented 3. LGA OGM April 2017 1. 24/08/16-21/09/16 Meetings with Liz O'Flynn to develop Outreach Training plan via Council survey
	Lead the Region in action on a review of FAGs methodology to better incorporate temporary population impact	<input checked="" type="checkbox"/> Number of presentations, workshops and submissions			1. CEO SA Grants Commission addressed and update the S&HLGA Board 28/10/16

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

MEMBER FEES HISTORY



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ended 30th June 2017

	Notes	2017 \$	2016 \$
Income			
Subscriptions	1.8	72,995	84,037
Operating Grants		182,506	38,726
Investment Income	1.7	2,634	2,384
Other		21,736	323
Total Income	1.4	279,871	125,470
Expenditure			
Contractual Services	3	168,080	146,025
Finance Charges		3,326	3,126
Other		64,692	15,729
Total Expenditure		236,098	164,880
Surplus (Deficit) from Operations		43,773	(39,410)

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2017

	2017	2016
Notes	\$	\$
Current Assets		
Investments	97,928	69,597
Debtors	0	0
Total Current Assets	97,928	69,597
Current Liabilities		
Accounts Payable	4,620	20,062
Total Current Liabilities	4,620	20,062
Net Current Assets	93,308	49,535
 Net Assets	 93,308	 49,535
 Equity		
Accumulated Surplus	93,308	49,535
Total Equity	93,308	49,535

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2017

	2017	2016
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	49,535	88,945
Net Surplus / (Deficit)	43,773	(39,410)
Balance at end of period	93,308	49,535
Total Equity	93,308	49,535

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2017

	2017	2016
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts	304,961	127,204
Payments	(276,694)	(167,763)
GST Paid (received)	(2,570)	0
Interest Receipts	2,634	2,384
	<hr/>	<hr/>
Net Cash Provided by (Used in) Operating Activities	28,331	(38,175)
Net increase/(decrease) in Cash Held	28,331	(38,175)
	<hr/>	<hr/>
Cash at the beginning of the reporting period	69,597	107,773
	<hr/>	<hr/>
Cash at the end of the reporting period	97,928	69,597
	<hr/>	<hr/>

Reconciliation of Change in Net Assets to Cash from operating activities

	2017	2016
		\$
Net Surplus	43,773	(39,410)
Add		
Net Decrease in Debtors	0	4,118
Less		
Net Decrease in Accounts Payable	15,442	2,883
	<hr/>	<hr/>
Net Cash provided by Operating Activities	28,331	(38,175)
	<hr/>	<hr/>

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

Note 1 - Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The 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, Kangaroo Island Council, Mt Barker District Council, 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 2017	\$10,685
Constituent Council Subscription 2016	\$10,500

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

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	%	
2017	157,506	75,776	233,282	83.4%	160,053	67.7%	73,229
2016	38,726	86,744	125,470	100.0%	155,684	94.4%	(30,214)

Projects

2017	25,000	4,229	29,229	10.4%	73,787	31.3%	(44,558)
2016	0	0	0	0.0%	196	0.1%	(196)

Transport and Communication

2017	0	17,360	17,360	6.2%	2,258	1.0%	15,102
2016	0	0	0	0.0%	9,000	5.5%	(9,000)

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Grants	Revenue		%	Expenses		Surplus (Deficit)
		Other	Total Revenue		Expenses Total	%	
Total							
2017	182,506	97,365	279,871	100.0%	236,098	100.0%	43,773
2016	38,726	86,744	125,470	100.0%	164,880	100.0%	(39,410)

3. Contractual Services

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

		2017	2016
Consultants:	LKS Quaero	\$2,500	\$0
	Grange Advisors Pty Ltd	\$139,080	\$137,025
	HDS Australia Pty Ltd	\$1,500	\$9,000
	RDA H&C	\$25,000	\$0
	Totals	\$168,080	\$146,025

4. Comparison of Budget and Actual Results

	2017		2016	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	192,033	233,282	173,192	125,470
Projects	0	29,229	0	0
Transport and Communication	17,600	17,360	0	0
Total Revenue	209,633	279,871	173,192	125,470
Expenditure				
Administration	166,950	160,053	157,650	155,684
Projects	30,250	73,787	10,850	196
Transport and Communication	12,000	2,258	1,200	9,000
Total Expenditure	209,200	236,098	169,700	164,880
Surplus (Deficit)	433	43,773	3,492	(39,410)

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Southern & Hills Local Government Association – Financial Statements Year Ended 30th June 2017

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 2017 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 8th August 2017



Graeme Martin
EXECUTIVE OFFICER



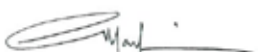
Mayor Bill Spragg
PRESIDENT

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 2017, 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 8th August 2017



Graeme Martin
EXECUTIVE OFFICER



Mayor Bill Spragg
PRESIDENT

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION



Chartered Accountants

Independent Auditor's Report To the Members of Southern & Hills local Government Association

Opinion

We have audited the financial report of Southern & Hills local Government Association ("the Entity") which comprises the Balance Sheet as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2017, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards and the Local Government Act 1999.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards and the Local Government Act 1999. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and The Board for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

HLB Mann Judd Audit (SA) Pty Ltd ABN: 32 166 337 097

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

Postal: PO Box 377, Kent Town SA 5071

HLB Mann Judd Audit (SA) Pty Ltd is a member of international. A world-wide organisation of accounting firms and business advisers.

Liability limited by a scheme approved under Professional Standards Legislation

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION



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

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

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Adelaide, South Australia
8 August 2017

Jon Colquhoun
Partner

HLB Mann Judd Audit (SA) Pty Ltd ABN: 32 166 337 097

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

HLB Mann Judd Audit (SA) Pty Ltd is a member of International. A world-wide organisation of accounting firms and business advisers.

Liability limited by a scheme approved under Professional Standards Legislation

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION



Chartered Accountants

The Board
C/- Graeme Martin
Executive Officer
Southern & Hills Local Government Assoc
13 Ringmer Dr.
Burnside SA 5066

TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF AUDITORS INDEPENDENCE ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 June 2017

I confirm that, for the audit of the financial statements of Southern & Hills Local Government Association for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(5) Local Government (Financial Management) Regulations 2011.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Jon Colquhoun
Partner

Adelaide, South Australia
8 August 2017

HLB Mann Judd Audit (SA) Pty Ltd ABN: 32 166 337 097

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

HLB Mann Judd Audit (SA) Pty Ltd is a member of International. A world-wide organisation of accounting firms and business advisers.

Liability limited by a scheme approved under Professional Standards Legislation



MOUNT BARKER
DISTRICT COUNCIL