

# District Council of Mallala

## Annual Report



2009-10

## Core values

The values or behaviours that the Council will embrace to support our Mission and guide us in achieving our Vision are:

### **Leadership & Diplomacy – by acting strategically and effectively managing our relationships**

- **Teamwork**
  - through unity, co-operation and support
- **Professionalism**
  - through commitment, quality and timeliness of work delivered
- **Honesty & Integrity**
  - building trust and loyalty with the community and within Council
- **Respect**
  - for others, acting with humility and empathy
- **Innovative & Open-Minded**
  - being proactive in continually improving our services

### *Vision Statement*

*A progressive, growing community, enjoying a quality lifestyle in a sustainable, rural and coastal environment.*

### *Mission Statement*

*Provide a safe, healthy and sustainable environment for our growing community, business and visitors, by providing quality services, infrastructure and*



Official opening of the Mallala 'Hub' on 24 May 2010

# The Year's Achievements

| Outcome (SP#) | Performance   |
|---------------|---|
| 1.1           | Continued to liaise with various health and family service providers to ensure that new links are created and existing links maintained       |
| 1.5           | Continued maintenance of cemetery records for burials and leases to be maintained   |
| 1.9           | Continued to lobby for opportunities for urban expansion and passenger rail link at Two Wells and Mallala through BRSF discussions            |
| 2.1           | Complete Dublin Entry Feature design and apply for funding for construction through the State Government's Better Places for People Program   |
| 2.2           | Continued to promote the potential for economic growth within the Council area at regional planning forums                                    |
| 2.2           | Identified public consultation categories within the Development Plan to streamline development applications                                  |
| 2.5           | Identified opportunities for the staging of growth around Two Wells, Mallala and Dublin within the Section 30 Development Plan Review process |
| 3.1           | Encouraged sustainable land management practices through the development assessment process   |
| 3.3           | Investigated flood mitigation options in conjunction with the Two Wells Residential and Commercial DPA  |
| 3.5           | Completed environmentally friendly landscaping to Principal Office including sustainable water capture and use                                |
| 3.6           | Prepared Development Plan Amendment to review commercial and retail policy at Two Wells; and draft centre development guidelines              |
| 3.7           | Prepared joint Gawler River Revised Flood Plain DPA with Playford and Gawler Councils   |
| 4.1           | Allocated additional resources to control Committee meeting agendas and minutes, including posting on Council web page as required            |
| 4.5           | Developed a Risk Management Program (Good Governance Plan) to assist in the rectification of deficiencies and to achieve best practice        |



## Human Resources

During the period Council employed a range of full-time, part-time, casual and contract employees, including individuals seeking work experience.

Council employees performed a range of core functions associated with their roles, whilst at the same time taking on additional tasks and responsibilities to negate Council's lack of resources.

Those core roles are consistent with the following table:

| <b>Directorate</b>                                  | <b>Male</b> | <b>Female</b> | <b>Full Time</b> | <b>Part Time</b> | <b>Casual</b> | <b>Contract</b> |
|---|-------------|---------------|------------------|------------------|---------------|-----------------|
| <b>Governance</b>                                   |             |               |                  |                  |               |                 |
| Chief Executive Officer                             | 1           |               |                  |                  |               | 1               |
| Executive Assistant                                 |             | 1             | 1                |                  |               |                 |
| <b>Governance Total</b>                             | <b>1</b>    | <b>1</b>      | <b>1</b>         | <b>0</b>         | <b>0</b>      | <b>1</b>        |
| <b>Corporate Services</b>                           |             |               |                  |                  |               |                 |
| Corporate Services Manager                          | 1           |               | 1                |                  |               | 1               |
| OHS/Risk Management Officer                         | 1           |               | 1                |                  |               |                 |
| Rates & IT Officer                                  | 1           |               |                  |                  |               |                 |
| HR/Payroll Officer                                  | 1           |               | 1                |                  |               |                 |
| Accounts Payable/Customer Service                   |             | 1             | 1                |                  |               |                 |
| Accounts Receivable/Customer Service                |             | 1             | 1                |                  |               |                 |
| Customer Service Officer                            |             | 3             | 1                | 1                | 1             |                 |
| Finance Officer                                     |             | 1             |                  |                  |               | 1               |
| Cleaner   |             | 1             |                  |                  | 1             |                 |
| <b>Corporate Services Total</b>                     | <b>4</b>    | <b>8</b>      | <b>5</b>         | <b>1</b>         | <b>2</b>      | <b>2</b>        |
| <b>Environment and Development Services</b>         |             |               |                  |                  |               |                 |
| Manager Environment and Development Services        | 1           |               |                  |                  |               | 1               |
| Personal Assistant / Records Officer                |             | 1             | 1                |                  |               |                 |
| Planning Officer                                    | 1           |               | 1                |                  |               |                 |
| Building Assessment Officer                         | 1           |               | 1                |                  |               |                 |
| Building / Compliance Officer                       | 1           |               | 1                |                  |               |                 |
| <b>Environment &amp; Development Services Total</b> | <b>4</b>    | <b>1</b>      | <b>4</b>         | <b>0</b>         | <b>0</b>      | <b>1</b>        |

| <i>Directorate</i>                                   | <i>Male</i> | <i>Female</i> | <i>Full Time</i> | <i>Part Time</i> | <i>Casual</i> | <i>Contract</i> |
|--|-------------|---------------|------------------|------------------|---------------|-----------------|
| <b>Community Services</b>                            |             |               |                  |                  |               |                 |
| Community Services Manager                           | 1           |               | 1                |                  |               |                 |
| Administration Assistant                             |             | 1             |                  |                  | 1             |                 |
| Community Services Officer                           |             | 2             | 1                |                  |               | 1               |
| Environmental Health Officer                         | 1           |               | 1                |                  |               |                 |
| General Inspector                                    | 1           |               | 1                |                  |               |                 |
| Library Manager                                      |             | 1             | 1                |                  |               |                 |
| Library Assistant                                    |             | 2             |                  | 2                |               |                 |
| Waste Management Officer                             | 4           |               | 4                |                  |               |                 |
| <b>Community Services Total</b>                      | <b>7</b>    | <b>6</b>      | <b>9</b>         | <b>2</b>         | <b>1</b>      | <b>1</b>        |
| <b>Infrastructure and Engineering Services</b>       |             |               |                  |                  |               |                 |
| Manager Infrastructure and Engineering Services      | 1           |               | 1                |                  |               | 1               |
| Infrastructure Co-ordinator                          |             | 1             | 1                |                  |               |                 |
| Works Supervisor                                     | 1           |               | 1                |                  |               |                 |
| Asset Co-ordinator                                   | 1           |               | 1                |                  |               |                 |
| Coastal Management Officer                           |             | 1             |                  |                  |               | 1               |
| Horticulture Supervisor                              | 1           |               | 1                |                  |               |                 |
| Senior Workshop Officer                              | 1           |               | 1                |                  |               |                 |
| Horticulture Officer                                 | 2           | 1             | 3                |                  |               |                 |
| Maintenance and Construction                         | 13          |               | 13               |                  |               |                 |
| <b>Infrastructure and Engineering Services Total</b> | <b>20</b>   | <b>3</b>      | <b>21</b>        |                  |               | <b>2</b>        |
| <b>Overall Totals</b>                                | <b>36</b>   | <b>19</b>     | <b>40</b>        | <b>3</b>         | <b>3</b>      | <b>7</b>        |

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## About Our District

The District Council of Mallala, located within the northern segment of the Outer Metropolitan Area of Adelaide, is within 45 minutes travelling distance to the city, with dual lane highway access. The District is also gateway to the northern parts of the State for those travelling from Adelaide along Highway One.

The District covers an area of 926km<sup>2</sup>, with a diverse topography, from gently undulating plains in the east, to the floodplains of the Light and Gawler Rivers, extending to the low lying coastal wetlands adjacent the Gulf St Vincent in the west.

Most of the Council area is rural in nature and agriculture is the predominant land use. The major urban towns of the District are Two Wells, Mallala and Dublin, all with a distinct country township character. These towns provide service centres for the rural hinterland and are increasingly becoming commuter settlements for employment in nearby Adelaide. There are also several coastal townships in the District Council area, the main ones being Thompson Beach, Parham and Middle Beach.

The Council area has experienced strong population growth in both townships and rural living areas over the last 10 years. This is expected to continue, particularly in the southern part of the district, with advantages of easy access to Adelaide, employment options in the northern suburbs and affordable housing. The total population is currently estimated to be around 8,365 people. The District Council area also has unique opportunities for people wishing to purchase properties for rural and coastal living.

The regional economy continues to grow, and growth in the services and transport sectors is also contributing to population growth. Australian Bureau of Statistics population projections show continued strong growth over the next 10 years with a possible population of up to 11,535 people by 2016.

*The Mallala area was originally inhabited by the Kaurna people and takes its name from a corruption of the Aboriginal word 'madlola', or 'place of the ground frog'.*

*The first white settlement dates back to 1839 when the government began allotting large tracts of surveyed land to pastoralists who farmed mostly grain and sheep.*

*Today, employment generated within the District is still largely focused around farming pursuits—stock grazing and broadacre cropping. Intensive animal keeping, horticulture industries and supporting service sectors are also major employment providers.*



## Elector Representation

Section 12(4) of the Local Government Act 1999 requires Council to undertake a review of all aspects of its composition and the division (or potential division) of the Council area into Wards. This review must be completed at least every eight (8) years.

The Electoral Commission SA directed that Councils conduct a review in 2009 to ensure fair and equitable representation prior to the 2010 Local Government elections.

In accordance with Section 12(4) and Section 12(8)(a) of the Local Government Act 1999 Council commenced its Elector Representation Review, the initial six (6) week public consultation concluded on 31 July with Council receiving no submissions. Council ratified at its August 17 2009 meeting to conduct additional public consultation to raise awareness.

As a result of its public consultation and legislative requirements Council resolved:

- The Principal Member of Council continue to be a Chairperson elected by Council and the office continue to bear the title of Mayor pursuant to Section 51 of the Act,
- The Council continue to be divided into four (4) Wards with its current structure,
- The Wards be identified as Dublin (Ward 1), Mallala (Ward 2), Two Wells (Ward 3), and Lewiston (Ward 4),
- Council continue to comprise eleven (11) Councillors, and
- Not to introduce Area Councillors in addition to Ward Councillors.

The following table provides details of electors per Council Ward, elector ratio and quota variance of each Ward as at July 2009 and indicated in the C L Rowe & Associates Report:

| Ward           | Councillors | Electors     | Ratio        | % Variance |
|----------------|-------------|--------------|--------------|------------|
| Dublin         | 2           | 1,518        | 1:759        | +6.9       |
| Mallala        | 2           | 1,530        | 1:765        | +7.8       |
| Two Wells      | 3           | 2,104        | 1:701        | -1.3       |
| Lewiston       | 4           | 2,660        | 1:685        | -6.3       |
| <b>Total</b>   | <b>11</b>   | <b>7,812</b> | -            | -          |
| <b>Average</b> | -           | -            | <b>1:710</b> | -          |

Sections 26 and 33 of the Local Government Act 1999 outline the need to ensure fair representation while avoiding over representation in comparison to other similar sized Councils.

The report found that the District Council of Mallala representation per elector was high in comparison to other Councils as indicated in the following table:

| Council                 | Councillors | Electors     | Ratio        |
|-------------------------|-------------|--------------|--------------|
| Naracoorte / Lucindale  | 10          | 6,910        | 1:691        |
| <b>Mallala</b>          | <b>11</b>   | <b>7,812</b> | <b>1:710</b> |
| Loxton Waikerie         | 12          | 9,165        | 1:763        |
| Grant                   | 9           | 7,131        | 1:792        |
| Berri Barmera           | 10          | 8,103        | 1:810        |
| Clare & Gilbert Valleys | 9           | 7,795        | 1:866        |
| Renmark Paringa         | 8           | 7,158        | 1:894        |

## National Competition Policy

### Significant Business Action

Council undertook no significant business activities in either category for the financial year, nor was any in-house tendering undertaken.

## Elected Members Information

### Meeting Attendance

| Councillor        | Ordinary Meetings | Special Meetings | Attendance Record |
|-------------------|-------------------|------------------|-------------------|
| Joe Daniele       | 10                | 2                | 12                |
| Rudi Fabrici      | 11                | 1                | 12                |
| Tony Flaherty     | 10                | 3                | 13                |
| Yvonne Howard     | 12                | 3                | 15                |
| Steve Jones       | 11                | 2                | 13                |
| Terry Keen        | 11                | 2                | 13                |
| Steve Kennedy     | 10                | 1                | 11                |
| Duncan Kennington | 10                | 3                | 13                |
| Anne Picard       | 11                | 1                | 12                |
| Marcus Strudwicke | 11                | 3                | 14                |
| Tom Summerton     | 11                | 2                | 13                |

### Elected Members Training & Development

Council provides an annual budget to its Elected Members to facilitate training and development to assist them with their core functions and responsibilities as public figures. Elected members are able to attend conferences, seminars, and training to keep them informed of local and regional developments and legislative requirements associated with their roles.

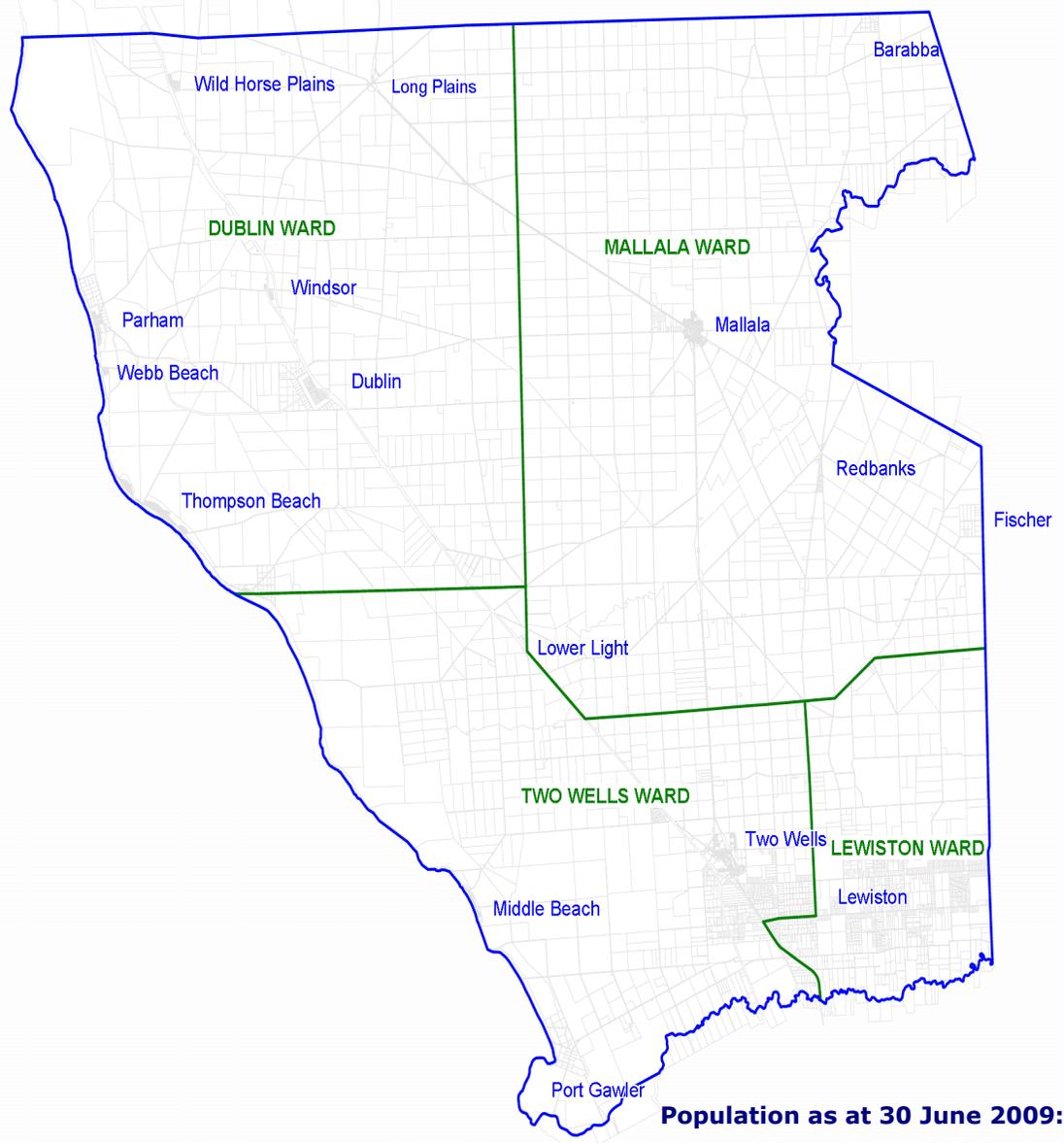
During the 2008 / 2009 period a number of elected members took the opportunity to attend specific training and development:

- LGA Residential Seminars – LGA,
- LGA AGM,
- Introduction to Microsoft Outlook - WEA,
- Using a Personal Computer – WEA.

As part of Council Information Sessions elected members were exposed to a range of guest speakers from legal, financial, transport and development fields including members of the LGA who presented on local, regional and state issues affecting Council.



# District Map with Ward Boundaries



## Council Synopsis

### Population as at 30 June 2009:

|                                 |              |
|---------------------------------|--------------|
| Area of Council:                | 926.7sq km   |
| Number of Rateable Assessments: | 4177         |
| Number of Electors:             |              |
| State Roll:                     | 5,232        |
| Council Roll:                   | 2,067        |
| Total Electors:                 | <b>7,299</b> |
| Total Population:               | 8,365        |

### Council Office: (Registered office & principal place of business)

2a Wasleys Road,  
Mallala 5502 (office)

Office Hours (Monday to Friday)  
9:00am - 5:00pm

#### Postal Address:

PO Box 18 Mallala 5502

Telephone: 8527 0200

Fax: 8527 2242

#### Email Address:

[info@mallala.sa.gov.au](mailto:info@mallala.sa.gov.au)

#### Web Address:

[www.mallala.sa.gov.au](http://www.mallala.sa.gov.au)



'The Rockies' Reserve,

## Elected Members



**Mayor:**  
Marcus Strudwicke  
Telephone 8527 2046  
Email:  
email@strudwicke.com



**Deputy Mayor:**  
Yvonne Howard  
Telephone 8527 2020  
Email  
pyhoward6@bigpond.com

### Dublin Ward

**Cr Steve Jones**

C/- Post Office  
Lower Light 5501

**Cr Terry-Anne Keen**

PO Box 118  
Dublin 5501

### Lewiston Ward

**Cr Rudi Fabrici**

15 Hancock Road  
Lewiston 5501

**Cr Duncan Kennington**

290 Hayman Road  
Lewiston 5501

**Cr Tom Summerton**

1 Aunger Road  
Lewiston 5501

**Cr Anne Picard**

PO Box 581  
Virginia 5120

### Mallala Ward

**Cr Marcus Strudwicke**

4 Dublin Road  
Mallala 5502

**Cr Yvonne Howard**

3 Irish Street  
Mallala 5502

### Two Wells Ward

**Cr Joe Daniele**

8 Old Port Wakefield Road  
Two Wells 5501

**Cr Steve Kennedy**

45 Gawler Road  
Two Wells 5501

**Cr Tony Flaherty (OAM)**

5 Germantown Road  
Two Wells 5501

## Senior Management Team



### **Chief Executive Officer**

#### **—Charles Mansueto**

Salary: \$134,544pa - Commenced 10 August 2009

(5 year contract expires August 2014)

Superannuation as per SA Superannuation 9% and Local Government Acts

Fully maintained vehicle for private use

Limited private use of mobile telephone

### **Manager Corporate Services and Finance**

#### **—Mark Lague (1 - 24 July 2009) Salary: \$83,034**

#### **Finance Manager—Lyndon Prior**

18 August 2009 - 8 June 2010) Salary: \$80,275

Superannuation as per SA Superannuation 9% and Local Government Acts

Fully maintained vehicle for private use

Limited private use of mobile telephone



### **Manager Environment and Development Services**

#### **—Henri Mueller**

Salary: \$89,155

(5 year contract expires September 2013)

Superannuation as per SA Superannuation 9% and Local Government Acts

Fully maintained vehicle for private use

Limited private use of mobile telephone



### **Manager, Infrastructure & Engineering Services**

#### **—John Tillack**

Salary: \$89,155

(5-year contract expires September 2013)

Superannuation as per SA Superannuation 9% and Local Government Acts

Fully maintained vehicle for private use

Limited private use of mobile telephone



### **Manager, Community Services**

#### **—Stephen Bateman**

Salary: \$83,034

Superannuation as per SA Superannuation 9% and Local Government Acts

Fully maintained vehicle for private use

Limited private use of mobile telephone



*Council continues to be an Equal Opportunity employer seeking to employ a workforce free of discrimination where employees are provided with the opportunity to progress professional and personally where opportunities present.*

**NB:** The preceding information reflects the number of Senior Executive Officers, together with information on allowances, bonuses and benefits, as part of a salary package. This information relates to the South Australian Municipal Salaried Officers Award and Council's Employee Relations Agreement 2009.

## Proposals for 2010 - 2011

The Annual Business Plan has been prepared to deliver the following Council objectives for the year ending 30 June 2011.

| <b>Outcome (SP#)</b> | <b>Performance</b>   |
|----------------------|--|
| 1.4                  | Construct a playground in the Lewiston Ward  |
| 1.4                  | Conduct quarterly safety inspections and maintain existing playgrounds to exceed minimum legislative safety requirements   |
| 1.4                  | Maintain existing trails and construct approved trails to meet current guidelines  |
| 2.1                  | Promote the area potential for economic growth   |
| 2.2                  | Identify hard and soft infrastructure requirements for Two Wells existing and future growth area   |
| 2.2                  | Highlight infrastructure issues at regional planning forums  |
| 2.2                  | Introduce a Developer Contribution Scheme for the provision of community infrastructure in the new growth area and within the town centre of Two Wells   |
| 2.2                  | Facilitate the provision of optic fibre for broadband internet access to new growth areas North of Two Wells   |
| 2.3                  | Develop economic strategies to attract investment in the District  |
| 2.3                  | Lead the implementation of the Horticultural Blue Print  |
| 3.1                  | Review Council's Community Land Management Plans   |
| 3.2                  | Continue to plan the introduction of Community Wastewater Management Systems to the Mallala and Two Wells Townships  |
| 3.4                  | Continue to plan and implement the closure of the Mallala Land-fill Site   |
| 3.9                  | Source funding for the continued renovation of the Two Wells Public Library  |
| 3.10                 | Introduce a new Council Office to the Two Wells township providing greater service to the wider community  |
| 3.10                 | Continue to liaise with community groups in the development and securing of leasing agreements over council assets   |
| 3.10                 | Continue to maintain and enhance Council building assets utilised by the public by introducing a formal building management plan   |
| 3.10                 | Continue to develop Council's Asset Management Plans relating to roads, land and buildings   |
| 4.1                  | Continue to work with the LGA and Government Departments   |
| 4.1                  | Develop a comprehensive Elected Members training plan in conjunction with Light Regional Council   |
| 4.1                  | Continue to develop Governance procedures, policies and practices in-line with legislative requirements and best practice  |
| 4.1                  | Develop a formal Business Continuity   |
| 4.1                  | Plan in consultation with the LGA  |
| 4.3                  | Develop Council's consultation and communication practices with the community and internally provide a well informed community and workforce   |
| 4.4                  | Develop Council's Customer Service practices internally and externally providing prompt and accurate information and service to the community, staff and elected members implementing continuous improvement |
| 4.5                  | Utilising LGA's Good Governance Plan and Reform Audit process to implement best practice policies, procedures and practices relating to risk and financial matters   |

## Community Land

All Local Government land became classified as Community Land when the Local Government Act 1999 came into effect from 1st January 2000.

### **Register of Community Land**

Council has prepared a Register of Community Land containing (but not limited to) the following information:

- Legal description and location of the land
- Commonly known name of land (if applicable)
- The area of the land
- The owner of the land – while predominately this will be Council there are several parcels of land owned by the Crown but under Council's Care and Control.

Copies of Community Land Management Plans under the following categories:

|                    |   |
|--------------------|---|
| Management Plan 1  | - Undeveloped Open Space/Reserves with Minor Improvements |
| Management Plan 2  | - Cemeteries  |
| Management Plan 3  | - Port Parham Sports and Social Club                      |
| Management Plan 4  | - Formal Gardens  |
| Management Plan 5  | - Council Parks – Major Improvements                      |
| Management Plan 6  | - Stormwater Management                                   |
| Management Plan 7  | - Community Buildings                                     |
| Management Plan 8  | - Sports / Recreation Facilities                          |
| Management Plan 9  | - Two Wells Car Park Land                                 |
| Management Plan 10 | - Historic Wells Reserve                                  |
| Management Plan 11 | - Mallala Museum Gardens                                  |

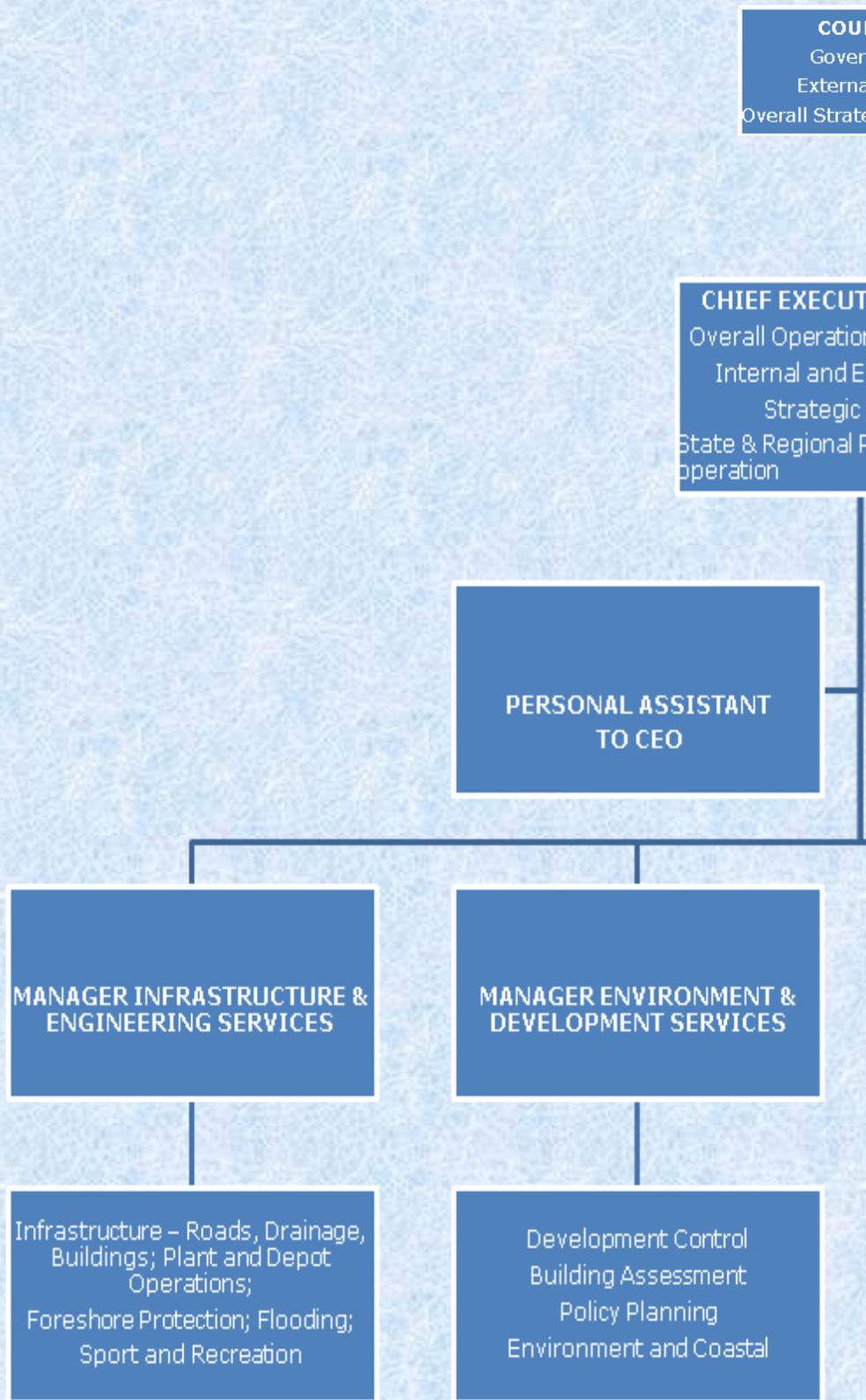
Council identified through its improved asset management practices that each Community Land Management Plan required review and this process is due to commence in 2011.

Council's Register of Community Land is available for public inspection at the Council Office at 2a Wasleys Road, Mallala during ordinary office hours.



Mallala Historical Museum

# Organisation Chart



**COUNCIL**  
Finance  
Policy  
Strategic Direction

**MANAGERIAL OFFICER**  
Financial Management  
External Policy  
Planning  
Program Co-



## Elected Members Expenses & Allowances

### Re-imbursement of Expenses, Facilities and Support

The District Council of Mallala ensures that the reimbursement of expenses and the provision of allowances, facilities and support to the Elected Members is accountable, transparent and in accordance with the Local Government Act 1999 and associated regulations.

### Allowances

Section 76 of the Local Government Act 1999 and Regulation 4 prescribe that all Elected Members are entitled to receive an allowance. The Council, within the limits imposed by the Regulations, sets this allowance annually. The allowance is to help cover the cost of performing and discharging their official functions and duties.

| <b>Position</b>                                    | <b>Allowances paid July<br/>2009 to June 2010</b> |
|--|---|
| Mayor  | \$12,500.00                                       |
| Deputy Mayor                                       | \$ 9,375.00                                       |
| Elected Members                                    | \$ 6,250.00                                       |
| Presiding Members of Council Section 41 Committees | \$ 9,375.00                                       |

### Payments made to Councillors

Total payments (includes travel allowance) made to Councillors for the period 1 July 2009 to 30 June 2010 are as follows:

|                                      |                  |
|--------------------------------------|------------------|
| Cr S M Strudwicke                    |                  |
| Councillor Allowance                 | 11,299.00        |
| Councillor Travel Reimbursement      | Nil              |
| <b>Total payments for 2009-2010</b>  | <b>11,299.00</b> |
| Cr Y L Howard                        |                  |
| Councillor Allowance                 | 9,451.41         |
| Councillor Travel Reimbursement      | Nil              |
| Council Development Assessment Panel | 3,200.00         |
| <b>Total payments for 2009-2010</b>  | <b>12,651.41</b> |
| Cr T A Keen                          |                  |
| Councillor Allowance                 | 6,301.36         |
| Councillor Travel Reimbursement      | Nil              |
| <b>Total payments for 2009-2010</b>  | <b>6,301.36</b>  |
| Cr S J Kennedy                       |                  |
| Councillor Allowance                 | 6,301.36         |
| Councillor Travel Reimbursement      | Nil              |
| <b>Total payments for 2009-2010</b>  | <b>6,301.36</b>  |

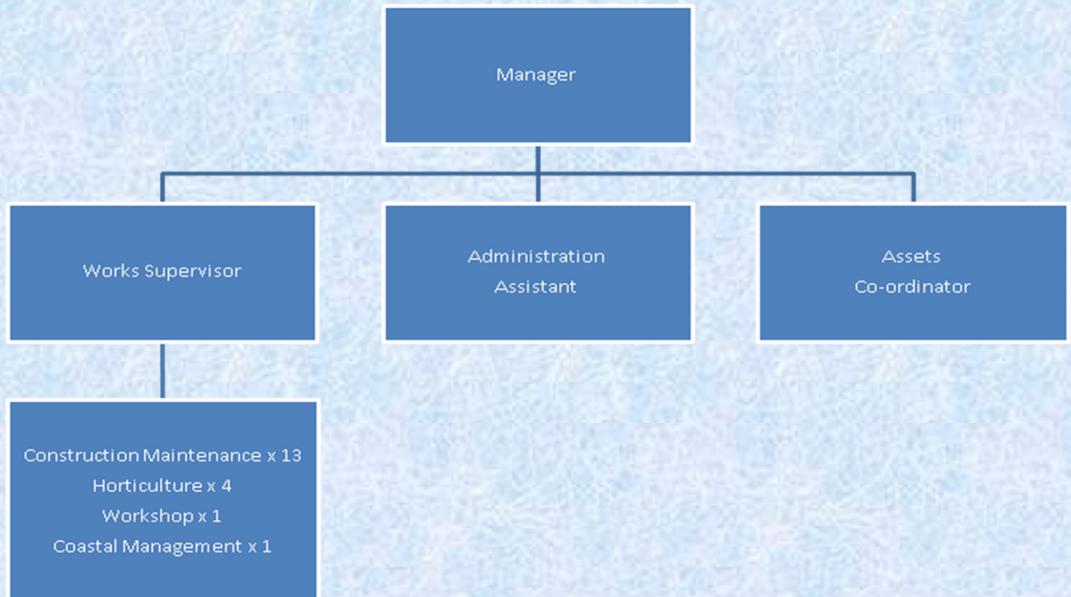
|  |                     |
|--|---------------------|
| Cr P M N Daniele                                   |                     |
| Councillor Allowances                              | 5,780.52            |
| Councillor Travel Reimbursement                    | 1,272.24            |
| Council Development Assessment Panel               | 3,200.              |
| <i>Total payments for 2009-2010</i>                | <b>10,252.76</b>    |
| Cr B J Summerton                                   |                     |
| Councillor Allowance                               | 6,200.91            |
| Councillor Travel Reimbursement                    | 1,097.34            |
| <i>Total payments for 2009-2010</i>                | <b>7,298.25</b>     |
| Cr S E Jones                                       |                     |
| Councillor Allowance                               | 6,301.36            |
| Councillor Travel Reimbursement                    | Nil                 |
| <i>Total payments for 2009-2010</i>                | <b>6,301.36</b>     |
| Cr D Kennington                                    |                     |
| Councillor Allowance                               | 6,301.36            |
| Councillor Travel Reimbursement                    | 1,253.95            |
| <i>Total payments for 2009-2010</i>                | <b>7,555.31</b>     |
| Cr A Picard  |                     |
| Councillor Allowance                               | 6,301.36            |
| Councillor Travel Reimbursement                    | 1,591.59            |
| <i>Total of payments for 2009-2010</i>             | <b>7,892.95</b>     |
| Cr A J Flaherty (OAM)                              |                     |
| Councillor Allowance                               | 8,905.51            |
| Councillor Travel Reimbursement                    | 3,949.90            |
| Phone and Internet Allowance                       | 850.00              |
| <i>Total of payments for 2009-2010</i>             | <b>13,705.41</b>    |
| Cr R J Fabrici                                     |                     |
| Councillor Allowance                               | 8,281.25            |
| Councillor Travel Reimbursement                    | 2,758.89            |
| Council Development Assessment Panel               | 2,800.00            |
| <i>Total of payments for 2009-2010</i>             | <b>13,440.14</b>    |
| <b>Total payments to Councillors for 2009-2010</b> | <b>\$102,999.31</b> |

# Infrastructure and Engineering Services

## Key Department Services

The Infrastructure and Engineering Services Department provides services to the community both directly and through the provision of infrastructure. Our services include:

- Construction, maintenance and management of:
  - o Transport facilities (roads, bridges, culverts and footpaths)
  - o Stormwater systems (under ground and open drains and associated pumping systems)
  - o Flood mitigation, preparation, response and recovery
  - o Parks, gardens and reserves
- Cemetery operations
- Public conveniences
- Production of road making materials
- Plant and Depot operations



**Major projects and works included:**

**Road Construction**

Construction and sealing of Bailey Road East and Garden Avenue (northern section) at Two Wells. Project cost \$308,000.

**Streetscapes**

Finalisation of the Dublin Streetscape Project (Phase 3) on Old Port Wakefield Road, Dublin – project cost \$450,000. Phase 3 costs were \$150,000.

**Middle Beach Boat Ramp**

After 15 years of community consultation the new boat ramp finally became a reality. Jointly funded by grants from the Department of Agriculture, Fisheries and Forestry, the South Australian Boating Facilities Advisory Committee and Council, the \$350,000 project was constructed by Watpac Civil Infrastructure in April and May 2010.



Left to right: Theo Rapp Watpac Civil Infrastructure Pty Ltd; Cr Marcus Strudwicke, Mayor of DC Mallala; Malcolm Frost, member Foreshore Advisory Committee; Barbara Reid, Chairman Foreshore Advisory Committee; and John Drexel member Foreshore Advisory Committee

### Other Projects

2 Wasleys Road in Mallala was converted from a vacant allotment into an attractive community asset already proving popular with locals and visitors alike. The brick wall in the foreground replicates the architecture of the original building on the site and the stone used in the construction was recovered from that building.



Reconstruction of 6000 metres of road shoulders on Dawkins and Bethesda Roads in Lewiston. Construction of new footpaths in Redbanks Road, Mallala and Chapman Street, Two Wells at a cost of \$21,000.

Installation of a large number of road signs to improve information for the community, or to replace those that were no longer serviceable; or were damaged or stolen by vandals.



Patrol grading of all formed unsealed roads

**Sealed Roads**

Resealing of 45,000m<sup>2</sup> of sealed roads - \$190,000. Roads or sections of roads resealed were:

| <b>Two Wells</b> | <b>Lewiston</b> | <b>Mallala</b> |
|------------------|-----------------|----------------|
| Sable Grove      | Dawkins Road    | Dublin Road    |
| Chestnut Lane    |                 |                |
| Clydesdale Drive |                 |                |
| Kathleen Road    |                 |                |
| Hayman Road      |                 |                |
| Wilson Street    |                 |                |
| Donaldson Road   |                 |                |
| Elizabeth Street |                 |                |

**Unsealed Roads**

Selected sections of resheeting (new wear course of 100 mm of crushed limestone) on 17 km of unsealed roads – Project Cost \$410,000

| <b>Two Wells</b> | <b>Mallala</b> | <b>Long Plains</b> | <b>Barabba</b> | <b>Lewiston</b> |
|------------------|----------------|--------------------|----------------|-----------------|
| Garden Avenue    | Owen Road      | Hallion Road       | Barabba Road   | Aunger Road     |
| Johns Road       |                | Powerline Road     |                | Germantown Road |
|                  |                | Ridley Road        |                | Gilks Road      |

**Equipment/Plant Purchases**

Council purchased the following major equipment during 2009/10:

- Waste/Recycling Collection Vehicle– replacement
- Utility (5) –4 replacements, 1 new (for asset management)
- Chipper – replacement
- Truck and crane combination – replacement

**Out of the Ordinary**

Council assisted the South Australian Museum to recover the skeleton of a rare fin whale that washed up on the foreshore at Webb Beach in early October 2009. Council provided project management, traffic management and logistic support to the operation which took approximately one week to complete.



# Environment and Development Services

## Key Department Services:

- Policy Planning
- Contraventions
- Environment and Coastal
- Building Assessment
- Development Control

The Environment and Development Services team comprises of five staff including:



This year saw the continuation of detailed planning in relation to the Two Wells and Mallala Townships, including the future plans for the Two Wells town centre, investigations into the future growth area to the north of Two Wells and progress on rezoning and transport structure planning for the Mallala Township.

Council's Better Development Plan Conversion Process was also progressed with preparation of a first draft development plan amendment.

Council entered into a Heads of Agreement (HOA) with the Hickinbotham Group in relation to cooperation for establishing a major growth area to the north of Two Wells. The HOA enshrines co-operation between the parties on the investigations for growth, the negotiation of a Developer Agreement and the establishment of a Developer Contribution Scheme for the provision of future hard and soft infrastructure.

Substantial progress was made in relation to the Light River flood mapping project and planning for the revised flood mapping of the Gawler River Flood plain.

The level of information in coastal areas received a major boost with preparation of detailed digital elevation models of our coastal townships and settlements.

In the meantime development activity was not at all subdued by the global financial crisis with the level of development applications not only sustained but also substantially increasing in value of development from previous years. Several major land division applications in Lewiston and Two Wells and a major expansion of the D'Vine Ripe Horticulture development on Germantown Road were approved.

Council maintained its obligations under its Building Inspection policy and the Building Fire Safety Authority maintained a vigilant approach to building fire safety issues. Planning enforcement activity kept the pressure on illegal development and unsightly premises.

Council's urban design and planning projects under the State government Better Places for People Program were advanced during the year with the preparation of a revised master plan for the Two Wells towns Centre. The Dublin Township entry features were also revised in light of the Department for Transport, Energy and Infrastructure (DTEI) concerns.

#### **Two Wells Expansion Project**

Council entered into a milestone Heads of Agreement (HoA) with the Hickinbotham Group enshrining co-operative arrangements for the preparation of a master plan and subsequent Development Plan Amendment (DPA) giving effect to rezoning for major expansion to the north of the Two Wells Township. The HoA also enshrines the party's intentions to negotiate a developer agreement for the provision of infrastructure and the establishment of a developer contribution scheme to provide future services for the township.

The expansion to the north of the town has also been incorporated by the State Government in the Greater Adelaide Plan. This expansion is being investigated as part of the Two Wells residential and Commercial Development Plan Amendment process. Whilst the investigations have progressed into infrastructure requirements and services much of the emphasis has been on mapping of the Light River flood plain and the investigations into the Two Wells Town Centre redevelopment.

#### **Development Plan Amendments**

Council made progress toward the preparation of a number of Development Plan Amendment reports including the following:

- **Better Development Plan Conversion DPA**  
Prepared first draft for Council consideration. This has been resourced by Council staff and Department of Planning and Local Government Staff as a joint project.
- **Gawler River Flood Mitigation DPA**  
Completed Statement of Investigations and prepared draft policy. Project work undertaken by planning consultants with a joint steering committee comprising planning staff from the Town of Gawler, Light Regional Council, City of Playford and District Council of Mallala.
- **Two Wells Residential and Commercial DPA**  
Investigations and preparation of master plan and report by the Hickinbotham Group for independent verification and inclusion in Statement of Investigations for the DPA. The DPA being prepared by Council's planning consultants.
- **Mallala Township DPA**  
Incorporating rezoning for residential, commercial, light industrial and commercial bulk handling facilities and introduces a transport structure plan to establish a heavy vehicle bypass. Completed agency consultation phase and undertook traffic impact assessment and additional investigations relating to bushfire issues as recommended by Agencies.

## Two Wells Town Centre Development



### Two Wells Town Centre Project—Option 4

Urban design consultants were engaged to prepare desired future character statements and guidelines for the development of the town centre of Two Wells. Due to higher than expected growth targets established through the Greater Adelaide Plan, the original urban design framework required some revision. Subsequently, several additional options were prepared and further consultation with the community undertaken on the subject including 'A Day in the Town', where a display was prepared and consultants were available to discuss the plans with community members. Council endorsed the revision in Option 4, as shown above.



### *Mission Statement*

Provide a safe, healthy and sustainable environment for our growing community, business and visitors, by providing quality services, infrastructure and facilities.

### Development Activity

The total number of development applications for the period was 354 up on the previous year of 335. Value of Development grew considerably with \$35 million worth of development as compared to \$16 million the previous year. Interestingly it would appear that development trends have passed through a significant dip in 2007-8 and 2008-9 when only 337 applications valued at \$23 Million and 335 applications valued at only \$16 million respectively were received. The 2009-10 financial period appears to be on an upward trend, but is still below the high growth years of 2004-5 and 2005-6 when 451 and 385 applications were received respectively, as shown in the table below.

|                  | 2004-5 | 2005-6 | 2006-7    | 2007-8 | 2008-9 | 2009-10 |
|------------------|--------|--------|-----------|--------|--------|---------|
| Numbers          | 451    | 385    | 357       | 337    | 335    | 354     |
| Value (millions) | \$17.1 | \$18.5 | \$52.1(1) | \$23.6 | \$16   | \$35    |

This figure includes \$42m for a gas fired peaking power station

### Development Assessment

As has been the case in recent years, development applications received by Council during the period were mostly for traditional type development, with the majority approved under delegated authority. Dwellings, building extensions, sheds/garages, swimming pools and verandahs / carports / pergolas were mostly approved by Council staff. Several larger development applications were also processed by Council throughout the year including significant land division applications in Lewiston and Two Wells.

The Lewiston and Two Wells areas were again the source of most development applications received by Council. Horse keeping and dog kennelling applications in the rural living zones were also received and processed. Development proposals in Thompson Beach, Middle Beach, Dublin and Parham were also approved. Council's Settlement Zones and wider General Farming localities also experienced some development.

### Council Development Assessment Panel (CDAP)

Eight meetings of Council's Development Assessment Panel took place during the period, an increase of one from the previous year. The panel meets when required to consider public notification development applications where there has been representations (Category 2 and Category 3), non-complying development applications, and applications being recommended for refusal. The panel may also be called to consider applicant compromise proposals resulting from appeals to the Environment Resources and Development Court.

### Applications Refused

The following developments were refused by the panel:

Dwelling addition within Flood Hazard Zone 2 of Gawler River Flood Plain Policy Area at Lewiston;

Shed within Flood Hazard Zone 3 of the Gawler River Flood Plain Policy Area. Being a non-complying development no appeal rights were available to the applicant.

### Non-Complying Development

The panel resolved to seek the concurrence of the Development Assessment Commission in respect to approving an application for a detached dwelling on an allotment less than 8 hectares in area within the Gawler River Flood Plain Policy Area in the Horticulture Zone at Two Wells. The Commission concurred with the decision of the Panel.

The panel also resolved to seek the concurrence of the Development Assessment Commission in respect to approving an application by the District Council of Mallala for the redevelopment of the existing Council Works Depot. Provisional Development Plan Consent was subsequently granted.

### Appeals/Compulsory Conferences

An applicant appealed to the Environment, Resources and Development Court against the panel's decision to refuse an application for a dwelling within Flood Hazard Zone 2 of the Gawler River Flood Plain Policy Area in Lewiston. Following additional information provided by the applicant the Panel agreed to the granting of Development Plan Consent by the Court prior to the matter proceeding to a full Court hearing.

### **Customer Satisfaction - Development Assessment**

A total of 338 customer survey forms were sent out with decision notifications for planning and building approval during the reporting period with a total of 30 completed and returned. The level of customer satisfaction with the service provided was very high, with only one exception. Levels of satisfaction scored between 8 and 10 out of 10 and by far the highest number scored was 10 out of 10. The majority of feedback was very positive, helpful and encouraging to staff to maintain a high level of customer service.

### **Coastal Townships and Settlements**

The Coastal Management Board have undertaken LYDAR surveys of our coastal townships and combined this with the one recently undertaken as part of the Light River flood mapping project to provide a complete coverage for all of the coastal townships and settlements in the Mallala District. From this digital elevation models (DEM) have been prepared for the coastal towns and settlements providing details of the terrain including levels to a high degree of accuracy suitable for undertaking flood mapping for sea level rise and coastal storm surge inundation.

An application for funding has been submitted to the NDRG and the Coastal Management Branch for \$50,000 each to undertake much needed repairs to the Thompson Beach township levee banks.

### **Public Notification Applications Approved**

The following developments were approved by the panel after public notification:

- Parking of truck and trailer at Lewiston.
- Variation to existing development authorization to remove existing Development Plan conditions relating to chemical spraying and vegetation buffers on a horticultural property at Two Wells.
- Keeping of 8 horses and associated facilities at Lewiston.
- Keeping of 22 horses and associated facilities at Reeves Plains.
- Temporary 80 metre high wind testing mast near Dublin.
- Expansion of existing major glasshouse development at Korunye.

### **Building Inspection Policy**

A total of 102 inspections relating to Development Applications were performed during the financial year. There was 355 Development Applications received by Council, meaning approximately 29% of all applications were inspected thereby exceeding the 25% target specified in Council's building inspection policy and was up 3% on the last financial year.

From all inspections performed, the builder notified Council on 74 occasions (73%), up by 7% on last year and 15% over the last two years. This would indicate that our office has succeeded at increasing the number of builders performing their mandatory obligation of notifying Council. Remaining inspections were random. Of the inspections performed, 87 (85%) related to dwellings or dwelling additions, up by 10% on last year. This correlates with the additional notifications Council received through the financial year. Other applications inspected related to commercial, industrial and minor domestic structures.

### **Building Fire Safety Authority**

Council's Building Fire Safety Authority, which consisted of Chris Wiltshire (Council officer), Peter Harmer (Building Surveyor) and Maurie Parker (proxy to Chief Fire Warden), continued to take an active role in monitoring public buildings. Seven inspections were performed by the Authority, with the majority being Council owned assets.

Enforcement notices were not issued by the Authority during the financial year, however, a number of buildings that were continually monitored during this period did not comply with the Authority's requirements.

Subsequent action will be taken in the coming financial year, although some of the issues in relation to the buildings inspected were regarded as minor, the Building Fire Safety Authority took all matters seriously, enforcing the highest standards on all buildings inspected to ensure the safety of the public.



One major industrial development was commenced in the District Council of Mallala. This was the second stage of the glasshouse development located on Germantown Road. Because the addition replicated the existing glasshouse already approved, the assessment performed by the private certifier was a simple assessment. At present, the frame is up with work to be completed by the end of this financial year.

### Enforcement of the Development Act 1993

The table below indicates some of the planning contraventions that have been investigated and the action taken during this period. Planning contraventions are categorized under different headings. They can be anything from an illegal land use, illegal structure or development, or not carrying out an approval in accordance with planning conditions imposed on the development.

Planning contraventions take up considerable resources, can be extremely time consuming and are often complex in nature. The resources required in the resolution of a complex planning contravention in the Environment Resources and Development (ERD) Court are costly and staff endeavor to resolve matters before they reach the Court.

Sometimes no further action is required where an investigation reveals that the contravention is resolved by negotiation, or there is no substance to the allegation i.e. the suspected illegal development may have a development approval or existing use rights.

As with all illegal activity there is a due process, which allows for property owners or those responsible for an illegal development to lodge a Development Application with Council.

Planning contraventions are carried out using procedures that are recognised state wide by all councils and Planning SA.

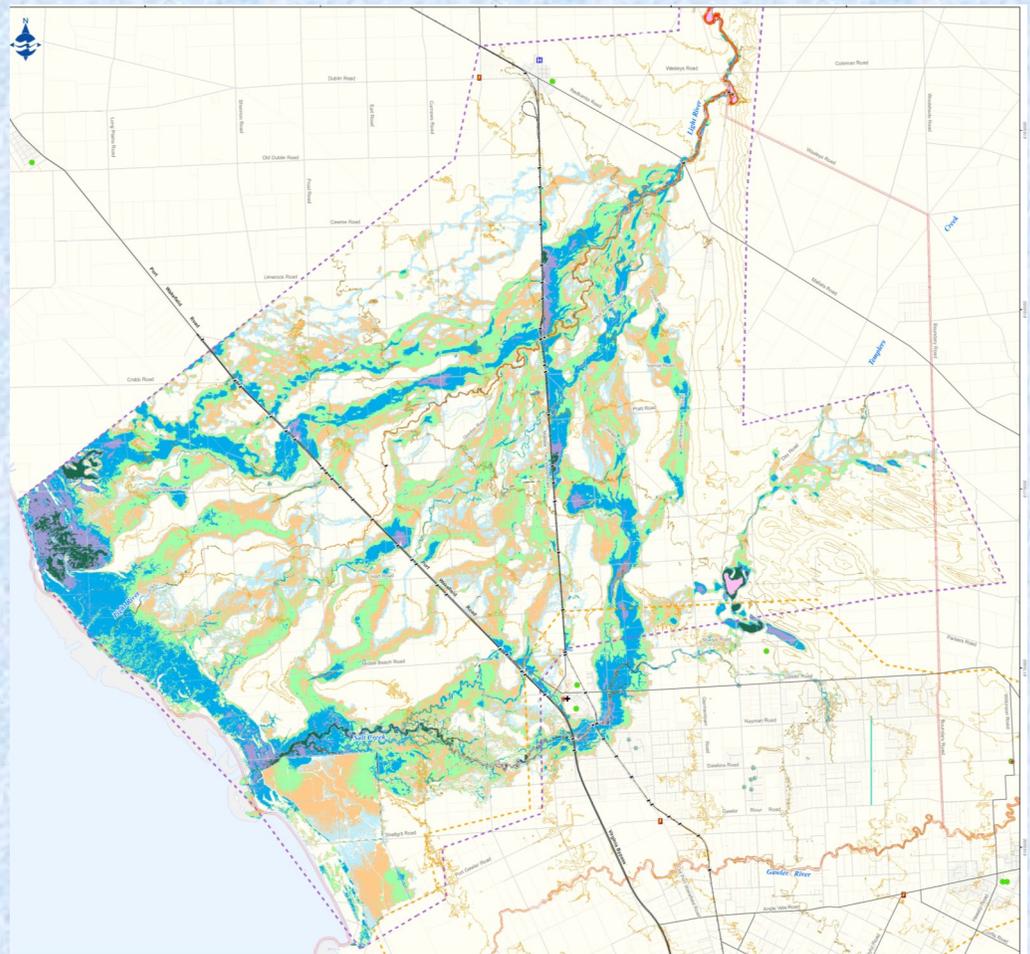
### Development Act Contraventions

| Contravention   | Location       | Action Taken  | Result              |
|---|----------------|---|---------------------|
| Illegal land use (storage of materials)               | Korunye        | ERD Court   | Ongoing             |
| Illegal land use (operating a business)               | Two Wells      | Liaison with Development Assessment Commission (DAC)      | Monitoring of site  |
| Illegal development (structures and dam)              | Two Wells      | Section 84 (Development Act 1984)                         | DA lodged           |
| Illegal development (land fill)                       | Lewiston       | Liaison with Environment Protection Authority (EPA) & DAC | EPA action on-going |
| Illegal land use (storage of vehicles)                | Lewiston       | Negotiation   | Monitoring of site  |
| Illegal land use (structure and living in motor home) | Thompson Beach | Negotiation   | DA lodged           |
| Illegal development (shed conversion)                 | Reeves Plains  | Negotiation   | Ongoing             |
| Illegal land use (truck parking)                      | Lewiston       | Investigation   | Monitoring of site  |
| Illegal development (structure)                       | Lewiston       | Investigation   | No further action   |
| Illegal land use (horse keeping)                      | Lewiston       | Investigation and negotiation                             | Ongoing             |
| Illegal land use (horse keeping)                      | Two Wells      | Section 84 Notice (Development Act 1983)                  | Ongoing             |
| Illegal land use (dog keeping)                        | Lewiston       | Negotiation   | DA lodged           |
| Illegal land use (truck depot)                        | Two Wells      | Investigation, research and legal advice                  | No further action   |
| Illegal development (Shed for business use)           | Two Wells      | Negotiation   | Monitoring of site  |

## Light River, Salt Creek, and Templers Creek Flood Mapping Project

Considerable progress was made in relation to the flood mapping project. Hydrological consultants, Australian Water Environments (AWE), were engaged to undertake the work and a steering group comprising representatives from the funding partners—Stormwater Management Authority (SMA), the Natural Disaster Mitigation Resilience Program (NDRG), the Hickinbotham Group, and the Mallala Council.

A hydraulic assessment and final report and a draft hydrological study report were prepared. A first draft flood map of the 1:100 year Average Return Interval Flood of the Light River, Templers Creek and Salt Creek has been prepared based on the findings of the first draft hydrological study report pictured below.



### Notice to Readers Of This Map

This map must be read in conjunction with the following information and the main study report "Floodplain Mapping for Light River Technical Report, February 2010, volume 1".

**Background**  
This map has been prepared using the best technology currently available to a standard of accuracy sufficient for broad scale flood risk management and planning. All maps in the series will help promote awareness of flooding associated with the Light River. It is expected that it will be of use to persons undertaking development and by the authorities that assess land capability and development proposals. It will also assist in planning essential services and emergency response.

**Flood behaviour**  
A flood occurs when a pipe, channel or creek cannot carry the volume of water entering from a catchment. When this occurs, floodwaters travel across the surface of the land potentially damaging property built upon the floodplain and potentially threatening the safety of people in the floodplain. Flooding is a natural event.

**Annual Exceedance Probability (AEP)**  
The AEP is the likelihood of occurrence of a flood of given size or larger in any one year. This is expressed as a ratio, for example 1:100 or 1%. There is a 1% chance that the 1:100 AEP flood will be equalled or exceeded in any one year. Similarly, there is a 5% chance that a 1:20 AEP flood will be exceeded in any one year.

**Alternatively, flood risk can be considered in terms of average recurrence interval (ARI). This is the number of years on average, with which a given flood will be equalled or exceeded. A 1:100 ARI flood will be equalled or exceeded once in 100 years on average. A 1:20 ARI flood will be equalled or exceeded once in 20 years on average, and so on.**

**Storm durations**  
The flooding response of a catchment is dependent on the duration of any storm event. Generally shorter, more intense storms produce the greatest flows from urban areas. Longer duration, but less intense storms, produce the greatest flows from undeveloped hills areas.

**Impact on buildings**  
The flood extents shown are a prediction of land affected for the specific level of risk and do not necessarily indicate a threat to buildings located on that land. Flood assessment for particular sites will require more detailed interpretation, survey and analysis by qualified and experienced persons.

**Basis of mapping**  
The data contained on this map is based on survey, hydraulic and hydrological modelling (as at 2009) to an accuracy sufficient for broad scale flood risk management and planning. The modelling reflects current practice, but it must be realised that there are uncertainties and assumptions associated with the data and the processes on which the models are based, and the flood extents shown on this map cannot be regarded as exact predictions.

The flood extents are not based on actual historical floods.

**Scope of the mapping**  
The limit of flooding shown on this map is not a boundary between flood prone and flood free land.

Land outside the flood extent shown on this map could be affected by:

- flooding from the mapped flood that extends beyond the area that has been mapped;
- larger storms;
- flooding from local drainage systems which can occur as a result of localised heavy rainfall or drain blockage;
- storms with a different Annual Exceedance Probability.

The modelling and mapping does not deal with the influence of local underground drainage systems. The effect of these systems will increasingly affect the flood extent as distance from the main creek increases and the depth of flooding reduces.

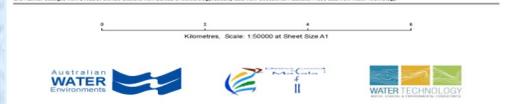
**Areas of very shallow flooding**  
In areas shown as being affected by flood depths of less than 0.1m (100mm) fences, walls, landscaping and buildings will affect the flow of floodwaters. Resolution to this level of detail is beyond the capabilities of the modelling process and consequently the level of certainty in relation to flood depths in these areas is reduced.

**Changes to the catchment**  
The flood extent shown on the maps is based on conditions current at 2009. Further development, earthworks and other changes to the catchment may affect the actual flood extents.



| LEGEND |                              | Flood Depth (m)   |
|--------|------------------------------|-------------------|
| —      | Culvert                      | 0 - 0.25          |
| —      | Major Road                   | 0.25 - 0.50       |
| —      | Intermediate Road            | 0.51 - 1.00       |
| —      | Minor Road                   | 1.01 - 1.50       |
| —      | Control (5 metre Interval)   | 1.51 - 2.00       |
| —      | Control (10 metre Interval)  | 2.01 - 3.00       |
| —      | Control (15 metre Interval)  | 3.01 - 5.00       |
| —      | Control (20 metre Interval)  | Greater than 5.00 |
| —      | Control (25 metre Interval)  |                   |
| —      | Control (30 metre Interval)  |                   |
| —      | Control (35 metre Interval)  |                   |
| —      | Control (40 metre Interval)  |                   |
| —      | Control (45 metre Interval)  |                   |
| —      | Control (50 metre Interval)  |                   |
| —      | Control (55 metre Interval)  |                   |
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| —      | Control (100 metre Interval) |                   |
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| —      | Control (175 metre Interval) |                   |
| —      | Control (180 metre Interval) |                   |
| —      | Control (185 metre Interval) |                   |
| —      | Control (190 metre Interval) |                   |
| —      | Control (195 metre Interval) |                   |
| —      | Control (200 metre Interval) |                   |

**Scale:** 1:50,000 at street size A1



Light River Floodplain Mapping  
1 in 100 ARI Flood Inundation Map

DRAFT

# Community Services

## Key Departmental Services:

- Food Act
- Environment Protection Act
- Public and Environmental Health Act
- Local Government Act
- Dog and Cat Management Act
- Library Management
- Fleet Management
- Community Welfare / Development

The Community Services Team comprises of twelve staff including:



## **Food**

Council continues to undertake its legal responsibilities under the provisions of the Food Act 2001 with the resources available. During the 12 month period to 30 June 2010 there were 70 food premises inspected on a regular basis within the District.

Proprietors are regularly informed of changes to food legislation best practice standards and relevant health warnings regarding food requirements.

Food safety and hygiene legislative information is distributed to all food business, community and charitable organisations in the Council region.

During the reporting period, four (4) food complaints were received involving food safety. Complaints were followed up with inspections and matters involving food safety were resolved without further action.

There are currently three (3) businesses (one community hospital and two child care facilities) that prepare food for vulnerable persons. These facilities are independently audited to comply with the requirements of the Food Act although the DCM (EHO) still retains enforcement powers relating to any non-compliance of these premises.

The Council Website has recently been upgraded and information is available relating to the relevant legislation and codes, food business notification, food handler training and links to other food related information.

## **Public and Environmental Health**

The Public and Environmental Health Act 1987, requires local government to take responsibility in the administration of public health issues such as sanitation, control of vectors, the prevention and control of diseases in its own locality and investigation of health complaints. Local Government must ensure that guidelines and standards, pursuant to this act, are adopted and enforced to areas such as future development, community concerns and health promotion.

There are five (5) registered hairdressing / beauty premises within the Council area and one swimming pool; all were inspected during the reporting period.

During the 2009-2010 financial year a total of 20 complaints were investigated concerning various public health issues. These included preventing insanitary conditions on premises, controlling offensive activities, providing adequate sanitation and failed septic tanks.

High risk manufactured water systems (cooling tower and warm water supply) were inspected and independently audited under the Public and Environmental Health (Legionella) Regulations 2008 to ensure proper maintenance of the systems and to minimise the incidence of legionellosis.

## **Disease Surveillance**

Notifiable diseases can be associated with a variety of sources, including preparation and consumption of food; access to swimming pools; and cooling towers / warm water handling systems and handling of potting soil etc.

Council liaises with The Communicable Disease Control Branch and maintains Communicable Disease surveillance within the District to help prevent the transmission of infectious diseases. This is achieved by undertaking Interviews and conducting investigations when necessary to determine the source of an illness and to establish links between similar cases.

There was one (1) disease notification which required investigation during this reporting period.

## **Vector Control**

Council's Public and Environmental Health Section regularly liaise with the Department of Health Services regarding monitoring and controlling mosquitoes. Samples of mosquito larvae and adults are collected, identified and recorded for density determination and population monitoring. Due to the large areas of coastal mangroves, control of mosquitoes in this area is not practical or viable and residents of these areas are encouraged to be aware of the preventative measures they can take. Information relating to this is available on the Council Website.

## **European Wasps**

Council is a contributor to the European Wasp Equalisation Fund. During the reporting period there were no European Wasp Nests either identified or destroyed. Residents are encouraged to report Wasp sightings, Council supplies information and instructions of how to locate the nest. When the nest is located, arrangements are made to have the nest destroyed by a licensed pest controller at no cost to the ratepayer. Further information is also available on Councils website.

### **On-site Waste Water Disposal**

Due to the high proportion of non-sewered properties in the District, wastewater system approvals continue to be a major proportion of compliance under the Act with the receipt of 112 applications for installation or alteration of wastewater systems and 142 inspections conducted in the reporting period.

During this period there was one (1) unauthorised installation which was removed and replaced by an authorised plumber in compliance with the act.

Various types of systems are approved in the area, ranging from a conventional system, with alternating trenches, to the more technically advanced Aerobic Waste Treatment Plants and Sand Filter Systems, as well as a Septic Tank Effluent Disposal (STED) Scheme at Middle Beach.

During the reporting period there were two (2) community consultation evenings held at both Mallala and Two Wells, where the residents in the area were given an opportunity to be informed and provide feedback regarding the proposed Community Waste Management System for the townships. With the initial planning and surveying phase complete, the design and technical aspects of the system are progressing. The provision of a CWMS was originally instigated due to the large amount of failed systems and the inability for residents to install new effluent disposal systems due to either the small size of the allotments or the total build up of the allotment with the residents pumping raw untreated effluent onto their lawns and yards. Further analysis and community consultation will occur as part of the on-going assessment of CWMS for Two Wells and Mallala.

### **Chemical Drum Program**

Council continues to participate in the DrumMuster collection program which provides a farm chemical metal drum crushing and plastic container recycling service to farmers and orchardist in the area. With on-going support from the farming community, approximately 2744 containers were collected and recycled during the current period.

Council is investigating the creation of a permanent enclosure to store containers until pick up by recyclers and the possibility of a monthly collection program to provide a better service to the rural community.

### **Celebrations and Events**

This year marked the 75<sup>th</sup> anniversary of the District Council of Mallala. Community Services staff event managed a week of festivities held during SA HistoryWeek which included events by Dublin History Group and the Mallala & Districts Historical Committee. The Council hosted the following events; opening of the Mallala Gazebo, a bus tour of the District, official hand-over of the Echo newsletter to the Plains Producer, a day in the town – Two Wells development community consultation, and finished with a gala dinner reuniting former staff and Councillors.

Council organised yet another successful Australia Day Ceremony, this year inviting newly inducted citizen, Emma Ellis to sing the national anthem and included Young Citizen of the Year, Angus Budjea's choir. Seven (7) new citizens were inducted at various ceremonies throughout the year.

Council participated in Anzac Day and Remembrance Day ceremonies with the provision of wreaths for each service.

As part of the 2010 National Volunteer Week, Council worked in conjunction with Town of Gawler staff again providing a free movie day with around 60 volunteers attending from the District Council of Mallala. This continues to be a successful day. Recognition and support provided to volunteers has increased and this will continue.

Council continues to provide vital support for events held both regionally and within the District, facilitating greater pride in the community.

### **Funding**

Funding information was provided to the District's community and sporting groups, with grant writing workshops. The workshops were held throughout the year facilitated by the Yorke Regional Development Board up until December 2009 and subsequently by the RDA Barossa until 30 June 2010. The workshops were well received with several groups reporting an increase in successful grant applications and will continue into the future.

Working in collaboration with management, staff submitted and managed RCLIP funding applications and projects.

Council's Community Partnerships Funding Programme moved into its eighth year, allocating \$50,000 towards community projects including individual sports and recreational pursuits.

## **Community**

Council's Community Officers continue to boost the link between Council and the community.

### **Community Engagement and Education**

Public consultation was initiated with by-law workshops on animal management undertaken in Mallala and Two Wells, further engaging the community in Council decision making.

Waste Management and Community Service staff began presentations at schools and service clubs within the District, regarding environment and waste management.

Council participated in the SA Water 'Swap'n'Save' showerhead exchange program, with residents in the Council area encouraged to exchange their current showerhead for a free high water efficiency model.

Around 190 showerheads were exchanged and, based on identified household members, this calculated water savings of 6,126,525\*\* litres water per annum enabling residents of the District Council of Mallala to reduce reliance on the River Murray.

\*\* Calculations based on standard showerhead flow rate of 18 litres per minute and a 3 star showerhead flow rate of 9 litres per minute, for one 5 minute shower per day per person.

### **Regional Development**

Regional Development Boards were closed making way for the new tri- government Regional Development Australia (RDA). Council is now aligned with RDA Barossa, ending its partnership with the Yorke Regional Development Board. The Adelaide Plains Marketing Committee went into a 12 month recess while the new RDA's were established and recently voted to continue the committee with a collaborative approach from both RDA Barossa and Yorke-Mid North. In the meantime the Adelaide Plains Emu Awards continued to showcase the success of individuals and communities across the plains.

Members of Community Services staff participated in the Local Government Managers Challenge, as the inaugural Mallala Council Team, faring well.

Community Officers attended a Regional Tourism Growth Plan workshop as we branch into tourism opportunities in the region.

### **Community Housing**

After informed consideration, the Mallala & Districts Homes Committee entered into a lease agreement with Barossa & Districts Housing Association (BDHA) to manage the units at Dunstan Court Mallala. The handover has been managed respectfully between Council's Community Officers and BDHA ensuring consideration of the current residents at all times. While BDHA process applications for unit occupation, the committee has set criteria specific to tenants. All units are currently tenanted.

### **Online Customer Service Centre**

A fresh new look has been given to the District Council of Mallala website, providing a facelift that is more contemporary and making navigation of the site much easier.

Council staff worked closely with the web designers, 'Secure e-Host', to ensure the best possible results. Although the basic information previously included remains, a more specific content structure has been implemented, with the website appearance undergoing a major re-vamp.

The home page now contains a series of images illustrating some of the iconic areas of the District.

### **Youth Engagement**

Council was one of 18 successful organisations Australia wide to be granted funding through the 'DrinkWise' program. Funding was sought to host a youth drink driving forum in conjunction with Wakefield Regional Council. Around 55 participants from Adelaide Plains affiliated football and netball clubs attended the seminar held in the Two Wells Community Centre. Speakers included SAPOL, funeral directors, a young man who became a paraplegic after a drink drive incident and a poignant short film demonstrating the aftermath of a fatal motor vehicle accident. Funding was used to provide free bus travel, a light meal, drinks, hall hire and speakers fees.

### **Waste Management**

Council operates and manages an alternating domestic waste and recycling collection that is offered to all residents throughout the District. Each residential property is provided with a 240 litre MGB for recycling purposes. Council collects approximately 24 tonnes of recyclables per fortnight, which equates to an average of 10.65 kilograms per household.

The Council owned landfill closed in July 2010 and is entering into a closure plan in accordance with EPA guidelines.

Council is committed to reducing the amount of waste to landfill. Domestic waste and recyclables are transported either to the Northern Adelaide Waste Management Authority (NAWMA), or Inkerman, to be further sorted and processed. The waste collection tonnage statistics for the reporting period are provided below:

Year 2009/2010

|                     |             |
|---------------------|-------------|
| Waste . . . . .     | 1385 tonnes |
| Recycling . . . . . | 622 tonnes  |
| Total . . . . .     | 2007 tonnes |

Council is committed to reducing waste to landfill and its dedicated Waste Management Unit is responsible for the collection and disposal of all waste, including resource recovery programs.

**Resource Recovery Facility**

Council's successful grant application has allowed for the construction and development of a specifically designed undercover sorting facility for recovery of recyclable materials from the Two Wells transfer station, illegally dumped rubbish and residential general trailer waste.

The sorting and diversion of the material has significantly reduced the amount of waste to landfill.

The facility has been upgraded with the provision of an air conditioned office and toilet/shower facilities for staff.

**Food Waste/Green Organics Pilot**

Success of the trial has seen an increase in the diversion of waste from landfill and at the same time recovers food waste and green organics for processing into nutrient rich compost.

Council will continue with a food waste/green organic collection for the town ships of Mallala, Two Wells and Dublin.

To date over 80 tonnes of organics have been processed and recycled as compost with a relatively low contamination rate of approximately 10%.

**Illegal Dumping**

The issue of illegal dumping is a major concern. Council removed approximately 437 loads of illegally dumped waste during the reporting period, ranging in size from bags to trailer loads of domestic waste associated with residential premises to contractors depositing semi-trailer loads of waste including tyres, asbestos and building materials. Illegal dumping is not only limited to road verges, but also occurs on parks, reserves, creeks and other water-courses.

A successful grant funding application for councils 'We're Out to Get You' campaign received from Zero Waste SA allowed Council to install surveillance cameras to monitor vehicle movement; detect licence plates and record evidence to prosecute those dumping on road-sides.

In the past it has been difficult to prosecute persons for illegal dumping due to lack of evidence in most cases; however, Council is hopeful that once cameras begin to catch them out, offenders will get the message. Council is working very closely with the media who are



## Library Services

The District Council of Mallala Library Service has continued to experience a growth in usage. The facilities at Two Wells Public Library have been enhanced with the introduction of air-conditioning, new shelving for children's audio visual and magazine collections, providing easier access to these resources. Changes in layout have resulted in a more relaxed reading area. Community feedback has been very positive. Mallala Branch Library has become a popular service to the community; its new location has resulted in increased new library members. Windsor Branch Library continues to be used regularly.

The usage of the library's IT facilities continues to be popular, and includes public internet access, library catalogue, word processing, printing and photocopying. The local history collection continues to be used by local and visiting researchers.

### Library Loans Snapshot 2009/2010

| Category  | 2009-10       |
|---|---------------|
| Adult Non-fiction   | 3005          |
| Large Print   | 1895          |
| Adult Fiction   | 5579          |
| Children's Collections (fiction and non-fiction, including Children's adolescent) | 634           |
| Children's Fiction  | 3062          |
| CDs and 'Hear-a-books'  | 512           |
| Children's Adolescent (Fiction and Non-fiction)                                   | 329           |
| DVDs  | 4169          |
| Magazines   | 2109          |
| <b>Total Loans 2009/10</b>  | <b>21,294</b> |

### Branch Librarian Loans—Collection Types

|  | Two Wells | Mallala | Windsor |
|--|-----------|---------|---------|
| Adult Non-fiction  | 2600      | 197     | N/A     |
| Large Print  | 1561      | 201     | N/A     |
| Adult Fiction  | 4806      | 332     | N/A     |
| Children's Non-fiction   | 1230      | 11      | N/A     |
| Children's Fiction   | 3515      | 149     | N/A     |
| CDs  | 388       | 11      | N/A     |
| Children's Adolescent (Fiction & non-fiction)                                      | 314       | 15      | N/A     |
| DVDs   | 3830      | 238     | N/A     |
| Magazines  | 1810      | 188     | N/A     |
| Miscellaneous Collections (including hear-a-books, inter-library loans, equipment) | 724       | 49      | 5       |

### Registered Borrowers Snapshot 2009/2010

|  |      |
|--|------|
| Registered Borrowers   | 1500 |
| Registered Borrowers (residents)                             | 1254 |
| Registered Borrowers (non-residents)                         | 183  |
| Inactive Registered Borrowers (those who have not used their | 63   |

**Types of Registered Borrowers—Institutional Members**

|                    |     |                 |     |
|--------------------|-----|-----------------|-----|
| Adults (18+ years) | 850 | Children (0-17) | 504 |
| Females            | 637 | Females         | 268 |
| Males              | 204 | Males           | 236 |

**Registered Borrowers and Loans by Home Library**

|                      | <b>Two Wells</b> | <b>Mallala</b> | <b>Windsor</b> | <b>Total</b> |
|----------------------|------------------|----------------|----------------|--------------|
| Registered Borrowers | 1380             | 67             | 53             | 1500         |
| Loans                | 19022            | 2074           | 705            | 21801        |

**Door Count and Facilities usage Snapshot**

|  | <b>Two Wells</b>              | <b>Mallala</b> | <b>Windsor</b> | <b>Total</b> |
|--|-------------------------------|----------------|----------------|--------------|
| Door Count   | 5856                          | 918            | 241            | 7015         |
| Meeting Room Bookings<br>(TW only)                     | 185                           | N/A            | N/A            | 185          |
| Internet & Computer<br>Bookings                        | 584                           | N/A            | N/A            | 584          |
| Community Information<br>Enquiries (including Council) | 252                           | N/A            | N/A            | 252          |
| Reference Enquires<br>(includes local history)         | 509                           | N/A            | N/A            | 509          |
|  | Total door count in 2008/2009 |                |                | 4629         |

**Library Collections**

The library collection have been reviewed regularly, with outdated stock being sold in regular book sales throughout the year. The result is a good income for new library material. Due to the changes in technology, the video collection was phased out in mid 2009 and the resulting DVD collection continues to be a very popular part of the library's audio visual collection.

The library collection has grown overall, with particular emphasis given to improving the children's non-fiction and early Reader collection. This has resulted in a broad range of resources for our young library members, which will enhance the development of their literacy and numeracy skills. The library also introduced the Home Energy Toolkit for loan, which has been borrowed continuously since it was first catalogued into the collection.

**2009-10 Library Collection—Statistical Snapshot****Category**

|                                   |      |
|-----------------------------------|------|
| Adult Fiction                     | 4508 |
| Adult Non-fiction                 | 3586 |
| Large Print                       | 1505 |
| Children's Fiction                | 3771 |
| Children's Non-fiction            | 1914 |
| CDs                               | 262  |
| DVDs                              | 1048 |
| Periodicals (Magazines—49 titles) | 1046 |

### Statistical Snapshot of Inter-library Loan Requests

Inter-library Loan (ILL) Requests (using the PLAIN statewide network)

|  |      |
|--|------|
| ILL requests sent to the network             | 1309 |
| ILL loans received from the network          | 697  |
| ILL requests received from the state network | 2829 |
| ILL loans sent to the network                | 725  |

### Library Management System (Spydus) Upgrade

The library management system, Spydus, was upgraded in July 2009, including some minor work in customizing the online catalogue. The result is an improved catalogue which also allows library members to submit online reviews of I resources they have borrowed and a computer generated booking system.

### Volunteers

The library service continues to be well supported by its volunteers, resulting in a contribution of 212 hours at Two Wells Public Library. In addition, the library hosted one work experience placement.

### Events and Programs

The library has facilitated and been involved in a number of events and programs associated with the District Council of Mallala, highlights from the year are detailed below:

#### Book launch a great success!

On Monday, 17 August the Two Wells Public Library hosted the launch of the second edition of, 'Two Wells: Then and Now', a history of the Hundred of Port Gawler by Bet Williams. Approximately 70 people attended, with people travelling from Adelaide, Port Pirie, Port Lincoln and Victor Harbor. Bet acknowledged the support of many individuals over the past years who helped make the updated edition possible.

Copies of the book were generously donated to the library, some of which are available for loan.

Trish White, MP (State Member for Taylor) officially launched the book referring to some of the stories in the book she had enjoyed reading.



Librarian, Kimberley Hargreave with Bet and Les Williams at the book



Winner of the photographic competition, Vaughan Chenoweth pictured with John Lush

### **Participation in Council's 75<sup>th</sup> Anniversary Events**

Library staff assisted colleagues from the Community Services Department with a variety of events to celebrate Council's 75<sup>th</sup> Anniversary, including the combined 4<sup>th</sup> birthday of the Two Wells Public Library and the launch of the photographic competition 'Take A Closer Look'.

### **Tax Help @ the Library!**

The Tax Help program was again hosted by the District Council of Mallala at the Two Wells Public Library for the 6<sup>th</sup> time in 2009 tax season. The sessions have taken place outside of 'traditional' business hours on Wednesday evenings and Saturday mornings, which continue to prove popular with users and also increase awareness of the library opening hours.

This is a FREE service run by the Australian Tax Office and is open to individual taxpayers who need to lodge a tax return or form. The service is not open to individuals with business income, capital gains or losses or rental income.

### **Swap and Save very popular!**

In October the library was one of Council's collection points for the SA Water 'Swap and Save' program, where your old 'shower head' could be swapped for a new water saving rated shower head.

Over 50 people visited the library to swap their shower head, some had not visited before, but discovered many reasons to become a library member!

### **Salvation Army Christmas Appeal @ Your Library**

The library service and council staff will be supported the Salvation Army Christmas Appeal in December 2009. The response was good with 6 boxes of donated non-perishable food items and gifts received.

### **It's easy to 'READ on the wild side'**

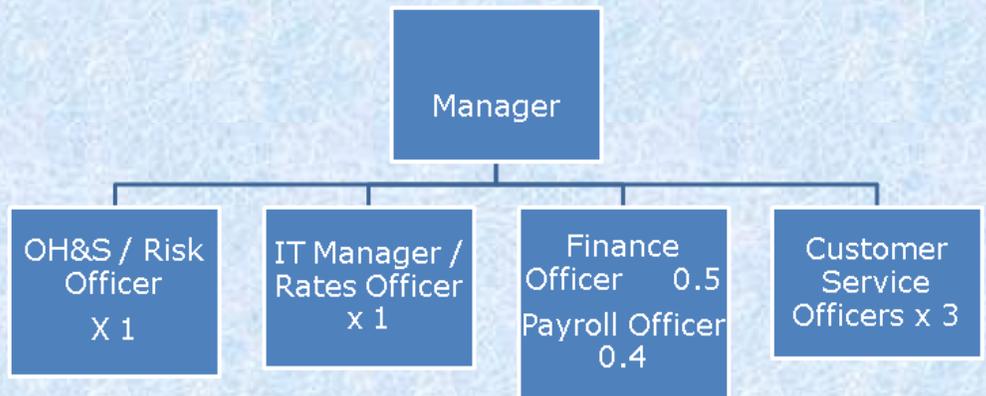
The library service again ran a Summer Reading Program throughout December 2009 and January 2010. Titled 'READ on the wild side', 34 children registered and 17 completed the program (reading 200 books) and received a prize and certificate.

# Corporate Services

## Key Departmental Services:

|                                  |                         |
|----------------------------------|-------------------------|
| Asset Control                    | Human Resources         |
| Cemeteries                       | Risk Management         |
| Civic Centres                    | Payroll                 |
| Council Committee Administration | Public Debt and Funding |
| Customer Service                 | Rating and Property     |
| Financial Compliance             | Records Management      |

The Corporate Services Team comprises of eight staff including:



The following report highlights any specific or new activities performed under each service area:

### **Asset Control**

Council appointed a new Asset Co-ordinator in 2010 who has made significant development with Council's Asset Management Plans, particularly relating to Council's Land and Building assets, where short and long term maintenance requirements have been identified, taking into consideration financial and resource requirements.

Significant work has commenced on the development of Council's roads assets and we envisage these plans being completed in early 2011.

The on-going development of Council's Asset Management Plans will ensure that its assets are maintained, providing a more beneficial resource to the community as a whole. Through the Asset Management process, Council has identified a requirement to better financially and physically resource its Asset Management requirements and, in an effort to achieve this, engaged Tonkin Consulting to provide on-going direction. Council identified that future budgetary considerations need to be assessed and incorporated into the 10-year Financial Plan.

Council's Land and Buildings and Road Infrastructure assets, constructed and / or purchased at cost, have been updated in our records and will depreciate over the estimated useful life.

### **Cemeteries**

Council identified required changes to its cemetery procedures and practices to enhance on-going management of the cemetery. A number of documents were drafted incorporating recommended changes, with further consultation and investigation into best practice standards being considered, prior to ratification.

The Two Wells Cemetery entrance was rejuvenated and funded by the Two Wells RSL. A new fence was erected along the front of the cemetery with future landscaping scheduled for late 2010.

No significant works / changes occurred at Council's other five (5) cemeteries.

### **Civic Centres**

The development of Council's Asset Management Plans and the involvement of its Outdoor staff have seen a vast improvement in Council's buildings and amenities available to the community. The Old Two Wells Council Chambers has been up-graded and available to all community groups and is now a desirable location to hold meetings and other small functions.

The implementation of a significant air-conditioning system to the Two Wells Public Library, disabled access to the Mallala and Windsor Libraries has improved accessibility and comfort to community members and staff alike.

There has been a range of remedial and legislatively required building works completed at Council's Dublin, Mallala and Windsor Institutes. In particular, upgrades to disabled access and legislatively required fire and emergency requirements. Minor electrical work has been undertaken at each site with significant work scheduled as part of Council's Asset Management Plans.

Considerable work was completed to the Dublin Institute kitchen, with work commencing in the later part of the year to install a kitchen to the Windsor Institute. Each site continues to provide a valuable resource and location for community members to hold a range of events and functions.

Council identified during the period that its current civic resources could be better advertised and utilised by the community and re-drafted associated documents and requirements. All identified sporting and community groups within the District were provided with information relating to Council sites and the terms and conditions of hiring in addition to updated information being placed on Council's website. The improvement in Council's communication to the public in this area has seen an early increase in facility use which will ensure their on-going viability.

### **Public Debt & Funding**

As part of the Financial Sustainability program, Council has in place a long term financial plan and treasury management policy [4.17] to ensure cash flow and debt levels are monitored and managed effectively to produce an optimum outcome for Council and its ratepayers. For the 2009-10 financial year a \$1.7m debt was incurred.

### **Rating & Property**

Modelling property-rate revenue is done annually when Council formulates its annual budget to ensure overall rating increases are kept at targeted levels whilst accounting for valuation increments. Council makes adjustments to its variable rate to balance the impact of rate increases on individual households.

Council continues to use a minimum charge plus variable rate by zone model in calculating and raising property rate revenue. The authenticity of property and name and address records is checked against the data provided by the office of the Valuer-general annually and updated where necessary.

### **Records Management**

Records management is integral to the functions of Council; it enables the control of one of the most important resources in any organisation – that is recorded information.

Council uses State Government GDS20 - General Disposal Schedule filing system as developed by a working party and State Records. All incoming correspondence is registered in our records system before being issued to officers concerned.

### **Financial Statements for the year ended 30 June 2010**

Council's auditor, Dean Newbery & Partners, audited and recently accepted and signed the District Council of Mallala Annual Financial Statements, without qualification.

Council accepted and signed the statements at its Special Meeting on 29 November 2010.

The Financial Statements, Notes to the Financial Statements and the Key Performance Indicators are presented separately in this report and indicate that Council's overall performance was satisfactory. Council's aim of producing a positive operating result continues to provide a challenge whilst the debt level remains satisfactory, and Council's performance in maintaining and renewing infrastructure assets is within industry target range.

### **Council Committee Administration**

The administration of Councils Section 41 Committees and the attendance by Council employees has moved forward with specific Council Departments and their Managers being responsible for Section 41 Committees associated with their core functions. This improved reporting structure has seen improvement with the governance of Section 41 committees.

A review commenced and is continuing on the functions of Council Section 41 Committees and how Council may best manage them. In particular, aligning committees to relevant Council and community needs and improving the operation and effectiveness of those Committees. Council understands the associated on-going benefits of such committees and hopes that the continuing review and implementation of a new structure will ensure the future viability and governance of its Section 41 Committees.

### **Customer Service**

Council identified a need to provide a greater emphasis on its Customer Service and establish a consistent, communicative approach to the wider community. Council found it difficult to provide consistent service as a result of on-going resourcing issues which has impacted staff's ability to provide a level of service expected by the community.

Council provided additional internal resources and training to a number of staff delegated the task of designing a new user friendly website in addition to providing up-to-date, accurate information on a consistent basis. This project has proven successful, with further development ensuring a consistent and accurate source of Council related information and documents to the community as well as current issues for the District and region.

Council engaged external consultants (Henders) to conduct an organisational review of Council resources which provided a strong focus on customer service. While recommendations of the review will not be fully implemented until late 2010 it is anticipated that the level of customer service and resourcing provided to the wider community will achieve Council's goal of providing prompt, consistent and accurate information and advice to the community, via its officers and Council's website.

The organisational review highlighted a requirement for Council to source additional office space to negate the current practice of employees sharing offices and resources. Council's building known as the Two Wells Visitor Information Centre which has been utilised by the Two Wells Regional Action Team to provide community based tourism, business services, computer classes, employment services and an outlet to pay Council rates and dog registrations, and partly funded by Council will cease operation in October 2010. Council identified this site as an ideal location to provide a secondary service office with plans in place to renovate and commence operation from the site by late 2010.

Council anticipates that the acquisition of this site will further enhance Council's ability to provide a greater customer service to the wider community, in-particular Council Planning and Development functions.

#### **Financial Compliance**

Key Performance Indicators (KPIs) are being used to analyse our financial situation and check any trends in our financial sustainability.

Council endeavours to inform the Community of its current and projected financial position through the public consultation process for annual business planning, budgeting and rating. Financial sustainability indicators are also reported three times a year at each budget review to track our performance and to inform Council and interested parties.

#### **Human Resources**

The organisational review highlighted significant changes to Council's current structure with the completion of those outcomes expected late in 2010. Council has been reliant on the services of contractors in the past 12 months, especially within the Finance Department which has seen a lack of adequate resourcing and a failure to retain experience and knowledge in addition to impacting other core functions.

The appointment of all recommended positions is scheduled for completion early 2011 when Council believes it will be in a more efficient operational position and expects greater service delivery internally and to the wider community.

#### **Information Technology (IT)**

There were no significant changes to Councils Information Technology and Communications systems through-out the period. An internal assessment was undertaken risk assessing and determining the life expectancy of Councils hardware with an appropriate replacement schedule put in place to ensure business continuity. The TRIM records management system which was due for adoption during the period has been deferred pending the employment of an IT Project Officer in the 2010 - 11 period. The adoption of this program will ensure greater records management of Council.

#### **Occupational Health & Safety (OHS&W) & Risk Management**

Council continues to be a self-insurer through the LGA Workers Compensation Scheme and is required to comply with WorkCover standards and to meet various legislative requirements for OHS&W and Injury Management.

During the period the LGA has encouraged Council's to adopt their One System program which has seen significant changes to Councils approach and direction with respect to OHSW & IM. There have been significant policy and procedural changes which have seen changes to the internal system as a whole. These changes are not yet fully in effect with all changes due for completion in early 2011.

Council was audited in November by the LGA and external auditors with the focus of the audit on non-conformances from the 2008 WorkCover Audit. With the introduction of the external auditors and a significant change to the audit format Council failed to improve on its 2008 audit score of 82%, instead returning an overall score of 72.16%. While this can be attributed to the change in audit requirements and the LGA and WorkCover placing greater requirements on Council to perform Council felt that the score was not a reflection of its current position. An assessment of like-minded Councils through-out the region identified that audit scores and performance were pre-dominantly down on the preceding year.

Significant changes have been implemented through-out the year and the requirement for additional resources identified. Council expects to see a vast improvement in its audit requirements from the 2011 period onwards and continues to work with the LGA and regional Councils to better manage its OHSW & IM requirements.

Council continues to work with the LGA Good Governance Program which has seen Council adopt a more structured approach to its risk management and governance requirements.

There have been a number of governance policies reviewed and implemented over the period, particularly relating to the finance sector.

Council engaged Norman Waterhouse Lawyers to review its lease documents and significant changes were made to ensure Council was introducing legislative requirements and best practice standards as part of its property requirements. Council has held a number of discussions with third parties utilising Council owned / controlled land in an effort to re-negotiate and better manage its assets with future developments in mind.

Council still has significant work to do in its business continuity planning and envisages that this will evolve following the conclusion of the organisational review late 2010. The LGA through the Mutual Liability Scheme has developed a pilot business continuity framework and Council has tendered its interest in this program.

# Freedom of Information

## **The District Council of Mallala Information Statement 2009 - 2010**

In accordance with Section 9 of the Freedom of Information Act 1991 and Regulation 5 of the Freedom of Information (General) Regulations 2002 this Information Statement is published by the District Council of Mallala.

The District Council of Mallala is pleased to comply with the Freedom of Information legislative requirements and welcomes all enquiries from the Public for information.

### **1. Structure and Functions of Council**

#### **1.1 Council Meetings**

Council consisting of four (4) wards with eleven (11) Councillors, is the peak decision-making body on all policy matters. Ordinary meetings of the full Council are held on the third Monday of every month, with each meeting commencing at 6.00 p.m. Members of the public are welcome to attend. Where the Monday is a public holiday, Ordinary meetings are held on the following Tuesday.

Council's Strategic Infrastructure & Planning Committee which normally meets the second Monday of each month and Council's Strategic Community & Governance Committee which normally meets the third Monday of each month consists of all elected members and meet to discuss items required to be considered by the full Council at the Ordinary meeting with the view to providing greater opportunity for discussion and information while stream-lining the decision making process.

Council's Development Assessment Panel normally meets the first Tuesday of each month, however does not sit if there are no development assessment considerations.

Ordinary & Strategic Council Meetings commence at 6:00 pm and the Council Development Assessment Panel meetings commence at 6:30 pm, all meetings are held in the Mallala Council Chambers, Redbanks Road. In accordance with Council's Public Consultation Policy Council may at times vary the times and locations of its meetings where a specific item of community interest warrants it.

All Council meetings are open to the public and agenda's and minutes of each meeting are on public display or via Council's website.

#### **1.2 Standing Committees**

Section 41 of the Local Government Act 1999 allows Council to establish Committees in an effort to streamline its business and assist with specific functions and programs within Council. In addition to Elected Members being sitting members, voted by Council, of these committees, members of the public are encouraged to nominate and become full voting members of Council's Section 41 Committees. The membership of the public to these Committees provides greater involvement and ownership in specific projects and the decision making process.

Section 41 Committees predominately operate in an advisory capacity to Council discussing specific functions of the Committee and making recommendations to Council which the Council will then consider and make a decision on. Each committee has ratified Terms of Reference applicable to their authority, delegation and specific functions.

The following Committees meet on an 'as required' basis with members of the public able to attend. Agenda's and minutes of each Committee are available on Council's website and from its Principal Office and Libraries meetings are open to the public:

- Audit Committee
- CEO Appraisal Panel
- CEO Selection Panel
- Coastal Management Advisory Committee
- Community Development Board
- DCM Community Partnerships Programme Steering Committee
- Dublin Institute Committee
- Mallala Greening Committee
- Mallala & Districts Aged Homes Committee
- Mallala & Districts Historical Committee
- Mallala Institute Committee
- Mallala Sports Park Committee
- Strategic Community & Governance Committee
- Strategic Infrastructure & Planning Committee

Allowances

Members of Council's Audit Committee and Council's Development Assessment Panel are entitled to receive an allowance within the limits imposed by the legislation. The allowance is to help cover the cost of performing and discharging their official functions and duties.

The following allowances were paid by Council for the period:

Audit Committee:

Mr. John Comrie: \$3,300

Council Development Assessment Panel:

Mr. Ian O'Loan: \$3,200

Mr. Rob Veitch: \$2,800

Ms. Sandra Foote: \$3,280

Mr. Trevor White: \$3,200

Mr Peter Fairlie-Jones No fee

Total: \$15,780

**1.3 External Bodies**

Council is a member of, or participates in, a number of external Associations, Boards and Committees through-out the region. Council's membership / participation may involve its elected members, employees and on occasion may involve members of the public. These external bodies include:

Adelaide & Mount Lofty NRM Board  
 Yorke NRM Board (1 July to 31 December 2009)  
 Regional Development Australia Barossa (1 January to 30 June 2010)  
 Adelaide Plains Marketing Committee (In recession)  
 Local Government Association  
 Local Government Finance Authority  
 Central Local Government Region Inc  
 Gawler River Floodplain Management Authority  
 District Council of Mallala Bushfire Prevention Committee  
 Mid North Regional Passenger Transport Service  
 Yorke Regional Development Board (30 June to 31 December 2009)  
 Wakefield Group of Councils.

**1.4 Subsidiaries**

Council is a member of two (2) subsidiaries under Section 42 of the Local Government Act 1999 the Central Local Government Region and the Gawler River Floodplain Management Authority, in accordance with Section 28(3) Schedule 2 of the Local Government Act, 1999, activity reports and financial statements for both subsidiaries may be provided on request and in accordance with Council's Schedule of Fees.

Council does not have any subsidiaries established in accordance with Part 1 Schedule 2 of the Local Government Act, 1999.

**Delegations**

Under Section 44 of the Local Government Act 1999 Council is able to delegate authority under a range of legislative acts and regulations to the Chief Executive Officer who in-turn is able to sub-delegate authority to specific Council employees and committees.

Council delegations are reviewed annually and maintained via a delegations register.

**1.5 Functions of Council**

Council has a legislative requirement and responsibility to:

- Determine policies to be applied by the Council in exercising its discretionary powers;
- Determine the type, range and scope of projects to be undertaken by the Council; and
- Develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.

Council makes decisions which may direct or determine its activities and functions. Such decisions include the approval of works and services to be undertaken; the resources required to undertake such works and services. Decisions are also made to determine if approvals are to be granted for applications from residents for various forms of development.

## 1.6 **Council Policies**

### **Community Development**

Cemeteries  
Fire Fighting & Other Emergency Activities

### **Economic Development**

Building Inspection Policy

### **Natural and Built Environment**

Vegetation  
Resident Contribution to Road Sealing  
Route Assessment for Restricted Access Vehicles  
Stormwater Policy – Lewiston / Two Wells Rural Living Area

### **Governance & Organisation**

Asset Impairment  
Asset Management  
Asset Revaluation  
Audit Committee  
Caretaker  
Code of Practice – Access to Council Meetings & Documents  
Community Consultation  
CDAP Complaints Handling  
Council Members Allowance & Benefits  
Customer Service Standards  
Disposal of Assets other than Land  
Disposal of Surplus Community Land  
Elected Members Training & Development

Volunteers  
Control of Election Signs  
Reserve Development  
Road Naming  
Elected Members Code of Conduct  
Employee Code of Conduct  
Expenditure of Goods, Services & Works  
Funding  
Labour, Plant, Equipment and Materials  
Land Under Roads  
Records Management  
Risk Management  
Sexual Harassment  
Staff Disciplinary  
Tender & Purchasing  
Treasury Management  
Workplace Bullying

## 2. **Services to the Community**

Council makes decisions on policy issues relating to the services provided for members of the public. These services include, but are not limited to:

### • **Community Development**

Aged and Disabled Services  
Animal Management  
Clubs  
Community Development, Events and Information  
Community Services Support  
Dog Management  
Fire Prevention

Food Act Administration  
Library  
Museum & History  
Ovals  
Public Environment & Health  
Volunteer Services  
Youth Services

### • **Economic Development**

Area Promotion and Tourism  
Commercial Housing  
District Development

Economic Development  
Town Planning

• **Natural & Built Environment**

|   |                                     |
|---|-------------------------------------|
| Asset Control                                 | Open Space Planning                 |
| Beach Patrols                                 | Planning Amendment Reports          |
| Bridge & Culvert Construction and Maintenance | Reserve Development and Maintenance |
| Building Rules Administration                 | Planning Appeals                    |
| Community Infrastructure                      | Playgrounds                         |
| Cemeteries                                    | Public Conveniences                 |
| Civic Centres                                 | Road Construction and Maintenance   |
| Council Facilities Maintenance                | Rubble Pits and Quarries            |
| CWMS Administration                           | Storm Water and Drainage            |
| Environment Land Management Protection        | Street Cleaning                     |
| Flood Control                                 | Street Lighting                     |
| Footpath Construction & Maintenance           | Town Planning                       |
| Foreshore Protection                          | Vehicle Parking                     |
| Gardens                                       | War Memorials                       |
| Kerb Construction and Maintenance             | Waste Management                    |

• **Governance and Organisation**

|                                     |  |
|-------------------------------------|--|
| Business Planning                   | Payroll and Human Resources                          |
| Council Committees                  | Plant Operations                                     |
| Customer Service                    | Public Debt and Funding                              |
| Depot Operations                    | Private Works  |
| Elected Member Support              | Quadruple Bottom Line Reporting                      |
| Financial Compliance                | Rating & Property                                    |
| Governance Administration           | Records  |
| IES Indirect Expenses               | Regional Relations and Planning                      |
| Information Technology              | Vehicle Management                                   |
| OH&S and Risk Management Compliance | Strategic Planning & Executive Management Operations |
| Organisational Performance          |  |

**Public Participation**

**3.1 Council Meetings**

Members of the public have a number of opportunities and avenues to express their views on particular issues before Council.

These are:

**Deputations** - a member of the public wishing to appear before Council or a Committee of Council must seek permission of the Mayor or Committee Chairman. A request must include a statement of the reason why the deputation wishes to appear.

The Chief Executive Officer must notify the Mayor and the Mayor must advise the Chief Executive Officer, in writing, that the Chief Executive Officer notifies the deputation, in writing, of the date and hour of the meeting and also informing them that they have up to five (5) minutes to discuss the item.

**Petitions** - Written petitions must be addressed to Council on any issue within the Council's jurisdiction.

**Written Requests** - A member of the public can write to Council on any Council policy, activity or service.

**Elected Members** - Members of the public can contact (verbal or written) their Elected Members of Council to discuss any issue relevant to Council.

**Open Forum** - To encourage direct communication between the public and Council, a 30 minute open forum segment is held for the public to make statements, place submissions or put questions before Council. Open Forum commences at 6:30pm.

**Staff Members** - members of the public may contact Council staff either in writing or verbally to discuss issues relevant to Council.

Council hold regular Consultation & Information sessions relevant to specific projects from time to time and members of the public are encouraged to attend.

### 3.2 **Community Consultation**

Council acknowledges that the community has a right to be informed and involved in decisions affecting the District and is committed to effective consultation and communication with its residents and other stakeholders. Effective consultation involves seeking and receiving feedback, as well as providing information to the community.

Council's Community Consultation Policy outlines the procedures Council will follow when engaging and seeking feedback from the community in its decision making process ensuring accountability and transparency. Dependant on the topic for consultation, the number of residents who have the potential to be affected and the community interest in the topic will determine the level of consultation undertaken by Council which may include:

- Regular Newsletter – District Communicator
- Direct Mail Publications
- Local, Regional & State Media Publications
- Media Releases
- Community Forums and Stakeholder Meetings
- Market Research and Surveys
- Council's Website – [www.mallala.sa.gov.au](http://www.mallala.sa.gov.au)
- General Fixed Displays / Notice-Boards / Library Displays.

## 4. **Access to Council Documents**

### 4.1 **Documents Available for Inspection**

The following documents are available for public inspection at Council's Principal Office, 2a Wasleys Road, Mallala free of charge between 9:00 am and 5:00 pm Monday to Friday (excluding Public Holidays). A range of documents is also available on Councils website at [www.mallala.sa.gov.au](http://www.mallala.sa.gov.au)

|                                    |  |
|------------------------------------|--|
| Annual Budget                      | Natural & Built Environment Policies               |
| Annual Financial Statements        | Register of Allowances & Benefits, Elected Members |
| Annual Report                      | Register of Community Land                         |
| Community & Development Policies   | Register of Debenture Loans                        |
| Council & Committee Agendas        | Register of Interests, Elected Members             |
| Council & Committee Minutes        | Register of Interest, Employees                    |
| Council By-laws                    | Register of Leases & Licences                      |
| Delegations Register               | Register of Public Roads                           |
| Development Plans                  | Register of Salaries                               |
| Economic Development Policies      | Schedule of Fees & Charges                         |
| Elected Members Code of Conduct    | Strategic Plan                                     |
| Employee Code of Conduct           | Voters Roll  |
| Governance & Organisation Policies |  |

**4.2 Other Information Requests**

Requests for information not included in Clause 4.2 above will be considered in accordance with the Freedom of Information Act 1991 and the Local Government Act 1999.

In accordance with this legislation an application fee and where appropriate, a search fee, must be forwarded with a completed request form as provided for in Regulation 275 of the Freedom of Information Act 1991, unless the applicant is granted an exemption.

Where the applicant requires copies of any documents inspected, pursuant to a Freedom of Information request, the charges set out in Council's Schedule of Fees will apply.

Freedom of Information enquiries and Request Forms must be addressed to:

Governance Coordinator  
 District Council of Mallala  
 P.O. Box 18  
 MALLALA SA 5502

Forms are available at Council's Principal Office.

Applications will be responded to as soon as practicable within the statutory period of Council receiving the properly completed Freedom of Information Request Form, together with application and search fees.

In accordance with Section 13 of the Freedom of Information Act 1991 and Section 65 of the Local Government Act 1999 8 determinations relating to Access to Documents requests were received by Council in the twelve months to 30 June, 2010.

**5. Amendment of Council Records**

A member of the public may request access to Council documents, to make amendments to their personal affairs, by making a request under the Freedom of Information provisions of the Local Government Act 1999. A request may then be made to correct any information about them that is incomplete, incorrect, misleading, or out of date.

To gain access to these Council records, a Freedom of Information Request Form must be completed, as indicated above, outlining the records that the applicant wishes to inspect.

**6. Confidentiality Provisions**

Council utilised the following provisions of Section 90 of the Local Government Act 1999 to consider confidential matters during the period:

|          |       |               |
|----------|-------|---------------|
| 90(2)    | seven | (7) occasions |
| 90(3)(a) | two   | (2) occasions |
| 90(3)(b) | five  | (5) occasions |
| 90(3)(c) | one   | (1) occasion  |
| 90(3)(i) | two   | (2) occasions |
| 90(3)(k) | four  | (4) occasions |
| 90(3)(l) | four  | (4) occasions |

Council utilised the following provisions of Section 91 of the Local Government Act 1999 for matters to remain confidential during the period:

|       |        |                |
|-------|--------|----------------|
| 91(7) | eleven | (11) occasions |
| 91(9) | four   | (4) occasions  |

Council's Development Assessment Panel decided on two (2) confidential items during the period, and Council's Mallala & Districts Aged Homes Committee decided on one (1) confidential item.

This Information Statement is published by the District Council of Mallala in accordance with the requirements of Section 65(r) of the Local Government Act 1934, as amended.

The District Council of Mallala is pleased to comply with this legislation and welcomes all enquiries from the Public for information.

An updated Information Statement will be published at least every 12 months.

# Internal Review of Council Decisions

## 1. Purpose

The District Council of Mallala is committed to transparent decision-making processes; and to providing access to a fair and objective procedure for the internal review of decisions.

Grievances may arise as a result of dissatisfaction with a decision about a policy, procedure, service or fee. All attempts will be made to resolve grievances quickly and efficiently, without the need for formal applications for review to be lodged. Sometimes this cannot be achieved. The procedure provides guidance for dealing with formal requests for internal review of decisions of Council, its employees, and other people acting on behalf of the Council.

Dealing with grievances at the local level is the most effective way of resolving matters quickly. Applicants for review of decisions will be encouraged to participate in the review handling process co-operatively. However, this will not negate citizens' rights to seek external review through the State Ombudsman, other legal appeal processes, or the Courts at any time during the internal review process.

## 2. The Local Government Act 1999 ('The Act')

The District Council of Mallala's Internal Review of Council Decisions Procedure, has been adopted in accordance with Section 270 of the Local Government Act 1999. The Procedure is one aspect of Council's customer focussed approach to service delivery. It provides a further opportunity to review the way Council provides services to the community and to identify areas for improvement.

## 3. When will the internal review of council decisions procedure apply?

Issues arise about a range of matters during the course of Council's day-to-day activities. Most grievances are initially made verbally by telephone, face-to-face to a Council officer, or some may be made in writing in the first instance. Sometimes elected members also receive grievances. Grievances will be referred to the relevant Council staff member in the first instance and prompt action generally results in the matter being resolved satisfactorily.

The Internal Review of Council Decisions Procedure will apply to requests for review of decisions of Council, its employees or other persons acting on behalf of Council. A formal application or request for review of a decision will therefore initiate the procedure process. The person who lodges a formal request for internal review is referred to as the 'applicant'.

The Internal Review of Council Decisions Procedure will apply to all formal requests for review of Council decisions, except in instances where specific procedures are prescribed in Local Government or other relevant legislation. For example: Conflict of Interest, Election and Voting, Development Act, and Freedom of Information Act matters.

Examples of when other processes will be used include: -

- Electoral Issues – Local Government (Elections) Act
- Development Act matters
- Freedom of Information requests
- Expiation of Offences – for example, dog and parking controls
- By-Laws and Order making powers
- Rates
  - Valuations – Valuer General
  - Declarations
  - Invalid Rate
  - Land Use
- Code of Conduct issues
- Employment related matters
- Conflict of Interest matters
- Electoral sign issues
- Decisions made through delegations under other Acts, such as:
  - Country Fire Services Act (Section 40 notices)
  - Water Resources Act
  - Health and Food Act

## 4. Who can lodge a request for a review of a decision?

Any person, who is affected by the decisions made by Council, may lodge a request for Internal Review of a Council decision. For example, residents, ratepayers, members of a community group, users of Council's facilities, and visitors to the area all have the right to lodge an application for review.

## **5. How can a request for a decision review be lodged?**

Formal requests for the review of Council decisions are to be made in writing to the Chief Executive Officer, providing full details about the review request. Assistance will be provided to applicants, where necessary, including the use of an interpreter, providing assistance for people with a disability, or referring applicants to an advocate to help prepare a written application.

Council undertakes to maintain confidentiality as far as is possible, and only relevant parties will be involved. Applicants will be encouraged to observe confidentiality also, as this is likely to achieve the fairest result for all concerned.

## **6. How will a request for internal review of a Council decision be dealt with?**

Principles of natural justice will be observed in dealing with all matters. All parties will have the opportunity to express their point of view, provide relevant information, and respond to issues raised. Council has nominated a Contact Officer who is responsible for dealing with the request for review of a Council decision in the first instance. The Council's Chief Executive Officer is the Contact Officer.

The Contact Officer will assess the request, determine the appropriate action, and arrange for independent review if necessary. Should the applicant not be satisfied with the decision of the Contact Officer then, if necessary, the matter will be referred to the Council.

Some matters will be referred directly to Council for consideration or re-consideration. The types of requests for review of Council decisions that could be referred to Council are those regarding: -

- Decisions made by resolution of Council
- Council endorsed objectives and policies
- Budgetary matters or evaluation of service delivery matters
- Civic and ceremonial matters
- The Internal Review of Council Decisions Procedure, or the process applied.
- Issues that are likely to be of interest to the wider community
- Matters which may involve litigation
- Recommendations to refuse to review a decision raised by an applicant on the grounds that it is frivolous or vexatious, or where the applicant does not have a sufficient interest in the matter
- Matters where legal procedures have not been followed, for example, relating to leases and licences and tenders.
- Any other matters at the discretion of the Contact Officer.

Matters may also be dealt with through independent mediation, where the associated costs will be shared equally between Council and the applicant. The Contact Officer will discuss this option with applicants where relevant.

## **7. How long will it take for the request for review of a Council decision to be assessed?**

A request for review of a Council decision will be formally acknowledged within 5 days of receipt, including advice to applicants about the expected timeframe for dealing with the matter. In most cases applications for review will be considered within 21 days, although in some circumstances it may take longer. However, in all cases, applicants will be kept informed about the progress of the review, and advised in writing of the outcome of the review procedure and process.

If applications for review are not resolved satisfactorily, applicants will be advised of other options for review, such as the State Ombudsman, legal advice, and/or the courts.

## **8. The process adopted**

The following diagram demonstrates the review processes available to the applicant for the review of Council decisions.

Further Information:

Charles Mansueto is the Contact Officer for the District Council of Mallala regarding advice about the Internal Review of Council Decisions Procedure.

For further information about the Procedure and other options for review, please contact:

Charles Mansueto, Chief Executive Officer

District Council of Mallala, PO Box 18 Mallala SA 5502

Telephone: 8527 2006

Fax: 8527 2242

Email: [info@mallala.sa.gov.au](mailto:info@mallala.sa.gov.au)

Copies of the Procedure are available from the Council offices at no charge

# Rating Policy Statement

## Introduction

This document sets out the policy of the District Council of Mallala for setting and collecting rates from its community. The policy covers:

- contact details for further information
- strategic focus
- annual adoption of the rating policy
- method used to value land
- notional values
- adoption of valuations
- business impact statement
- Council's revenue raising powers/differential general rates
- minimum rate
- water catchment levy (the Council's collection role)
- separate rate
- service charge
- rate concessions
- state seniors card ratepayer (self funded retiree)
- pensioner concession
- other concessions
- payment of rates
- late payment of rates
- sale of land for non-payment of rates
- remission and postponement of rates
- rebate of rates
- Disclaimer

## Contact Details for Further Information

Rates Officer  
The District Council of Mallala  
2a Wasleys Road, MALLALA SA 5502  
Telephone: 08 8527 0200  
Fax: 08 8527 2242  
Email: PeterB@mallala.sa.gov.au

## Strategic Focus

In setting its rates for the 2009 / 2010 financial year the Council has considered the following:

- Council's Strategic, Asset Management and Long Term Financial Plans;
- current economic climate and determining factors such as inflation and interest rates;
- specific issues faced by our community, which are, but not limited to:
  - need to continually replace and upgrade infrastructure assets;
  - continuation of the waste management and recycling program to all areas of the District;
- 2010/2011 financial year;
- impact of rates on the community, including:
  - householders, businesses and primary producers.

## Annual Adoption of the Rating Policy

Section 171 of the Local Government Act 1999 requires Council to prepare and adopt annually, in conjunction with setting the rates, a rates policy. The policy must be available at Council's Principal Office and a summary version must be distributed with rates notices.

## Method Used to Value Land

Council may adopt one of three valuation methodologies to value the properties in its area. They are:

- *Capital Value* – the value of the land and all of the improvements on the land.
- *Site Value* – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements.
- *Annual Value* – a valuation of the rental potential of the property.

Council decided to continue to use capital value as the basis for valuing land within the Council area. Council considers this method of valuing land provides the fairest method of distributing the rate burden across all ratepayers on the following basis:

- the equity principle of taxation requires that ratepayers of similar wealth pay similar taxes and ratepayers of greater wealth pay more tax than ratepayers of lesser wealth;
- property value is a relatively good indicator of wealth and capital value, which closely approximates the market value of a property and provides the best indicator of overall property value;
- the distribution of property values throughout the Council area is such that few residential ratepayers will pay significantly more than the average rate per property.

### **Notional Values**

Certain properties may be eligible for a notional value under the Valuation of Land Act 1971 where the property is the principal place of residence of a ratepayer. This can relate to certain primary production land or where there is State heritage recognition. A notional value is generally less than the capital value and this will result in reduced rates, unless the minimum rate already applies. Application for a notional value must be made to the State Valuation Office.

### **Adoption of Valuations**

Council adopted the valuations made by the State Valuation Office as provided to the Council at the end of June 2010. Where the ratepayer is dissatisfied with the valuation made by the Valuer-General then the ratepayer may object to the State Valuation Office in writing, within 60 days of receiving the notice of the valuation, explaining the basis for the objection, provided they have not: (a) previously received a notice of this valuation under the Local Government Act 1999, in which case the objection period is 60 days from the receipt of the first notice; or (b) previously had an objection to the valuation considered by the Valuer-General.

The address of the State Valuation Office is:

State Valuation Office  
GPO Box 1354  
ADELAIDE SA 5001  
email: [lsg.objections@saugov.sa.gov.au](mailto:lsg.objections@saugov.sa.gov.au)  
Ph: 1300 653 345

Please note that the Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date for the payment of rates.

### **Business Impact Statement**

The Council has considered the impact of rates on all businesses in the Council area, including primary production.

### **Council's Revenue Raising Powers / Differential General Rates**

All land within a Council area, except for land specifically exempt (e.g. Crown land, Council occupied land and other land prescribed in the Local Government Act 1999 – Section 147), is rateable. The Local Government Act 1999 provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which apply to all rateable properties, or through differential general rates, which apply to classes of properties. In addition, Council can raise separate rates, for specific areas of the Council or service rates or charges for specific services. Council also raises revenue through fees and charges, which are set giving consideration to the cost of the service provided and any equity issues. Council Schedule of Fees and Charges is available on request for payment of the prescribed fee.

At its meeting on 28 June 2010 Council decided to raise rate revenue of \$5,584,715.54 in a total revenue budget of \$7,535,000. As a result of this decision the Council has decided to impose differential general rates based on the zone in which properties are located within the District.

Council also assessed the level of service delivered in each of these zones and this is reflected accordingly by the rate in the dollar set for each zone.

### **Minimum Rate**

A Council may impose a minimum amount payable by way of rates. Where two or more adjoining properties have the same owner and are occupied by the same occupier, only one minimum rate is payable by the ratepayer. Where a Council imposes a minimum rate it must not apply to more than 35% of properties in the Council area.

Council decided to impose a minimum rate of \$630.00, which will affect (15.9%) of rateable properties. The reasons for imposing a minimum rate are:

- the Council considers it appropriate that all rateable properties make a base level contribution to the cost of administering the Council's activities; and to
- the cost of creating and maintaining the physical infrastructure that supports each property.

### **Natural Resources Management Levy**

Council is covered by the Adelaide & Mount Lofty Ranges.

The Minister determines the levy to be contributed by Council using the basis set out in the Board's plan.

The levy is collected by Council, on behalf of the boards, by using a separate rate against all rateable properties in the Council area.

This year the Minister determined that the contribution for the Adelaide & Mount Lofty Ranges Board the contribution is \$61,463.

Council has, therefore, set a separate rate of 0.009268 cents in the dollar for the Adelaide & Mount Lofty Ranges Board.

Council is operating as a revenue collector for the Natural Resource Management Boards and does not retain the revenue nor does it determine how the revenue is spent.

### **Separate Rate**

Council has provided an extension to the water main to supply water to rural living properties on Harris Road, Dublin. In order to recover the amount paid for the installation of the Dublin Water Supply the Council declared a separate rate of \$541.46 payable on rateable properties along Harris Road. The separate rate will service the loan repayment raised to finance the installation of the water supply.

### **Service Rate/Charge**

Council provides a septic tank effluent disposal system (STED) to Middle Beach. The full cost of operating, maintaining and improving this service for this financial year is budgeted to be \$17,250. This includes setting aside funds in a specific reserve for the future replacement of the assets employed in providing the service.

This cost will be recovered by Council through the imposition of a service charge for large and small tanks of \$335 and \$360 respectively.

A service charge of \$575.08 is also in place for the repayment of a loan raised to finance the installation of the STED scheme.

### **Rate Concessions**

The State Government, in providing equity across South Australia in this area, funds a range of concessions on Council rates. The concessions are administered by various State Agencies who determine eligibility and pay the concession directly to Council on behalf of the ratepayer. Concessions are available only on the principal place of residence.

Ratepayers who believe they are entitled to a concession should not withhold payment of rates pending assessment of an application by the State Government as penalties apply to overdue rates. A refund will be paid to an eligible person if Council is advised that a concession applies and the rates have already been paid.

# Appendix 1



## Financial Statements 2009 -10

**District Council of Mallala**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2010**

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## District Council of Mallala

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2010

|   | Notes | 2010<br>\$       | 2009<br>\$       |
|---|-------|------------------|------------------|
| <b>INCOME</b>   |       |                  |                  |
| Rates   | 2     | 5,370,787        | 5,038,579        |
| Statutory charges   | 2     | 253,923          | 225,946          |
| User charges  | 2     | 135,566          | 136,368          |
| Grants, subsidies and contributions   | 2     | 1,468,859        | 1,614,448        |
| Investment income   | 2     | 38,044           | 42,797           |
| Reimbursements  | 2     | 402,682          | 275,954          |
| Other income  | 2     | 47,330           | 91,736           |
| <b>Total Income</b>   |       | <u>7,717,191</u> | <u>7,425,828</u> |
| <b>EXPENSES</b>   |       |                  |                  |
| Employee costs  | 3     | 3,026,941        | 2,745,073        |
| Materials, contracts & other expenses   | 3     | 2,989,634        | 2,437,026        |
| Finance costs   | 3     | 216,554          | 236,136          |
| Depreciation, amortisation & impairment   | 3     | 1,789,312        | 1,620,184        |
| Net loss - joint ventures & associates  | 19    | 18,946           | 64,670           |
| <b>Total Expenses</b>   |       | <u>8,041,386</u> | <u>7,103,089</u> |
| <b>OPERATING SURPLUS / (DEFICIT)</b>  |       | (324,196)        | 322,739          |
| Asset disposal & fair value adjustments   | 4     | (131,121)        | (234,434)        |
| Amounts received specifically for new or upgraded assets                        | 2     | 184,419          | 969,748          |
| <b>NET SURPLUS / (DEFICIT)</b>  |       | <u>(270,897)</u> | <u>1,058,053</u> |
| transferred to Equity Statement   |       |                  |                  |
| Other Comprehensive Income  |       |                  |                  |
| Changes in revaluation surplus - infrastructure,<br>property, plant & equipment | 9     | -                | 4,025,175        |
| <b>Total Other Comprehensive Income</b>   |       | -                | 4,025,175        |
| <b>TOTAL COMPREHENSIVE INCOME</b>   |       | <u>(270,897)</u> | <u>5,083,228</u> |

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

## District Council of Mallala

### BALANCE SHEET as at 30 June 2010

| <b>ASSETS</b>                                      | Notes | 2010<br>\$               | 2009<br>\$               |
|--|-------|--------------------------|--------------------------|
| <b>Current Assets</b>                              |       |                          |                          |
| Cash and cash equivalents                          | 5     | 1,259,408                | 851,333                  |
| Trade & other receivables                          | 5     | 880,057                  | 907,544                  |
| Inventories  | 5     | <u>17,136</u>            | <u>161,692</u>           |
| <b>Total Current Assets</b>                        |       | <u><b>2,156,601</b></u>  | <u><b>1,920,569</b></u>  |
| <b>Non-current Assets</b>                          |       |                          |                          |
| Equity accounted investments in Council businesses | 6     | 4,747,738                | 4,766,684                |
| Infrastructure, Property, Plant & Equipment        | 7     | 49,510,622               | 48,830,623               |
| Other Non-current Assets                           | 6     | <u>59,198</u>            | <u>55,802</u>            |
| <b>Total Non-current Assets</b>                    |       | <u><b>54,317,558</b></u> | <u><b>53,653,109</b></u> |
| <b>Total Assets</b>                                |       | <u><b>56,474,159</b></u> | <u><b>55,573,678</b></u> |
| <b>LIABILITIES</b>                                 |       |                          |                          |
| <b>Current Liabilities</b>                         |       |                          |                          |
| Trade & Other Payables                             | 8     | 736,008                  | 717,194                  |
| Borrowings   | 8     | 660,715                  | 680,116                  |
| Provisions   | 8     | <u>287,961</u>           | <u>175,193</u>           |
| <b>Total Current Liabilities</b>                   |       | <u><b>1,684,684</b></u>  | <u><b>1,572,503</b></u>  |
| <b>Non-current Liabilities</b>                     |       |                          |                          |
| Borrowings   | 8     | 3,487,561                | 2,368,971                |
| Provisions   | 8     | <u>31,660</u>            | <u>116,473</u>           |
| <b>Total Non-current Liabilities</b>               |       | <u><b>3,519,221</b></u>  | <u><b>2,485,444</b></u>  |
| <b>Total Liabilities</b>                           |       | <u><b>5,203,905</b></u>  | <u><b>4,057,947</b></u>  |
| <b>NET ASSETS</b>                                  |       | <u><b>51,270,254</b></u> | <u><b>51,515,731</b></u> |
| <b>EQUITY</b>                                      |       |                          |                          |
| Accumulated Surplus                                |       | 25,562,691               | 25,785,895               |
| Asset Revaluation Reserves                         | 9     | 25,131,664               | 25,131,664               |
| Other Reserves                                     | 9     | <u>575,899</u>           | <u>598,172</u>           |
| <b>TOTAL EQUITY</b>                                |       | <u><b>51,270,254</b></u> | <u><b>51,515,731</b></u> |

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

## District Council of Mallala

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2010

| 2010   | Notes | Accumulated<br>Surplus<br>\$ | Asset<br>Revaluation<br>Reserve<br>\$ | Other<br>Reserves<br>\$ | TOTAL<br>EQUITY<br>\$ |
|--|-------|------------------------------|---------------------------------------|-------------------------|-----------------------|
| Balance at end of previous reporting period  |       | 25,785,895                   | 25,131,664                            | 598,172                 | 51,515,731            |
| Restated opening balance   |       | 25,785,895                   | 25,131,664                            | 598,172                 | 51,515,731            |
| <b>Net Surplus / (Deficit) for Year</b>  |       | (270,897)                    | -                                     | -                       | (270,897)             |
| <b>Other Comprehensive Income</b>  |       |                              |                                       |                         |                       |
| Adjustment to rectify accounting processing errors during 2009/10                      |       | 25,420                       | -                                     | -                       | 25,420                |
| Transfers between reserves   |       | 22,273                       | -                                     | (22,273)                | -                     |
| <b>Balance at end of period</b>  |       | <b>25,562,691</b>            | <b>25,131,664</b>                     | <b>575,899</b>          | <b>51,270,254</b>     |
| <br>   |       |                              |                                       |                         |                       |
| <b>2009</b>  |       |                              |                                       |                         |                       |
| Balance at end of previous reporting period  |       | 24,484,051                   | 21,203,536                            | 744,916                 | 46,432,503            |
| Restated opening balance   |       | 24,484,051                   | 21,203,536                            | 744,916                 | 46,432,503            |
| <b>Net Surplus / (Deficit) for Year</b>  |       | 1,058,053                    | -                                     | -                       | 1,058,053             |
| <b>Other Comprehensive Income</b>  |       |                              |                                       |                         |                       |
| Changes in revaluation surplus - infrastructure, property, plant & equipment           |       | -                            | 4,025,175                             | -                       | 4,025,175             |
| Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment |       | 97,047                       | (97,047)                              | -                       | -                     |
| Transfers between reserves   |       | 146,744                      | -                                     | (146,744)               | -                     |
| <b>Balance at end of period</b>  |       | <b>25,785,895</b>            | <b>25,131,664</b>                     | <b>598,172</b>          | <b>51,515,731</b>     |

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

## District Council of Mallala

### CASH FLOW STATEMENT for the year ended 30 June 2010

|   | Notes | 2010<br>\$         | 2009<br>\$  |
|---|-------|--------------------|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |       |                    |             |
| <u>Receipts</u>   |       |                    |             |
| Operating receipts  |       | 7,836,534          | 7,573,833   |
| Investment receipts   |       | 38,044             | 42,797      |
| <u>Payments</u>   |       |                    |             |
| Operating payments to suppliers & employees                   |       | (5,856,992)        | (5,586,117) |
| Finance payments  |       | (275,458)          | (215,378)   |
| <b>Net Cash provided by (or used in) Operating Activities</b> | 11    | <b>1,742,129</b>   | 1,815,135   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |       |                    |             |
| <u>Receipts</u>   |       |                    |             |
| Amounts specifically for new or upgraded assets               |       | 184,419            | 969,748     |
| Sale of replaced assets                                       |       | 362,178            | 313,634     |
| Insurance Claims Prepayable                                   |       | -                  | 338         |
| <u>Payments</u>   |       |                    |             |
| Expenditure on renewal/replacement of assets                  |       | (2,410,159)        | (2,045,237) |
| Expenditure on new/upgraded assets                            |       | (555,847)          | (629,920)   |
| Interest Receivable   |       | (7,917)            | 10,941      |
| Amounts Receivable  |       | -                  | 21,448      |
| <b>Net Cash provided by (or used in) Investing Activities</b> | 11    | <b>(2,427,326)</b> | (1,359,048) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |       |                    |             |
| <u>Receipts</u>   |       |                    |             |
| Proceeds from Borrowings                                      |       | 1,779,305          | -           |
| <u>Payments</u>   |       |                    |             |
| Repayments of Borrowings                                      |       | (678,943)          | (618,799)   |
| Repayment of Finance Lease Liabilities                        |       | -                  | -           |
| Repayment of Aged Care Facility deposits                      |       | (5,918)            | -           |
| <b>Net Cash provided by (or used in) Financing Activities</b> |       | <b>1,094,444</b>   | (618,799)   |
| <b>Net Increase (Decrease) in cash held</b>                   |       | <b>409,248</b>     | (162,712)   |
| Cash & cash equivalents at beginning of period                | 11    | 850,160            | 1,012,872   |
| <b>Cash &amp; cash equivalents at end of period</b>           | 11    | <b>1,259,408</b>   | 850,160     |

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

# District Council of Mallala

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

### 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 equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by certificate under clause 11 of the Local Government (Financial Management) Regulations 1999 dated 29 th November 2010.

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

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

The District Council of Mallala is incorporated under the SA Local Government Act 1999 and has its principal place of business at 2A Wasleys Road, Mallala. These financial statements include the consolidated fund 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.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

#### 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.

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 1 (cont) - SIGNIFICANT ACCOUNTING POLICIES

##### 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.

##### 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 Transitional Provisions

As at 1 July 2008, Council has elected not to recognise any values for land under roads acquired before the commencement of AASB 1051 Land Under Roads. Details of the effects of this election are given in Note 7.

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".

##### 6.2 Initial Recognition

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

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 1 (cont) - SIGNIFICANT ACCOUNTING POLICIES

##### 6.2 Initial Recognition (cont...)

The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

##### 6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are 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 |
| Buildings - new construction/extensions | \$10,000 |
| Park & Playground Furniture & Equipment | \$ 2,000 |
| Road construction & reconstruction      | \$10,000 |
| Paving & footpaths, Kerb & Gutter       | \$ 2,000 |
| Drains & Culverts                       | \$ 5,000 |
| Reticulation extensions                 | \$ 5,000 |
| Sidelines & household connections       | \$ 5,000 |

##### 6.4 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. Further detail of existing valuations, methods and valuers are provided at Note 7.

##### 6.5 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

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 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.

##### Plant, Furniture & Equipment

|                                  |                |
|----------------------------------|----------------|
| > Office Equipment               | 5 to 10 years  |
| > Office Furniture               | 10 to 20 years |
| > Vehicles and Road-making Equip | 5 to 8 years   |
| > Other Plant & Equipment        | 5 to 15 years  |

##### Building & Other Structures

|  |                 |
|--|-----------------|
| > Buildings – masonry                  | 50 to 100 years |
| > Buildings – other construction       | 20 to 40 years  |
| > Park Structures – masonry            | 50 to 100 years |
| > Park Structures – other construction | 20 to 40 years  |
| > Playground equipment                 | 5 to 15 years   |
| > Benches, seats, etc                  | 10 to 20 years  |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 1 (cont) - SIGNIFICANT ACCOUNTING POLICIES

##### 6.5 Depreciation of Non-Current Assets (cont...)

###### Infrastructure

|                                     |                 |
|-------------------------------------|-----------------|
| > Sealed Roads – Surface            | 15 to 25 years  |
| > Sealed Roads – Structure          | 20 to 50 years  |
| > Unsealed Roads                    | 10 to 20 years  |
| > Bridges – Concrete                | 80 to 100 years |
| > Paving & Footpaths, Kerb & Gutter | 80 to 100 years |
| > Drains                            | 80 to 100 years |
| > Culverts                          | 50 to 75 years  |
| > Flood Control Structures          | 80 to 100 years |
| > Dams and Reservoirs               | 80 to 100 years |
| > Bores                             | 20 to 40 years  |
| > Reticulation Pipes – PVC          | 70 to 80 years  |
| > Reticulation Pipes – other        | 25 to 75 years  |
| > Pumps & Telemetry                 | 15 to 25 years  |

###### Other Assets

|                 |                |
|-----------------|----------------|
| > Library Books | 10 to 15 years |
|-----------------|----------------|

##### 6.6 Impairment

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

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

##### 6.7 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 1023 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

##### 7 Payables

###### 7.1 Goods & Services

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

###### 7.2 Payments Received in Advance & Deposits

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

##### 8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 1 (cont) - SIGNIFICANT ACCOUNTING POLICIES

##### 9 Employee Benefits

###### 9.1 Salaries, Wages & Compensated Absences

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

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

Weighted average discount rate 5.03% (2009, 5.23%)  
Weighted average settlement period 5 years (2009, 5 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 Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

##### 10 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".

##### 11 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities.

##### 12 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 as assets under lease, 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.

##### 13 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.

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 1 (cont) - SIGNIFICANT ACCOUNTING POLICIES

##### 14 Comparative Information

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

##### 15 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2010 reporting period.

|                   |   |
|-------------------|---|
| AASB 1            | First-time Adoption of Australian Accounting Standards  |
| AASB 5            | Non-current Assets Held for Sale and Discontinued Operations  |
| AASB 7            | Financial Instruments: Disclosures  |
| AASB 9            | Financial Instruments   |
| AASB 101          | Presentation of Financial Statements  |
| AASB 107          | Statement of Cash Flows   |
| AASB 108          | Accounting Policies, Changes in Accounting Estimates and Errors   |
| AASB 110          | Events after the Reporting Period   |
| AASB 117          | Leases  |
| AASB 118          | Revenue   |
| AASB 119          | Employee Benefits   |
| AASB 132          | Financial Instruments: Presentation   |
| AASB 136          | Impairment of Assets  |
| AASB 137          | Provisions, Contingent Liabilities and Contingent Assets  |
| AASB 139          | Financial Instruments: Recognition and Measurement  |
| AASB 1031         | Financial Instruments: Recognition and Measurement  |
| AASB 2009-11      | Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] |
| AASB 2009-12      | Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]  |
| AASB 2009-13      | Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]   |
| AASB 2010-1       | Amendments to Australian Accounting Standards – Limited Exemption from Comparative  |
| AASB 7            | Disclosures for First-time Adopters [AASB 1 & AASB 7]   |
| Interpretation 4  | Determining whether an Arrangement contains a Lease   |
| Interpretation 14 | AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction   |

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

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

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

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 2 - INCOME

|  | Notes | 2010<br>\$ | 2009<br>\$ |
|--|-------|------------|------------|
| <b>RATES REVENUES</b>                                |       |            |            |
| <u>General Rates</u>                                 |       | 5,221,167  | 4,882,719  |
| Less: Discretionary rebates, remissions & write offs |       | (52,390)   | (51,178)   |
|  |       | 5,168,777  | 4,831,541  |
| <u>Other Rates</u> (including service charges)       |       |            |            |
| Natural Resource Management levy                     |       | 118,563    | 123,510    |
| Community wastewater management systems              |       | 17,250     | 17,250     |
|  |       | 135,813    | 140,760    |
| <u>Other Charges</u>                                 |       |            |            |
| Penalties for late payment                           |       | 28,757     | 32,608     |
| Legal & other costs recovered                        |       | 37,440     | 33,670     |
|  |       | 66,197     | 66,278     |
|  |       | 5,370,787  | 5,038,579  |
| <b>STATUTORY CHARGES</b>                             |       |            |            |
| Development Act fees                                 |       | 113,989    | 93,254     |
| Animal registration fees & fines                     |       | 107,459    | 106,080    |
| Other fines, penalties & expiations                  |       | 1,271      | 1,007      |
| Septic tank fees                                     |       | 31,204     | 25,605     |
|  |       | 253,923    | 225,946    |
| <b>USER CHARGES</b>                                  |       |            |            |
| Cemetery/crematoria fees                             |       | 11,636     | 22,603     |
| House/Aged Home Rent                                 |       | 21,202     | 22,403     |
| Admission Charges for Museum                         |       | 14,475     | 7,945      |
| Rate Searches  |       | 10,092     | 3,488      |
| Hall & equipment hire                                |       | 2,853      | 9,450      |
| Sales - general                                      |       | 5,390      | 5,695      |
| Rubbish/Recycling collection fees and tip fees       |       | 58,359     | 56,450     |
| Sundry   |       | 11,558     | 8,334      |
|  |       | 135,566    | 136,368    |
| <b>INVESTMENT INCOME</b>                             |       |            |            |
| Interest on investments                              |       |            |            |
| Local Government Finance Authority                   |       | 34,200     | 33,451     |
| Banks & other  |       | 3,844      | 9,346      |
|  |       | 38,044     | 42,797     |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### NOTE 2 - INCOME (continued)

|  | 2010             | 2009             |
|--|------------------|------------------|
| Notes  | \$               | \$               |
| <b>REIMBURSEMENTS</b>  |                  |                  |
| Roadworks  | 321,557          | 217,722          |
| Joint undertakings   | 81,125           | 55,166           |
| Other  | -                | 3,066            |
|  | <b>402,682</b>   | <b>275,954</b>   |
| <b>OTHER INCOME</b>  |                  |                  |
| Sundry   | 47,330           | 91,736           |
|  | <b>47,330</b>    | <b>91,736</b>    |
| <b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>                              |                  |                  |
| Amounts received specifically for new or upgraded assets             | 184,419          | 969,748          |
| Other grants, subsidies and contributions                            | 1,195,112        | 1,347,977        |
| Individually significant item - additional Grants Commission payment | 273,747          | 266,471          |
| <i>see below</i>   |                  |                  |
|  | <b>1,653,278</b> | <b>2,584,196</b> |

*The functions to which these grants relate are shown in Note 2.*

#### **Sources of grants**

|                         |                  |                  |
|-------------------------|------------------|------------------|
| Commonwealth government | 125,021          | 99,721           |
| State government        | 1,528,258        | 2,484,475        |
| Other                   | -                | -                |
|                         | <b>1,653,278</b> | <b>2,584,196</b> |

#### **Individually Significant Item**

|   |                |         |
|---|----------------|---------|
| On 30 June 2010, Council received payment of the first quarter instalment of the 2010/11 Grant Commission grant (FAG). The first quarter instalment of the (FAG) grant for 2009/10 was received on 26 June 2009, both were taken up as income in the year of receipt. | <b>273,747</b> | 266,471 |
|---|----------------|---------|

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### NOTE 2 - INCOME (continued)

|  | 2010          | 2009         |
|--|---------------|--------------|
| Notes  | \$            | \$           |
| <b>Conditions over grants &amp; contributions</b>  |               |              |
| <i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i> |               |              |
| <i>Unexpended at the close of the previous reporting period</i>  | 125,706       | 165,216      |
| <i>Less: expended during the current period from revenues recognised in previous reporting periods</i>   | (125,706)     | -            |
| <i>Community waste Water Management System</i>   |               | (53,668)     |
| <i>Subtotal</i>  | (125,706)     | (53,668)     |
| <i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>  |               |              |
| <i>Zero Waste Illegal dumping prevention</i>   | -             | 14,158       |
| <i>Subtotal</i>  | -             | 14,158       |
| <i>Unexpended at the close of this reporting period</i>  | -             | 125,706      |
| <br><i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>   | <br>(125,706) | <br>(39,510) |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 3 - EXPENSES

|  | Notes | 2010<br>\$              | 2009<br>\$              |
|--|-------|-------------------------|-------------------------|
| <b>EMPLOYEE COSTS</b>                                    |       |                         |                         |
| Salaries and Wages                                       |       | 2,465,920               | 2,320,602               |
| Employee leave expense                                   |       | 331,179                 | 311,678                 |
| Superannuation - defined contribution plan contributions | 18    | 241,315                 | 221,291                 |
| Workers' Compensation Insurance                          |       | 102,915                 | 92,292                  |
| Less: Capitalised and distributed costs                  |       | <u>(114,387)</u>        | <u>(200,790)</u>        |
| <b>Total Operating Employee Costs</b>                    |       | <b><u>3,026,941</u></b> | <b><u>2,745,073</u></b> |
| <br><b>Total Number of Employees</b>                     |       | <br><b>47</b>           | <br><b>44</b>           |
| <i>(Full time equivalent at end of reporting period)</i> |       |                         |                         |
| <b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>         |       |                         |                         |
| <u>Prescribed Expenses</u>                               |       |                         |                         |
| Auditor's Remuneration                                   |       |                         |                         |
| - Auditing the financial reports                         |       | 5,580                   | 5,240                   |
| Elected members' expenses                                |       | 129,372                 | 106,060                 |
| Operating Lease Rentals - cancellable leases             |       | 6,971                   | 13,815                  |
| Subtotal - Prescribed Expenses                           |       | <u>141,923</u>          | <u>125,115</u>          |
| <br><u>Other Materials, Contracts &amp; Expenses</u>     |       |                         |                         |
| Contractors  |       | 548,075                 | 695,098                 |
| Energy   |       | 400,302                 | 463,461                 |
| Maintenance  |       | 372,550                 | 222,971                 |
| Legal Expenses   |       | 166,515                 | 129,663                 |
| Levies paid to government - NRM levy                     |       | 115,903                 | 122,271                 |
| - Other Levies   |       | 48,302                  | 61,268                  |
| Parts, accessories & consumables                         |       | 364,605                 | 322,039                 |
| Professional services                                    |       | 344,106                 | 181,624                 |
| Sundry   |       | 487,354                 | 113,516                 |
| Subtotal - Other Materials, Contracts & Expenses         |       | <u>2,847,711</u>        | <u>2,311,911</u>        |
|  |       | <b><u>2,989,634</u></b> | <b><u>2,437,026</u></b> |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 3 - EXPENSES (cont)

|  | Notes | 2010<br>\$       | 2009<br>\$       |
|--|-------|------------------|------------------|
| <b>FINANCE COSTS</b>                                   |       |                  |                  |
| Interest on Loans                                      |       | <u>216,554</u>   | <u>236,136</u>   |
|  |       | <b>216,554</b>   | <b>236,136</b>   |
| <br><b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b> |       |                  |                  |
| <b>Depreciation</b>                                    |       |                  |                  |
| Land & Landscaping                                     |       | 9,455            | 8,795            |
| Buildings, Pavements & Structures                      |       | 273,081          | 267,189          |
| Road Infrastructure                                    |       | 1,097,426        | 1,033,583        |
| Other Infrastructure                                   |       | 92,417           | 67,731           |
| Equipment and Furniture                                |       | <u>316,933</u>   | <u>242,886</u>   |
|  |       | <b>1,789,312</b> | <b>1,620,184</b> |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

|   | Notes | 2010<br>\$       | 2009<br>\$       |
|---|-------|------------------|------------------|
| <b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>          |       |                  |                  |
| <i>Assets renewed or directly replaced</i>                      |       |                  |                  |
| Proceeds from disposal  |       | 553,567          | 313,634          |
| Less: Carrying amount of assets sold                            |       | 684,688          | 548,068          |
| <b>Gain (Loss) on disposal</b>                                  |       | <u>(131,121)</u> | <u>(234,434)</u> |
| <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION<br/>OF ASSETS</b> |       | <u>(131,121)</u> | <u>(234,434)</u> |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 5 - CURRENT ASSETS

|  | Notes | 2010<br>\$              | 2009<br>\$            |
|--|-------|-------------------------|-----------------------|
| <b>CASH &amp; EQUIVALENT ASSETS</b>      |       |                         |                       |
| Cash on Hand and at Bank                 |       | 220,929                 | 354,062               |
| Deposits at Call                         |       | <u>1,038,479</u>        | <u>497,271</u>        |
|  |       | <u><b>1,259,408</b></u> | <u><b>851,333</b></u> |
| <br><b>TRADE &amp; OTHER RECEIVABLES</b> |       |                         |                       |
| Rates - General & Other                  |       | 244,635                 | 197,859               |
| Debtors - general                        |       | 276,287                 | 485,236               |
| GST Recoupment                           |       | 182,651                 | 99,986                |
| Prepayments                              |       | 164,497                 | 58,671                |
| Interest Receivable                      |       | 11,987                  | 4,070                 |
| Sundry                                   |       | -                       | 61,722                |
| Total                                    |       | <u>880,057</u>          | <u>907,544</u>        |
| <br>Less: Allowance for Doubtful Debts   |       | <u>-</u>                | <u>-</u>              |
|  |       | <u><b>880,057</b></u>   | <u><b>907,544</b></u> |
| <br><b>INVENTORIES</b>                   |       |                         |                       |
| Stores & Materials                       |       | <u>17,136</u>           | <u>161,692</u>        |
|  |       | <u><b>17,136</b></u>    | <u><b>161,692</b></u> |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 6 - NON-CURRENT ASSETS

| FINANCIAL ASSETS  | Notes | 2010<br>\$       | 2009<br>\$       |
|---|-------|------------------|------------------|
| <b>EQUITY ACCOUNTED INVESTMENTS IN<br/>COUNCIL BUSINESSES</b> |       |                  |                  |
| <i>Gawler River Floodplain Management Authority</i>           | 19    | <u>4,747,738</u> | <u>4,766,684</u> |
|   |       | <u>4,747,738</u> | <u>4,766,684</u> |
| <b>OTHER NON-CURRENT ASSETS</b>                               |       |                  |                  |
| <b>Inventories</b>  |       |                  |                  |
| Capital Works-in-Progress                                     |       | <u>59,198</u>    | <u>55,802</u>    |
|   |       | <u>59,198</u>    | <u>55,802</u>    |

**District Council of Mallala**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2010

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

|  | 2009              |                   |                     |                   | 2010              |                   |                     |                   |
|--|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|---------------------|-------------------|
|  | AT FAIR VALUE     | AT COST           | ACCUM DEPN          | CARRYING AMOUNT   | AT FAIR VALUE     | AT COST           | ACCUM DEPN          | CARRYING AMOUNT   |
| Land & Landscaping   | 9,098,267         | 43,764            | (424,811)           | 8,717,220         | 9,098,267         | 81,298            | (434,266)           | 8,745,299         |
| Buildings, Pavements & Structures                            | 12,310,392        | 220,570           | (8,048,713)         | 4,482,249         | 12,310,392        | 797,500           | (8,321,794)         | 4,786,098         |
| Road Infrastructure  | 45,930,021        | 2,002,054         | (18,479,144)        | 29,452,931        | 45,930,022        | 3,289,637         | (19,576,570)        | 29,643,089        |
| Other Infrastructure   | 1,590,846         | 3,968,804         | (2,659,743)         | 2,899,907         | 1,564,145         | 3,968,804         | (2,734,732)         | 2,798,217         |
| Equipment & Furniture  | -                 | 5,281,258         | (2,002,942)         | 3,278,316         | -                 | 5,711,044         | (2,173,125)         | 3,537,919         |
| <b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b> | <b>68,929,526</b> | <b>11,516,450</b> | <b>(31,615,353)</b> | <b>48,830,623</b> | <b>68,902,826</b> | <b>13,848,283</b> | <b>(33,240,487)</b> | <b>49,510,622</b> |
| <i>Prior Year Totals</i>                                     | <i>62,860,786</i> | <i>9,154,099</i>  | <i>(27,806,443)</i> | <i>44,208,442</i> | <i>68,929,526</i> | <i>11,516,450</i> | <i>(31,615,353)</i> | <i>48,830,623</i> |

*This Note continues on the following pages.*

**District Council of Mallala**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2010**

**Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

|  | CARRYING AMOUNT MOVEMENTS DURING YEAR |                |                  |                  |                    |                    |                    | 2010<br>\$ |
|--|---------------------------------------|----------------|------------------|------------------|--------------------|--------------------|--------------------|------------|
|  | 2009<br>\$                            | Additions      |                  | Disposals        | Depreciation       | Net<br>Revaluation | CARRYING<br>AMOUNT |            |
|  |                                       | New/Upgrade    | Renewals         |                  |                    |                    |                    |            |
| Land & Landscaping   | 8,717,220                             | 37,534         | -                | -                | (9,455)            | -                  | 8,745,299          |            |
| Buildings, Pavements & Structures                                | 4,482,249                             | 518,313        | 58,617           | -                | (273,081)          | -                  | 4,786,098          |            |
| Road Infrastructure  | 29,452,931                            | -              | 1,287,583        | -                | (1,097,425)        | -                  | 29,643,089         |            |
| Other Infrastructure   | 2,899,907                             | -              | -                | (9,273)          | (92,417)           | -                  | 2,798,217          |            |
| Equipment & Furniture  | 3,278,316                             | -              | 1,060,562        | (484,026)        | (316,933)          | -                  | 3,537,919          |            |
| <b>TOTAL INFRASTRUCTURE,<br/>PROPERTY, PLANT &amp; EQUIPMENT</b> | <b>48,830,623</b>                     | <b>555,847</b> | <b>2,406,762</b> | <b>(493,299)</b> | <b>(1,789,311)</b> | <b>-</b>           | <b>49,510,622</b>  |            |
| <i>Prior Year Totals</i>   | <b>44,208,442</b>                     | <b>629,920</b> | <b>2,135,339</b> | <b>(548,068)</b> | <b>(1,620,184)</b> | <b>4,025,174</b>   | <b>48,830,623</b>  |            |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

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

##### Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost for the purposes of AIFRS.

##### **Land & Landscaping**

Pursuant to Council's election, freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. A revaluation was done at fair value as at 1 June 2007. Assitions after that are recognised at cost. Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

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

##### **Buildings, Pavement & Structures**

A revaluation was done at fair value as at 1 June 2007. Pursuant to Council's election, buildings and other structures are recognised on the cost basis. The weighted average depreciation period is 32.7 years (2007 - 32.7 years).

##### **Road Infrastructure**

Road Infrastructure assets were valued by Council officers and consulting engineer (Trevor Mace Engineering) at written down current replacement cost as at 1 July 2008 and pursuant to Council's election are disclosed at deemed cost. Kerbing, footpaths, bridges and culverts are also included here, but were not subject to revaluation. All acquisitions made after the respective dates of valuation are recorded at cost.

##### **Other Infrastructure**

Stormwater drainage infrastructure was valued by Council officers as at 1 July 2008 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2002 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management scheme at Middle Beach was valued by Environmental Water Services at written down current replacement cost during the reporting period ended 30 June 2010 and pursuant to Council's election are disclosed at Depreciated replacement cost. No change in value has resulted but useful life has been reassessed with a corresponding change in rate of depreciation. All acquisitions made after the respective dates of valuation are recorded at cost.

##### **Equipment & Furniture and All other Assets**

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

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 8 - LIABILITIES

|  | Notes | 2010           |                  | 2009           |                  |
|--|-------|----------------|------------------|----------------|------------------|
|  |       | \$             |                  | \$             |                  |
| <b>TRADE &amp; OTHER PAYABLES</b>        |       | Current        | Non-current      | Current        | Non-current      |
| Goods & Services                         |       | 280,749        | -                | 188,650        | -                |
| Payments received in advance             |       | 18,182         | -                | 2,024          | -                |
| Accrued expenses - employee entitlements |       | 304,955        | -                | 329,576        | -                |
| Accrued expenses - other                 |       | 110,551        | -                | 169,455        | -                |
| GST Liability                            |       | 21,571         | -                | 27,489         | -                |
|  |       | <u>736,008</u> | -                | <u>717,194</u> | -                |
| <b>BORROWINGS</b>                        |       |                |                  |                |                  |
| Bank Overdraft                           |       | -              | -                | 1,173          | -                |
| Loans                                    |       | 660,715        | 3,487,561        | 678,943        | 2,368,971        |
|  |       | <u>660,715</u> | <u>3,487,561</u> | <u>680,116</u> | <u>2,368,971</u> |

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

#### PROVISIONS

|   |  |                |               |                |                |
|---|--|----------------|---------------|----------------|----------------|
| Employee entitlements (including oncosts) |  | 287,961        | 31,660        | 175,193        | 116,473        |
|   |  | <u>287,961</u> | <u>31,660</u> | <u>175,193</u> | <u>116,473</u> |

#### *Movements in Provisions - 2010 year only (current & non-current)*

|  |  |                |  |  |  |
|--|--|----------------|--|--|--|
| Opening Balance                          |  | 291,666        |  |  |  |
| Add Unwinding of present value discounts |  | 31,543         |  |  |  |
| Additional amounts recognised            |  | 71,132         |  |  |  |
| (Less) Payments                          |  |                |  |  |  |
| Unused amounts reversed                  |  | (61,393)       |  |  |  |
| Add (Less) Remeasurement Adjustments     |  | (13,327)       |  |  |  |
| Closing Balance                          |  | <u>319,621</u> |  |  |  |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 9 - RESERVES

| ASSET REVALUATION RESERVE         | 1/7/2009          | Net Increments<br>(Decrements) | Transfers,<br>Impairments | 30/6/2010         |
|-----------------------------------|-------------------|--------------------------------|---------------------------|-------------------|
| Notes                             | \$                | \$                             | \$                        | \$                |
| Land & Landscaping                | 4,812,165         | -                              | -                         | 4,812,165         |
| Buildings, Pavements & Structures | 2,609,875         | -                              | -                         | 2,609,875         |
| Road Infrastructure               | 16,695,275        | -                              | -                         | 16,695,275        |
| Other Infrastructure              | 585,951           | -                              | -                         | 585,951           |
| Equipment & Furniture             | 428,398           | -                              | -                         | 428,398           |
| <b>TOTAL</b>                      | <b>25,131,664</b> |                                |                           | <b>25,131,664</b> |
| <i>2009 Totals</i>                | <i>21,203,536</i> | <i>4,025,175</i>               | <i>(97,047)</i>           | <i>25,131,664</i> |

| OTHER RESERVES                     | 1/7/2009       | Transfers to<br>Reserve | Transfers from<br>Reserve | 30/6/2010      |
|------------------------------------|----------------|-------------------------|---------------------------|----------------|
| Building Maintenance Reserve       | 25,843         | -                       | -                         | 25,843         |
| Equus Park Reserve                 | 21,431         | 817                     | -                         | 22,248         |
| Home for the Aged Reserve          | 86,815         | 2,750                   | -                         | 89,565         |
| Long Service Leave Reserve         | 62,906         | 69                      | (62,976)                  | -              |
| CWMS Reserve - Middle Beach        | 44,776         | 1,419                   | -                         | 46,195         |
| Community Infrastructure Reserve   | 128,702        | 4,285                   | -                         | 132,987        |
| Unexpected Specific Grants Reserve | 11,032         | -                       | -                         | 11,032         |
| Drainage Fund Reserve              | 200,993        | 30,866                  | -                         | 231,859        |
| Roads Contribution Reserve         | 15,674         | 496                     | -                         | 16,170         |
| <b>TOTAL OTHER RESERVES</b>        | <b>598,172</b> | <b>40,702</b>           | <b>(62,976)</b>           | <b>575,899</b> |
| <i>2009 Totals</i>                 | <i>744,916</i> | <i>74,471</i>           | <i>(221,215)</i>          | <i>598,172</i> |

#### **PURPOSES OF RESERVES**

The **Asset Revaluation Reserve** is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

The **Building Maintenance Reserve** is used for adhoc expenditure for buildings

The **Equus Park Reserve** was received from the developer for tree planting at the Equus Park subdivision

The **Home for the Aged Reserve** is funds received from residents of the aged units in Mallala, these funds may need to be returned to tenants upon their departure

The **Long Service Leave Reserve** is funds held for long service leave payable to employees upon termination

The **CWMS Reserve [previously STEDS]** is rate revenue received in excess of annual expenditure held for future maintenance of the scheme

The **Community Infrastructure Reserve** is funds held pending CWMS study \$91,326; Middle beach Boat ramp \$76,892

The **Unexpected Specific Grants Reserve** is funds received from the developer for reserve development in the Aunger subdivision

**Drainage Fund Reserve** is funds received from developers and held for future construction of drainage

**Roads Contribution Reserve** is funds received from developers and held for future provision of roads

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

|   |       | 2010                  | 2009           |
|---|-------|-----------------------|----------------|
| <b>CASH &amp; FINANCIAL ASSETS</b>                          | Notes | \$                    | \$             |
| Developer Contributions                                     |       | <b>22,247</b>         | 49,797         |
| Other unexpended amounts from other levels of<br>Government |       | <b>11,032</b>         | 128,702        |
| CWMS Scheme   |       | <b>46,195</b>         | 44,776         |
| Homes for the Aged  |       | <b>89,565</b>         | 86,815         |
|   |       | <u><b>169,039</b></u> | <u>310,090</u> |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

|                                  | Notes | 2010<br>\$ | 2009<br>\$ |
|----------------------------------|-------|------------|------------|
| Total cash & equivalent assets   | 5     | 1,259,408  | 851,333    |
| Less: Short-term borrowings      | 8     | -          | (1,173)    |
| Balances per Cash Flow Statement |       | 1,259,408  | 850,160    |

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

|  |  |                  |                  |
|--|--|------------------|------------------|
| Net Surplus (Deficit)  |  | (270,897)        | 1,058,053        |
| Non-cash items in Income Statement   |  |                  |                  |
| Depreciation, amortisation & impairment  |  | 1,789,312        | 1,620,184        |
| Equity movements in equity accounted investments<br>(increase) decrease                            |  | 18,946           | 64,670           |
| Net increase (decrease) in unpaid employee benefits  |  | 3,334            | 91,823           |
| Premiums & discounts recognised & unwound  |  |                  |                  |
| Adjustment to opening Accumulated Surplus - Due to<br>unknown accounting processing errors 2009/10 |  | 25,420           | -                |
| Grants for capital acquisitions treated as Investing Activity                                      |  | (184,419)        | (969,748)        |
| Net (Gain) Loss on Disposals   |  | 131,121          | 234,434          |
|  |  | 1,512,816        | 2,099,416        |
| Add (Less): Changes in Net Current Assets  |  |                  |                  |
| Net (increase) decrease in receivables   |  | 35,404           | (307,437)        |
| Net (increase) decrease in inventories   |  | 144,556          | (18,834)         |
| Net (increase) decrease in other current assets  |  | -                | 41,990           |
| Net increase (decrease) in trade & other payables  |  | 49,353           | -                |
| <b>Net Cash provided by (or used in) operations</b>  |  | <b>1,742,129</b> | <b>1,815,135</b> |

**(c) Financing Arrangements**

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

|                        |           |           |
|------------------------|-----------|-----------|
| Bank Overdrafts        | 1,000,000 | 1,000,000 |
| Corporate Credit Cards | 10,000    | 10,000    |

Council has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 12 - FUNCTIONS

| INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES |                  |                  |                  |                  |                                |                |                              |                  |   |                   |  |
|--|------------------|------------------|------------------|------------------|--------------------------------|----------------|------------------------------|------------------|---|-------------------|--|
|  | INCOME           |                  | EXPENSES         |                  | OPERATING SURPLUS<br>(DEFICIT) |                | GRANTS INCLUDED IN<br>INCOME |                  | TOTAL ASSETS HELD<br>(CURRENT &<br>NON-CURRENT) |                   |  |
|  | ACTUAL           | ACTUAL           | ACTUAL           | ACTUAL           | ACTUAL                         | ACTUAL         | 2010                         | 2009             | 2010  | 2009              |  |
|  | 2010             | 2009             | 2010             | 2009             | 2010                           | 2009           | \$                           | \$               | \$  | \$                |  |
| Business Undertakings  | 245,397          | 236,132          | 295,457          | 260,982          | (50,060)                       | (24,850)       | 53,210                       | -                | 649,198   | 638,847           |  |
| Public Order & Safety  | 2,749            | 2,645            | 44,534           | 39,338           | (41,786)                       | (36,693)       | -                            | -                | 213,783   | 210,374           |  |
| Health Services  | 227              | 218              | 42,054           | 37,147           | (41,827)                       | (36,929)       | -                            | -                | -   | -                 |  |
| Community Support  | 63,791           | 61,383           | 421,888          | 372,661          | (358,097)                      | (311,278)      | 20,297                       | 19,344           | 1,668,410                                       | 1,641,807         |  |
| Community Amenities  | 23,490           | 22,603           | 136,320          | 120,414          | (112,830)                      | (97,811)       | -                            | -                | 558,443   | 549,539           |  |
| Library Services   | 28,663           | 27,581           | 252,560          | 223,090          | (223,896)                      | (195,509)      | 6,141                        | 63,477           | 36,171  | 35,594            |  |
| Cultural Services  | 6,501            | 6,256            | 96,866           | 85,563           | (90,364)                       | (79,307)       | -                            | 28,900           | 1,060,547                                       | 1,043,637         |  |
| Economic Development   | 961              | 925              | 133,559          | 117,975          | (132,598)                      | (117,050)      | -                            | -                | -   | -                 |  |
| Enviro - Agricultural Services   | -                | -                | 26,668           | 23,556           | (26,668)                       | (23,556)       | -                            | -                | -   | -                 |  |
| Enviro - Waste Management  | 69,057           | 66,450           | 907,327          | 801,457          | (838,270)                      | (735,007)      | 14,794                       | 40,000           | 714,364   | 702,973           |  |
| Other Environment  | -                | -                | 378,280          | 334,141          | (378,280)                      | (334,141)      | -                            | 29,000           | 9,095,137                                       | 8,950,115         |  |
| Recreation   | 45,322           | 43,611           | 312,772          | 276,277          | (267,450)                      | (232,666)      | 9,710                        | 92,250           | 5,868,475                                       | 5,774,902         |  |
| Regulatory Services  | 239,675          | 230,626          | 924,543          | 816,664          | (684,868)                      | (586,038)      | 51,346                       | 20,000           | 154,610   | 152,145           |  |
| Transport  | 577,540          | 555,735          | 2,212,295        | 1,954,157        | (1,634,755)                    | (1,398,422)    | 124,331                      | 1,247,715        | 30,017,475                                      | 29,538,847        |  |
| Plant Hire & Depot/Indirect  | 833              | 802              | 61,246           | 54,100           | (60,413)                       | (53,298)       | -                            | -                | 3,854,472                                       | 3,793,012         |  |
| Governance   | 1,984            | 1,909            | 995,759          | 879,570          | (993,775)                      | (877,661)      | -                            | -                | 1,707,824                                       | 1,680,593         |  |
| Support Services   | 6,410,999        | 6,168,952        | 799,257          | 705,997          | 5,611,742                      | 5,462,955      | 1,373,449                    | 1,043,510        | 875,249   | 861,293           |  |
| <b>TOTALS</b>  | <b>7,717,191</b> | <b>7,425,828</b> | <b>8,041,386</b> | <b>7,103,089</b> | <b>(324,196)</b>               | <b>322,739</b> | <b>1,653,278</b>             | <b>2,584,196</b> | <b>56,474,159</b>                               | <b>55,573,678</b> |  |

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

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 12 (cont) - COMPONENTS of FUNCTIONS

The activities relating to Council functions are as follows:

##### **Business Undertakings**

Abattoirs, camping facilities, Gravel Pits/Quarries, Markets/Saleyards, Private Works, and Sewerage/CWMS,

##### **Public Order & Safety**

Crime Prevention, Emergency Services, Other Fire Protection

##### **Health Services**

Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services

##### **Community Support**

Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child and youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support,

##### **Community Amenities**

Cemeteries/Crematoria, public Conveniences, Car Parking – non-fee-paying and Other Community Amenities.

##### **Library Services**

Provision of three static facilities

##### **Cultural Services**

Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

##### **Economic Development**

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

##### **Environment - Agricultural Services**

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services.

##### **Environment - Waste Management**

Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management

##### **Other Environment**

Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

##### **Recreation**

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor,

##### **Regulatory Services**

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

##### **Transport**

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

##### **Plant Hire & Depot /Indirect**

Plant and equipment, indirect expenditure and depot operations

##### **Governance**

Council Administration n.e.c., Elected Members, Organisational.

##### **Support Services**

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

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 13 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

|  |  |
|--|--|
| Bank, Deposits at Call, Short Term Deposits  | <p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 1.75% and 4.5% (2009: 2% and 5%). Short term deposits have an average maturity of 30 days and an average interest rates of 2.75% (2009: 30days, 3.0%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>   |
| Receivables - Rates & Associated Charges (including legals & penalties for late payment) | <p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 7.0% (200: 8.9%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>                                       |
| Receivables - Fees & other charges   | <p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>   |
| Receivables - other levels of government   | <p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> 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 the Governments of the Commonwealth &amp; State.</p> <p><b>Carrying amount:</b> approximates fair value.</p>  |
| Receivables - Retirement Home Contributions  | <p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>   |
| Liabilities - Creditors and Accruals   | <p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>  |
| Liabilities - Retirement Home Contributions  | <p><b>Accounting Policy:</b> To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p><b>Terms &amp; conditions:</b> Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p><b>Carrying amount:</b> approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p> |
| Liabilities - Interest Bearing Borrowings  | <p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable on credit foncier terms; interest is charged at fixed rates between 5.55% and 8.40% (2009: 5.3% and 9.05%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>  |
| Liabilities - Finance Leases   | <p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>  |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 13 (cont) - FINANCIAL INSTRUMENTS

##### Liquidity Analysis

| 2010                                | Due < 1 year     | Due > 1 year;<br>≤ 5 years | Due > 5 years    | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|-------------------------------------|------------------|----------------------------|------------------|------------------------------------|--------------------|
|                                     | \$               | \$                         | \$               | \$                                 | \$                 |
| <b><u>Financial Liabilities</u></b> |                  |                            |                  |                                    |                    |
| Payables                            | 320,502          |                            |                  | 320,502                            | 320,502            |
| Current Borrowings                  | 932,278          |                            |                  | 932,278                            | 660,715            |
| Non-Current Borrowings              |                  | 2,563,279                  | 2,030,393        | 4,593,672                          | 3,487,561          |
| <b>Total</b>                        | <b>1,252,780</b> | <b>2,563,279</b>           | <b>2,030,393</b> | <b>5,846,452</b>                   | <b>4,468,778</b>   |
| <br>                                |                  |                            |                  |                                    |                    |
| 2009                                | Due < 1 year     | Due > 1 year;<br>≤ 5 years | Due > 5 years    | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|                                     | \$               | \$                         | \$               | \$                                 | \$                 |
| <b><u>Financial Liabilities</u></b> |                  |                            |                  |                                    |                    |
| Payables                            | 218,163          |                            |                  | 218,163                            | 218,163            |
| Current Borrowings                  | 813,479          |                            |                  | 813,479                            | 680,116            |
| Non-Current Borrowings              |                  | 1,961,528                  | 1,109,045        | 3,070,573                          | 2,368,971          |
| <b>Total</b>                        | <b>1,031,642</b> | <b>1,961,528</b>           | <b>1,109,045</b> | <b>4,102,215</b>                   | <b>3,267,250</b>   |

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

|                      | 30 June 2010                   |                  | 30 June 2009                   |                  |
|----------------------|--------------------------------|------------------|--------------------------------|------------------|
|                      | Weighted Average Interest Rate | Carrying Value   | Weighted Average Interest Rate | Carrying Value   |
|                      | %                              | \$               | %                              | \$               |
| Fixed Interest Rates | 6.7                            | 4,148,276        | 6.63                           | 3,049,087        |
|                      |                                | <u>4,148,276</u> |                                | <u>3,049,087</u> |

#### Net Fair Value

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

#### Risk Exposures

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

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

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down 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.

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 14 - COMMITMENTS FOR EXPENDITURE

|  | 2010           | 2009           |
|--|----------------|----------------|
| Notes  | \$             | \$             |
| <b>Capital Commitments</b>   |                |                |
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:                       |                |                |
| Buildings  | <u>59,197</u>  | <u>55,802</u>  |
|  | <u>59,197</u>  | <u>55,802</u>  |
| These expenditures are payable:  |                |                |
| Not later than one year  | <u>59,197</u>  | <u>55,802</u>  |
|  | <u>59,197</u>  | <u>55,802</u>  |
| <b>Other Expenditure Commitments</b>   |                |                |
| Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities: |                |                |
| Audit Services   | 5,500          | 5,000          |
| Waste Management Services  | 122,130        | 118,000        |
| Employee Remuneration Contracts  | 54,047         | 496,664        |
| Other  | <u>167,049</u> | <u>161,400</u> |
|  | <u>348,726</u> | <u>781,064</u> |
| These expenditures are payable:  |                |                |
| Not later than one year  | <u>348,726</u> | <u>781,064</u> |
|  | <u>348,726</u> | <u>781,064</u> |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 15 - FINANCIAL INDICATORS

2010
2009
2008

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

|                          |           |         |           |
|--------------------------|-----------|---------|-----------|
| <b>Operating Surplus</b> | (324,196) | 322,739 | 1,651,816 |
|--------------------------|-----------|---------|-----------|

*Being the operating surplus (deficit) before capital amounts .*

|                                   |           |        |     |
|-----------------------------------|-----------|--------|-----|
| <b>Adjusted Operating Surplus</b> | (331,472) | 56,268 | N/A |
|-----------------------------------|-----------|--------|-----|

*In June 2009 and 2010 the Commonwealth Government made an advance payment approximately equal to one quarter of the following years Financial Assistance and Local Roads Grant (see Note 2). This income has materially distorted the amount of the Operating Result for both the 2008/09 and 2009/10 reporting periods. The Adjusted Operating Surplus and Adjusted Operating Surplus Ratio adjust for this distortion.*

#### **Operating Surplus Ratio**

|                                       |      |    |     |
|---------------------------------------|------|----|-----|
| <u>Operating Surplus</u>              | (6%) | 7% | 36% |
| Rates - general & other less NRM levy |      |    |     |

|   |      |    |     |
|---|------|----|-----|
| <b>Adjusted Operating Surplus Ratio</b> | (6%) | 1% | N/A |
|---|------|----|-----|

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

#### **Net Financial Liabilities**

|  |           |           |           |
|--|-----------|-----------|-----------|
|  | 3,064,440 | 2,299,070 | 2,896,054 |
|--|-----------|-----------|-----------|

*Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).*

#### **Net Financial Liabilities Ratio**

|                                       |     |     |     |
|---------------------------------------|-----|-----|-----|
| <u>Net Financial Liabilities</u>      | 40% | 31% | 34% |
| Total Operating Revenue less NRM levy |     |     |     |

#### **Interest Cover Ratio**

|  |      |      |      |
|--|------|------|------|
| <u>Net Interest Expense</u>                                  | 2.4% | 2.7% | 2.1% |
| Total Operating Revenue less NRM levy less Investment Income |      |      |      |

#### **Asset Sustainability Ratio**

|                           |      |      |     |
|---------------------------|------|------|-----|
| <u>Net Asset Renewals</u> | 114% | 107% | 65% |
| Depreciation Expense      |      |      |     |

*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.*

#### **Asset Consumption Ratio**

|   |     |     |     |
|---|-----|-----|-----|
| <u>Carrying value of depreciable assets</u> | 55% | 56% | 56% |
| Gross value of depreciable assets           |     |     |     |

*Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.*

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

|   | 2010<br>\$       | 2009<br>\$       |
|---|------------------|------------------|
| Income  | 7,717,191        | 7,425,828        |
| less Expenses   | <u>8,041,386</u> | <u>7,103,089</u> |
|   | (324,196)        | 322,739          |
| <b>less Net Outlays on Existing Assets</b>  |                  |                  |
| Capital Expenditure on renewal and replacement of Existing Assets   | 2,410,159        | 2,045,237        |
| less Depreciation, Amortisation and Impairment  | 1,789,312        | 1,620,184        |
| less Proceeds from Sale of Replaced Assets  | <u>362,178</u>   | <u>313,634</u>   |
|   | 258,669          | 111,419          |
| <b>less Net Outlays on New and Upgraded Assets</b>  |                  |                  |
| Capital Expenditure on New and Upgraded Assets<br><i>(including investment property &amp; real estate developments)</i> | 555,847          | 629,920          |
| less Amounts received specifically for New and Upgraded Assets  | 184,419          | 969,748          |
|   | <u>371,428</u>   | <u>(339,828)</u> |
| <b>Net Lending / (Borrowing) for Financial Year</b>   | <u>(954,292)</u> | <u>551,148</u>   |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 17 - OPERATING LEASES

##### *Lease payment commitments of Council*

Council has entered into non-cancellable operating leases for 2 photocopiers.  
No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

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

No lease contains any escalation clause.

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

|  | 2010          | 2009         |
|--|---------------|--------------|
|  | \$            | \$           |
| Not later than one year                        | 7,172         | 7,172        |
| Later than one year and not later than 5 years | 5,145         | -            |
|  | <u>12,317</u> | <u>7,172</u> |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 18 - SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

##### Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis, with employer contributions based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2008/09). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund.

##### Salarylink (Defined Benefit) Members

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

The most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2009, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. However, future financial and economic circumstances may require changes to Council contribution rates at some future time.

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

Section 43 of the Local Government Act 1999, provides that Councils may establish a regional subsidiary to carry out joint projects, functions or activities of the Councils

##### **Central Local Government Region of South Australia**

The District Council of Mallala is a member of the Central Local Government Region of South Australia, referred to in this report as the "Subsidiary".

- undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils.
- develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community;
- develop further co-operation between its Constituent Councils for the benefit of the communities of the region;
- develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region;
- undertake projects and activities that benefit the region and its communities;
- associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

During the 2009-10 year Council Subsidiary contributions were \$9,072

##### **Gawler River Floodplain Management Authority (GRFMA)**

The GRFMA has been established for the following purposes:

1. To coordinate the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area (the Floodplain);
2. To raise finance for the purpose of developing, managing and operating and maintaining flood mitigation works within the Floodplain;
3. To provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation within the Floodplain;
4. To enter into agreements with Constituent Councils for the purpose of managing and developing the Floodplain.

During the 2009-10 year Council Subsidiary contributions were for a subscription of \$5,000.

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 19 (cont) - JOINT VENTURES & ASSOCIATED ENTITIES

|  | 2010                     | 2009                     |
|--|--------------------------|--------------------------|
|  | \$                       | \$                       |
| Current Assets   | 1,291,241                | 1,015,831                |
| Non-current Assets   | <u>15,444,048</u>        | <u>15,729,084</u>        |
| <b>Total Assets</b>  | <b>16,735,289</b>        | <b>16,744,915</b>        |
| Current Liabilities  | 9,034                    | -                        |
| <b>Total Liabilities</b>   | <b>9,034</b>             | <b>-</b>                 |
| <b>NET ASSETS</b>  | <b><u>16,726,255</u></b> | <b><u>16,744,915</u></b> |
| <br>   |                          |                          |
| <b>EQUITY</b>  |                          |                          |
| Retained earnings  | 16,744,915               | 16,932,186               |
| Net Surplus (deficit) from Operations  | <u>(18,624)</u>          | <u>(187,271)</u>         |
| <b>TOTAL EQUITY</b>  | <b><u>16,726,291</u></b> | <b><u>16,744,915</u></b> |
| <br>   |                          |                          |
| <b><u>SHARE OF NET ASSETS</u></b>  |                          |                          |
| District Council of Mallala percentage share in Net Assets                               | 28.38%                   | 28.47%                   |
| % of brought forward Net Assets  | 4,766,684                | 4,831,354                |
| % of Surplus (deficit) from Operations   | (5,286)                  | (64,670)                 |
| Change in Share of Net Assets  | <u>(13,660)</u>          | <u>-</u>                 |
| <b>Share of Net Assets recognised as non-current assets,<br/>investment (see Note 6)</b> | <b><u>4,747,738</u></b>  | <b><u>4,766,684</u></b>  |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 20 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

##### 1 POTENTIAL INSURANCE LOSSES

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

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

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

##### 2 BANK GUARANTEES

Council has guaranteed an amount of \$36,000 for a lease on a rubble pit (6143 EML) (2009: \$36,000) at reporting date. Council does not expect to incur any loss arising from these guarantees.

##### 3 LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs.

At the date of reporting, Council is unaware of any appeals against planning decisions made before reporting date.

##### 4 LANDFILLS

Council has one Landfill currently operating at Limerock Road, Mallala. The Two Wells landfill site has been capped and closed in accordance with Environmental Protection Agency (EPA) requirements. The Council has landfill capping, and post closure remediation liabilities for the Limerock Road site in accordance with EPA license agreements for the site. As at 30 June 2010 these estimates have not been calculated and will be quantified in 2010/11 and recorded as a liability in Council's balance sheet once better and more accurate information is known.

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 21 - TRUSTS

| Details of Trusts  | 2010         | 2009         |
|--|--------------|--------------|
|  | \$           | \$           |
| The following trusts were held by Council as at the reporting date but are not included in the accounts:   |              |              |
| <b>Thompsan Beach Ratepayers</b>   | 1,173        | 1,173        |
| The District Council of Mallala received monies to be held on behalf of a community group from which it makes authorised payment for expenditure |              |              |
| <b>Total Trusts</b>  | <u>1,173</u> | <u>1,173</u> |

## District Council of Mallala

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2010

#### Note 22 - RETROSPECTIVE REINSTATEMENT OF 2008/09 COMPARATIVE DATA

##### Building Depreciation

A material data error was identified in the asset management system pertaining to the depreciation of buildings which affected the carrying amount and depreciation expense.

##### Balance Sheet

|   |                   |
|---|-------------------|
| Previous 2008/09 Infrastructure, Property, Plant & Equipment<br>Comparative Balance | 48,766,153        |
| Adjustment  | <u>64,470</u>     |
| Adjusted 2008/09 Infrastructure, Property, Plant & Equipment<br>Comparative Balance | 48,830,623        |
| Previous 2008/09 Accumulated Surplus Comparative Balance                            | 25,721,425        |
| Adjustment  | <u>64,470</u>     |
| Adjusted 2008/09 Accumulated Surplus Comparative Balance                            | <u>25,785,895</u> |

##### Income Statement

|   |                  |
|---|------------------|
| Previous 2008/09 Depreciation, Amortisation & Impairment Comparative<br>Balance | 1,684,654        |
| Adjustment  | <u>64,470</u>    |
| Adjusted 2008/09 Depreciation, Amortisation & Impairment Comparative<br>Balance | <u>1,620,184</u> |
| Previous 2008/09 Operating Surplus / (Deficit) Comparative Balance              | 258,269          |
| Adjustment  | <u>64,470</u>    |
| Adjusted 2008/09 Operating Surplus / (Deficit) Comparative Balance              | <u>322,739</u>   |
| Previous 2008/09 Net Surplus / (Deficit) Comparative Balance                    | 993,583          |
| Adjustment  | <u>64,470</u>    |
| Adjusted 2008/09 Net Surplus / (Deficit) Comparative Balance                    | <u>1,058,053</u> |

##### Adjustment to Accumulated Surplus

The balance of accumulated surplus has been adjusted by \$25,420 due to unknown accounting processing errors processed during 2009/10

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2010**

**Note 23 - EVENTS OCCURRING AFTER BALANCE DATE**

There were no events occurring after the balance date of these Statements

# DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS

ABN 30 164 612 890

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DISTRICT COUNCIL OF MALLALA

We have audited the accompanying financial report of the District Council of Mallala, which comprises the balance sheet as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Chief Executive Officer's Statement.

### *The Responsibility of the Chief Executive Officer for the Financial Report*

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

### *Auditor's Responsibility*

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

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

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999. We confirm that the independence declaration required by the Local Government Act 1999 and Local Government (Financial Management) Regulations 1999, provided to the Chief Executive Officer on 12 July 2010, would be in the same terms if provided to the Chief Executive Officer as at the date of this auditor's report.

### **Auditor's Opinion**

In our opinion, the financial report presents fairly the financial position of the District Council of Mallala as of 30 June 2010, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 1999 and the Australian Accounting Standards (including Australian Accounting Interpretations).

### **Emphasis of Matter**

We draw attention to Note 22 of the Financial Statements which shows an adjustment to the Accumulated Surplus for an amount of \$25,420 due to unknown accounting processing errors which occurred during the 2009/10 financial period. Our opinion is not qualified in respect of this matter.

DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS



JIM KEOGH  
PARTNER

Signed on the 9<sup>th</sup> day of December 2010,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.



# Central

## Local Government Region of South Australia

Incorporated under provisions of the Local Government Act

# Annual Report for 2009 – 2010

*A regional subsidiary of:*

- *The Barossa Council*
- *District Council of Barunga West*
- *Clare & Gilbert Valleys Council*
- *District Council of The Copper Coast*
- *The Flinders Ranges Council*
- *Regional Council of Goyder*
- *Light Regional Council*
- *District Council of Mallala*
- *District Council of Mount Remarkable*
- *Northern Areas Council*
- *District Council of Orroroo/Carrieton*
- *District Council of Peterborough*
- *Port Pirie Regional Council*
- *Wakefield Regional Council*
- *District Council of Yorke Peninsula*

## Contact Details

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CRYSTAL BROOK SA 5523

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0427609 404

**Facsimile:**

(08) 8638 5551

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**Website:**

[www.centralregion.sa.gov.au](http://www.centralregion.sa.gov.au)

# **The Central Local Government Region of South Australia**

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence and as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by virtue of the provisions of Section 25 of the Local Government (Implementation) Act 1999.

The Central Region is established to:

- undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- undertake projects and activities that benefit the region and its communities
- associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

The Central Region is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the Central Region and ensure that the Central Region acts in accordance with its Charter. The Board has 15 members, comprising one representative elected from each constituent Council:

- Barossa Council
- District Council of Barunga West
- Clare & Gilbert Valleys Council
- District Council of The Copper Coast
- The Flinders Ranges Council
- Regional Council of Goyder
- Light Regional Council
- District Council of Mallala
- District Council of Mount Remarkable
- Northern Areas Council
- District Council of Orroroo/Carrieton
- District Council of Peterborough
- Port Pirie Regional Council
- Wakefield Regional Council
- District Council of Yorke Peninsula

The Region's area spans the Barossa through the Clare Valley, Yorke Peninsula, Adelaide Plains, Mid and Upper North districts through to the Flinders Ranges, covering 27 per cent of the incorporated area of the State and comprises some 27 per cent of the State's population outside Adelaide.

## **Office Bearers for 2009/10**

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|   |   |
|---|---|
| <b>Chairman:</b>                                  | Mayor James Maitland (Wakefield)  |
| <b>Deputy Chairs:</b>                             | Mayor Max Mc Hugh (Flinders Ranges)<br>Mayor Ray Agnew (Yorke Peninsula)  |
| <b>Delegate to the LGA State Executive:</b>       | Mayor James Maitland (Wakefield)<br>Mayor Ray Agnew (Yorke Peninsula)   |
| <b>Proxy Delegate to the LGA State Executive:</b> | Mayor Allan Aughey (Clare & Gilbert Valleys)  |
| <b>Delegates to SAROC:</b>                        | Mayor James Maitland (Wakefield)<br>Mayor Ray Agnew (Yorke Peninsula)<br>Mrs Anita Crisp<br>Proxy: Mayor Allan Aughey (Clare & Gilbert Valleys) |
| <b>Executive Officer:</b>                         | Anita Crisp   |
| <b>Auditor:</b>                                   | Gerald Cobiac and Co.   |



# Central Local Government Region Board of Management

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The Central Local Government Region Board of Management comprises an elected delegate appointed from each of the 15 member councils. A proxy delegate is also appointed, with policy provisions allowing for representation by other elected or endorsed members.

In February 2007 the Central Local Government Region confirmed, subject to the provisions within the Charter, the appointment of the following Council delegates to the CLGR Board of Management for a term to expire concurrent with the 2010 Local Government elections:

| <b>Council</b>                        | <b>Delegate</b>   | <b>Proxy Delegate</b>             |
|---------------------------------------|---|-----------------------------------|
| The Barossa Council                   | Mayor Brian Hurn  | Cr Barrie Stewart                 |
| District Council of Barunga West      | Mayor Dean Dolling  | Deputy Mayor Ian Burgess          |
| District Council of the Copper Coast  | Mayor Paul Thomas   | Deputy Mayor Dean Rodda           |
| Clare & Gilbert Valleys Council       | Mayor Allan Aughey  | Cr Wayne Thomas                   |
| Flinders Ranges Council               | Mayor Max McHugh  | Deputy Mayor John Shute           |
| Regional Council of Goyder            | Mayor Peter Matthey   | Deputy Mayor Warren Mosey         |
| Light Regional Council                | Mayor Robert Hornsey  | Deputy Mayor Bill Carrick         |
| District Council of Mallala           | Chair Cr Tony Flaherty, replaced mid term by Chair Cr Marcus Strudwicke |                                   |
| District Council of Mount Remarkable  | Mayor Trevor Roocke   | Cr Michael Pearce                 |
| Northern Areas Council                | Chair Cr Allan Woolford   | Cr Denis Clark                    |
| District Council of Orroroo Carrieton | Chair Cr Kathie Bowman  | Deputy Chair Cr Colin Parkyn      |
| District Council of Peterborough      | Mayor Ruth Whittle  | Cr Judith Kempen                  |
| Port Pirie Regional Council           | Deputy Mayor Neville Wilson   | Mayor Brenton Vanstone            |
| Wakefield Regional Council            | Mayor James Maitland  | Deputy Mayor Barry Nottle         |
| District Council of Yorke Peninsula   | Mayor Ray Agnew   | Cr Jeff Cook and Cr Joyce Yeomans |

## Meetings of the Central Local Government Region Board of Management

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Four meetings of the Central Local Government Region Board of Management were held during the 2009/2010, each hosted by one of the member Councils. The meeting host and location is rotated throughout the region on alphabetical order. Meetings were held:

- Friday 14<sup>th</sup> August 2009 – AGM, hosted by District Council of the Copper Coast
- Friday 13<sup>th</sup> November 2009, hosted by The Flinders Ranges Council
- Friday 12<sup>th</sup> February 2010, hosted by Regional Council of Goyder
- Friday 14<sup>th</sup> May 2010, hosted by Light Regional Council

## Committee Meetings

In accordance with its Charter, the Central Local Government Region maintains several sub committees to assist in effective project implementation and governance. The committee's generally meet on an as needs basis and comprise representatives from the various member councils along with, in many cases additional delegates from other relevant regional bodies or state government agencies:

| Committee   | Members   | Meeting Dates  |
|---|---|--|
| <b>Executive Committee:</b>   | Mayor James Maitland, Mayor Max McHugh, Mayor Ray Agnew, Mayor Trevor Roocke, Cr Kathie Bowman  | 10 <sup>th</sup> July 2009<br>9 <sup>th</sup> October 2009<br>24 <sup>th</sup> March 2010  |
| <b>Member Councils CEO's Forums:</b>                                    | David Morcom (Barossa), Nigel Hand (Barunga West), Roy Blight (Clare & Gilbert Valleys), Peter Dinning (Copper Coast), Colin Davies (Flinders Ranges), John Brak (Goyder), Brian Carr (Light), Charles Mansueto (Mallala), Sean Cheriton (Mt Remarkable), Keith Hope (Northern Areas), Iian Wilson (Orroroo/Carrieton), Terry Barnes (Peterborough), Andrew Johnson (Pirie Regional), Phil Barry (Wakefield), Ricki Bruhn (Yorke Peninsula).<br>Chaired by a member of the CLGR Executive   | 10 <sup>th</sup> July 2009<br>9 <sup>th</sup> October 2009<br>18 December 2009<br>9 <sup>th</sup> April 2010   |
| <b>Transport Infrastructure Planning Committee:</b>                     | Roy Blight – Chair (Clare & Gilbert Valleys), Michael Lange (Barossa), David Hassett (Wakefield), John Tillack (Mallala), Tony Eckermann (Clare & Gilbert Valleys), Roy O'Connor (Goyder), Fred Linke (Barunga West), Paul McInerney (Regional Development), Peter Tan (DTEI)   | 23 <sup>rd</sup> September 2009<br>23 <sup>rd</sup> November 2009<br>10 <sup>th</sup> February 2010<br>25-26 <sup>th</sup> March 2010  |
| <b>Regional Waste Management Steering Committee:</b>                    | Ian Baldwin (Barossa), Debbie Devlin (Port Pirie), Stephen Goldsworthy (Yorke Peninsula), Andrew Philpott (Light), Cr Trevor Roocke (Mt Remarkable), Cr Tony Schkabaryn (Barunga West), Cr Frederick Sparks (Northern Areas).<br><br><u>Northern</u><br>Colin Davies (Flinders Ranges), Sean Cheriton/Brenton Pearce (Mt Remarkable), Iian Wilson/John Schmidt (Orroroo Carrieton), Terry Barnes/Chris Thomson (Peterborough), Peter Broomhead (Northern Areas), Roy O'Connor/Trevor Wood (Goyder), Len Wilton (Pirie).<br>Marina Wagner/Damon Curnow (EPA), Justin Lang (ZWSA), Ryan Viney (LGA). Mr Trevor Hockley (Project Officer) – Ex officio<br><u>Lower North &amp; Yorke</u><br>Ian Baldwin (Barossa), Andrew Philpott (Light), Steve Bateman (Mallala), Dave Hassett/Glen Growden (Wakefield), Richard Pym (Copper Coast), Stephen Goldsworthy (Yorke Peninsula), Fred Linke (Barunga West), Tony Eckermann (Clare & Gilbert Valleys), Roy O'Connor/Trevor Wood (Goyder), Len Wilton (Pirie). Mr Marina Wagner/Damon Curnow (EPA), Justin Lang (ZWSA), Ryan Viney (LGA). Mr Trevor Hockley (Project Officer) – Ex officio | <i>*note the regional waste committee has not met, with transition to two sub-regional working groups from July 09</i><br><br>5 <sup>th</sup> August 2009<br>15 <sup>th</sup> October 2009<br>5 <sup>th</sup> March 2009 |
| <b>Natural Disaster and Risk Mitigation Project Steering Committee:</b> | Mr Phil Barry (Wakefield), Mr Ian Baldwin (Barossa), Cr Allan Woolford (Northern Areas), Mr John Schmidt (Orroroo Carrieton), Mr Matt Maywald (State Emergency Services), Mr Neville Hyatt (Project Officer) – Ex Officio   | Nil – this project is now complete   |
| <b>Water Project Steering Committee:</b>                                | Mr Ricki Bruhn (Yorke Peninsula), Mr Peter Dinning (Copper Coast), Mr Henri Mueller (Mallala), Mr Peter Stockings (Yorke Regional Development Board), Mr Kerry  | 9 <sup>th</sup> September 2009<br>5 <sup>th</sup> November 2009<br>10 <sup>th</sup> February 2010  |

| Committee  | Members   | Meeting Dates  |
|--|---|--|
|  | Ward (Northern & Yorke NRM Board), Mr Paul Doherty (SA Water/Office of Water Security). Mr Geoffrey White (Project Officer) – Ex officio  |  |
| <b>Broadband Project Steering Committee:</b>           | Mr Phil Barry (Wakefield) – Chair, Mr Ricki Bruhn (Yorke Peninsula), Mr Peter Dinning (Copper Coast), Ms Leonie Fretwell (Goyder), Ms Kelly-Anne Saffin (Mid North Regional Development Board), Cr Elizabeth Calvert (Clare & Gilbert Valleys), Ms Louise Sladdin (Regional Broadband Officer) – Ex officio | 6 <sup>th</sup> August 2009<br>17 <sup>th</sup> September 2009 |
| <b>Coastal Councils Project Executive Committee:</b>   | Mayor Ray Agnew (Yorke Peninsula), Mr Damien Moloney/Mr Charles Mansueto (Mallala), Ms Anita Crisp (Central Region Executive Officer), Ms Deborah Allen (Coastcare Facilitator) – ex officio  | Nil  |
| <b>Executive Officer Performance Review Committee:</b> | Mayor James Maitland, Mr Nigel Hand, Cr Kathie Bowman   | Nil  |

## Regional Forums and Workshops

In order to progress specific priorities and actions, the Central Local Government Region occasionally holds information forums or workshops to allow member councils and other relevant stakeholders to come together and discuss or learn about particular initiatives.

The forums and workshops provide an opportunity for greater awareness, understanding and engagement with various Central Local Government Region activities and increases the level of active involvement by stakeholders. The following issue-specific forums were held during the 2009/10 financial year.

- 12<sup>th</sup> November 2009      Climate Change Workshop & Training Forum, Hawker \*
- 23<sup>rd</sup> November 2009      Regional Transport Workshop – Special Local Roads Briefing, Crystal Brook
- 17<sup>th</sup> March 2010            Coastal Councils Forum, Ardrossan
- 9<sup>th</sup> April 2010              Water, Natural Resources and Regional Development Update Forum, Clare

\*- in conjunction with LGA training and development program



*participants to the Water, Natural Resources and Regional Development Update Forum in Clare and the Climate Change Workshop Training Session in Hawker*

# Achievements for 2009/10

During the 2009/10 year, the Central Region continued to progress a number of priority activities, as identified under the target areas within the strategic and business plan:

| Focus Areas and Targets  | Achievements for 2009/10  |
|--|---|
| <b>1. Board Governance and Operation</b>   |   |
| <p><i>The Central Local Government Region's actions and operation accountable and transparent in accordance with agreed governance practices.</i></p>  | <ul style="list-style-type: none"> <li>▪ Appointment of Central Region Audit Committee</li> <li>▪ CLGR Board meeting agendas &amp; minutes distributed in accordance with policy</li> <li>▪ Committee operations executed within terms of reference</li> <li>▪ Ongoing alignment of Central Local Government operations with agreed policies and procedures</li> <li>▪ Commence review of Central Region Strategic Plan targets</li> <li>▪ Review accounting and financial management services contractual arrangements</li> </ul>  |
| <b>2. Communication, Networks and Relationships</b>  |   |
| <p><i>The Central Local Government Region -</i></p> <ul style="list-style-type: none"> <li>• <i>is well regarded by its member councils and stakeholders as a valid and relevant organisation</i></li> <li>• <i>has a solid and broad network of relevant stakeholders with whom appropriate communication, a positive and collaborative relationship exists.</i></li> </ul> | <ul style="list-style-type: none"> <li>▪ Monthly newsletter prepared and distributed</li> <li>▪ Attendance by Local Government Association (LGA) and Department of Planning and Local Government (DPLG) at Central Region quarterly meetings</li> <li>▪ Communications with LGA and DPLG staff as required</li> <li>▪ Central Region representation at SA Regional Organisation of Councils (SAROC) and LGA State Executive meetings</li> <li>▪ Communication with SAROC Executive Officers on key issues</li> <li>▪ Participation of relevant regional agencies and bodies on Central Region committees and at workshops and forums as appropriate</li> <li>▪ Member of Parliament briefings as required</li> <li>▪ Website updates</li> <li>▪ Regular ABC local radio and newspaper media coverage of Central Region projects and events</li> </ul> |
| <b>3. Regional Identity and Cohesion</b>   |   |
| <p><i>Stakeholders of the Central Local Government geographical area operate as a strong, coordinated region that is well recognised and regarded at State and Federal levels and that works with an effective, collaborative and pro-active approach to issues of priority.</i></p>   | <ul style="list-style-type: none"> <li>▪ Participation in Regional Government Coordination Network</li> <li>▪ Continued Central Region office co-location with Regional Department of Transport, Crystal Brook</li> <li>▪ Correspondence with State Government regarding number of uncoordinated regional plans and committees</li> <li>▪ Formal submissions and ongoing liaison with State Government, LGA and Councils regarding establishment of Regional Development Australia (RDA)</li> <li>▪ Submission to draft Greater Adelaide 30 Year Plan</li> <li>▪ Liaison with SAROC and DPLG regarding long timeframes and cost of rezoning</li> </ul>  |
| <b>4. Local Government Leadership, Succession and Sustainability</b>   |   |
| <p><i>Local Government viewed as a genuine, effective, capable and legitimate level of government, with elections well contested, an improved rate of recruitment and retention of Local Government professional staff and a greater public awareness and appreciation of the role and function of</i></p>   | <ul style="list-style-type: none"> <li>▪ Quarterly Council Chief Executive Officer's forum held</li> <li>▪ Attendance at Australian Local Government Association assembly in Canberra</li> <li>▪ Liaison with LGA and Government regarding increasing compliance and reporting responsibilities facing Councils</li> <li>▪ Coordination of Central Zone appointments to LGA State Executive Committee</li> <li>▪ Liaison with LGA on State Election Strategy</li> </ul>   |

|  |  |
|--|--|
| <p><i>Councils.<br/>Local Government operations are sustainable and adequately resourced</i></p>   | <ul style="list-style-type: none"> <li>▪ Liaison with SAROC and Valuer Generals office regarding amalgamation of Council assessment details</li> <li>▪ Central Region nominee to LGA Land Access Working Group and Valuation Working Group</li> </ul>  |
| <b>5. Regional IT &amp; Telecommunications</b>   |  |
| <p><i>Improved telecommunications and technologies across the CLGR region</i></p>  | <ul style="list-style-type: none"> <li>▪ Second year of Clever Networks funding for Regional Broadband Project Officer</li> <li>▪ Funding submission to Digital Regions Initiative</li> <li>▪ Ongoing liaison with Federal Minister and State Government and RDA regarding lack of competitive access to broadband in the region</li> <li>▪ Correspondence and deputation with Federal and State Government regarding digital television switchover</li> <li>▪ Federal funding for engagement of a regional Digital TV Switchover Liaison Officer</li> <li>▪ Final report for Clever Networks Broadband project complete</li> <li>▪ Update reports to SAROC and LGA regarding regional broadband</li> <li>▪ Update broadband data for Central Region</li> </ul>  |
| <b>6. Waste Management</b>   |  |
| <p><i>Viable, sensible and long term solutions for waste management across the region</i></p>  | <ul style="list-style-type: none"> <li>▪ Implementation of Regional Waste Management Strategy recommendations underway with support from TJH Management Services</li> <li>▪ Regular meetings of waste sub regions active (southern &amp; northern) including active participation by Environment Protection Authority and Zero Waste SA</li> <li>▪ Coordination of Regional Assessment Panel for Zero Waste SA 'Regional Implementation Program'</li> <li>▪ Preparation of Regional Implementation Program regional submission</li> <li>▪ Liaison with State Government regarding hazardous waste</li> <li>▪ Liaison with Federal and State Government regarding e-waste particularly in relation to digital TV switchover</li> </ul>  |
| <b>7. Roads and Transport</b>  |  |
| <p><i>Sound and sustainable transport network and appropriate community access to transportation</i></p>   | <ul style="list-style-type: none"> <li>▪ Transport Infrastructure Planning Committee active</li> <li>▪ Assessment, inspection and regional submission to Special Local Roads program</li> <li>▪ Council Special Local Roads briefing held</li> <li>▪ Update of Council road priorities sought</li> <li>▪ Ongoing liaison with Councils and LGA regarding Rural Property Addressing rollout</li> <li>▪ Liaison with LGA regarding Rail Crossing Interface agreements and funding proposal</li> </ul>  |
| <b>8. Natural Resource Management</b>  |  |
| <p><i>Local Government is appropriately resourced and considered as a genuine, integral and active partner to help achieve local NRM outcomes.</i></p> | <ul style="list-style-type: none"> <li>▪ Australian Government funded network of Local Government Environment &amp; Sustainability Officers engaged</li> <li>▪ Additional technical support for roadside vegetation management engaged</li> <li>▪ Submission to LGA review of NRM levy report</li> <li>▪ Review Central Local Government and NRM Engagement Plan</li> <li>▪ Host NRM and Local Government engagement forum</li> <li>▪ Local Government rep attendance at Regional NRM Board meetings</li> <li>▪ Continued engagement of Regional Coastcare Officer through NRM Board funding</li> <li>▪ Completion of Coastal Assessment Reports for Coastal Councils and support to seek on-ground works funding</li> <li>▪ Coordination of annual 'Coastal Council' Forum and ongoing liaison with Coastal Councils</li> <li>▪ Funding submissions for extension of Environment and Coastcare support to Councils</li> </ul> |

## 9. Regional Water Supply

*Measurable improvement in sustainable water supply for the Region*

- Continued support for final year of regional ICLEI Water Campaign delivery – nine Councils participating
- Water agencies workshop held in conjunction with Council CEO's forum
- Liaison with State water agencies to simplify planning and resourcing requirements for rural Councils
- Proposal to SAROC and LGA for funding support from Government for delivery of water activities by Councils
- Funding of Technical Officer (Water) for Central Region
- Coordinate Central Region projects to LGA bid to Water for Cities and Towns program

## 10. Energy Supplies

*Secure, adequate and effective energy networks to meet community needs*

- Rural Electricity Augmentation submission to State Government, Electricity Supply Planning Industry Commission and ESCOSA

## 11. Disaster Mitigation

*Disaster risk is effectively managed and impact minimised*

- Participation in Zone Emergency Management committees (ZEMC)
- Correspondence to State Minister regarding ZEMC funding
- Local Government representation on Regional Drought Taskforce
- Correspondence to State Minister regarding continuation of drought support programs
- Funding submissions for development of Regional Climate Change Vulnerability Assessment in conjunction with RDA, NRM and LGA
- Engagement of Business SA to offer Council Carbon and Sustainability Audits
- Convene Climate Change workshop and training session in conjunction with LGA
- Representative to LGA Climate Change Steering Committee and attendance at ALGA and National Emergency Management climate change workshops

## 12. Community Health and Wellbeing

*Appropriate infrastructure, facilities and services in place to suitably meet demand and enhance community health and wellbeing*

- Liaison with Councils and agencies in relation to draft SA Public Health Bill, Telstra bill payment transaction fees and increase in SA Ambulance callout fees
- Presentation to Region and liaison with SAPOL Yorke & Mid North Local Service Area
- Expression of Interest to Obesity Prevention and Lifestyle program (OPAL)



*From Left: Central Region Transport Committee; SAROC Delegates Launch LGA State Election Strategy; ICLEI Water Campaign Recognition Event*

# Audited Financial Statements 2009/2010

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CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

|   | NOTES | 2010             | 2009           |
|---|-------|------------------|----------------|
|   |       | \$               | \$             |
| <b>INCOME</b>                             |       |                  |                |
| Council Contributions                     | 3.    | 147,201          | 142,698        |
| Grants, Subsidies and Other Contributions | 4.    | 230,468          | 495,656        |
| Investment Income                         | 5.    | 13,074           | 14,684         |
| Other Incomes                             | 6.    | 7,727            | 14,431         |
| <b>TOTAL INCOME</b>                       |       | <b>398,470</b>   | <b>667,469</b> |
| <b>EXPENSES</b>                           |       |                  |                |
| Employee Costs                            | 7.    |                  | 893            |
| Materials, Contracts & Other Expenses     | 8.    | 550,155          | 433,664        |
| <b>TOTAL EXPENSES</b>                     |       | <b>550,155</b>   | <b>434,557</b> |
| <b>OPERATING SURPLUS (DEFICIT)</b>        |       | <b>(151,685)</b> | <b>232,911</b> |
| Asset Disposal & Fair Value Adjustments   | 9.    | (7,277)          | (8,947)        |
| <b>NET SURPLUS (DEFICIT)</b>              |       | <b>(158,962)</b> | <b>223,964</b> |
| <b>TOTAL COMPREHENSIVE INCOME</b>         |       | <b>(158,962)</b> | <b>223,964</b> |

This Statement is to be read in conjunction with the accompanying notes.

BALANCE SHEET  
AS AT 30 JUNE 2010

|   | NOTES | 2010           | 2009           |
|---|-------|----------------|----------------|
|   |       | \$             | \$             |
| <b>ASSETS</b>                               |       |                |                |
| <b>CURRENT ASSETS</b>                       |       |                |                |
| Cash & Cash Equivalents                     | 10.   | 380,773        | 458,610        |
| Trade & Other Receivables                   | 11.   | 30,027         | 104,574        |
| <b>TOTAL CURRENT ASSETS</b>                 |       | <b>410,801</b> | <b>563,184</b> |
| <b>NON-CURRENT ASSETS</b>                   |       |                |                |
| Infrastructure, Property, Plant & Equipment | 12.   | 21,830         | 28,641         |
| <b>TOTAL NON-CURRENT ASSETS</b>             |       | <b>21,830</b>  | <b>28,641</b>  |
| <b>TOTAL ASSETS</b>                         |       | <b>432,630</b> | <b>591,824</b> |
| <b>LIABILITIES</b>                          |       |                |                |
| <b>CURRENT LIABILITIES</b>                  |       |                |                |
| Trade & Other Payables                      | 13.   |                | 232            |
| <b>TOTAL CURRENT LIABILITIES</b>            |       | <b>0</b>       | <b>232</b>     |
| <b>NON-CURRENT LIABILITIES</b>              |       |                |                |
| <b>TOTAL NON-CURRENT LIABILITIES</b>        |       | <b>0</b>       | <b>0</b>       |
| <b>TOTAL LIABILITIES</b>                    |       | <b>0</b>       | <b>232</b>     |
| <b>NET ASSETS</b>                           |       | <b>432,630</b> | <b>591,592</b> |
| <b>EQUITY</b>                               |       |                |                |
| Accumulated Surplus                         |       | 310,630        | 591,592        |
| Other Reserves                              |       | 122,000        | -              |
| <b>TOTAL EQUITY</b>                         |       | <b>432,630</b> | <b>591,592</b> |

This Statement is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010

| 2010  | Accumulated<br>Surplus | Asset<br>Revaluation<br>Reserve | Available for<br>Sale Financial<br>Assets | Other<br>Reserves | Total<br>Equity  |
|---|------------------------|---------------------------------|---|-------------------|------------------|
| Balance at End of Previous Reporting Period                       | 591,592                |                                 |   |                   | 591,592          |
| Adjust. due to Compliance with Revised Acc Standards              |                        |                                 |   |                   | 0                |
| Adjust. to give effect to Changed Acc Policies                    |                        |                                 |   |                   | 0                |
| <b>RESTATED OPENING BALANCE</b>                                   | <b>591,592</b>         | <b>-</b>                        | <b>-</b>                                  | <b>-</b>          | <b>591,592</b>   |
| <b>NET SURPLUS (DEFICIT)</b>                                      | <b>(158,962)</b>       |                                 |   |                   | <b>(158,962)</b> |
| <b>OTHER COMPREHENSIVE INCOME</b>                                 |                        |                                 |   |                   |                  |
| Gain on Revaluation of I,P,P&E                                    |                        |                                 |   |                   | 0                |
| Avail-for-Sale Fin Instruments - Change in Fair Value             |                        |                                 |   |                   | 0                |
| Share of Other Comp Income - Joint Ventures & Associates          |                        |                                 |   |                   | 0                |
| Impairment (Expense) / Recoupments Offset to Asset Rev Reserve    |                        |                                 |   |                   | 0                |
| Transfer to Acc Surplus on Sale of I,P,P & E                      |                        |                                 |   |                   | 0                |
| Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments | (122,000)              |                                 |   | 122,000           | 0                |
| <b>BALANCE AT END OF PERIOD</b>                                   | <b>310,630</b>         | <b>-</b>                        | <b>-</b>                                  | <b>122,000</b>    | <b>432,630</b>   |

| 2009  | Accumulated<br>Surplus | Asset<br>Revaluation<br>Reserve | Available for<br>Sale Financial<br>Assets | Other<br>Reserves | Total<br>Equity |
|---|------------------------|---------------------------------|---|-------------------|-----------------|
| Balance at End of Previous Reporting Period                       | 367,628                |                                 |   |                   | 367,628         |
| Adjust. due to Compliance with Revised Acc Standards              |                        |                                 |   |                   | 0               |
| Adjust. to give effect to Changed Acc Policies                    |                        |                                 |   |                   | 0               |
| <b>RESTATED OPENING BALANCE</b>                                   | <b>367,628</b>         | <b>-</b>                        | <b>-</b>                                  | <b>-</b>          | <b>367,628</b>  |
| <b>NET SURPLUS (DEFICIT)</b>                                      | <b>223,964</b>         |                                 |   |                   | <b>223,964</b>  |
| <b>OTHER COMPREHENSIVE INCOME</b>                                 |                        |                                 |   |                   |                 |
| Gain on Revaluation of I,P,P&E                                    |                        |                                 |   |                   | 0               |
| Avail-for-Sale Fin Instruments - Change in Fair Value             |                        |                                 |   |                   | 0               |
| Share of Other Comp Income - Joint Ventures & Associates          |                        |                                 |   |                   | 0               |
| Impairment (Expense) / Recoupments Offset to Asset Rev Reserve    |                        |                                 |   |                   | 0               |
| Transfer to Acc Surplus on Sale of I,P,P & E                      |                        |                                 |   |                   | 0               |
| Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments |                        |                                 |   |                   | 0               |
| Transfer Between Reserves   |                        |                                 |   |                   | 0               |
| <b>BALANCE AT END OF PERIOD</b>                                   | <b>591,592</b>         | <b>-</b>                        | <b>-</b>                                  | <b>-</b>          | <b>591,592</b>  |

This Statement is to be read in conjunction with the accompanying notes.

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2010**

|   | NOTES | 2010            | 2009            |
|---|-------|-----------------|-----------------|
|   |       | \$              | \$              |
|   |       | INFLOWS         | (OUTFLOWS)      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |       |                 |                 |
| <i>Receipts</i>   |       |                 |                 |
| Operating Receipts  |       | 453,861         | 569,113         |
| Investment Receipts   |       | 12,126          | 17,255          |
| GST Collected   |       | 42,706          | 60,275          |
| GST Refund from the ATO   |       | 43,469          | 40,161          |
| <i>Payments</i>   |       |                 |                 |
| Operating Payments to Suppliers & Employees                         |       | (550,366)       | (434,346)       |
| Finance Payments  |       |                 |                 |
| GST Payments on Purchases   |       | (43,674)        | (40,140)        |
| GST Remitted to the ATO   |       | (35,493)        | (65,184)        |
| <b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES</b>       |       | <b>(77,371)</b> | <b>147,136</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |       |                 |                 |
| <i>Receipts</i>   |       |                 |                 |
| Sale of Replaced Assets   |       | 21,364          | 18,636          |
| <i>Payments</i>   |       |                 |                 |
| Expenditure on Renewal/Replacement of Assets                        |       | (21,830)        | (28,641)        |
| <b>NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES</b>       |       | <b>(466)</b>    | <b>(10,004)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |       |                 |                 |
| <i>Receipts</i>   |       |                 |                 |
| <i>Payments</i>   |       |                 |                 |
| <b>NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES</b>       |       | <b>0</b>        | <b>0</b>        |
| <b>NET INCREASE (DECREASE) IN CASH HELD</b>                         |       | <b>(77,837)</b> | <b>137,131</b>  |
| <b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD</b> |       | <b>458,610</b>  | <b>321,479</b>  |
| <b>CASH &amp; CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>       | 14.   | <b>380,773</b>  | <b>458,610</b>  |

This Statement is to be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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.

(a) **The Local Government Reporting Entity**

The Central Local Government Region of South Australia Incorporated ("the Region") is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

|                                       |  |
|---------------------------------------|--|
| The Barossa Council;                  | District Council of Mount Remarkable;    |
| District Council of Barunga West;     | Northern Areas Council;                  |
| Clare and Gilbert Valleys Council;    | District Council of Orroroo / Carrieton; |
| District Council of the Copper Coast; | District Council of Peterborough;        |
| The Flinders Ranges Council;          | Port Pirie Regional Council;             |
| Regional Council of Goyder;           | Wakefield Regional Council; and          |
| Light Regional Council;               | District Council of Yorke Peninsula.     |
| District Council of Mallala;          |  |

All funds received and expended by the Region have been included in the Financial Statements forming part of this Financial Report.

(b) **Basis of Accounting**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by the Region by certificate under clause 11 of the Local Government (Financial Management) Regulation 1999 dated 4 August 2010.

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

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 Region'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.

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

(c) **Income Recognition**

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Region 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 Region's operations for the current reporting period.

(d) **Cash, Cash Equivalents & Other Financial Instruments**

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

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to Financial Instruments forms part of Notes 15 and 16.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**(e) Infrastructure, Property, Plant & Equipment**

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

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

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Region for each type of asset. In determining 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:-

|                              |         |
|------------------------------|---------|
| Office Furniture & Equipment | \$1,000 |
| Other Plant & Equipment      | \$1,000 |

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value.

All 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. Depreciation is recognised on a straight-line basis.

**(f) Payables**

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.

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

**(g) Employee Benefits**

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

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date.

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 Region does not make payment for untaken sick leave.

**(h) Superannuation**

The Region makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

No changes in accounting policy have occurred during either the current or previous reporting periods.

**Accumulation Fund Members** - The accumulation fund receives 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% in 2009/2010; 9% in 2008/2009). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Defined Benefit Members** - the Region makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate is currently 6% (6% in 2008/2009) of superannuation salary. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010(i) *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.

(j) *Comparative Information*

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

(k) *New Accounting Standards*

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2010 reporting period.

|                   |   |
|-------------------|---|
| AASB 1            | First-time Adoption of Australian Accounting Standards  |
| AASB5             | Non-Current Assets Held for Sale and Discontinued Operations  |
| AASB 7            | Financial Instruments: Disclosures  |
| AASB 9            | Financial Instruments   |
| AASB 101          | Presentation of Financial Statements  |
| AASB 107          | Statement of Cash Flows   |
| AASB 108          | Accounting Policies, Changes in Accounting Estimates & Errors   |
| AASB 110          | Events after the Reporting Date   |
| AASB 117          | Leases  |
| AASB 118          | Revenue   |
| AASB 119          | Employee Benefits   |
| AASB 132          | Financial Instruments: Presentation   |
| AASB 136          | Impairment of Assets  |
| AASB 137          | Provisions, Contingent Liabilities and Contingent Assets  |
| AASB 139          | Financial Instruments: Recognition and Measurement  |
| AASB 1031         | Financial Instruments: Recognition and Measurement  |
| AASB 2009-11      | Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] |
| AASB 2009-12      | Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]  |
| AASB 2009-13      | Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1]   |
| AASB 2010-1       | Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7 Disclosures for First-time Adopters [AASB 1 & AASB 7]   |
| Interpretation 4  | Determining whether an Arrangement contains a Lease   |
| Interpretation 14 | AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction   |

NB. Standards not affecting Local Government Entities have been excluded from the above list.

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

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

(l) *Subscriptions*

Clause 5.2 of the Charter of the Region prescribes that subscriptions by Constituent Councils will be decided at the Annual General Meeting. For 2009 / 2010 these were \$9,072 exclusive of GST.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**2. Functions / Activities of the Region**

Incomes and expenses have been attributed to the functions / activities which are described below.

The activities of the Region are categorised into the following broad programs:

|                                      |                                    |
|--------------------------------------|------------------------------------|
| General Operating Activities         | Natural Resource Management        |
| Regional Transport Strategy & Review | Natural Disaster & Risk Mitigation |
| Water Project                        | Broadband Project                  |
| Transport Infrastructure Committee   | Regional Waste Management          |

Incomes, expenses and the carrying amount of assets which are reliably attributable to each of the listed functions & activities are reported on regularly throughout the year and are available upon request to the Executive Officer.

|   | NOTES | 2010             | 2009           |
|---|-------|------------------|----------------|
|   |       | \$               | \$             |
| <b>3. COUNCIL CONTRIBUTIONS</b>   |       |                  |                |
| General Operations  |       | 136,080          | 133,425        |
| Roads Project   |       | 11,121           | 9,273          |
|   |       | <u>147,201</u>   | <u>142,698</u> |
| <b>4. GRANTS, SUBSIDIES &amp; OTHER CONTRIBUTIONS</b>   |       |                  |                |
| Other Grants, Subsidies & Contributions   |       | 230,468          | 495,656        |
|   |       | <u>230,468</u>   | <u>495,656</u> |
| <i>Sources of Grants</i>  |       |                  |                |
| Commonwealth Government   |       | 80,468           | 379,091        |
| State Government  |       | 125,000          | 80,000         |
| Other   |       | 25,000           | 36,565         |
|   |       | <u>230,468</u>   | <u>495,656</u> |
| <i>Conditions Over Grants &amp; Contributions</i>   |       |                  |                |
| Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows: |       |                  |                |
| Unexpended at Close of Previous Reporting Period  |       | 452,918          | 251,157        |
| Less: Expended During the Current Period from Revenues Recognised in Previous Reporting Periods:-   |       |                  |                |
| Waste Study   |       | 13,727           |                |
| Regional Bus Project  |       | 170,500          |                |
| Disaster Mitigation Project   |       |                  | 57,188         |
| Broadband Project   |       | 92,908           | 6,542          |
| Local Government  |       | 36,565           |                |
| Natural Resources Management  |       | 122,913          | 623            |
|   |       | <u>436,614</u>   | <u>64,353</u>  |
| Plus: Amounts Recognised as Revenues in this Reporting Period but Not Yet Expended in Accordance with the Conditions:-  |       |                  |                |
| Waste Study   |       |                  | 13,727         |
| Broadband Project   |       |                  | 92,908         |
| Water Project   |       | 4,795            |                |
| Natural Resources Management  |       | 6,513            | 122,913        |
| Climate Change  |       | 69,406           |                |
| Local Government  |       |                  | 36,565         |
| Coastal Councils Project  |       | 3,023            |                |
| Digital Television  |       | 17,518           |                |
|   |       | <u>101,255</u>   | <u>266,114</u> |
| Unexpended at Close of Reporting Period and held as Restricted Assets   |       | <u>117,559</u>   | <u>452,918</u> |
| Net Increase (Decrease) in Restricted Assets in Current Reporting Period  |       | <u>(335,359)</u> | <u>201,761</u> |
| <b>5. INVESTMENT INCOME</b>   |       |                  |                |
| Interest on Investments   |       |                  |                |
| Local Government Finance Authority  |       | 12,761           | 14,671         |
| Banks & Other   |       | 313              | 13             |
|   |       | <u>13,074</u>    | <u>14,684</u>  |
| <b>6. OTHER INCOMES</b>   |       |                  |                |
| Vehicle Charges   |       | 7,000            | 13,917         |
| Sundry  |       | 727              | 514            |
|   |       | <u>7,727</u>     | <u>14,431</u>  |

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

|   | NOTES | 2010           | 2009           |
|---|-------|----------------|----------------|
| <b>7. EMPLOYEE COSTS</b>  |       | \$             | \$             |
| Salaries and Wages  |       | -              | 819            |
| Superannuation - Defined Cost Plan Contributions  | 19.   | -              | 74             |
|   |       | <u>-</u>       | <u>893</u>     |
| <i>Total Number of Employees</i>  |       | -              | -              |
| <i>(Full Time Equivalent at End of Reporting Period)</i>  |       |                |                |
| <b>8. MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>   |       |                |                |
| <i>Prescribed Expenses</i>  |       |                |                |
| Auditor's Remuneration  |       |                |                |
| Auditing the Financial Reports  |       | 900            | 1,200          |
|   |       | <u>900</u>     | <u>1,200</u>   |
| <i>Other Materials, Contracts &amp; Expenses</i>  |       |                |                |
| Contractors   |       | 495,903        | 403,481        |
| Energy / Fuel   |       | 4,112          | 3,413          |
| Members Allowances  |       | 5,405          |                |
| Meeting Costs   |       | 6,175          |                |
| Liability Insurance   |       | 5,108          |                |
| Gazette Notice  |       | 5,002          |                |
| Sundry  |       | 27,550         | 25,570         |
|   |       | <u>549,255</u> | <u>432,464</u> |
|   |       | <u>550,155</u> | <u>433,664</u> |
| <b>9. ASSET DISPOSAL &amp; FAIR VALUE ADJUSTMENTS</b>   |       |                |                |
| Proceeds from Disposal  |       | 21,364         | 18,636         |
| Less: Carrying Amount of Assets Sold  |       | 28,641         | 27,583         |
|   |       | <u>(7,277)</u> | <u>(8,947)</u> |
| <b>10. CASH &amp; CASH EQUIVALENTS</b>  |       | \$             | \$             |
| Cash on Hand & At Bank  |       | 76,314         | 85,962         |
| Deposits at Call  |       | 304,460        | 372,648        |
|   | 14.   | <u>380,773</u> | <u>458,610</u> |
| <b>11. TRADE &amp; OTHER RECEIVABLES</b>  |       |                |                |
| Accrued Revenues  |       | 3,521          | 2,573          |
| Debtors - General   |       | 26,506         | 102,001        |
|   |       | <u>30,027</u>  | <u>104,574</u> |
| <b>12. INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>  |       |                |                |
| <i>Valuation of Assets</i>  |       |                |                |
| At 1 July 2004 upon the transition to AIFRS, the Region elected pursuant to AASE 1.19 to retain a previously established deemed cost under GAAP as its deemed cost for the purposes of AIFRS. |       |                |                |
| Pursuant to the Region's election, property, plant and equipment assets are recognised on the cost basis.   |       |                |                |
| <b>PLANT &amp; EQUIPMENT</b>  |       |                |                |
| At Fair Value   |       |                |                |
| At Cost   |       | 21,830         | 28,641         |
|   |       | <u>21,830</u>  | <u>28,641</u>  |
| Carrying Amount at Close of Previous Reporting Period   |       | 28,641         | 27,583         |
| Additions   |       | 21,830         | 28,641         |
| Disposals   |       | (28,641)       | (27,583)       |
| Discontinued Operations Disposals   |       |                |                |
| Carrying Amount at Close of Current Reporting Period  |       | <u>21,830</u>  | <u>28,641</u>  |
| <b>13. TRADE &amp; OTHER PAYABLES</b>   |       |                |                |
| Accrued Expenses - Other  |       |                | 232            |
|   |       | <u>0</u>       | <u>232</u>     |

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

|  | NOTES | 2010 | 2009 |
|--|-------|------|------|
|  |       | \$   | \$   |

## 14. RECONCILIATION TO CASH FLOW STATEMENT

**Reconciliation of Cash**

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

|                                 |     |                |                |
|---------------------------------|-----|----------------|----------------|
| Total Cash and Cash Equivalents | 10. | 380,773        | 458,610        |
| Less: Short Term Borrowings     | BS  |                |                |
| Balance per Cash Flow Statement |     | <u>380,773</u> | <u>458,610</u> |

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

|  |  |                  |                |
|--|--|------------------|----------------|
| Net Surplus (Deficit)  |  | (158,962)        | 223,964        |
| Non-Cash Items in Income Statement                           |  |                  |                |
| Net (Gain) Loss on Disposals                                 |  | 7,277            | 8,947          |
| (Gain) Loss on Disposal of Assets of Discontinued Operations |  |                  |                |
|  |  | <u>(151,685)</u> | <u>232,911</u> |
| Add (Less): Changes in Net Current Assets                    |  |                  |                |
| Net (Increase) Decrease in Receivables                       |  | 74,546           | (86,008)       |
| Net Increase (Decrease) in Trade & Other Payables            |  | (232)            | 232            |
| Net Cash Provided (or Used In) Operating Activities          |  | <u>(77,371)</u>  | <u>147,136</u> |

**Non-Cash Financing and Investing Activities**

Acquisition of Assets by Means of:-

Physical Resources Received Free of Charge

Non-Cash Grants & Contributions

Amounts Recognised in Income Statement

|  |   |   |
|--|---|---|
|  | 0 | 0 |
|--|---|---|

Finance Leases

Land Taken Over for Non-Payment of Rates

|  |          |          |
|--|----------|----------|
|  | <u>0</u> | <u>0</u> |
|--|----------|----------|

**Financing Arrangements**

Unrestricted access was available at Balance Date to the following Lines of Credit:-

|                        |   |   |
|------------------------|---|---|
| Bank Overdrafts        | 0 | 0 |
| Corporate Credit Cards | 0 | 0 |

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

## 15. 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 placed on 24 hour call with the Local Government Finance Authority at market interest rates..

Carrying amount: Approximates fair value due to the short term to maturity.

**Receivables - Fees & Other Charges**

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

Terms & conditions: Unsecured, and do not bear interest. The Region is not materially exposed to any individual debtor, with credit risk exposure concentrated within the Region's boundaries.

Carrying amount: Approximates fair value (after deduction of any allowance).

**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 the Governments of the Commonwealth & State.

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 Region.

Terms & conditions: Liabilities are normally settled on 30 day terms

Carrying amount: Approximates fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

| 16. LIQUIDITY ANALYSIS             | Instrument Due |                 |           | Total Contractual Cash Flows | Carrying Values |
|------------------------------------|----------------|-----------------|-----------|------------------------------|-----------------|
|                                    | < 1 year       | > 1 and < 5 yrs | > 5 years |                              |                 |
| 2010                               |                |                 |           |                              |                 |
| <b>Financial Liabilities</b>       |                |                 |           |                              |                 |
| Payables                           |                |                 |           | 0                            | 0               |
| Current Borrowings                 |                |                 |           | 0                            | 0               |
| Non-Current Borrowings             |                |                 |           | 0                            | 0               |
| <b>Total Financial Liabilities</b> | <b>0</b>       | <b>0</b>        | <b>0</b>  | <b>0</b>                     | <b>0</b>        |
| 2009                               |                |                 |           |                              |                 |
| <b>Financial Liabilities</b>       |                |                 |           |                              |                 |
| Payables                           | 232            |                 |           | 232                          | 232             |
| Current Borrowings                 |                |                 |           | 0                            | 0               |
| Non-Current Borrowings             |                |                 |           | 0                            | 0               |
| <b>Total Financial Liabilities</b> | <b>232</b>     | <b>0</b>        | <b>0</b>  | <b>232</b>                   | <b>232</b>      |

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

|                      | 2010                       |                | 2009                       |                |
|----------------------|----------------------------|----------------|----------------------------|----------------|
|                      | Weighted Ave Interest Rate | Carrying Value | Weighted Ave Interest Rate | Carrying Value |
|                      | %                          | \$             | %                          | \$             |
| Overdraft            | N/A                        | 0              | N/A                        | 0              |
| Other Variable Rates |                            | 0              |                            | 0              |
| Fixed Interest Rates |                            | 0              |                            | 0              |
|                      |                            | <b>0</b>       |                            | <b>0</b>       |

**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 Region.

**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 Region is the carrying amount, net of any allowance for doubtful debts. All Region investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in the Notes in relation to individual classes of receivables (if applicable), exposure is concentrated within the Region'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 Region'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 Region 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 based on cash inflows.

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

**Net Fair Value of Financial Assets and Liabilities**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value. Due to the nature of the financial instruments held by the Region, the costs associated with their settlement would not be material and therefore have not been considered.

**Credit Risk Exposure**

Credit risk represents the loss that would be recognised if other parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Region which have been recognised in the Balance Sheet (if any) is the carrying amount, net of any provision for doubtful debts. The Region does not have significant exposure to any concentration of credit risk.

The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties

Cash flows are discounted using standard valuation techniques and the applicable market yield having regard to the timing of cash flows. The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

## 16. LIQUIDITY ANALYSIS (CONT.)

|   | NOTES | 2010                  | 2009                  |
|---|-------|-----------------------|-----------------------|
| <b>RECONCILIATION OF FINANCIAL ASSETS &amp; LIABILITIES</b> |       | \$                    | \$                    |
| <i>Excess of Financial Assets over Liabilities</i>          |       |                       |                       |
| Financial Assets  |       | 407,279               | 560,611               |
| Financial Liabilities                                       |       | 0                     | (232)                 |
|   |       | <u>407,279</u>        | <u>560,378</u>        |
| <i>Non-Financial Assets (Liabilities)</i>                   |       |                       |                       |
| Accrued Revenues  |       | 3,521                 | 2,573                 |
| Property, Plant & Equipment                                 |       | 21,830                | 28,641                |
|   |       | <u>25,351</u>         | <u>31,214</u>         |
| <i>Net Assets per Balance Sheet</i>                         |       | <u><b>432,630</b></u> | <u><b>591,592</b></u> |

## 17. FINANCIAL INDICATORS

|  | 2010      | 2009      | 2008      | 2007      |
|--|-----------|-----------|-----------|-----------|
| 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. |           |           |           |           |
| Operating Surplus  | (151,685) | 232,911   | (9,197)   | 55,806    |
| <i>Being the operating surplus (deficit) before capital amounts.</i>   |           |           |           |           |
| Operating Surplus Ratio  | N/A       | N/A       | N/A       | N/A       |
| <i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i>   |           |           |           |           |
| Net Financial Liabilities  | (410,801) | (562,951) | (340,044) | (385,463) |
| <i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in the Region's businesses).</i>   |           |           |           |           |
| Net Financial Liabilities Ratio  | (103 %)   | (84 %)    | (95 %)    | (97 %)    |
| Interest Cover Ratio   | (3.4 %)   | (2.2 %)   | (6.6 %)   | (5.8 %)   |
| Asset Sustainability Ratio   | N/A       | N/A       | N/A       | N/A       |
| Asset Consumption Ratio  | N/A       | N/A       | N/A       | N/A       |

## 18. UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Region 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 & Subsidiaries provide a common 'core' of financial information, which enables meaningful comparisons of finances.

|   | 2010                    | 2009                  |
|---|-------------------------|-----------------------|
|   | \$                      | \$                    |
| Income  | 398,470                 | 667,468               |
| less Expenses   | (550,155)               | (434,557)             |
|   | <u>(151,685)</u>        | <u>232,911</u>        |
| <b>Net Outlays on Existing Assets</b>                             |                         |                       |
| Capital Expenditure on Renewal and Replacement of Existing Assets | (21,830)                | (28,641)              |
| less Depreciation, Amortisation and Impairment                    |                         |                       |
| less Proceeds from Sale of Replaced Assets                        | 21,364                  | 18,636                |
|   | <u>(466)</u>            | <u>(10,004)</u>       |
| <b>Net Outlays on New &amp; Upgraded Assets</b>                   |                         |                       |
| Capital Expenditure on New and Upgraded Assets                    | 0                       | 0                     |
| less Amounts Received Specifically for New and Upgraded Assets    | 0                       | 0                     |
| less Proceeds from Sale of Surplus Assets                         | 0                       | 0                     |
|   | <u>0</u>                | <u>0</u>              |
| <b>Net Lending (Borrowing) for Reporting Period</b>               | <u><b>(152,151)</b></u> | <u><b>222,907</b></u> |

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

19. SUPERANNUATION

The Region makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme (the Scheme). The Scheme has two categories of membership, each of which is funded differently.

The Scheme's accumulation category, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Scheme.

The Scheme's Defined Benefit Plan is a multi-employer sponsored plan. As the Scheme's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable allocate benefit liabilities, assets and costs between employers. As provided under AASB 119.32(b), the Region does not use defined benefit accounting for these contributions.

The Region makes employer contributions to the defined benefit category of the Scheme at rates determined by the Trustee on the advice of the Scheme's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FLAA, of Brett and Watson Pty Ltd as at 30 June 2008, the Trustee has determined that the Scheme was in a satisfactory financial position.

However, in considering the impact of the movement in investment markets since 30 June 2008, the actuary has determined that the Scheme is currently in an "unsatisfactory financial position" as that term is used under superannuation law. This means that there are currently insufficient assets to be able to pay Salarylink benefits should all existing members cease employment at the same time. Whilst it is impossible that this will occur, the Trustee liaised with the Local Government Association, on behalf of the employers in the Scheme, and the Government regulator, APRA, to determine an appropriate plan of action to rectify the Scheme's financial position. The Region no longer has any employees employed.

20. JOINT VENTURES & ASSOCIATED ENTITIES

An *Associate* is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

A *Joint Venture* is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

The Region has no interests in Joint Ventures or Associated Entities.

Although the Region itself is a Regional Subsidiary established by the 15 Member Councils (as listed in Note 1 (a)), it is not considered to be an associate of any of the individual Councils as no one Council has significant influence. As such, equity accounting procedures are not used by the individual Councils. It is likely that each Council's interest in the Regional Subsidiary is non-material, and as such, it is appropriate for a Council to write off its annual contribution as an expense.

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT BY CHIEF EXECUTIVE OFFICER

I, ANITA CRISP the person for the time being occupying the position of **CHIEF EXECUTIVE OFFICER** of the **CENTRAL LOCAL GOVERNMENT REGION OF SA INC.** do hereby state that the Financial Statements of the Incorporated Body for the year ended 30 June 2010 are to the best of my knowledge presented fairly and in accordance with accounting procedures which have been maintained in accordance with the Local Government Act 1999, and the Local Government (Financial Management) Regulations 1999 made under that Act.



A. Crisp  
Executive Officer

4 August 2010  
Dated

- ADOPTION STATEMENT -

Laid before the Central Local Government Region of SA Inc.

and adopted on the (13<sup>th</sup>) day of August 2010

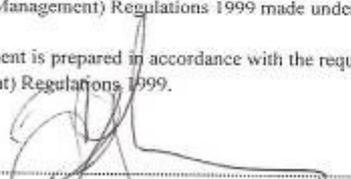
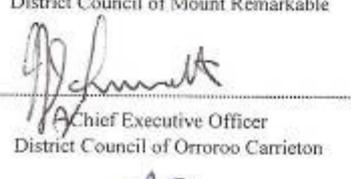
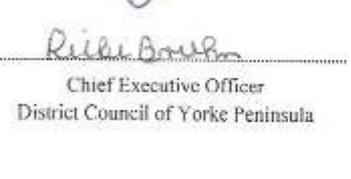
  
EXECUTIVE OFFICER  
PRESIDENT

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the Audit of the Central Local Government Region of South Australia Incorporated for the year ended 30 June 2010, the Association's Auditor, Cobiac and Chapman, 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) of the Local Government (Financial Management) Regulations, 1999.

|  |   |
|--|---|
| <br>Chief Executive Officer<br>The Barossa Council                    | <br>Chief Executive Officer<br>District Council of Barunga West     |
| <br>Chief Executive Officer<br>Clare & Gilbert Valleys Council        | <br>Chief Executive Officer<br>District Council of the Copper Coast |
| <br>Chief Executive Officer<br>The Flinders Ranges Council           | <br>Chief Executive Officer<br>Regional Council of Goyder          |
| <br>Chief Executive Officer<br>Light Regional Council               | <br>Chief Executive Officer<br>District Council of Mallala        |
| <br>Chief Executive Officer<br>District Council of Mount Remarkable | <br>Chief Executive Officer<br>Northern Areas Council             |
| <br>Chief Executive Officer<br>District Council of Ororoo Carrieton | <br>Chief Executive Officer<br>District Council of Peterborough   |
| <br>Chief Executive Officer<br>Port Pirie Regional Council          | <br>Chief Executive Officer<br>Wakefield Regional Council         |
| <br>Chief Executive Officer<br>District Council of Yorke Peninsula  |   |

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of the Central Local Government Region of South Australia Incorporated for the year ended 30 June 2010, 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 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A (4) of the Local Government (Financial Management) Regulations 1999.



**GERALD P. COBIAC** AUA CPA  
Partner  
Cobiac & Chapman  
Certified Practising Accountants  
Prospect, South Australia  
10/2 August, 2010

**INDEPENDENT AUDIT REPORT  
TO THE MEMBER COUNCILS  
OF THE CENTRAL LOCAL GOVERNMENT REGION OF SA INC.**

**Scope**

We have audited the attached special purpose Financial Report on pages 1 to 13 comprising the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement, the Notes to the Financial Statements and Statement by the Executive Officer for the year ended 30 June 2010.

The Central Local Government Region of SA Inc Board is responsible for the preparation and presentation of the Financial Report and the information contained therein and has determined that the accounting policies used are consistent with the financial reporting requirements of their Constitution, and are appropriate to meet the needs of the Incorporated Body. We have conducted an independent audit of the Financial Statements in order to express an opinion on them. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Association.

The Financial Report has been prepared for distribution to members for the purpose of fulfilling the Incorporated Body's financial reporting requirements. As such, we disclaim any assumption of responsibility for reliance on this report or on the Financial Report to which it related to any person other than the members, or for any purpose other than that for which it is prepared. The Audit has been conducted in accordance with Australian Standards to provide reasonable assurances as to whether the Financial Statements are free of material misstatement. The procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Statements, and evaluation of accounting policies and significant account estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the Financial Statements are presented fairly in accordance with the operations of, and with the accounting policies of the Incorporated Body. (These bodies do not require the application of all statements of Accounting Concepts and Accounting Standards).

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In our opinion, the Financial Statements of the Central Local Government Region of SA Inc are properly drawn up in accordance with the accounting policies as adopted by the Committee. Financial Statements disclose the financial position of the Central Local Government Region of SA Inc. as at 30 June 2010 and the results of its operations for the year then ended.



**GERALD P. COBIAC** AUA CPA

Partner

Cobiac & Chapman

Certified Practising Accountants

Prospect, South Australia

*pd* August, 2010

# GRFMA

## *Gawler River Floodplain Management Authority*

Constituent Councils: Adelaide Hills Council  
The Barossa Council  
Town of Gawler  
Light Regional Council  
District Council of Mallala  
City of Playford

# *ANNUAL REPORT 2009 - 2010*

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Norwood South Australia 5067  
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Facsimile: (08) 8363 9783  
Email: [contact@fredpedler.com](mailto:contact@fredpedler.com)  
Web Site: [www.fredpedler.com](http://www.fredpedler.com)

## Chairman's Forward

Work on the second stage of the program - attention to the South Para Reservoir Dam wall - has been slower than anticipated. Questions as to the cost to be met by the Authority and the advent of a State Election, which prevented consideration of the project by the Public Works Standing Committee, were responsible for the delay. Commencement of the project will hopefully be in early 2011 for completion by late 2011.

The need for the Authority's Charter to be reviewed and the consideration by the six respondent Councils as to their individual expectations continues to occupy the attention of the Board members. Creation of an Audit Committee now required by legislation has been another administrative consideration.

In the interim final consideration of stage three - the lower Gawler River precinct - has been in abeyance pending not only its form but also more specifically how it is to be funded.

Board member (and where appropriate proxy member) input is appreciated along with the advice from the Technical Panel and untiring effort of the Authority's Executive Officer, Mr Fred Pedler, whose services have been extended to 31<sup>st</sup> December 2011.

**Dr Bruce Eastick AM**  
**Chairman**

## GRFMA

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22<sup>nd</sup> August 2002. The Constituent Councils are the Adelaide Hills Council, The Barossa Council, The Town of Gawler, Light Regional Council, District Council of Mallala and the City of Playford.

The Charter provides that a representative of the Adelaide Mount Lofty Ranges Natural Resources Management Board (AMLRNRMB) is the Chairperson of the Board of Management of the GRFMA. The Charter sets down the powers, functions, safeguards, accountabilities and an operational framework and the Business Plan sets down the operational plan and financial plan to achieve agreed objectives.

The GRFMA has been established for the following purposes:

1. To co-ordinate the construction, operation and maintenance of flood mitigation infrastructure in the Gawler River area (the Floodplain);
2. To raise finance for the purpose of developing, managing and operating and maintaining flood mitigation works within the Floodplain;
3. To provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation within the Floodplain;
4. To enter into agreements with Constituent Councils for the purpose of managing and developing the Floodplain.

## The Board

The Members of the Board for the year were:

| <b>Authority</b>              | <b>Board Members</b>                    | <b>Deputy Board Members</b> |
|-------------------------------|---|-----------------------------|
| <b>AMLRNRMB</b>               | Dr Bruce Eastick AM, Chair              |                             |
| <b>Adelaide Hills Council</b> | Cr Geoff Purdie<br>Mr Peter Peppin, CEO | Mr Marc Salver              |

| <b>Authority</b>                   | <b>Board Members</b>   | <b>Deputy Board Members</b>  |
|------------------------------------|--|--|
| <b>The Barossa Council</b>         | Mayor Brian Hurn OAM<br>Mr Ian Baldwin   | Cr Barrie Stewart  |
| <b>Town of Gawler</b>              | Cr Brian Thom<br>Mr Stephen Kerrigan, CEO  | Mayor Brian Sambell <sup>1</sup><br>Cr Warren Dibben <sup>2</sup><br>Ms Heather Barclay <sup>3</sup> |
| <b>Light Regional Council</b>      | Cr William Close<br>Mr Brian Carr, CEO   | Cr Peter Graham  |
| <b>District Council of Mallala</b> | Cr Joe Daniele<br>Mr John Tillack, A/CEO <sup>4</sup><br>Mr Charles Mansueto, CEO <sup>5</sup> | Cr Ann Picard  |
| <b>City of Playford</b>            | Cr Max O’Rielly<br>Mr Tim Jackson, CEO   | Cr Don Levitt  |

1 To 8<sup>th</sup> January 2010

2 From 8<sup>th</sup> January to 11<sup>th</sup> February 2010

3 From 11<sup>th</sup> February 2010

4 To 12<sup>th</sup> August 2010

5 From 12<sup>th</sup> August 2010

Ordinary meetings of the Board are held bi-monthly on the third Thursday of the even months commencing at 9.00 AM. Meetings are hosted by the Constituent Councils on a rotational roster. Six Board meetings were held during the year as follows:

|          |                                |           |
|----------|--------------------------------|-----------|
| Thursday | 20 <sup>th</sup> August 2009   | Gawler    |
| Thursday | 15 <sup>th</sup> October 2009  | Mallala   |
| Thursday | 10 <sup>th</sup> December 2009 | Elizabeth |
| Thursday | 11 <sup>th</sup> February 2010 | Kapunda   |
| Thursday | 15 <sup>th</sup> April 2010    | Gumeracha |
| Thursday | 17 <sup>th</sup> June 2010     | Nuriootpa |

A Key Outcomes Summary is prepared following each Board Meeting that highlights the key issues and achievements and is distributed to Stakeholders electronically.

### **Technical Assessment Panel**

A Technical Assessment Panel has been appointed to support the decision-making processes of the Board with delegated powers to provide advice and manage the technical aspects of the design, assessment and construction of the various parts of the Scheme:

The Members of the Panel are:

Dr Bruce Eastick AM, Chair

Fred Pedler, Executive Officer, GRFMA

Mark Temme, Group Manager, City of Playford <sup>1</sup>

Bill Lipp, Principal Stormwater Engineer, Department for Transport, Energy and Infrastructure

Andy Parsons, Principal Engineer Dams & Civil, SA Water Corporation

Mr Andy Slager, Civil Engineer, City of Playford (proxy to Mark Temme)

1 To 17<sup>th</sup> June 2010

The Panel meets as the agenda requires and held three meetings during the year as follows:

Wednesday 4<sup>th</sup> November 2009 at Walkerville

Wednesday 9<sup>th</sup> December 2009 at Walkerville

Wednesday 7<sup>th</sup> April 2010 at Walkerville

### **Property Sale Committee**

A Property Sale Committee was appointed in June 2008 with delegated authority to sell two properties that were surplus to requirements. The Morgan property was sold in June 2009.

The Members of the Committee are

Dr Bruce Eastick AM, Chair  
Fred Pedler, Executive Officer, GRFMA  
Cr Brian Thom, Town of Gawler  
Mr Stephen Kerrigan, CEO, Town of Gawler

The Committee has not met during the year

### **Gawler River Flood Mitigation Scheme**

The 'Scheme' is described in the 'Gawler River Flood Mitigation Scheme', published by the Northern Adelaide & Barossa Catchment Water Management Board and the Department of Water, Land & Biodiversity Conservation October 2002. Based on the Gawler River Flood Management Study - Flood Management Plan prepared for The Gawler River Flood Management Working Party, BC Tonkin & Associates April 1994.

Following the November 2005 flood, The Australian Government, South Australian Government, the six Constituent Councils and the Northern Adelaide Barossa Catchment Water Management Board committed to a funding package totalling \$20 million to implement the Scheme.

The Scheme had three parts as follows:

- The construction of a flood mitigation dam on the North Para River near Gawler – the Bruce Eastick North Para Flood Mitigation Dam was completed in December 2007.
- Modifications to the dam wall and spillway of the South Para Reservoir to provide flood mitigation – currently in design to be constructed during 2011.
- Construction of levees including the formalization of a controlled parallel flow path together with sensitive vegetation and channel maintenance along the lower reaches of the Gawler River - to be later described as Strategy 6d – this part of the Scheme was abandoned in 2008.

In February 2008 the Gawler River Mapping Project was completed to identify the impact of the March 2007 estimates and to identify strategies to mitigate the impact of flooding.

In June 2009 the Board amended the Business Plan to include the preparation of a *Gawler River Flood Mitigation Scheme – Mark Two*, that will build on the work of the last four years and bring forward strategies that can cost effectively reduce the impact of flooding from the Gawler River. The development of the Mark Two Scheme has been delayed by the need to provide additional funding to complete the modifications to the South Para Reservoir.

### **Minor Works**

The replacement Turretfield Flow Gauge Weir constructed approximately 800 metres downstream from the Bruce Eastick North Para Flood Mitigation Dam has been completed.

Two additional survey monuments are being constructed adjacent to the dam wall and spillway to provide a high level of reliability in the deformation surveys of the structure that forms part of the dam wall maintenance program.

### **South Para Reservoir Modifications**

The GRFMA has accepted a cost-sharing estimate for SA Water to modify the dam wall and spillway of the South Para Reservoir in conjunction with the dam safety works. Construction is planned to commence in January and be completed by December 2011.

## General

The GRFMA Board and constituent councils have been actively reviewing the Charter during the year. Two discussion papers have been prepared that canvass a number of issues including whether and how the Authority could undertake emerging issues related to the Gawler River. Changes to the Charter can only occur with the unanimous agreement of all constituent councils.

The GRFMA made presentations to the constituent council to inform members of matters being considered by the Board as follows:

|                             |                                      |
|-----------------------------|--------------------------------------|
| District Council of Mallala | Monday 11 <sup>th</sup> January 2010 |
| Adelaide Hills Council      | Tuesday 2 <sup>nd</sup> March 2010   |
| The Barossa Council         | Tuesday 18 <sup>th</sup> May 2010    |
| District Council of Mallala | Monday 21 <sup>st</sup> June 2010    |

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Policy A1 - Access to Meetings and Documents
- Policy C1 - Consultation
- Policy I1 - Internal Review of Decisions
- Policy O1 – Operations Manual

All meetings of the GRFMA and its committees are open to the public. However under prescribed circumstances the public has been excluded on one occasion for the purpose set out in the following table.

| Forum                     | Total Resolutions for the year | Resolutions to exclude the Public - Sec 90(3) | Purpose                              | Order for documents to remain confidential - Sec 91(7) | Percentage |
|---------------------------|--------------------------------|---|--------------------------------------|--|------------|
| Board                     | 68                             | 1   | To review Executive Officer Contract | 0  | 1.5%       |
| Technical Reference Panel | 14                             | 0   |                                      | 0  | 0%         |
| Properties Sale Committee | Did Not Meet                   |   |                                      |  |            |

Mr Fred Pedler, Principal of Fred Pedler & Associates, has been engaged to provide Executive Officer services under a services agreement until 31<sup>st</sup> December 2011. Mr Pedler has experience in the administration of Councils and regional subsidiaries under the Local Government Act.

The GRFMA has no employees and all services are engaged on a contract basis

Information about the GRFMA, the Scheme and a number of documents are available on the website [www.fredpedler.com](http://www.fredpedler.com) and go to the grfma pages.

The following reports were completed during the year and are available as downloads from the website.

- o *Australian Water Environments November 2009*, Gawler River Mapping Project Addendum
- o *Australian Water Environments December 2009*, Flood Damage Estimates South Para Reservoir Flood Mitigation Works

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

FINANCIAL STATEMENTS

Income Statement for the Year Ending 30<sup>th</sup> June 2010

|  | Notes | 2010<br>\$      | 2009<br>\$       |
|--|-------|-----------------|------------------|
| <b>Income</b>  |       |                 |                  |
| Subscriptions  | 3     | 40,002          | 24,000           |
| Investment Income                                      | 1 (d) | 46,034          | 49,630           |
| State Government Grants                                |       | 118,805         | 91,321           |
| Commonwealth Government Grants                         |       | 118,805         | 91,321           |
| Other  |       |                 | 0                |
| <b>Total Income</b>                                    |       | <b>323,646</b>  | <b>256,272</b>   |
| <b>Expenditure</b>                                     |       |                 |                  |
| Contractual Services                                   | 5     | 318,260         | 215,550          |
| Finance Charges  |       | 2,775           | 2,161            |
| Other  |       | 21,235          | 38,214           |
| <b>Total Expenditure</b>                               |       | <b>342,270</b>  | <b>255,925</b>   |
| <b>Surplus / (Deficit) before Impairment of Assets</b> |       | <b>(18,624)</b> | <b>347</b>       |
| <b>Impairment of Assets</b>                            |       |                 |                  |
| South Para   | 4     |                 | (33,835)         |
| Lower Gawler River                                     | 4     |                 | (311,559)        |
| Land   | 4     |                 | (35,422)         |
| <b>Total Impairment of Assets</b>                      |       | <b>0</b>        | <b>(380,816)</b> |
| <b>Loss from Operations</b>                            |       | <b>(18,624)</b> | <b>(380,469)</b> |
| <b>Capital Revenues</b>                                |       |                 |                  |
| State Government Grants                                |       |                 | 96,599           |
| Commonwealth Government Grants                         |       |                 | 96,599           |
| <b>Total Capital Revenues</b>                          |       | <b>0</b>        | <b>193,198</b>   |
| <b>Surplus / (Deficit)</b>                             |       | <b>(18,624)</b> | <b>(187,271)</b> |

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Balance Sheet as at 30<sup>th</sup> June 2010

|                                  | Notes | 2010<br>\$        | 2009<br>\$        |
|----------------------------------|-------|-------------------|-------------------|
| <b>Current Assets</b>            |       |                   |                   |
| Cash at Bank                     |       | 0                 | 3,524             |
| Investments                      | 1 (d) | 1,290,225         | 1,011,150         |
| Debtors - GST                    |       | 1,016             | 1,157             |
| <b>Total Current Assets</b>      |       | <b>1,291,241</b>  | <b>1,015,831</b>  |
| <b>Current Liabilities</b>       |       |                   |                   |
| Bank Overdraft                   |       | 6,034             | 0                 |
| Creditors                        |       | 3,000             |                   |
| <b>Total Current Liabilities</b> |       | <b>9,034</b>      | <b>0</b>          |
| <b>Net Current Assets</b>        |       | <b>1,282,207</b>  | <b>1,015,831</b>  |
| <b>Non Current Assets</b>        |       |                   |                   |
| Infrastructure                   | 4     | 14,832,720        | 14,832,720        |
| Land                             | 4     | 611,364           | 896,364           |
| <b>Total Non Current Assets</b>  |       | <b>15,444,048</b> | <b>15,729,084</b> |
| <b>Net Assets</b>                |       | <b>16,726,291</b> | <b>16,744,915</b> |
| <b>Equity</b>                    |       |                   |                   |
| Accumulated Surplus              |       | 16,726,291        | 16,744,915        |
| <b>Total Equity</b>              |       | <b>16,726,291</b> | <b>16,744,915</b> |

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

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY**

**Statement of Change in Equity for the Year Ended 30<sup>th</sup> June 2010**

|                                 | 2010              | 2009              |
|---------------------------------|-------------------|-------------------|
| Notes                           | \$                | \$                |
| <b>Accumulated Surplus</b>      |                   |                   |
| Balance at beginning of period  | 16,744,915        | 16,932,186        |
| Net Surplus / (Deficit)         | (18,624)          | (187,271)         |
|                                 | 16,726,291        | 16,744,915        |
| <b>Balance at end of period</b> | <b>16,726,291</b> | <b>16,744,915</b> |
| <b>Total Equity</b>             | <b>16,726,291</b> | <b>16,744,915</b> |

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

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY**

**Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2010**

|  | 2010             | 2009             |
|--|------------------|------------------|
| Notes  | \$               | \$               |
| <b>Cash Flows from Operating Activities</b>          |                  |                  |
| Receipts   | 314,872          | 264,963          |
| Payments   | (376,389)        | (313,263)        |
| Interest Receipts                                    | 46,034           | 49,630           |
|  | <b>(15,483)</b>  | <b>1,330</b>     |
| <b>Net Cash Provided by Operating Activities</b>     |                  |                  |
| <b>Cash Flows from Investment Activities</b>         |                  |                  |
| Receipts   | 285,000          | 193,198          |
| Payments   | 0                | (249,288)        |
|  | <b>285,000</b>   | <b>(56,090)</b>  |
| <b>Net Cash Used in Investment Activities</b>        |                  |                  |
| <b>Net Increase (Decrease) in Cash Held</b>          | <b>269,517</b>   | <b>(54,760)</b>  |
| <b>Cash at the beginning of the reporting period</b> | <b>1,014,674</b> | <b>1,069,434</b> |
| <b>Cash at the end of the reporting period</b>       | <b>1,284,191</b> | <b>1,014,674</b> |

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

1 **Statement of Significant Accounting Policies**

(a) **The Local Government Reporting Entity**

This financial report is a special purpose financial report prepared for use by the Gawler River Floodplain Management Authority. The Board has determined that the Authority is not a reporting entity.

The Gawler River Floodplain Management Authority is a Regional Subsidiary under Section 43 and Schedule 2 Of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, The Barossa Council, Town of Gawler, Light Regional Council, District Council of Mallala and the City of Playford.

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

(b) **Basis of Accounting**

This financial report has been prepared in accordance with the following Accounting Standards:

AASB 1031 Materiality

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

(c) **Employees**

The Association has no employees.

(d) **Investments**

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

(e) **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, net of outstanding bank overdraft.

2 **Functions / Activities of the Association**

(a) Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2b.

(b) The activities of the Authority are categorised into the following function / activities:

**Administration:** The operations of the Authority and its Board

**Other Environment:** Flood Mitigation

**Note 2b Functions of the Gawler River Floodplain Management Authority**

| Year                                       | Revenue |         |               | %      | Expenses       |        | Surplus (Deficit) |
|--|---------|---------|---------------|--------|----------------|--------|-------------------|
|  | Grants  | Other   | Total Revenue |        | Expenses Total | %      |                   |
| <b>Administration</b>                      |         |         |               |        |                |        |                   |
| 2010                                       | 237,610 | 76,034  | 313,644       | 51.5%  | 76,390         | 22.3%  | 237,254           |
| 2009                                       | 182,642 | 73,630  | 256,272       | 57.0%  | 255,925        | 50.7%  | 347               |
| <b>Other Environment: Flood Mitigation</b> |         |         |               |        |                |        |                   |
| 2010                                       | 0       | 295,002 | 295,002       | 48.5%  | 265,879        | 77.7%  | 29,123            |
| 2009                                       | 193,198 | 0       | 193,198       | 43.0%  | 249,288        | 49.3%  | (56,090)          |
| <b>Total</b>                               |         |         |               |        |                |        |                   |
| 2010                                       | 237,610 | 371,036 | 608,646       | 100.0% | 342,269        | 100.0% | 266,377           |
| 2009                                       | 375,840 | 73,630  | 449,470       | 100.0% | 505,213        | 100.0% | (55,743)          |

3 **Subscriptions**

The following subscriptions were levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for the year:

| Constituent Council         | Scheme Works |            | Maintenance   |            | Operations      |                 |
|-----------------------------|--------------|------------|---------------|------------|-----------------|-----------------|
|                             | 2010         | 2009       | 2010          | 2009       | 2010            | 2009            |
| Adelaide Hills Council      | \$0          | \$0        | \$173         | \$0        | \$5,000         | \$4,000         |
| The Barossa Council         | \$0          | \$0        | \$867         | \$0        | \$5,000         | \$4,000         |
| Town of Gawler              | \$0          | \$0        | \$1,734       | \$0        | \$5,000         | \$4,000         |
| Light Regional Council      | \$0          | \$0        | \$867         | \$0        | \$5,000         | \$4,000         |
| District Council of Mallala | \$0          | \$0        | \$2,892       | \$0        | \$5,000         | \$4,000         |
| City of Playford            | \$0          | \$0        | \$3469        | \$0        | \$5,000         | \$4,000         |
| <b>Total</b>                | <b>\$0</b>   | <b>\$0</b> | <b>10,002</b> | <b>\$0</b> | <b>\$30,000</b> | <b>\$24,000</b> |

4 **Non Current Assets, Non Current Liabilities**

The following are the Non Current Assets:

|  | 2010                | 2009                 |
|--|---------------------|----------------------|
| <b>Infrastructure</b>                      |                     |                      |
| North Para – at Cost                       | \$14,832,720        | \$14,650,218         |
| Plus new infrastructure – at Cost          |                     | \$182,502            |
|  | <u>\$14,832,720</u> | <u>\$14,832,720</u>  |
| South Para – at Cost                       | \$0                 | \$33,835             |
| less: Impairment of design and supervision |                     | <u>(\$33,835)</u>    |
|  | \$0                 | \$0                  |
| Lower Gawler River – at Cost               | \$0                 | \$311,559            |
| less: Impairment of design and supervision |                     | <u>(\$311,559)</u>   |
|  | \$0                 | \$0                  |
| <b>Total</b>                               | <b>\$14,832,720</b> | <b>\$14,832,720</b>  |
| <b>Land</b>                                |                     |                      |
| Land and Houses – at Cost                  |                     | 2,100,810            |
| less: Impairment - Houses                  |                     | <u>(\$1,235,810)</u> |
| Land and Easements – at Valuation          | \$896,364           |                      |
| Less: cost of land sold                    | <u>(\$285,000)</u>  |                      |
| Land – at Valuation                        | \$611,364           | \$865,000            |
| Land and Easements - additions             |                     | \$66,786             |
| less: Impairment                           |                     | <u>(\$35,422)</u>    |
|  |                     | \$31,364             |
| <b>Total</b>                               | <b>\$611,364</b>    | <b>\$896,364</b>     |
| <b>Total</b>                               | <b>\$15,444,084</b> | <b>\$15,729,084</b>  |

There are no Non Current Liabilities

**Gawler River Floodplain Management Authority – Financial Statements Year Ended 30<sup>th</sup> June 2010****5 Contractual Services**

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

|                                       | 2010      | 2009      |
|---------------------------------------|-----------|-----------|
| Consultants Operations                |           |           |
| Fred Pedler & Associates              | \$86,830  | \$94,300  |
| Allsurv Engineering Services Pty Ltd  | \$0       | \$1,364   |
| Australian Water Environments         | \$49,830  | \$77,461  |
| Maloney Field Services                | \$9,248   | \$5,739   |
| ETSA Utilities                        |           | \$17,280  |
| URS Australia Pty Ltd                 |           | \$8,087   |
| Urban and Regional Planning Solutions |           | \$8,158   |
| The Lighthouse Public Relations       |           | \$3,161   |
| North East Constructions Pty Ltd      | \$172,352 |           |
| Totals                                | \$318,260 | \$215,550 |
| Consultants Designs Infrastructure    |           |           |
| Bardavcol Pty Ltd                     |           | \$180,717 |
| Totals                                | \$318,260 | \$396,267 |

**6 Comparison of Budget and Actual Results**

|  | 2010         |              | 2009         |              |
|--|--------------|--------------|--------------|--------------|
|  | Budget<br>\$ | Actual<br>\$ | Budget<br>\$ | Actual<br>\$ |
| <i>Revenue</i>                                     |              |              |              |              |
| Administration                                     | 70,083       | 76,034       | 104,000      | 73,630       |
| Other Environment: Flood Mitigation<br>Maintenance | 2,233,208    | 247,612      | 0            | 182,642      |
| Other Environment: Flood Mitigation Capital        | 570,000      | 285,000      | 2,591,606    | 193,198      |
| Total Revenue                                      | 2,873,291    | 608,646      | 2,695,606    | 449,470      |
| <i>Expenditure</i>                                 |              |              |              |              |
| Administration                                     | 129,833      | 76,390       | 52,000       | 47,714       |
| Other Environment: Flood Mitigation<br>Maintenance | 2,684,070    | 265,879      | 0            | 208,211      |
| Other Environment: Flood Mitigation Capital        | 0            | 0            | 2,569,813    | 249,288      |
| Total Expenditure                                  | 2,813,903    | 342,269      | 2,621,813    | 505,213      |
| Surplus (Deficit)                                  | 59,388       | 266,377      | 73,793       | (55,743)     |

**7 Expenditure Commitment**

- An agreement has been entered into with SA Water Corporation to undertake flood mitigation works to the South Para Reservoir dam wall and spillway in 2011 for an estimated cost of \$4,370,213 which includes a 16% contingency.
- An agreement has been entered into with Fred Pedler & Associates to provide Executive Officer and Supervision of Consultants services to 31<sup>st</sup> December 2011.
- The State Government has approved funding for the Gawler River Flood Mitigation Scheme totalling \$8,166,612 of which \$6,867,190 has been paid to the Authority.
- The Commonwealth Government has approved funding for the Gawler River Flood Mitigation Scheme under the Regional Flood Mitigation Program totalling \$8,713,371 of which \$6,867,190 has been paid to the Authority.

**EXECUTIVE OFFICER'S STATEMENT**

I, **Frederick William Pedler**, the person for the time being occupying the position of Executive Officer of the Gawler River Floodplain Management Authority do hereby state that the financial statements for the Authority for the 2009 - 2010 financial year are to the best of my knowledge presented fairly and in accordance with accounting procedures which have been maintained in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

Dated 10<sup>th</sup> August 2009



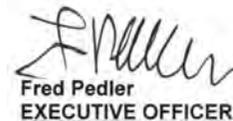
**Fred Pedler**  
**EXECUTIVE OFFICER**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

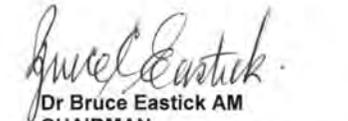
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Gawler River Floodplain Management Authority the Authorities Auditor, HLB Mann Judd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (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*.

Dated 19<sup>th</sup> August 2010



**Fred Pedler**  
**EXECUTIVE OFFICER**



**Dr Bruce Eastick AM**  
**CHAIRMAN**  
**GAWLER RIVER FLOODPLAIN**  
**MANAGEMENT AUTHORITY**

**ADOPTION STATEMENT**

Laid before the Board Meeting of the Gawler River Floodplain Management Authority and Adopted on Thursday 19<sup>th</sup> August 2010



**Dr Bruce Eastick AM**  
**CHAIRMAN**  
**GAWLER RIVER FLOODPLAIN**  
**MANAGEMENT AUTHORITY**

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY****INDEPENDENT AUDITOR'S REPORT**

To the constituent councils of the **GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY**:

We have audited the accompanying financial report, being a special purpose financial report, of the Gawler River Floodplain Management Authority, which comprises the balance sheet as at 30 June 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the Executive Officer's Statement as set out on pages 1 to 8.

**Board's Responsibility of for the Financial Report**

The Gawler River Floodplain Management Authority's Board is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Gawler River Floodplain Management Authority Charter and the constituent councils. The Board's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the constituent councils. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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

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City Office: Dowie House, 83-89 Currie Street, Adelaide SA | Telephone +61 (0)8 8231 4725

Postal: PO Box 377, Kent Town SA 5071

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by members of the Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to constituent councils for the purpose of fulfilling the Board's financial reporting requirements under the Charter. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the constituent councils constituent councils, or for any purpose other than that for which it was prepared.

Our audit did not involve an analysis of the prudence of business decisions made by the Board.

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

**Independence**

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

**Auditor's Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Gawler River Floodplain Management Authority as at 30 June 2010 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

  
**HLB MANN JUDD**  
**(SA Partnership)**  
**Chartered Accountants**



Adelaide

 August 2010

**Trevor D Hirth**  
**Partner**

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

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## Gawler River Floodplain Management Authority

Schedule of Constituent Council's Interests in Net Assets as at 30th June 2010

### Prepared to meet the requirements of Clause 15.5 of the Charter

"The 'Schedule of Constituent Councils' Interests in Net Assets' will reflect the proportionate contribution each Constituent Council has made to the growth of the net assets of the Authority having regard to the proportionate contribution to subscriptions. The Schedule when updated by the Board at the end of each financial year will reflect the proportionate contribution of each Constituent Council since the commencement of the Authority and once accepted by each Constituent Council will be evidence of the agreed proportion of a Constituent Council's interests in the net assets as at 30 June in that year."

For the purposes of this Clause All Subscriptions by Constituent Councils have been included. Contributions by Town of Gawler, Light Regional Council, District Council of Mallala and City of Playford to the mapping Project have been excluded.

This Schedule has been prepared on the basis that the Authority was 'wound up' on 30th June 2010. The value of infrastructure and land as stated in the Audited Financial Statements at 30th June have been included. Grants and contributions from the Commonwealth Government, State Government and the Northern Adelaide Barossa Catchment Water Management Board that have contributed to these costs have not been deducted.

#### Calculation of Net Equity

##### Assets

|                       |                      |
|-----------------------|----------------------|
| Investments / Debtors | \$ 1,291,241         |
| Infrastructure        | \$ 14,832,720        |
| Land                  | \$ 611,364           |
|                       | <b>\$ 16,735,325</b> |

##### Less Liabilities

|                       |                      |
|-----------------------|----------------------|
| Overdraft / Creditors | \$ 9,034             |
| <b>Net Equity</b>     | <b>\$ 16,726,291</b> |

#### Allocation of Councils Interest in Net Assets

| Constituent Councils        | Accumulated Subscriptions for Operations to 30 June 2010 | Accumulated Subscriptions for Maintenance to 30 June 2010 | Accumulated Subscriptions for Scheme Works to 30 June 2010 | All Subscriptions to 30 June 2010 | Percentage of Contributions to the Total | Council's Interests in Net Assets |
|-----------------------------|--|---|--|-----------------------------------|--|-----------------------------------|
| Adelaide Hills Council      | \$ 30,166  | \$ 173  | \$ 70,988  | \$ 101,327                        | 2.36%                                    | <b>\$ 395,554</b>                 |
| The Barossa Council         | \$ 30,166  | \$ 867  | \$ 354,951   | \$ 385,984                        | 9.01%                                    | <b>\$ 1,506,779</b>               |
| Town of Gawler              | \$ 30,166  | \$ 1,734  | \$ 709,892   | \$ 741,792                        | 17.31%                                   | <b>\$ 2,895,759</b>               |
| Light Regional Council      | \$ 30,166  | \$ 867  | \$ 354,951   | \$ 385,984                        | 9.01%                                    | <b>\$ 1,506,779</b>               |
| District Council of Mallala | \$ 30,166  | \$ 2,892  | \$ 1,183,146   | \$ 1,216,204                      | 28.38%                                   | <b>\$ 4,747,738</b>               |
| City of Playford            | \$ 30,166  | \$ 3,469  | \$ 1,419,763   | \$ 1,453,398                      | 33.92%                                   | <b>\$ 5,673,681</b>               |
|                             | <b>\$ 180,996</b>  | <b>\$ 10,002</b>  | <b>\$ 4,093,691</b>  | <b>\$ 4,284,689</b>               | <b>100.00%</b>                           | <b>\$ 16,726,291</b>              |

Schedule of Constituent Councils' Interests in Net Assets' as at the 30th June 2010 adopted by the Board in accordance with Clause 15.5 of the Charter on 19th August 2010.

**Gawler River Floodplain Management Authority**  
**Achievements Against the Business Plan 2009 – 2012 for the period July 2009 to June 2010**

For the previous achievements see the Annual Reports for the years ending June 2003 to 2009.

**Evaluation of Performance Against the Business Plan**

This Statement of Achievements Against the Business Plan will form part of the Key Outcomes Summary to Councils following the meetings at which it is tabled. The Statement will be prepared for the December, February, and June Board Meetings. The June report will form part of the GRFMA Annual Report 2009 - 2010.

**Part A: Funding**

| <b>Performance Targets:</b>       | <b>Timings:</b> | <b>To be measured By:</b>   | <b>Actual Achievements</b>   |
|-----------------------------------|-----------------|---|--|
| Secure Additional Project Funding | June 2009       | All Councils, stakeholders and Governments agree to contribute to the project in accordance with the Plan | <input checked="" type="checkbox"/> <b>May 2006 all Governments agree to the funding package totalling \$20 million</b><br><input checked="" type="checkbox"/> <b>March 2010 SMA approval for \$1,066,612 additional grants for South Para Reservoir project</b><br><input checked="" type="checkbox"/> <b>Scheme Total now \$21,721,927</b> |
| Grant Claims                      | At all times    | Lodge claims monthly for the payment of Commonwealth and State Government Grants.                         | <input checked="" type="checkbox"/> <b>Claims lodged at the end of the month</b>   |
| Maintain positive Cash Flow       | At all times    | Positive bank account balances at all times.  | <input checked="" type="checkbox"/> <b>Positive cash flow maintained</b>   |

**Part B: Proposed Flood Mitigation Scheme Works**

| <b>North Para Works</b>   |               |  |   |
|---|---------------|--|---|
| Construction of the North Para Flood Control Dam completed  | December 2007 | Completed  |   |
| Scope of work expanded to include the relocation of the Turretfield flow gauge weir and tipping bucket rain gauge to a site downstream from the proposed dam. Site selection and ecological impact assessment of the weir construction completed October 2007 |               |  |   |
| Approval for the construction of the flow gauge weir  | March 2008    | Water Affecting Activity Licence                     | <input checked="" type="checkbox"/> <b>October 2008</b>   |
| Construction of the flow gauge weir   | February 2008 | Call tenders for construction of the flow gauge weir | <input checked="" type="checkbox"/> <b>9<sup>th</sup> December 2008 Contract let (delayed by wet weather)</b> |
|   | June 2008     | Construction of the flow gauge weir completed        | <input checked="" type="checkbox"/> <b>23<sup>rd</sup> April 2010 construction completed</b>                  |

**Gawler River Floodplain Management Authority**  
**Achievements Against the Business Plan 2009 – 2012 for the period July 2009 to June 2010**

For the previous achievements see the Annual Reports for the years ending June 2003 to 2009.

| <b>South Para Works</b>  |                 |  |  |
|--|-----------------|--|--|
| <p>The South Para Reservoir is under the control and management of SA Water Corporation who have agreed to undertake the required modifications to the South Para Reservoir to provide the required level of flood mitigation capacity as a cost to the Scheme.</p> <p>Dam safety review and design proposal to modify the dam wall and spillway completed September 2005</p> <p>Detailed hydrology study of the catchment using the very latest methodologies let to Department of Transport, Energy and Infrastructure completed March 2007.</p> |                 |  |  |
| <b>Performance Targets:</b>  | <b>Timings:</b> | <b>To be measured By:</b>                          | <b>Actual Achievements</b>   |
| Detailed design of works   | March 2009      | Completion of detailed design and tender documents | <input checked="" type="checkbox"/> <b>Sep 2009 Final Design and ECI offer completed</b><br><input checked="" type="checkbox"/> <b>Sep 2009 GRFMA share of costs advised</b><br><input checked="" type="checkbox"/> <b>March 2010 GRFMA acceptance of shared cost estimate</b> |
| Construction of the works  | September 2009  | Completion of construction                         |  |

| <b>Lower Gawler River</b>   |           |  |   |
|---|-----------|--|---|
| <p>Following the November 2005 flood the scope of works was amended to include a geotechnical assessment of the existing flood control levees was undertaken in March 2006</p> <p>The Mapping Project Stage Two identified that the parallel flow path identified as Strategy 6d proposed to carry the mitigated flow through the Lower Gawler River in a formalised parallel flood path would be drowned out in a 1 in 100 year flood event.</p> <p>Alternate preliminary strategies to protect the townships identified in the Mapping Project Stage Two.</p> |           |  |   |
| Prioritisation on a cost benefit basis of identified strategies to reduce flooding from the Gawler River  | June 2008 | Approval of strategies to mitigate flooding on the Gawler River. | <input checked="" type="checkbox"/> <b>December 2008 - Assessment Report completed</b><br><input checked="" type="checkbox"/> <b>December 2008 - Strategy 6d abandoned.</b> |

**Gawler River Floodplain Management Authority**  
**Achievements Against the Business Plan 2009 – 2012 for the period July 2009 to June 2010**

For the previous achievements see the Annual Reports for the years ending June 2003 to 2009.

| <b>Mapping of the Floodplain</b>   |                 |   |   |
|--|-----------------|---|---|
| <p>Following the receipt of the <i>Department for Transport Energy and Infrastructure</i> Hydrological Study of the Gawler River Catchment – March 2007 report, in May 2007 the Board approved a Mapping of the Floodplain project to identify the parts of the floodplain that will remain at risk of flooding, post works, in a 100 ARI flood event.</p> <p>Australian Water Environments with Water Technology Australia were engaged in June 2007 to undertake the project</p>   |                 |   |   |
| <b>Performance Targets:</b>  | <b>Timings:</b> | <b>To be measured By:</b>   | <b>Actual Achievements</b>  |
| Preparation of flood mapping   | February 2008   | Flood mapping plans prepared  | <input checked="" type="checkbox"/> <b>Stage 1 completed February 2008</b>  |
| Preparation of concept flood mitigation strategy and final report  | April 2008      | Concept flood mitigation strategy prepared  | <input checked="" type="checkbox"/> <b>Stage 2 completed December 2008</b>  |
| Prioritisation of strategies   | June 2008       | Prioritised Strategies Prepared   | <input checked="" type="checkbox"/> <b>Proposed as part of Gawler River Flood Mitigation Scheme Mark Two Strategy</b> |
| <p>In September 2009 SA Water advised the GRFMA of its share of the costs to undertake the South Para Reservoir Works. As this cost significantly exceeded earlier cost estimates and the budgeted provision for the project a revised application was made to the Stormwater Management Authority (SMA) for additional funding. The SMA advised that the GRFMA should prepare a mapping and cost benefit case to support the application for additional funding. This action was endorsed by the Board (GRB 09/0044 of 15th October 2009)</p> |                 |   |   |
| Preparation of floodplain mapping Addendum – WO South Para Works   | October 2009    | Mapping series and 'difference' maps prepared for the scenario WO South Para Works  | <input checked="" type="checkbox"/> <b>Addendum map series completed October 2009</b>                                 |
| Preparation of Cost Benefit study South Para Works   | November 2009   | A report of the benefit of the cost of the South Para works against the estimated flood damages if the works do not proceed | <input checked="" type="checkbox"/> <b>Cost benefit report completed November 2009</b>                                |

**Gawler River Floodplain Management Authority**  
**Achievements Against the Business Plan 2009 – 2012 for the period July 2009 to June 2010**

For the previous achievements see the Annual Reports for the years ending June 2003 to 2009.

**Gawler River Flood Mitigation Scheme – Mark Two**

Following the receipt of the Gawler River Floodplain Mapping Project – Flood Mitigation Options – Preliminary Assessment – AWE November 2008 - Final Draft and the Gawler River Floodplain Mapping Project – Flood Mitigation Options – Preliminary Assessment – AWE December 2008 – Stage Two Report, the Board approved the preparation of a **Gawler River Flood Mitigation Scheme – Mark Two** report that will guide the Board in its assessment of Priority Two Works (see above)

**The funding for this project has been withdrawn due to South Para Project cost overrun**

**Part B: Maintenance of the Scheme**

| <b>Performance Targets:</b>   | <b>Timings:</b>           | <b>To be measured By:</b>       | <b>Actual Achievements</b>  |
|---|---------------------------|---------------------------------|---|
| Preparation of a Schedule of Dam Maintenance Works including costings | January 2008              | Completion of the Schedule      | <input checked="" type="checkbox"/> <b>O&amp;M Plan adopted July 2008</b>   |
| Six monthly inspection  | June and December         | Completion of Inspection Report | <input checked="" type="checkbox"/> <b>April 2009 – Dam Inspector Inspection</b><br><input checked="" type="checkbox"/> <b>Sep 2009 - Dam Inspector Inspection</b><br><input checked="" type="checkbox"/> <b>April 2010 – Dam Inspector Inspection</b>  |
| Inspection following initial filling of the Dam                       | Within one month of event | Completion of Inspection Report | <input checked="" type="checkbox"/> <b>Nov 2009 - Call for survey services</b><br><input checked="" type="checkbox"/> <b>Dec 2009 – Alexander Symonds engaged as surveyor</b><br><input checked="" type="checkbox"/> <b>Approval for the erection of two additional survey pillars October 2009</b><br><input checked="" type="checkbox"/> <b>April 2010 – AWE engaged as construction designers and project superintendent</b> |

**Gawler River Floodplain Management Authority**  
**Achievements Against the Business Plan 2009 – 2012 for the period July 2009 to June 2010**

For the previous achievements see the Annual Reports for the years ending June 2003 to 2009.

**Part C: Operation of the Regional Subsidiary**

| <b>Performance Targets:</b>            | <b>Timings:</b>   | <b>To be measured By:</b>   | <b>Actual Achievements</b>   |
|--|---|---|--|
| Reports to Stakeholders                | Twice yearly  | The publication and distribution of a Fact Sheet to all stakeholders and affected landowners.   | <input checked="" type="checkbox"/> <b>Dam Opening fact Sheet August 2008</b>  |
|  | Bi-Monthly  | Key Outcomes Summary to be published following each Board Meeting to include a summary of the progress of the development of the Scheme.  | <input checked="" type="checkbox"/> <b>Business Plan 2009 – 2012 adopted June 2009</b><br><input checked="" type="checkbox"/> <b>Achievements against the Business Plan 2009 – 2012 completed in December, April and June.</b> |
| Maintain effective Regional Subsidiary | December  | The performance of the Executive Officer be reviewed annually   | <input checked="" type="checkbox"/> <b>Review conducted January 2010</b>   |
|  | August  | The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually.  | <input checked="" type="checkbox"/> <b>Review conducted August 2009</b>  |
| Review of the Business Plan            | By 31 <sup>st</sup> March                                     | Review the Business Plan prior to preparing the Budget<br>Forward to the Councils   | <input checked="" type="checkbox"/> <b>Approved for consultation 15<sup>th</sup> April 2010</b>  |
| Annual Budget                          | By 31 <sup>st</sup> March, June, October, December, April     | Adopt for consultation forward to Councils<br>Adopt Budget – copy to Councils in 5 days<br>Conduct Budget Reviews   | <input checked="" type="checkbox"/> <b>Approved for consultation 15<sup>th</sup> April 2010</b><br><input checked="" type="checkbox"/> <b>Adopted 17<sup>th</sup> June 2010</b>  |
| Subscriptions                          | June<br>December  | Send half year subscriptions to Council<br>Send half year subscriptions to Council  | <input checked="" type="checkbox"/> <b>All subscriptions paid</b>  |
| Report to Constituent Councils         | Following each Board meeting<br>By 30 <sup>th</sup> September | The receipt of the following reports by Councils:<br><ul style="list-style-type: none"> <li>• Board Meeting Key Outcome Summary</li> <li>• Annual Report including Annual Financial Statements</li> </ul> | <input checked="" type="checkbox"/> <b>Key Outcomes Summary distributed following each meeting</b><br><input checked="" type="checkbox"/> <b>Annual Reports forwarded to Councils 2<sup>nd</sup> September 2009</b>            |



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