

DISTRICT COUNCIL OF LOWER EYRE PENINSULA ANNUAL REPORT 2010/11



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INDEX

1. A Message from the Mayor
2. Chief Executive Officer's Report
3. Council History and Profile
4. Council Map
5. Governance
 - Elected Members
 - Photo and History
 - Allowances Paid to Elected Members
 - Training & Development Activities for Members
 - Representation Review
 - Decision Making Structure of Council
 - Council Committees and Delegations
 - Allowances Paid to Council Committee Members
 - Confidentiality Provisions
 - Service Delivery
6. Staff
 - Senior Executive Officers
 - Organisational Structure
 - Staff List
 - Organisational Chart
 - Human Resource Management
7. Freedom of Information
 - Freedom of Information Statement
8. Documents Available to the Public
 - Council Policies
 - Registers
 - Codes of Conduct and Codes of Practice

9. Other Information
 - Auditor Remuneration
 - National Competition Policy
 - Community Land
 - Progress on Preparing Management Plans for Community Land
10. Strategic Plan
 - Performance in Implementing the Plan
 - Projections and Targets
11. Annual Business Plan
 - Performance in Implementing the Plan
12. Southern Eyre Peninsula Subsidiary
13. Eyre Peninsula Local Government Association

Appendix A

District Council of Lower Eyre Peninsula Financial Statements

Appendix B

Council Policies

Appendix C

Southern Eyre Peninsula Subsidiary Annual Report and Financial Statements

Appendix D

Eyre Peninsula Local Government Association Annual Report and Financial Statements

1. A MESSAGE FROM THE MAYOR

Following the Local Government elections in November 2010, four new Councillors; Cr Wendy Holman, Cr Jo-Anne Quigley, Cr Peter Mitchell and Cr Don Millard joined three re-elected members; Cr Leon Murray, Cr Paul Pedler and myself. At the first Council meeting of the newly formed Council in late November, Cr Pedler was elected as Deputy Mayor and I was elected Mayor for the next four years. I thank my fellow Councillors for their support and confidence and will endeavour to lead Council to the best of my ability. I also thank the previous Council members for their commitment to Council and their community. I would like to congratulate the other candidates who nominated as that gave people a choice.

It was not an easy time to come on Council. Council was required to sign off on significant long ranging decisions early in the term. These projects included the Port Lincoln Airport terminal upgrade and waste management contracts; both of which had been evolving during the past year or more. Councils CEO, Rod Pearson is to be commended on the Induction program that he and other senior staff members initiated to help both 'new' and 'old' Councillors understand the history of the various projects, what had been done, what was currently happening, and what was still to be done.

The Induction program in December included a Council training day, where senior staff members talked about their roles, the projects that were underway and what was planned, and included an all day Airport workshop. An informal gathering in January was also part of this program and was considered so successful that another is planned for later in the year.

I commend the Council and Regional Development Australia Whyalla and Eyre Peninsula staff who worked to a very tight timeframe to put together a business plan and a number of State and Federal Government grant applications for the redevelopment at the airport. At the time of writing this report I am pleased to announce that we have been successful in these funding applications. This will enable Council to keep the passenger levy as low as possible, which Council has done in the past, in line with its policy that it is a community asset.

The Coffin Bay Town Centre redevelopment had been a long awaited project and it was wonderful in March to have the Governor of South Australia, Rear Admiral Kevin Scarce declare the Coffin Bay Town Centre open. Council is very proud of this lovely park and its facilities, in what is now truly the 'Coffin Bay Town Centre'. I commend Council staff for their efforts in sourcing considerable funding that enabled this \$1 million project to be undertaken, and for their dedication to the vision to create a park and town centre where locals and visitors are able to come and enjoy Coffin Bay's ambience.

The cost of waste management is escalating. As a means to reduce landfill costs, Council decided to adopt a 'one bin' policy. This policy has caused significant community debate, however I believe in the long term it will prove to be the best solution. Council's decision not to proceed with a kerbside recycling collection at this stage due to the cost was not an easy one. Recycling collection is being offered at transfer stations in Coffin Bay and Cummins. Port Lincoln City Council also offer a similar service.

1. A MESSAGE FROM THE MAYOR

cont'd:

In May this year I became President of the Eyre Peninsula Local Government Association and Eyre Peninsula's representative on the Local Government State Executive Committee. It is an honour to serve in this role. It provides me with an opportunity to represent our community and the wider region at a State level.

During the year several major mining explorations have commenced. This has given rise to serious community concern about the impacts on good quality farming land and our lifestyle. There are also concerns about workforce retention and transport corridors. We as a community will have to manage negative impacts at the same time as benefiting from the extra economic activity. Council and the community have some serious decisions to make regarding how we deal with the impacts of this new industry.

On top of this busy year, it was business as usual for road maintenance, road construction, planning and delivering all of the services that a Council provides. Thank you to everyone who has been a part of the team.

MAYOR J K LOW.

2. CHIEF EXECUTIVE OFFICER'S REPORT

The election of a new Council in November 2010 has resulted in the election of four new Councillors to represent our vast Council area for the next four years. I would like to pay tribute to retiring Councillor's Max Hill, Gaile Bobrige, Neville Trezise and Phil Porter for their untiring efforts in recent years.

The transition to a new Council is always challenging, and this year has been no exception. Significant issues and decisions have been required of the Council, in particular in relation to ongoing projects including the Port Lincoln Airport Upgrade and changes to our waste management arrangements. I compliment the new Councillors in the manner they have embraced the challenges and they will clearly leave their mark on the Council district by way of the projects that are currently being undertaken.

I commend the Council staff who have pursued the range of issues presented to them and it is noted that three years into the current six year Strategic Plan virtually all projects have either been completed or are being progressed satisfactorily.

The Local Government sector has seen the emphasis shift from financial sustainability to a greater focus on governance and accountability, both to the community and by way of legislation. This has proved challenging for smaller regional Council's and has invoked discussion on ways that we can collaborate with our neighbouring Council's to meet the requirements. The District Council of Lower Eyre Peninsula has this year participated in a Governance Review undertaken by Wallman's Lawyers and a Sustainability Assessment arranged by the Local Government Association which is being progressively rolled out across the Local Government sector.

New appointments to staff have included Robert Fox as a Development Assessment Officer to assist with the ever increasing work load in our Development Department and Jayne Berden who has joined Council's airport team as the Airport Compliance Officer.

We also saw the departure of Glenda Pickford and Dianne Modra from our administration area, and welcome Anastasia McMillan and Marie Kimber into administration roles.

Changes have been made in the structure of our work gangs with Peter Wandner taking over the role of Area Supervisor for both the Cummins and Lincoln gangs. This structure has its challenges by way of distance and work load and is under constant review. Other changes to the gangs has seen Matt Newland gain permanent employment with the Lincoln gang.

Significantly the Coffin Bay Foreshore Re-development project was opened by the Governor in March and is a project of which Council can take great pride. It is envisaged and budgeted to continue to undertake works to add to this area of great enjoyment for the community.

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2. CHIEF EXECUTIVE OFFICER'S REPORT

cont'd:

Staff resources and Councillors have been heavily engaged in planning for the \$12m Port Lincoln Airport upgrade and seeking grant funding. Positive announcements in this regard since the end of the financial year have been gratefully received. This project will be the largest undertaken in the history of the Council and all involved have embraced the project with great enthusiasm and we envisage a project which will truly present Eyre Peninsula on the wider stage.

The airport continues to be a vital cog in the Eyre Peninsula's infrastructure, and is a significant business activity of Council. Passenger numbers have increased by 25% over the past eighteen months with both Regional Express and Qantaslink operating regular and valuable services between Port Lincoln and Adelaide.

Commencement of the new Coffin Bay Caravan Park ablution block, planning for the Cummins office re-development and finalisation of plans for the Tulka Waste Water management system will ultimately result in improved facilities for visitors, property owners and the local community.

Politically, Council has been involved in the development of draft marine parks, and Council will play a further role in the economic assessment of the impact of these parks later in the 2012 calendar year. The draft marine parks have been prepared and presented to the Minister for Environment & Conservation for consideration following a period of hard work by the Thorny Passage Marine Parks reference group.

The other political issue facing Eyre Peninsula Council's will be the commencement of mining activities, with Lincoln Minerals indicating their desire to commence mining in our Council area later in 2012. The Eyre Peninsula Council's have decided to participate in a mining impact assessment across the peninsula, and our Council will be heavily involved in this project.

The review of the Strategic Plan, incorporating development of Infrastructure and Asset Management Plans and Ten Year Financial Plans will provide the new Council with the opportunity to shape the future of our district in coming years.

Agriculture continues to underpin a significant part of our Council district, and the region has come off the back of two magnificent cropping seasons, albeit with much of last seasons crop suffering from rain damage. This industry supported by tourism, aquaculture, fishing and the pending mining industries should ensure that our region remains buoyant into the future.

**R W PEARSON
CHIEF EXECUTIVE OFFICER**

3. COUNCIL HISTORY AND PROFILE

The District Council of Lower Eyre Peninsula has its origins entrenched in the area of Port Lincoln and Districts.

The District Council of Port Lincoln was proclaimed on 1 January 1880, and its area comprised only the Hundred of Lincoln.

Following the passing of the District Council's Act No. 419 of 1887 the area of the District Council of Port Lincoln was extended on 5 January 1888 to include the remainder of the County of Flinders and all the surrounding islands, making a total area of 4,771 square kilometres.

On 3 July 1890 the Hundreds of Kiana, Mitchell and Shannon were added to the Council area - another 1,372 square kilometres.

The Hundreds of Yaranyacka, Koppio and Stokes were severed from the District Council of Port Lincoln and together with other areas formed the District Council of Tumby Bay - promulgated on 21 June 1906.

On 18 August 1921, an area of 2,153 hectares was severed from the District Council of Port Lincoln to become the Corporate Town of Port Lincoln, with the remainder of the area becoming known as the District Council of Lincoln.

On 21 March 1935, approximately 1,214 hectares was severed from the Corporation of Port Lincoln and re-annexed to the District Council of Lincoln.

On 1 July 1981, an area of 1,970 hectares was severed from the District Council of Lincoln and annexed to the Corporation of the City of Port Lincoln.

On 1 July 1982, an area of 1,634 hectares was severed from the District Council of Lincoln and annexed to the District Council of Tumby Bay.

The Council area was divided into five wards until 1938, when on 7 April, the area was further divided to create six wards, with one Councillor for each ward. This remained until 20 February 1947, when the number of Councillors for Mortlock Ward was increased to two, effective from the first Saturday in July. On 19 November 1987, a proclamation was gazetted re-dividing the area into four wards, whilst maintaining the number of Councillors at seven. These changes took effect on 1 January 1989.

On 21 January 1988, by proclamation in the government Gazette, the name of the Council was changed to the District Council of Lower Eyre Peninsula.

(continued):

3. COUNCIL HISTORY AND PROFILE

cont'd:

On 7 April 1994, a proclamation appeared in the Government Gazette to abolish the ward boundaries and the seven Councillor memberships were retained.

The Council today encompasses an area of 4,763 square kilometres with 684 km of coastline. The resident population is 4,921 and the Council is responsible for maintaining a road network of 1,316 km of which 135 km is sealed. Council owns and operates the Port Lincoln Airport, which plays a vital role in the transport system serving Eyre Peninsula. The airport catered for 200,000 passengers and 14,800 aircraft movements in 2010/11, supported by competition arising from the introduction of Qantalink services complimenting the existing Regional Express service. Council owns and operates sixteen aged / handicapped independent living units in Cummins. Council also owns the Coffin Bay Caravan Park and the operation of this facility is leased to independent managers.

The District Council of Lower Eyre Peninsula is largely a rural community, interspaced with small country and coastal towns. The extensive east and west coasts of Council's boundaries provide magnificent fishing and surfing beaches, complimented by breathtaking views of rugged cliffs, idyllic picnic-spots and the beauty of the colour-changing Marble Ranges. The major industries of agriculture, aquaculture, fishing and tourism are recognised as being of primary significance in the State's economy.

The Head Office of Council is in Cummins and the original office in Port Lincoln has been retained as a Branch Office. Works Depots and staff are located in Cummins and at the Port Lincoln Airport. Council has a work force of thirty nine employees and contracts out a number of specialised functions and major projects.

Facilities provided by other organisations in the area include a medical clinic and hospital with hostel accommodation at Cummins, the Cummins Area School providing for students from reception to year 12, a Medical Centre at Coffin Bay, Rural Primary Schools at Lake Wangary and Poonindie and a wide range of sporting facilities throughout the district.

As at 30 June 2011 the Council comprised of, J K (Julie) Low (Mayor), P B (Paul) Pedler (Deputy Mayor), W (Wendy) Holman, J T (Jo-Anne) Quigley, L P (Leon) Murray, D B (Don) Millard and P L (Peter) Mitchell.

4. Map of Council Boundary



Main Office:

32 Railway Terrace,
Cummins SA 5631

Ph: 8676 2106
Fax: 8676 2375
8.30 am – 5.00 pm

PO Box 41
Cummins SA 5631

Branch Office:

38 Washington Street,
Port Lincoln SA 5606

Ph: 8682 1622
Fax: 8683 0232
10.00 am – 1.00pm / 2.00pm – 4.00pm

Council Meetings:

9.00 am - Third Friday of every month

Email: mail@dclep.sa.gov.au

Web: www.lowereyrepeninsula.sa.gov.au

5. GOVERNANCE

- **ELECTED MEMBERS**
 - **Photo and Council History**



Mayor J K Low

Elected: 1995
Chairman Finance: 2000 – 02
Chairman Works: 2002 – 2010
Deputy Chair: 2002 - 2006
Deputy Mayor: 2006- 2009
Mayor 2009- Current



Deputy Mayor P B Pedler

Elected: 2003
Chairman Finance: 2007 – 2011
Deputy Mayor: 2009 – Current



Cr L P Murray

Elected: 2003
Elected: 1975 - 1983
Previous Chairman- Finance & Works



Cr W Holman

Elected: 2010
Elected: 2003 - 2006



Cr D B Millard

Elected 2010



Cr J T Quigley

Elected 2010



Cr P L Mitchell

Elected 2010

Allowance Paid to Elected Members

The following annual allowances were paid to members for the year ending 30 June 2011:

Mayor: \$28,060

Deputy Mayor and or Presiding Member of one or more Standing Committees: \$9,830

All other Members: \$8,240.

Councillors who reside within the DCLEP boundary and are 50 km or more from the Cummins Office receive an extra \$500 per year.

A mileage allowance is paid for travel to Council and other approved meetings.

- **ELECTED MEMBERS**

- **Training & Development Activities for Members**

Various Elected Members attended seminars and workshops throughout the year, to enhance their awareness of local government in our community and at a statewide level. This included an induction workshop conducted by Wallmans Lawyers soon after the election of the new Council. In addition further induction programs were provided in house concentrating on the issues before Council at the time of the election.

- **REPRESENTATION REVIEW**

As at the last closing date under the Local Government (Elections) Act 1999 the number of electors for the area was 3126 with 7 Councillors constituting the Council, resulting in a “representation quota” of 446.

The District Council of Lower Eyre Peninsula is classified as Rural Agricultural Medium (RAM) and the average “representation quota” for the eleven South Australian Councils in this classification is 297.

Councillor Representation Quota Comparisons

Information provided by the Local Government Association of SA.

Council	Electors	Members	Representation Quota
Barunga West	2022	9	224
Ceduna	2144	9	238
Goyder	3173	7	453
Kangaroo Island	3442	10	344
Kingston	1896	11	237
Lower Eyre Peninsula	3414	7	487
Mt Remarkable	2284	7	326
Peterborough	1351	9	150
Southern Mallee	1501	9	166
Tumby Bay	2133	9	237
Yankalilla	3652	9	405

Provisions of the Local Government Act 1999 require Council to comprehensively review the composition of the Council at least once in every eight years. The District Council of Lower Eyre Peninsula completed a Representation Review in July 2009.

Section 12 of the Local Government Act 1999 provides for interested persons to make written submissions to any elector representation review conducted by Council. It also provides for interested persons to make written submissions on the elector representation final report prepared by Council following a review. In both cases people making a submission are also entitled to appear before Council (either in person or by representation) to be heard on their submission.

Council received two letters from the public in relation to the final report following public consultation. The outcome of the review was that Council determined to retain the current representation model.

- **DECISION MAKING STRUCTURE OF COUNCIL**

The decision making body of Council is the full Council whose standard meeting date is on the third Friday of every month, with other meetings called as required. In addition to this Council has established a number of Committees to assist with the decision making process. The Committees generally meet at least once per month, or on an as needs basis. These Committees are as set out below with the membership as at 30 June 2011.

- **COUNCIL COMMITTEES AND DELEGATIONS**

- **Council Committees**

Cummins Homes Committee

Membership: Maureen Maloney, Avis Colbert, Jodi Black, Pat Speed, G Hall, Jenny Goosens and Peter Wandner as representatives of the Community and PB Pedler (Chairman) and JT Quigley as representatives of Council.

Audit Committee

Membership: Mayor J Low, Cr W Holman, Mr D Watson and Mrs M Mattsson.

Independent Members receive an allowance of \$40 per meeting attended. A mileage allowance is paid for travel to Audit Committee meetings.

Airport Redevelopment Committee

Membership- Mayor J Low, Cr J Quigley

Staff Committee

Membership: Mayor Low, Cr Millard and Cr Holman

Development Assessment Panel

In addition to these Committees Council has also established a Development Assessment Panel. The panel operates independently to Council and is responsible for the assessment of development applications against the provisions of Council's Development Plan. Membership of the panel at 30 June 2011 was M L Roberts (Presiding Member), Mayor J K Low, Cr W Holman, Cr P L Mitchell, J Isle, A Chappell and I Fitzsimons.

- **Allowances Paid to Council Committee Members**

Community representatives appointed to the Development Assessment Panel were paid sitting fees as follows:

Presiding Member: \$150.00 per meeting attended.

Other Members: \$100.00 per meeting attended.

A mileage allowance is paid for travel to Development Assessment Panel meetings.

5. GOVERNANCE

cont'd:

- **COUNCIL COMMITTEES AND DELEGATIONS**

cont'd:

- **Delegations**

Council employs a number of staff to undertake the day to day running of the organisation and to facilitate the provision of services to the community. Council have delegated authority to members of staff to make decisions on various administrative and operational matters. These delegations are listed in the Policy Manual and are reviewed periodically by the Council.

- **CONFIDENTIALITY PROVISIONS**

The number and type of meetings held during 2010/11 where the public were excluded are as follows:

- 16 Council Meetings
- 3 Committee Meetings (Finance / Works)

As at the 30 June 2011 seventeen matters have been kept confidential and a decision to keep those minutes confidential will be reviewed by June 2012.

- **SERVICE DELIVERY**

This Council uses a variety of options to ensure the cost-effective delivery of services. These include:

- Waste collection and disposal of collected waste is subject to competitive tendering.
- Operation of waste transfer stations is undertaken by Council employees.
- Council's public convenience cleaning is subject to competitive tendering.
- The majority of Council's gardening and footpath maintenance undertaken by a combination of contracting by competitive tendering and Council's workforce and equipment.
- All bitumen work, including maintenance and new work, is subject to competitive tendering.

5. GOVERNANCE

cont'd:

- **SERVICE DELIVERY**

cont'd:

- The construction of open surface roads is a significant part of Council's ongoing service delivery program. The method of delivering this service is a combination of Council staff and equipment used on hourly hire rates, with contractors paid at unit rates. This has been found to be the most cost-effective method to undertake this type of work over many years. The contract component relies on production rates to generate contractor payments and the Council staff component ensures standards and quality requirements are met without excessive supervision costs.
- The construction of sealed roads is also undertaken using a combination of contract components and Council staff and equipment charged at hourly hire rates. Works Department staff continually monitor the unit costs of such work against other Councils and contractors to ensure cost-effective outcomes.
- All major projects of a specialised nature, such as the crushing of road base material or specialist project planning, are subject to a competitive tendering process.
- Council's work teams are given an opportunity to tender for all services which are subject to a competitive tendering process.
- Council's Policy regarding purchasing procedures includes: *Preference for local suppliers is encouraged where the quality and price are competitive.*

6. STAFF

- **SENIOR EXECUTIVE OFFICERS**

Council employs five senior executive officers. Details of the senior executive positions and the officers currently holding the positions and a summary of benefits provided to the officers for year ending 30 June 2011 is as follows:-

- **Chief Executive Officer:** Rodney Pearson
 - Salary
 - Private use of motor vehicle
 - Mobile phone
- **Works Manager/ Deputy Chief Executive Officer** Damian Windsor
 - Salary
 - Private use of motor vehicle
 - Mobile phone
- **Airport Manager:** Peter Aird
 - Salary
 - Private use of motor vehicle
 - Mobile phone
- **Development Manager:** Leith Blacker
 - Salary
 - Private use of motor vehicle
 - Mobile Phone
- **Accountant:** Troy Smith
 - Salary
 - Private use of motor vehicle
 - Mobile Phone

- **ORGANISATIONAL STRUCTURE**

- **Staff List**

- Administration**

Rod Pearson	Chief Executive Officer
Troy Smith	Accountant
Karla Telfer	Secretary / Records Officer
Bryce Breed	Finance Officer
Margaret Wandner	Rates Officer (Part Time)
Anastasia McMillan	Administration Officer – Front Desk
Marie Kimber	Administration Officer (Part Time)
Julie Elliott	Administration Officer (Part Time)
Carolyn Miller	Administration Officer (Part Time)
Sacheen Hopewell	Administration Officer (Part Time)
Pam Story	Administration Officer – Lincoln Office
Jenni Windsor	Administration Officer – Lincoln Office (Part Time)
Julie Crettenden	Community Development Officer (Part Time)

- Development and Environmental Services**

Leith Blacker	Development Manager
Robert Fox	Development Assessment Officer
David Hall	General Inspector

- Works Department**

Damian Windsor	Works Manager / Deputy Chief Executive Officer
Gary Jutzen	Technical Officer
Peter Wandner	Area Supervisor
Andrew Edwards	Project Officer

- **Cummins Gang:**

Craig Meyers	Ganger
Trevor Arnold	Municipal Worker
Willy Jansen	Municipal Worker
Paul Mickan	Municipal Worker
Terry Sampson	Municipal Worker
Chris Jones	Municipal Worker
Jim Newland	Waste Transfer Station Operator
Gary Walter	Municipal Worker

- **Lincoln Gang:**

Alistair Morton	Ganger
Dave Harrold	Municipal Worker
Mark Paxon	Municipal Worker
Matt Newland	Municipal Worker
Trevor Bateman	Municipal Worker
Chris Carter	Municipal Worker
Greg Smith	Effluent Maintenance Worker

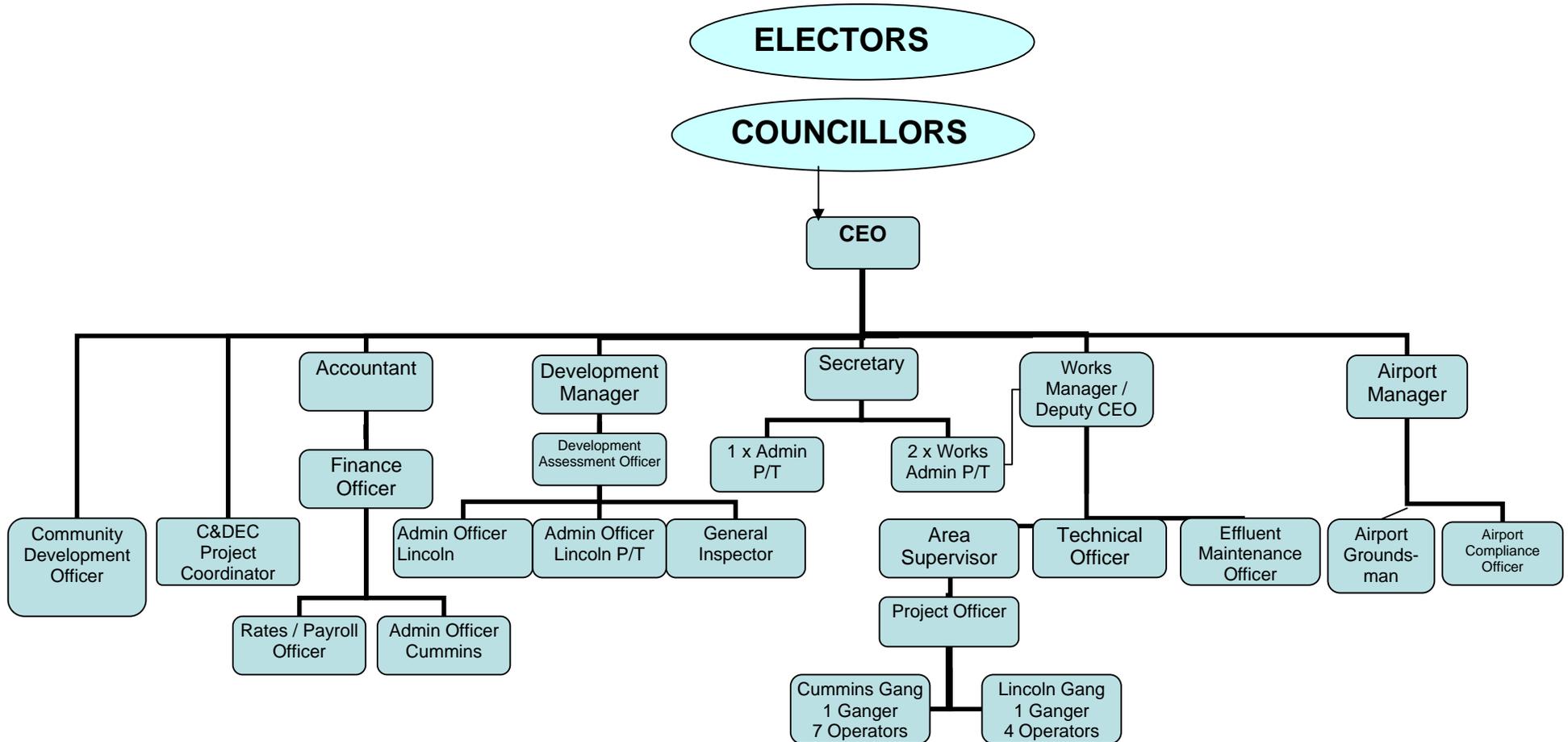
- Port Lincoln Airport:**

Peter Aird	Airport Manager
Jane Berden	Airport Compliance Officer
Dion Clarke	Airport Groundsman

6. STAFF

cont'd:

○ ORGANISATIONAL CHART



- **HUMAN RESOURCE MANAGEMENT**

The District Council of Lower Eyre Peninsula believes it has a social responsibility towards all Members of its community and is required to create an employment environment which reflects the values and needs of the community.

Accordingly, the District Council of Lower Eyre Peninsula is firmly committed to the principle of equal employment opportunity for all Staff.

Council's policies reflect commitment to create a work place that is free of discrimination and in which all people are permitted equal access and opportunity to progress to the full extent of their ability.

Council have a Consultative Committee, comprising of:-

- 2 representatives from the Works Department

- 1 representative from the Administration Department

- 2 representatives from Management

- (1 being the Chief Executive Officer who is also the EEO Officer)*

- 1 Councillor.



7. FREEDOM OF INFORMATION

o Freedom of Information Statement

1. General Information

The Freedom of Information Act 1991 provides legislation and guidelines for access and provision of information to the public. If Council refuses access to a document a certificate must be issued stating the reason for the document being treated as a restricted document.

Most information and files held by the District Council of Lower Eyre Peninsula are available for public viewing. There are some exceptions such as personal and personnel records and matters which are subject to litigation, however, information is generally readily available for viewing at no charge or at a minimal reproduction charge.

Most information is readily available without recourse to the Freedom of Information Act and members of the public are invited to discuss access to Council documents not available for inspection, free of charge or for purchase with the Chief Executive Officer.

All requests under Section 13 of the Freedom of Information Act 1991 for access to documents should be accompanied by the relevant application fee and directed in writing to: -

The Chief Executive Officer
District Council of Lower Eyre Peninsula
PO Box 41, Cummins SA 5631

Additional search fees may apply to requests where substantial staff time is involved to access the requested documentation.

2. Requests Received for Information under the Freedom of Information Act 1991

No Certificates relating to Freedom of Information requests were issued under the Freedom of Information Act 1991, in the 12 months to 30 June 2011.

3. Request by Public for Amendment to Council Records

The Chief Executive Officer will consider requests for amendment of Council records concerning personal affairs of a member of the public. Where appropriate a request for amendment of a Council record, as set out in Section 31 of the Freedom of Information Act 1991, as amended, will be required to be made. In such instances applications are required to be addressed to: -

The Chief Executive Officer
PO Box 41, Cummins SA 5631

4. Council Policy Documents

Council's policy documents are available for inspection or purchase at the principal office of Council, Railway Terrace, Cummins SA 5631, between the hours of 9.00 am and 5.00 pm, Monday to Friday, excluding Public Holidays.

5. Council Regulation – Acts and Plans

Council is regulated under several Acts and / or is required to provide information under other Acts. A listing of key Acts and Plans that Council either operates under or takes guidance from includes: -

Local Government Act 1999
Freedom of Information Act 1991
Building Code of Australia + Relevant Australian Standards
Public and Environmental Health Act 1987
Food Act 2001
Environmental Protection Act 1993
Dog and Cat Management Act 1995
Development Act 1993
Fire and Emergency Services Act 2005
Lower Eyre Peninsula Development Plan – 24 February 2011
District Council of Lower Eyre Peninsula Strategic Plan
District Council of Lower Eyre Peninsula Annual Business Plan
South Australian Strategic Plan

8. DOCUMENTS AVAILABLE TO THE PUBLIC

- **COUNCIL POLICIES**

Council's Policy Documents are available for inspection or purchase at the principal office of Council, Railway Terrace, Cummins, SA 5631, between the hours of 9.00 am and 5:00 pm, Monday to Friday, excluding Public Holidays.

A copy of the index to Council's Policy Manual has been included in this report as **Appendix "B"**. This sets out the full list of Council's policy documents as at 30 June 2011.

- **REGISTERS**

The following are the registers required to be kept under the Local Government Act 1999:

- Members Register of Interests
- Members Register of Allowances and Benefits
- Officers Register of Salaries and Benefits
- Officers Register of Interests
- Community Land
- Public Road Names
- By Laws
- Council Committees
- Council and Regional Subsidiaries
- Notification of Special Meetings
- Fees & Charges

The following are registers required to be kept under the Local Government (Elections) Act 1999:

- Campaign Donation Returns prepared by candidates

Council is compliant with these requirements.

- **CODES OF CONDUCT AND CODES OF PRACTICE**

The following are the Codes of Conduct required to be kept under the Local Government Act 1999:

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

Council is compliant with these requirements.

9. OTHER INFORMATION

- **AUDITOR INDEPENDENCE**

Ian G McDonald has been appointed Council's Auditor for a 5 year period. During the 2010/11 financial year the remuneration paid to the Auditor was \$10,500. There were no amounts paid for non audit fees.

- **NATIONAL COMPETITION POLICY**

Council has not conducted any category one or two "Significant Business Activities" or submitted any "In House Tenders" for Council activities during the 2010/11 year.

Council received no competitive neutrality complaints during the year.

Council had no by-laws in operation during the 2010/11 year.

- **COMMUNITY LAND**

- **Progress on Preparing Management Plans for Community Land**

Council has reviewed the classification of all land and following the required public consultation procedure 39 parcels of land have been excluded from the Community Land classification. These exclusions leave a further 143 parcels of land still classified as Community Land. Community Land Management Plans have been prepared in draft format and will be considered by Council.

10. STRATEGIC PLAN

The District Council of Lower Eyre Peninsula Strategic Plan 2008 - 2014 was adopted by Council in October 2008 and outlines the objectives of the Council for the six year period. The Strategic Plan is currently being reviewed with a draft copy expected to be released for public consultation early in 2012.

The 2010/11 year was the third financial year following the adoption of the current Strategic Plan and the following is a summary of the performance of the Council in implementing the plan during the year.

Objective 1 Provide and Maintain Appropriate Infrastructure and Services

1.1 Improve, in an effective and efficient way, the standard of the unsealed road network throughout the Council area:

- Rubble road re-sheeting works carried out with expenditure of \$562,000 as against the strategic plan amount of \$432,500

Projection for 2011/12

- \$615,000 to be spent on rubble road re-sheeting.

1.2 Continue the program of sealing township roads according to strategic priorities:

- Tulka Esplanade and Short Street, Tulka. Budgeted works of \$250,000 were completed at a cost of \$117,000 resulting in a considerable saving with no budgeted loan borrowings required to fund the projects. Strategic Plan allocation was \$204,000.
- Bruce Terrace, Cummins. Budgeted works of \$150,000 in line with Strategic Plan (09/10 Strategic Plan amount was carried over) were commenced with \$15,000 spent. Remaining works have been carried over to 2011/12.

Projection for 2011/12

- Bruce Terrace, Cummins – \$135,000
- Howard Avenue, Boston Township – \$150,000
- Hirchausen Road, Poonindie – \$110,000
- Correa Drive, Coffin Bay – \$80,000

1.3 Continue to seek opportunities to fund rural roads of regional significance

- Old Flinders Highway, Budgeted works of \$28,000 were completed at a cost of \$16,500 for pavement investigations to attain the likely cost to complete the reseal. The cost is likely to exceed \$1m and as such grant funding is being sought to assist with the funding. 2009/10 carried over Strategic Plan allocation was \$400,000

Projection for 2011/12

- Farm Beach Road (In front of shacks to car park – \$100,000).
- Sullivan Drive – \$688,000.

1.4 Upgrade infrastructure to meet current and future needs:

- Council spent \$59,000 on design costs and planning for upgrades to the Port Lincoln Airport Terminal building with construction to commence in 2011/12.

Budget allocations for Taxiway Upgrade \$500,000, Apron Upgrade \$1,000,000, Lighting Upgrade \$10,000 and General Car Park Extensions \$150,000 had only minor amounts spent totalling \$9,000 and all works have been carried over to 2011/12.

Unbudgeted works were completed to upgrade the unsealed apron and taxiway totalling \$26,000.

The Strategic Plan included \$1.45m in 2008/09 and \$3m in 2009/10 to complete these upgrades.

- Budgeted works of \$20,000 for footpath construction in North Shields against Strategic Plan allocation of \$20,000 was not undertaken. Work has been carried over to enable a greater scope of works to be completed due to another \$20,000 allocation to North Shields footpaths in 2011/12.
- \$20,000 to replace Tod pipes per the Strategic Plan was completed as part of the Formed & Surfaced Roads maintenance program.
- \$400,000 carry over from 2008/09 to upgrade the Cummins Council office was not undertaken however design plans are progressing well with current cost estimates indicating the project is able to be completed within an achievable budget allocation. This amount has been increased to \$700,000 in 2011/12 as a further carry over.
- Budgeted works of \$100,000 in line with the Strategic Plan for Stormwater upgrades at Tulka were completed as part of the Tulka Road Sealing projects. The scope of works was revised to produce adequate drainage at a lower cost resulting in a considerable saving with no budgeted loan borrowings required to fund the project.

10. STRATEGIC PLAN

cont'd:

1.4 Upgrade infrastructure to meet current and future needs: cont'd:

- Budgeted works of \$44,000 for Street Lighting upgrades in Coffin Bay were commenced with \$33,000 spent in 2010/11. Revised cost estimates have seen \$20,000 carried over to 2011/12 to complete the project.

Projection for 2011/12

- Airport Terminal Upgrade – \$9,048,000
- Airport Taxiway & Apron – \$1,723,000
- Airport Lighting – \$16,500
- Airport General Car Park – \$165,000
- Apron Interface & Landscaping – \$150,000
- Electrical Upgrade – \$354,000
- Cummins Office Redevelopment – \$700,000
- Footpath construction, North Shields – \$40,000
- Street Lighting, Coffin Bay – \$20,000
- Stormwater Construction, Bruce Tce, Cummins – \$100,000

1.5 Plan for Infrastructure needs in the future to ensure efficiencies of operation:

- The following projects are planned over the six year period of the plan and were not commenced during the 2010/11 year
 - Assist in formulating Lower Eyre Peninsula Boat Ramp strategy
 - Use Asset Management Plan to assess all future infrastructure development proposals – (Plan relating to buildings and infrastructure is expected to be completed in 2011/12 year)
 - Plan for future industrial transport needs, including heavy vehicle parking in Cummins
 - Plan for future road network in Farm Beach area
 - Port Lincoln Office Plans
- The following projects are planned over the six year period of the plan and were commenced during the 2008/09, 2009/10 years and have continued in 2010/11
 - Use Asset Management Plan to assess the impact of future road sealing and determine maintenance requirements – (Plan for roads has been adopted with information provided leading Council to increase rates by 1% to create a Sealed Roads Reserve for future upgrades and replacement in the 2009/10 year)
 - Design plans for Airport upgrade are close to being completed which has included liaison with SATC, RDA and the Airline operators in regards to future needs of the airport terminal.
 - Footpath Plan
 - Cummins Traffic Management Strategy

Projection for 2011/12

- Continue with objectives contained in six year plan as above using a combination of existing Council staff resources and consultants.
- Airport Terminal upgrade including design costs budgeted to be completed at a cost of \$9,148,00

10. STRATEGIC PLAN

cont'd:

Objective 2 Strive for good governance incorporating open communication, sound planning and responsible financial management

2.1 Improve methods of communicating with rate payers and residents

- The following objectives are identified in the plan and were maintained or developed during the 2010/11 year
 - Maintain face to face customer service in Port Lincoln
 - Promote Council through Port Lincoln Times Focus Page article
 - Council web site was partly upgraded at a cost of \$1,500 with the remaining \$3,500 carried over for completion in 2011/12.

Projection for 2011/12

- Continue with objectives contained in six year plan as above using a combination of existing Council staff resources and consultants.

2.2 Minimise the financial and physical risks faced by Council:

- Infrastructure & Asset Management Plans being developed (Roads section of plan has been adopted in 2010/11 year with Buildings and other Infrastructure to be completed in 2011/12).
- The following objectives are identified in the plan and were maintained or developed during the 2010/11 year.
 - Maximise opportunities for collaboration with other Councils (CEO attended meetings with other Councils regarding Shared Services).
 - Maintain a framework to meet OHS&W legislation as important aspects of employee safety (Continue towards implementation of 'One System' OHS&W Policies & Procedures).
 - Identify, assess and mitigate physical and financial risks, in conjunction with LGA Mutual Liability Scheme

Projection for 2011/12

- Continue with objectives contained in six year plan as above using a combination of existing Council staff resources and consultants.

2.3 Develop Planning Policy Documents

- Coffin Bay Deferred Urban Zone DPA – Public consultation has concluded and the final document has been endorsed by Council and has been forwarded to the Minister for approval.
- Boston Township Rural Living DPA Statement of Intent lodged with Department of Planning and Local Government.
- North Shield Settlement Zone DPA –Public consultation has concluded and the Council is reviewing the draft plan based on public and agency feedback.

10. STRATEGIC PLAN

cont'd:

2.3 Develop Planning Policy Documents cont'd:

- Cummins Township DPA has stalled pending assessment of issues raised by government agencies during the consultation phase. It is expected that these issues can be satisfactorily dealt with during the next financial year.
- Coastal and General DPA (including Better Development Plan Conversion) – Council staff have recommenced a review of the draft document for further consideration by Council.

Projection for 2011/12

- Finalise Coffin Bay Deferred Urban DPA
- Finalise North Shields Settlement Zone DPA
- Pursue Boston Rural Living DPA
- Pursue Coastal & General DPA
- Finalise Cummins Township DPA
- Commence Greater City of Port Lincoln Structure Plan

2.4 Develop plans for the future of specific sites:

- The following plans are identified to be developed over the six year period of the plan and have not been commenced to the end of 2010/11 year
 - Plan for future of the Pines Area
 - Council have undertaken significant clearing of The Pines Area, which will impact on the plan to be developed
 - Management plan for Lions Picnic Area, Lincoln Highway
- The following plans are identified to be developed over the six year period of the plan and have been commenced or continued in 2010/11
 - Plan for future of Cummins Institute
 - Options for the future of the Big Swamp Hall
 - Draft Management plan for the Coffin Bay Foreshore has been released for Public Consultation.

Projection for 2011/12

- Continue with objectives contained in six year plan as above using existing Council staff resources

10. STRATEGIC PLAN

cont'd:

- 2.5 Plan for future service needs in our community
- Staff will continue to be given the opportunity to undertake Cadetships and any other training that is appropriate to Council administrative functions.
 - Council has continued to participate in the LGA Shared Services project with the focus on OHS&W across the region and Human Resource Management.

Projection for 2011/12

- Continue to participate in LGA shared services project
- Management training for Managers and Supervisors.

Objective 3 Be responsible in the use and sustainable management of our heritage, natural resources and environment

- 3.1 Plan and implement upgraded waste management options
- Council have continued work to develop a sub regional land fill facility in conjunction with City of Port Lincoln and District Council of Tumby Bay.
 - Council adopted a 'one bin' policy for all rateable assessments with a second bin available for purchase at a cost of \$180. Ratepayers requiring more than two bins are deemed to be commercial producers of waste and are able to make alternative arrangements for additional collections with a waste collection contractor of their choice.
 - Budget allocation of \$217,000 in 2010/11 for Transfer Station development in Cummins and Coffin Bay saw the completion of this project. Work commenced in 2009/10 and costs totalled \$304,000 over two years against a Strategic Plan allocation of \$250,000.
 - A final budget allocation of \$40,000 was allowed in 2010/11 to complete capping of the Cummins & Coffin Bay dump sites. Work commenced in 2008/09 and costs totalled \$195,000 over three years against a total Strategic Plan allocation of \$240,000.
 - Council subsidises recycling activities through the waste transfer stations by \$20,000 in line with the Strategic Plan.
 - The following project is planned over the six year period of the plan
 - Assess the future needs for further transfer stations

Projection for 2011/12

- \$15,000 allocated for Landfill Gas Risk Assessments at the capped Cummins, Coffin Bay & Edillilie dump sites.

3.2 Upgrade management of effluent waste and consider options for reuse

- The following objectives are identified for consideration over the six year period of the plan and were not commenced during the 2010/11 year
 - Develop strategies for any upgrades to current schemes and investigate the need for a new scheme at Gledstanes Terrace.

- The following objectives are identified for consideration over the six year period of the plan and were commenced / progressed during the 2010/11 year
 - Undertake an extensive review of scheme audits, our current management practises and schedule for charging residents connected to CWMS in order to meet State Government Funding Expectations
 - Plans for upgrades to the Tulka CWMS have continued with \$793,000 budgeted in 2011/12 to upgrade and expand the scheme.
 - Cummins CWMS upgrade completed including new Treatment Plant and pump station upgrades totalling \$47,000. The outcome has seen treated water being made available for watering of the town oval. \$120,000 has been budgeted in 2011/12 for further pump station upgrades.
 - In 2010/11 Council amalgamated all effluent schemes within one reserve and equalised Occupied and Vacant levies applied to each scheme

- The following project not included in the Strategic Plan was undertaken in the 2010/11 year.
 - Coffin Bay CWMS power upgrades totalling \$14,000.

Projection for 2011/12

- \$120,000 provided to complete pump station upgrades at the Cummins CWMS.
- \$793,000 provided to complete upgrade at Tulka CWMS.
- \$15,000 provided to upgrade Station J in the industrial area at Coffin Bay.

10. STRATEGIC PLAN

cont'd:

3.3 Protect the natural and built environment by better stormwater management

- \$150,000 was identified in the Strategic Plan for Coffin Bay Stormwater projects in the 2009/10 year, however this project has been deferred pending consideration and finalisation of the stormwater management plans.
- Tulka stormwater systems were upgraded as they relate to sections of The Esplanade and Short Street which were sealed during 2010/11.

Projection for 2011/12

- \$20,000 provided to construct a rain garden stormwater system at the Coffin Bay Town Centre project utilising grant funding provided by the EPNRM. This project is not identified in the Strategic Plan.
- Finalise plans for upgrade of Stormwater Management systems in Bruce Terrace, Cummins.

3.4 Protect the coastal environments in areas of high tourism and residential use:

- The following objective was identified to be undertaken over the six year period of the plan and was not completed during the 2010/11 year
 - Development of a Management plan for camping sites in coastal areas
- Construction of Farm Beach car park public conveniences was not undertaken as Council had continued, unsuccessfully, to seek grant funding for facilities at Sleaford Bay.
- Budget allocation of \$21,500 to upgrade public conveniences at North Shields in line with the Strategic Plan was not commenced and these works have been carried over to 2011/12.
- Council developed design plans to progress construction of a sea wall at North Shields. This project has been carried over to 2011/12, and the Coast Protection Board will be funding 50% of the costs, budgeted to be \$300,000, Council's Strategic Plan allocation was \$147,500.

Projection for 2011/12

- No budget allocation was made for Sleaford Bay public conveniences however Council will continue to explore opportunities to access 50% grant funding for the project.
- \$21,500 provided for upgrade of North Shields toilets.
- \$300,000 provided for Sea wall at North Shields.
- Strategic Plan allocation of \$84,000 for public conveniences at Farm Beach car park has not proceeded due to Council prioritising Sleaford Bay toilets.
- Continue with objectives contained in six year plan as above using existing Council staff resources

10. STRATEGIC PLAN

cont'd:

3.5 Manage other environmental risks in the Council area:

- The following objectives are identified for consideration over the six year period of the plan and were continued during the 2010/11 year
 - Support the bushfire prevention committee to establish strategies for specific works
 - Carry out works as identified in the Bushfire Prevention Plan
 - Work co-operatively with EPNRMB on projects where Council infrastructure is involved
- Council identified Operational Risks and changes required to Council work practises to respond to climate change risk via the development of a Climate Change Adaption Strategy report prepared in conjunction with the Local Government Association Mutual Liability Scheme.
- The following objectives were identified for consideration over the six year period of the plan and were not commenced during the 2010/11 year
 - Encourage EPNRMB to undertake a strategic drainage study to identify priority works re salinity, including an assessment of Council's infrastructure requiring upgrading
 - Investigate the need for an Emergency Management Plan

Projection for 2011/12

- Continue with objectives contained in six year plan as above using existing Council staff resources and EPNRMB resources.

Objective 4 Improve the quality of life for residents

4.1 Encourage participation of youth in our community:

- Council provided support to Youth Advisory Committee including the provision of funding to support Youth Week. \$1,500 was carried over to 2011/12.
- Youth dialogue project deferred in 2010/11 year due to no suitable project being identified.

Projection for 2011/12

- Youth Advisory Committee – \$3,000
- Youth week funding – \$3,000
- Youth Dialogue – \$2,000

4.2 Assist the well – being of our residents:

- \$6,000 provided to assist Coultas Memorial Hall Association with upgrade to the Coultas Hall, \$16,000 provided to Kapinnie Recreation Hall Association with upgrades to netball courts and \$6,000 allocated to the Port Lincoln Sporting Car Club for track upgrades. This was \$3,000 more than the strategic plan allocation which provides \$25,000 to assist sporting clubs and community groups with capital projects.
- Works identified under the Coffin Bay Town Centre project totalling \$453,000 continued in 2010/11 with further works carried over to 2011/12. As at 30 June 2011, \$973,000 had been spent on the foreshore redevelopment project.
- Council held public consultation during the formulation of the Annual Business Plan and the Coffin Bay community did not see the extension of the Oyster Walk as a priority and as such the project did not proceed. Further works on the foreshore redevelopment were prioritised. The strategic plan allocation was \$40,000.
- No budget allocation was made per the Strategic Plan allocation of \$100,000 as a contribution to the Cummins Recreation Centre as the project was considered to be unlikely to commence in 2010/11. A contribution of \$50,000 has been allocated in 2011/12 for upgrades to the canteen and change rooms at the Cummins swimming pool.
- Assist in the possible development of a Coffin Bay Retirement Complex in co-operation with a Developer.
 - Council has re-affirmed its commitment to a Retirement Village on at least a part of Section 669. Council has had the land valued, undertaken community consultation, met with health professionals, held discussions with DPLG & Native Vegetation Council and reviewed its zoning provisions in Coffin Bay.

10. STRATEGIC PLAN

cont'd:

4.2 Assist the well – being of our residents: cont'd:

- The following objective is identified for consideration over the six year period of the plan and was not undertaken during the 2010/11 year
 - \$50,000 to assist private developers by providing road infrastructure in future residential land divisions in Cummins over the five year period of the plan. This offer not taken up by developers in 2010/11 year

Projection for 2011/12

- Continue with objectives contained in six year plan as above using existing Council staff resources.
- \$25,000 provided to continue to fund community groups and sporting clubs.
- \$140,000 provided towards Coffin Bay Town centre project.
- Pursue opportunities for a Retirement Village on Section 669, Coffin Bay.
- \$50,000 allocated for Cummins Recreation Centre for new canteen, change rooms and toilet facilities at the Cummins swimming pool.

4.3 Reduce some of the health risks for residents:

- Immunisation program funding provided to school in line with strategic plan
- Library funding provided to Cummins School Community Library and associated Coffin Bay Branch while Council made a \$5,000 contribution towards the operation of the Port Lincoln TAFE library
- The following projects are planned over the six year period of the plan and were commenced during the 2010/11 year
 - Implement Rural Property Addressing to assist in emergencies
 - Consolidation of property addresses and naming of un-named roads in conjunction with government agencies ready for roll out of program expected in 2011/12 year
- The following projects are planned over the six year period of the plan and were not commenced during the 2010/11 year
 - Identify and address areas of need re appropriate disability access to Council facilities
 - Funding not spent in 2010/11 year, however these funds have been allocated for disabled access to the redeveloped Council offices in 2011/12

Projection for 2011/12

- Continue with objectives contained in six year plan as above using existing Council staff resources
- \$25,000 has been allocated to the Council office redevelopment for disability access
- Completion of Rural Property Addressing roll out

Objective 5 Assist the community to be vibrant, prosperous and sustainable

5.1 Maximise tourism opportunities in our community:

- The following objectives are planned over the six year period of the plan and were commenced or continued during the 2011/12 year:
 - Council has liaised with SATC and other stake holders in regards to an Eyre Peninsula marketing campaign. The SATC has decided to pursue this campaign using its own funding.
 - Council has monitored Tourism Eyre Peninsula quarterly reports to assess growth in demand on Council infrastructure
 - Council contributed \$8,600 to TEP as core funding contribution in line with strategic plan objective
 - \$39,000 spent erecting fencing and improving site definition at the Farm Beach camp ground. Total Strategic Plan allocation over three years was \$200,000 however this was based on plans to model the area similar to September beach. These plans will no longer be pursued due to a dissimilar area layout.

Projection for 2011/12

- Upgrade effluent disposal system at Farm Beach Camping Ground – \$15,000
- Continue with six year projects as above

5.2 Maintain and Improve Council's tourism assets

- Motor Home Sullage Point to be constructed in North Shields was not undertaken, however negotiations are continuing with the local community to identify a suitable site.
- Upgrade of road ways in Coffin Bay Caravan Park completed at cost of \$58,000
- Coffin Bay Caravan Park Ablution Block replacement was commenced with \$105,000 spent. Strategic Plan allocation was \$300,000 however \$605,000 was provided in 2010/11 budget based on project estimates.

Projection for 2011/12

- Continue investigation into appropriate locations for Sullage Point in North Shields area.
- Complete Coffin Bay Caravan Park Ablution Block (Budget allocation over two years is \$605,000).
- Upgrade Louth Bay public conveniences effluent disposal system and redefine campgrounds (\$33,000)

10. STRATEGIC PLAN

cont'd:

Objective 5 Assist the community to be vibrant, prosperous and sustainable; cont'd

- 5.3 Assist in promotion of regional development in Council area
- Council contributed \$20,500 to Regional Development Australia as annual contribution in line with strategic plan objective
 - Council continues to make available the Community Development Officer to assist the community with grant funding applications and information
 - Council liaises with Regional Development Australia on regional development projects where appropriate

Projection for 2011/12

- \$22,000 budgeted as contribution to RDA Whyalla and Eyre Peninsula

11. ANNUAL BUSINESS PLAN

The Annual Business Plan for the 2010/11 year was developed with Council conscious of the need to provide improved services and to also make allowance for the future upgrade or replacement of existing assets.

The plan was formulated bearing in mind a balance between the desire to contain rate rises and the achievement of the objectives of the Council strategic plan.

The Local Government Financial Sustainability inquiry of Local government in South Australia has adopted the use of seven key financial indicators by the industry to monitor performance.

The key index is the Operating Surplus which was \$1,437,000 for the year being an increase from the \$261,000 surplus recorded in the previous financial year.

The surplus was \$275,000 higher than the surplus of \$1,162,000 projected in the budget for the year.

However, after deducting the profit made from Council's business activities, in particular the Port Lincoln Airport profit of \$885,000, the operating surplus from remaining Council activities is reduced to \$437,000. The major contributing factors to the higher surplus are listed as follows:-

	<u>Surplus/(Deficit)</u>	<u>Comment</u>
<u>Income</u>		
FAG Grant – Roads	\$ 25,000	Amount unknown at time of budget
FAG Grant – General	\$ 42,000	Amount unknown at time of budget
Airport Passenger Levy	\$194,000	Conservative passenger numbers used when setting budget
Bank Interest Received	\$ 80,000	Budget figure set expecting Airport reserve funds to be spent
<u>Expenses</u>		
Long Service Leave	(\$72,000)	New reporting requirements introduced
Members Allowances	(\$26,000)	Amounts set by remuneration tribunal
Consultants Fees – Development Act	(\$38,000)	Over budget expenditure
Garbage Disposal Expenditure	\$45,000	Dump Capping at Coffin Bay & Cummins completed 2009/10
Sealed Roads Maint.	\$62,000	Works carried over to 2011/12
Formed & Surfaced Roads Maintenance	(\$54,000)	Increase in overheads and unbudgeted flood damage repairs
Pt Lincoln Airport (PLA) – Other Expenditure	\$50,000	\$40,000 budgeted contribution to Marketing campaign not paid
PLA – Insurance	\$24,000	Higher than budgeted rebate received
PLA – Consultants	\$26,000	Under budget expenditure
PLA – Sealed Pavements	\$29,000	Under budget expenditure
Jetties Maintenance	\$28,000	Works carried over to 2011/12
Machinery Operations	(\$70,000)	Over budget expenditure
Depreciation	(\$106,000)	Higher than budgeted depreciation

11. ANNUAL BUSINESS PLAN

cont'd:

The actual operating surplus recorded represented an Operating Surplus Ratio of 32%. This is higher than the LGA recommendations for the industry however this figure includes the surplus from Council operated business activities. It is noted that after deducting the operating surplus from Business Activities and CWMS' that Council recorded an operating profit of \$437,000 on its core activities that sits within the recommended LGA guidelines.

Council has financial assets in excess of total liabilities of \$1,542,000 at 30 June with net interest revenue exceeding finance costs by \$61,000.

The Local Government Act stipulates that Council was required to develop a Long Term Financial Plan and an Infrastructure and Asset Management Plan as part of its suite of Strategic Plans. The Long Term Financial Plan was updated and adopted in April 2011 and will be reviewed annually. The Infrastructure and Asset Management Plan is currently under development and will be used to evaluate spending requirements on replacement of existing assets to ensure that adequate provision is made for these works. Council adopted the roads section of the plan in March 2011 and final adjustments are currently being made to Council's other assets with the full finalised plan due to be completed in 2011/12.

Council's revenue amounted to \$8.3 million with General Rate Revenue contributing \$3.9 million or 47 percent. Other significant income came from User Charges (1.8 million) which principally results from the Port Lincoln Airport operations, and Operating Grants and Subsidies (1.3 million).

Reserve funds continue to be maintained for the Port Lincoln Airport, Cummins Homes and Coffin Bay Caravan Park to ensure that funds generated from these activities are available for future replacement of assets and upgrades as required.

Major Capital Works projects for the year included: -

- Tulka CWMS (Commenced) \$ 52,000
- Cummins CWMS \$ 47,000
- Coffin Bay Town Centre (Incomplete) \$453,000
- Farm Beach Camp Ground \$ 39,000
- Coffin Bay Caravan Park – Roads \$ 58,000
- Coffin Bay Caravan Park – Ablution Block \$105,000 (Incomplete)
- Coffin Bay & Cummins Transfer Station \$192,000 Construction

Road sealing works were undertaken including the following: -

- Tulka – Esplanade & Short Street \$117,000
- Flinders Highway (Investigations) \$ 17,000
- Cummins – Bruce Terrace (Investigations) \$ 15,000

Rural road re-sheeting costs amounted to \$562,000 and included significant works on Point Drummond Road, Hull Road, Higgins Road, Merintha Creek Road, Glover Road, Lawrence Road, Quartz Hill Road, Charlton Gully Road, Proctor Road, Green Road, Kellidie Bay Road, Pines Road, Coast Road, Coles Point Road & Douglas Well Road.

The budgeted new Sleaford Bay Public Convenience has been delayed due to the inability to access State Government Funding. It is noted that this project has not been re-budgeted, however as it is included in the Strategic Plan the Council will continue to endeavour to source matching funding for the project.

Council budgeted \$600,000 for upgrading of the Cummins office with plans for this project close to being completed. A revised budget amount of \$700,000 has been included in the 2011/12 budget with staff confident the project can be delivered within this allocation.

Port Lincoln Airport Infrastructure upgrades including the sealed taxiway and apron, car park areas and lighting were put on hold pending grant application with the State and Federal Governments. Grant funding totalling \$6.5 million has since been confirmed as successful and the project, including an entire new Terminal Building is expected to proceed in the 2011/12 year.

Budgeted funding assistance was provided to community groups with direct assistance provided to the Kapinnie Hall & Recreation Committee \$16,000, Coult Memorial Hall Association \$6,000 and Port Lincoln Sporting Car Club \$6,000 with Community Reserves Support Grants totalling \$4,000 being provided to the Louth Bay Community Club & Coffin Bay Progress Association.

Routine services provided including walking trail maintenance, footpath maintenance and construction, waste management, library contributions, cemetery management, street lighting, foreshore maintenance, reserves maintenance and regulatory planning and development activities along with animal management proceeded generally in accordance with the Annual Business Plan.

12. SOUTHERN EYRE PENINSULA SUBSIDIARY

Council continues to participate in the Southern Eyre Peninsula Subsidiary as a Regional Subsidiary in conjunction with the District Council of Tumby Bay. The subsidiary provides the mechanism by which the two Councils jointly own one bulldozer and low loader for shared use. This innovative resource sharing venture has enabled both Councils to have the use of specialised equipment, while at the same time ensuring optimum usage of the equipment. The result of this partnership continues to provide savings in the ownership costs of a high capital cost machine.

A copy of the Annual Report and audited financial statements for the Southern Eyre Peninsula Subsidiary for 2010/11 has been included in this report as **Appendix "C"**.

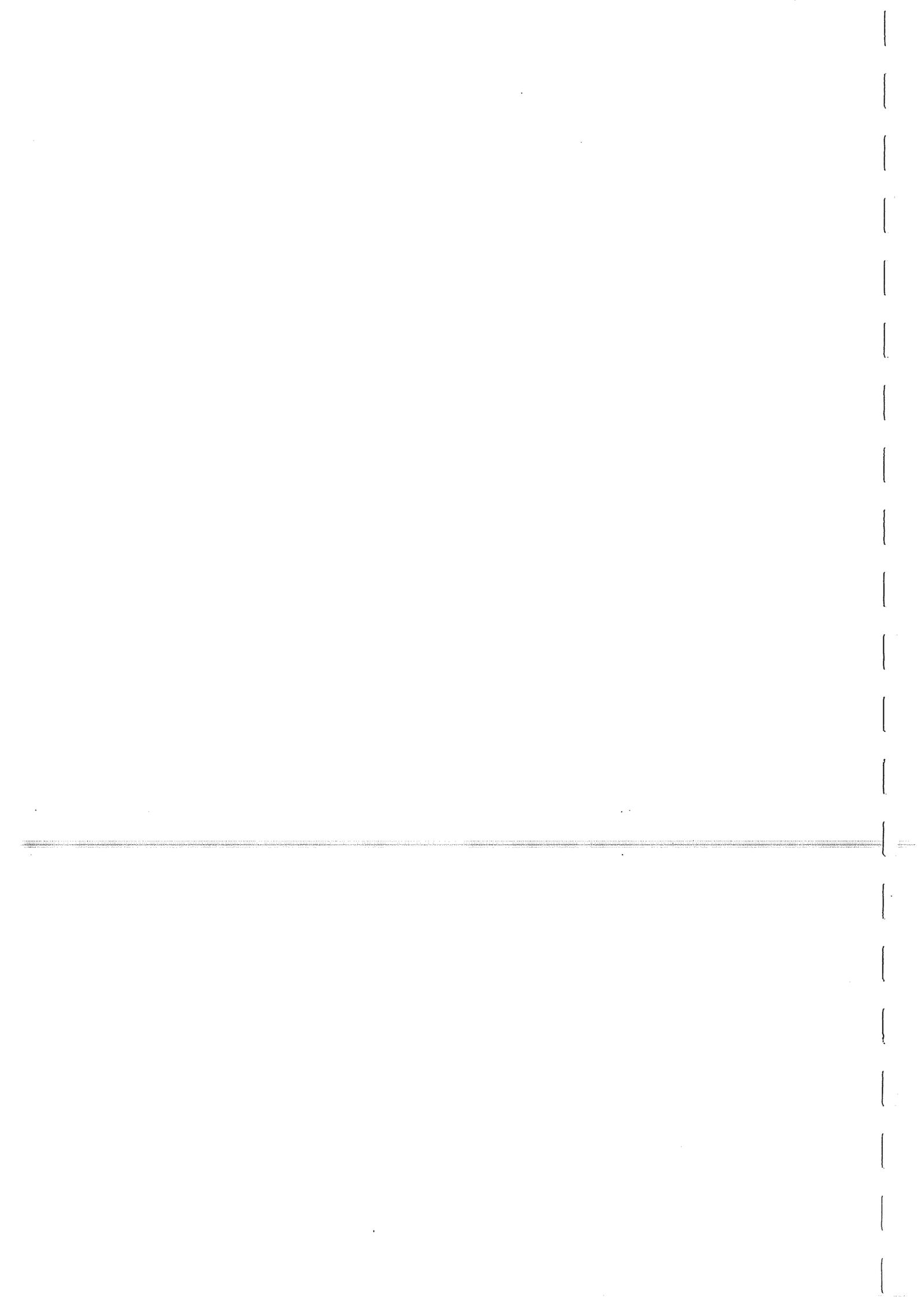
13. EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

Council also continues to participate in the Eyre Peninsula Local Government Association in conjunction with other Eyre Peninsula Councils. This Association is constituted as a Regional Subsidiary pursuant to Section 43 of the Local Government Act.

A copy of the Eyre Peninsula Local Government Association Annual Report and audited financial statements for 2010/11 have been included in this report as **Appendix “D”**.

APPENDIX 'A'

**COUNCIL FINANCIAL
STATEMENTS**



DISTRICT COUNCIL OF
LOWER EYRE PENINSULA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2011

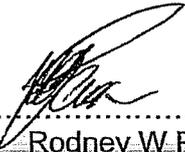
DISTRICT COUNCIL OF LOWER EYRE PENINSULA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2011

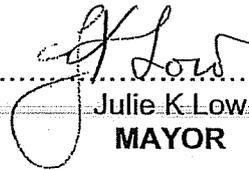
CERTIFICATION OF FINANCIAL STATEMENTS

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

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



.....
Rodney W. Pearson
CHIEF EXECUTIVE OFFICER



.....
Julie K. Low
MAYOR

Date: 9 NOVEMBER 2011

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

General Purpose Financial Reports for the year ended 30 June 2011

TABLE OF CONTENTS

	<u>Page</u>
Council Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Balance Sheet	3
Statement of Changes in Equity	4
Cash Flow Statement	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	12
Note 3 - Expenses	15
Note 4 - Gain or Loss on Disposal of Assets	17
Note 5 - Current Assets	18
Note 6 - Non-Current Assets	19
Note 7 - Infrastructure, Property, Plant & Equipment & Investment Property	20
Note 8 - Liabilities	23
Note 9 - Reserves	24
Note 10 - Assets Subject to Restrictions	25
Note 11 - Reconciliation of Cash Flow Statement	26
Note 12 - Functions	27
Note 13 - Financial Instruments	30
Note 14 - Expenditure Commitments	32
Note 15 - Financial Indicators	33
Note 16 - Uniform Presentation of Finances	34
Note 17 - Operating Leases	35
Note 18 - Superannuation	36
Note 19 - Joint Ventures & Associated Entities	37
Note 21 - Assets & Liabilities not Recognised	38
Audit Report	
Council Certificate of Audit Independence	
Audit Certificate of Audit Independence	

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2011

	Notes	2011 \$	2010 \$
INCOME			
Rates	2	4,633,096	4,180,460
Statutory charges	2	147,373	139,670
User charges	2	1,775,595	1,380,965
Grants, subsidies and contributions	2	1,298,865	1,304,423
Investment income	2	251,430	198,732
Reimbursements	2	85,241	97,739
Other income	2	48,174	9,553
Net gain - joint ventures & associates	19	22,737	18,194
Total Income		<u>8,262,511</u>	<u>7,329,736</u>
EXPENSES			
Employee costs	3	1,781,865	1,719,070
Materials, contracts & other expenses	3	3,194,413	3,559,737
Depreciation, amortisation & impairment	3	1,658,727	1,590,817
Finance costs	3	190,853	199,334
Net loss - joint ventures & associates	19		
Total Expenses		<u>6,825,858</u>	<u>7,068,958</u>
OPERATING SURPLUS / (DEFICIT)		1,436,653	260,778
Asset disposal & fair value adjustments	4	(10,638)	(33,410)
Amounts received specifically for new or upgraded assets	2	640,243	596,915
NET SURPLUS / (DEFICIT)		<u>2,066,258</u>	<u>824,283</u>
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		<u>2,066,258</u>	<u>824,283</u>

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

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

BALANCE SHEET as at 30 June 2011

ASSETS	Notes	2011 \$	2010 \$
Current Assets			
Cash and cash equivalents	5	4,152,074	3,631,644
Trade & other receivables	5	751,388	928,866
Inventories	5	<u>72,921</u>	<u>84,284</u>
Total Current Assets		<u>4,976,383</u>	<u>4,644,794</u>
Non-current Assets			
Financial Assets	6	121,755	185,517
Equity accounted investments in Council businesses	6	347,724	347,273
Infrastructure, Property, Plant & Equipment	7	<u>60,109,228</u>	<u>58,905,145</u>
Total Non-current Assets		<u>60,578,707</u>	<u>59,437,935</u>
Total Assets		<u>65,555,090</u>	<u>64,082,729</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	687,404	965,495
Borrowings	8	369,479	384,077
Provisions	8	<u>188,368</u>	<u>157,822</u>
Total Current Liabilities		<u>1,245,251</u>	<u>1,507,394</u>
Non-current Liabilities			
Trade & Other Payables	8	-	-
Borrowings	8	2,156,127	2,569,741
Provisions	8	<u>81,860</u>	<u>-</u>
Total Non-current Liabilities		<u>2,237,987</u>	<u>2,569,741</u>
Total Liabilities		<u>3,483,238</u>	<u>4,077,135</u>
NET ASSETS		<u>62,071,852</u>	<u>60,005,594</u>
EQUITY			
Accumulated Surplus		22,948,277	20,882,019
Asset Revaluation Reserves	9	<u>39,123,575</u>	<u>39,123,575</u>
TOTAL EQUITY		<u>62,071,852</u> ✓	<u>60,005,594</u>

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

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2011

2011	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	TOTAL EQUITY \$
Balance at end of previous reporting period		20,882,019	39,123,575	60,005,594
Restated opening balance		20,882,019	39,123,575	60,005,594
Net Surplus / (Deficit) for Year		2,066,258		2,066,258
Balance at end of period		22,948,277	39,123,575	62,071,852
2010				
Balance at end of previous reporting period		20,057,736	39,123,575	59,181,311
Net Surplus / (Deficit) for Year		824,283		824,283
Transfers between reserves		-		-
Balance at end of period		20,882,019	39,123,575	60,005,594

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

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

CASH FLOW STATEMENT for the year ended 30 June 2011

	Notes	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		8,699,383	7,069,433
Investment receipts		242,357	229,547
<u>Payments</u>			
Operating payments to suppliers & employees		(5,664,347)	(5,316,231)
Finance payments		(193,729)	(200,976)
Net Cash provided by (or used in) Operating Activities		3,083,664	1,781,773
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		640,243	596,915
Sale of replaced assets		40,558	167,108
Repayments of loans by community groups		75,897	19,904
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,465,079)	(1,609,585)
Expenditure on new/upgraded assets		(1,448,927)	(1,465,017)
Loans made to community groups		-	(84,000)
Capital contributed to associated entities		22,286	22,287
Net Cash provided by (or used in) Investing Activities		(2,135,022)	(2,352,388)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		-	284,000
<u>Payments</u>			
Repayments of Borrowings		(422,066)	(346,127)
Net Cash provided by (or used in) Financing Activities		(422,066)	(62,127)
Net Increase (Decrease) in cash held		526,576	(632,742)
Cash & cash equivalents at beginning of period	11	<u>3,625,498</u>	<u>4,258,240</u>
Cash & cash equivalents at end of period	11	<u>4,152,074</u>	<u>3,625,498</u>

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

Note 1 - Significant Accounting Policies (cont)

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2011**

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

District Council of Lower Eyre Peninsula is incorporated under the SA Local Government Act 1999 and has its principal place of business at 32 Railway Terrace, Cummins, SA, 5631. 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.

Coalface SA Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

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

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.

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 Initial Recognition

All assets are initially recognised at cost.

Coalface SA Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

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

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and 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 50 years
Plant & Equipment	3 to 15 years
Motor Vehicles	5 to 10 years
Building & Other Structures	
Buildings	50 to 75 years
Playground equipment	15 years
Infrastructure	
Sealed Roads & Streets	
- Construction	30 to 80 years

Coalface SA Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

- Original Surfacing & Major Resurfacing	7 to 10 years
Unsealed Roads	2 to 25 years
Improvements to Parks & Gardens	15 to 20 years
Bridges – Steel & Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Water Supply Piping	65 to 95 years
Main Drains	80 to 100 years

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

Amounts 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.

Coalface SA Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

No accrual is made for sick leave as 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 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.

Coalface SA Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

14 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2011 reporting period and have not been used in preparing these reports.

- | | | |
|---|--------------------------|--|
| ➤ | AASB 1 | <i>First-time Adoption of Australian Accounting Standards</i> |
| ➤ | AASB 3 | <i>Business Combinations</i> |
| ➤ | AASB 5 | <i>Non-current Assets Held for Sale and Discontinued Operations</i> |
| ➤ | AASB 7 | <i>Financial Instruments: Disclosures</i> |
| ➤ | AASB 8 | <i>Operating Segments</i> |
| ➤ | AASB 9 | <i>Financial Instruments</i> |
| ➤ | AASB 101 | <i>Presentation of Financial Statements</i> |
| ➤ | AASB 107 | <i>Statement of Cash Flows</i> |
| ➤ | AASB 108 | <i>Accounting Policies, Changes in Accounting Estimates and</i> |
| | | <i>Errors</i> |
| ➤ | AASB 110 | <i>Events after the Reporting Period</i> |
| ➤ | AASB 118 | <i>Revenue</i> |
| ➤ | AASB 119 | <i>Employee Benefits</i> |
| ➤ | AASB 132 | <i>Financial Instruments: Presentation</i> |
| ➤ | AASB 137 | <i>Provisions, Contingent Liabilities and Contingent Assets</i> |
| ➤ | AASB 139 | <i>Financial Instruments: Recognition and Measurement</i> |
| ➤ | AASB 140 | <i>Investment Property</i> |
| ➤ | AASB 1031 | <i>Materiality</i> |
| ➤ | AASB 2009-11 | <i>Amendments to Australian Accounting Standards arising from</i>
<i>AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131,</i>
<i>132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]</i> |
| ➤ | AASB 2009-12 | <i>Amendments to Australian Accounting Standards [AASBs 5, 8,</i>
<i>108, 110, 112, 119, 133, 137, 1023 & 1032 and Interpretations 2, 4, 16,</i>
<i>1039 & 1052]</i> |
| ➤ | AASB 2010-4 | <i>Further Amendments to Australian Accounting Standards arising</i>
<i>from the Annual Improvements Project [AASBs 3, 7, 121, 128, 131, 132 &</i>
<i>139]</i> |
| ➤ | AASB 2010-5 | <i>Amendments to Australian Accounting Standards [AASBs 1, 3,</i>
<i>4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 &</i>
<i>1038 and Interpretations 112, 115, 127, 132 & 1042]</i> |
| ➤ | AASB 2010-6 | <i>Amendments to Australian Accounting Standards [AASBs 1 & 7]</i> |
| ➤ | AASB 2010-7 | <i>Amendments to Australian Accounting Standards arising from</i>
<i>AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127,</i>
<i>128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10,</i>
<i>12, 19, & 127]</i> |
| ➤ | <i>Interpretation 14</i> | <i>AASB 119 – The Limit on a Defined Benefit Asset, Minimum</i>
<i>Funding Requirements and their Interaction</i> |
- (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 LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2 - INCOME

	Notes	2011 \$	2010 \$
RATES REVENUES			
<u>General Rates</u>		3,929,011	3,518,161
Less: Discretionary rebates, remissions & write offs		(50,205)	(48,848)
		3,878,806	3,469,313
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		186,868	173,034
Community wastewater management systems		541,969	521,451
		728,837	694,485
<u>Other Charges</u>			
Penalties for late payment		25,453	16,662
		4,633,096	4,180,460
 STATUTORY CHARGES			
Development Act fees		29,977	25,641
Town planning fees		71,693	69,499
Animal registration fees & fines		22,474	22,826
Sundry		23,229	21,704
		147,373	139,670
 USER CHARGES			
Cemetery/crematoria fees		11,592	18,219
Passenger Levy		1,381,373	1,021,043
Landing Fees		64,826	63,203
Property Rentals		231,055	220,851
Sundry		86,749	57,649
		1,775,595	1,380,965
 INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		139,211	110,590
Banks & other		100,437	79,955
Loans to community groups		11,782	8,187
		251,430	198,732

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

NOTE 2 - INCOME (continued)

	Notes	2011 \$	2010 \$
REIMBURSEMENTS			
- for roadworks		19,500	
- for private works		13,816	25,656
- other		<u>51,925</u>	<u>72,083</u>
		<u>85,241</u>	<u>97,739</u>
 OTHER INCOME			
Sundry		<u>48,174</u>	<u>9,553</u>
		<u>48,174</u>	<u>9,553</u>
 GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		640,243	596,915
Other grants, subsidies and contributions		<u>1,298,865</u>	<u>1,304,423</u>
		<u>1,939,108</u>	<u>1,901,338</u>
 <i>The functions to which these grants relate are shown in Note 2.</i>			
 Sources of grants			
Commonwealth government		354,124	435,134
State government		1,584,984	1,435,285
Other		-	30,919
		<u>1,939,108</u>	<u>1,901,338</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

NOTE 2 - INCOME (continued)

	2011	2010
Notes	\$	\$
<i>Conditions over grants & contributions</i>		
<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>	615,141	577,510
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Tulka CWMS Feasibility Study</i>	(33,268)	(19,376)
<i>Cummins Medical Clinic</i>	-	(30,000)
<i>Fire Protection</i>	-	(2,191)
<i>Cummins Homes</i>	-	(4,534)
<i>Administration</i>	-	(2,882)
<i>Health - Be Active</i>	-	(570)
<i>Asset Management</i>	-	(5,305)
<i>ERDB Sign</i>	-	(3,000)
<i>Camping Grounds (Farm Beach Caravan Park)</i>	(30,000)	-
<i>F& S Roads (Commodity Routes)</i>	(330,673)	-
<i>Coffin Bay Town Centre</i>	(219,000)	(257,384)
<i>Subtotal</i>	(612,941)	(325,242)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Aged & Disabled (Early Intervention Centre)</i>	2,200	2,200
<i>Effluent Tulka</i>	484,500	-
<i>Camping Grounds (Louth Bay Camp Ground)</i>	15,000	-
<i>Tulka CWMS Property Owner Contributions</i>	47,206	-
<i>Cummins CWMS Security Deposit</i>	31,387	-
<i>Open Space Reserve Funds</i>	4,339	-
<i>Formed & Surfaced Roads (Commodity Routes)</i>	-	330,673
<i>Camping Grounds (Farm Beach Caravan Park)</i>	-	30,000
<i>Subtotal</i>	584,632	362,873
<i>Unexpended at the close of this reporting period</i>	586,832	615,141
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	 (28,309)	 37,631

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 3 - EXPENSES

	Notes	2011 \$	2010 \$
EMPLOYEE COSTS			
Salaries and Wages		1,620,316	1,540,376
Employee leave expense		298,669	200,220
Superannuation - defined contribution plan contributions	18	106,269	93,090
Superannuation - defined benefit plan contributions	18	61,561	63,787
Workers' Compensation Insurance		72,999	61,661
Less: Capitalised and distributed costs		<u>(377,949)</u>	<u>(240,064)</u>
Total Operating Employee Costs		<u>1,781,865</u>	<u>1,719,070</u>
Total Number of Employees		34	31
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration		10,500	9,110
- Auditing the financial reports		<u>133,574</u>	<u>92,665</u>
Elected members' expenses		<u>144,074</u>	<u>101,775</u>
Subtotal - Prescribed Expenses		<u>144,074</u>	<u>101,775</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		1,406,999	1,656,170
Consultants		188,991	211,038
Energy		150,023	150,235
Fuel / Lubricants		236,670	219,047
Bank Charges		14,290	12,687
Water		839	1,206
Insurance		122,554	156,975
Contributions		94,533	84,715
Advertising		16,434	16,045
Telecommunications		33,479	25,437
Plant & Machinery		(232,099)	(196,998)
Asset Purchases		13,979	46,877
Levies paid to government - NRM levy		186,828	173,196
- Waste Management Levy		-	4,747
Parts, accessories & consumables		321,824	340,265
Sundry		570,185	545,816
Less : Capitalised & distributed costs		<u>(75,190)</u>	<u>10,504</u>
Subtotal - Other Materials, Contracts & Expenses		<u>3,050,339</u>	<u>3,457,962</u>
		<u>3,194,413</u>	<u>3,559,737</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 3 - EXPENSES (cont)

	Notes	2011 \$	2010 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		176,346	177,240
Infrastructure		1,047,677	1,005,583
CED / Sewerage		177,550	172,576
Stormwater Drainage		26,894	26,865
Plant & Equipment		25,760	29,084
Furniture & Fittings		17,218	15,967
Machinery		206,019	206,068
		<u>1,677,464</u>	<u>1,633,383</u>
Less: Capitalised and distributed costs		<u>(18,737)</u>	<u>(42,566)</u>
		<u>1,658,727</u>	<u>1,590,817</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		82	32
Interest on Loans		190,771	199,302
		<u>190,853</u>	<u>199,334</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2011	2010
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	40,558	167,108
Less: Carrying amount of assets sold	<u>51,196</u>	<u>200,518</u>
Gain (Loss) on disposal	<u>(10,638)</u>	<u>(33,410)</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 <u>(10,638)</u>	 <u>(33,410)</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 5 - CURRENT ASSETS

	2011	2010
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	83,192	700
Deposits at Call	<u>4,068,882</u>	<u>3,630,944</u>
	<u>4,152,074</u>	<u>3,631,644</u>
TRADE & OTHER RECEIVABLES		
Rates - General & Other	196,835	148,449
Accrued Revenues	236,268	206,133
Debtors - general	269,458	499,181
GST Recoupment	36,338	50,479
Loans to community organisations	<u>17,489</u>	<u>29,624</u>
Total	<u>756,388</u>	<u>933,866</u>
Less: Allowance for Doubtful Debts	<u>5,000</u>	<u>5,000</u>
	<u>751,388</u>	<u>928,866</u>
INVENTORIES		
Stores & Materials	<u>72,921</u>	<u>84,284</u>
	<u>72,921</u>	<u>84,284</u>

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

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2011 \$	2010 \$
Receivables			
Loans to community organisations		<u>121,755</u>	<u>185,517</u>
		121,755	185,517
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
<i>Southern Eyre Peninsula Subsidiary</i>	19	<u>347,724</u>	<u>347,273</u>
		347,724	347,273

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2010				2011			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	8,977,600	47,296	-	9,024,896	8,977,600	69,482	-	9,047,082
Buildings & Other Structures	9,027,572	603,317	(5,068,227)	4,562,662	9,058,962	783,000	(5,244,573)	4,597,389
Infrastructure	41,540,252	7,191,432	(14,342,784)	34,388,900	41,534,245	9,490,443	(15,390,461)	35,634,227
CED / Sewerage	8,336,344	1,204,779	(2,171,639)	7,369,484	8,336,344	1,373,939	(2,349,189)	7,361,094
Stormwater Drainage	1,830,794	184,557	(803,838)	1,211,513	1,830,794	186,691	(830,732)	1,186,753
Plant & Equipment	367,242	30,944	(240,419)	157,767	50,782	321,011	(220,163)	151,630
Furniture & Fittings	-	184,513	(140,283)	44,230	12,354	179,846	(142,258)	49,942
Machinery	1,964,207	1,629,829	(1,448,343)	2,145,693	2,282,000	1,429,371	(1,630,260)	2,081,111
TOTAL PROPERTY, PLANT & EQUIPMENT	72,044,011	11,076,667	(24,215,533)	58,905,145	72,083,081	13,833,783	(25,807,636)	60,109,228
Comparatives	72,454,208	8,033,610	(22,865,940)	57,621,878	72,044,011	11,076,667	(24,215,533)	58,905,145

This Note continues on the following pages.

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR								2011 \$
	2010 \$	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	
		New/Upgrade	Renewals						
Land	9,024,896	22,186	-	-	-	-	-	-	9,047,082
Buildings & Other Structures	4,562,662	78,998	132,075	-	(176,346)	-	-	-	4,597,389
Infrastructure	34,388,900	1,047,354	1,245,650	-	(1,047,677)	-	-	-	35,634,227
CED / Sewerage	7,369,484	169,160	-	-	(177,550)	-	-	-	7,361,094
Stormwater Drainage	1,211,513	-	2,134	-	(26,894)	-	-	-	1,186,753
Plant & Equipment	157,767	19,920	-	(297)	(25,760)	-	-	-	151,630
Furniture & Fittings	44,230	13,835	10,016	(921)	(17,218)	-	-	-	49,942
Machinery	2,145,693	97,474	93,942	(49,979)	(206,019)	-	-	-	2,081,111
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	58,905,145	1,448,927	1,483,817	(51,197)	(1,677,464)	-	-	-	60,109,228
Comparatives	57,621,878	1,499,157	1,618,011	(200,518)	(1,633,383)				58,905,145

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 7 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB1.19 to retain a previously established deemed cost under GAAP as its deemed cost for the purposes of AIRS.

Plant, Furniture & Equipment

Plant Furniture & Equipment are recognised on the cost basis, originally derived from a valuation at 30 June 2006 by Maloney Field Services at current replacement cost. Additions are recognised at cost.

Land

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 interest in land.

Buildings & Other Structures

Buildings and other structures are recognised on the cost basis, originally derived from a valuation at 30 June 2006 by Maloney Field Services at current replacement cost. Additions are recognised at cost.

Infrastructure

Infrastructure is recognised on the cost basis, originally derived from a valuation at 30 June 2006 by Maloney Field Services at current replacement cost. Additions are recognised at cost.

DISTRICT COUNCIL OF LOWER EYRE PENINSULA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 8 - LIABILITIES

	Notes	2011		2010	
		\$		\$	
TRADE & OTHER PAYABLES		Current	Non-current	Current	Non-current
Goods & Services		303,733		473,066	
Payments received in advance		1,454		4,193	
Accrued expenses - employee entitlements		277,486		205,535	
Accrued expenses - other		67,893		245,863	
Deposits, Retentions & Bonds		36,838		36,838	
		<u>687,404</u>	<u>-</u>	<u>965,495</u>	<u>-</u>
 BORROWINGS					
Bank Overdraft		-		6,146	
Loans		369,479	2,156,127	377,931	2,569,741
		<u>369,479</u>	<u>2,156,127</u>	<u>384,077</u>	<u>2,569,741</u>

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

PROVISIONS					
Employee entitlements (including oncosts)		188,368	81,860	157,822	
		<u>188,368</u>	<u>81,860</u>	<u>157,822</u>	<u>-</u>

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

183,368

155,522

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2010	Net Increments (Decrements)	Transfers, Impairments	30/6/2011
Notes	\$	\$	\$	\$
Land	9,981,321	-	-	9,981,321
Buildings & Other Structures	686,209	-	-	686,209
Furniture & Fittings	1,125	-	-	1,125
Plant & Equipment	342,809	-	-	342,809
Roads, Footpaths	28,112,111	-	-	28,112,111
TOTAL	<u>39,123,575</u>	-	-	<u>39,123,575</u>
<i>Comparatives</i>	<u>39,123,575</u>	-	-	<u>39,123,575</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

CASH & FINANCIAL ASSETS	Notes	2011 \$	2010 \$
Unexpended amounts received from Federal Government		47,206	45,107
Tulka CWMS Property Owner Contributions		31,387	29,991
Cummins CWMS Security Deposit		484,500	54,312
Tulka CWMS Capital Account		-	2,504
Cummins CWMS Study		4,339	189,372
Open Space Reserve Contributions		2,200	-
Early Intervention Capital Grant		15,000	-
Louth Bay Campground RLCIP Grant		<u>584,632</u>	<u>321,286</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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	2011 \$	2010 \$
Total cash & equivalent assets	5	4,152,074	3,631,644
Less: Short-term borrowings	8	-	(6,146)
Balances per Cash Flow Statement		4,152,074	3,625,498

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

Net Surplus (Deficit)	2,066,258	824,283
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,658,727	1,590,817
Equity movements in equity accounted investments (increase) decrease	(22,737)	(18,194)
Net increase (decrease) in unpaid employee benefits	184,357	(22,338)
Grants for capital acquisitions treated as Investing Activity	(640,243)	(596,915)
Net (Gain) Loss on Disposals	10,638	33,410
	3,257,000	1,811,063
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	165,343	(472,383)
Net (increase) decrease in inventories	11,363	(19,324)
Net increase (decrease) in trade & other payables	(350,042)	462,417
Net Cash provided by (or used in) operations	3,083,664	1,781,773

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:
Corporate Credit Cards 10,000

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 12 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL 2011 \$	ACTUAL 2010 \$	ACTUAL 2011 \$	ACTUAL 2010 \$	ACTUAL 2011 \$	ACTUAL 2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Administration	4,650,236	4,205,594	1,066,890	940,812	3,583,346	3,264,782	-	5,700	6,121,512	6,073,459
Public Order & Safety	17,908	744	88,886	114,911	(70,978)	(114,167)	11,626	-	300,236	303,625
Fire Protection	22,872	23,210	36,323	39,454	(13,451)	(16,244)	-	-	73,904	75,959
Other										
Health										
Health Inspection			4,080	237	(4,080)	(237)	-	-	-	-
Other Health	25,641	125,594	31,479	200,778	(5,838)	(75,184)	25,641	122,549	225,000	225,000
Social Security & Welfare										
Aged & Disabled Services	15,000	17,455	18,560	58,291	(3,560)	(40,836)	15,000	63,155	(23,327)	-
Families & Children	4,500	250	11,097	8,930	(6,597)	(8,680)	4,500	-	(34,772)	(23,327)
Housing & Comm. Amenities										
Housing	80,719	80,219	80,683	76,079	36	4,140	-	-	1,062,553	1,062,553
Town Planning	3,547	24,083	260,056	300,765	(256,509)	(276,682)	-	-	-	-
Community Development										
Sanitation & Garbage	39,149	13,545	757,638	782,791	(45,957)	(58,225)	59,200	88,800	511,120	299,619
Effluent	17,119	14,648	411,609	448,032	(394,490)	(433,384)	503,006	52,772	7,488,675	7,497,065
Urban Stormwater Drainage			54,876	62,852	(54,876)	(62,852)	-	-	1,186,752	1,211,512
Other Community Amenities	12,035	20,800	226,535	212,695	(214,500)	(191,895)	-	-	404,657	404,657
Protection of the Environment	2,754	2,678	198,281	177,046	(195,527)	(174,368)	-	10,000	30,944	30,944

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Administration: General operations, council operation, elections, council offices, rates, general grants.

Public Order & Safety: Fire protection, dog control, state emergency service.

Health: Health inspection, immunisation, St. John Brigades.

Social Security & Welfare: Aged and disabled services, community welfare, rural counseling service.

Housing & Community Amenities: Housing, town planning, community development, sanitation and garbage, sewerage/effluent, urban storm water drainage, aged and disabled homes, regional development board, street cleaning, cemeteries, public conveniences.

Protection of the Environment N.E.C.: Foreshore protection, flood prevention, noise control.

Recreation & Culture: Libraries, cultural services, sport and recreation, reserves, swimming pools, halls.

Fuel and Energy:

Agricultural Services: Pest plants, pest animals.

Mining, Manufacturing & Construction: Building Act.

Transport & Communication: Road construction and maintenance, footpaths, bridges, street furniture, aerodromes, boat ramps, jetties.

Economic Affairs: Tourism, Caravan Parks, rental properties.

Other Purposes N.E.C.: Public debt transactions, plant operations, and other.

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 13 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

<p>Bank, Deposits at Call, Short Term Deposits</p>	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 5% and 6% (2010: 6% and 7%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Rates & Associated Charges (including legals & penalties for late payment)</p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 11.25% (2010: 11.25%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Receivables - Fees & other charges</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Receivables - other levels of government</p>	<p>Accounting Policy: Carried at nominal value.</p> <p>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.</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Creditors and Accruals</p>	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Interest Bearing Borrowings</p>	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable twice per year; interest is charged at fixed rates between 5.2% and 8.05% (2010: 5.2% and 8.05%)</p> <p>Carrying amount: approximates fair value.</p>
<p>Liabilities - Finance Leases</p>	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 13 (cont) - FINANCIAL INSTRUMENTS Liquidity Analysis

2011	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	4,152,074			4,152,074	4,152,074
Receivables	681,308			681,308	681,308
Other Financial Assets		121,755		121,755	121,755
Total	4,833,382	121,755	-	4,955,137	4,955,137
Financial Liabilities					
Payables	342,025			342,025	342,025
Current Borrowings	369,479			369,479	369,479
Non-Current Borrowings		1,515,962	640,165	2,156,127	2,156,127
Total	711,504	1,515,962	640,165	2,867,631	2,867,631
2010					
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	3,631,644			3,631,644	3,631,644
Receivables	970,934			970,934	970,934
Other Financial Assets	29,624	125,906	59,611	215,141	185,517
Total	4,632,202	125,906	59,611	4,817,719	4,788,095
Financial Liabilities					
Payables	514,097			514,097	514,097
Current Borrowings	6,146			6,146	384,077
Non-Current Borrowings	377,931	1,565,002	1,004,739	2,947,672	2,569,741
Total	898,174	1,565,002	1,004,739	3,467,915	3,467,915

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

	30 June 2011		30 June 2010	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft				6,146
Other Variable Rates		342,025		514,097
Fixed Interest Rates		2,525,606	6.85	2,947,672
		<u>2,867,631</u>		<u>3,467,915</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. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 14 - COMMITMENTS FOR EXPENDITURE

	2011	2010
Notes	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Infrastructure	<u>1,633,500</u>	<u>992,700</u>
	<u>1,633,500</u>	<u>992,700</u>
These expenditures are payable:		
Not later than one year	457,500	992,700
Later than one year and not later than 5 years	<u>1,176,000</u>	-
	<u>1,633,500</u>	<u>992,700</u>
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Civica - Computer Support (Expires 2014)	378,000	492,000
Waste Management Services (Expires 2018)	3,997,000	445,000
Employee Remuneration Contracts (Various)	697,010	1,222,742
Auditor (Expires 2015)	36,000	-
Street Sweeping (Expires 2014)	<u>79,200</u>	-
	<u>5,187,210</u>	<u>2,159,742</u>
These expenditures are payable:		
Not later than one year	1,002,273	953,396
Later than one year and not later than 5 years	2,957,137	1,206,346
Later than 5 years	<u>1,227,800</u>	-
	<u>5,187,210</u>	<u>2,159,742</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 15 - FINANCIAL INDICATORS

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.

	2011	2010	2009
Operating Surplus	\$ 1,436,653	260,778	657,755
<i>Being the operating surplus (deficit) before capital amounts .</i>			
Adjusted Operating Surplus	1,436,653	260,778	481,537
<i>In each of June 2009, 2010 and 2010 the Commonwealth Government made an advance payment of one quarterly payment of the Financial Assistance Grant (see Note 3). Accordingly there were five "quarterly" payments in 2009, and four payments in each of 2010 and 2011. The Adjusted Operating Surplus and Adjusted Operating Surplus Ratio adjust for this distortion.</i>			
Operating Surplus Ratio			
<u>Operating Surplus</u>	32%	7%	16%
Rates - general & other less NRM levy			
Adjusted Operating Surplus Ratio			
<u>Adjusted Operating Surplus</u>	32%	7%	12%
<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i>			
Net Financial Liabilities	\$ (1,541,979)	(668,892)	(1,143,107)
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).</i>			
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	-19%	-9%	-16%
Total Operating Revenue less NRM levy			
Interest Cover Ratio			
<u>Net Interest Expense</u>	(0.8%)	0.0%	(0.5%)
Total Operating Revenue less NRM levy less Investment Income			
Asset Sustainability Ratio			
<u>Net Asset Renewals</u>	86%	91%	104%
Depreciation Expense			
<i>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.</i>			
Asset Consumption Ratio			
<u>Carrying value of depreciable assets</u>	66%	67%	68%
Gross value of depreciable assets			
<i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.</i>			

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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

	2011 \$	2010 \$
Income	8,262,511	7,329,736
less Expenses	<u>6,825,858</u>	<u>7,068,958</u>
Operating Surplus / (Deficit)	1,436,653	260,778
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	1,465,079	1,609,585
less Depreciation, Amortisation and Impairment	1,658,727	1,590,817
less Proceeds from Sale of Replaced Assets	40,558	167,108
	<u>(234,206)</u>	<u>(148,340)</u>
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	1,448,927	1,465,017
less Amounts received specifically for New and Upgraded Assets	640,243	596,915
less Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	<u>808,684</u>	<u>868,102</u>
Net Lending / (Borrowing) for Financial Year	<u>862,175</u>	<u>(458,984)</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

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

Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2011	2010
	\$	\$
Not later than one year	126,813	54,556
Later than one year and not later than 5 years	359,792	46,783
	<u>486,605</u>	<u>101,339</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2009/10 for Marketlink members and 3% for Salarylink members; 9% and 3% respectively in 2009/10). 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

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6% in 2009/2010) of "superannuation" salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink 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 2008. The Trustee has now determined that the current funding arrangements are inadequate for the expected Defined Benefit Plan liabilities. As at the 1st July 2010 the contribution rate has been increased to 6.3%. However, future financial and economic circumstances may require further changes to Council's contribution rates at some future time.

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

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

Southern Eyre Peninsula Subsidiary

Established by the District Council of Lower Eyre Peninsula and the District Council of Tumby Bay this subsidiary is responsible for shared machinery.

	2011	2010
Southern Eyre Peninsula Subsidiary	\$	\$
Council's respective interests are:		
- interest in outputs of the joint operation	50%	50%
- ownership interest in the joint operation	50%	50%
- the proportion of voting power in the joint operation	50%	50%
<u>Movements in Investment in Joint Operation</u>	\$	\$
Opening Balance	347,273	351,366
New Capital Contributions	(22,286)	(22,287)
Share in Operating Result	22,737	18,194
Share in Equity of Joint Operation	<u>347,724</u>	<u>347,273</u>

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 21 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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

As at 30 June 2011 Council had a \$4.5 million application pending with the Regional Development Australia Fund for upgrades to the Port Lincoln Airport. This application was confirmed as being successful in September 2011.

LAND UNDER ROADS

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

At reporting date, Council controlled 1,366 km of road reserves of average width 20 metres.

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2011

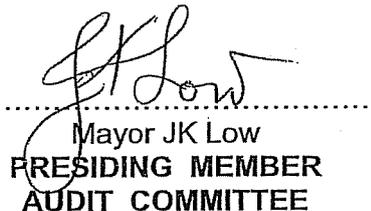
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Lower Eyre Peninsula for the year ended 30 June 2011, the Council's Auditor, Ian G McDonald, has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



.....
Rodney W Pearson
CHIEF EXECUTIVE OFFICER



.....
Mayor JK Low
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 9 NOVEMBER 2011

DISTRICT COUNCIL OF LOWER EYRE PENINSULA

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2011**

STATEMENT BY AUDITOR

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

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



Ian G McDonald FCA

Dated this 26 day of September 2011

APPENDIX 'B'

POLICY DOCUMENTS

POLICY INDEX

25. ADMINISTRATION

25.1 Public Relations & Media

- 25.01.01 Media Releases/ Public Information
- 25.01.02 Public Consultation
- 25.01.03 Community Reference Groups

25.2 Insurance / Liability

- 25.02.01 Certificates of Liability
- 25.02.02 Insurance - Assets & Risks
- 25.02.03 Legal Opinion - Authorisation
- 25.02.04 Litigation - Recovery of Costs

25.3 Whistle Blower

- 25.03.01 Whistle Blower

25.4 Policy

- 25.04.01 Process of Policy Making

25.5 Records Management

- 25.05.01 Records Management
- 25.05.02 Acknowledgement of Correspondence

25.6 Volunteers

- 25.06.01 Volunteer Policy

POLICY INDEX

26. COUNCIL

26.1 Council Meetings

- 26.01.01 Council Meeting Agenda
- 26.01.02 Business – Inclusion on Agenda
- 26.01.03 Questions Relating to Agenda Items
- 26.01.04 Late Correspondence

26.2 Council Committees

- 26.02.01 Council Committees

26.3 Council Elections

- 26.03.01 Casual Vacancies
- 26.03.02 Voters Roll
- 26.03.03 Caretakers policy

26.4 Council Members

- 26.04.01 Certificate of Service
- 26.04.02 Travel Reimbursement & Support
- 26.04.03 Mayor / Chairperson seeking legal advice

26.5 Review of Council Actions

- 26.05.01 Review of Council Actions

POLICY INDEX

27. EMPLOYEES

27.1 Employees

- 27.01.01 Telephone
- 27.01.02 Chief Executive Officer's Annual leave
- 27.01.03 Equal Employment Opportunity & Consultative Committee
- 27.01.04 Staff Recruitment & Selection
- 27.01.05 Grievance Procedure
- 27.01.06 Chief Executive Officer
- 27.01.07 Travel & Accommodation Expenses
- 27.01.08 Employee Induction

27.2 Appointments

- 27.02.01 Dog and Cat Management
- 27.02.02 Authorised Persons
- 27.02.03 Fire Prevention Officer
- 27.02.04 Environmental Health Officer
- 27.02.05 Acting Works Manager
- 27.02.06 Authorised Officer – Development Act

28. TRAINING

28.1 Training

- 28.01.01 Training – Staff & Elected Members

POLICY INDEX

29. OCCUPATIONAL HEALTH SAFETY & WELFARE

29.1 OHS&W – Historical Policies

- 29.01.01 Occupational Health & Safety Responsibilities
- 29.01.02 Hazardous / Dangerous Substances
- 29.01.03 Asbestos
- 29.01.04 Alcohol & Drugs in the Workplace
- 29.01.05 Induction
- 29.01.06 Manual Handling
- 29.01.07 Plant Management
- 29.01.08 Personal Protective Equipment
- 29.01.09 Plant Purchase, Hire & Lease
- 29.01.10 Isolated/Remote Work
- 29.01.11 Resolution of Occupational Health & Safety Issues
- 29.01.12 Electrical Safety
- 29.01.13 Non Smoking
- 29.01.14 Inclement Weather & Sun Protection
- 29.01.15 OHS&W Welfare Committee
- 29.01.16 Immunisations
- 29.01.17 Inspection/Hazard Control System
- 29.01.18 Confined Spaces
- 29.01.19 Equal Opportunity, Discrimination, Harassment and Bullying

29.2 OHS&W and Injury Management – One System Policies & Procedures

- 29.02.01 OHS&W & IM
- 29.02.02 OHS Contractor Management
- 29.02.03 Administration of OHSMS
- 29.02.04 Communication and Consultation
- 29.02.05 Emergency Management
- 29.02.06 Hazard Management
- 29.02.07 Hazardous Work

30. HOUSING AND COMMUNITY AMENITIES

30.1 Cemeteries

- 30.01.01 Coffin Bay Cemetery - Garden of Remembrance

30.2 Housing

- 30.02.01 Cummins Homes – Tenancy

POLICY INDEX

31. COMMUNITY AWARDS

31.1 Community Awards

- 31.01.01 School Book Awards
- 31.01.02 Australia Day Awards
- 31.01.03 Tidy Towns - Philosophy and Beautification

32. TOURISM

32.1 Tourism

- 32.01.01 Tourism Development

33. FINANCIAL MANAGEMENT

33.1 Treasury Management

- 33.01.01 Internal Control Procedures
- 33.01.02 Auditor's Report
- 33.01.03 Budget - Authority to Implement
- 33.01.04 Loans to Sporting Bodies and Community Groups
- 33.01.05 Debt Level

33.2 Fees and Charges

- 33.02.01 Schedule of Fees and Charges
- 33.02.02 Compensation for removal or materials

33.3 Tenders

- 33.03.01 Competitive Tendering, Purchasing,
Sale and Disposal of Land & Other Assets

33.4 Hire of Plant

- 33.04.01 Rates and Conditions

POLICY INDEX

34. WORKS

34.1 Licenses

- 34.01.01 Over-dimensions and Over mass loads
- 34.01.02 Community Fundraising
- 34.01.03 Electricity Mains Under Road Reserves
- 34.01.04 Permits to Use a Public Road for Business Purpose

34.2 Fire Protection

- 34.02.01 Use of Council Plant

34.3 Section 221 (LGA Act) Authorisations

- 34.03.01 Alteration of Road

34.4 Roads

- 34.04.01 Verge Development
- 34.04.02 Portable Stock Signs
- 34.04.03 Property Identification

POLICY INDEX

35. DEVELOPMENT

35.1 General Development

- 35.01.01 Fees Waived
- 35.01.02 Drawing of Plans
- 35.01.03 Electricity
- 35.01.04 Council Property Maintenance
- 35.01.05 Legal Representation at Appeals
- 35.01.06 Height of Fences
- 35.01.07 Development Assessment Panel
- 35.01.08 Land Division applications
- 35.01.09 Camping
- 35.01.10 Election Signs in Public Places
- 35.01.11 Council Building Inspection

35.2 Order Making

- 35.02.01 Order Making

36. ANIMAL MANAGEMENT

36.1 Dog Control

- 36.01.01 Refund of Dog Registration

36.2 Keeping of Animals

- 36.02.01 Poultry in Townships
- 36.02.02 Horses on Residential Allotments
- 36.02.03 Keeping of Bees
- 36.02.04 Keeping of Dogs

CODES

Members Code of Conduct.....Reviewed 10/12/10
Code of Conduct for Employees.....Reviewed 10/12/10



APPENDIX 'C'

**SOUTHERN EYRE
PENINSULA
SUBSIDIARY**

**ANNUAL REPORT
AND FINANCIAL
STATEMENTS**



Southern Eyre Peninsula Subsidiary 2010/11 Annual Report

SUBSIDIARY MEETINGS

The Southern Eyre Peninsula Subsidiary (SEPS) is a partnership arrangement between the District Council's of Tumby Bay and Lower Eyre Peninsula. Each Council is represented by two (voting) delegates on the Subsidiary Management Committee. The Delegates are as follows:

- Chairman – Cr M Mason, District Council of Tumby Bay
- Cr M. Wilksch, District Council of Tumby Bay
- Cr P. Pedler, District Council of Lower Eyre Peninsula
- Cr D. Millard, District Council of Lower Eyre Peninsula

The Management Committee also consists of the following (non-voting) staff representatives;

- Secretary – Mr D. Zechner (Works Manager DCTB)
- Treasurer - Mr T. Smith (Accountant DCLEP)
- Mr D. Windsor (Works Manager DCLEP)

There were 4 meetings held during the year which were hosted by each Council in turn, it is planned to hold future meetings via video conference to save travel time and cost to both councils.

The Rules, Agendas and Minutes of the Subsidiary are available for public inspection.

In February, 2009 the Charter for the Subsidiary was reviewed no changes were recommended to the member Councils.

PLANT

The Subsidiary owns a Caterpillar D7R dozer that was purchased new in December 2008. Each member Council contributed \$115,000 towards the purchase of the new machine and traded a D7H.

The dozer is used to primarily raise rubble for the member Council's Rural Road Construction and Maintenance Programs and as at 30 June 2011 the current machine has worked a total of 2732 hours. Usage for the 10/11 Financial year totalled 1,038 hours, 651 of which were by the DCTB and 387 in DCLEP.

The Management Committee are currently considering the economic viability of purchasing a Hydroaxe machine for maintenance of roadside vegetation.

FINANCE

The Subsidiary recorded an operating surplus of \$45,474 for the 2010/11 Financial year, consistent with previous years results.

Bank accounts held with the LGFA and Bendigo Bank had balances totalling \$237,767 at 30 June 2011, with net assets totalling \$696,461.

The Caterpillar D7R Dozer that was purchased for \$600,000 in November 2008 has a closing written down value of \$459,008 at 30 June 2011.

SOUTHERN EYRE PENINSULA
SUBSIDIARY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2011

SOUTHERN EYRE PENINSULA SUBSIDIARY

General Purpose Financial Reports for the year ended 30 June 2011

TABLE OF CONTENTS

	<u>Page</u>
Southern Eyre Peninsula Subsidiary Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Balance Sheet	3
Statement of Changes in Equity	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	5
Note 2 - Income	8
Note 3 - Expenses	9
Note 4 - Current Assets	10
Note 5 - Infrastructure, Property, Plant & Equipment	11
Note 6 - Current Liabilities	12
Treasurer's Statement	
Audit Report	
Southern Eyre Peninsula Subsidiary Certificate of Auditor Independence	
Audit Certificate of Audit Independence	

SOUTHERN EYRE PENINSULA SUBSIDIARY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2011

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern Eyre Peninsula Subsidiary to certify the financial statements in their final form. In our opinion:

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



.....
Paul B Pedler
COMMITTEE MEMBER



.....
Murray Mason
CHAIRPERSON

Date:

SOUTHERN EYRE PENINSULA SUBSIDIARY

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE, 2011

	Note	2011 \$	2010 \$
INCOME			
Rates			
Statutory Charges			
User Charges	2	158,565	155,660
Grants and Subsidies & Contributions		7,221	8,080
Investment Income	2	5,981	3,228
Reimbursements			
Other Revenues			
Share of Profit - Joint Ventures & Associates			
Total Revenues		171,767	166,968
EXPENSES			
Employee Costs			
Materials, contracts & other expenses	3	72,293	76,581
Finance Costs			
Depreciation, amortisation & impairment	3	54,000	54,000
Share of loss - joint ventures & associates			
Total Expenses		126,293	130,581
Operating Surplus (Deficit) before Capital Amounts		45,474	36,387
Net Gain (loss) on disposal or revaluation of assets Amounts specifically for new or upgraded assets Physical Resources received free of charge			
NET SURPLUS/DEFICIT		45,474	36,387

SOUTHERN EYRE PENINSULA SUBSIDIARY

BALANCE SHEET

as at 30 June 2011

ASSETS	Note	2011 \$	2010 \$
Current Assets			
Cash & Cash Equivalents	4	237,767	175,492
Trade & Other Receivables	4	2,136	12,202
Inventories			
Total Current Assets		<u>239,903</u>	<u>187,694</u>
Non Current Assets			
Financial Assets			
Land			
Buildings			
Infrastructure			
Equipment	5	459,008	513,008
Furniture and Fittings			
Total Non Current Assets		<u>459,008</u>	<u>513,008</u>
Total Assets		<u>698,911</u>	<u>700,702</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payable	6	2,450	6,156
Short Term Borrowing			
Current Portion of Long Term Borrowings			
Short Term Provisions			
Total Current Liabilities		<u>2,450</u>	<u>6,156</u>
Non Current Liabilities			
Trade & Other Payable			
Long Term Borrowing			
Long Term Provisions			
Other Non Current Liabilities			
Total Non Current Liabilities		<u>0</u>	<u>0</u>
Total Liabilities		<u>2,450</u>	<u>6,156</u>
Net Assets		<u>696,461</u>	<u>694,546</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

SOUTHERN EYRE PENINSULA SUBSIDIARY

STATEMENT OF CHANGES IN EQUITY FOR THE 30 JUNE 2011

	Note	2011 \$	2010 \$
ACCUMULATED SURPLUS			
Balance at beginning of period		694,546	702,732
Change in financial position resulting from operations		45,474	36,387
Transfers from Constituent Councils		-43,559	-44,573
Balance at end of period		<u>696,461</u>	<u>694,546</u>
ASSET REVALUATION RESERVE			
Balance at beginning of period		0	0
Transfers to Reserve			
Revaluation Adjustment		<u>0</u>	<u>0</u>
Balance at end of period		<u>0</u>	<u>0</u>
BALANCE AT END OF REPORTING PERIOD		<u>696,461</u>	<u>694,546</u>

The above statement should be read in conjunction with the accompanying notes.

Southern Eyre Peninsula Subsidiary

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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*.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Subsidiary'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 Southern Eyre Peninsula Subsidiary is incorporated under the SA Local Government Act 1999 and has its principal place of business at 18 Railway Terrace, Cummins. In the process of reporting on the Subsidiary as a single unit, all transactions and balances between activity areas have been eliminated.

Income recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Subsidiary'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 at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

Southern Eyre Peninsula Subsidiary

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

5 Infrastructure, Property, Plant & Equipment

5.1 Transitional Provisions

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".

5.2 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.

5.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Subsidiary 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.

Plant & Equipment	\$1,000
-------------------	---------

5.4 Subsequent Recognition

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

5.5 Depreciation of Non-Current Assets

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. Major depreciation periods for each class of asset are shown below.

Plant & Equipment	11 years
-------------------	----------

6 Payables

6.1 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.

~~2 Payments Received in Advance & Deposits~~

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

7 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.

8 Comparative Information

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

Southern Eyre Peninsula Subsidiary

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

9 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2011 reporting period.

- AASB 1 *First-time Adoption of Australian Accounting Standards*
 - AASB 3 *Business Combinations*
 - AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
 - AASB 7 *Financial Instruments: Disclosures*
 - AASB 8 *Operating Segments*
 - 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 118 *Revenue*
 - AASB 119 *Employee Benefits*
 - AASB 132 *Financial Instruments: Presentation*
 - AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
 - AASB 139 *Financial Instruments: Recognition and Measurement*
 - AASB 140 *Investment Property*
 - AASB 1031 *Materiality*
 - 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, 1023 & 1032 and Interpretations 2, 4, 16, 1039 & 1052]*
 - AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 3, 7, 121, 128, 131, 132 & 139]*
 - AASB 2010-5 *Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]*
 - AASB 2010-6 *Amendments to Australian Accounting Standards [AASBs 1 & 7]*
 - AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]*
 - 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.)

The Subsidiary 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.

SOUTHERN EYRE PENINSULA SUBSIDIARY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2011

Note 2 - INCOME

2011

2010

USER CHARGES

User charges are revenues from the sale of goods and services or rent or property facilities.

They include:

Plant Hire

158,565

155,660

158,565

155,660

INVESTMENT INCOME

Interest on Investments

Local Government Finance Authority

4,770

2,872

Banks and Other

1,211

356

5,981

3,228

SOUTHERN EYRE PENINSULA SUBSIDIARY
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 3 - EXPENSES

	2011	2010
MATERIALS, CONTRACTORS & OTHER EXPENSES		
Materials are payment or liabilities for physical goods including energy.		
They include:		
Contractors	16,604	8,128
Fuel/lubricants	46,784	42,383
Parts, Accessories & Consumables	2,372	19,039
Bank Charges	110	132
Insurance	1,015	993
Sundry	5,408	5,906
Total Materials, Contractors & Other Expenses	<u><u>72,293</u></u>	<u><u>76,581</u></u>
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Plant & Machinery	54,000	54,000
	<u><u>54,000</u></u>	<u><u>54,000</u></u>

MEMBER COUNCILS 2010/11

- City of Whyalla
- City of Port Lincoln
- DC Ceduna
- DC Cleve
- DC Elliston
- DC Franklin Harbour
- DC Kimba
- DC Lower Eyre Peninsula
- DC Streaky Bay
- DC Tumby Bay
- Wudinna DC

REPRESENTATIVES:

At the 73rd AGM of the Eyre Peninsula Local Government Association, held at Ceduna on 3rd December 2010, the following Office Bearers were confirmed for the 2010/11 financial year:

PRESIDENT: Mayor Jim Pollock (City of Whyalla)

SNR VICE PRESIDENT : Mayor Julie Low (DC Lower Eyre Peninsula)

JUNIOR VICE PRESIDENT: Mayor Eddie Elleway (DC Franklin Harbour.)

Supplementary election at the February 2011 meeting endorsed Mayor Julie Low as President with Mayor Elleway as Snr Vice President and Mayor Schaefer as Jnr Vice President.

Our President and Snr Vice President are our nominated representatives to SAROC and State Executive Forums.

Other local government representatives to regional Boards have been as follows:

RDA Whyalla and EP BOARD:

- Mayor Jim Pollock (City of Whyalla)
- Cr Jack Velthuizen (City of Whyalla)
- Mayor Allan Suter (DC Ceduna)
- Former Mayor Allan Edwards (DC Cleve)

EYRE PENINSULA NATURAL RESOURCES MANAGEMENT BOARD

Mr Geoff Dodd (CEO, City of Port Lincoln)

TOURISM EYRE PENINSULA COMMITTEE

Former Cr Dianne Hamlyn (DC Kimba)

ANNUAL MEETING SCHEDULE, 1981-2020.

A highlight on the EPLGA calendar is the Annual Conference, hosted each year by a member Council. To assist in host Council planning, the following schedule is included:

- 2000 DC Franklin Harbour
- 2001 DC Cleve
- 2002 DC Streaky Bay

- 2003 DC Elliston
- 2004 DC Tumby Bay
- 2005 Whyalla CC
- 2006 DC Ceduna
- 2007 DC Lower Eyre Peninsula
- 2008 DC Kimba
- 2009 DC Wudinna
- 2010 DC Franklin Harbour
- 2011 DC Cleve
- 2012 DC Streaky Bay
- 2013 DC Elliston
- 2014 DC Tumby Bay
- 2015 Whyalla CC
- 2016 DC Ceduna
- 2017 DC Lower Eyre Peninsula
- 2018 Port Lincoln CC
- 2019 DC Kimba
- 2020 Wudinna DC

Mark Ricciuto was Guest speaker at the Cleve Annual Conference Dinner. Pictured (Below R) talking with Cr Alan Zerner (Franklin Harbour.)



The 2012 conference will be held on Monday 27th February 2012 at Streaky Bay. Theme will be "Bush to Bay."

BOARD MEMBERS AND STAFF FOR 2010/11

Under the terms of our Charter, the following Board appointments were current as at June 30th, 2011:

- Ceduna** Allan Suter (Mayor)
Lynton Brown (D/Mayor)
- Cleve** Roger Nield (Mayor)
Jodie Jones (D/Mayor)
- Elliston** Pat Clarke (Chair)
Kym Callaghan (Dep Ch)
- Franklin Harbour** Eddie Elleway (Mayor)
Gavin Jackson (Dep Mayor)
- Kimba** John Schaefer (Mayor)
Dean Johnson (Dep Mayor)

Lower Eyre Peninsula

Julie Low (Mayor)
Paul Pedler (D/Mayor)

Port Lincoln

Bruce Green (Mayor)
Neville Starke (D/Mayor)

Streaky Bay

Rob Stephens (Mayor)
Dean Whitford (Dep Mayor)

Tumby Bay

Laurie Collins (Mayor)
Murray Mason (Dep Mayor)

Whyalla

Jim Pollock (Mayor)
Merton Hodge (Cr)

Wudinna

Tim Scholz (Chair)
Neville Scholz (Dep Ch)

Tourism Commissions' changes to delivery of their growth plan, including demise of regional office.

- Submissions in relations to COAG Road Reform Project, windfarm planning framework, Eyre and Western Landuse plan, grain handling, Agricultural Advisory Board funding, fish possession limits, Marine parks SA, Digital TV switch-over and many other issues have been prepared on behalf of Members.

REPORT OF ACTIVITIES, 2010/11

The stated objectives under our Strategic Plan, with generalised actions for the year, are as follows:

Promotion of an integrated and regional network of Councils, in co-operation with other regional LGAs and the LGA of SA

- Regular newsletters distributed electronically as information mechanism
- Active participation in SAROC and State Exec agenda
- Regular liaison with other regional Executive Officers to cross-promote issues throughout regional SA

Effective lobbying on behalf of Members on key regional initiatives and concerns

Throughout the year, lobbying efforts have included the following:

- Continued lobbying and submission re Marine Parks implementation process
- Continued response/lobbying re Water including EP Long Term Plan.
- Opposition to Daylight Savings extension and promotion of Central Standard Time GMT+ 9 hours
- Many roads issues including Rail Interface, gazettal processes, HML operation, road funding and accredited officer access.
- Minister Gago's Accountability proposal re Regional Subsidiaries
- Digital TV switchoff, GTS footprint.
- Fish possession limits for recreational fishing sector
- Co-ordinating action in regard to SA

Assist Members to improve operational efficiencies by providing a forum for considering co-operative ventures and sharing of resources

- A number of meeting have been held re Road issues including Rail Interface project, DTEI engagement and native vegetation management.
- Promotion and progress of HR regional Project.
- Preliminary work in relation to Starr Report on Future operation of Councils on EP.
- Co-ordination Councils audit tender.

Provide a point of interface with key organizations on Eyre Peninsula, including EPNRM, RDAWEP and TEP, on matters of governance that affect the majority of Members

- Co-ordinating engagement with TEP, SATC in relation to changes to regional tourism growth plan for SA.
- Ongoing engagement with emergency management agencies, DENR, RDA on a variety of issues affecting our region.

Projects carried out 2010/11

Shared Services HR/OHS Project

Seven Member Councils agreed to co-fund a fully developed HR consultancy the earlier scoping work funded by the LGA. Key workplan included assessment of the One System Implementation plus the development of standardized approaches to HR documentation, policy development and recruitment processes.

External consultants have handled the bulk of the project with Training and marketing items being managed by EPLGA. These are both ongoing in 2011/12 partly due to supplementary

work under the Marketing project which will actually inform some of the output.

Climate Change Sector Agreement.

After 18 months, this project has been slowed due to the loss of funding and the former Co-ordinator, Tony Irvine. Most of the Working party have a fairly good understanding of the likely final action plan and we have agreed to commit funding ourselves the final component of the project.

For EPLGA, the key task will be developing coastal inundation planning materials that can then assist Councils in community engagement and infrastructure planning into the future.

Regional Leadership

We have again supported this project which aims to promote skills in potential future leaders on EP. Again, participants came from a cross section of business, government and community organizations and final outputs were again widely praised.

Rural Solutions co-ordinated and planned this year's project, titled "Steering EP #2" and a final wrap-up meeting will occur. The most important decisions are around the timing between courses and the method of providing recurrent funding into the future.

Participants have continued to praise the course saying that it allowed them to have a greater understanding about their skills and about leadership in general.

SUMMARY OF OTHER 2010/11

PROJECTS

EPLGA Marketing

Following the CEOs Residential Seminar, CEO Ian Burfitt encouraged members to consider ways of raising the image of the EPLGA in both regional and federal/state gov't spheres, in line with the sense of regionalism promoted by the last federal election outcomes. It is thought that we may have a better chance of securing funding with a higher profile.

Members have been willing to back the project and we are currently looking at priority works suggested by CPR consultants, registered lobbying at both state and federal level.

It is expected that the timing of this project, with the LGA Regions Policy development and the invitation from the Department of Planning and Local Government to take a greater role in our regional planning, is fortuitous.

Tourism Marketing

Members were dismayed to learn of the dismantling of regional tourism offices during 2010. SATC sees the future growth of tourism as being achieved best through central delivery and focus in five key market areas. While Eyre Peninsula is likely to continue to be a part of the growth Plan, Councils have decided to fund a local delivery officer who will continue to promote regional strategic issues.

ZEN Energy

The LGA has continued to promote renewable energy for communities, including householder uptake of solar panels as a way of offsetting private energy costs. SA company, ZEN Energy, has been endorsed as an integral part of the project and many residents on EP have taken up the offer.

Summary.

The Executive officer review in 2007 resulted in a more confined agenda with members wanting to focus on the core issues for local government. However, in recent months, the focus on shared services and operational sustainability have lead to EPLGA coordinating a number of activities in the region.

For 2011/12, it is anticipated that the following projects will need much input from EPLGA:

- Certificate IV in OHS training
- Further development of regional training plan
- EPLGA marketing project (Engagement Strategy released in September 2011)
- Coordination of CEOs Governance meetings

In addition, 2011/12 will see scheduled reviews for:

- EPLGA Charter
- Policy Manual

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

INCOME STATEMENT

For the year ended 30th June 2011

	Note	2011 \$	2010 \$
INCOME			
Interest Received		16,169	10,603
Membership Fees	5	121,000	121,000
Reimbursable Expenses		-	460
Project Management Fees		3,000	3,000
		<u>140,169</u>	<u>135,063</u>
EXPENSES			
Administration		10,426	8,107
Audit Fees		1,240	1,100
Bank Charges		500	442
Computer Expenses		1,258	474
Donations		-	100
Employee Expenses		61,644	56,574
Insurance		5,378	3,212
Marketing & Promotion		56	54
Meeting Expenses		3,828	3,638
President's Expenses		1,750	1,500
Secretarial Service		16,500	15,950
Telephone		319	346
Travel Expenses		5,599	5,407
		<u>108,498</u>	<u>96,904</u>
SURPLUS/(DEFICIT)		<u>31,671</u>	<u>38,159</u>

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

BALANCE SHEET As at 30th June 2011

	Note	2011 \$	2010 \$
ASSETS			
Cash and cash equivalents	3	291,663	205,708
Receivables	4	9,006	2,691
TOTAL CURRENT ASSETS		<u>300,669</u>	<u>208,399</u>
LIABILITIES			
Trade and other payables	6	34,754	6,831
Unspent Grants	2	<u>89,798</u>	<u>57,122</u>
TOTAL LIABILITIES		<u>124,552</u>	<u>63,953</u>
NET ASSETS		<u>176,117</u>	<u>106,287</u>
ACCUMULATED FUNDS			
Balance brought forward		144,446	106,287
Change in Financial Position Resulting from Operations		31,671	38,159
ACCUMULATED FUNDS AT THE END OF THE FINANCIAL YEAR		<u>176,117</u>	<u>144,446</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2011

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Local Government Act 1999.

The financial report has been prepared in accordance with the requirements of the Local Government Act 1999 and the following Australian Accounting Standards.

AASB 1031 Materiality
AASB 110 Events after the Balance Sheet Date
AASB 119 Employee Benefits
AASB 107 Cash and Cash Equivalents.

No other applicable Accounting Standards, Urgent Issues Group 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.

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

(a) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Liabilities for employee benefits not expected to be paid or settled within 12 months are measured using a shorthand method which produces a result not materially different from the liability measured using the present value of expected future cash outflows method. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

(b) Cash and Cash Equivalents

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

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30th June 2011

2. PROJECTS

	1/7/2010 Brought Forward	Income	Expenditure	Project Management	Unspent
Regional Capacity Building	56,468	34,537	33,839	3,000	54,166
EP Coastal Development Strategy	654	-	-		654
Human Resource Consultancy	-	90,000	55,022	-	34,978
	<u>57,122</u>	<u>124,537</u>	<u>88,861</u>	<u>3,000</u>	<u>89,798</u>

2011
\$

2010
\$

3. CASH AND CASH EQUIVALENTS

Bank SA Cheque/Savings	6,423	4,183
Bendigo Term Deposit	124,540	116,724
LGFA (at call)	160,700	84,801
	<u>291,663</u>	<u>205,708</u>

4. RECEIVABLES

GST receivable	7,006	2,691
Accrued Interest	2,000	-
	<u>9,006</u>	<u>2,691</u>

5. MEMBERSHIP FEES

District Council of Ceduna	11,752	11,752
District Council of Cleve	8,802	8,802
District Council of Elliston	7,457	7,457
District Council of Franklin Harbour	7,712	7,712
District Council of Kimba	7,429	7,429
Wudinna District Council	7,777	7,777
District Council of Lower Eyre Peninsula	13,212	13,212
District Council of Streaky Bay	9,027	9,027
District Council of Tumby Bay	9,937	9,937
City of Whyalla	21,955	21,955
City of Port Lincoln	15,940	15,940
	<u>121,000</u>	<u>121,000</u>

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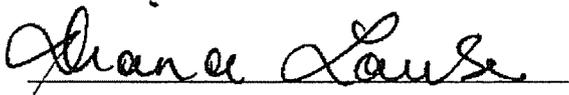
EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

6. TRADE & OTHER PAYABLES

Accrued Expenses -- employee entitlements	4,391	5,115
Trade Creditors	27,807	-
Payroll Liabilities	2,556	1,716
	<u>34,754</u>	<u>6,831</u>

CHIEF EXECUTIVE OFFICER'S STATEMENT

I, DIANA LAUBE the person for the time being occupying the position of CHIEF EXECUTIVE OFFICER of EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION do hereby state that the Financial Statements of the Association for the 30 June 2011 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.


Signed

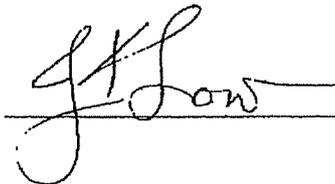
Dated 20th Sept 2011

STATEMENT OF THE BOARD OF MANAGEMENT MEMBERS

In the opinion of the Board of Management of the Eyre Peninsula Local Government Association the accompanying Financial Report attached hereto, are drawn up so as to present fairly the results of the Association for the year ended 30 June 2011, and the state of affairs of the Association as at 30 June 2011, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Signed 21st day of September 2011

in accordance with a resolution of the Board of Management


Member

Member



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

We have audited the accompanying Financial Report of the Eyre Peninsula Local Government Association which comprises the balance sheet as at 30 June 2011 and the income statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Chief Executive Officer's declaration as set out on pages 1 – 5.

THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 1999*. This responsibility includes establishing 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 my audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

AUDITOR'S INDEPENDENCE DECLARATION

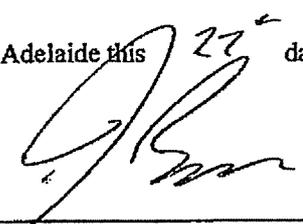
In conducting our audit we have complied with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 1999* and the Australian professional accounting bodies.

AUDIT OPINION

In our opinion the financial report of the Eyre Peninsula Local Government Association is properly drawn up:

- a) To give a true and fair view of:
 - i) the Association's state of affairs as at 30 June 2011 and changes in equity resulting from operations and cash flows for the year ended on that date.
 - ii) the other matters required by the Local Government Act 1999 to be dealt with in the financial statements.
- b) According to the Local Government Act 1999, together with the Local Government Act 1999 (Financial Management) Regulations 1999 made under that Act; and
- c) According to Australian Accounting Standards and mandatory professional reporting requirements.

Signed at Adelaide this 27th day of September 2011



JOHN D EWEN
JOHN D EWEN & ASSOCIATES
CHARTERED ACCOUNTANT

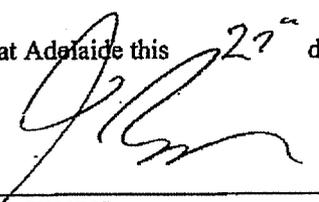
AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration Under Section 16A of the Local Government (Financial Management) Regulations 1999 to The Members of Eyre Peninsula Local Government Association

I confirm that, for the audit of the financial statements of the Eyre Peninsula Local Government Association for the year ended 30 June 2011, 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) *Local Government (Financial Management) Regulations 1999*.~~

Signed at Adelaide this 27th day of September 2011



JOHN D EWEN
JOHN D EWEN & ASSOCIATES
CHARTERED ACCOUNTANT