

DISTRICT COUNCIL of PETERBOROUGH



Amalgamated 1997

ANNUAL REPORT

Incorporating the Audited Financial Statements 2016/2017

2016 / 2017

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The content of Council's 2016 - 2017 Annual Report
is as required under Section 131 of the Local Government Act, 1999.
Progress on Council activities is reported monthly
in *The Informer*, which is circulated throughout the Peterborough district.



*** VISION***

A thriving community again with a quality lifestyle
and sustainable economic base

KEY RESULT AREA

- KRA** Economic sustainability
- KRA** Infrastructure
- KRA** Community well being
- KRA** The environment
- KRA** Representative and accountable local government



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FROM THE MAYOR : 2016/2017 :

This past 12 months have been filled with good things for Peterborough and District. It has been a time of beginning and of renewal. It is now a time of hope for good things in the future – if we continue to build on the work that has been done in recent months and years.

In February this year the Community Waste Water Management Scheme contractors, DSM, broke the first ground and our \$17.6million scheme began. The scheme has progressed steadily through heat, dust, frost, rain, large rock reefs, criminal vandalism, and many meetings of all concerned at the construction and finance levels. I acknowledge the angst and concern felt by the ratepayers and residents but ask them to have a sense of trust in the fact that the councillors have made the right decision to install the system and will continue to work with and for the community for the best outcome for all.

The move of the Visitor Information Centre to Steamtown and the subsequent gaining of the yellow ‘i’ status has proven to be the right decision. We now have much more space, trained staff with technology and information about all that is happening in our district to hand and recognition by our peers that we deserved and are using the yellow ‘i’ to our advantage.

Combined with this, the new RV Park across the road from Steamtown has proven a bonus – for Steamtown, the VIC, the businesses in the street and for the RV visitors as well. The park provides a resting place for only self-contained units, so the Caravan Park is not directly affected. It has been a win/win situation for all.

The undergrounding of the power lines, new lighting and removal of the stobie poles and wiring in the centre of the Main Street is aesthetically pleasing, safer, brighter and a bonus for all businesses who operate once darkness falls.

The renewal project for the renovation and painting of the facades of the shops in Main Street, the new verandahs and the painting and renovation of the posts and frontages of the businesses has been a ‘game changer’ in the street. It all looks new, clean, neat and has instilled a new confidence in the business owners and ratepayers and residents alike. As I write, we only have 2 business premises that are empty and that is a wonderful thing to be able to say!!

New protuberances have been installed in front of 5 businesses and although they are not yet complete, I am sure that once they are – will prove to be a talking point and be used by locals and visitors alike. Some problems with installation and trucks not avoiding two bollards but it has proven that the bollards are doing their correct job. Vegetation, tables and chairs are yet to be installed.

Free WIFI is now available for anyone who wishes to avail themselves of the service. It is now easy for visitors to stop, take a break and catch up on emails or pay bills whilst they are in our community.

The Main Street Project will be acknowledged and opened in November by the Minister for Regional Development the Hon Geoff Brock, State Member for Frome. I would like to acknowledge the Minister and his Department for the funding, the interest in the project and the provision of our Community Development Officer, Nicole Lewis – who has successfully overseen these projects and many others in her 30 months with us. Nicole has helped all and sundry, provided advice and encouragement and fulfilled the terms of her contract beyond expectations.

The formation of a Business Association is good news and provides other eyes and hands doing things in and for the community. Several projects have begun and more are planned – all to the benefit of the resident, ratepayer and visitor to the area.





Tourism is proving to be our greatest ‘open secret’ and the tourism operators are advertising and displaying professionalism in their dealings with the travelling public. We have won several awards for our tourism operations over the year and are holding our hands up for a few more soon.

Steamtown – our linchpin has just opened an entrance garden – thereby tidying up the area. They have also been given a National Heritage Marker Award – one of only about 200 in Australia.

Our latest Tourism offering has been officially opened – the Peterborough Town Carriage Museum. It is the story of Peterborough told with Story Boards and Artefacts. It also has 2 compartments with a Virtual Reality Experience of a train journey from Peterborough to Broken Hill – filmed using a drone going at the same speed that the train would have been moving.

Our Steamtown/Tourism Manager, Pat Kent, is our ‘ideas’ man and apart from the thoughts and plans is a man of action. His work load is incredible and his results have proven to be bonuses for Peterborough. Thank you, Pat, for the work you do for us – constantly!!

We are about to see the re-opening of the Lions Club Fountain, the new pavers around the Bob the Dog statue and a new pictorial display in the foyer of the Post Office in November and then the upgrade of the Median Strip area in Yongala – all projects undertaken by local groups.

The History Group continue to function at maximum speed – gathering and preserving local and family information, running the Print Shop and keeping the history of our area current and past.

The Service Clubs and every club in the district support our work by doing the community work that they set out to complete every year and by supporting Council with the Australia Day and Pageant Committees with their annual days of celebration and commemoration. They raise funds, run sporting teams, provide companionship and social outings and are good ambassadors for the community.

Our District and Town work crews have had a busy year with the grading of the district roads, the sealing and kerbing of town roads, the clean ups, tree trimming, construction and maintenance in district and town areas, the work at the transfer station, our ovals, parks, swimming pool and everything else that requires attention on an on-going basis. They work very hard under the direction of the Works Manager, Chris Thomson.

Don Ferguson Drive continues to be upgraded with gardens, lawned areas, seating, tables and points of interest for travellers and local residents. The area is kept maintained by our garden crew and compliments the work in the Main Street perfectly. Many RV’s and caravans park on the Drive and then use our Main Street facilities.

The trains on Don Ferguson Drive and in the car park of Steamtown have had a facelift and now reflect their true colours. They attract many comments and are photographed on a regular basis.

The Staff members who work in the Main Office and upstairs, Rural Transaction Centre, Steamtown/Visitor Information Centre, Library, Gardens, Parks and Cemeteries, our full, part time, casual and contract staff all deserve thanks and praise for, yet another year’s work done with dedication, honesty, integrity, and professionalism.

All personnel work under the guidance and direction of our Chief Executive Officer, Peter McGuinness, who controls the finances of Peterborough and District through our budgets, takes care of all projects, liaises with all departments, consults with Councillors and myself as Mayor and takes the business of ‘City Manager’ very seriously with great effect. Thank you for all your work Peter – much appreciated by all who work with or for you.





My thanks to the Government Departments – Federal and State and our hard-working members of Parliament, Rowan Ramsey Federal Member for Grey and Dan van Holst Pellekaan State Member for Stuart. I add thanks to Kelly-Anne Saffin from Regional Development Australia and members of her Board for their support and the Local Government Association who have supported and advised us throughout the year.

I also acknowledge assistance from our neighbouring Councils, those who work with us in Legatus and the wider Local Government Community. We are never alone in Local Government.

Lastly, I thank the Councillors who give of their time and energy to support Peterborough and District and who make difficult decisions in the line of duty after considering all the facts presented to them. It is not an easy job, but it is one which is done with dedication and a firm belief that the decisions that are made are for the ultimate betterment of all who live and work in this community.

My ongoing thanks to everyone who supports Peterborough and District.



Ruth Whittle OAM
Mayor
District Council Peterborough

**NEWLY ACCREDITED YELLOW ‘i’ VISITOR INFORMATION CENTRE
at STEAMTOWN**





REPORT FROM THE CHIEF EXECUTIVE OFFICER : 2016/2017 :

Well what another exciting year it has been. Council staff have been run off their feet with the amount of activity in the District.

Their professionalism and dedication to the work has been excellent, and of course with that comes a working environment that is positive and forward thinking. The staff have worked extremely well together forging a path of sustainability, viability and enthusiasm for the community.

With the promotion of Anthony Casey to Depot Supervisor, Gary Lock was employed to take over the Grader operations and another new addition in Rob Magnusson working on our Parks and Gardens.

The State Government introduced a traineeship program which was made available to all SA councils through the Local Government Association. Our Council took up the opportunity of employing a young person on this scheme. Andrew Fitzsimmons has been employed as a trainee gardener, doing a Certificate III in Horticulture through TAFE SA.

Council continues to improve the liveability of our community by repairing, replacing and building new infrastructure. This work has commenced this year with some continuing from the previous year.

Community Waste Water Management System (CWMS)	\$17.6 million
PLEC Program	\$950,000
Main Street Renewal Project	\$350,000
Don Ferguson Drive Upgrade	\$400,000
Relocation of the Visitor Information Centre to Steamtown	\$2,000
Introduction of the Yellow “i”	-
Establishment of the Town Carriage Museum	\$90,000
Resheeting of District Roads	\$730,000

In August 2016, Council approved the reclassification of district roads. After conducting a review of district roads and the cost of maintaining them, Council decided to reduce the number of kilometres to be maintained from 589km to 397km.

The CWMS commenced production in March 2017 and is estimated to be completed by May 2018. Council were notified in October 2016 that we were successful in obtaining a grant from Federal Government of \$8.6million.

Council conducted its Elector Representation Review during 2016-17. Two public consultations were held and the Council passed a motion to remain as is, ie one elected Mayor and eight elected councillors.

The Main Street Renewal Project commenced in October 2016 with the undergrounding of the power lines in the Main Street between Meadows Street and High Street. The shop fronts, verandahs, facades and parapets have all been upgraded and outdoor dining protuberances have been added.

This Council continues to work with other Councils to improve our future sustainability through some shared services, such as:

- Flinders Regional Development Assessment Panel
- Shared employment of the Environmental Health Officer
- The Northern Passenger Transport Network
- The Mid North be Active Field Officer
- Appointment of a shared Auditor

Council is still a member of the Central Local Government Region (Legatus) of which there are 14 other member Councils.





I would like to thank the elected members who have been helpful during this year, assisting us with achieving our objectives.



*Peter McGuinness
Chief Executive Officer*

NEWLY UPGRADED DON FERGUSON DRIVE





REPORT OF FINANCE AND ADMINISTRATION : 2016/2017 :

The Financial Statements for the District Council of Peterborough for the 2016/17 financial year were adopted by Council at the meeting held on the 20th November 2017. That document forms part of this Annual Report.

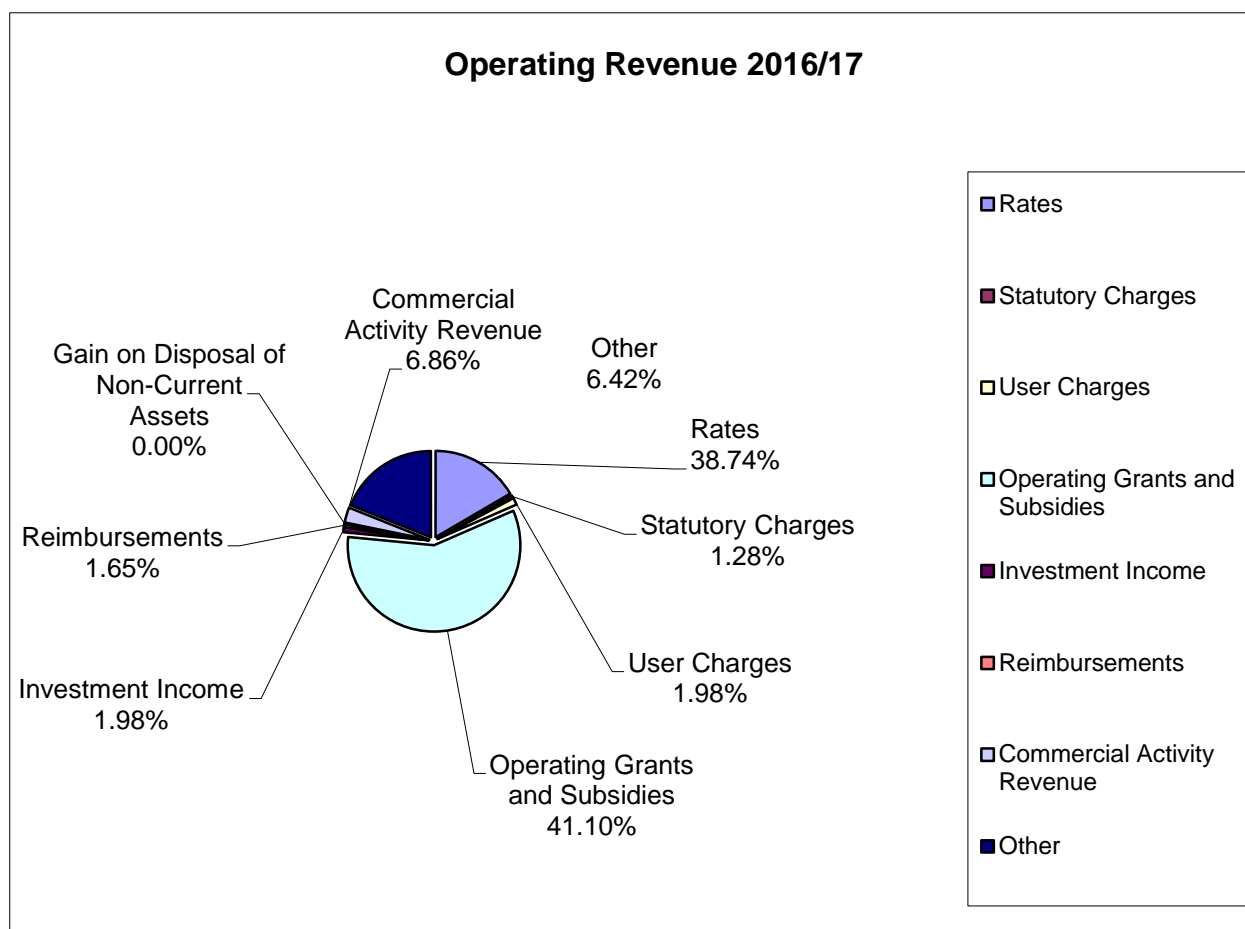
A net surplus of \$6,203,016 has resulted this year, an increase against the deficit in 2015/16 due to grant funding received for the CWMS \$2,477,956 and asset revaluation of \$3,120,787. The operating surplus for the year was \$621,592 which includes a payment in advance of our Financial Assistance Grant funding of \$803,358. A significant shortfall in our cash management to cover depreciation exists and therefore hampering our ability to replace or maintain assets.

Council set the rates, the result being the income derived was an increase of 4.90% over the previous year. Setting a realistic budget Council was able to continue with some of its asset replacement/upgrade program. Capital expenditure for the year was \$2,471,462 with disposals of \$39,783.

Work has continued throughout the year on repairing the district roads with the Flood Money received. The funds are currently invested with the Local Government Finance Authority with a balance of \$1,194,989.

Investment holdings increased to \$11,092,430 as at 30th June 2017, an increase over last year of \$7,402,775. This was due to funds received for the CWMS. Council has spent its grant funds for Don Ferguson Drive, and Flood Damage Repairs.

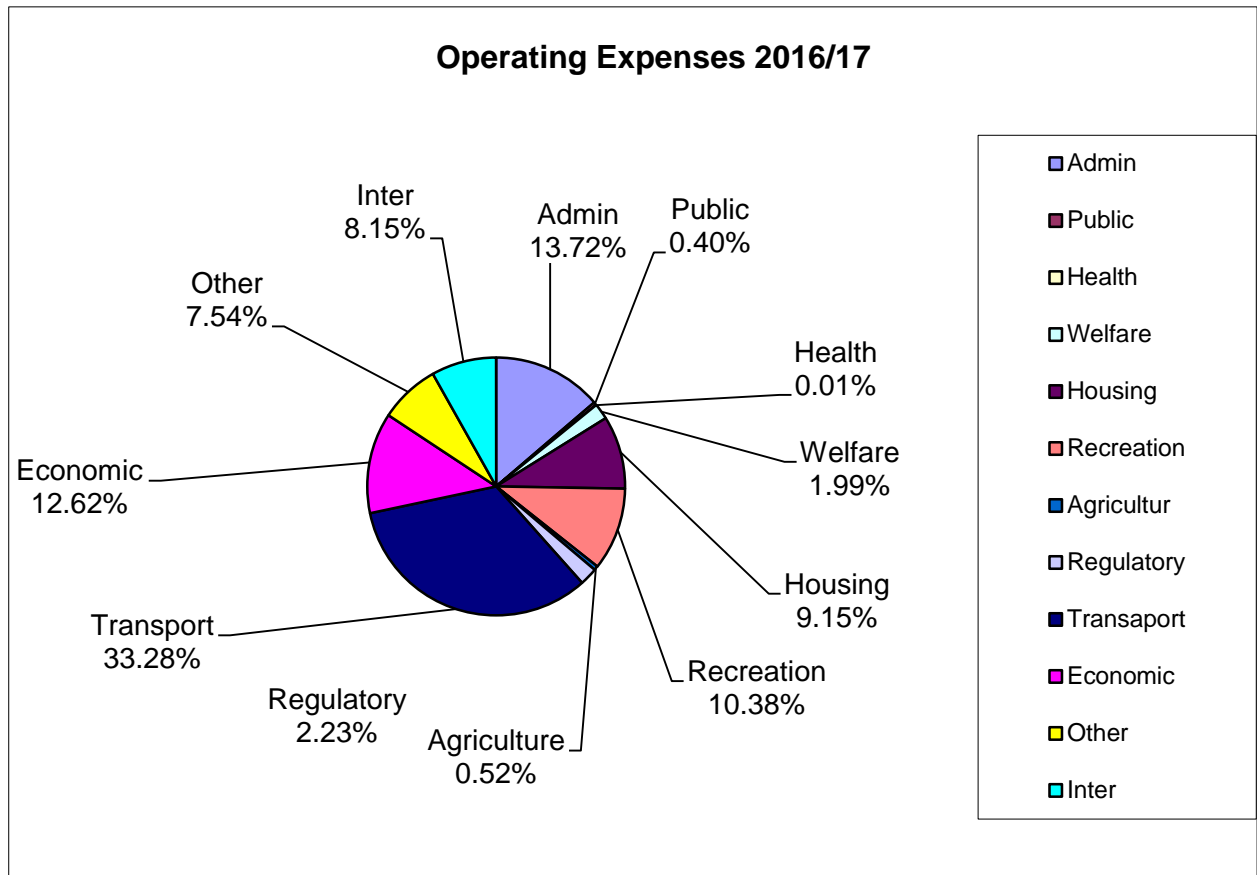
The following graph summarises the Operating Revenue for 2016/17:



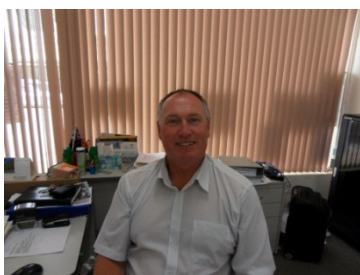
From the above graph it can be seen that Council relies on both State and Federal funding, with council rates only contributing 38.74% to total revenue.



The following graph summarises the Operating Expenditure for 2016/17.



The above graph shows the services on which Council spends the revenue it receives. Council rates equate to only 25.00% of the total expenditure.



Peter McGuinness
Chief Executive Officer
Finance



REPORT FROM THE WORKS MANAGER : 2016/2017 :

There have been many small projects and routine maintenance works performed on an ongoing basis, which have not been mentioned in this report as they are too numerous to mention in detail, but the works include all the routine maintenance of the parks, reserves, swimming pool, cemeteries, main street, patrol grading, sign maintenance, footpath maintenance, pre-fire season slashing, drainage maintenance, tree trimming/felling and removal, Transfer Station operations.

This year, just like most others, has had its challenges and isn't always easy, but everyone has worked hard to achieve our outcomes. I would like to pass on my thanks to the Depot Supervisor, Depot Staff, the CEO, Town Hall staff, the Mayor and all the other Elected Members.

Below I make reference to the more significant works achieved in this financial year.

PLEC (Power Line Environment Committee)

Council applied for a grant to have power poles and overhead power lines removed between Meadows St and High St in the Main St CBD.

The application was successful resulting in the removal of the old unsightly stobie poles and overhead power lines, followed by the undergrounding of the power lines between Meadows St and High St, and then the installation of new LED lighting.

These works have greatly improved the appearance and lighting of this part of Main St.

PARKS / RESERVES / RECREATION

Don Ferguson Drive Upgrade

To further improve and compliment the previous development of Don Ferguson Drive and the walking trail, various native plants/shrubs have been planted along the sealed walking trail between Hurlstone St and the Steamtown carpark.

WASTE MANAGEMENT

Free Dump Days

Council in its ongoing commitment to improving the amenity of the town has provided four free dump days this financial year which has been well patronised resulting in much rubbish from within the town being disposed of free of cost to residential properties.

Pensioner Pickup

In addition to the four free dump days Council has again provided its free Pensioner Pickup Service in October which has also been well received and appreciated.

DISTRICT ROADS

Road Reclassification

Council's district road network consists of approx 950km of unsealed roads of varying classifications.

The total length of Class 1 and 2 roads was not sustainable given Council's limited budget and resources so it was necessary to revise the total length of Class 1 and 2 roads down to a sustainable level. A review of all existing Class 1 and 2 roads was conducted followed by a submission to Council to reclassify a number of Class 1 & 2 Roads.

Pavement Condition Assessment

A thorough pavement assessment including depthing the existing pavement thickness at 500m intervals for all Class 1 & 2 roads was also conducted to provide Council with an up to date account of the condition of the Class 1 & 2 District Road network to enable Council to more accurately plan future district road budget requirements.



**ROADS PATROL GRADED**

ROAD NAME	FROM	TO		KM
Erskine Rd	RPA 417	To	Peak Rd	20.138
Sparks Rd	Yatina Rd	To	Council Boundary	2.371
Garden Rd	Yatina Rd	To	Council Boundary	2.135
Yatina Rd	Garden Rd	To	Council Boundary	7.950
Erskine Rd	Symes Rd	To	Tarcowie Rd	2.800
Crocker Rd	Ampol Creek	To	Rucioch Rd	11.943
Bullyaninnie Rd	Rucioch Rd	To	RPA 1052	10.520
Smith Rd	Barrier Highway	To	Crocker Rd	5.480
Rucioch Rd	Barrier Highway	To	Crocker Rd	5.360
Whites Well Rd	Nackara Rd	To	Orroroo/Paratoo Rd	17.414
Yongala Vale Rd	Malycha Rd	To	Council Boundary	12.460
Belalie Rd	End of Bitumen	To	Downing Rd	9.267
Old Whydown Rd	Nackara Rd	To	RPA 1071	10.710
Nackara Rd	Barrier Highway	To	Whites Well Rd	2.228
Mercer Rd	Barrier Highway	To	RPA 38	.380
Bradtke Rd	Steer Rd	To	Council Boundary	3.570
Morgan Rd	Bradtke Rd	To	Council Boundary	2.100
Canowie Belt Rd	Belalie Rd	To	Council Boundary	5.977
McCoys Well Rd	Orroroo/Paratoo Rd	To	McCoys Well Hmstd	3.190
Bennett Rd	Canowie Belt Rd	To	Paterson Rd	.421
Paterson Rd	Bennett Rd	To	Belgala Vale Rd	1.733
Eckert Rd	O'Dea Rd	To	Belalie Rd	5.997
Orroroo/Paratoo Rd	McCoys Well Rd	To	Barrier Highway	14.214
Earle Rd	Cleary Rd	To	150m West	.150
Sambell Rd	Cotton Rd	To	Dawson Rd	.921
Booborowie Rd	End of bitumen	To	Council Boundary	12.225
Sparks Rd	Ch 1475	To	Ch 2070	.595
Belalie Rd	End of bitumen	To	Council Boundary	9.437
Ucolta Rd	Petersburg Rd	To	Dawson	16.777
Stock Route Rd	Woodcutters Rd	To	Parnaroo Rd	13.215
Dawson Gorge Rd	Strat of the Gorge section	To	End of the Gorge section	2.500
Malycha Rd	Lancelot Rd	To	Malycha Rd pit	3.000
Booborowie Rd	Simon Rd	To	Gumbowie Res Rd	3.500
Eckert Rd	Canowie Belt Rd	To	Yongala Vale Rd	2.750
Chomel St	End of Bitumen	To	O'Dea Rd	.491
Earle Rd	Cleary Rd	To	O'Dea Rd	10.179
Malycha Rd	Beniah Rd	To	Cleary Rd	6.790
Dawson Rd	Petersburg Rd	To	Staircase Rd	3.200
Booborowie Rd	End of bitumen	To	Simon Rd	6.470
Dawson Rd	Staircase Rd	To	Cavenagh Rd	20.986
Belalie Rd	End of Bitumen	To	Council Boundary	9.400
Erskine Rd	Symes Rd	To	Yatina Rd	6.000
TOTAL KMS				287

**ROADS RE-SHEETED**

ROAD NAME	FROM	TO		KM
Yongala Vale Rd	Various short sections	To	End of various sections	.91
Crocker Rd	North side of Markey Rd	To	Sth side of Markey Rd	2.510
Bunerong Rd	Various short sections between Parnaroo Rd	To	Crocker Rd	5.000
Parnaroo Rd	Various sections between Bunerong Rd	To	Stock Route Rd	7.000
Woods Rd	Cleary Rd	To	Council Boundary	1.083
Fairview Rd	Various sections between Barrier Highway	To	Cleary Rd	2.700
Mahoney Rd	Various sections between Cleary Rd	To	Fairview Rd	2.000
Booborowie Rd	Simon Rd	To	Council Boundary	4.860
Hurlstone St Ext	End of Bitumen	To	Malycha Rd	1.124
McLeod Rd	Cemetery Rd	To	Lancelot Rd	4.100
Lancelot Rd	McLeod Rd	To	Malycha Rd	1.075
Sambell Rd	Cotton Rd	To	50m East of Cotton Rd	.05
Gumbowie Reservoir Rd	1400m East of Cleary Rd	To	Needs confirming	
Yongala Vale Rd	Two short sections between Ch 2500	To	Ch 2870	.330
Staircase Rd	Various sections between Dawson Rd	To	Old Orroroo Rd	1.45
Old Orroroo Rd	Various sections between Birmingham Rd	To	Staircase Rd	.459
Wicki-Ridge Rd	West Tce	To	Ch 300	.300
Old Orroroo Rd	Petersburg Rd	To	Birmingham Rd	1.120
Belgala Vale Rd	Canowie Belt Rd	To	Paterson Rd	.390
Yongala Vale Rd	From just before Earle Rd	To	Almost at Council Boundary	5.393
TOTAL KMS				41.85

District Rd Summary

The Works Department completed 41.85 km of re-sheeting during this financial year as well as approx. 287 km of Patrol Grading as well as minor flood damage repairs.



Chris Thomson
Works Manager





REPORT FROM THE TOURISM MANAGER : 2016/2017 **inc STEAMTOWN HERITAGE RAIL CENTRE & VISITOR INFORMATION CENTRE :**

SHRC Management Committee

The SHRC Management Committee is a Section 41 Committee of Council and meets monthly on the 2nd Monday of each month at Steamtown in the boardroom.

Voting members

Ruth Whittle	(Mayor District Council of Peterborough)	Chair
Peter McGuinness	(CEO District Council of Peterborough)	Council Representative
Frank Hardbottle	(Councillor District Council of Peterborough)	Council Representative
Jason Schell		Community Representative
John Schell		Community Representative
Pat Kent		Manager - SHRC
Kelly-Anne Saffin		Mid-North/Yorke RDA

Marketing Strategy 2016/17

The marketing strategy for 2016/17 has continued to be the “Stay an Extra Day” campaign with a particular focus on the new Town Carriage Museum, new RV Park and the newly accredited Visitor Information Centre now located at Steamtown.

Awards

Peterborough Tourism is currently a Finalist in both the Destination Marketing and the Local Government Award for Tourism categories at the upcoming 2017 South Australian Tourism Awards.



Town Carriage Museum

In 1917, sleeper compartment NARB 12 began servicing the 1700km route between Port Augusta and Kalgoorlie. The first-class carriage was a thing of beauty, fitted with timber panelling, coloured leadlights and bluebell glass lamps, and it would serve South Australian Railways for 80 years, clocking up millions of kilometres in its long career.

By the 1980s, the carriage was long past its best, chopped and changed, and ultimately pensioned off. In 1984, it was installed in the centre of the town of Peterborough to serve as a Visitor Information Outlet.

One hundred years later, in April 2017, the carriage began a new career. It was stripped, restored to some former glory and reopened as the Peterborough Town Carriage Museum.





It houses a free self-guided museum of iconic objects. And in a distinct nod to the future, it's fitted with a state of the art Virtual Reality display that tricks visitors into thinking they're riding behind a steam train chugging between Peterborough and Broken Hill, c1930.

This museum tells a powerful story how an insignificant agricultural outpost became the steam heartland of Australia almost overnight – only to lose its fortunes just as quickly when diesel locomotives left the town behind.

Today, Peterborough is a small town of just 1600 people. This year Peterborough Tourism has been single-minded about increasing total visitor spend, total visitor numbers and total overnight stays to Peterborough. We've done it through our marketing campaign which we have called **"Stay an Extra Day"**.

2016/17 was the apogee of this three-year tourism strategy, the year when we:

- unveiled a new Free RV Park
- opened a new yellow "i" accredited VIC
- opened the new Town Carriage Museum
- and commenced a Main Street beautification plan worth \$1.3m dollars.

Like our 100-year-old carriage, this year Peterborough continues to embark on a new tourism journey. We've reconsidered the town's legacy and given it a new polish.

TOWN CARRIAGE MUSEUM





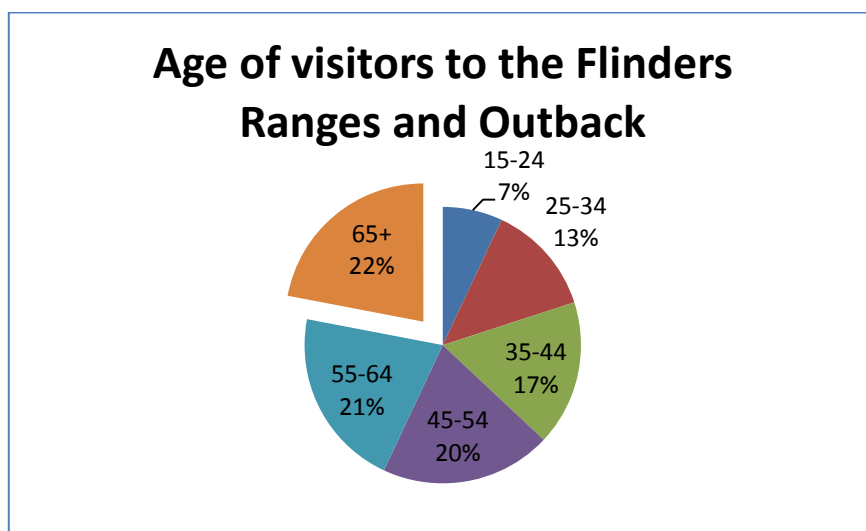
Marketing Research

Our market is Grey Nomad/Self-Drive.

According to Tourism Research Australia (NVS and IVS statistics, 2016):

- 94% of visitors to the Flinders Ranges and Outback are domestic travellers (62% intrastate, 32% interstate)
- 6% are from overseas

More than 60 per cent of those domestic visitors are aged 45 and over, according to the Flinders Ranges & Outback Regional Tourism Profile (2010-2012). As shown on the following graph, the largest demographic (22 per cent) are 65 and over:



Results

A number of measures were used to evaluate the success of our destination marketing campaign:

Visitation figures at Steamtown - Visitation to Steamtown jumped from 11,882 in 2015/16 to 15,495 in the 2016/17 financial year. That's an increase of 3613 people, or 30 percent.

Sales at Steamtown - In 2016/17, the Steamtown Heritage Rail Centre recorded total sales of \$239,495, 6 percent up on the previous year's total of \$225,689. See the Tourism Timeline below:



Key Points: Since June 2013...

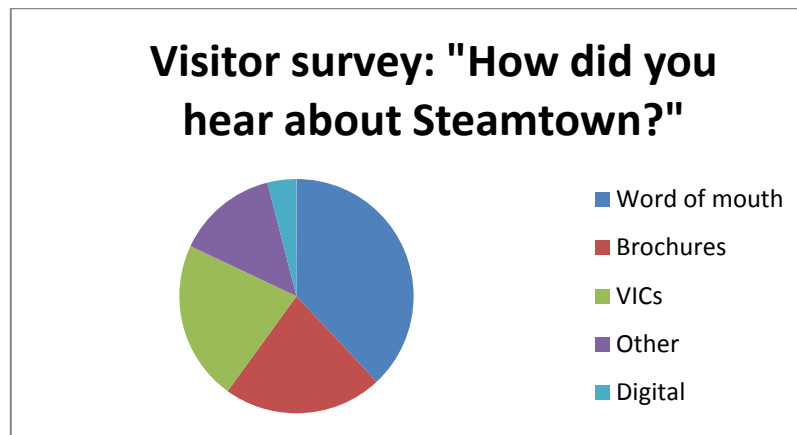
- Total sales have increased by 37%
- Total visitors have increased by 44%
- Overnight visitors have increased by 36%





Consumer Surveys at Steamtown

This year our 550 customer satisfaction survey's continue to reinforce the value of our current marketing activities including the production of a top-quality brochure, familiarisation trips for Visitor Information Centre staff, and promoting genuine country experiences that visitors will talk about with other tourists on the Grey Nomad trail. As the graph below shows, VICs, brochures and word of mouth accounted for more than 80 percent of visits to Steamtown and Peterborough during 2016/17.



Source: Steamtown visitor survey, 2016/17

Peterborough Visitor Information Official Accreditation

In 2016/17 Peterborough Tourism achieved accreditation from The South Australian Tourism Commission and The South Australian Tourism Industry Council to become an official yellow "i" Visitor Information Centre. This is an important milestone for both Peterborough Tourism and Steamtown Heritage Rail Centre. The new official VIC is located at SHRC and was successfully launched in 2017.



TripAdvisor Ratings and Comments

In May 2017, the Steamtown Heritage Rail Centre was again awarded a TripAdvisor Certificate of Excellence; our second in a row. To qualify, a business must maintain an overall TripAdvisor bubble rating of at least four out of five and have a minimum number of reviews. We closely follow reviews on the site and act on any advice and comments.



*Pat Kent
Peterborough Tourism Manager / SHRC Manager*





REPORT FROM THE GENERAL INSPECTOR/FIRE PREVENTION OFFICER : 2016/2017 :

Fire Prevention

The fire danger season was declared from the 4th November 2016 – 15th April 2017, the season was rated as normal risk due to the abundance of winter rain and this left a high soil moisture level. This also led to higher than normal fuel load levels throughout the district, increasing the effort for both property owners and Council to comply with the requirement of the Fire and Emergency Services Act 2005.

Most property owners and tenants are becoming aware of their obligations under the Act during and leading up to the Bushfire Season. This year 103 fire compliance reminders were posted in early October, requesting that properties be prepared for the season ahead, as per normal a general notice was also placed in local news print.

Three (3) 105F notices were issued with all issues resolved before the start of the Bush Fire Season.

Council's slashing and clearing program have continued and expanded to include mechanical clearing and levelling of road verges via the use of a grader. Fire breaks have been used to stop and slow the spread of fire surrounding habitable places.

Flinders/Mid North/Yorke B.M.C

As Council's Member for the Bush Fire Management Committee I have been attending regular meetings along with other key stake holders, advising the State Committee, promoting the coordination of policies, practices and strategies relating to bush fire management activities within our area and preparing the Bushfire Management Area Plan for the region.

Key activities this year include:

1. Completion of the Bushfire Management Area Plan
2. Last resort refuge and Safer places
3. Permit issuing guidelines
4. Codes of practice – Grain Harvest Code, Wood fire pizza ovens, Use of prescribed tools, Mowing slashing, comfort fires and Vegetation rubbish Pile burning
5. Asset risk assessments

D.P.T.I Land and Property

Council has again been proactive and secured the contract to clear and slash properties under the care of DPTI, within the township of Peterborough. The clearing of this land creates a large fire break through the centre of the township of Peterborough.

General Compliance

Community members are becoming more aware of their obligations to comply with the current Acts and Regulations monitored by Council. Council's consistent approach to education and investigation of issues arising from breaches of these Acts is spreading a clear and concise message to all concerned. The implementation of the Local Nuisance and Litter Control Act 2016 has proven to be a great tool to achieve positive change for a more visually appealing and liveable community.

Dog and Cat Management

The Dog and Cat Management (miscellaneous) Amendment Bill 2015, was passed by Parliament on 6th July 2016. The Bill aims to improve the welfare of dogs and cats through the introduction of new laws for pet owners and breeders. The passing of the Bill means that the microchipping and desexing of dogs and cats becomes a legal requirement. Council plays a vital role in dog and cat management in our community. We are responsible for the registration, collection and return of stray dogs and cats and investigate complaints of barking and dog attack in our community. For this reason, Council has been granted greater powers under the revised laws, including the increase in some expiations and penalties. Dog registrations have continued to rise this year, most dog related complaints have reduced with the exception of barking complaints. Complaints in relation to semi-owned and feral cats have continued to rise, this may be due to the extra education and media focus on the subject.





Core Responsibilities

- * Fire Prevention

- * Legislative Compliance

Delegations/Authorisations

- * Local Government Act 1999
- * Local Nuisance and Litter Control Act 2016
- * Road Traffic Act 1961

- * Fire and Emergency Services Act 2005
- * Dog and Cat Management Act 1995
- * Impounding Act 1920

Council representation/Committees

- * Bushfire Management Committee Flinders/Mid North/Yorke
- * Northern Areas Inspectors Meeting
- * Star Club Management Committee
- * Authorised Persons Association



Lawrence Heath
Development and Regulatory Services Officer



REPORT FROM THE ENVIRONMENTAL HEALTH OFFICER : 2016/2017 :

ENVIRONMENTAL HEALTH ISSUES AND FOOD PREMISE ASSESSMENTS

Routine Assessments of the following premises were undertaken during the year:

1. Food Business Notification	Three (3)
2. B&B, Hostels, Hotels residential/commercial	Seventeen (17)
3. Food processing and retail	Fourteen (14)
4. Public and environmental health assessments, waste control applications and assessments and communicable diseases investigations.	Thirty Six (36)
5. Legionella Auditing and DECD Assessments	Eight (8)
6. Sporting/Community facilities	Five (5)
7. Food home/mobile producers and retailers	Five (5)
8. Food enquiries/ actions	On-going

Regulatory changes have occurred throughout Public and Environmental Health operations over the previous 12 months. Recent regulatory changes including standards and guidelines that impact on EH functions include:

- Food Act 2001 – The Implementation Subcommittee for Food Regulation has released its draft guidance to food regulators for consultation by July 2017. The updated guidance will establish expectations for councils in conducting their compliance, monitoring and enforcement activities (LGA Circular 26.3).
- EPA Air Quality Policy – Environment Protection (Air Quality) Policy 2016 - The Environment Protection (Air Quality) Policy 2016 commenced on 23 July 2016. The LGA circular provides further information on the application of the Policy, as well as delegation information for councils (LGA Circular 31.1)
- Legislation relating to smoking at outside dining areas introduced during 2016 continues to be enforced within the township in declared locations.
- The Safe Drinking Water Act continues to be audited and remains additional to the Food Act legislation. This year's Annual report has now been submitted to DHA as required under the regs.
- DHA annual health performance report was submitted for the reporting period 2016/2017 as per the required functions contained in The Public Health 2011. The DHA Public Health Report for the period 2016-2017 includes statistics from the mandatory Public Health registers.
- I continue to assist P1 and P2 classified food businesses in developing their food safety programs. The majority of P1 and P2 businesses continue to express an interest in joining the Food Safety Rating Scheme should Council sign up to DHA food safety scheme.
- The Water Industry Regulations for trade wastewater permits will continue to be enforced where future wastewater connections are made for onsite disposal and/or community wastewater connections. During 2017 the Office of Technical Regulators will be introducing new Electronic Data Systems to better regulate and manage Certificate of Compliance reports from licensed trades including plumbers.
- The Litter and Nuisance controls are now implemented and it is anticipated that this new legislation will assist Council in resolving clean up rates in a more timely manner. I continue to work with the Councils General Inspector under the new Local Litter and Nuisance Control Act 2016 and currently pursuing hoarding/insanitary property condition under this legislation.
- Public Health Act 2011, Section 51 Public Health Planning. Council submissions due 2018 for reporting on the state of Regional Public Health Plan to SA Health due in 2018.



During 2016/2017 I continue to work with DHA in ensuring the requirements of mandatory Food Safety Auditing is maintained throughout the Mid North region and engage with on-going professional development through SA Health training and yearly Auditor Certification provided by SAI Global (RABQSA). Certification renewal being due in 2017. Yearly registration requirements are managed and renewed through SA Health for Auditing within the Mid North region. I continue to undertake public health audits of aged care/childcare facilities and other registered businesses operating under the Food Safety Program (FSP) and Food Standard 3.3.1. (subject to Certification renewal).

The South Australian Public Health Act 2011

Public Health Registers continue to be maintained and updated for wastewater applications, legionella registered systems and public swimming pool facilities. The information is a requirement under the South Australian Public Health Act 2011(the Act). The information gathered is provided for The Minister for Health and Ageing and the Chief Public Health Officer and their delegates for performance of functions under various sections of the Act.

Food Standards for Business Operators

Food Safety Information Sessions – were held in August 2017 at The Booleroo Centre Bowling Club. The sessions were attended by food industry businesses and food handlers from Peterborough and surrounding areas. Sessions continue to be well received by attendees and provide food handlers and food business operators' legislative and technical understanding in safe food handling provision and food safety responsibilities. It is proposed to hold further training in 2018 at the newly refurbished home economics building at the Peterborough High School.



Mark Smith
Environmental Health Officer





REPORT FROM THE DEVELOPMENT OFFICER : 2016/2017 :

In the 2016 – 2017 financial year there was a total of 19 Development Applications processed, with a total monetary value of \$ 213,832.90.

These included:-

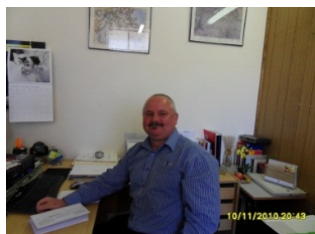
- Out Buildings (17) seventeen
- Solar Panels (1) one
- Commercial (1) one

Development applications are once again down on previous years.

Building Fire Safety inspections are continuing with a focus on Bed and Breakfast establishments. All hotels in our area that offer accommodation have been inspected, with all compliant to date with the Act.

Samex meats (meat processor) are continuing to make both internal and external changes to their buildings and infrastructure to reach compliance in the area of building fire safety. This Abattoir is a major employer for the town of Peterborough.

The new Planning, Development and Infrastructure Act 2016 is slowly being introduced into practice. This Act will eventually replace the current scheme in operation under the Development Act 1993. As part of the transition Council is engaged in discussion with the Department of Planning, Transport and Infrastructure Development Division. A collaborative Works Program (CWP) is being discussed around time lines and Governance issues related to the new scheme. Council's Development Plan will also need to be amended to reflect policy and change.



Lawrence Heath
Development & Regulatory Services Officer





REPORT FROM THE WHS RISK COORDINATOR : 2016/2017 :

The continuing goal of Council is to have a safe, happy and productive team in the workplace environment as well as safe environments for visitors and locals in our town. We have had a successful year with no serious incidents in our work force. The good news is that people have gone home safely from work without anyone suffering a serious injury. Unfortunately we still have minor incidents arise as people go about their jobs with Council or visit our facilities but very few of these are personal injuries and mostly are reports relating to incidents.

Council's policies and procedures are available on the Council website and anyone interested may view these on our Peterborough Council website (www.peterborough.sa.gov.au).

There is always a lot involved in the preparation and review of any policy or procedure as after it has been prepared or reviewed they are sent to relative staff and others for a consultation process. During this process staff and others are invited to make recommendations for changes to policies and these changes are taken on-board and where possible (within the law) integrated into the policies or procedures.

Council is monitored and overviewed by the Local Government Mutual Liability Scheme and the Local Government Workers Compensation Scheme to audit our risk, property and worker injury issues and records. The local Government Association has just been granted a five year licence as a body (of which we are a member) by Return to Work S A (formally Workcover) due to the ongoing good work carried out by councils in this field across the state with continuous improvement being the goal and a continuing drop in reported injuries to staff working within or for councils.



David Baldry
WHS Risk Coordinator

**REPORT FROM THE RURAL TRANSACTION CENTRE : 2016/2017 :****OPENING HOURS: 9am to 1.00pm / 2.00pm to 3.30pm**

The Rural Transaction Centre is open for 6 hours a day, Monday – Friday. It is the district Agency for both Centrelink and Service SA, the nearest Customer Service Centre being Port Pirie.

Centrelink (part of the Department of Human Services,) clients are serviced from 9am – 1.00pm.

Service SA offers assistance/gateway to State Government departments. Learner Driver's Theory Examinations can be arranged by appointment – also, Boat Licence Theory Tests. Since February 2017 as well as being a Rural Agent for Service SA we are now a Service Agent also, which entails the following extra services being available from this office for the general public:

Notify the Sale of a Vehicle	Cancel a Registration	Find out if a Special Plate is available
Order Replacement Plates	Order a Special Plate	Renew a Number Plate Agreement
Replacement of Drivers Licence	Replacement Drivers Learner/Permit	Renew Drivers Learner Permit
Replacement Proof of Age	Plate Surrender	Joint Client Number Enquiry
Remove a Concession from a Vehicle	General Fees Enquiry	Renewal Fees Enquiry
Register a Used Vehicle in a New Owner's Name	Obtain a Replacement Label/Certificate	Obtain a Replacement Registration Details Cert.
Reprint Registration Receipt (Tax Invoice)	Check Registration Expiry Date	Transfer a Registration
Change of Address Boating, Lic. & Registration		

The Rural Transaction Centre core activities also include:

'The Informer' which is a free, monthly publication by the Council, delivered to residents of Peterborough and district keeping them up to date with information submitted by Council, service and sporting clubs, organisations etc. It is edited and printed at the Rural Transaction Centre – then compiled by a willing band of Volunteers at the Community & School Library.

Thank You to those willing folk

'Welcome Kit' containing a wealth of local information for new residents (e.g. recycling/rubbish arrangements; emergency contacts; hospital contacts and information – in fact, most things a 'newcomer' would need to have at hand) from Council which is also printed and compiled at the Centre.

Services available for a small fee are :

Secretarial Services
Photo-copying
Faxing

Laminating
Binding
Offices for hire





Statistics from 1st July 2016 until 30th June 2017 include:-

NAME OF ORGANISATION	ANNUAL TRANSACTIONS	Average Number. of TRANSACTIONS per WEEK
Centrelink	2,725	52.4
Service SA - Non - Financial	673	12.9
Service SA - Financial	159	3.1
PhotoCopying, Faxing, Typing, Laminating, Binding etc	304	5.8
Hire Of Office	359	6.9
The Informer	447	8.6



Di Harris
Manager Rural Transaction Centre (R.T.C)

**REPORT FROM PETERBOROUGH SCHOOL AND COMMUNITY LIBRARY : 2016/2017 :**

Peterborough has a unique facility where the Local Council Community Library and Peterborough High School Library share a building and resources but run autonomous units ie: staff, budget and equipment :

Council Staff: Christine Malycha Senior Library Assistant – level 3
Michelle Travaille Library Assistant – level 2

Relief Staff: Andrea Doolan Library Assistant – level 1
Emma Limburg Library Assistant – level 1

One Card Network: Peterborough through the “One Card” network is connected to all other Public Libraries throughout South Australia. One local borrowing card gives patrons access to all loanable resources throughout the network (over 130 libraries) either in person at libraries or via the Internet.

Registered users: 790 patrons

Loans for 2016–2017: 23,418 items *{equates to 29 loans per patron per year}*

Services:	Books for all ages	Free internet usage + Wireless Network
	Children’s zone area	Computer facilities
	Large print books	Magazines – Newspapers
	Audio Book services	Local history & reference collections
	Compact discs - DVD’s	State wide Interlibrary loans
	EBooks	Family history research support

Ongoing programmes: Children’s book week promotions: Involving all surrounding schools
Premier’s reading challenge literacy support
School holiday activities for 4-12 year olds
Short term house bound services

Significant event: The library underwent a major cosmetic upgrade with the entire building being re-carpeted and general areas within the library revamped.
The Library hosted well known Australian Author Kristin Weidenbach who gave an insightful presentation to the library community and students on her association with Tom Kruse (the outback mailman) and Sir Sidney Kidman, promoting the latest biography and children’s picture books.
Phil Cummings renowned children’s author who grew up in Peterborough also visited the school giving an inspirational presentation to the students.

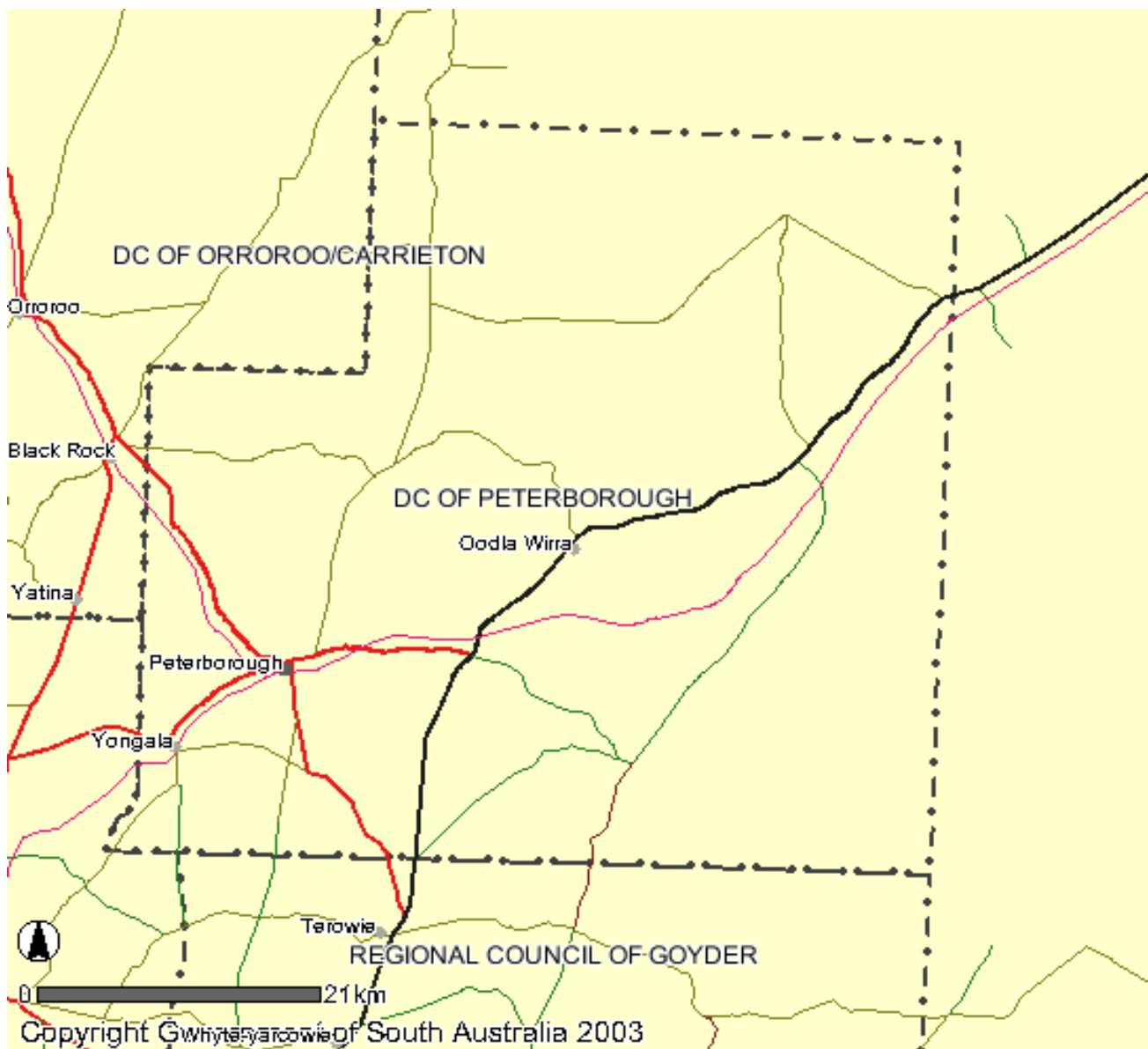


*Michelle Travaille & Christine Malycha
School and Community Library*





GEOGRAPHICS:



DISTRICT COUNCIL of PETERBOROUGH

Area :	2,995 km ²
Population :	1731
Sealed Roads :	43.40 kms
Unsealed Roads :	1274 kms
Number of Assessments :	1,940
Number of Billable Assessments:	1,650
Rate Revenue :	\$1,567,332
Income :	\$6,779,115
Total Expenditure :	\$6,157,523

Local Industries : Primary production, Abattoir, Engineering, Tourism





COUNCIL MEMBERS:

<u>Mayor:</u>	(Mrs) I.R. (Ruth) Whittle O.A.M.	1983 - 1991 → as Mayor
<u>Deputy Mayor:</u>	Cr F Hardbottle	2010 - Nov 2014 → as Deputy Mayor
<u>Councillors:</u>	(No Wards)	Eight (8) elected members

CONTACT DETAILS

Her Worship the Mayor Ruth WHITTLE OAM

54 Main Street, PETERBOROUGH, SA 5422

Phone: 8651 2318 Mobile: 0438 891 903

e-mail: mavor@peterborough.sa.gov.au

Council Members (November 2014 – Current)

Cassandra CHAMBERS

41 Victoria Street
PETERBOROUGH SA 5422
PH : 8651 3051, Mob : 0417 605 010
email : cr.chambers@peterborough.sa.gov.au

Leon Ernest CLAPP

PO Box 79
PETERBOROUGH SA 5422
PH: 8651 2517, Mob : 0427 182 559
email : cr.clapp@peterborough.sa.gov.au

Francis William HARDBOTTLE

PO Box 115
PETERBOROUGH SA 5422
PH : 8651 2301, Mob : 0407 943 428
email : cr.hardbottle@peterborough.sa.gov.au

Scott Edward MESECKE

2 Grove Street
PETERBOROUGH SA 5422
PH : 8651 2765, Mob : 0438 846 703
Email : cr.mesecke@peterborough.sa.gov.au

Kim William MILLER

PO Box 27
YONGALA SA 5493
PH : 8651 4218, Mob : 0428 514 218
email : cr.miller@peterborough.sa.gov.au

Graham John MERCER

PO Box 5
YONGALA SA 5493
PH : 8651 2165, Mob : 0429 911 824
Email : cr.mercer@peterborough.sa.gov.au

Michael BURFORD

PO Box 3
PETERBOROUGH SA 5422
PH: 8650 3286
email : cr.burford@peterborough.sa.gov.au

Leanne Joy DRAPER

9 Kitchener Street
PETERBOROUGH SA 5422
Mob : 0439 876 295
email : cr.draper@peterborough.sa.gov.au





STAFF OF COUNCIL : 2016 - 2017

Chief Executive Officer:

Peter McGuinness

Postal Address:

PO Box 121
PETERBOROUGH SA 5422

Telephone Number:

(08) 8651 3566

Facsimile Number:

(08) 8651 3066

E-mail:

council@peterborough.sa.gov.au

Auditor:

Galpins Accountants, Auditors and Business Consultants

Bankers:

Bank SA

Local Government Finance Authority (LGFA) – Investments

Insurance Brokers:

Local Government Risk Services

Administrative Staff

Peter McGuinness	Chief Executive Officer
Peter McGuinness	Finance Manager
Nadene Whittenbury	Finance Officer/Rates/Creditors/Expiations
Chris Thomson	Works Manager
Lyne Kelly	Payroll Officer/Debtors
Mary Martin/Sue Pickering	Reception/Debtors/Development, Cemetery & Dog Registers
Sally Kent	Council support/Executive Assistant
Lawrence Heath	Development & Regulatory Services Officer
Mark Smith	Environmental Health
David Baldry	WHS Risk Coordinator
Pat Kent	Peterborough Tourism & Steamtown Manager

Works Staff

Anthony Casey - Depot Supervisor	
Russell Hill	Robert Lillywhite
Greg Madex	Andrew Willmott
Troy Madex	Alistair McLatchie
Gary Dohnt	Alan Gray
Bruce Woods	Gary Lock
Robin Mangnoson	Andrew Fitzsimmons





Peterborough and Community Library

Christine Malycha	Library Assistant
Michelle Travaille	Library Assistant
Andrea Doolan	Relief Library Assistant
Emma Limburg	Relief Library Assistant

Human Services Department

Dianne Harris	Rural Transaction Centre Manager
Sue Pickering	Relief R.T.C.

Peterborough Swimming Pool

Jackie & Drew Boyd	Supervisors
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Peterborough Town Hall

Greg Duggan	Caretaker
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DON FERGUSON DRIVE UPGRADE





COUNCIL INFORMATION:

This information is published under Section 9 of the Freedom of Information Act 1991 as amended, and applying from 1st July 2002. Council welcomes enquiries regarding the legislation. An updated information Statement is to be published at least every twelve months.

Structure & Functions of Council

Full Council, consisting of eight Councillors and the Mayor, is the decision making body on all policy matters. Ordinary meetings of Council are held on the third Monday of every month, in the Council Chamber, 108 Main Street Peterborough, commencing at 7.30pm.

Members of the public are welcome to attend meetings.

Council Committees – Local Government Act 1999

Committees can be formed on an ad-hoc basis, or can be “standing” committees. These Committees meet and unless otherwise authorised, only make recommendations to Council on whatever matter the Committee was formed, e.g. Steamtown Management Committee, Peterborough Tourism Management Committee, Peterborough & Districts Cemeteries Advisory Committee, Youth Action Committee, Audit Committee, Christmas Pageant Committee.

Agendas & Minutes

Agendas of all full Council and Council Committee meetings are placed on public display no less than three days prior to those meetings.

Minutes are placed on display at the office within five days of that meeting, and are also available on Council’s website: www.peterborough.sa.gov.au

Delegations

The Chief Executive Officer and other Officers have been delegated authority from Council to make decisions on a number of specified administrative and policy matters. These delegations are listed and are reviewed annually, and otherwise as required, by Council.

Council makes decisions which direct and/or determine its activities and functions.

Such decisions include the approval of works and services to be undertaken, and the resources which are to be made available to undertake such works and services.

Decisions are also made to determine whether or not approvals are to be granted for applications from residents for various forms of developments.

Auditor Independence

Council’s Auditor is Galpins Accountants, Auditors and Business Consultants. They were appointed in 2016 for a 3 year term contract, with an annual remuneration of \$19,900.



**Policy Documents**

The following policies have been adopted in the reporting year adding to Council's wide range of policies already used. All Council policies and By-Laws are available for viewing on the Council website and/or at the main office on Main Street, Peterborough :-

<u>Policy Name</u>	<u>Adoption Date</u>	<u>Motion No.</u>
Handling Frivolous or Vexatious Complaints	22/08/16	126/16

Services for the Community 2016 – 2017

Full Council makes decisions on policy issues relating to services that are provided for members of the public. These currently include :-

Dog Control	Street Tree Planting	War Memorials
Traffic Control Devices	Tourism	Street Lighting
Fire Prevention/Protection	Litter Control	Car Parks
Environmental Health Inspection	Storm Water Drainage	Public Seating
Immunisation Program	Library	Parking Controls
Heritage Advisory	Community Halls	Museums
Planning Controls	Recreational/Sporting Facilities	Parking Bays
Street Closures	Garbage Collection/Disposal	Parks & Reserves
Street Sweeping	Playground Equipment	Litter Bins
Cemeteries	Swimming Pool	Clean Air Controls
Public Toilets	Building Controls	Roads/Footpaths/Kerbing

Council's Service Directory (Welcome Kit) – a listing of all services and contact details, is regularly updated at the Rural Transaction Centre and distributed to new residents.

“The Informer” – a free, monthly publication sponsored by Council – edited and printed by the Rural Transaction Centre and compiled at the Community/School Library by a dedicated group of volunteers – is distributed throughout the township and district via post boxes.

The Mayor and Chief Executive Officer keep the community informed of Council activities/projects and events through this newsletter.

Council representation on various organisations/committees:

Section 41 Committee	Appointee
SHRC	Mayor Whittle, Cr F Hardbottle, CEO & SHRC Manager & RDA
Audit	Mayor Whittle & Cr Hardbottle & Cr Chambers
Sports Complex	Cr Burford
Christmas Pageant	Mayor Whittle (presiding member) & 3 x Crs Mesecke, Miller & Mercer
Cemeteries Advisory	Cr Clapp & Cr Chambers & Works Manager
Tourism Management	Presiding Member, CEO & Tourism Manager
Youth Action	Cr Burford





Other Committee/Organisation	Appointee / Representative
Peterborough Building Fire Safety	Council's Development Officer
Flinders Regional Development Assessment Panel	Cr F Hardbottle
State Bushfire Co-ordination	Council's Fire Prevention Officer
FMN&Y Bushfire Management Ctte	Council's Fire Prevention Officer
Local Gov Assoc of SA	Mayor Whittle, proxy Cr Hardbottle
Central Local Gov Assoc	Mayor Whittle, proxy Cr Hardbottle
Local Gov Finance Authority	Mayor Whittle
DC of Mt Rem Building, Health & Inspectorial Advisory Ctte	Cr Clapp & CEO
Peterborough Community Library	Cr Clapp & MoF&A
Peterborough High School Governing Council	Cr Draper
Northern Passenger Transport Network	Cr Hardbottle
The Informer	Mayor Whittle, Cr Mesecke, CEO, Manager of RTC
PSMH Health Promotion Ctte	Development & Regulatory Services Officer
Peterborough Community Safety Ctte	Development & Regulatory Services Officer
Peterborough Road Safety SA	Development & Regulatory Services Officer
Plant Replacement Advisory Ctte	Crs Mercer & Chambers, Works Manager, MoF&A
Town Hall Advisory Ctte	Mayor Whittle, Crs Chambers & Miller
Mid-Nth be Active Field Officer Management	CEO, Development & Regulatory Services Officer (proxy)
Australia Day Council of SA	CEO & Deputy Mayor to assist Mayor as required
Murray Darling Assoc – Reg 8	Mayor Whittle & Cr Clapp
Executive Community Action Group	Mayor Whittle
Shared Services Investigations	Mayor Whittle, proxy Cr Hardbottle
CLGR of SA – Waste Strategy Steering Ctte	CEO
Health and Wellbeing Ctte	Development & Regulatory Services Officer

MAIN STREET UPGRADE





Public Participation:

Council Meetings

Members of the public have a number of opportunities to put forward their views on particular issues before Council. These are :-

Deputations

With the permission of the Mayor, a member of the public can address the Council personally, either as an individual or on behalf of a group of residents, on any issue relevant to Council.

Petitions

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

Written Requests

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

Elected Members

Members of the public can contact any elected member of Council to discuss any issue relevant to Council.

Council Consultation

The Council consults with local residents on particular issues that affect their neighbourhood. A Public Consultation policy was adopted in December 2000 (reviewed annually) and is available for inspection at the Council office and on the Council web-site.

Access to Council Documents

The following documents are available for public inspection at the Council office and copies are available for a small charge.

- ❖ Agenda and Minutes
- ❖ Budget Statement
- ❖ Policy Manual, inc:
 - ❖ Members Code of Conduct
 - ❖ Code of Practice for Access to Meetings and Documents
 - ❖ Employees Code of Conduct
- ❖ Annual Report
- ❖ Annual Financial Statement
- ❖ Development Plan
- ❖ Development Application Register
- ❖ Assessment Book
- ❖ Register of Members Allowances and Benefits
- ❖ Register of Members Interests and Register of Officers Interests
- ❖ Register of Employee Salaries, Wages and Benefits
- ❖ Strategic Plan
- ❖ Council's By-Laws
- ❖ Register of Fees and Charges



**LOCAL GOVERNMENT ACT, 1999 – Section 131 & Schedule 4****1 (a) Audited Financial Statements**

A copy of the audited Financial Statement is attached - see Attachment I

(b) Registers

The following is a list of Council registers as required by the Local Government Act 1999 or the Local Government (Elections) Act 1999: -

Members Register of Interests
 Members Register of Allowances and Benefits
 Officers Register of Salaries
 Officer Register of Interests
 Fees and Charges
 Community Land
 Public Roads
 By-Laws

OTHER REGISTERS ALSO HELD BY COUNCIL:

Cemetery Register
 Dog Registration Register
 Mobile Garbage Bin Register
 Deeds Register
 Lease and Contracts Register
 Volunteer Register
 Assessment Book
 Development Applications Register

(c) Codes of Conduct

- Council adopted its Code of Conduct – Elected Members as required under Sections 63 of the Local Government Act, 1999 on 22nd April 2003 and was amended on 19th August 2013.
- Council adopted its Code of Conduct – Employees as required under Sections 110 of the Local Government Act, 1999 on 18th March 2013.
- Council adopted its Code of Practice – Access to Meetings, Committees and Documents as required under Section 92 of the Local Government Act, 1999 on 3rd November 2003 and was amended in December 2013.

(d) Allowances

Information on allowances paid to members of Council : -

Mayor :	(Mrs) I (Ruth) Whittle	OAM	\$22,800
Deputy Mayor :	Cr Frank Hardbottle		\$ 7,125
Councillors :	Cr Leon Clapp		\$ 5,700
	Cr Michael Burford		\$ 5,700
	Cr Cassandra Chambers		\$ 5,700
	Cr Leanne Draper		\$ 5,700
	Cr Kim Miller		\$ 5,700
	Cr Scott Mesecke		\$ 5,700
	Cr Graham Mercer		\$ 5,700

(e) Senior Executive Officers

Information on the number of senior executive officers, allowances, bonuses and benefits is as follows: -

Chief Executive Officer

Salary, Contract, Motor Vehicle - Business and private use, Telephone Subsidy - \$300 per annum

Works Manager

Salary, Contract, Motor Vehicle - Business and private use



**(f) Confidential Minutes**

Council excluded the public from the meetings on four (4) occasions in 2016/2017 under section 90(2). These were as follows:

	Date	Section	Subject	Conf Doc/Report	Revoked
1.	18 July 2016	(g)	Grant funding	Yes	Yes
2.	15 Aug 2016	(a)	Town carriage change of use	Yes	Yes
3.	15 Aug 2016	(h)	Ombudsman's report	Yes	Yes
4.	15 Aug 2016	(h)	Letter to B Spooner	Yes	Yes

Council, pursuant to section 91(7) of the Act, ordered 4 reports be kept confidential. All four (4) of these orders were revoked and nil (0) remain operative during 2017/18. All previous orders have been revoked.

(g) Freedom of Information Statement

Requests for information will be considered in accordance with the Freedom of Information Act. Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, charges will apply. Freedom of Information (FOI) requests should be addressed to :-

Freedom of Information Officer - District Council of Peterborough
P.O. Box 121
PETERBOROUGH SA 5422

Applications will be responded to as soon as possible within the statutory 30 days of Council receiving a properly completed Freedom of Information request, together with the application fee. Pursuant to Section 9(1a) of the Freedom of Information Act 1991, there were three (3) applications in 2016 – 2017.

(h) Representation Quota

The last Representation Review as prescribed in Section 12(4) Local Government Act, 1999 was completed in 2009. The next Representation Review as determined by the Minister for State/Local Government Relations, as per Gazettal Notice dated 31 May 2012, page 2619, will be undertaken between October 2016 and October 2017, and was started in the 2016/17 year. This will be finalised late 2017.

- There are no wards within the District Council of Peterborough.
- The Representation Quota for this Council is 1/140 Electors : 1,260
- Councillors were elected for a four (4) year term - the next election is November 2018.

Council is cognisant of the provisions of Chapter 3 of the Local Government Act, 1999 for electors to make submissions on representation under the Act, and the community was advised of the opportunity to make submissions at that time.

Representation Quota Comparison :

District Council of Mount Remarkable	1 : 315 Electors	2,208
District Council of Orroroo/Carrieton	1 : 103 Electors	724
The Flinders Ranges Council	1 : 153 Electors	1,196
Northern Areas Council	1 : 382 Electors	3,445
District Council of Barunga West	1 : 221 Electors	1,995
Regional Council of Goyder	1 : 438 Electors	3,072

(Source: Local Government Assoc.of S.A.)

(i) Internal Review of Council Decision

Nil (0) applications for review were received under Section 270 (8) of the Local Government Act, 1999.



**(j) Regional Subsidiaries**

Council is a member of Legatus (previously known as the Central Local Government Region of South Australia Incorporated), a Regional Subsidiary created under the provisions of Section 43 of the Local Government Act 1999.

The annual financial report of the Regional Subsidiary is incorporated in the Annual Report as required by Clause 28 of Schedule 2 to the Local Government Act 1999. The full report is available at the Legatus office, Clare.

Council is a “*relevant Council*” of the Flinders Regional Development Assessment Panel pursuant to Section 34(3) and Schedule 29 of the Development Act 1993. The Annual Report of the Flinders Regional Development Assessment Panel is incorporated in the Annual Report.

2 (a) Strategic Management Plan – 2011 /2015 – A Thriving Community Again

Council adopted the Strategic Plan 2011-2015 with Resolution 03/01/11, and the following are achievements made in relation to the Plan.

- To meet Council’s Objectives 1.4 - The continuing development of Steamtown is another major achievement of Council along with the refurbishment of various carriages and steam engines. Council has invested and will continue to grow the tourism objectives for the financial sustainability of the community.
- Through the development and implementation of the strategic tourism plan Council is able to meet objective 1.3.
- Developing tourism within Peterborough has enabled further employment opportunities and business growth thus meeting objective 1.5.
- Council has improved its greenhouse gas emissions with the installation of solar panels at the Town Hall and Works Depot enabling objective 4.1 to be met.
- An Urban Design Project for the Main Street Precinct has been developed to meet objective 1.1.
- To meet Objective 2.2 Council is currently installing a Community Wastewater Management System within the township of Peterborough.
- A new website has been developed and Council policies and procedures have been updated ensuring good governance practices thus meeting objective 5.1.

This Plan is currently under review and out for public consultation.

(b) Competitive Tendering

Council is mindful of its obligations in this regard and has prepared a Procurement Policy in accordance with section 49 of the Local Government Act, 1999.

Council formally adopted this policy on 17th March 2014. (Reviewed annually)

(c) Decision Making Structure

Council makes decision that may directly or indirectly affect its community, stakeholders or other interested parties due to servicing of relevant projects, programs, goods and services. The following mechanisms contribute to Council decision making.

COUNCIL

- Section 41 Advisory / Other Committees – Recommendations to Council
- Development Assessment Panel – Delegated authority
- Executive Management Team – Recommendation reports to Council
- Authorised Officers – Authority via resolution of Council
- Chief Executive Officer – Delegated authority

Council Officers – Authority through subdelegations from CEO

Authorised Officers – Appointed by CEO



(d) **Equal Opportunity Programme and Human Resource Management**

Council is supportive of, and adheres to, equal opportunity processes. It also takes part in the Work for the Dole Scheme.

Training is provided to staff to ensure a more efficient workforce.

Examples of training provided to Administration and Depot staff members include: -

Senior First Aid
Tree Awareness
Evacuation Drills
ChemTraining

Environmental Health (Food Safety Awareness)
Risk Assessments
WorkZone Traffic Management

(e) **Management Plan for Community Land**

Council's Management Plan for Community Land, prepared by Maloney Field Services, was adopted at the meeting held 5th October 2004 as per the requirement in accordance with the Local Government Act 1999.

3. **Government Business Enterprises Act (Competition) Act 1996:**

In accordance with Clause 7 Statement 2002 of the above Act, Council is required to review its business activities in order to determine whether Council is involved in any "significant business activities" that should be subject to that Act.

The following activities were identified :

- * Steamtown Heritage Rail Centre
- * Private works

Having identified these activities, it has been established that they are not significant, and therefore cannot be classed as category 1 or 2 under the Government Business Enterprises (Competition) Act, 1996.

LOCAL NUISANCE AND LITTER CONTROL ACT, 2016 – Section 8

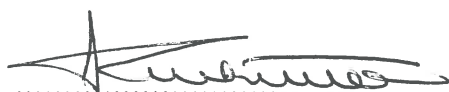
Seven complaints under the Local Nuisance and Litter Control Act were received during 2016/17. With:

		Number	Nature
i)	Offences under the Act that were expiated	Nil	
ii)	Offences under the Act that were prosecuted	Nil	
iii)	Nuisance abatement notices or litter abatement notices issued	Nil	
iv)	Civil penalties negotiated under Section 34 of the Act	Nil	
v)	Applications by the Council for orders for civil penalties under Section 34 of the Act and the number of orders made by the Court on those applications	Nil	

No other functions were performed under the Act.

Council adopted this Annual Report at the Ordinary meeting held on 20th November 2017.

Resolution : 96/11/17



(Mrs) I R (Ruth) Whittle O.A.M.
Mayor
District Council of Peterborough

DISTRICT COUNCIL OF PETERBOROUGH

General Purpose Financial Reports for the year ended 30 June 2017

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DISTRICT COUNCIL OF PETERBOROUGH

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

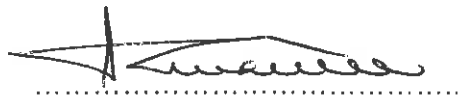
CERTIFICATION OF FINANCIAL STATEMENTS

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

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



Peter McGuinness
CHIEF EXECUTIVE OFFICER



Irene Ruth Whittle
MAYOR/COUNCILLOR

Date: 23rd NOVEMBER 2017.

DISTRICT COUNCIL OF PETERBOROUGH
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
INCOME			
Rates	2	1,567,332	1,494,249
Statutory charges	2	20,792	24,273
User charges	2	384,742	344,918
Grants, subsidies and contributions	2	2,906,206	1,561,240
Investment income	2	86,825	75,230
Reimbursements	2	54,936	63,047
Other income	2	1,758,282	231,465
Total Income		6,779,115	3,794,422
EXPENSES			
Employee costs	3	2,176,644	1,930,539
Materials, contracts & other expenses	3	2,605,097	1,693,335
Depreciation, amortisation & impairment	3	1,296,942	1,238,235
Finance costs	3	78,840	19,024
Total Expenses		6,157,523	4,881,133
OPERATING SURPLUS / (DEFICIT)		621,592	(1,086,711)
Asset disposal & fair value adjustments	4	(17,319)	-
Amounts received specifically for new or upgraded assets	2	2,477,956	6,257
NET SURPLUS / (DEFICIT)		3,082,229	(1,080,454)
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	3,120,787	-
Total Other Comprehensive Income		3,120,787	-
TOTAL COMPREHENSIVE INCOME		6,203,016	(1,080,454)

OPERATING SURPLUS of \$621,592 (2015: \$1.086 million deficit) has been affected by the timing of insurance claim funds received in 2012 & 2013 recognised in subsequent years.

(1,698,879) (156,291)

To aid users of this report, the operating surplus has been restated to reflect the correct accounting treatment of the insurance funds received (refer to Note 2).

Restated Operating Surplus / (Deficit)

2 (1,077,287) (1,243,002)

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

DISTRICT COUNCIL OF PETERBOROUGH

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	11,289,457	3,912,200
Trade & other receivables	5	370,686	255,585
Inventories	5	1,307	2,981
		<u>11,661,450</u>	<u>4,170,766</u>
Total Current Assets		<u>11,661,450</u>	<u>4,170,766</u>
Non-current Assets			
Infrastructure, property, plant & equipment	7	18,436,028	14,180,504
Other non-current assets	6	-	369,200
		<u>18,436,028</u>	<u>14,549,704</u>
Total Non-current Assets		<u>18,436,028</u>	<u>14,549,704</u>
Total Assets		<u>30,097,478</u>	<u>18,720,470</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,114,844	2,423,654
Borrowings	8	284,372	82,193
Provisions	8	540,632	423,538
		<u>1,939,848</u>	<u>2,929,385</u>
Total Current Liabilities		<u>1,939,848</u>	<u>2,929,385</u>
Non-current Liabilities			
Borrowings	8	6,457,415	241,788
Provisions	8	28,578	80,676
		<u>6,485,993</u>	<u>322,464</u>
Total Non-current Liabilities		<u>6,485,993</u>	<u>322,464</u>
Total Liabilities		<u>8,425,841</u>	<u>3,251,849</u>
NET ASSETS		<u>21,671,637</u>	<u>15,468,621</u>
EQUITY			
Accumulated Surplus		(3,411,153)	(6,493,382)
Asset Revaluation Reserves	9	25,082,790	21,962,003
TOTAL EQUITY		<u>21,671,637</u>	<u>15,468,621</u>

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

DISTRICT COUNCIL OF PETERBOROUGH

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

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Available for sale Financial Assets \$	Other Reserves \$	TOTAL EQUITY \$
2017						
Balance at end of previous reporting period		(6,493,382)	21,962,003	-	-	15,468,621
Restated opening balance		(6,493,382)	21,962,003	-	-	15,468,621
Net Surplus / (Deficit) for Year		3,082,229				3,082,229
Other Comprehensive Income						
Gain on revaluation of Infrastructure, property, plant & equipment			3,120,787			3,120,787
Balance at end of period		(3,411,153)	25,082,790	-	-	21,671,637
2016						
Balance at end of previous reporting period		(5,412,928)	21,962,003		-	16,549,075
Restated opening balance		(5,412,928)	21,962,003	-	-	16,549,075
Net Surplus / (Deficit) for Year		(1,080,454)				(1,080,454)
Balance at end of period		(6,493,382)	21,962,003	-	-	15,468,621

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

DISTRICT COUNCIL OF PETERBOROUGH

STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		1,591,489	1,479,873
Fees & other charges		22,444	25,184
User charges		302,055	120,204
Investment receipts		68,502	77,099
Grants utilised for operating purposes		3,124,171	1,678,286
Reimbursements		60,430	69,352
Other revenues		45,831	401,727
<u>Payments</u>			
Employee costs		(2,078,603)	(1,916,473)
Materials, contracts & other expenses		(2,321,065)	(2,187,688)
Finance payments		(16,005)	(16,453)
Net Cash provided by (or used in) Operating Activities		799,249	(268,889)
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		2,240,000	6,257
Sale of replaced assets		22,464	-
Net disposal of investment securities		-	10,000
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(88,659)	(9,837)
Expenditure on new/upgraded assets		(2,013,603)	(348,812)
Net Cash provided by (or used in) Investing Activities		160,202	(342,392)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		6,500,000	-
<u>Payments</u>			
Repayments of borrowings		(82,194)	71,605
Net Cash provided by (or used in) Financing Activities		6,417,806	71,605
Net Increase (Decrease) in cash held		7,377,257	(539,676)
Cash & cash equivalents at beginning of period	10	3,912,200	4,451,876
Cash & cash equivalents at end of period	10	11,289,457	3,912,200

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

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 2 - INCOME

	2017 \$	2016 \$
	Notes	
RATES REVENUES		
<u>General Rates</u>	1,327,850	1,252,175
Less: Discretionary rebates, remissions & write offs	<u>(32,456)</u>	<u>(26,416)</u>
	1,295,394	1,225,759
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	31,780	25,607
Waste collection	<u>220,622</u>	<u>220,968</u>
	252,402	246,575
<u>Other Charges</u>		
Penalties for late payment	<u>19,536</u>	<u>21,915</u>
	19,536	21,915
	<u>1,567,332</u>	<u>1,494,249</u>
STATUTORY CHARGES		
Development Act fees	5,027	6,176
Town planning fees	3,195	2,839
Animal registration fees & fines	<u>12,570</u>	<u>15,258</u>
	20,792	24,273
USER CHARGES		
Cemetery/crematoria fees	19,165	11,392
Rural Transaction Centre	15,715	16,003
Informer	5,357	5,817
Council House Rent	12,238	6,174
Sport and Recreation Reserves	9,859	10,081
Dump	11,845	9,720
Swimming Pool Charges	17,933	12,848
Other User Charges	5,162	4,586
Steamtown	245,857	227,562
Other Commercial Activities	36,182	31,592
Hall & Equipment Hire	<u>5,429</u>	<u>9,143</u>
	384,742	344,918
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	86,664	75,050
Banks & other	<u>161</u>	<u>180</u>
	86,825	75,230

DISTRICT COUNCIL OF PETERBOROUGH

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

NOTE 2 - INCOME (continued)

	2017	2016
Notes	\$	\$
REIMBURSEMENTS		
- Community Services Coordinator		217
- for private works	14,079	10,128
- Immunisations	355	398
- Work for the Dole	-	35,594
- other	40,502	16,710
	<u>54,936</u>	<u>63,047</u>
OTHER INCOME		
Fines & Costs Recovered	3,783	3,250
Sundry	1,754,499	228,215
	<u>1,758,282</u>	<u>231,465</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	2,477,956	6,257
Other grants, subsidies and contributions		
Untied - Financial Assistance Grant	2,364,251	771,244
Roads to Recovery	497,661	519,811
Library & Communications	7,552	6,696
Sundry	36,742	263,489
	<u>2,906,206</u>	<u>1,561,240</u>
	<u>5,384,162</u>	<u>1,567,497</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
Commonwealth government	2,861,912	1,291,055
State government	44,294	270,185
Other	2,477,956	6,257
	<u>5,384,162</u>	<u>1,567,497</u>
Income Adjustment		
*Flood money drawn down on investments	(1,698,879)	156,291
<i>*In accordance with the Accounting Standard AASB 1004, not for profit entities must recognise a contribution immediately as revenue when it has control or the right to receive the contribution.</i>		
<i>For this reason, the insurance claim funds receipted by Council in 2012 and 2013 (and recognised as revenue in subsequent years when funds were expensed) must be excluded from Grants, Subsidies and Contributions revenue.</i>		
<i>In 2017, the remainder of these funds (previously recorded as a liability) were transferred to Other Income.</i>		
Adjusted Grants, Subsidies & Contributions	3,685,283	1,411,206
<i>As a result of the above, the Council's operating surplus / (deficit) has been restated on the Statement of Comprehensive Income.</i>		
OPERATING SURPLUS / (DEFICIT) AFTER INSURANCE FUNDS ADJUSTMENT Individually Significant Item	<u>(1,077,287)</u>	<u>(1,243,002)</u>

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 3 - EXPENSES

	Notes	2017 \$	2016 \$
EMPLOYEE COSTS			
Salaries and Wages		1,812,233	1,546,076
Employee leave expense		137,481	178,289
Superannuation - defined contribution plan contributions	15	130,804	118,066
Superannuation - defined benefit plan contributions	15	44,012	41,823
Workers' Compensation Insurance		52,114	46,285
Total Operating Employee Costs		2,176,644	1,930,539
 Total Number of Employees		 28	 28
<i>(Full time equivalent at end of reporting period)</i>			
 MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		14,462	22,500
Elected members' expenses		74,982	73,740
Election expenses		510	492
Subtotal - Prescribed Expenses		89,954	96,732
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		1,353,233	424,277
Energy		110,830	103,273
Other Materials		397,859	467,322
Fuel/Lubricants		100,668	102,411
Insurance		195,671	177,025
Subscriptions		23,848	21,026
Waste Collection & Disposal		185,745	193,312
Water		53,106	50,866
Maintenance		76,531	24,267
Legal Expenses		17,652	32,824
Subtotal - Other Materials, Contracts & Expenses		2,515,143	1,596,603
		2,605,097	1,693,335

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 3 - EXPENSES (cont)

	Notes	2017 \$	2016 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		207,312	207,312
Infrastructure		520,220	424,213
Plant & Equipment		260,980	299,108
Furniture & Fittings		186,621	185,896
Steamtown		121,809	121,706
		<u>1,296,942</u>	<u>1,238,235</u>
		<u>1,296,942</u>	<u>1,238,235</u>
FINANCE COSTS			
Interest on Loans		78,840	19,024
		<u>78,840</u>	<u>19,024</u>

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2017	2016
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	22,464	
Less: Carrying amount of assets sold	<u>39,783</u>	
Gain (Loss) on disposal	<u>(17,319)</u>	<u>-</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 <u>(17,319)</u>	 <u>-</u>

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 5 - CURRENT ASSETS

	2017	2016
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	197,027	222,545
Deposits at Call	<u>11,092,430</u>	<u>3,689,655</u>
	<u>11,289,457</u>	<u>3,912,200</u>
 TRADE & OTHER RECEIVABLES		
Rates - General & Other	166,916	191,073
Accrued Revenues	34,516	16,193
Debtors - general	167,349	46,188
Sundry	<u>1,905</u>	<u>2,131</u>
Total	<u>370,686</u>	<u>255,585</u>
	<u>370,686</u>	<u>255,585</u>
 <i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>	 27047	 23050
 INVENTORIES		
Stores & Materials	<u>1,307</u>	<u>2,981</u>
	<u>1,307</u>	<u>2,981</u>

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 6 - NON-CURRENT ASSETS

		2017	2016
	Notes	\$	\$
FINANCIAL ASSETS			
OTHER NON-CURRENT ASSETS			
Inventories			
Capital Works-in-Progress		-	369,200
		-	369,200

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2016				2017			
		\$				\$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	2	1,091,700	-	-	1,091,700	1,091,700	-	-	1,091,700
Land	3	353,800	-	-	353,800	353,800	-	-	353,800
Buildings & Other Structures	2	22,051,100	-	(20,941,176)	1,109,924	22,051,100	-	(21,081,135)	969,965
Buildings & Other Structures	3	4,049,500	-	(3,459,197)	590,303	4,049,500	-	(3,526,550)	522,950
Infrastructure	3	22,600,370	276,166	(15,262,561)	7,613,975	24,997,842	276,166	(15,059,466)	10,214,542
Plant & Equipment		3,309,570	1,053,454	(2,472,438)	1,890,586	3,250,156	3,497,402	(2,713,786)	4,033,772
Furniture & Fittings		1,338,142	638,199	(856,218)	1,120,123	1,326,320	663,213	(1,031,017)	958,516
Steamtown		1,932,061	-	(1,521,968)	410,093	1,932,061	2,499	(1,643,777)	290,783
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		56,726,243	1,967,819	(44,513,558)	14,180,504	59,052,479	4,439,280	(45,055,731)	18,436,028
Comparatives		56,726,243	1,609,170	(43,275,323)	15,060,090	56,726,243	1,967,819	(44,513,558)	14,180,504

This Note continues on the following pages.

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	CARRYING AMOUNT MOVEMENTS DURING YEAR									
	2016	\$								2017
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In				Out			
Land	1,091,700	-	-	-	-	-	-	-	-	1,091,700
Land	353,800	-	-	-	-	-	-	-	-	353,800
Buildings & Other Structures	1,109,924	-	-	-	(139,959)	-	-	-	-	969,965
Buildings & Other Structures	590,303	-	-	-	(67,353)	-	-	-	-	522,950
Infrastructure	7,613,975	-	-	-	(520,220)	-	-	-	3,120,787	10,214,542
Plant & Equipment	1,890,586	2,369,354	74,595	(39,783)	(260,980)	-	-	-	-	4,033,772
Furniture & Fittings	1,120,123	10,950	14,064	-	(186,621)	-	-	-	-	958,516
Steamtown	410,093	2,499	-	-	(121,809)	-	-	-	-	290,783
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	14,180,504	2,382,803	88,659	(39,783)	(1,296,942)	-	-	-	3,120,787	18,436,028
Comparatives	15,060,090	348,812	9,837		(1,238,235)					14,180,504

This Note continues on the following pages.

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 8 - LIABILITIES

	Notes	2017		2016	
		\$		\$	
TRADE & OTHER PAYABLES		Current	Non-current	Current	Non-current
Goods & Services		936,731		377,484	
Payments received in advance		-	-	1,936,835	-
Accrued expenses - employee entitlements		27,335	-	21,833	-
Accrued expenses - other		68,200	-	5,365	-
Deposits, Retentions & Bonds		82,578	-	82,137	-
		<u>1,114,844</u>	<u>-</u>	<u>2,423,654</u>	<u>-</u>

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

82,578

82,137

BORROWINGS

Loans		<u>284,372</u>	<u>6,457,415</u>	<u>82,193</u>	<u>241,788</u>
		<u>284,372</u>	<u>6,457,415</u>	<u>82,193</u>	<u>241,788</u>

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

PROVISIONS

Employee entitlements (including oncosts)		540,632	28,578	423,538	53,133
Other		-	-	-	27,543
		<u>540,632</u>	<u>28,578</u>	<u>423,538</u>	<u>80,676</u>

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

569,210

476,671

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE		1/7/2016	Net Increments (Decrements)	Transfers, Impairments	30/6/2017
	Notes	\$	\$	\$	\$
Land		1,268,469			1,268,469
Buildings and Other Structures		4,442,599			4,442,599
Infrastructure Plant & Equipment		15,433,452	3,120,787		18,554,239
Furniture & Fittings		731,046			731,046
Steamtown		86,437			86,437
TOTAL		21,962,003	3,120,787		25,082,790
	<i>Comparatives</i>	<u>21,962,003</u>			<u>21,962,003</u>

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 10 - 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	2017 \$	2016 \$
Total cash & equivalent assets	5	11,289,457	3,912,200
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		<u>11,289,457</u>	<u>3,912,200</u>

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

Net Surplus (Deficit)	3,082,229	(1,080,454)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,296,942	1,238,235
Net increase (decrease) in unpaid employee benefits	98,041	22,060
Grants for capital acquisitions treated as Investing Activity	(2,240,000)	(6,257)
Net (Gain) Loss on Disposals	17,319	-
	<u>2,254,531</u>	<u>173,584</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(115,101)	14,823
Net (increase) decrease in inventories	1,674	(216,685)
Net increase (decrease) in trade & other payables	(1,314,312)	(268,154)
Net increase (decrease) in other provisions	(27,543)	27,543
Net Cash provided by (or used in) operations	<u>799,249</u>	<u>(268,889)</u>

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 11 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2017	2016	2017 \$	2016 \$
	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$	2017 \$	2016 \$		
Administration	3,336,078	1,907,542	845,083	845,596	2,490,995	1,061,946	2,009,613	650,917	-	-
Public Order	-	-	24,471	13,735	(24,471)	(13,735)	-	-	-	-
Health	355	398	785	2,647	(430)	(2,249)	-	-	-	-
Welfare	74,523	58,806	122,313	96,674	(47,790)	(37,868)	36,742	39,857	-	-
Community Support	266,948	249,513	563,666	472,221	(296,718)	(222,708)	-	-	-	-
Recreation	46,783	197,662	639,157	600,631	(592,374)	(402,969)	7,552	160,328	-	-
Agricultural Services	31,780	25,607	32,238	26,432	(458)	(825)	-	-	-	-
Regulatory Services	18,140	21,536	137,063	140,377	(118,923)	(118,841)	-	-	-	-
Transport and Communication	852,299	796,429	2,049,012	1,182,267	(1,196,713)	(385,838)	852,299	640,138	-	-
Economic Development	259,878	256,217	777,167	760,503	(517,289)	(504,286)	-	-	-	-
Other NEC	1,892,331	280,712	464,507	35,108	1,427,824	245,604	-	70,000	30,097,478	18,720,470
Inter Function	-	-	502,061	704,942	(502,061)	(704,942)	-	-	-	-
TOTALS	6,779,115	3,794,422	6,157,523	4,881,133	621,592	(1,086,711)	2,906,206	1,561,240	30,097,478	18,720,470

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

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 12 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.
	Terms & conditions: Deposits are returning fixed interest rates between 1.50% and 1.75% (2016: 1.75% and 2.00%).
	Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Rates & Associated Charges (including legals & penalties for late payment)	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.
Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	Terms & conditions: Secured over the subject land, arrears attract interest of 0.5833% (2016: 0.5833%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.
	Carrying amount: approximates fair value (after deduction of any allowance).
Receivables - Fees & other charges	Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
	Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.
	Carrying amount: approximates fair value (after deduction of any allowance).
Receivables - other levels of government	Accounting Policy: Carried at nominal value.
	Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.
	Carrying amount: approximates fair value.
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.
	Terms & conditions: Liabilities are normally settled on 30 day terms.
	Carrying amount: approximates fair value.
Liabilities - Interest Bearing Borrowings	Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.
	Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.15% and 7.88% (2016: 4.15% and 7.88%)
	Carrying amount: approximates fair value.

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 12 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	11,307,054			11,307,054	11,289,457
Receivables	107,848	-	-	107,848	203,770
Total	11,414,902	-	-	11,414,902	11,493,227
Financial Liabilities					
Payables	1,019,023	-	-	1,019,023	1,019,309
Current Borrowings	606,133	-	-	606,133	284,372
Non-Current Borrowings	-	2,726,156	7,189,277	9,915,433	6,457,415
Total	1,625,156	2,726,156	7,189,277	11,540,589	7,761,096

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	3,912,200			3,912,200	3,912,200
Receivables	64,512	-	-	64,512	64,512
Total	3,976,712	-	-	3,976,712	3,976,712
Financial Liabilities					
Payables	2,396,456	-	-	2,396,456	2,396,456
Current Borrowings	97,998	-	-	97,998	82,193
Non-Current Borrowings	-	238,221	24,381	262,602	241,788
Total	2,494,454	238,221	24,381	2,757,056	2,720,437

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Fixed Interest Rates	5.95	\$ 6,741,787	6.18	\$ 323,981
		<u>6,741,787</u>		<u>323,981</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 Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 13 - FINANCIAL INDICATORS

	2017	2016	2015
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

Operating Surplus Ratio

<u>Operating Surplus</u>	9.0%	(29.0%)	4.0%
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio

	(3.0%)	(29.0%)	(12.0%)
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*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The **Adjusted Operating Surplus Ratio** adjusts for the resulting distortion in the disclosed operating result for each year.*

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-48%	-24%	-27%
Total Operating Revenue			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	9%	2%	16%
Infrastructure & Asset Management Plan required expenditure			

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

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 14 - 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

	2017 \$	2016 \$
Income	6,779,115	3,794,422
less Expenses	<u>6,157,523</u>	<u>4,881,133</u>
Operating Surplus / (Deficit)	621,592	(1,086,711)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	88,659	9,837
Depreciation, Amortisation and Impairment	(1,296,942)	(1,238,235)
Proceeds from Sale of Replaced Assets	<u>(22,464)</u>	<u>-</u>
	(1,230,747)	(1,228,398)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	2,013,603	348,812
Amounts received specifically for New and Upgraded Assets	(2,240,000)	(6,257)
	<u>(226,397)</u>	<u>342,555</u>
Net Lending / (Borrowing) for Financial Year	<u>2,078,736</u>	<u>(200,868)</u>

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 17 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and Works Manager under section 112 of the Local Government Act 1999. In all, 11 persons were paid the following total compensation:

	2017 \$
Salaries, allowances & other short term benefits	\$310,658.00
Post-employment benefits	\$0.00
Long term benefits	\$0.00
Termination benefits	\$0.00
TOTAL	\$310,658.00

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

	2017 \$
Contributions for fringe benefits tax purposes	\$0.00
Planning and building applications fees	\$0.00
Rentals for Council property	\$0.00
TOTAL	\$0.00

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Purchases from none of these individual businesses exceeded \$34,249 during the year.

DISTRICT COUNCIL OF PETERBOROUGH

Working Paper - RECONCILIATION OF GRANTS RECEIVED for the year ended 30 June 2017

This schedule records all grants received, including from other levels of Government, whether described as grants, subsidies or otherwise. (Amounts shown as negative are awaiting reimbursement to Council.)

		Opening Balance 1 July 2016	Movements		Closing Balance 30 June 2017
			Received/ Receivable	Expended	
GRANTS		\$	\$	\$	\$
GENERAL PURPOSE					
Grants Commission Grant		N/A	2,477,956	2,477,956	N/A
		N/A	0	0	N/A
		N/A			N/A
Subtotal		0	2,477,956	2,477,956	0
SPECIFIC PURPOSE					
Roads to Recovery					
HACC Grants					
Sport					
Libraries					
Other					
<i>Insert descriptions as appropriate.</i>					
Subtotal		0	0	0	0
TOTAL OTHER GRANTS		0	2,477,956	2,477,956	0
Comparatives					0
GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS					
SPECIFIC PURPOSE					
<i>Insert descriptions as appropriate.</i>					
TOTAL GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS		0	0	0	0
Comparatives					0
Recognised as revenue in advance of expenditure		0			0
Current receivable - Other levels of Government		5	0		0
			0		0

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 16th October 2017.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

The District Council of Peterborough is incorporated under the SA Local Government Act 1999 and has its principal place of business at 108 Main St Peterborough SA 5422. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

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

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

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

District Council of Peterborough

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

Note 1 - Significant Accounting Policies (cont)

	Cash Payment Received	Annual Allocation	Difference	
2014/15	\$2,401,438	\$1,592,649	+ / -	\$808,789
2015/16	\$771,244	\$1,580,033	+ / -	-\$808,789
2016/17	\$2,364,251	\$1,560,893	+ / -	\$803,358

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

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

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

3.1 Construction Contracts

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

6.2 Initial Recognition

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

District Council of Peterborough

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

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.

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 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.

6.5 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are shown in Note 7. 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.

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not assessed for impairment.

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

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

District Council of Peterborough

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

Note 1 - Significant Accounting Policies (cont)

6.7 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.

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted average discount rate	2.177% (2016, 2.980%)
Weighted average settlement period	10 years (2016, 10 years)

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

9.2 Superannuation

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

District Council of Peterborough

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

Note 1 - Significant Accounting Policies (cont)

10 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.

11 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 17	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

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

Council is of the view that other than AASB 1058, 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.

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

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

Valuation of Assets

General Valuation Principles

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13

Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Highest and best use: For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

Land & Land Improvements

Valuations of Land as at 1st July 2013 were at fair value as determined by Liquid Pacific and certified by Martin Burns.

Additions are recognised at cost.

Buildings

Valuations of Buildings as at 1st July 2013 were at fair value as determined by Liquid Pacific and certified by Martin Burns.

Additions are recognised at cost.

District Council of Peterborough

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

Note 7 – Property, Plant & Equipment (cont)

Plant & Equipment

Plant and Equipment are held at fair value & cost. Historically some asset values within the opening balances were determined by a valuation in 2003 based on written down replacement cost. These balances have been used as a proxy cost.

Furniture & Equipment

Furniture and Equipment are held at fair value & cost. Historically some asset values within the opening balances were determined by a valuation in 2003 based on written down replacement cost. These balances have been used as a proxy cost.

Infrastructure

Valuations of Infrastructure as at 1st July 2016 were at fair value as determined by Richard Gayler of Gayler Engineering
Additions are recognised at cost.

Steamtown

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

Capitalisation Thresholds

Capitalisation thresholds used by Council for a representative range of assets are shown below.

Infrastructure	\$5,000
Land	\$2,000
Buildings	\$5,000
Furniture & Equipment	\$2,000
Plant & Equipment	\$2,000
Other	\$2,000

Estimated Useful Lives

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

Plant, Furniture & Equipment	5 to 10 years
Building & Other Structures	25 to 100 years
Infrastructure	
Sealed Roads – Surface	30 years
Sealed Roads – Structure	100 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 years
Paving & Footpaths	10 to 60 years
Kerb & Gutter	80 years
Drains	20 to 100 years
Culverts	80 years
Furniture	10 to 50 years
Other	10 to 100 years

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 11 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Administration

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

Community Services

Public Order and Safety, Emergency Services, Other Fire Protection, Other Public Order and Safety, Immunisation, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Cemeteries, public Conveniences, Car Parking – non-fee-paying.

Recreation Culture

Library Services, Cultural Services, Cultural Venues, Museums and Art Galleries, and Other Cultural Services, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Outdoor, and Other Recreation.

Economic Development

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

Agricultural

Agricultural Services, Animal/Plant Boards, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

Regulatory Services

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

Transport & Communication

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

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 15 – SUPERANNUATION

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

Accumulation only Members

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

Salarylink (Defined Benefit Fund) Members

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

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

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

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

Contributions to Other Superannuation Schemes

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

DISTRICT COUNCIL OF PETERBOROUGH

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

Note 16 - 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.

1. LAND UNDER ROADS

As reported elsewhere in these Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in these reports. 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 2,265 km of road reserves of average width 6 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$0.00 (2016: \$0.00) at reporting date.

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

4. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of zero appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

David Chant *CPA*
Simon Smith *CPA*
David Sullivan *CPA*
Jason Seftel *CPA*
Renee Nicholson *CPA*
Tim Muhlhäuser *CPA*
Aaron Coonan *CPA*
Luke Williams *CPA*

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INDEPENDENT AUDITOR'S REPORT

To the Members of the District Council of Peterborough

Report on the Financial Report

Audit Opinion

We have audited the accompanying financial report of the District Council of Peterborough (the Council), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the District Council of Peterborough.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the District Council of Peterborough as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for Audit Opinion

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

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

The District Council of Peterborough Responsibility for the Financial Report

The District Council of Peterborough is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA Registered Company Auditor

Partner

24 / 11 / 2017

David Chant JCA
Simon Smith JCA
David Sullivan CPA
Jason Seidel CA
Renee Nicholson CA
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Galpins is a member of the accounting firm
Galpins & Co. Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE THE DISTRICT COUNCIL OF PETERBOROUGH

To the Members of the District Council of Peterborough

Independent Assurance report on the Internal Controls of the District Council of Peterborough

Opinion

We have audited the compliance of the District Council of Peterborough (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 have been conducted properly and in accordance with law.

In our opinion, the District Council of Peterborough has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2016 to 30 June 2017.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's Responsibility for Internal controls

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

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

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

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

Limitations of Controls

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

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

Limitation of Use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

24 / 11 / 2017

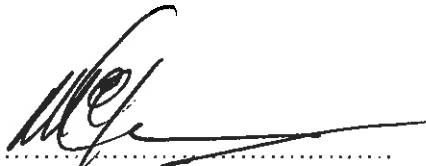
DISTRICT COUNCIL OF PETERBOROUGH

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

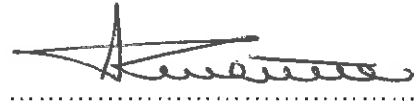
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Peterborough for the year ended 30 June 2017, the Council's Auditor, Galpins Accountants, Auditors & Business Consultants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Peter McGuinness
CHIEF EXECUTIVE OFFICER



Irene Ruth Whittle
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 23rd November 2017

District Council of Peterborough

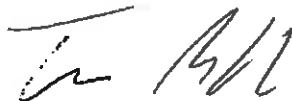
General Purpose Financial Statements

For the year ended 30 June 2017

Statement by Auditor

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

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



Tim Muhlhausier
Galpins

24/1/2017



Amalgamated 1997

District Council of Peterborough

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Mr Tim Muhlhausler
Partner
Galpins Accountants Auditors and Business Consultants
PO Box 546
Kent Town SA 5071

Dear Tim,

In connection with your examination of the financial statements of **District Council of Peterborough** (the Council) for the year ended 30 June 2017, I confirm my understanding that in accordance with the terms of your engagement, I represent to the best of my knowledge and belief the following:

A. FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

1. As a member of the management of the Council, I am responsible for the preparation of the financial statements in accordance with Australian accounting standards applied on a basis consistent with that of the proceeding year.
2. The significant accounting policies adopted in the preparation of the financial statements are fully and fairly described in the financial statements.
3. I have made available to you all financial records and related data.
4. As a member of the management of the Council, I believe that the Council has a system of internal controls adequate to permit the preparation of accurate financial statements in accordance with generally accepted accounting principles.

B. OWNERSHIP

1. The Council has good title (or lease interest in) all assets recorded in the accounts

C. VALUATION

1. My present plans and intentions are appropriately reflected by the carrying value and classification of the Council's assets and liabilities.
2. Adequate provisions have been recorded in the accounts for all anticipated losses.

D. COMPLETENESS

1. All assets, which are owned or controlled by the Council, are recorded in the accounts.
2. All services rendered prior to the year-end have been recorded in income of that year.
3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at year-end.
4. All charges to capital assets (and additions under capital leases) during the year represent actual additions and no expenditure of a capital nature have been charged to expenses during the year.
5. All capital assets sold or dismantled during the year have been properly accounted for in the accounts.
6. Capital and other assets with a limited life are being depreciated, amortized, or otherwise written off as a charge to income over their estimated useful lives in a systematic and rational manner.
7. All liabilities of the Council at the year-end have been recorded in the accounts (including provisions for such items as salaries and wages, employee benefits, professional services and long term debts).
8. At the year-end there were no contingent liabilities and all claims, which are outstanding and possible claims have been disclosed to you whether or not such claims have been discussed with my lawyers.
9. At year-end, the Council had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect on the Council.
10. There are no material transactions during the year that have not been properly reflected in the accounts.

11. The Council has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance including all covenants, conditions, or other requirements of all outstanding debts.

E. GENERAL

1. The minute book presented to you contains complete and authentic minutes of all meetings and committees held throughout the year to the most recent meetings.
2. None of the Board members or others was indebted to the Council, other than in the ordinary cause of business, at the year-end or at anytime during the year.
3. With respect to related parties, I have disclosed to you
 - a) all transactions with such parties including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees etc., and,
 - b) all balances due to or from such parties at the year-end
4. No irregularities have occurred and nothing has come to light, which might reflect upon the honesty or integrity of any employee, agent, or officer of the Council.
5. There have been no communications from regulatory agencies concerning non-compliance with laws or regulations, which could have a material effect on the financial statements.
6. Management acknowledges its responsibility for the fair presentation of the financial report in accordance with an identified financial reporting framework and has approved the financial report.

F. EVENTS SUBSEQUENT TO THE YEAR-END

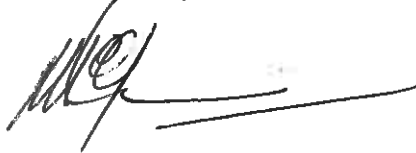
1. No events have occurred or are pending or in prospect and no facts have been discovered as at the present date which are of such significance in relation to the Councils affairs as to make the financial position, results of operations or cash flows of the Council materially incorrect.

G. FRAUD

1. We understand that testing and sampling procedures are used in your examination, and that these would not necessarily disclose all shortages and irregularities.

2. We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the Council including communications from regulatory agencies concerning non-compliance with, or deficiencies in financial reporting practices that could have a material effect on the financial report.
3. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud. Except as disclosed to you there have been no:
 - Violations or possible violations of laws or regulations that could have a material effect on the financial report.
 - Frauds or suspected frauds known to management that may have affected any entity in the economic entity.
 - Communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.
4. We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are designed to prevent and detect fraud and error.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter McGuinness', followed by a horizontal line.

Peter McGuinness
Chief Executive Officer

24 / 11 / 17



2016/2017 ANNUAL REPORT

This report was adopted at the Annual General Meeting of the Legatus Group held on 8 September 2017.

The Legatus Group Charter clause 6.3 Annual Report

6.3.1 The Legatus Group must each year, produce an Annual Report summarising the activities, achievements and financial performance of the Legatus Group for the preceding Financial Year.

6.3.2 The Annual Report must incorporate the audited financial statements of the Legatus Group for the relevant Financial Year.

6.3.3 The Annual Report must be provided to the Constituent Councils by 30 September each year.

The Legatus Group is a regional subsidiary of:

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

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence and as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by the provisions of Section 25 of the Local Government (Implementation) Act 1999. In 2016 the Central Local Government Region of South Australia adopted the name of Legatus Group to which it is now referred.

The Legatus Group is established to:

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

The Legatus Group is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the group and ensure that they act in accordance with its Charter. The Region's area spans the Barossa Valley through the Clare Valley, Yorke Peninsula, Adelaide Plains, Mid and Upper North districts through to the Flinders Ranges, covering 27 per cent of the incorporated area of the State and comprising some 27 per cent of the State's population outside of Adelaide.

Contact Details: Address: 155 Main North Road CLARE SA 5453 PO Box 419 CLARE SA 5453 Telephone: 08 88422222 Email: ceo@legatus.sa.gov.au Website: www.legatus.sa.gov.au

Legatus Group Board of Management: The Board shall consist of all the principal members of the Constituent Councils which for 2016/2017 were:

Council	Delegate
Adelaide Plains Council	Mayor Tony Flaherty
Clare & Gilbert Valleys Council	Mayor Allan Aughey OAM
Copper Coast Council	Mayor Paul Thomas AM
District Council of Barunga West	Mayor Cynthia Axford
District Council of Mount Remarkable	Mayor Sandra Wauchope replaced by Mayor Colin Nottle
District Council of Orroroo Carrieton	Chairman Kathie Bowman
District Council of Peterborough	Mayor Ruth Whittle OAM
Light Regional Council	Mayor Bill O'Brien
Northern Areas Council	Mayor Denis Clark
Port Pirie Regional Council	Mayor John Rohde
Regional Council of Goyder	Mayor Peter Matthey
The Barossa Council	Mayor Bob Sloane
The Flinders Ranges Council	Mayor Peter Slattery
Wakefield Regional Council	Mayor Rodney Reid
Yorke Peninsula Council	Mayor Ray Agnew OAM

Office Bearers for 2016/17

Chairman:	Mayor Peter Matthey
Deputy Chairs:	Mayor Denis Clark Mayor Sandra Wauchope (until 18 November 2016) Mayor Allan Aughey (from 18 November 2016)
Executive Members:	Mayor Rodney Reid Mayor Ray Agnew OAM
Delegate to the LGA Board representing the Central Region of the LGA Constitution:	Mayor Denis Clark (Northern Areas) LGA Board Member Mayor Peter Matthey (Goyder) LGA Board Member Mayor Allan Aughey OAM (Clare & Gilbert Valley) LGA Deputy Board Member
Chief Executive Officer:	Mr David J. Stevenson (until 5 June 2017) Mr Simon Millcock (from 5 June 2017)
Auditor:	Mr Ian G. McDonald FCA

Meetings of the Legatus Group

The following meetings of the Board of Management were held during the 2016/17 year:

- Annual General Meeting 19 August 2016
- Ordinary Meeting 19 August 2016
- Ordinary Meeting 18 November 2016
- Ordinary Meeting 17 February 2017
- Special Meeting 31 March 2017
- Ordinary Meeting 19 May 2017

Committee Meetings

There were five committees formed in 2016/2017

Committee	Members	Meeting Dates
Executive Committee	<ul style="list-style-type: none"> • Mayor Peter Matthey (Chair) • Mayor Denis Clark • Mayor Sandra Wauchope/Mayor Allan Aughey • Mayor Rodney Reid • Mayor Ray Agnew 	Nil
Audit Committee	<ul style="list-style-type: none"> • Mayor Ray Agnew (Chair) • Chair Kathie Bowman • Mayor Colin Nottle (19 May 2017) • Dr Andrew Johnson • Mr Colin Davies 	24 February 2017
Management Group	<ul style="list-style-type: none"> • Mr Colin Byles (Northern Areas) (Chair) • Mr Martin McCarthy (Barossa) • Mr Andrew Cole (Barunga West) • Mr Roy Blight (Clare & Gilbert Valleys) • Mr Peter Harder (Copper Coast) • Mr Colin Davies (Flinders Ranges) • Mr John Brak (Goyder) and Mr Griff Campbell (acting CEO January until June 2017) • Mr Brian Carr (Light) • Mr Wayne Hart (Mt Remarkable) • Mr Stephen Rufus (Orroroo/Carrieton) • Mr Peter McGuinness (Peterborough) • Dr Andrew Johnson (Pirie Regional) • Mr Christopher Parish (Wakefield) then Mr Jason Kuchel 	5 August 2016 14 October 2016 1 December 2016 3 February 2017 30 June 2017

	<ul style="list-style-type: none"> • Mr Andrew Cameron (Yorke Peninsula) 	
Road & Transport Infrastructure Advisory Committee:	<ul style="list-style-type: none"> • David Hassett (Wakefield), • Fred Linke (Barunga West), • Lee Wallis (Goyder), • Peter Porch (Northern Areas), • Kieren Chappell (Light) • Colin Davies (Flinders Ranges), • Stephen Rufus (Orroroo), • Jo-Anne Buchanan (RDA), • Steve Kaesler (Barossa) 	10 April 2017 19 April 2017
Regional Climate Change Steering Committee	<ul style="list-style-type: none"> • Kelly-Anne Saffin (RDA Yorke & Mid North) • Trevor Naismith (Natural Resources Northern Yorke) • David Stevenson • Michelle Benison (Department of Environment, Water and Natural Resources) 	7 November 2016 30 Jan 2017 6 March 2017 1 May 2017

CHAIRMAN'S REPORT

It has been my pleasure to serve as your Chairman in 2016/17 and I would like to take this opportunity to report on some of the highlights from the year. We developed and adopted a suite of major policies in education, health, national resource management, regional development, roads and infrastructure, sports and recreation. It is however important now as we move closer to the State election that our major policies reflect our regional needs.

The Roads Infrastructure Advisory Committee undertook the 2017/18 Special Local Roads program and it would appear from notice received yesterday that our application this year has been successful.

Our battle to see a quality outcome to the NRM Levy debacle remains unsatisfactorily resolved, but that wasn't from the lack of effort put in across the local government sector and in particular our region. But rather a broader misunderstanding by Minister Hunter to see that local government shouldn't be burdened with the necessity to collect a state tax which seemingly then bears little to no resemblance to the costs of delivering services on the ground by his department and NRM boards alike.

On a similar note work to reduce the red tape and improve efficiency in Crown lands has continued, albeit been met with echoes of complexity and time delays from the state government.

The region has been proactive in supporting the challenges and changing environment our regional and rural hospitals and health services find themselves in. Without these critical services, the very foundations of our towns are continuing to be threatened.

Our effort to encourage and foster closer working relationships with the RDA were slowed when the federal government announced a national review. The review is now complete and it would appear little significance will come of it. However, we remain close allies and maintain local government can be a continuing catalyst for efficient and effective delivery of economic development across the region.

The work the region has done to have rubble royalties removed has made significant progress over the year. This is a shining example of how our region has been able to garner support across the entire state through perseverance and collaboration. It is also an example of how the LGA can work closely with regions in a support role.

Our Charter was reviewed and there are still some minor amendments to make, but given this has been the most substantial change in the Charter for many years I'm pleased Councils have worked positively toward improving our governance.

The Regional Transport Plan 2030 is due for completion soon; this work will help improve the understanding and complexities of our regional road transport networks, their purpose and the users. There are ever increasing size vehicles using regional Council roads to move large volumes of agricultural products. Also, the burgeoning tourism and community connectivity needs.

The Mega Trends Forum was held earlier this year in association with the RDA and NRM, the region hosted a very successful day and the key note speaker Dr John Hewson was blunt and insightful about politics and business in South Australia and nationally.

In closing we have also appointed a new CEO, I hope Simon is settling in and wish him well.

Mayor Peter Matthey

Chairman Legatus Group

Achievements for 2016/17

Within the focus areas for Legatus Group:

1. BOARD OPERATION AND GOVERNANCE

Operation of Legatus Group is in accordance with legislative requirements and the boards policies and procedures.

- Committees that operated under the Charter all conducted their operations within their terms of reference.
- Employment of Procurement Officer July 2016 and offer for extension May 2017.
- Managed the contract for Climate Change Project Officer.
- Appointment of a new Chief Executive Officer in June 2017.
- Adoption of the 2016/17 Business Plan and Budget.
- Acquittals to the Local Government on all funding and Research and Development Scheme were completed.
- Policy Development and Implementation
- Ten Year Strategic Plan progressing

- Brand & Identity Plan – name change / logo and website developed
- Charter Review completed
- Policies and procedures developed and accepted including employee policies
- Relocation of Office

2. LOCAL GOVERNMENT LEADERSHIP AND SUSTAINABILITY

Legatus Group are well regarded by its members and stakeholders as a valid and relevant organisation that assists with regional collaboration and is supportive of actions on key identified regional priorities.

Support members to engage collaboratively to improve service delivery, resourcing and financial capacity including through identified procurement activities.

Increased awareness by key stakeholders and political decision makers of key regional issues.

These progressed in 2016/2017 and increased development of the Legatus Group occurred through several partnerships and one of major importance is that with the Local Government Association of South Australia. This included major funding through the Outreach Program and the Regional Capacity building allocations. These programs have allowed the Legatus Group to become a stronger and more relevant to our Constituent Councils. This has occurred in the form of cost and organisational efficiencies and with enhanced alignment across our region in the form of sub regional and whole of region initiatives. The year has engendered an alignment of LGA strategies and actions with the Legatus Group region and this is relevant to both organisations as they are critical objective to both.

This alignment has allowed Legatus Group to progress with appropriate policies and procedures and establish procurement and a new website. During the year, there was continued progress against a number of priority activities.

The transition from Central Local Government Region into the Legatus Group was completed which enabled the development of a new Charter and the creation of a contemporary brand and image. A significant amount of work was completed in conjunction with the selected Brand Agency to define the work brief and produce a design and style guide for use in all communications.

Once this branding exercise was completed, we were able to immediately use the style guide as the basis to engage with our I.T. provider and jointly develop the Legatus website. The Website architecture, layout, content and level of interactivity was completed with the formal launch occurring in Q4 2016

The offering included submitted images from each of our Member Councils as well as a 'Members Only' section that provides access to a range of procurement documentation for use in normal day to day Council procurement activities.

Other partnerships which have been of importance during 2016/2017 has been with the various Regional Development Australia (RDA) and Natural Resource Management (NRM) Organisations that cover the Legatus Group region. Due to the complexity of these various regions a focus has seen 2016/2017 focus on working with the RDA Yorke Mid North (YMN) and Northern and Yorke NRM. Expanding into the other RDA's and NRM's needs to also be considered.

Legatus Group continued to be an active member of the South Australian Regional Organisation of Councils and has benefitted from the support of the 5-other regional Executive Officers.

3. REGIONAL & COMMUNITY SUSTAINABILITY

The long-term regional economic, environmental and social sustainability is fostered through pro-active, innovative, efficient and collaborative approaches to priority issues.

Projects

Project	Topic / Commentary / Detail
Regional Procurement (more detailed report provided)	<ul style="list-style-type: none"> • Legatus Group strategic alliance to establish a collaborative regional approach to the procurement function • MoU by member Councils to collectively acknowledge the value, benefit and objectives of the Legatus Procurement Group • Legatus website and the first Legatus Tender being called through this medium (supply of bulk diesel fuel)
Regional Climate Change	<ul style="list-style-type: none"> • Guideline to Plan Climate Change Actions tendered <ul style="list-style-type: none"> ○ Literature review and implementation plan with guidelines for individual councils tested along with development of monitoring and case studies developed. • Final draft of Coast Adaptation report submitted • Inundation mapping progressed with Yorke Peninsula Council • Draft sector agreement completed • Regular steering committee meetings held
Regional Rubble Royalty repeal	<ul style="list-style-type: none"> • Progress with Department of State Development and Cement Concrete & Aggregates Australia with positive impact and successful outcomes to be achieved with outstanding matter being the decision on distances and possible repeal • Data collection from across State collated and distributed
Regional Alliance RDAY&MN and NRMN&Y	<ul style="list-style-type: none"> • Legatus Group relocates to the regional agency hub as a co-tenant with both RDAY&MN and NRMN&Y • Regional Plan being progressed with all 3 organisations being partners • Sub regional leaders program progressing
Regional Crown Land Red Tape Reduction	<ul style="list-style-type: none"> • Progress made with Department of Environment, Water and Natural Resources and Crown Lands • Prioritising by region and ability to work with Crown Lands on identified strategic land to progress
Community Waste Management Scheme	<ul style="list-style-type: none"> • CWMS Management Committee confirmed funding to Legatus Group for the formation of the Central Local Government Region CWMS User Group. • Initial meeting held and proposal by Rashlee Pty Ltd for a 12-month program to developed.

State Recoveries Procedure	<ul style="list-style-type: none"> • Relevant data documented on the Clare and Gilbert Valleys Council claim through the State Recoveries Office for damages relating to the extreme weather event experienced in the region in September of 2016. • Review required and need to establish the support of the LGA to advocate the case on our behalf to the State Government.
Regional Transport Plan for Legatus	<ul style="list-style-type: none"> • HDS Australia commenced work on the 2030 Regional Transport Plan • Desk top research undertaken • Formation of Legatus Transport & Infrastructure Advisory Committee
National Disability Insurance Scheme	<ul style="list-style-type: none"> • Membership of the Yorke Mid North Hub delivering project and action plans in partnership with RDA YMN.

PROCUREMENT

Following the identification of procurement as a function of the Legatus Group, Paul Kennedy was contracted for 12 months on 25.07.2016 as the Legatus Group Procurement Officer.

The key aspect of the procurement function is to form an alliance to improve respective procurement activity and to benefit from economies of scale. This is designed to reduce the cost of services to ratepayers and ensure a coordinated approach to the regional procurement of goods and services. A procurement Memorandum of Understanding (MoU) was signed by the CEO's of all the Legatus Group in November 2016.

The Legatus Procurement Working Group was established with a nominated representative from each Council to meet, identify, discuss, review and prioritise the regional procurement activity. These meetings actively encouraged the cultivation of cross communication, sharing of information, experiences and practical examples of problems and solutions.

Some excellent knowledge has been gathered and the spirited nature of discussions has ensured their constructive value.

Following the development and implementation of the new Legatus website, a standardised suite of procurement working documents was produced and loaded for immediate on-line access by our Member Councils. This full working set of templates are both best practice and have also been legalised. The suite of documents totals some 650 pages in number and are downloadable for members who then only need to place their individual council logo on the required set.

Our thanks go to The Barossa Council for their assistance in compiling these documents.

This has provided an immediate saving in labour, whilst at the same time standardising the procurement documents in use throughout the region. The website is also accessible for registered suppliers to access tender opportunities in addition to being able to download a complete sample set of Work, Health and Safety documents and tools.

A formal Legatus Procurement Policy was developed and published in Quarter 1, 2017 that sets out in detail the standards and processes that will be adopted for the provision of services, purchasing of goods and services and the disposal of land and other assets.

The policy addresses the key elements of the conduct of the Legatus Group in these areas and the principles that will guide its decision-making- process.

Key principles include the compliance with our statutory obligations and the National Competition Policy and our participation with other spheres of government, community groups and the private sector in service delivery.

A critical component of the Policy is that full consideration is taken of the impact of service delivery on community and social issues.

The Legatus Group clearly states that a main procurement consideration is the existence of local suppliers of the goods or services and the subsequent impact on the local economy if the goods or services were purchased from outside of the region.

The Legatus Procurement Working Group is proving an ideal forum to bring together Member Council staff who have a procurement responsibility with a view to cultivating cross communication, collaboration in procurement planning and the identification of regional procurement opportunities. There have been 22 topics relevant to procurement that have been discussed.

Over the 2016/17 financial year, the procurement working group meetings have averaged seven attendees from the twelve participating Councils.

All Member Council Mayor's and CEO's signed the Procurement MoU as a clear demonstration of the support of all Councils for the procurement initiative.

It is imperative that this in principle support is translated into on the ground attendance and participation in the activities of the group.

The Local Government Association Procurement are undertaking an aggressive plan of revenue expansion and Legatus Group engaged with them to assess the potential for a closer working relationship between the two groups. With no decision made during 2016/2017.

The Diesel Fuel Tender proved to be a lengthier process than was initially intended and should be completed in early 2017/2018. It was appropriate to engage with our legal counsel to ensure that the first proposed Legatus contract was in accordance with current best industry practice.

They recommended some changes be implemented and this resulted in the addition of around three months of discussions as a proposed contract was drafted and revised several times. The tender process had reached the completion of the first assessment team meeting. It was following this initial assessment meeting that a participating Council removed themselves from the process for confidential reasons. This introduced a range of logistical and probity complexities that were required to again be overseen by our legal team.

A new specification document then needed to be drafted to reflect the reduced volume of the overall tender. This was supplied back to the market along with the draft contract document for the tenderers to review and resubmit their offering.

The initial annual saving to the region was in the vicinity of \$45K per annum and we expect this to reduce by around 25% with the lower annual volumes.

Work commenced on the 2017/18 Procurement Plan is to assemble all the capital budgets from our councils to deliver:

- A regional summary spreadsheet that details the budgeted expenditure by Councils which will be broken down by category.
- A recommended strategic procurement plan by category for consideration.
- The Legatus Procurement Working Group will then meet, review and prioritise the regional procurement activity.

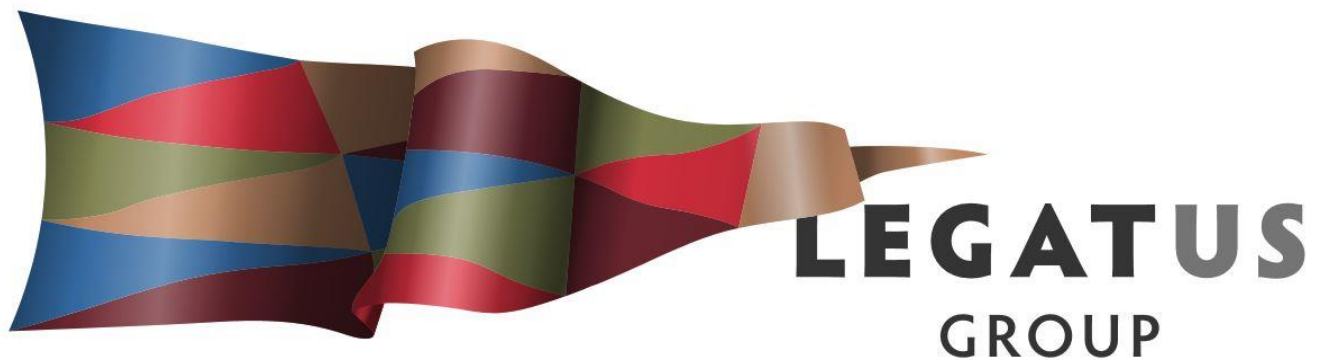
- Participating members will confirm their individual category data sets and commit to joining in to the joint procurement process.
- Legatus Group will then undertake the preparation of specifications and tender documents in accordance with the prioritised procurement plan.
- The market engagement will be in accordance with the Legatus Procurement Policy.
- Tenders and quotations will be received, collated and prepared for assessment by the participating members.
- Recommendations are then submitted to the Legatus Board for ratification and contracts and purchase orders will be awarded subject to the direction of the board.
- Legatus Group will then undertake the contract management and post procurement review of each decision to ensure that all efficiencies and cost savings are captured and reported on.
- The early indication is that around \$40mill of combined Member Council procurement activity can be processed through this collaborative approach.

This joint initiative will be a clear demonstration of the value in maintaining a centralised procurement function that will result in:

- Reduce the regional duplication of procurement activity
- Produce improved cost savings and return greater operational efficiencies
- Improved probity and risk
- The stimulation of regional collaboration and economic development

**CENTRAL LOCAL GOVERNMENT REGION OF
SOUTH AUSTRALIA**

trading as



ANNUAL FINANCIAL STATEMENTS
for the financial year

1 July 2016 – 30 June 2017

As adopted at the Annual General Meeting held 8 September 2017

LEGATUS GROUP

General Purpose Financial Reports for the year ended 30 June 2017

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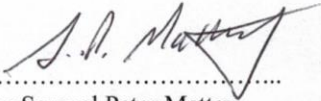
LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Group 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 Group's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Group provide a reasonable assurance that the Group's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Group's accounting and other records.


.....
Simon Millcock
Chief Executive Officer


.....
Mayor Samuel Peter Matthey
President

Date:

LEGATUS GROUP

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

		2017	2016
	Notes	\$	\$
INCOME			
Grants, subsidies and contributions	2	348,889	316,166
Investment income	2	12,205	13,869
Reimbursements	2	25,105	-
Other income	2	194,538	154,140
Total Income		<u>580,737</u>	<u>484,175</u>
EXPENSES			
Employee costs	3	261,600	92,626
Materials, contracts & other expenses	3	279,405	264,741
Depreciation, amortisation & impairment	3	9,487	3,243
Finance costs	3	24	-
Total Expenses		<u>550,516</u>	<u>360,610</u>
OPERATING SURPLUS / (DEFICIT)		<u>30,221</u>	<u>123,565</u>
NET SURPLUS / (DEFICIT)		<u>30,221</u>	<u>123,565</u>
transferred to Equity Statement			
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>30,221</u>	<u>123,565</u>

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION as at 30 June 2017

		2017	2016
	Note	\$	\$
ASSETS	s		
Current Assets			
Cash and cash equivalents	5	719,859	556,783
Trade & other receivables	5	25,404	124,056
Total Current Assets		<u>745,263</u>	<u>680,839</u>
Non-current Assets			
Infrastructure, property, plant & equipment	7	23,799	30,110
Total Non-current Assets		<u>23,799</u>	<u>30,110</u>
Total Assets		<u>769,062</u>	<u>710,949</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	47,649	18,928
Provisions	8	5,214	6,060
Total Current Liabilities		<u>52,863</u>	<u>24,988</u>
Non-current Liabilities			
Provisions	8	172	155
Total Non-current Liabilities		<u>172</u>	<u>155</u>
Total Liabilities		<u>53,035</u>	<u>25,143</u>
NET ASSETS		<u>716,027</u>	<u>685,806</u>
EQUITY			
Accumulated Surplus		121,695	113,143
Other Reserves	9	594,332	572,663
TOTAL EQUITY		<u>716,027</u>	<u>685,806</u>

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

LEGATUS GROUP

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

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2017	Note	\$	\$	\$
Balance at end of previous reporting period		113,143	572,663	685,806
Net Surplus / (Deficit) for Year		30,221		30,221
Other Comprehensive Income				
Transfers between reserves	9	(21,669)	21,669	-
Balance at end of period		<u>121,695</u>	<u>594,332</u>	<u>716,027</u>
2016				
Balance at end of previous reporting period		68,145	494,096	562,241
Net Surplus / (Deficit) for Year		123,565		123,565
Other Comprehensive Income				
Transfers between reserves		(78,567)	78,567	-
Balance at end of period		<u>113,143</u>	<u>572,663</u>	<u>685,806</u>

LEGATUS GROUP

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		12,205	14,132
Grants utilised for operating purposes		490,490	224,444
Reimbursements		15,400	-
Other revenues		188,416	217,562
<u>Payments</u>			
Employee costs		(266,402)	(81,342)
Materials, contracts & other expenses		(273,833)	(326,485)
Finance payments		(24)	-
Net Cash provided by (or used in) Operating Activities		166,252	48,311
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	(33,353)
Expenditure on new/upgraded assets		(3,176)	-
Net Cash provided by (or used in) Investing Activities		(3,176)	(33,353)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
<u>Payments</u>			
Net Increase (Decrease) in cash held		163,076	14,958
Cash & cash equivalents at beginning of period	11	556,783	541,825
Cash & cash equivalents at end of period	11	719,859	556,783

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

LEGATUS GROUP

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1. Basis of Preparation

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 9th August 2014.

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

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

1.1 Historical Cost Convention

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

1.2 The Local Government Reporting Entity

The Legatus Group ("the Group") is a regional subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

- | | |
|---|--|
| 1. The Barossa Council | 2. District Council of Mount Remarkable |
| 3. District Council of Barunga West | 4. Northern Areas Council |
| 5. Clare and Gilbert Valleys Council | 6. District Council of Orroroo/Carrieton |
| 7. District Council of the Copper Coast | 8. District Council of Peterborough |
| 9. The Flinders Ranges Council | 10. Port Pirie Regional Council |
| 11. Regional Council of Goyder | 12. Wakefield Regional Council |
| 13. Light Regional Council | 14. Yorke Peninsula Council, and |
| 15. Adelaide Plains Council. | |

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

1.3 Income recognition

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

1.4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Group'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 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.

1.5 Property, Plant & Equipment

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held “ready for use”. All assets are recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

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

Office Furniture & Equipment	\$1,000
Motor Vehicles, Other Plant & Equipment	\$1,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Group, best reflects the consumption of the service potential embodied in those assets.

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

Major depreciation periods for each class of asset are shown in Note 7.

1.6 Payables

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

Amounts received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

Employee Benefits

Salaries, Wages & Compensated Absences

The Group has two employees as at the 30th June 2017, a Chief Executive Officer and a Regional Procurement Officer. Liabilities for employees’ entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

Weighted average discount rate	2.10% (2016, 2.08%)
Weighted average settlement period	10 years (2016, 10 years)

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

Superannuation

The Group contributes the statutory 9.5% SGC superannuation to the nominated superannuation funds for the Chief Executive Officer and Regional Procurement Officer.

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.

Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 17	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

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

The Group is of the view that other than AASB 16 and AASB 1058, 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.

Accounting Standard AASB 1058 Income of Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Group's intention to adopt this Standard early.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 2 - INCOME

	2017 \$	2016 \$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	12,117	13,795
Banks & other	88	74
	<u>12,205</u>	<u>13,869</u>
REIMBURSEMENTS		
Legal, Climate Change, USGRPG	25,105	-
	<u>25,105</u>	<u>-</u>
OTHER INCOME		
Council Contributions	159,545	154,140
Sundry	34,993	-
	<u>194,538</u>	<u>154,140</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Sundry	348,889	316,166
	<u>348,889</u>	<u>316,166</u>
<i>Sources of grants</i>		
State government	348,889	231,166
Other	-	85,000
	<u>348,889</u>	<u>316,166</u>
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	221,570	143,003
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
A009-Special Projects	(6,281)	-
P009-Climate Change	(4,761)	-
P015-Local Government Reform	-	(48,952)
P026-Strategic Procurement	(31,100)	-
P022-Roads & Transport	-	(127)
P023-Outreach Collaboration Project	-	(52,923)
P027-LG Reform - Incentive Risk	-	(5,471)
Subtotal	<u>(42,142)</u>	<u>(107,473)</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
P022-Roads & Transport	11,314	-
P024-Climate Change Co-ordinator 2015-17	43,943	-
P025-Outreach Phase 2	33,235	50,000
P026-Strategic Procurement	-	31,100
P028-Regional Capacity Building	98,086	104,940
Subtotal	<u>186,578</u>	<u>186,040</u>
<i>Unexpended at the close of this reporting period</i>	<u>366,006</u>	<u>221,570</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<u>144,436</u>	<u>78,567</u>

LEGATUS GROUP

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

Note 3 - EXPENSES

	2017 \$	2016 \$
EMPLOYEE COSTS		
Salaries and Wages	209,804	75,887
Employee leave expense	15,991	6,217
Superannuation	20,785	7,209
Insurance	2,550	872
CEO relocation	3,761	-
Professional Development	1,007	-
FBT	7,702	2,441
Total Operating Employee Costs	261,600	92,626
 Total Number of Employees	 2	 1
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration		
- Auditing the financial reports	1,650	1,683
Subtotal - Prescribed Expenses	1,650	1,683
<u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	202,888	220,098
Legal Expenses	8,202	8,639
Unleaded Fuel	4,934	3,410
Members Allowances & Support	4,264	6,024
Meetings & Conferences	4,852	3,175
Insurance	7,624	7,585
Rental - Premises	10,581	3,182
Advertising	1,050	2,093
Accommodation	3,959	915
Airfares	2,157	1,361
Travel : Reimbursement	7,036	15
Catering & Meals	4,768	1,098
Telephone & Internet	4,434	455
Postages/Stationery/IT	5,586	4,408
Sundry	5,420	600
Subtotal - Other Materials, Contracts & Expenses	277,755	263,058
	279,405	264,741
 DEPRECIATION		
Motor Vehicle	6,311	3,243
Computers & Software	3,176	-
	9,487	3,243
 FINANCE COSTS		
Interest on bank account	24	-
	24	-

LEGATUS GROUP

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

2017	2016
\$	\$

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

Nil	Nil
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Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	77,915	21,879
Deposits at Call	641,944	534,904
	<u>719,859</u>	<u>556,783</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	2,687	2,610
Debtors - general	12,139	-
Other levels of Government	-	115,434
GST Recoupment	10,578	4,421
Prepayments	-	1,591
	<u>25,404</u>	<u>124,056</u>

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Nil	Nil
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LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

		2016 \$				2017 \$			
	Fair Value Level	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Motor Vehicle		-	33,353	(3,243)	30,110	-	33,353	(9,554)	23,799
Computers & Software		-	772	(772)	-	-	3,948	(3,948)	-
TOTAL PLANT & EQUIPMENT		-	34,125	(4,015)	30,110	-	37,301	(13,502)	23,799
Comparatives		-	772	(772)	-	-	34,125	(4,015)	30,110

	2016	CARRYING AMOUNT MOVEMENTS DURING YEAR								2017
	\$	\$								\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
New/Upgrade		Renewals	In				Out			
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT										
Motor Vehicle	30,110	-	-	-	(6,311)	-	-	-	-	23,799
Computers & Software	-	3,176	-	-	(3,176)	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	30,110	3,176	-	-	(9,487)	-	-	-	-	23,799
Comparatives	-	33,353	-	-	(3,243)	-	-	-	-	30,110

LEGATUS GROUP

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

Note 8 - LIABILITIES

	2017		2016	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	23,399		317	
Accrued expenses - employee entitlements	1,096	-	5,069	-
GST & PAYG	23,154	-	13,542	-
	<u>47,649</u>	<u>-</u>	<u>18,928</u>	<u>-</u>
PROVISIONS				
Employee entitlements (including oncosts)	5,214	172	6,060	155
	<u>5,214</u>	<u>172</u>	<u>6,060</u>	<u>155</u>

Note 9 - RESERVES

OTHER RESERVES	1/7/2016	Transfers to Reserve	Transfers from Reserve	30/6/2017
General Reserve	31,093	-	-	31,093
1 A009-Special Projects	17,341	-	(2,000)	15,341
2 P003-Waste Management	16,273	-	-	16,273
P009-Climate Change	4,761	-	(4,761)	-
P015-Local Government Reform	111,048	-	(111,048)	-
3 P022-Roads & Transport	26,578	11,314	-	37,892
4 P024-Climate Change Co-Ordinator 2015-17	19,529	43,943	-	63,472
5 P025-LG Outreach Phase 2	50,000	33,235	-	83,235
P026-Strategic Procurement	31,100	-	(31,100)	-
6 P027-LG Reform - Incentive Risk	160,000	-	(16,000)	144,000
7 P028-Regional Capacity Building	104,940	98,086	-	203,026
TOTAL OTHER RESERVES	<u>572,663</u>	<u>186,578</u>	<u>(164,909)</u>	<u>594,332</u>
	<u>494,096</u>	<u>346,040</u>	<u>(267,473)</u>	<u>572,663</u>

PURPOSES OF RESERVES

Other Reserves

- 1 **A007-Special Projects**
LGA funded support programme
- 2 **P003-Waste Management**
State Government funded technical support programme
- 3 **P022-Roads & Transport**
CLGR funded programme - Regional Development Australia Freight Strategy
- 4 **P024-Climate Change Co-ordinator 2015-17**
Regional Partners and State Government funded programme
- 5 **P025-LG Outreach Phase 2**
LGA funded programme
- 6 **P027-LG Reform - Incentive Risk**
CEO Performance fund
- 7 **P028-Regional Capacity Building**
Region rubble royalty % returned for project allocation 2017/18 on

LEGATUS GROUP

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

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	2017 \$	2016 \$
Total cash & equivalent assets	5	719,859	556,783
Balances per Cash Flow Statement		719,859	556,783

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

Net Surplus (Deficit)	30,221	123,565
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	9,487	3,243
Net increase (decrease) in unpaid employee benefits	(4,802)	11,284
	34,906	138,092
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	98,652	(59,763)
Net increase (decrease) in trade & other payables	32,694	(30,018)
Net Cash provided by (or used in) operations	166,252	48,311

(c) Non-Cash Financing and Investing Activities

(d) Financing Arrangements

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

Corporate Credit Cards	5,000	2,000
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Note 12 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 A009-Special Projects
- 2 P003-Waste Management
- 3 P009-Climate Change
- 4 P015-Local Government Reform
- 5 P022-Roads & Transport
- 6 P023-Outreach Collaboration Project
- 7 P024-Climate Change Co-Ordinator 2015-17
- 8 P025-LG Outreach Phase 2
- 9 P026-Strategic Procurement
- 10 P027-LG Reform - Incentive Risk
- 11 P028-Regional Capacity Building

Income and expenses have been attributed to the functions/activities throughout the financial year.

LEGATUS GROUP

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

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned. Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.5% as at 30 June 2017 Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Trade & Other Debtors	Accounting Policy: Carried at nominal value. Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals and do not bear interest. Carrying amount: approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	719,859	-	-	719,859	719,859
Receivables	22,717	-	-	22,717	22,717
Total	742,576	-	-	742,576	742,576
Financial Liabilities					
Payables	46,553	-	-	46,553	46,553
Total	46,553	-	-	46,553	46,553
2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	556,783	-	-	556,783	556,783
Receivables	121,446	-	-	121,446	121,446
Total	678,229	-	-	678,229	678,229
Financial Liabilities					
Payables	13,859	-	-	13,859	13,859
Total	13,859	-	-	13,859	13,859

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 Group.

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 Group is the carrying amount, net of any allowance for doubtful debts. All Group 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 Group's boundaries, and there is no material exposure to any individual debtor.

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

Liquidity Risk is the risk that the Group will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

LEGATUS GROUP

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

Note 15 - FINANCIAL INDICATORS

	2017	2016	2015
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

Operating Surplus Ratio

<u>Operating Surplus</u>	5.0%	26.0%	(60.0%)
Total Operating Revenue			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-119%	-135%	-113%
Total Operating Revenue			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	0%	0%	0%
Infrastructure & Asset Management Plan required expenditure			

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

LEGATUS GROUP

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

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2017 \$	2016 \$
Income	580,737	484,175
<i>less</i> Expenses	<u>550,516</u>	<u>360,610</u>
Operating Surplus / (Deficit)	30,221	123,565
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	33,353
Depreciation, Amortisation and Impairment	<u>(9,487)</u>	<u>(3,243)</u>
	(9,487)	30,110
<i>less</i> Net Outlays on New and Upgraded Assets	<u>3,176</u>	<u>-</u>
Net Lending / (Borrowing) for Financial Year	<u>36,532</u>	<u>93,455</u>

LEGATUS GROUP

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

Note 23 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Group include the 15 Mayors/Chairpersons of the constituent Councils and the CEO. In all, 3 persons were paid the following total compensation:

	2017 \$
Salaries, allowances & other short term benefits	
Post-employment benefits	
Long term benefits	TBA
Termination benefits	
TOTAL	

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), The Group received the following amounts in total:

	2017 \$
Contributions for fringe benefits tax purposes	Nil
TOTAL	

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

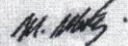
KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Purchases from none of these individual businesses exceeded \$x,xxx during the year.

LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017


CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Legatus group for the year ended 30 June 2017, the Council's Auditor, Ian G McDonald has maintained his independence in accordance with the requirements of the Local Government Act 1990 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.



 Chief Executive Officer
 The Borough Council


 Chief Executive Officer
 Clare and Gilbert Valleys Council


 Chief Executive Officer
 The Dymally Range Council



 Chief Executive Officer
 Light Regional Council



 Chief Executive Officer
 District Council of Mount Remarkable



 Chief Executive Officer
 Port Phillip Council



 Chief Executive Officer
 Yorke Peninsula Council



 Chief Executive Officer
 Wakefield Regional Council



 Chief Executive Officer
 District Council of Barunga West


 Chief Executive Officer
 District Council of the Copper Coast



 Chief Executive Officer
 Regional Council of Gydney


 Chief Executive Officer
 Adelaide Plains Council


 Chief Executive Officer
 Northern Areas Council


 Chief Executive Officer
 District Council of Ororo-Carleton


 Chief Executive Officer
 District Council of Peterborough


 Chairman
 Legatus Group
 Board of Management

Date:

Ian G McDonald FCA



Legatus Group
Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Legatus Group, for the year ended 30 June 2017.

Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 30 June 2017 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule 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 in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

A handwritten signature in dark ink, appearing to read 'Ian G McDonald'.

Ian G McDonald FCA
Registered Company Auditor

Dated at Grange this 4th day of September 2017

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PO Box 75, Henley Beach SA 5022
ABN 13 550 494 869

Nancy 0408 832 848
nancytran@creativeauditing.org

Ian G McDonald FCA



4 September 2017

Mayor Peter Matthey
Chairperson
Legatus Group
PO Box 168
Crystal Brook SA 5523

Dear Mayor Matthey,

Please be advised that we have now completed the external financial audit of the Legatus Group for the financial year ended 30 June 2017.

The audit opinion has been signed without qualification.

1. Report on Matters Arising from the Audit

There is no matter that requires a report to the Minister.

We are satisfied with the action taken in relation to our audit communication during the year.

The Auditor's Independence Declaration has been provided to the Chief Executive Officer.

2. Adequacy of the Internal Control Environment

In our opinion the Subsidiary's internal control environment is adequate. A review of the internal control framework documentation should be undertaken annually.

Please do not hesitate to contact us if further information is required.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Ian McDonald'.

Ian McDonald

CC: Simon Millcock

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Ian G McDonald FCA



Legatus Group
Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Legatus Group, for the year ended 30 June 2017.

Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 30 June 2017 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule 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 in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

A handwritten signature in cursive script that reads 'Ian G McDonald'.

Ian G McDonald FCA
Registered Company Auditor

Dated at Grange this 4th day of September 2017

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FLINDERS REGIONAL DEVELOPMENT ASSESSMENT PANEL

ANNUAL REPORT 2016-2017

The Terms of Reference for the Flinders Regional Development Assessment Panel ("the Panel") requires that the Panel, through the Public Officer, will report in writing to the Constituent Councils on an annual basis, detailing:

- The level of attendance of Panel Members at Panel Meetings;
- The Panel's activity and performance in making decisions; and
- Comment on or an analysis of policy or process that are relevant to the Panel's assessment functions and suggesting improvements.

During the course of the 2016-2017 Financial Year, the Panel met on four (4) occasions to consider a total of five (5) applications.

The following tables summarise the level of attendance of Panel Members at meetings and the activity and performance of the Panel in decision making.

Panel Member Attendance				
Member	Meetings Eligible to Attend	Present	Apology	Absent without Apology
Ms Shanti Ditter	4	4	0	0
Mr Garry Thompson (FRC)	4	3	1	0
Mr Colin Nottle (DCMR)	2	2	0	0
Ms Vicki Morley (DCMR)	2	2	0	0
Mr Ralph Goehring (DCOC)	4	3	1	0
Mr Frank Hardbottle (DCP)	4	4	0	0

Panel Activity						
Constituent Council	App's Referred to Panel	Approved	Refused	Appealed	Withdrawn by Applicant	Deferred
The Flinders Ranges Council	2	2	0	0	0	0
District Council of Mount Remarkable	1	1	0	0	0	0
District Council of Orroroo Carrieton	1	1	0	0	0	0
District Council of Peterborough	1	1	0	0	0	0
Totals	5	5	0	0	0	0

Stephen Rufus
Public Officer