

DISTRICT COUNCIL of PETERBOROUGH



Amalgamated 1997

ANNUAL REPORT

Incorporating the Audited Financial Statements 2017/2018

2017 / 2018

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The content of Council's 2017 - 2018 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 community which is vibrant, attractive and growing
and values its heritage and environment and promotes
a sustainable local economy.

KEY RESULT AREA

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





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FROM THE MAYOR : 2017/2018 :

The infant town of Petersburg came under Local Government when Yongala was proclaimed in 1883. The District Council of Yongala was divided into 3 wards in 1884. One of those wards was Petersburg. This did not please the citizens of Petersburg and petitioned the government in 1884 to become a corporate township. This was not successful but a further petition in 1886 was successful and the corporate town of Petersburg was officially severed from the District Council of Yongala on 7th October 1886 and we became the Corporation of the Town of Petersburg.

Anti-German feeling during WW1 caused the name of the town and many streets to be anglicised and in 1918 we became Peterborough.

So, depending on a time in history we are either 132 years old as a Local Government entity or we are 100 years old this year.

Throw in the fact that we amalgamated with the old District Council of Peterborough in 1997 and became the new District Council of Peterborough, we could be said to be 21 years old as a Local Government authority.

We are about to celebrate ‘Proclamation Day’ with a huge fun day and visit to our past with costumes, relevant food and games etc played out on our Town Oval. I hope it becomes an annual event.

Time has moved on and we have had our ups and downs, our good and bad. I am happy to report that we are in a period of ‘up’ – as was reported in last year’s Annual Report.

Our Main Street Project was completed and opened in November 2017 and has proven to be a catalyst for more business – 3 more have opened since last year - more tourism, the continuation of our new Business Association and the commencement of more Interest and Healthy Lifestyle groups.

We have just made the decision to move our Free RV Park to a new location – a bigger and more appealing site for our visitors. The RV Park venture has been an outstanding success as is proven by the daily number of RV’s that use the grounds and the dockets that are deposited in the box provided detailing expenditure in the community. Our Youth Group benefits from the cage full of cans and bottles that are left by the visitors and collected and cashed in for Youth projects.

The old RV park will become the home of a new venture – a Miniature Railway Association. We will have a new attraction to add to those we showcase now. It will also provide an outlet for the ‘train trags’ that love the noise of engines and relish the opportunity to ‘play trains’. It fits with our image and will be located just across the road from our Steamtown Heritage Rail Centre.

Our CWMS has been installed and we became our own first customer last week when our RV Dump Point and Toilet was connected. The Ratepayers and Residents have more or less settled to the idea of the new scheme and the financial impost and are busy lodging applications and gaining quotes for the installation of their own connections. Council has researched and established a Hardship Policy designed to ease the burden on those that qualify for the assistance built into the document. It has not been without angst and some of that still exists. However, we have followed the procedure with due diligence and have presented facts and figures as we have been required to do. Council is hoping that the ongoing benefits will become acceptable in the future.





To further assist the financial strain, Council voted to keep the rate in the dollar in the Township exactly the same as 2017/18, have made our Dump/Transfer Station ‘free’ for local residents and ratepayers and have put a hold on relevant building application fees for the period of the sign up for the CWMS Scheme – some 4 years.

We have consulted at length with the community and completed a new Strategic and Long-Term Financial Plan. An interesting and enjoyable experience for us all.

Elections are with us and I am happy to report that we have 13 aspiring Councillors vying for 8 positions. The campaigning is very evident with flyers, local media advertising, Meet and Greet days and candidates in evidence wherever we move in the community. It is good and healthy to see. We have 4 women candidates and will have a female Mayor as I have been elected unopposed.

There are concerns re the safety of our staff and the personal and electronic bullying and harassment that is becoming evident. These ‘keyboard warriors’ can become a pest and when it translates into abuse and threatening behaviour in our offices and in the community as our workers go about their legitimate council business, it leaves us no choice but to contact and use the relevant authorities such as police and the court system. Very worrying when our Staff and our Councillors do not have permission to break the law (and don’t) – so why do others do it?

I commend and praise our Staff who work in the Main Office and upstairs, Rural Transaction Centre, Steamtown/Visitor Information Centre, Community Development, Library, Gardens, Parks and Cemeteries and swimming pool. 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 Council very seriously with good effect. Thank you, Peter.

Thanks to Chris Thomson as our Works Manager who oversees the depot staff and the outside work of a District Council. The works crews have been busy throughout the year tending the roads, footpaths, swimming pool, parks and gardens, cemeteries, tree trimming, weeds construction and maintenance, our ovals and the plethora of duties and jobs that make up the day to day work of Council. Thank you to all the outside Staff!

My thanks to Pat Kent, who as our Tourism Manager, has yet again, managed to wave his wand and breathe new life and projects into our community and district. His hard work for Peterborough is evident both in projects completed and those that are in the pipeline. I stand in awe of your capabilities and energy.

Thanks also to our members of Parliament – Rowan Ramsey, Federal Member for Grey and Dan van Holst Pellekaan our member for State Parliament in the seat of Stuart. Both are great supporters of the DC Peterborough and the wider region.

I thank the Councillors for their year’s work and that of the past 4 years. Councillors Frank Hardbottle (Deputy Mayor), Leon Clapp, Scott Mesecke and Leanne Draper are not continuing. I shall miss them all and recognise the hard work done by all for DC Peterborough.





I look forward to the coming year and new term of Council. If we can continue to achieve as we have been then Peterborough and District will remain on the 'up'.

It is a challenge and pleasure to serve the community of Peterborough and District.



Ruth Whittle OAM
Mayor
District Council Peterborough



NEW RV PARK AT THE SARI OVAL





REPORT FROM THE CHIEF EXECUTIVE OFFICER : 2017/2018 :

Council continues to receive feedback from community members and visitors about the ever changing landscape within Peterborough.

There has been an ever increasing number of visitors to Peterborough during the year and they are ‘surprised’ at how many attractions are within our community.

The relocation of the RV Park from in front of the reservoir to the SARI Oval, has been a winner for the town with increased RVs staying overnight - a great win for Peterborough Tourism.

There were no staff resignations during the year.

The Community Wastewater Management System (CWMS) continues to be built with completion expected by 30th June 2018.

A review of the 2011-15 Strategic Plan was undertaken and found that Council had achieved 88% of the objectives set down in the Plan. The supply of natural gas and improving Council’s greenhouse gas emission profile have been carried forward to the next Strategic Plan.

The new Strategic Plan for 2018-2022 is being developed with the help of Councillors and community. Group meetings have been held and there was some terrific input. The new Plan will be available from September 2018.

The Main Street upgrades were completed this year with all shop fronts coming up a treat, and the outdoor dining protuberances a welcome addition. The new look Main Street has been enjoyed by visitors and community alike.

With Don Ferguson Drive and the Main Street now complete the two areas have created a welcoming space to be enjoyed by both community and tourists enabling a more sustainable business precinct.

Council continues to improve the longevity of our infrastructure with upgrades and replacements.

Community Wastewater Management System	\$17.6 million
Resheeting of District Roads	\$930,000
Protuberances	\$100,000

Council continues to participate in Shared Services with other Councils:

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

Council continues to participate in the Legatus Group (CLGR) activities with 14 other Councils.

I would like to thank the staff and elected members who have been helpful in achieving our objectives.



Peter McGuinness, Chief Executive Officer





REPORT OF FINANCE AND ADMINISTRATION : 2017/2018 :

The Financial Statements for the District Council of Peterborough for the 2017/18 financial year were adopted by Council at the meeting held on the 27th November 2018. That document forms part of this Annual Report.

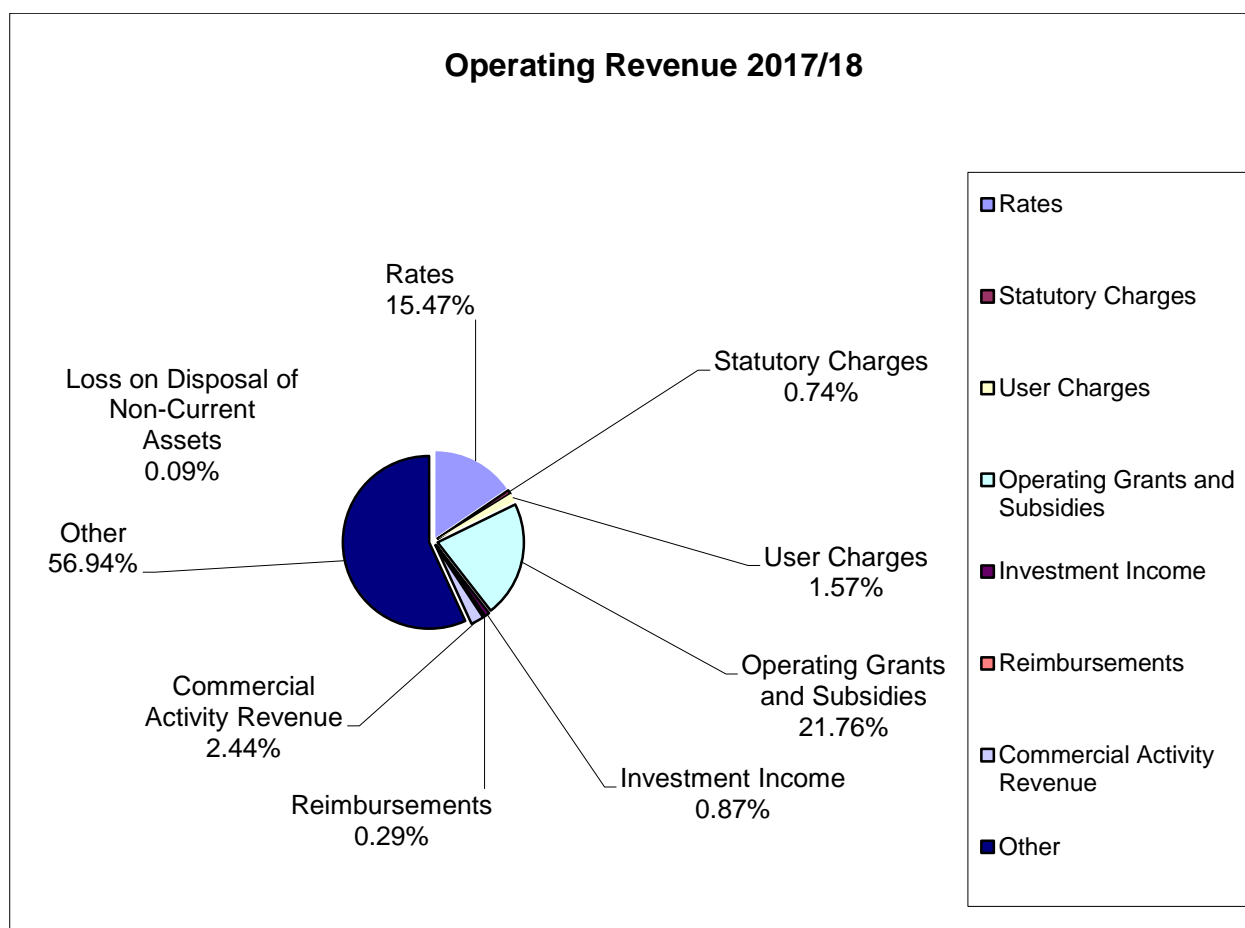
A net surplus of \$4,731,293 has resulted this year, a decrease against the surplus in 2016/17. Further grant funding was received for the CWMS of \$5,942,130. The operating deficit for the year was \$1,201,743 which includes a payment in advance of our Financial Assistance Grant funding of \$815,496. 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 5.99% 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 \$167,149 with disposals of \$25,349.

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 \$726,388.

Investment holdings decreased to \$6,540,783 as at 30th June 2018, a decrease over last year of \$4,748,674. This was due to funds spent on the CWMS.

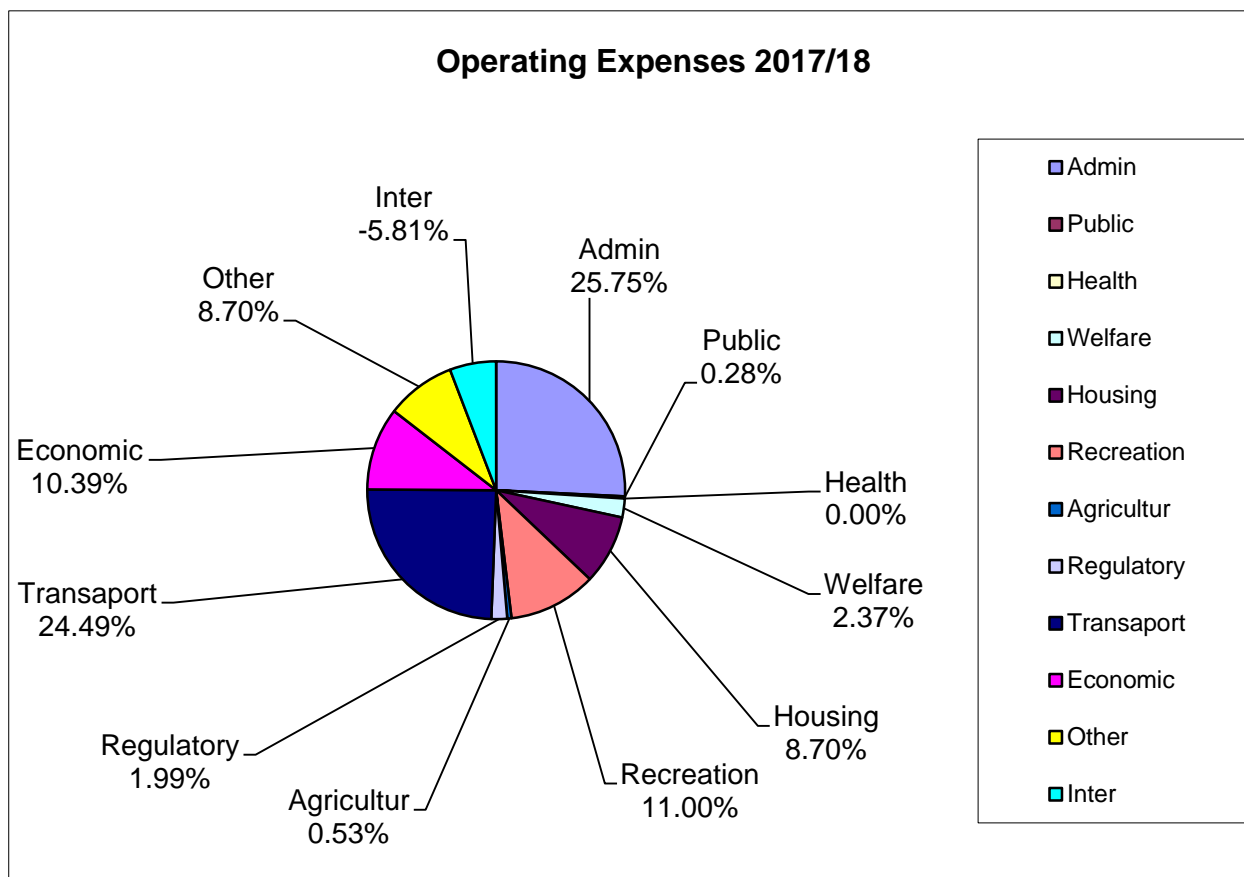
The following graph summarises the Operating Revenue for 2017/18:



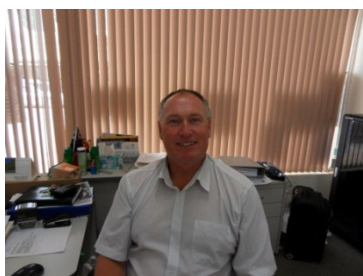
From the above graph it can be seen that Council relies on both State and Federal funding, with council rates only contributing 15.47% to total revenue.



The following graph summarises the Operating Expenditure for 2017/18.



The above graph shows the services on which Council spends the revenue it receives. Council rates equate to only 28.18% of the total expenditure.



*Peter McGuinness
Chief Executive Officer
Finance Manager*



REPORT FROM THE WORKS MANAGER : 2017/2018 :

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.

TOWNSHIP ROADS-PETERBOROUGH

New Road Construction

A previously unsealed section of Bridges St from West Tce to Torr St was constructed and sealed.

ROADS TO RECOVERY PROGRAM 2014 TO 2019

The 2014-2019 RTR program is ongoing on various streets within the township of Peterborough as well as various roads within the DC of Peterborough.

LED STREET LIGHTING (PETERBOROUGH)

Council lodged a successful application to SA Power Networks Street Lighting Division to have existing street lights changed (at no cost to Council) to more cost and light efficient street lighting throughout the township of Peterborough.

The change to LED street lighting not only reduces Councils street lighting costs by an estimated \$6,598, it also saves approximately 33 tonnes of Green House Gas Emissions/annum.

PARKS / RESERVES / RECREATION

Routine ongoing maintenance to all Parks and Reserves has been occurring throughout the year.

Victoria Park Front Fence

A commitment to rejuvenate the front fence at Vitoria Park commenced with fence panels being removed in a staged process, sent to Adelaide for galvanising before being returned and reinstalled. This project is being spread over more than one financial year and is scheduled for completion in the 2018/2019 financial year.

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.

Transfer Station-New Access Road

Due to the CWMS treatment facilities at the Transfer Station a new access road into the Transfer Station had to be designed, constructed and sealed.

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****ROADS PATROL GRADED**

ROAD NAME	FROM	TO		KM
Ucolta Rd	RPA122 Ucolta Rd	To	RPA1250 Ucolta Rd	11.271
Duckford Rd	RPA0 Duckford Rd to	To	RPA730 Duckford	7.302
Cummings Rd	Philps/ Cummings Intersection	To	Minvalara/ Cummings crossroads	4.700
Birmingham Ave	Birmingham/ West Tce	To	Birmingham/ Old Orroroo Rd "T" junction	1.221
Minvalara Rd	Philps/ Minvalara Rd	To	Peterborough/ Orroroo council boundary	6.0
Brannigan Rd	West Tce/ Brannigan Rd intersection	To	to Old Orroroo "T" junction	1.90
Tarcowie Rd	Tarcowie/ lang Rd crossroads	To	Peterbough boundary	4.14
Sheridan Rd	Erskine/Sheridan Rd T Junction	To	Council boundary.	4.617
Cemetery Rd-Rear Access Rd	Cleary Rd	To	Cemetery	.34
West Tce	West Tce from End of seal	To	Birmingham Ave	1.35
Peak Rd	Black Rock Rd	To	Council Boundary	7.4
Morgan Rd	Morgan/ Bradkte "T" junction	To	Council Boundary	2.1
Black Rock Rd	Council boundary	To	Dawson Rd	18.732
Depot Rd	Black Rock Rd	To	Philps Rd	6.0
Erskine Rd	Peak Rd	To	Ch 676	17.54
Lang Rd	Noblet/ Old Orroroo/ Lang crossroad	To	Yatina/ Lang crossroad	3.5
Noblet Rd	Casey/ Erskine/ Noblet Cross road	To	Lang/ Noblet/ Old Orroroo Rd Cross road	5.666
Casey Rd	Noblet/ Casey/ Erskine Rd Cross Road	To	Their driveway Ch72	.72
Sparks Rd	Sparks Rd from Ch00 Yatina/ Sparks "Y" jcnctn	To	Council Boundary	2.38
Mc Keough Rd	Dawson Rd	To	Land owners drive way	.82
Morgan East Rd	Bradtke Rd	To	Council Boundary	9.1
Paradise Rd	Davina / Dunn Rd crossroads	To	Dawson Rd	9.7
Belalie Rd	End of bitumen	To	Council boundary	9.4
Garden Rd	Yatina Rd	To	Council Boundary	2.1
Davina Rd	Paradise Rd	To	Dawson Rd	4.0
Crowley Rd	Dawson Rd	To	Petersburg Rd	4.5
Dunn Rd	Paradise Rd	To	Ucolta Rd	6.2
Lancelot Rd	Petersburg Rd	To	Barrier Highway	9.8
Old Orroroo Rd	Erskine/Old Orroroo Rd crossroads	To	Council boundary	6.8
Staircase Rd	Dawson Rd	To	(RPA266)	1.3
Booborowie Rd	End of bitumen	To	Council Boundary	11.3
Tarcowie Rd	Beniah Rd	To	Council Boundary	5.3



ROAD NAME	FROM	TO		KM
Erskine Rd	Symes Rd	To	Petersburg /Erskine 'T' junction	11.8
Sparks Rd	Yatina Rd	To	Council boundary	2.3
Yatina Rd	End of Bitumen	To	Council Boundary	7.9
Black Rock Rd	Council Boundary	To	Dawson Rd	18.7
Malycha Rd	Beniah Rd	To	Rubble Pit entrance East of Cleary Rd	9.85
Hurlstone ext	End of Bitumen	To	Malycha Rd	2.042
Gumbowie Reservoir Rd	Cleary Rd	To	Council Boundary	10.1
Stock Route Rd	Council Boundary	To	Parnaroo Rd	18.3
Woodcutters Rd	Gumbowie Rd	To	Stock Route Rd	8.9
TOTAL KMS				277.091

ROADS RE-SHEETED

ROAD NAME	FROM	TO		KM
Olive Grove Rd	Beniah Rd	To	Watkins Rd	1.684
Tarcowie Rd	Beniah Rd	To	Lang Rd	1.288
Lang Rd	Ch00	To	Ch5300	5.3
Erskine Rd	Ch4170	To	Ch6220	2.05
Yatina Rd	Various Sections between Ch4200	To	Ch7950	2.47
Old Whydown Rd	Nackara Rd	To	Homestead	10.00
Old Whydown Rd	Ch710	To	Ch770	.050
Philps Rd	Various sections from Ch900	To	Ch8200	3.59
Malycha Rd	Hurlstone St	To	Cleary Rd	1.60
Eager Rd	Government Rd	To	West Tce	.511
Brown St (west)	Various sections from West Tce	To	Petersburg Rd	.685
Cavenagh Rd	Ch2500	To	Ch2540	.04
Nackara Rd	Barrier Hwy	To	Whites Well Rd	2.20
Booborowie Rd	Ch940	To	Ch7400	6.46
O'Dea Rd	Ch4250	To	Ch7393	3.143
Earle Rd	O'Dea Rd	To	Cleary Rd	10.20
TOTAL KMS				51.211

District Rd Summary

The Works Department completed 51.211 km of re-sheeting during this financial year as well as approx. 277 km of Patrol Grading.



Chris Thomson
Works Manager



**REPORT FROM THE GENERAL INSPECTOR/FIRE PREVENTION OFFICER : 2017/2018 :****Fire Prevention**

Drier than average seasonal conditions have been experienced over most Southern Australia, days have been warmer than average for most of Australia including the Flinders Bush Fire District. The drier and warmer than average conditions, have resulted in an intensification of the existing drought conditions across our region. The lack of rain and reduced subsoil moisture has reduced the available fuel loads this season. This in turn has reduced the impact of grass fire in our district.

Property inspections were completed as per the requirements of the Fire and Emergency Services Act 2005 (Section 105F). As previously stated fuel loads are reduced this season due to climactic conditions, this has resulted in most properties were devoid of potential fire fuel loads. With this said twenty (48) Fire Compliance notices were issued this season. General notices were placed in local news print and Council's Informer publication. As with previous years, property owners and residents are becoming more aware of their obligations under the Fire and Emergency Services Act.

Council's obligations under the Fire and Emergency Services Act 2005, were met as per section 105G. Council has again reduced fuel loads, installed fire breaks were required and trimmed trees as needed. The ongoing co-operation of the works department has made this process seamless.

D.P.T.I PROPERTIES AND LAND

Council has been contracted to clean-up and reduce fuel loads within the rail precinct and land within their portfolio. The rail platform and Station are also encapsulated in these works.

GENERAL COMPLIANCE

Council's general compliance requirements are contained in its By-Laws, Local Government Act 1995, Local Nuisance and Litter Control Act 2016, Road Traffic Act 1961 and Environmental Protection Act 1993. Most property owners and other residents are generally aware of their ongoing obligations as per the current legislation. The majority of breaches are minor and unintentional; once the legislation is explained and clarified a resolution for the issue is normally reached. Educating the public is a large part of ensuring compliance.

DOG AND CAT MANAGEMENT

There will be major Legislative changes in the area of Dog and Cat Management, with the introduction of new Laws which will come into effect on 1st July 2018. Council is preparing for these changes and new challenges ahead. The new Laws will include:

- Mandatory microchipping of Cats and Dogs
- Desexing of Dogs and Cat born after 1st July 2018
- New rules for breeders who sell Dogs and Cats
- Introduction of a state wide database, called Dog and Cat online (DACO)

These changes will increase Council's workloads greatly with data input and generally preparing for the legislative changes.

CORE RESPONSIBILITIES

*Fire Prevention

*Legislative Compliance

DELEGATIONS/AUTHORISATIONS

*Local Government Act 1990

*Fire and Emergency Services Act 2005

*Local Nuisance and Litter Control Act 2016

*Dog and Cat Management Act 1995

*Road Traffic Act 1961

* Impounding Act 1920

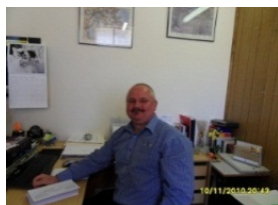
COUNCIL REPRESENTATION/COMMITTEE

*Bushfire Management Committee Flinders mid North Yorke

* Authorised Persons Association

*StarClub Finance Management Committee

* Building Fire Safety Committee



Lawrence Heath, Development and Regulatory Services Officer





REPORT FROM THE ENVIRONMENTAL HEALTH OFFICER : 2017/2018 :

ENVIRONMENTAL HEALTH ISSUES AND FOOD PREMISE ASSESSMENTS

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

1. Food Business Notification	Four (4)
2. B&B, Hostels, Hotels residential/commercial	Fifteen (15)
3. Food processing and retail	Sixteen (16)
4. Public health enquiries, assessments, waste control applications, assessments and Communicable diseases investigations.	Forty Two (42)
5. Legionella Auditing and DECD Assessments	Eight (8)
6. Sporting/Community facilities	Six (6)
7. Food home/mobile producers and retailers	Four (4)
8. Food enquiries/ actions	On-going

Some regulatory changes occurred throughout Public and Environmental Health operations over the previous 12 months. Regulatory changes including standards and guidelines that impact on environmental health functions. Other activities included:

- Food Act 2001 – The Implementation Subcommittee for Food Regulation released its guidance document to food regulators in 2017. The guidance document will establish expectations for Councils in conducting their compliance, monitoring, reporting 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).
- Environmental Health Shared services have been provided to Peterborough Council during the reporting period with the exception of July and August 2018.
- The Safe Drinking Water Act continues to be audited and remains additional to the Food Act legislation. Council are required to submit an annual report to the Department of health and Wellbeing (DHW) as required under the Regulations. Approved Auditor Authorisations have been renewed by DHW until August 2022.
- DHW annual health performance report is required to be submitted by Council for the reporting period 2017-2018 as per the required functions contained in The Public Health Act 2011. The DHW Public Health Report for the period 2017-2018 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 DHW food safety scheme. I will be arranging for food safety information presentations to be held at local venue in Peterborough in the near future as food businesses continue to express an interest in attending these events.
- The Water Industry Regulations for trade wastewater permits will continue to be enforced by Council where future wastewater connections are made for onsite disposal and/or community wastewater connections. During 2018 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.
- 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.





Local Government Act 1999, s225A

A mobile food vending business requires a permit under section 222 of the *Local Government Act 1999* to operate a business on a public road in the Council area. A condition of a permit authorising a mobile food vending business to operate on a public road in the Council area is that the permit holder complies with any location rules adopted by the Council under section 225A of the Local Government Act. The Council having adopted the location rules set out in this document.

There are numerous legislative requirements which apply to the provision of food, the operation of a business and the use of a motor vehicle. A site must be selected by a mobile food vending business which does not breach any other legislative requirements in force at the time of application/approval. The recently developed passport system developed by DHW has been adopted by some Councils.

The South Australian Public Health Act 2011

Public Health Registers continue to be maintained and updated for onsite wastewater AWT Systems, *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 Wellbeing 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 July 2018. The sessions were well attended by food businesses and food handlers. Sessions continue to be well received by attendees and provide food handlers and food business operators' up-to-date legislative and technical understanding in safe food handling provision and food safety responsibilities. It is proposed to hold further information sessions in 2018/2019 at the recently refurbished home economics building at the Peterborough High School or other local venue within the Township.



Mark Smith
Environmental Health Officer





REPORT FROM THE DEVELOPMENT OFFICER : 2017/2018 :

In the 2017-2018 financial year there was a total of 15 Development Applications processed, with a total monetary value of \$10, 208490.00.

These included:

- Out buildings (8)
- Solar Panels (0)
- Commercial/Solar Farms (3)
- Additions Extensions (2)
- Change of Use (2)

Development Application submissions are down on last year, but value is much higher due to power renewable applications.

Building Fire Safety Inspections have focused on accommodation in the form of Bed & Breakfast establishments. All major public Buildings and Hotel/Motel accommodations have been inspected and meets current standards.

There have been major changes due to the transition from the Development Act & Regulations 1993, to the new Planning, Development and Infrastructure Act 2016 (PDI Act). As of 1st April 2017 the PDI Act has come into operation, with more provisions of the Act to be proclaimed over the next three (3) years.



Lawrence Heath
Development & Regulatory Services Officer



**REPORT FROM THE RURAL TRANSACTION CENTRE : 2017/2018 :****OPENING HOURS: 9am to 1.00pm / 2.00pm to 3.30pm**

Staff: Di. Harris Monday, Tuesday & Wednesday
 Mary Martin Thursday & Friday
Relief Staff: Sue Pickering

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 with Centrelink providing two telephones, access to a computer, photo-copier, faxing and scanning facility for their customers.

Service SA offers assistance/gateway to State Government departments. As a Rural Agent for Service SA we offer Learner Driver's Theory Examinations and Boat Licence Theory Tests, these are arranged by appointment. As well as a Rural Agent for Service SA we are now a Service Agent also, which entails extra services being available from this office, for the general public, through the Ezyreg program.

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

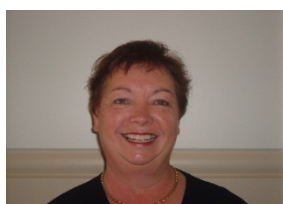
'Welcome Kit' containing a wealth of local information for new residents (e.g. recycling/rubbish arrangements; emergency contacts; hospital contacts and information – in fact, most things a 'newcomer' would need to have at hand) from Council which is also printed and compiled at the Centre.

Services available for a small fee are :

Secretarial services	Laminating
Photo-copying	Binding
Faxing / Scanning	Offices for hire

Statistics from 1st July 2017 until 30th June 2018 include:-

NAME OF ORGANISATION	ANNUAL TRANSACTIONS	Average Number. of TRANSACTIONS per WEEK
Centrelink	2501	49
Service SA - Non - Financial	704	13.8
Service SA - Financial	355	7
Photo-Copying, Faxing, Typing, Laminating, Binding, Scanning etc	283	5.5
Hire Of Office	311	6.1
The Informer	413	8.1



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



**REPORT FROM PETERBOROUGH SCHOOL AND COMMUNITY LIBRARY : 2017/2018 :**

Peterborough is 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:	Emma Limburg	Library Assistant – level 1
	Lawrie Tyas	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: 754 patrons

Loans for 2017–2018: 22,686 items *{equates to 30 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	CD’s - DVD’s
	State wide Interlibrary loans	EBooks
	Local history collection	Family history research support

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

Significant Events: **Pay Pal:**
Under the guidelines of The Public Libraries consortium (One Card Network)
The Peterborough Council has set up a PayPal Account allowing patrons to pay online any outstanding fees associated with lost items.
Visiting Author:
The library hosted Australian author Wendy Altschwager who gave a wonderful presentation on her journey to becoming a successful self-driven author and an insight into the publishing world. Promoting her books and sharing anecdotal stories of country life that are often the basis for her novels.

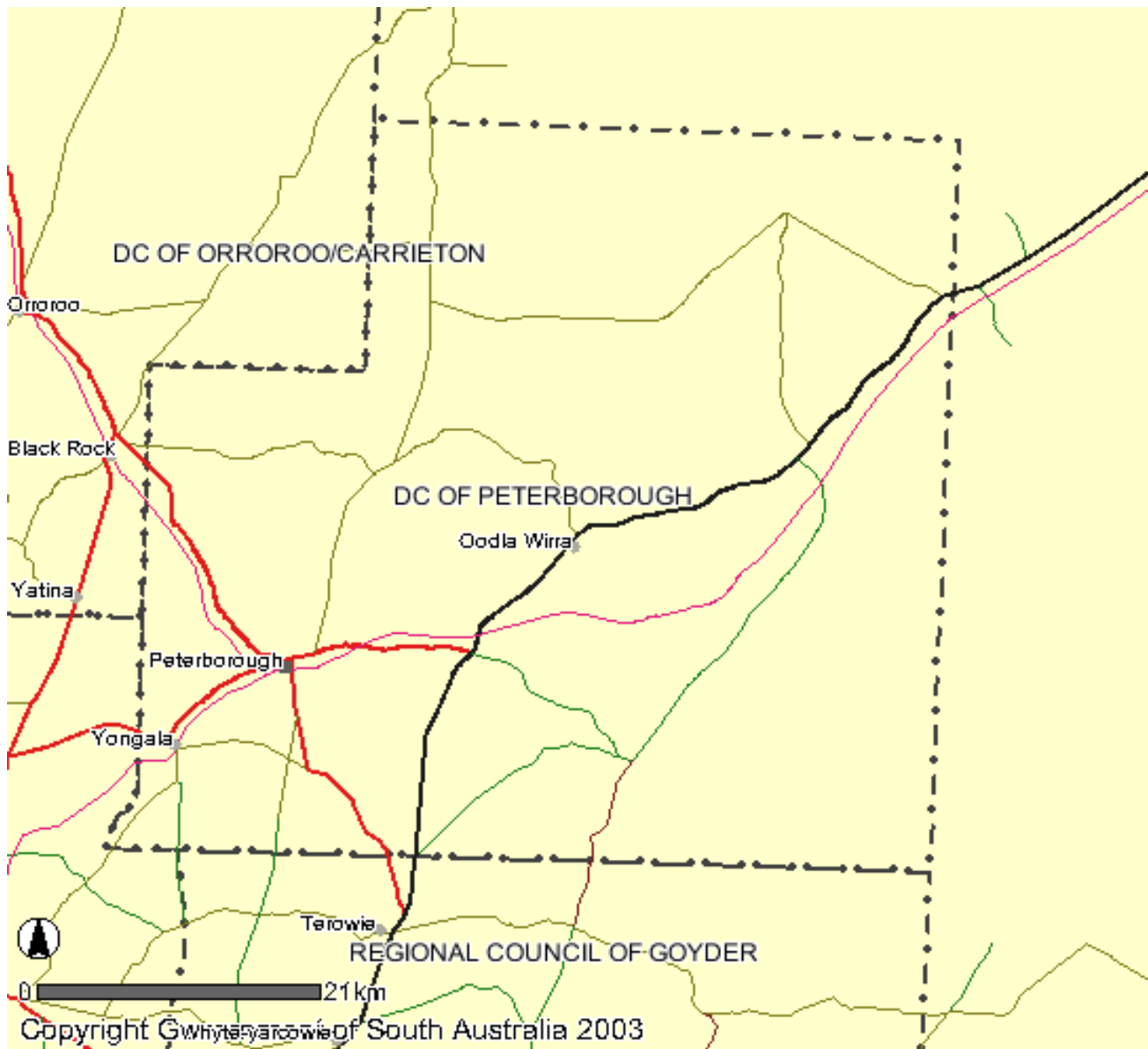


*Michelle Travaille & Christine Malycha
School and Community Library*





GEOGRAPHICS:



DISTRICT COUNCIL of PETERBOROUGH

Area :	2,995 km ²
Population :	1497
Sealed Roads :	43.40 km
Unsealed Roads :	1274 km
Number of Assessments :	1,946
Number of Billable Assessments:	1,645
Rate Revenue :	\$1,653,221
Income :	\$4,556,693
Total Expenditure :	\$5,758,439

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 : 2017 - 2018

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
Nicole Mercer/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 (Until Feb 2018)	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
Mary Martin	Customer Service Officer R.T.C.

Peterborough Swimming Pool

Janet Fielding & Amanda Dodd	Supervisors
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Peterborough Town Hall

Greg Duggan	Caretaker
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TOWN ENTRANCE





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. 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>
Social Media Policy	21/05/18	46/18

Services for the Community 2017 – 2018

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	Deputy Mayor Hardbottle & 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 Assessment Panel	Cr F Hardbottle
State Bushfire Co-ordination	Council's Fire Prevention Officer
FMN&Y Bushfire Management Cttee	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 Cttee	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 Cttee	Development & Regulatory Services Officer
Peterborough Community Safety Cttee	Development & Regulatory Services Officer
Peterborough Road Safety SA	Development & Regulatory Services Officer
Plant Replacement Advisory Cttee	Crs Mercer & Chambers, Works Manager, MoF&A
Town Hall Advisory Cttee	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 Cttee	CEO
Health and Wellbeing Cttee	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 six (6) occasions in 2017/2018 under section 90(2). These were as follows:

	Date	Section	Subject	Conf Doc/Report	Revoked
1.	11 Dec 2017	(d)	Upgrade	Yes	Yes
2.	18 Dec 2017	(e)	Review	Yes	Yes
3.	19 Feb 2018	(c)	Suggestion	Yes	Yes
4.	19 Mar 2018	(c)	Response	Yes	Yes
5.	16 Apr 2018	(e)	Review	Yes	Yes
6.	21 May 2018	(e)	Review	Yes	Yes

Council, pursuant to section 91(7) of the Act, ordered six (6) reports be kept confidential. All six (6) 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 was one (1) application in 2017/18.

(h) Representation Quota

The last Representation Review as prescribed in Section 12(4) Local Government Act, 1999 was completed in 2017. The next Representation Review date as determined by the Minister for State/Local Government Relations, will appear as a Gazettal Notice.

- There are no wards within the District Council of Peterborough.
- The Representation Quota for this Council is 1/135 Electors : 1,220
- 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 : 308	Electors	2,162
District Council of Orroroo/Carrieton	1 : 101	Electors	708
The Flinders Ranges Council	1 : 130	Electors	1,174
Northern Areas Council	1 : 380	Electors	3,423
District Council of Barunga West	1 : 222	Electors	2,004
District Council of Cleve	1 : 158	Electors	1,265

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

2 (a) Strategic Management Plan 2018 - 2022 Vibrant, Attractive, Growing Community

Council adopted the Strategic Plan 2018-2022 with Resolution 127/09/18.

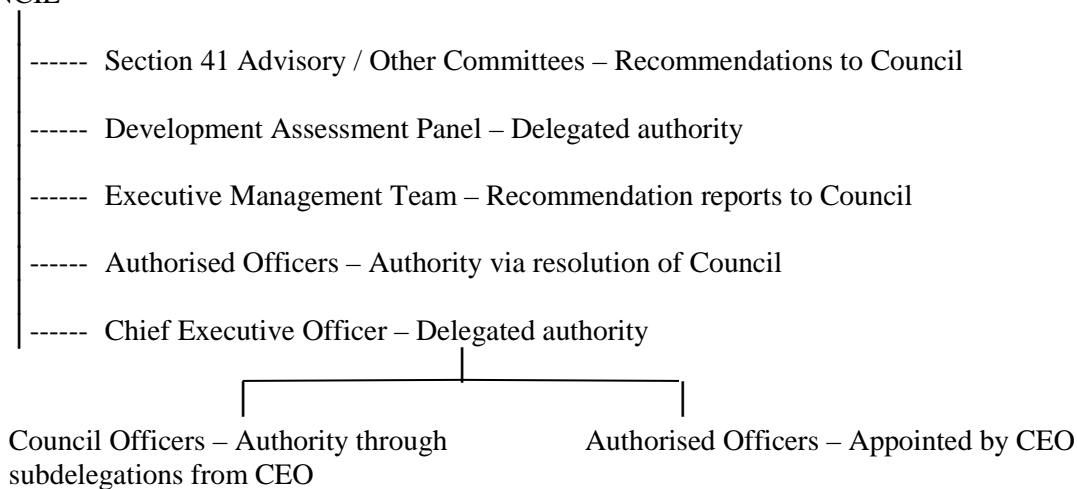
(b) Competitive Tendering

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**(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
Risk Assessments
Evacuation Drills

Environmental Health (Food Safety Awareness)
ChemTraining
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

Nine complaints under the Local Nuisance and Litter Control Act were received during 2017/18. With:

		Number	Nature
i)	Offences under the Act that were expiated	One	Section 20
ii)	Offences under the Act that were prosecuted	Nil	
iii)	Nuisance abatement notices or litter abatement notices issued	One	Section 17 (a) (ii)
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 27th November 2018.

Resolution : 172/11/18

(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 2018

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DISTRICT COUNCIL OF PETERBOROUGH

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

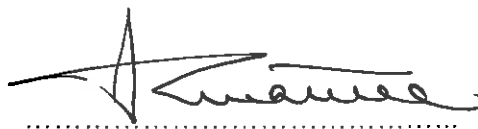
CERTIFICATION OF FINANCIAL STATEMENTS

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 2018 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:

DISTRICT COUNCIL OF PETERBOROUGH

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
INCOME			
Rates	2	1,653,221	1,567,332
Statutory charges	2	40,256	20,792
User charges	2	421,031	384,742
Grants, subsidies and contributions	2	2,282,244	2,906,206
Investment income	2	90,764	86,825
Reimbursements	2	30,843	54,936
Other income	2	38,334	1,758,282
Total Income		4,556,693	6,779,115
EXPENSES			
Employee costs	3	2,155,799	2,176,644
Materials, contracts & other expenses	3	2,086,459	2,605,097
Depreciation, amortisation & impairment	3	1,192,444	1,296,942
Finance costs	3	323,734	78,840
Total Expenses		5,758,436	6,157,523
OPERATING SURPLUS / (DEFICIT)		(1,201,743)	621,592
Asset disposal & fair value adjustments	4	(9,094)	(17,319)
Amounts received specifically for new or upgraded assets	2	5,942,130	2,477,956
NET SURPLUS / (DEFICIT)		4,731,293	3,082,229
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	3,120,787
Total Other Comprehensive Income		-	3,120,787
TOTAL COMPREHENSIVE INCOME		4,731,293	6,203,016
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)
Restated Operating Surplus / (Deficit)	2		(1,077,287)

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

DISTRICT COUNCIL OF PETERBOROUGH

STATEMENT OF FINANCIAL POSITION as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	6,540,783	11,289,457
Trade & other receivables	5	254,211	370,686
Inventories	5	4,659	1,307
		<u>6,799,653</u>	<u>11,661,450</u>
Total Current Assets		<u>6,799,653</u>	<u>11,661,450</u>
Non-current Assets			
Infrastructure, property, plant & equipment	7	17,385,384	18,436,028
Other non-current assets	6	11,616,959	-
Total Non-current Assets		<u>29,002,343</u>	<u>18,436,028</u>
Total Assets		<u>35,801,996</u>	<u>30,097,478</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	2,375,311	1,114,844
Borrowings	8	274,304	284,372
Provisions	8	515,231	540,632
		<u>3,164,846</u>	<u>1,939,848</u>
Total Current Liabilities		<u>3,164,846</u>	<u>1,939,848</u>
Non-current Liabilities			
Borrowings	8	6,183,110	6,457,415
Provisions	8	51,110	28,578
Total Non-current Liabilities		<u>6,234,220</u>	<u>6,485,993</u>
Total Liabilities		<u>9,399,066</u>	<u>8,425,841</u>
NET ASSETS		<u>26,402,930</u>	<u>21,671,637</u>
EQUITY			
Accumulated Surplus		1,320,140	(3,411,153)
Asset Revaluation Reserves	9	25,082,790	25,082,790
TOTAL EQUITY		<u>26,402,930</u>	<u>21,671,637</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 2018

	Notes	Accumulated Surplus	Asset Revaluation Reserve	Available for sale Financial Assets	Other Reserves	TOTAL EQUITY
2018		\$	\$	\$	\$	\$
Balance at end of previous reporting period		(3,411,153)	25,082,790	-	-	21,671,637
Restated opening balance		(3,411,153)	25,082,790	-	-	21,671,637
Net Surplus / (Deficit) for Year		4,731,293	-	-	-	4,731,293
Balance at end of period		1,320,140	25,082,790	-	-	26,402,930
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						
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	3,120,787	-	-	3,120,787
Balance at end of period		(3,411,153)	25,082,790	-	-	21,671,637

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 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		1,642,049	1,591,489
Fees & other charges		43,454	22,444
User charges		571,169	302,055
Investment receipts		109,714	68,502
Grants utilised for operating purposes		2,453,412	3,124,171
Reimbursements		33,927	60,430
Other revenues		1,321,144	45,831
<u>Payments</u>			
Employee costs		(2,159,100)	(2,078,603)
Materials, contracts & other expenses		(2,327,002)	(2,321,065)
Finance payments		(327,345)	(16,005)
Net Cash provided by (or used in) Operating Activities		1,361,422	799,249
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		5,942,130	2,240,000
Sale of replaced assets		16,255	22,464
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(11,784,108)	(88,659)
Expenditure on new/upgraded assets		-	(2,013,603)
Net Cash provided by (or used in) Investing Activities		(5,825,723)	160,202
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings			6,500,000
Proceeds from aged care facility deposits			
<u>Payments</u>			
Repayments of borrowings		(284,373)	(82,194)
Net Cash provided by (or used in) Financing Activities		(284,373)	6,417,806
Net Increase (Decrease) in cash held		(4,748,674)	7,377,257
Cash & cash equivalents at beginning of period	10	11,289,457	3,912,200
Cash & cash equivalents at end of period	10	6,540,783	11,289,457

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 2018

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 19th November 2018.

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

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 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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

	Cash Received	Payment	Annual Allocation	Difference
2015/16	\$771,244		\$1,580,033	+ / - -\$808,789
2016/17	\$2,364,251		\$1,560,893	+ / - \$803,358
2017/18	\$1,681,623		\$1,544,570	+ / - \$137,053

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 and Net Liabilities Ratio disclosed in Note 15 have 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

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.

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

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

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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

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

6.7 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".

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	2.297% (2017, 2.177%)
Weighted average settlement period	10 years (2017, 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

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 16	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 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 16 Leases may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not Council's intention to adopt this Standard early.

Accounting Standard AASB 1058 Income of Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports, particularly in relation to the timing of 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 2018

Note 2 - INCOME

	2018 \$	2017 \$
RATES REVENUES		
<u>General Rates</u>	1,416,976	1,327,850
Less: Discretionary rebates, remissions & write offs	<u>(39,548)</u>	<u>(32,456)</u>
	1,377,428	1,295,394
<u>Other Rates</u> (including service charges)		
Natural Resource Management levy	33,114	31,780
Waste collection	<u>220,374</u>	<u>220,622</u>
	253,488	252,402
<u>Other Charges</u>		
Penalties for late payment	<u>22,305</u>	<u>19,536</u>
	<u>22,305</u>	<u>19,536</u>
	<u>1,653,221</u>	<u>1,567,332</u>
STATUTORY CHARGES		
Development Act fees	16,225	5,027
Town planning fees	7,963	3,195
Animal registration fees & fines	<u>16,068</u>	<u>12,570</u>
	<u>40,256</u>	<u>20,792</u>
USER CHARGES		
Cemetery/crematoria fees	14,881	19,165
Rural Transaction Centre	14,366	15,715
Informer	6,523	5,357
Council House Rent	11,366	12,238
Sport & Recreation Reserves	12,436	9,859
Dump	13,009	11,845
Swimming Pool Charges	20,454	17,933
Other User Charges	65,583	5,162
Hall & equipment hire	6,161	5,429
Steamtown	251,673	245,857
Other Commercial Activities	<u>4,599</u>	<u>36,182</u>
	<u>421,031</u>	<u>384,742</u>
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	90,452	86,664
Banks & other	<u>312</u>	<u>161</u>
	<u>90,764</u>	<u>86,825</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

NOTE 2 - INCOME (continued)

	2018	2017
Notes	\$	\$
REIMBURSEMENTS		
- for private works	6,399	14,079
- Immunisations	259	355
- other	24,185	40,502
	<u>30,843</u>	<u>54,936</u>
OTHER INCOME		
Fines & Costs Recovered	4,592	3,783
Sundry	33,742	1,754,499
	<u>38,334</u>	<u>1,758,282</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	5,942,130	2,477,956
Other grants, subsidies and contributions		
Untied - Financial Assistance Grant	1,559,296	2,364,251
Roads to Recovery	566,856	497,661
Library & Communications	7,512	7,552
Sundry	148,580	36,742
	<u>2,282,244</u>	<u>2,906,206</u>
	<u>8,224,374</u>	<u>5,384,162</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
Commonwealth government	2,158,064	2,861,912
State government	124,180	44,294
Other	5,942,130	2,477,956
	<u>8,224,374</u>	<u>5,384,162</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES

	Notes	2018 \$	2017 \$
EMPLOYEE COSTS			
Salaries and Wages		1,773,909	1,812,233
Employee leave expense		146,018	137,481
Superannuation - defined contribution plan contributions	18	134,256	130,804
Superannuation - defined benefit plan contributions	18	46,936	44,012
Workers' Compensation Insurance		54,680	52,114
Total Operating Employee Costs		<u>2,155,799</u>	<u>2,176,644</u>
Total Number of Employees		27	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		21,799	14,462
Elected members' expenses		73,626	74,982
Election expenses		1,456	510
Subtotal - Prescribed Expenses		<u>96,881</u>	<u>89,954</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		726,916	1,353,233
Energy		133,408	110,830
Maintenance		154,600	76,531
Legal Expenses		11,474	17,652
Other Materials		438,875	397,859
Fuel & Lubricants		105,173	100,668
Insurance		171,890	195,671
Subscriptions		24,672	23,848
Waste Collection & Disposal		158,645	185,745
Water		63,925	53,106
Subtotal - Other Materials, Contracts & Expenses		<u>1,989,578</u>	<u>2,515,143</u>
		<u>2,086,459</u>	<u>2,605,097</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES (cont)

	Notes	2018 \$	2017 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		115,193	207,312
Infrastructure		471,310	520,220
Plant, Machinery & Equipment		288,870	260,980
Furniture & Fittings		196,701	186,621
Steamtown		120,370	121,809
		<u>1,192,444</u>	<u>1,296,942</u>
		<u>1,192,444</u>	<u>1,296,942</u>
FINANCE COSTS			
Interest on Loans		323,734	78,840
		<u>323,734</u>	<u>78,840</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2018 \$	2017 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		16,255	22,464
Less: Carrying amount of assets sold		<u>25,349</u>	<u>39,783</u>
Gain (Loss) on disposal		<u>(9,094)</u>	<u>(17,319)</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		<u>(9,094)</u>	<u>(17,319)</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 5 - CURRENT ASSETS

	2018	2017
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	73,551	197,027
Deposits at Call	<u>6,467,232</u>	<u>11,092,430</u>
	<u>6,540,783</u>	<u>11,289,457</u>
 TRADE & OTHER RECEIVABLES		
Rates - General & Other	178,088	166,916
Accrued Revenues	15,566	34,516
Debtors - general	59,314	167,349
Sundry	<u>1,243</u>	<u>1,905</u>
Total	<u>254,211</u>	<u>370,686</u>
	<u>254,211</u>	<u>370,686</u>
 INVENTORIES		
Stores & Materials	<u>4,659</u>	<u>1,307</u>
	<u>4,659</u>	<u>1,307</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 6 - NON-CURRENT ASSETS

		2018	2017
	Notes	\$	\$
FINANCIAL ASSETS			
OTHER NON-CURRENT ASSETS			
Inventories			
Capital Works-in-Progress		11,616,959	-
		<u>11,616,959</u>	<u>-</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

		2017 \$				2018 \$			
		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	-	(21,081,135)	969,965	22,051,100	-	(21,154,794)	896,306
Buildings & Other Structures	3	4,049,500	-	(3,526,550)	522,950	4,049,500	-	(3,568,084)	481,416
Infrastructure	3	24,997,842	276,166	(15,059,466)	10,214,542	24,997,842	276,166	(15,530,776)	9,743,232
Plant, Machinery & Equipment	3	3,250,156	3,497,402	(2,713,786)	4,033,772	3,225,434	3,503,496	(2,969,528)	3,759,402
Furniture & Fittings	3	1,326,320	663,213	(1,031,017)	958,516	1,275,922	790,513	(1,177,320)	889,115
Steamtown	3	1,932,061	2,499	(1,643,777)	290,783	1,932,061	2,499	(1,764,147)	170,413
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		59,052,479	4,439,280	(45,055,731)	18,436,028	58,977,359	4,572,674	(46,164,649)	17,385,384
Comparatives		56,726,243	1,967,819	(44,513,558)	14,180,504	59,052,479	4,439,280	(45,055,731)	18,436,028

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 2018

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2017	CARRYING AMOUNT MOVEMENTS DURING YEAR								2018
	\$	\$								\$
	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	969,965	-	-	-	(73,659)	-	-	-	-	896,306
Buildings & Other Structures	522,950	-	-	-	(41,534)	-	-	-	-	481,416
Infrastructure	10,214,542	-	-	-	(471,310)	-	-	-	-	9,743,232
Plant, Machinery & Equipment	4,033,772	-	39,849	(25,349)	(288,870)	-	-	-	-	3,759,402
Furniture & Fittings	958,516	118,118	9,182	-	(196,701)	-	-	-	-	889,115
Steamtown	290,783	-	-	-	(120,370)	-	-	-	-	170,413
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	18,436,028	118,118	49,031	(25,349)	(1,192,444)	-	-	-	-	17,385,384
<i>Comparatives</i>	14,180,504	2,382,803	88,659	(39,783)	(1,296,942)				3,120,787	18,436,028

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 2018

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 2018

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 2018

Note 8 - LIABILITIES

		2018		2017	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		2,198,918		936,731	
Accrued expenses - employee entitlements		26,903	-	27,335	-
Accrued expenses - other		64,589	-	68,200	-
Deposits, Retentions & Bonds		84,901	-	82,578	-
		<u>2,375,311</u>	-	<u>1,114,844</u>	-

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

84,901

82,578

BORROWINGS

Loans		274,304	6,183,110	284,372	6,457,415
		<u>274,304</u>	<u>6,183,110</u>	<u>284,372</u>	<u>6,457,415</u>

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

PROVISIONS

Employee entitlements (including oncosts)		515,231	51,110	540,632	28,578
		<u>515,231</u>	<u>51,110</u>	<u>540,632</u>	<u>28,578</u>

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

566,341

569,210

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2017	Net Increments (Decrements)	Transfers, Impairments	30/6/2018
Notes	\$	\$	\$	\$
Land	1,268,469	-	-	1,268,469
Buildings & Other Structures	4,442,599	-	-	4,442,599
Infrastructure	18,554,239	-	-	18,554,239
Furniture & Fittings	731,046	-	-	731,046
Steamtown	86,437	-	-	86,437
TOTAL	25,082,790			25,082,790
<i>Comparatives</i>	<u>25,082,790</u>	-	-	<u>25,082,790</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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	2018 \$	2017 \$
Total cash & equivalent assets	5	6,540,783	11,289,457
Balances per Cash Flow Statement		6,540,783	11,289,457

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

Net Surplus (Deficit)	4,731,293	3,082,229
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,192,444	1,296,942
Net increase (decrease) in unpaid employee benefits	(3,301)	98,041
Grants for capital acquisitions treated as Investing Activity	(5,942,130)	(2,240,000)
Net (Gain) Loss on Disposals	9,094	17,319
	(12,600)	2,254,531
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	116,475	(115,101)
Net (increase) decrease in inventories	(3,352)	1,674
Net increase (decrease) in trade & other payables	1,260,899	(1,314,312)
Net increase (decrease) in other provisions	-	(27,543)
Net Cash provided by (or used in) operations	1,361,422	799,249

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

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				
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	2,732,182	3,336,078	1,677,919	845,083	1,054,263	2,490,995	1,325,402	2,009,613	-	-
Public Order	-	-	17,932	24,471	(17,932)	(24,471)	-	-	-	-
Health	259	355	88	785	171	(430)	-	-	-	-
Welfare	135,437	74,523	154,155	122,313	(18,718)	(47,790)	56,912	36,742	-	-
Community Support	260,863	266,948	566,778	563,666	(305,915)	(296,718)	-	-	-	-
Recreation	51,302	46,783	716,835	639,157	(665,533)	(592,374)	7,512	7,552	-	-
Agricultural Services	33,114	31,780	34,298	32,238	(1,184)	(458)	-	-	-	-
Regulatory Services	42,671	18,140	129,638	137,063	(86,967)	(118,923)	-	-	-	-
Transport & Communication	800,750	852,299	1,595,518	2,049,012	(794,768)	(1,196,713)	800,750	852,299	-	-
Economic Development	275,415	259,878	676,830	777,167	(401,415)	(517,289)	22,001	-	-	-
Other NEC	224,700	1,892,331	566,880	464,507	(342,180)	1,427,824	69,667	-	35,801,996	30,097,478
Inter Function	-	-	(378,435)	502,061	378,435	(502,061)	-	-	-	-
TOTALS	4,556,693	6,779,115	5,758,436	6,157,523	(1,201,743)	621,592	2,282,244	2,906,206	35,801,996	30,097,478

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 2018

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 2018

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	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.50% and 1.50% (2017: 1.50% and 1.75%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 0.5833% (2017: 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.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.15% and 7.88% (2017: 4.15% and 7.88%)</p> <p>Carrying amount: approximates fair value.</p>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 12 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	654,078			654,078	6,540,783
Receivables	75,581	-	-	75,581	76,123
Total	729,659	-	-	729,659	6,616,906
Financial Liabilities					
Payables	894,967	-	-	894,967	2,283,819
Current Borrowings	587,272	-	-	587,272	274,304
Non-Current Borrowings	-	6,908	6,675,757	6,682,665	6,183,110
Total	1,482,239	6,908	6,675,757	8,164,904	8,741,233
ERROR					
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	7,761,086

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

	30 June 2018		30 June 2017	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Fixed Interest Rates	5.95	\$ 6,457,414	5.95	\$ 6,741,787
		<u>6,457,414</u>		<u>6,741,787</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 2018

Note 13 - FINANCIAL INDICATORS

	2018	2017	2016
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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>	(26.4%)	9.2%	(28.6%)
Total Operating Income			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	57%	-48%	-24%
Total Operating Income			

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

Adjustments to Ratios

*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. These **Adjusted Ratios** correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.*

Adjusted Operating Surplus Ratio	(26.7%)	(3.0%)	(28.6%)
Adjusted Net Financial Liabilities Ratio	39%	(68%)	(24%)

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	1401%	9%	2%
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 2018

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

	2018 \$	2017 \$
Income	4,556,693	6,779,115
Expenses	<u>(5,758,436)</u>	<u>(6,157,523)</u>
Operating Surplus / (Deficit)	(1,201,743)	621,592
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(11,784,108)	(88,659)
Add back Depreciation, Amortisation and Impairment	1,192,444	1,296,942
Proceeds from Sale of Replaced Assets	<u>16,255</u>	<u>22,464</u>
	(10,575,409)	1,230,747
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)
Amounts received specifically for New and Upgraded Assets	5,942,130	2,240,000
	<u>5,942,130</u>	<u>226,397</u>
Net Lending / (Borrowing) for Financial Year	<u>(5,835,022)</u>	<u>2,078,736</u>

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 15 - 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 (2017: \$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.

DISTRICT COUNCIL OF PETERBOROUGH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 16 – 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 2017/18; 9.50% in 2016/17). 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 2016/17) 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, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. 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 2018

Note 17 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

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

	2018	2017
	\$	\$
Salaries, allowances & other short term benefits	323027	310658
Post-employment benefits		
Long term benefits		
Termination benefits		
TOTAL	323027	310658

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renae Nicholson CA
Tim Muhlhauser CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



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INDEPENDENT AUDITOR'S REPORT

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 2017 to 30 June 2018 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 2017 to 30 June 2018.

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 2017 to 30 June 2018. 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

11 / 12 / 2018

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Simon Smith CA, FCPA
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INDEPENDENT AUDITOR'S REPORT



To the members of the District Council of Peterborough

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 2018, 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 accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for 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. We have also fulfilled our 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.

Council's Responsibility for the Financial Report

Council 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 Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit of the financial report 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 the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA Registered Company Auditor
Partner

11 / 12 / 2018

DISTRICT COUNCIL OF PETERBOROUGH

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

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 2018, 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: 7th NOVEMBER 2018

District Council of Peterborough

General Purpose Financial Statements

For the year ended 30 June 2018

Statement by Auditor

I confirm that, for the audit of the financial statements of District Council of Peterborough for the year ended 30 June 2018, 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 Muhlhausler
Galpins**

11 / 12 / 2018



2017/2018 ANNUAL REPORT

This report was adopted at the Legatus Group Annual General Meeting of Friday 17 August 2018.

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
- Barunga West Council
- Clare & Gilbert Valleys Council
- Copper Coast Council
- 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 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 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.

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 consists of all principal members of the Constituent Councils which for 2017/2018 were:

Council	Delegate
Adelaide Plains Council	Mayor Tony Flaherty
Barunga West Council	Mayor Cynthia Axford
Clare & Gilbert Valleys Council	Mayor Allan Aughey OAM
Copper Coast Council	Mayor Paul Thomas AM
District Council of Mount Remarkable	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 2017/18

Chairman:	Mayor Peter Matthey
Deputy Chairs:	Mayor Denis Clark Mayor Bob Sloane
Delegate to the LGA Board representing the Central Region of the LGA Constitution	Mayor Denis Clark Mayor Peter Matthey Cr Michael (Bim) Lange (Deputy Member)
South Australian Regional Organisation of Councils	Mayor Peter Matthey Mayor Denis Clark Mayor Bob Sloane (Deputy Member)
Chief Executive Officer:	Mr Simon Millcock
Auditor:	Mr Ian G. McDonald FCA

Meetings of the Legatus Group

The following meetings of the Board of Management were held during the 2017/18 year:

- Special Meeting 22 August 2017
- Annual General Meeting 8 September 2017
- Ordinary Meeting 8 September 2017
- Ordinary Meeting 17 November 2017
- Ordinary Meeting 16 February 2018
- Ordinary Meeting 25 May 2018

There were three committees in 2017/2018

Committee	Members	Meeting Dates
Audit Committee	<ul style="list-style-type: none"> • Mayor Ray Agnew (Chair) • Chair Kathie Bowman • Mayor Colin Nottle • Dr Andrew Johnson (till 25/5/18) • Mr Colin Davies • Mr Peter Ackland (from 25/5/18) 	10 August 2017 1 February 2018 20 April 2018
Management Group (Council CEOs)	<ul style="list-style-type: none"> • Mr Colin Byles (Northern Areas) (Chair) • Mr James Miller (Adelaide Plains) • Mr Martin McCarthy (Barossa) • Mr Andrew Cole (Barunga West) • Mr John Coombe replaced Mrs Helen Macdonald (Clare & Gilbert Valleys) • Mr Peter Harder (Copper Coast) • Mr Colin Davies (Flinders Ranges) • Mr David Stevenson (Goyder) • Mr Brian Carr (Light) • Mr Wayne Hart (Mt Remarkable) • Mr Stephen Rufus replaced by Mr Kristen Clark (Orroroo/Carrieton) • Mr Peter McGuinness (Peterborough) • Dr Andrew Johnson replaced by Mr Peter Ackland (Pirie Regional) • Mr Jason Kuchel (Wakefield) • Mr Andrew Cameron (Yorke Peninsula) 	4 August 2017 3 November 2017 2 February 2018 5 May 2018
Road & Transport Infrastructure Advisory Committee:	<ul style="list-style-type: none"> • Lee Wallis (Goyder) • Peter Porch (Northern Areas) • Colin Davies (Flinders Ranges) • Jo-Anne Buchanan (RDA Yorke Mid North) • Steve Kaesler (Barossa) • Trevor Graham (Yorke Peninsula) • Martin Waddington replaced by Tom Jones (Adelaide Plains) • Steve Watson (Clare & Gilbert Valleys) • Mike Wilde (Department of Planning, Transport and Infrastructure) 	13 March 2018 30 April 2018

Chairman's Report

It has been my pleasure to serve as Chairman in 2017/18 and I would like to take this opportunity to report on some of the highlights of the year.

We developed reports on a series of key regional state-wide issues including rubble royalties, rating equity, coastal inundation and impacts of the NDIS on local government. These have all been progressed to the South Australian Regional Organisation of Councils (SAROC). Legatus is seen as leader in regional SA having gained support across the state on these topics and ensuring that local government is taking a collaborative evidence-based approach. It is an example of how the LGA can work closely with regions in a support role.

Whilst yet to see the tangible results, the ground work undertaken has ensured that the LGA have the material required to represent the interests of regional SA councils. I am pleased to see that they have engaged with the new State Government to remove the rubble royalties that have been a major impost to many councils.

This year has seen us actively involved in the issues around LGA membership fees and the LGA constitutional changes. It should be noted that Legatus has been active in representing members; as we raised our concerns to both SAROC and to the LGA Board. Given the amount of time and expense for regional councils to attend meetings in Adelaide; I was unsatisfied with the outcome in relation to membership fees, and extremely disappointed at the limited consultation afforded to the regions.

Whilst it was disappointing to see that the Regional Procurement Business Plan was not adopted I acknowledge that this is the current thoughts of members. This led to a review of our strategic plan and we adopted an updated strategic plan and 3-year action plan.

The Road and Transport Infrastructure Advisory Committee developed a robust assessment of this years SLRP funding applications, and their work on prioritising and providing feedback has resulted in just under \$2m being allocated for five projects.

The region has been proactive in supporting the challenges and changing environment though the release of the Climate Change guide for South Australia councils, and the signing of the Sector Agreement for the Climate Change Adaptation Plan.

Our effort to encourage and foster closer working relationships with the three Regional Development Australia (RDA) organisations and Natural Resource Management Boards in our region; resulted in the development of the Yorke and Mid North Regional Road Map, Yorke Regional Planning Forum and the South Australian Regional Development Conference. The progress of the three emerging leader programs undertaken in partnership with RDA Yorke Mid North was heartening to see and I am sure several projects will result from these emerging leaders in our region.

Our Charter was reviewed, and there were minor amendments made, and I'm pleased that the Audit and Risk Management Group Committee through the development of a work plan have assisted us in improving our governance. There has been valuable feedback gained from the Legatus Group Management Group meetings that have included a series of workshops and information sharing opportunities by and for the CEOs.

Phase 1 of the Regional Transport Plan 2030 was completed, and this work has formed the basis of phase 2 and that is to undertake the road deficiencies report of the significant regional local road. Securing funding for the 2-year Joint CWMS program has commenced with some positive results for the region, and I am looking forward to following the progress of this project.

Following the State Government election, we commenced dialogue with the six State Government Members of Parliament, and will continue to undertake greater interaction, given that two of these MPs are also Ministers.

In closing I would like to thank everyone who has taken a proactive role in progressing the region, and thank both Mayor Denis Clark and Mayor Bob Sloane for your roles as Deputy Chairs and your contributions at SAROC and the LGA.

Mayor Peter Matthey Chairman Legatus Group

CEO Report

In 2017-2018 the Legatus Group CEO undertook a more sub-regional approach to operations and support, due to geographical size and the number of constituent councils, this approach included both geographical and communities of interest. Along with the Legatus Group Board meetings which involved topical presentations, the Legatus Group CEOs meet for training and networking sessions coordinated through the Legatus Group CEO.

Meetings were held with each constituent council during the year on at least one occasion, and this took the form of either one on one meetings with Mayor and CEO, presentations at full council meetings or workshops with full councils.

The Legatus Group was active in consultation around the new fee structure for LGA membership, the changes to the LGA constitution and efforts to progress a regional approach for the Murray Darling Association. This included securing funding from the LGA to Regional LGAs for outreach and capacity building programs to continue in 2018/2019.

The Legatus Group took a leadership role in developing state-wide approaches through working with SAROC, constituent councils and other regional bodies including:

- I. Regional LGAs:
 - a. Coastal Council Alliance
 - b. Shorebird Alliance
 - c. Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia
 - d. Socio-Economic impacts from the NDIS on regional local governments
 - e. Rubble Royalties
2. Regional Development Australia (RDA) Yorke Mid North:
 - a. 3 x Emerging Leaders Program
 - b. RDSA Conference
3. Yorke Mid North Alliance:
 - a. Yorke Mid North Regional Forum
 - b. Climate Change
 - c. Yorke Mid North Regional Roadmap

This report does not provide the detail on these reports, but copies can be found on the Legatus Group website.

In July 2017 a Legatus Group Procurement Business Plan was developed and distributed to all constituent councils. This resulted in the Legatus Group Special General meeting of 22 August 2017 and decision that the Legatus Group Procurement Business Plan not progress.

A significant amount of the Legatus Group CEO's time was taken up with planning, as there had been no business plan developed for 2017/2018 in line with the Legatus Group Charter. Upon commencing employment in June 2017, the Legatus Group CEO developed a draft business plan which was distributed to all constituent councils. Following recommendation from the Audit and Risk Management Committee the Legatus Group September meeting sought a review of this draft business plan.

The CEO was requested to undertake a review of the Legatus Group Future Directions (strategic plan). This included a comprehensive review of the Long-Term Financial Plan, and in partnership with the Constituent Councils to develop a 10-year Strategic Plan, including a 3-year Action Plan. The review was to include an external facilitator for workshops with the Board and the Constituent Councils CEO's on the future direction of the Legatus Group.

The 2017/2018 business plan was subsequently endorsed by constituent councils and the review of the Strategic Plan was completed. The Legatus Group endorsed a Legatus Group Strategic Plan 2018-2028 and 3-year Action Plan July 2018 - June 2021 and the 2018/2019 budget and business plan.

The Legatus Group continues to be in a healthy financial position with the accumulated surplus and reserves at 30 June 2018 of over \$820,000. This matter was discussed by both the Audit and Risk Management

Committee and the Legatus Group February meetings noting that an allowance for the accumulated surplus and reserves be set as a minimum of \$480,000.

Consideration on these funds should wait upon the decisions of the LGA regarding the new constitution and SAROC budgets for funding of Regional LGAs which is not yet clear. There may be the opportunity for utilising some of these funds to securing funding from other sources and for projects aligned with Legatus Group strategic directions. Due to the levels of uncertainty this was not factored into the 2018/2019 business plan for constituent council's consideration.

All grants were acquitted, and all reporting provided.

Summary of Outcomes

Education and Training

Workshops held in various locations following consultation with Legatus Group Board, Chair, CEO's and Officers and included:

1. Regional Business Incubators, Enterprise Centre and Co-Working Space Workshop
2. Community Wastewater Management workshops – resulted in an allocation of \$50,000 from the LGA for 2 years for a Joint CWMS Service Arrangements and contracting of part time project officer
3. Climate Change Adaptation - resulted in launch of Climate Change guide for South Australia councils to develop regional climate change adaptation plans
4. State Planning Commission
5. Brand SA Regional Showcase
6. Yorke and Mid North Regional Planning Day – held in Port Pirie with over 120 attendees
7. Regional Development South Australia Conference and master class on population growth – held in Kadina with over 130 attendees
8. National Disability Insurance Scheme – resulted in \$23,100 grant LGA R&D
9. State Public Health Plan – assisted with regional health plans and EOI for well being progressed by the LGA for Community Wellbeing Alliance Trials
10. Local Government Professionals
11. Benchmarking Project, Code of Conduct and Governance Panel
12. Small Business Friendly Local Government Charter Program
13. Data gathering
14. Digital maturity local governments – resulted in LGA R&D application being developed

Board Governance and Operations

1. Review of the Legatus Strategic Plan resulting in a new Strategic Plan, 3-year action plan and long term financial plan
2. Charter reviewed and amended
3. Annual work plan developed and adopted
4. Website updated

Local Government Leadership and Sustainability

1. Lead taken in:
 - a. Rubble Royalties report with recommendations to LGA Board adopted – letter sent by LGA to Treasurer and other Ministers for exempting councils from this payment
 - b. Coastal Council Alliance report with recommendations to LGA Board adopted – R&D project application developed
 - c. Socio-economic impacts of NDIS report with recommendations to LGA Board adopted
 - d. Rating Equity for Commercial and/or Industrial Land Uses Outside Towns in South Australia – secured \$21,700 from LGA R&D and Regional LGAs
2. Meetings held with 5 of the 6 Local State MP's after the 2018 State Govt Election
3. Signed and implemented Sector Agreement for the Climate Change Adaptation Plan for Yorke & Mid North

<p>Region including employing a project officer</p> <ol style="list-style-type: none"> 4. Formal alliance with RDA Yorke and Mid North and Northern and Yorke NRM and informal working partnerships with RDA Far North and RDA Barossa, Light, Gawler and Adelaide Plains 5. Supported the LGA with the Emergency Management Planning funding allocation and expressed interest in hosting a regional emergency management officer – result workshops being held for council ready workshops 6. Supported the LGA for a regional wellbeing officer and expressed interest in hosting a regional wellbeing officer – resulted in EOI's being sought from LGA for Community Wellbeing Alliance Trials 7. Supported the development of a State-wide Shorebird Alliance including Terms of Reference 8. Developed a Regional Procurement Business Plan which ultimately was not adopted
<p>Regional and Community Sustainability</p> <ol style="list-style-type: none"> 1. Development and release of the Yorke and Mid North Regional Plan as a collaboration with RDA Yorke Mid North and Northern and Yorke NRM 2. Delivered in partnership with DSD and RDA YMN 3 Emerging Leadership programs – result over 50 participants and the development of a Legatus Group LGA R&D grant application for a Youth Volunteering project 3. Finalised phase I of the Legatus Group Regional Transport Plan and commenced on phase 2 4. Undertook prioritising of the SLRP for the Legatus Group region – securing just under \$2m for 5 of the 9 projects 5. Managed the inundation mapping project with the Yorke Peninsula and Barunga West Councils 6. Developed regional Legatus Group – community, transport, wastewater and climate change committees or working groups 7. Release of the regional climate change action plan and the development of an implementation plan 8. Working partnerships have been formed with: <ol style="list-style-type: none"> a. Yorke Mid North Disability Workforce Hub – resulted in the development of a regional forum b. Mid North Knowledge Partnership (Flinders University and Charles Darwin University) – resulted in MoU being progressed c. Country Health SA PHN

Benefits to constituent councils:

- Identify training needs for the Legatus Region Constituent Councils.
- Regional collaboration and priority setting and sharing of knowledge and resources in the areas outlined above.
- Delivery of regional strategic and business plans and annual work plans.
- Operate Legatus Group in accordance with legislative requirements and board policies and procedures.
- Well regarded by members and stakeholders as valid and relevant through regional collaboration and undertaking or supporting actions on identified priorities.
- Identify regional priorities through collaboration with members and stakeholders and develop agreed actions and/or support.
- Advocate with a single and united voice and in partnership with other Regional LGA's.
- Fostering of economic, environmental and social sustainability through pro-active, innovative, efficient and collaborative approaches to priority issues.

Benefits across the local government sector:

- Assistance with coordinating workshops and consultation sessions and improved regional delivery of LGA services.
- Identified and aided with regional and longer-term outcomes for Constituent Councils.
- Facilitates stronger regional collaboration on projects and areas for sharing of knowledge and services.
- Being able to undertake research projects on the needs specific to regional councils.

Observation:

There is still a need for continued regional collaboration support and a recognition that the Regional LGAs can assist the LGA on regional issues. This will help reduce the perceptions of the LGA being too Greater Adelaide focussed, which appears to be slowly reduced by having informed and data driven understandings on regional issues.

There could be greater use of the Legatus Group CEO as a resource and use of skill sets including that of other regional LGA EO's across the various regional partnerships.

It is noted the complexity of gaining consensus from the constituent councils is that it is a time-consuming process and that there is desire to progress with sub-regional programs and projects, whilst being able to allow the full 15 constituent councils to be united voice and advocate.

Simon Millcock CEO Legatus Group

The Legatus Group Audit and Risk Committee summary of activities undertaken, and recommendations made during 2017-2018.

The committee met on 3 occasions during 2017-2018 with the following attendance:

Date	No of Members Attending
10-Aug-17	5
1-Feb-18	4
20-Apr-18	3

Committee Member	No of Meetings Attended
Mayor Ray Agnew	2
Chairman Kathie Bowman	3
Mayor Colin Nottle	3
Colin Davies	3
Andrew Johnson	1 (following resignation as CEO Port Pirie Council)

The following table sets out the principal issues addressed by the Committee for 2017-18 year:

Principal Issues Examined	Recommendations to Legatus Group
Financial Report 2016-2017	No issues, unqualified audit, adopt
Review of budget against actuals	Noted the need for Legatus Group to endorse 2016-2017 adopted budget against actuals for annual financial report
Review of work plan, internal controls	Work planned developed
Charter	Variations to charter noted, recommended and adopted
Strategic Plan	Requested a review including of long term financial plan undertaken with recommendations for adoption
Budget	Noted the development of 2017-2018 budget did not comply with charter and ensured that 2018-2019 did

Mayor Ray Agnew Chairman Legatus Group Audit and Risk Management Committee

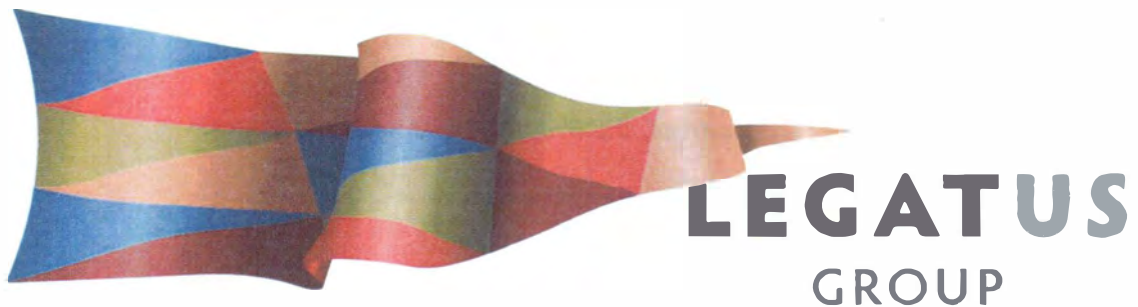
Annual Financial Report

The Legatus Group Annual General Meeting adopted the attached audited Legatus Group annual financial report statement for the year ending 30 June 2018.



Legatus Group
adopted - Financial st

CENTRAL LOCAL GOVERNMENT
REGION of SA
trading as



Annual Financial
Statements

For the financial year

July 1st 2017 – June 30th 2018

LEGATUS GROUP

General Purpose Financial Reports for the year ended 30 June 2018

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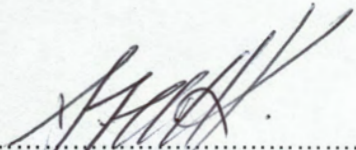
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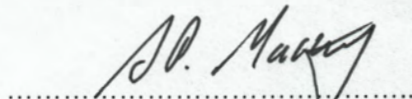
LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018

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 2018 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: 8/8/18

LEGATUS GROUP

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
INCOME			
Grants, subsidies and contributions	2	345,527	348,889
Investment income	2	13,817	12,205
Reimbursements	2	4,545	25,105
Other income	2	196,398	194,538
Total Income		560,287	580,737
EXPENSES			
Employee costs	3	218,452	261,600
Materials, contracts & other expenses	3	230,102	279,405
Depreciation, amortisation & impairment	3	6,311	9,487
Finance costs	3	-	24
Total Expenses		454,865	550,516
OPERATING SURPLUS / (DEFICIT)		105,422	30,221
NET SURPLUS / (DEFICIT)		105,422	30,221
transferred to Equity Statement			
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		105,422	30,221

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

LEGATUS GROUP

STATEMENT OF FINANCIAL POSITION as at 30 June 2018

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	808,876	719,859
Trade & other receivables	5	8,759	25,404
Total Current Assets		817,635	745,263
Non-current Assets			
Infrastructure, property, plant & equipment	7	17,488	23,799
Total Non-current Assets		17,488	23,799
Total Assets		835,123	769,062
LIABILITIES			
Current Liabilities			
Trade & other payables	8	6,277	47,649
Provisions	8	7,037	5,214
Total Current Liabilities		13,314	52,863
Non-current Liabilities			
Provisions	8	360	172
Total Non-current Liabilities		360	172
Total Liabilities		13,674	53,035
NET ASSETS		821,449	716,027
EQUITY			
Accumulated Surplus		55,336	121,695
Other Reserves	9	766,113	594,332
TOTAL EQUITY		821,449	716,027

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 2018

		Accumulated Surplus	Other Reserves	TOTAL EQUITY
2018	Notes	\$	\$	\$
Balance at end of previous reporting period		121,695	594,332	716,027
Net Surplus / (Deficit) for Year		105,422		105,422
Other Comprehensive Income				
Transfers between reserves	9	(171,781)	171,781	-
Balance at end of period		55,336	766,113	821,449
2017				
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		121,695	594,332	716,027

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

LEGATUS GROUP

STATEMENT OF CASH FLOWS for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Investment receipts		13,419	12,205
Grants utilised for operating purposes		371,442	490,490
Reimbursements		5,000	15,400
Other revenues		194,450	188,416
<u>Payments</u>			
Employee costs		(217,537)	(266,402)
Materials, contracts & other expenses		(277,757)	(273,833)
Finance payments		-	(24)
Net Cash provided by (or used in) Operating Activities		89,017	166,252
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	(3,176)
Net Cash provided by (or used in) Investing Activities		-	(3,176)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
<u>Payments</u>			
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		89,017	163,076
Cash & cash equivalents at beginning of period	11	719,859	556,783
Cash & cash equivalents at end of period	11	808,876	719,859

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 2018

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 the financial statements and notes.

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	\$5,000
Motor Vehicles, Other Plant & Equipment	\$5,000

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 one employee as at the 30th June 2018, a Chief Executive Officer. Liabilities for employee 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	2.25% (2017, 2.10%)
Weighted average settlement period	9 years (2017, 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 fund for the Chief Executive 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.

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 2 - INCOME

	2018 \$	2017 \$
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	13,741	12,117
Banks	76	88
	<u>13,817</u>	<u>12,205</u>
REIMBURSEMENTS		
- for Legal, Climate Change, USGRPG	4,545	25,105
	<u>4,545</u>	<u>25,105</u>
OTHER INCOME		
Council Contributions	162,750	159,545
Sundry	33,648	34,993
	<u>196,398</u>	<u>194,538</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Sundry	345,527	348,889
	<u>345,527</u>	<u>348,889</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
State government	345,527	348,889
	<u>345,527</u>	<u>348,889</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>	366,006	221,570
<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)
P022 - Roads & Transport	(1,805)	-
P024 - Climate Change Co-ordinator 2015-17	(51,779)	-
P026 - Strategic Procurement	-	(31,100)
Subtotal	<u>(53,584)</u>	<u>(42,142)</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 Stage 2	49,687	33,235
P028 - Regional Capacity Building	174,543	98,086
A009 - Special Projects	1,134	-
Subtotal	<u>225,364</u>	<u>186,578</u>
<i>Unexpended at the close of this reporting period</i>	<u>537,786</u>	<u>366,006</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<u>171,780</u>	<u>144,436</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES

	2018 \$	2017 \$
EMPLOYEE COSTS		
Salaries and Wages	162,958	209,804
Employee leave expense	16,780	15,991
Redundancy	5,385	-
Pay in Lieu of Notice	5,385	-
Superannuation	16,330	20,785
Workers' Compensation Insurance	2,262	2,550
CEO Relocation	1,239	3,761
Professional Development	649	1,007
FBT	7,464	7,702
Total Operating Employee Costs	218,452	261,600
 Total Number of Employees	 1	 2
<i>(Full time equivalent at end of reporting period)</i>		
MATERIALS, CONTRACTS & OTHER EXPENSES		
<u>Prescribed Expenses</u>		
Auditor's Remuneration	2,000	1,650
Subtotal - Prescribed Expenses	<u>2,000</u>	<u>1,650</u>
<u>Other Materials, Contracts & Expenses</u>		
Contractors & Consultants	162,372	202,888
Legal Expenses	-	8,202
Unleaded Fuel	5,576	4,934
Members Allowances & Support	4,270	4,264
Meetings & Conferences	5,318	4,852
Insurance	7,750	7,624
Rental - Premises	16,477	10,581
Advertising	316	1,050
Accommodation	3,994	3,959
Airfares	499	2,157
Travel - Reimbursement	2,445	7,036
Catering & Meals	6,340	4,768
Telephone & Internet	6,870	4,434
Postage/Stationery/IT	3,875	5,586
Sundry	2,000	5,420
Subtotal - Other Materials, Contracts & Expenses	<u>228,102</u>	<u>277,755</u>
	<u>230,102</u>	<u>279,405</u>
 DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Motor Vehicle	6,311	6,311
Computers & Software	-	3,176
	<u>6,311</u>	<u>9,487</u>
 FINANCE COSTS		
Interest on bank account	-	24
	<u>-</u>	<u>24</u>

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

2018	2017
Nil	Nil

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash at Bank	3,590	77,915
Deposits at Call	805,286	641,944
	<u>808,876</u>	<u>719,859</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	3,085	2,687
Debtors - General	237	12,139
GST Recoupment	5,437	10,578
	<u>8,759</u>	<u>25,404</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 2018

Fair Value Level	2017 \$				2018 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - PLANT & EQUIPMENT								
Motor Vehicle	-	33,353	(9,554)	23,799	-	33,353	(15,865)	17,488
Computers & Software	-	3,948	(3,948)	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	-	37,301	(13,502)	23,799	-	33,353	(15,865)	17,488
<i>Comparatives</i>	-	34,125	(4,015)	30,110	-	37,301	(13,502)	23,799

	2017	CARRYING AMOUNT MOVEMENTS DURING YEAR							2018
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation
New /Upgrade		Renewals	In				Out		
Note 7 - PLANT & EQUIPMENT									
Motor Vehicle	23,799	-	-	-	(6,311)	-	-	-	17,488
Computers & Software	-	-	-	-	-	-	-	-	-
TOTAL PLANT & EQUIPMENT	23,799	-	-	-	(6,311)	-	-	-	17,488
Comparatives	30,110	3,176	-	-	(9,487)				23,799

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 8 - LIABILITIES

	2018		2017	
	\$		\$	
TRADE & OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods & Services	-	-	23,399	-
Accrued expenses - employee entitlements	-	-	1,096	-
GST & PAYG	6,277	-	23,154	-
	<u>6,277</u>	<u>-</u>	<u>47,649</u>	<u>-</u>
PROVISIONS				
Employee entitlements (including oncosts)	7,037	360	5,214	172
	<u>7,037</u>	<u>360</u>	<u>5,214</u>	<u>172</u>

Note 9 - RESERVES

OTHER RESERVES	1/7/2017	Transfers to Reserve	Transfers from Reserve	30/6/2018
General Reserve	31,093	-	-	31,093
1 A009-Special Projects	15,341	1,134	-	16,475
2 P003-Waste Management	16,273	-	-	16,273
3 P022-Roads & Transport	37,892	-	(1,805)	36,087
4 P024-Climate Change Co-Ordinator 2015-17	63,472	-	(51,778)	11,694
5 P025-LG Outreach Phase 2	83,235	49,687	-	132,922
6 P027-LG Reform - Incentive Risk	144,000	-	-	144,000
7 P028-Regional Capacity Building	203,026	174,543	-	377,569
TOTAL OTHER RESERVES	<u>594,332</u>	<u>225,364</u>	<u>(53,583)</u>	<u>766,113</u>
Comparatives	<u>572,663</u>	<u>186,578</u>	<u>(164,909)</u>	<u>594,332</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**
Legatus 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 2018

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	2018 \$	2017 \$
Total cash & equivalent assets	5	808,876	719,859
Balances per Cash Flow Statement		<u>808,876</u>	<u>719,859</u>

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

Net Surplus (Deficit)	105,422	30,221
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	6,311	9,487
Net increase (decrease) in unpaid employee benefits	915	(4,802)
	<u>112,648</u>	<u>34,906</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	16,645	98,652
Net increase (decrease) in trade & other payables	(40,276)	32,694
Net Cash provided by (or used in) operations	<u>89,017</u>	<u>166,252</u>

(c) Non-Cash Financing and Investing Activities

(d) Financing Arrangements

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

Corporate Credit Cards	-	5,000
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Note 11 - FUNCTIONS

The activities of the Region are categorised into the following programmes

- 1 A009-Special Projects
- 2 P015-Local Government Reform
- 3 P022-Roads & Transport
- 4 P024-Climate Change Co-Ordinator 2015-17
- 5 P025-LG Outreach Phase 2
- 6 P027-LG Reform - Incentive Risk
- 7 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 2018

Note 12 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.5% as at 30 June 2018</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Trade & other debtors	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	808,876	-	-	808,876	808,876
Receivables	8,759	-	-	8,759	8,759
Total	817,635	-	-	817,635	817,635
Financial Liabilities					
Payables	-	-	-	-	-
Total	-	-	-	-	-

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	25,404	-	-	25,404	25,404
Total	745,263	-	-	745,263	745,263
Financial Liabilities					
Payables	46,553	-	-	46,553	46,553
Total	46,553	-	-	46,553	46,553

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 2018

Note 13 - FINANCIAL INDICATORS

	2018	2017	2016
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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>	18.8%	5.2%	26.0%
Total Operating Income			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	-143%	-119%	-135%
Total Operating Income			

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 2018

Note 14 - 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

	2018 \$	2017 \$
Income	560,287	580,737
Expenses	(454,865)	(550,516)
Operating Surplus / (Deficit)	105,422	30,221
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	(3,176)
Add back Depreciation, Amortisation and Impairment	6,311	9,487
	6,311	6,311
Net Outlays on New and Upgraded Assets		
Amounts received specifically for New and Upgraded Assets	-	-
	-	-
Net Lending / (Borrowing) for Financial Year	111,733	36,532

LEGATUS GROUP

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 15 - 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:

	2018 \$	2017 \$
Salaries, allowances & other short term benefits	149,999	157,411
Member Allowance	4,270	4,264
Post-employment benefits	14,250	14,954
Long term benefits	-	-
FBT	15,235	14,360
Termination benefits	-	7,834
TOTAL	183,754	198,823

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

	2018 \$	2017 \$
Contributions for fringe benefits tax purposes	-	-
TOTAL	-	-

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Nil.

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 2018.

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 2018 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.



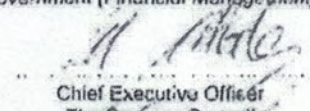
Ian G McDonald FCA
Registered Company Auditor

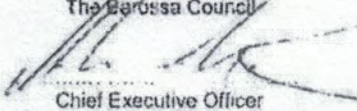
Dated at Grange this 8th day of August 2018

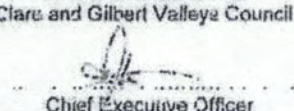
LEGATUS GROUP
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018
CERTIFICATION OF AUDITOR INDEPENDENCE

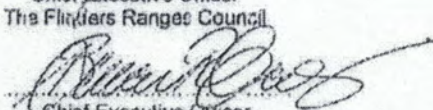
To the best of our knowledge and belief, we confirm that for the purpose of the audit of The Legatus group for the year ended 30 June 2018, the Council's Auditor, Ian G McDonald has maintained his independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

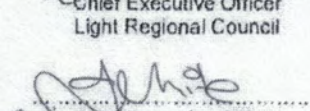
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

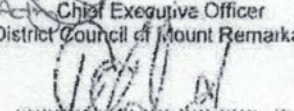

 Chief Executive Officer
 The Barossa Council

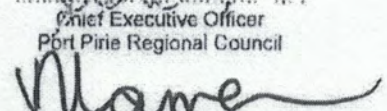

 Chief Executive Officer
 Clare and Gilbert Valley Council

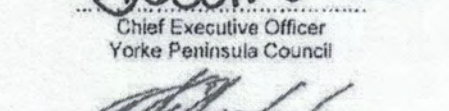

 Chief Executive Officer
 The Fintona Range Council

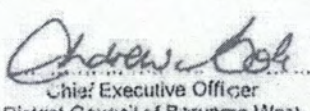

 Chief Executive Officer
 Light Regional Council

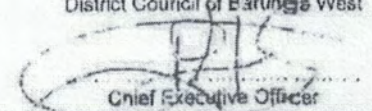

 Chief Executive Officer
 District Council of Mount Remarkable

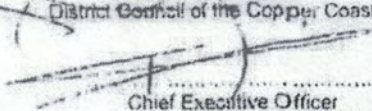

 Chief Executive Officer
 Port Pirie Regional Council

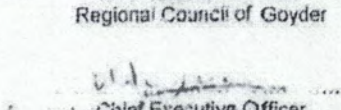

 Chief Executive Officer
 Yorke Peninsula Council

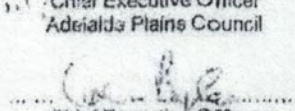

 Chief Executive Officer
 Wakefield Regional Council

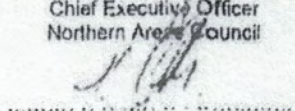

 Chief Executive Officer
 District Council of Barunga West

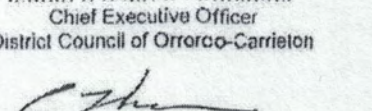

 Chief Executive Officer
 District Council of the Copper Coast

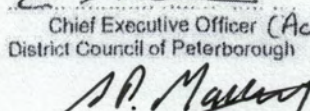

 Chief Executive Officer
 Regional Council of Goyder


 Chief Executive Officer
 Adelaide Plains Council


 Chief Executive Officer
 Northern Areas Council


 Chief Executive Officer
 District Council of Orroroo-Carrieton


 Chief Executive Officer (Acting)
 District Council of Peterborough


 Chairman
 Legatus Group
 Board of Management

Date: 8/8/2018

Legatus Group
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of the Legatus Group for the year ended 30 June 2018, 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*.

A handwritten signature in blue ink, appearing to read 'Ian McDonald', is positioned above the printed name.

Ian G McDonald FCA

Dated this 24 day of July 2018



FLINDERS REGIONAL ASSESSMENT PANEL ANNUAL REPORT

For the Financial Year ending 30 June 2018

The Terms of Reference for the Flinders Regional Assessment Panel ("the Panel") requires that the Panel, through the Public Officer, to 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 financial year ending 30 June 2018, there were nil (0) applications referred to the Panel, and the Panel did not meet on any occasion.

As required, 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				
Mem ber	Meetings Eligible to Attend	Present	Apology	Absent without Apology
Ms. Shanti Ditter	0	0	0	0
Cr. Vicki Morley (DCMR)	0	0	0	0
Mr. John Brak	0	0	0	0

Panel Activity - Applications						
Constituent Council	Referred to Panel	Approved	Refused	Appealed	Withdrawn by Applicant	Deferred
The Flinders Ranges Council	0	0	0	0	0	0
District Council of Mount Remarkable	0	0	0	0	0	0
District Council of Orroroo Carrieton	0	0	0	0	0	0
District Council of Peterborough	0	0	0	0	0	0
Totals	0	0	0	0	0	0

Wayne Hart
Public Officer and Assessment Manager