

2011/2012



*Nurturing our unique place  
and people*

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# Annual Report

Welcome to our 2011/12 Annual Report.

This report is provided for our Customers, be they ratepayers, visitors, government agencies or other interested persons.

The report meets the requirements of the Local Government Act 1999, however it is designed to be much more than that!

This is an important document that outlines what we have achieved in 2011/12, how we have performed against our targets, and where we are going as a Council.

We hope that this report makes interesting reading & demonstrates our commitment to Customer Service and being accountable to our Community.

## Where to get copies

Additional copies of this report are available on our web-site:

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

Or contact us on:

**(08) 8408-0400**

**PO Box 44  
Woodside SA 5244**

## Feedback

We welcome your feedback on this report, or on any other Council issue by post or e-mail.

**[Mail@ahc.sa.gov.au](mailto:Mail@ahc.sa.gov.au)**

**PO Box 44  
Woodside SA 5244**

Cover photograph  
*‘Le Peleton’ Sculpture by Silvio Apponyi – Anon*

# Our Strategic Directions

## The Year at a Glance

Key Issues	Services Provided	Highlights
<b>GOAL 1 - A Healthy, Safe Engaged &amp; Connected Community</b>		
<ol style="list-style-type: none"> <li>1. Sense of Belonging</li> <li>2. Community Planning</li> <li>3. Community Participation Partnership &amp; Support</li> <li>4. "Village" Amenity &amp; Character</li> <li>5. Quality of Life</li> <li>6. Community Safety</li> <li>7. Culture &amp; Arts</li> </ol>	<ul style="list-style-type: none"> <li>• Aged &amp; Disability Services</li> <li>• Community Development &amp; Support including Youth Services, Cultural Events Program, Volunteering, Recreation &amp; Sport Strategy &amp; Community Transport</li> <li>• Retirement Centres &amp; Affordable Housing</li> <li>• Library Services</li> <li>• Cemetery Services</li> <li>• Bushfire &amp; Flood Management &amp; Prevention (Policies)</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of the integrated library &amp; Council services</li> <li>• Home &amp; Community Care Services expanded to more than 700 clients and achieved maximum score in Government Audit</li> <li>• Successful National Youth Week culminating in over 300 attendees at Gumerocka event.</li> <li>• Partnered in first International Hills Sculpture Symposium, securing three world class sculptures for the District in perpetuity.</li> </ul>
<b>GOAL 2 – Sustainable Natural, Built &amp; Agrarian Environment</b>		
<ol style="list-style-type: none"> <li>1. Natural Environment</li> <li>2. Sensitive Development</li> <li>3. Agrarian Environment</li> <li>4. Water Quality</li> <li>5. Scenic Beauty</li> <li>6. Climate Change</li> <li>7. Built Environment</li> <li>8. Green Education</li> </ol>	<ul style="list-style-type: none"> <li>• Conservation &amp; Land Management</li> <li>• Strategic Land-Use Planning</li> <li>• Natural Resources Management</li> <li>• Development Assessment and Compliance</li> <li>• Sustainability Initiatives</li> <li>• Regulation of Environmental Services</li> <li>• Land &amp; Fire Management</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of the Feasibility Study and Economic Impact Analysis of pursuing the World Heritage Status Bid</li> <li>• Ministerial approval of the Environmental Covers DPA</li> <li>• Submission of the Local Heritage DPA to the Minister for approval to commence with public consultation. The following DPAs are underway:               <ul style="list-style-type: none"> <li>- Completion of the Local Heritage DPA &amp; Heritage Management Program</li> <li>- Townships &amp; Urban Areas DPA</li> <li>- Better Development Plan Conversion DPA</li> <li>- Primary Production Areas</li> </ul> </li> <li>• 1,216 development applications received</li> <li>• Only 10 new Appeals lodged in 2011/12, of which 6 were against enforcement notices and 4 were against planning decisions. Two of these relate to the same development.</li> <li>• No Appeals overturned by ERD Court</li> </ul>

<b>GOAL 3 - A Prosperous, Growing and Vibrant Economy</b>		
<ol style="list-style-type: none"> <li>1. Promoting and supporting the District's Economy</li> <li>2. Sustainable Agrarian Enterprise</li> <li>3. Tourism</li> <li>4. Economic Sustainability</li> <li>5. Economic Infrastructure</li> </ol>	<ul style="list-style-type: none"> <li>• Support business development at the Adelaide Hills Business and Tourism Centre (AHBTC) and across the District</li> <li>• Support the services provided by Adelaide Hills Tourism (AHT) and Regional Development Australia (RDA)</li> </ul>	<ul style="list-style-type: none"> <li>• 97% occupancy of AHBTC (180 jobs)</li> <li>• Secured Commonwealth funding to establish Digital Enterprise Scheme (with RDA) and Digital Hub in Stirling to prepare for NBN</li> <li>• Successfully hosted both Race Start &amp; Finish for 2012 Tour Down Under (TDU). Also, successfully advocated for two TDU Race Finishes for 2013</li> </ul>
<b>GOAL 4 - Well Managed and Maintained Community Infrastructure</b>		
<ol style="list-style-type: none"> <li>1. Infrastructure Planning &amp; Maintenance</li> <li>2. Waste Management</li> <li>3. Community Wastewater Management</li> <li>4. Managing Open Space &amp; Infrastructure for Sustainability</li> <li>5. Managing Community Facilities</li> </ol>	<ul style="list-style-type: none"> <li>• Roads Sealed and Un-sealed</li> <li>• Drainage and Flood Control</li> <li>• Footpaths and Trails</li> <li>• Bridges</li> <li>• Parks and Reserves</li> <li>• Community Buildings &amp; Facilities</li> <li>• Waste Services</li> <li>• Community Wastewater Management Systems (CWMS)</li> </ul>	<ul style="list-style-type: none"> <li>• Targets for the Asset Sustainability Ratio Key Performance Indicator were revised with new medium and longer term targets to reflect the need to address a backlog of infrastructure renewal.</li> <li>• An asset renewal backlog reduction program was developed.</li> <li>• Revision of the Council's 10 year Infrastructure &amp; Asset Management Plan commenced.</li> <li>• The Council became a foundation member of the SA Local Government Asset Management Operations Network.</li> </ul>
<b>GOAL 5 – Open, Effective &amp; Efficient Governance</b>		
<ol style="list-style-type: none"> <li>1. Leadership</li> <li>2. Effective &amp; Efficient Services &amp; Infrastructure</li> <li>3. Risk Management</li> <li>4. Financial Responsibility</li> <li>5. Promote Community Engagement</li> <li>6. Management &amp; Administration</li> <li>7. Effective Partnerships</li> </ol>	<ul style="list-style-type: none"> <li>• Strategic, Corporate &amp; Business Planning</li> <li>• Customer Service</li> <li>• Financial Asset Management</li> <li>• Corporate Governance</li> <li>• Human Resource Management</li> <li>• Information &amp; Communications Technology</li> <li>• Service Review &amp; Improvement</li> <li>• Organisational Development &amp; Business Excellence</li> </ul>	<ul style="list-style-type: none"> <li>• Maintained improvement in Council's annual and long-term financial position, with a 2011/12 operating surplus of \$337k (1%)</li> <li>• Launched an all-encompassing Business Excellence programme, adopted European Framework for Quality Management and started self-assessment process.</li> <li>• Introduced latest Customer Relationship Management software and redesigned customer contact and case management processes.</li> <li>• Successfully adopted iPad technology to improve efficiency for Elected Members and Senior and Middle Management</li> </ul>

# Our Vision, Mission & Values

## Vision

Nurturing our unique place and people

## Mission

Delivering activities and services which build a resilient community, sustain our built and natural environment and promote a vibrant economy

## Values

Our values (FRIISCO) define the way in which we go about doing our work. A positive supportive organisational culture is what we strive for at Adelaide Hills Council. .

- **F**AIRNESS
- **R**ESPECT
- **I**NNOVATION
- **I**NTEGRITY
- **S**UPPORT
- **C**OMMUNICATION
- **O**PENNESS & TRANSPARENCY

# Work Health and Safety

Managing WH&S is a core part of the way we do things at Adelaide Hills Council. The Council has a broad risk profile associated with its work in the community and in the organisation. AHC is committed to providing a workplace that:

1. Is safe and healthy for all employees, volunteers, contractors and visitors;
2. Minimises, manages and controls risks within the work environment;
3. Minimises the risk of injury and ill health at work;
4. Complies with the OHS&W Act 1986 (to be Work Health and Safety (WH&S) Act 2012 from 1/1/13) and the Performance Standards for Self-Insured employers.

AHC strives to fully integrate work health and safety into all aspects of its activities and planning through:

- » Leadership commitment
- » Planning and implementing WH&S policies, procedures, safe operating procedures and the WH&S Improvement Plan
- » Exercise due diligence to ensure WH&S obligations are met
- » Effectively implementing controls and corrective actions
- » Effectively communicating and consulting with employees
- » The provision of training and awareness on WH&S issues
- » Proactively managing rehabilitation and early return to work
- » Measuring and evaluating the effectiveness of the implementation
- » Reviewing and revising the system to enable continual improvement
- » Encouraging innovative solutions.

# “Triple Bottom Line” Approach

We use a Triple Bottom Line reporting framework, which means we use performance measures for our services that go beyond just financial performance.

## This is how it works:



**Financial Performance**, look for the  symbol. This details financial indicators such as whether the service has operated within Budget.



**Social Performance**, look for the  symbol. Performance measures under this heading are all about meeting customer expectations. They will vary depending on the nature of the service.



**Environmental**, look for the  symbol. These measures deal with the environmental impact of our activities. Depending on the nature of the service, some will have little or no direct environmental impact and will not have performance measures.

Detailed below is reporting feedback based on the Key Performance Indicators established in the Annual Business Plan and Budget for the organisation as a whole. Further performance measures are provided within the report where each service is discussed.

# Organisation Wide Indicators



## Financial Targets

Council's Financial Key Performance Indicators (KPI's) are:

Indicator	Target (set 2008/09)	Target Date	Current Status
Operating Surplus (Deficit)	>\$0	2011/12	\$337k (met)
Operating Surplus Ratio	0%	2011/12	1% (met)
Net Financial Assets	\$3M	Ongoing	\$(16.8M) *
Interest Cover Ratio	0%	Ongoing	1.5% *
Asset Sustainability Ratio	100% (on average over 5 year period)	2012/13	130% 2011/12 (108% average) **

\* Note that the original targets set for net financial assets and interest cover predated the preparation of an integrated Long Term Financial Plan, and consequently they assumed levels of borrowing repayments achievable only through substantial operating surpluses or significant reductions in infrastructure renewal and replacement ie inconsistent with the targets set for operating surpluses and asset sustainability

\*\* The Asset Sustainability Ratio has exceeded 100% and will need to continue to do so in order to "catch up" a backlog of under-renewal which accumulated between 2000 and 2008 (when Council focussed on borrowing repayment instead)

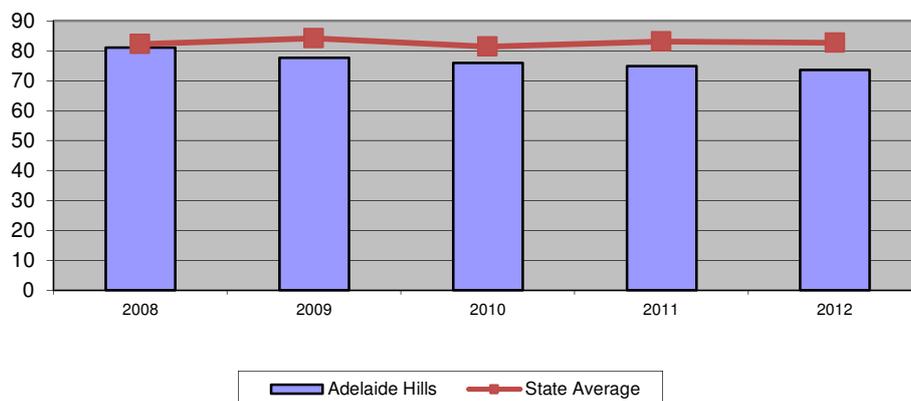
Further information on these financial KPIs, and other financial trends, can be found under the financial analysis section of the Annual Report.



## Social Targets

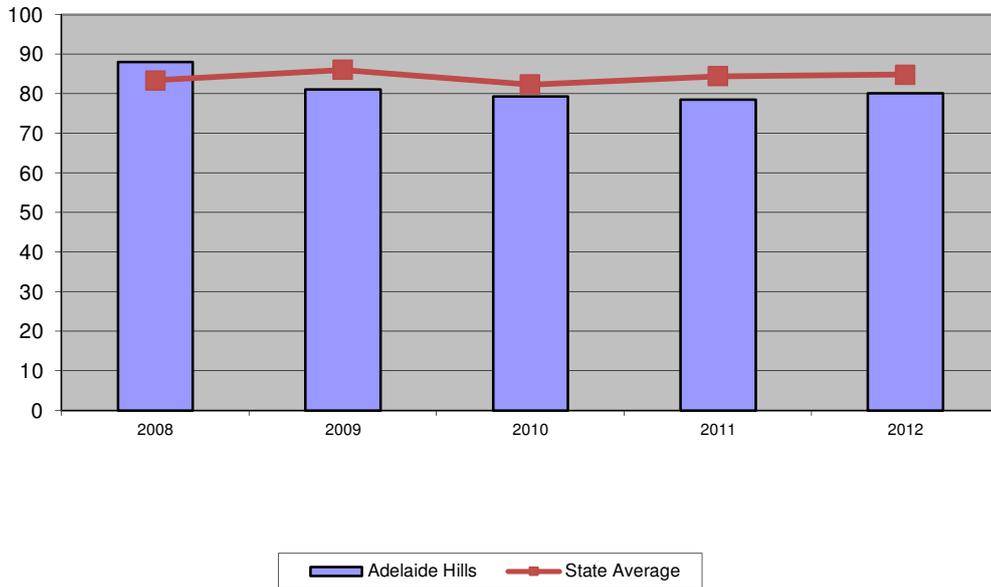
We set a target of 80 on our community's understanding and input into our Strategic Objectives, as measured by the Local Government Association (LGA) Community Survey. We achieved a score of 73.6.

### Strategic Objectives



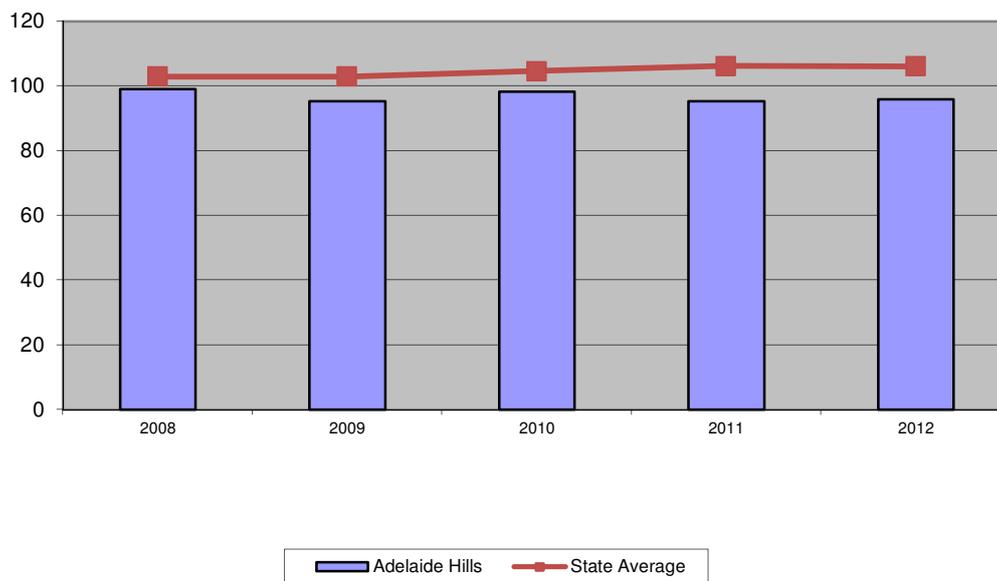
Community Consultation Satisfaction, as measured by the LGA Community Survey, was 80.2.

### Community Consultation



General satisfaction with our services, as measured by the LGA Community Survey, was 95.9.

### Council Services





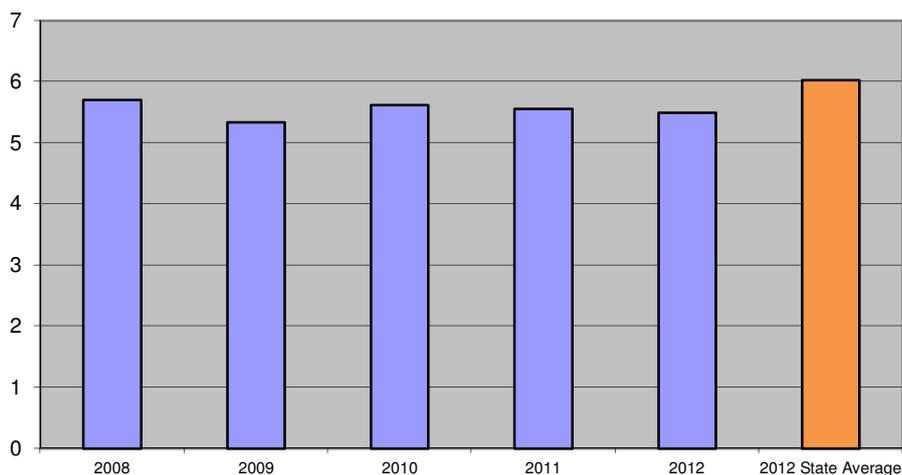
## Environmental Targets

During the year Council reviewed its Climate Change Strategy and is currently working on a Sustainability Framework, based on five key areas being energy and greenhouse gas reduction, waste reduction, water management, biodiversity and open space and climate change adaptation. Council is seeking to be in a position to better adapt to the effects of Climate Change and to ensure that its resources will be available for future generations.

Key Achievements include:

- Participation in the "Recycle Right" campaign developed by Zero Waste SA. This program aims to promote its fortnightly kerbside recycling collection across the entire district and ensure that residents are using their recycle and general waste bins correctly;
- Organising green waste drop-off days for residents within the Adelaide Hills;
- Participation and promotion of the WWF program "Earth Hour" which encourages residents and businesses to reduce energy consumption;
- Continuing to purchase 20% accredited Green Power for Council-owned buildings;
- Facilitation of regular meetings of the community-based Sustainability Advisory Group which is assisting Council in developing and achieving its future sustainability strategies and targetted goal of reducing its energy consumption by 20% by the year 2016;
- Participation in SA Water's "Water for Good" program which provides information and incentives to residents to reduce their water consumption;
- Ensuring that the climate change link on Council's website is maintained and updated. The website directs residents to information about rebates and energy saving information and resources available to them.

**Performance in providing  
Environmental Management Services**



We met our target to improve on last year's figure and achieved a rating of 5.64, as measured by the LGA Community Survey, and will continue to aim to achieve the State Average, currently 6.39 out of 10.

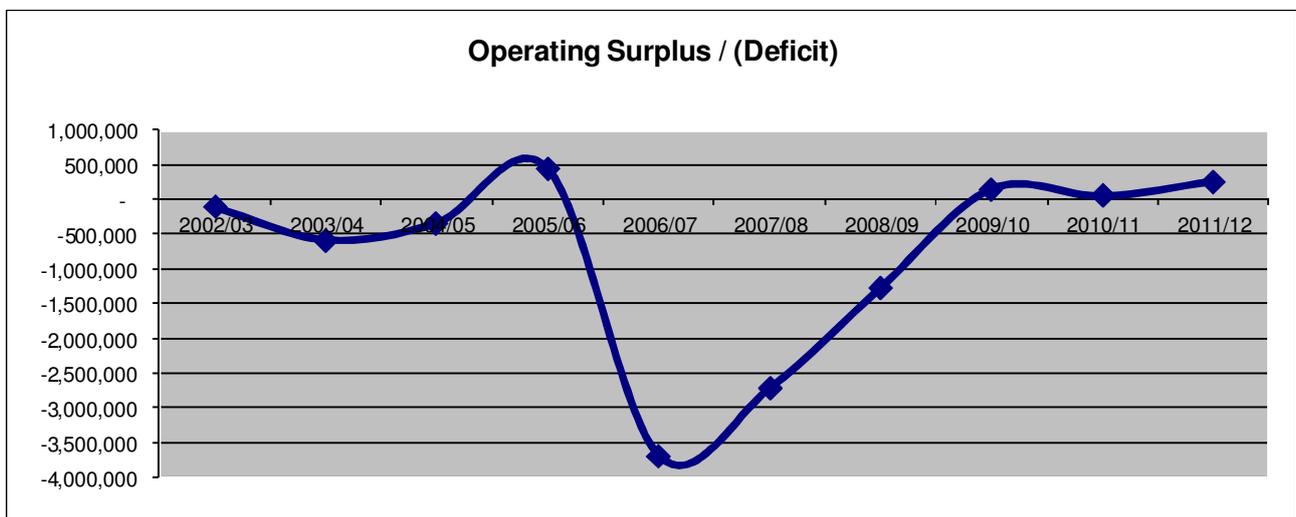
# Financial Analysis

## Introduction

In 2011/12 Adelaide Hills Council has recorded an operating surplus for the third time in as many years and only the fifth time since amalgamation in 1997. Whilst this achievement brings financial sustainability one step closer, Council's financial future continues to be dominated by the challenge of maintaining and renewing existing infrastructure. Another step towards financial sustainability saw a reduction in expenditure on new assets from \$877k to \$378k, whilst expenditure on renewal and replacement assets was maintained at around \$9,450k. To achieve long term sustainability, expenditure on new assets should be funded by operating surpluses (or external grants) and renewals and replacements should be funded by Council's depreciation provisions.

## Financial History

It remains an unfortunate but unavoidable fact that in the first 12 years following amalgamation the Adelaide Hills Council reported operating losses just in excess of \$18 million. In almost every year the Council was unable to generate sufficient income to meet its operating costs for that year.



It is therefore pleasing that the small surpluses achieved since the adoption of a Long Term Financial Plan are being maintained and are growing slightly. The three main factors responsible for this are unchanged:

- rate income has reached levels consistent with ongoing costs
- operating costs have been contained wherever possible
- asset depreciation has been more accurately quantified

Historically, Council's operating income (mainly rates and grants) was insufficient to meet operating costs (mainly salaries, contractors and materials) and to provide for the renewal of infrastructure as it wears out (depreciation). Despite this, infrastructure renewal continued albeit at a reduced rate. In the simplest of terms, Council did not need to borrow the full \$18 million from the LGFA to fund those operating losses. It has, however, borrowed \$9 million by 2011, and funded the remainder by selling off surplus assets. As forecast last year, a further \$1 million has been borrowed from the LGFA to fund asset renewal during 2012. Overall, however, Council's liabilities have not increased as much as forecast, and the potential to maintain asset renewals at the required level without borrowing further is promising.

Looking ahead for the next eight years (the remaining period of Council's currently adopted Strategic Management Plan), Council still needs to generate substantial surpluses each year. Rate increases will need to be maintained in line with the latest Long Term Financial Plan. Without operating surpluses between \$500k and \$1 million, Council will be unable to keep infrastructure renewal up-to-date or make any repayments to the LGFA.

## Infrastructure Assets

Each year Council provides depreciation (currently approaching \$7 million) to reflect infrastructure assets wearing out. Over the life of each asset enough is "saved" to renew that asset when it wears out. Many infrastructure assets have long lives, and calculating depreciation relies upon accurate information and careful estimates.

Council has now completed a three-year project to overhaul its infrastructure recordkeeping, using an asset management system. In 2009, all of Council's asset records were combined from spreadsheets and other systems into the asset management system. This exercise identified possible under provisions for depreciation in respect of three of Council's largest asset categories:

- Roads (\$174 million),
- Buildings (\$62 million) and
- Stormwater drainage (\$30 million).

Work completed on these three categories of assets during the last three years confirmed that the further steep climb in depreciation charges foreseen during 2009 and 2010 was less severe than anticipated. The adopted budget for 2012 was revised downwards during mid-year reviews, and the final charge for infrastructure depreciation for the year is \$6.0M (2011: \$5.9M).

Now that asset segmentation has been completed for both Roads and Buildings and condition information brought more up to date, future depreciation forecasts will be more accurate, and the revised asset management plan to be adopted during the next financial year will give the best indication yet of Council's asset renewal backlog. It is anticipated that expenditure on the renewal and upgrade of existing assets required to address that backlog will continue to exceed current depreciation provisions, so that grant funding and operating surpluses will be required if further borrowing is to be avoided.

To summarise, the work undertaken since 2008 demonstrated the potential long term impact of investing in new assets at the expense of preserving existing ones. The detailed information now available for planning purposes should allow the critical elements of the asset backlog to be addressed first.

## Grant Income and Operating Costs

During 2012 the budget review process introduced a series of changes to refine the adopted budget for depreciation (see above) and a range of other income and expense items. The cumulative effect of these reviews was that the adopted budget deficit of \$(98)k was progressively revised to an expected surplus of \$46k at the time of the third budget review in May. It is therefore gratifying to see a reported surplus of \$337k for 2011/12, even though the underlying recurrent surplus is \$110k less.

Almost half of Council's recurrent operating grant income takes the form of a Financial Assistance Grant (FAG) from the Commonwealth which is received on a quarterly basis. In June 2009 the Federal Government made an unexpected fifth quarterly payment of FAG which, being non-returnable, had to be reported as 2009 grant income, even though it was intended for 2010 support. Since 2009, the Commonwealth has reverted to making four quarterly payments each year (the last one an effective prepayment for the coming year), and Council has continued to budget for four quarterly payments in each year.

In June 2012 this pattern was disrupted when the Federal Government made another fifth quarterly payment, such that the FAG for 2013 is now effectively prepaid for half a year (total \$816k). It also meant that Council received \$408k of FAG income (a fifth quarter) in excess of the four quarters budgeted. Without this extra receipt, Council would have reported a deficit of \$(71)k.

Another significant non-recurrent item not included in Council's budget for 2011/12 is a \$(298)k provision for liabilities due to bond holding residents at one of Council's retirement villages. During the year it became apparent that the terms of four lease agreements drawn up in the late 1990's may oblige Council to share the capital growth in those units at the termination of the leases. Such terms were not unusual in leases at that time but, as they do not exist at any other of the retirement villages, no further provisions will be required.

As with most operating budgets, Council experienced significant variances in several categories of expense compared with budget, but their combined net effect was largely to balance each other out. So whilst waste collection expenses did not increase as sharply as expected (\$120k saved) and fuel costs were \$114k lower than budget, these savings were absorbed by unbudgeted costs for water bills (\$78k), maintaining roads (\$80k), an asbestos cleanup (\$57k) and a by-election (\$20k).

Depreciation infrastructure costs were \$170k less than budgeted, however \$95k of Sport & Recreation projects on non-Council land had to be expensed, along with \$90k of stormwater design projects. These items of a capital nature were originally approved as capital budget expenses but cannot be capitalised and must be written off instead. Plant & Equipment depreciation charges were \$255k below budget following a change in depreciation policy during the year to align future charges more closely with asset values. However, overdraft interest charged by the Local Government Finance Association exceeded budget by \$159k. During the year the LGFA increased its margin over base rates from 1.5% to 2%, and Council's total borrowing peaked earlier in the year than budgeted.

None of these variances should be considered unusual or unacceptable in a total operating budget of \$36.0M, and the final operating result is confirmation that Council's (long sought-after) underlying profitability is being preserved despite unforecast one off events. Whether an ongoing surplus can be reported in future years (as per the LTFP) will be influenced by the timing of future FAG receipts, which is beyond Council's control.

## Implications for Council's Long Term Financial Plan

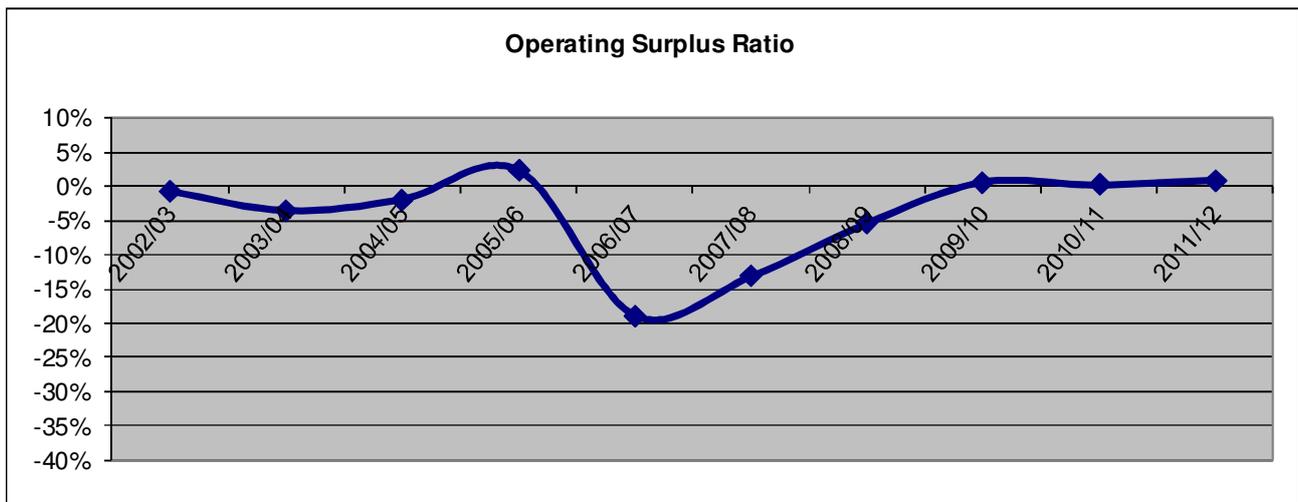
Council's detailed Long Term Financial Plan (LTFP) has been continuously updated since it was first adopted three years ago. The increasing level of waste management costs has been absorbed without additional rate increases, but the major challenge for Council in the medium to long term remains the funding of its asset renewal programme.

# Key Financial Indicators

The Key Performance Indicators (KPIs) outlined below are included within the Financial Statements, as is now prescribed under the Local Government Act 1999. They have been reduced from the number required in previous years.

## Indicator 1 – Operating Surplus Ratio

*Operating surplus before capital revenues (excluding profit/loss on disposal of non-current assets and revaluations)/total rates revenues (total rates revenue excluding revenue from the NRM levy)*



### **Interpretation and analysis**

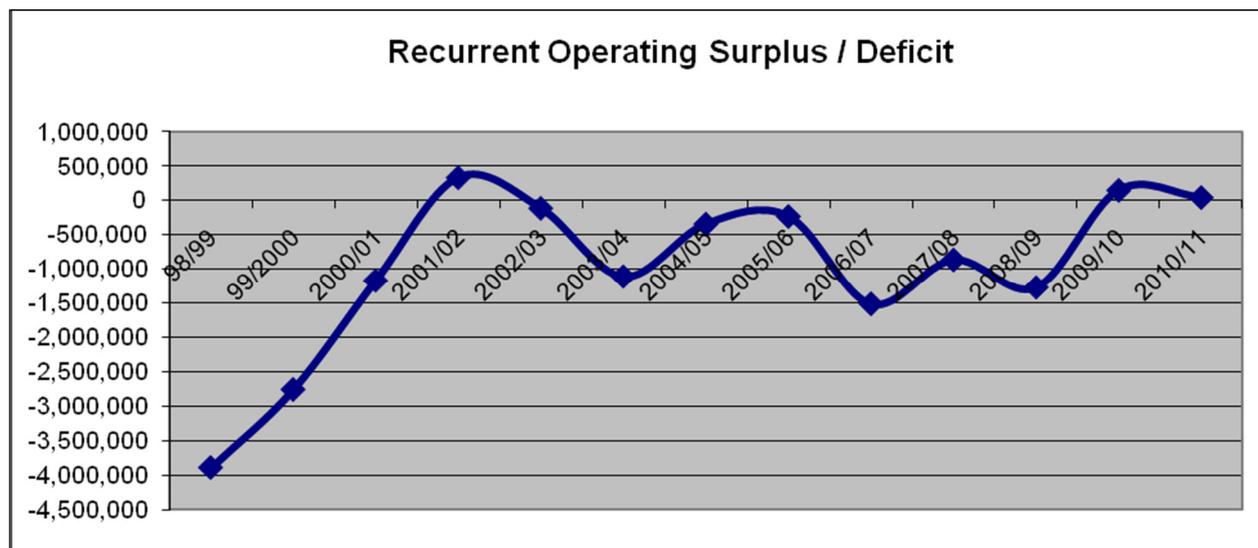
This ratio expresses the operating surplus / (deficit) as a percentage of general and other rates, net of rebates.

A negative ratio indicates the percentage increase in total rates required to achieve a break-even operating result. A positive ratio indicates the percentage of total rates available to fund capital expenditure over and above the level of depreciation expense without increasing council's level of net financial liabilities.

Adelaide Hills Council is now recording a ratio of approximately 1%. Council's objective for this ratio to remain significantly greater than zero is likely to be achieved in the near future. Thereafter, Council will be in the position to fund capital expenditure on new assets without having to borrow more to do so. This has not been achieved before by Adelaide Hills Council.

## Indicator 2 – Adjusted Operating Surplus

*Operating surplus (excluding profit/loss on asset disposals and revaluations, amounts received specifically for new or upgraded assets, change in value of joint ventures and any Individually Significant Items)*



### **Interpretation and analysis**

This indicator measures the result for the year, like the profit or loss for a business. Whilst Council has a history of deficits (or losses), it has avoided running out of cash by borrowing and/or by selling assets. If this carried on indefinitely, Council would eventually be unable to afford the interest cost of its loans, or would run out of surplus assets to sell. It would be financially unsustainable.

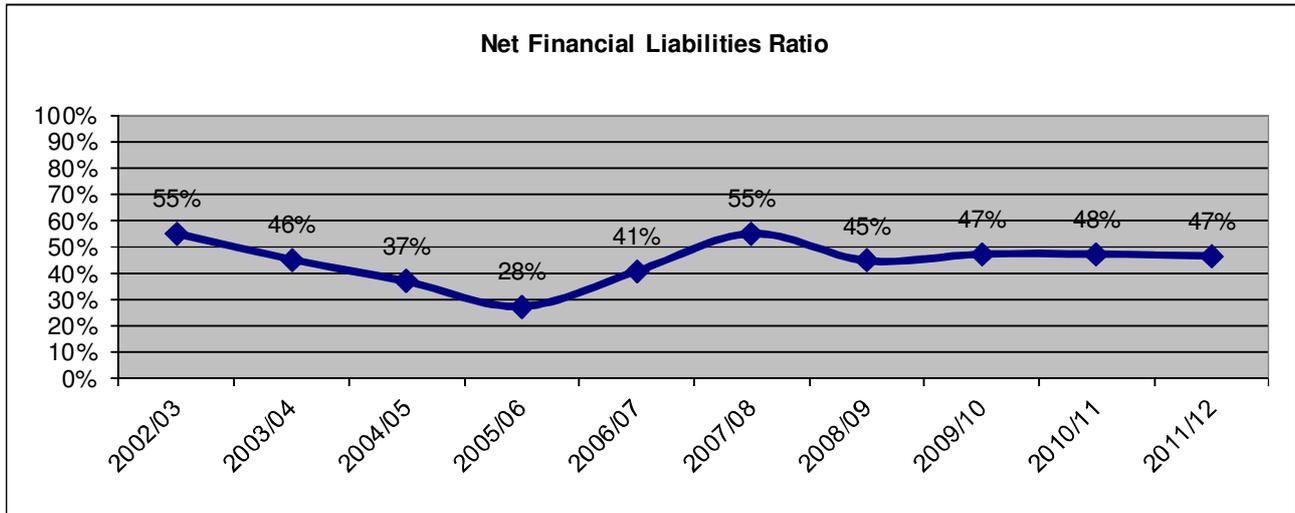
Returning AHC to an operating surplus each year has been the first step towards financial sustainability. This is being achieved by growing income where possible and eliminating operating inefficiencies. If that does not work, Council would have to consider reducing services and staff levels.

Adelaide Hills Council is reporting an operating surplus of \$337k for 2011/12. This compares with the 2010/11 result of \$98k surplus. In the latter year, however, Council received not one but two quarterly grants in advance by 30 June which, being non-refundable, have to be reported on that day despite being intended for the following year. Adjusting for those grants and other non-recurrent items shows the underlying operating result for Council. In 2011/12 Council's one off provision for liabilities relating to a retirement village has largely offset the reported "benefit" of the extra quarter's grant in advance.

The medium-term objective at Adelaide Hills Council is for council to achieve modest surpluses (up to \$500k) over the next three years and more substantial surpluses (up to \$1.0M) thereafter. There is no alternative way for Council to repay its LGFA borrowings or to fund any new infrastructure assets to the extent that grants cannot be obtained.

### Indicator 3 - Net Financial Liabilities Ratio

*Net financial liabilities / (total operating revenue excluding revenue from the NRM levy)*



#### **Interpretation and analysis**

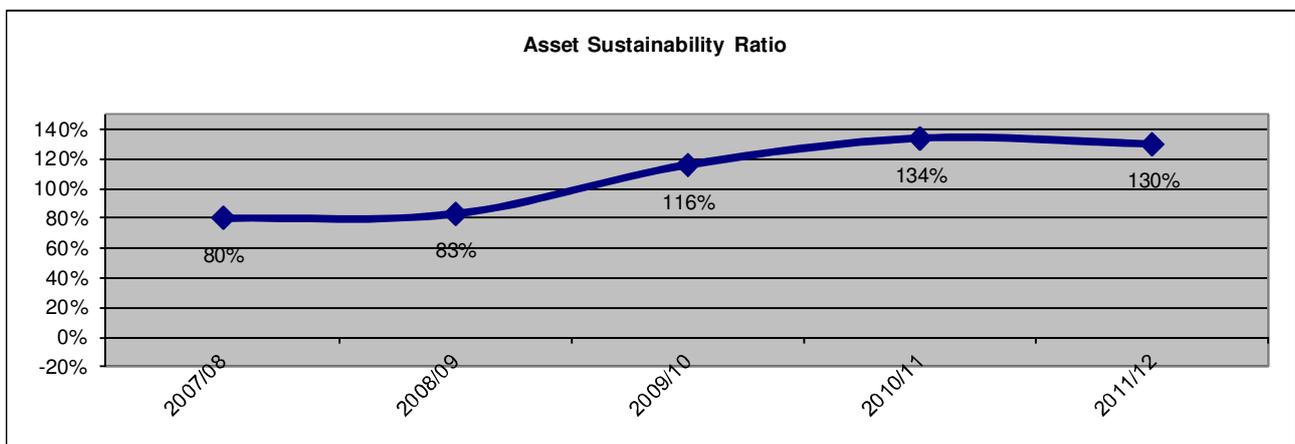
This ratio indicates the extent to which the net financial liabilities of the council can be met by the council's total operating revenue. Where the ratio is falling, it indicates that the Council's capacity to meet its financial obligations from operating revenues is strengthening. Where the ratio is increasing, it indicates that a greater amount of council's operating revenues is required to service its financial obligations.

This ratio for Adelaide Hills is 47% for 2011/12, a 1% decrease on the previous year and still lower than the long term average from earlier years. Income has significantly increased since then. This indicates that Council has contained its borrowing at an affordable level over the last three years.

This ratio needs to be assessed in conjunction with the operating surplus/ (deficit) to determine whether or not there is capacity to reduce borrowings.

### Indicator 4 – Asset Sustainability Ratio

*(Net Asset Renewals/ Depreciation Expense)*



### **Interpretation and analysis**

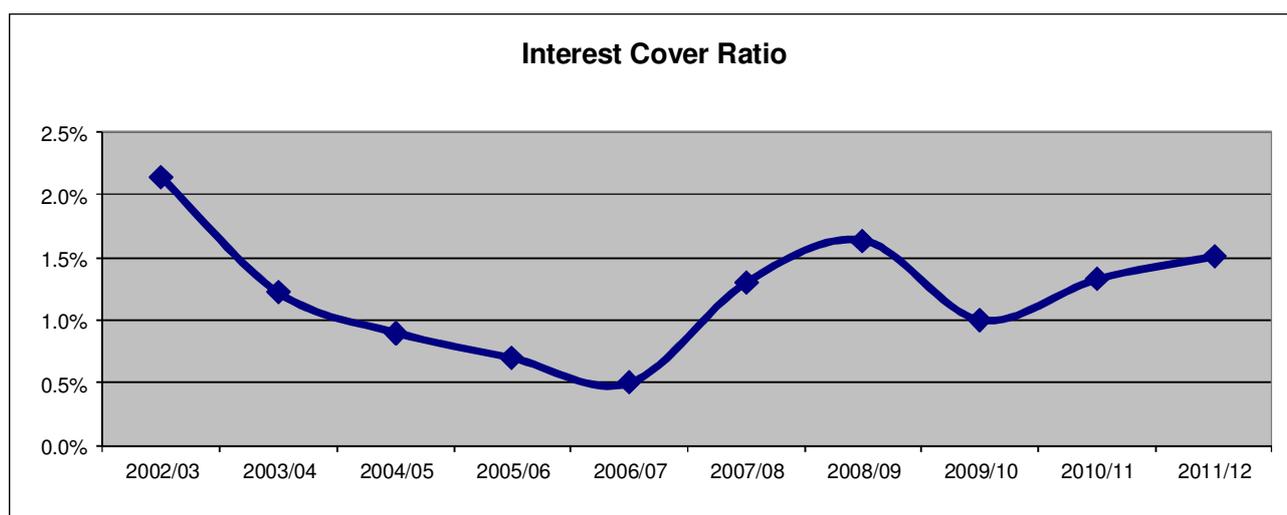
This ratio indicates whether a Council is renewing or replacing existing infrastructure assets at the same rate that its overall stock of assets is wearing out. The target for this ratio is to be between 90% and 110% in any given year, with 100% on average over five years. This would mean that Council is replacing 100% (or all) of the assets that require renewal.

This ratio does not include spending on additional assets. Like many South Australian Councils, Adelaide Hills was under-spending on replacement infrastructure assets prior to the introduction of this indicator, but in 2011/12 it has reached 108% on average, exceeding the Five Year Average target range for the first time.

It is expected that Council's performance as measured by these long term Key Performance Indicators will continue to exceed the target range until the current infrastructure renewal backlog has been substantially addressed. That is unlikely to be achieved in less than ten years.

### **Indicator 5 - Interest Cover Ratio**

*Net interest expenses / ( total operating revenue excluding profit on disposal of non-current assets and revenue from the NRM levy.)*



### **Interpretation and analysis**

This ratio indicates the extent to which a council's commitment to interest expenses is met by total operating revenues. This ratio should always be less than 10%.

The target for net interest expenses/total operating revenue is considered a reasonable limit to ensure net interest costs can be met comfortably by operating revenues. It is one which Adelaide Hills Council has always met comfortably.

Adelaide Hills Council's level is at 1.5% (2010/11: 1.3%, 2009/10: 1.0%). This result is partially attributable to Council's debt management policy of drawing down loan funds when required and paying them back when cash has been received. It also reflects increases in both underlying interest rates and the margin applied by the LGFA. Council's overall cost of borrowing remains competitive in market conditions despite a recent increase in the LGFA margin.

# Mayor & CEO's Statement

Over the past year, Adelaide Hills Council has continued to deliver community improvements as part of its endeavours to make "the Hills" an outstanding place to live, work, play and visit.

The following initiatives formed the basis of Council's service improvements in 2011/2012:

- Improved road safety through the installation of guardrail on Montacute Road under the Federal Government's Black Spot Program (\$220,000) and the installation of new guardrail on four major culverts.
- Enhanced public safety and amenity through the completion of the redevelopment of Steamroller Park, Stirling.
- Rehabilitated the tiered steps and embankment of the Stirling Oval precinct.
- Reconstructing sections of Hill Road, Kersbrook and Springhead Road, Mt Torrens to address acute road pavement failure.
- Improving road safety along Lower Hermitage Road, through the installation of guardrail, pull-in bays and road realignment.
- Support for upgraded digital television reception service at Mt Gould, Kersbrook
- Adopted Disability Action Plan
- Completed cultural audit for district and adopted low cost recommendations including promoting Arts networks and events.
- Support of International Sculpture Symposium
- Draft Economic Development Plan prepared for Lobethal business community
- Establishment of new Adelaide Hills Tourism office in conjunction with District council of Mt Barker and Regional Development Australia (RDA).
- Main Street improvements in Lobethal completed.
- Significantly improved facilities at Heathfield Transfer Station, increasing capacity for recycled materials and reducing landfill.
- New treatment plant installed at the Birdwood/Mt Torrens treatment ponds.
- Tertiary lagoon desludged in preparation for lining.
- Completed 2020 Vision Survey and ten year Strategic Management Plan;
- Designed and implemented new Customer Relationship Management System for better responsiveness.
- Continued partnerships with East Waste and Adelaide Hills Regional Waste Management Authority, outsourcing operation of Heathfield Waste Transfer Station
- Councillors replaced paper with Ipads saving printing an average of 98,000 A4 pages annually

Looking to the future, the following are some of the service improvements to be 'rolled out' in 2012/13:

- Kerbside Green Organics Service for Urban Areas, Townships and other selected allotments.
- Designing future stormwater drainage systems for Birdwood, Woodside and Lobethal.
- Investigating capacity limitations for CWMS disposal ponds and determining solutions.
- Examining options for decreasing car parking congestion associated with public transport, in residential streets.

Council once again successfully hosted a Race Finish for the Tour Down Under in Stirling as well as a race start in Lobethal. Congratulations to the township of Lobethal who were crowned 2012 Santos Tour Down Under Best Dressed Town Overall.

Finally, we would like to thank the Councillors and staff for their support and hard work in achieving some significant outcomes in 2011/12.

# About the Area

The Adelaide Hills Council (AHC) area is located to the east of metropolitan Adelaide and encompasses an area of 795 square kilometres.

The physical character of the area reflects the geological history and includes:

- » Hills Face and Foothills
- » Central Range
- » Eastern Range and Escarpment

The Council district is within the traditional lands of the Kurna, Ramindjeri and Peramangk Aboriginal peoples. The traditional lands of each of these peoples are thought to extend into the Adelaide Hills district.

The district holds special significance as a major environmental and recreational asset. The majority of AHC (89%) lies within the Mt Lofty Ranges Watershed, which supplies around 60% of metropolitan Adelaide's water supply. The district has a wide range of land uses including agriculture, residential, retail, conservation and tourism.

Residential development varies from the suburban areas of the foothills, to the country living areas around Stirling, to the large towns of Woodside and Lobethal, to the smaller towns and settlements. There are over 50 towns and localities within the Council area.

European settlement in the Adelaide Hills began soon after the establishment of colonial government in 1836. The Hills were one of the earliest settled areas in South Australia due to their close proximity to the City of Adelaide, high annual rainfall and fertile valleys.

In recent decades, parts of the district have become quite urbanised due to increasing demand for the district's "country location" quality of life in such close proximity to metropolitan Adelaide. Improved access through the Heysen Tunnel and the upgraded South Eastern Freeway have led to development pressure around the towns of Stirling, Aldgate, Bridgewater, Balhannah and Woodside. Improved transportation routes have also influenced population growth in the district's northern towns of Birdwood, Gumeracha and Kersbrook.

Local industries include apple, pear and cherry growing, vineyards, mixed farming, quarries, nurseries, market gardening, grazing, forestry, horses and cattle.



Major tourist attractions in the AHC district include Cleland Wildlife Park, the Mt Lofty Summit, Birdwood National Motor Museum, Gumeracha Toy Factory and Big Rocking Horse, Warrawong Wildlife Sanctuary, Melba's Chocolate Factory, Mt Lofty Botanic Gardens and the Gorge Wildlife Park.

After inter-census (5 yearly) growth rates between 12% and 14% up to 1991, the district's population growth rate steadied at around 2% until 2006. The district's estimated resident population was 39,806 at June 2011, a 0.75% increase since the 2006 Census.

According to the 2011 Census, 22.7% of the population was aged under 17 years, and 12.2% were aged 65 years and over, compared with 20.2% and 13.6% respectively for Greater Adelaide. The ageing of the population will affect service provision, which is being addressed as part of our Community Plan. Improvements in aged services, along with physical infrastructure like footpaths, will be required to improve access to facilities for older persons.

At 32.1% of the population, AHC area has an under-25 population which is close to the national average. Our youth population is expected to reduce by around 5% over the next 8 years.

The district's family composition is also changing. The traditional nuclear family makes up 38.9% of households, and 30.9% were couples only. This reflects the ageing population and the delay that many couples choose to have before starting a family. Lone person households make up 18.1% of households reflecting the ageing of the population, family breakdown, later age of marriage, or people living alone by choice. Only 38.1% of lone person households are 65 years of age or over. The average size of households has declined from 2.71 persons per household in 2006 to 2.4 in 2011.

Compared to the State average, the district has a substantially higher percentage of tertiary educated residents (22.7% vs. 13.0%) and employed people (96.4% vs. 94.3%).

In 2006, about two-thirds of employed people worked outside the area, with the remainder employed locally (new 'Journey to Work' figures will be released in January 2013).

AHC has a Mayor and 12 Councillors elected to represent the community, across 5 Wards: Manoah (2 Councillors), Marble Hill (2 Councillors), Mount Lofty (3 Councillors), Onkaparinga Valley (3 Councillors), Torrens Valley (2 Councillors). The Mayor is elected across the entire Council area.

### Manoah

No. of Electors:  
4,964

Elected Members:  
Ron Nelson  
Jan-Claire Wisdom

### Marble Hill

No. of Electors:  
4,489

Elected Members:  
Ian Bailey  
Jan Loveday

### Torrens Valley

No. of Electors:  
4,975

Elected Members:  
Linda Green  
Malcolm Herrmann

### Mount Lofty

No. of Electors:  
7,967

Elected Members:  
Kate Hosking  
John Kemp  
Simon Jones

### Onkaparinga Valley

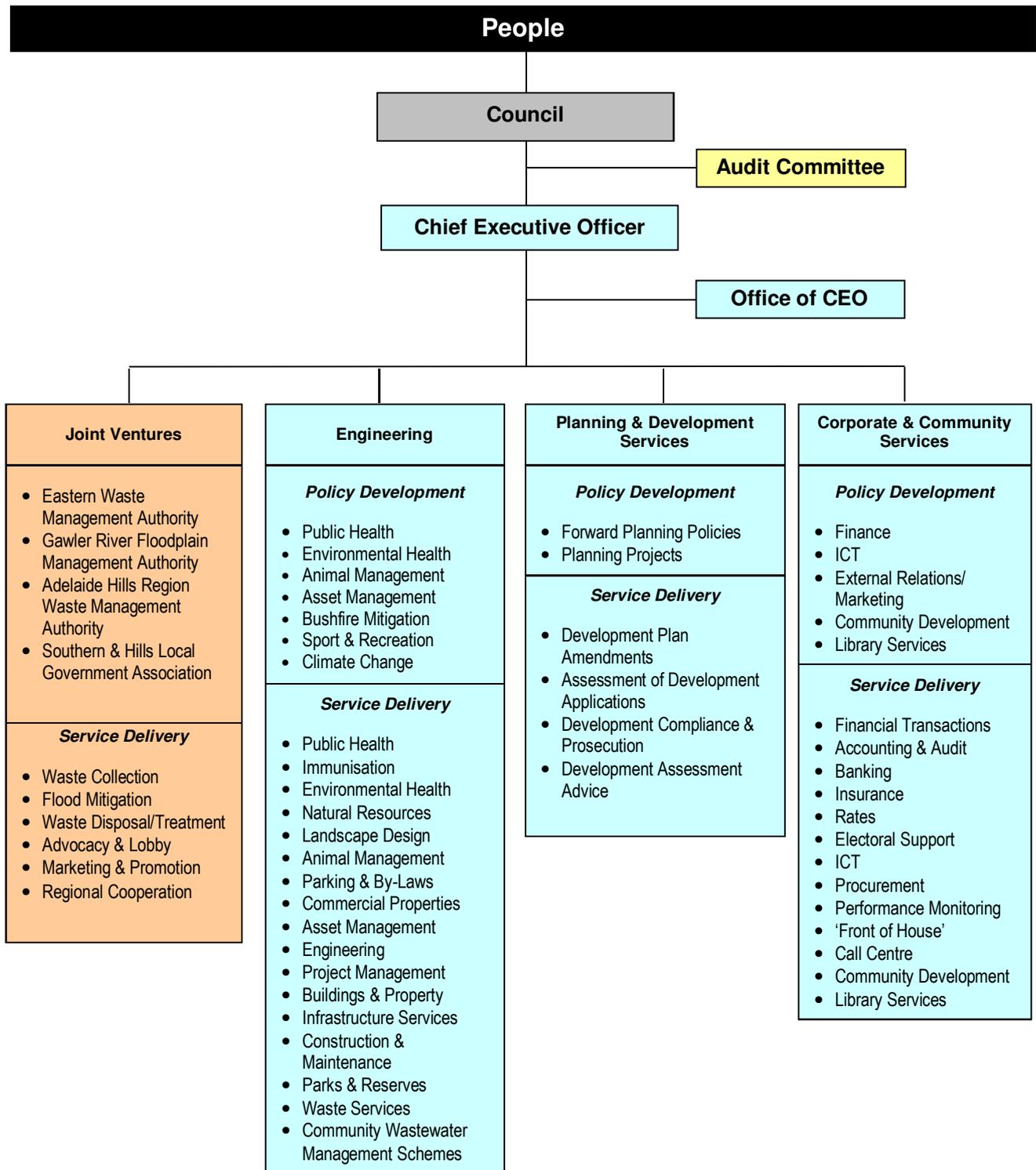
No. of Electors:  
6,437

Elected Members:  
Robert (Bill) Gale  
Lynton Vonow  
Luke Ritchie (resigned 22 May 2012)

### Mayor

Bill Spragg

# Organisation Structure



The community surrounds the operations of the Council, be they ratepayers, businesses, visitors, etc. The community interacts with Council and uses our services.

It is the community, through periodic elections, which elects the Council. The Council in turn appoints the Chief Executive Officer (CEO) to manage the organisation.

The departments of Council are arranged into three Directorates. The CEO is responsible for the appointment of the Directors.

## Peter Peppin, Chief Executive Officer (until 25 May 2012)

Peter has over 30 years of senior management experience in both local and state government across four states and has been Adelaide Hills Council's Chief Executive Officer since June 2002. He has a Bachelor Degree in Accounting (with FCPA qualifications), a Masters in Economics (Regional) and has completed the Company Directors Diploma course.

He is a strong advocate for vision and strategy development and continuous service improvement and has previously played the "change agent" role in the local government and public transport sectors.

## Tim Hancock, Director Engineering

Tim is a seasoned program delivery Director with over 25 years experience in delivering major Programs and Developments for multidisciplinary building, civil, structural, and nuclear projects worth up to \$8 Billion in Australia, UK, SE Asia and the Middle East. He joined Council in November 2011 following almost a decade of working in the Middle East in the development sector.

Tim has worked in senior roles in Local, State and Federal Government as well as working in senior roles the private sector for major international contractors, consultants and developers. Tim has a Bachelor Degree in Civil Engineering (BEng), is a member of the Institute of Engineers Australia (MIEAust) and is a Chartered Professional Engineer (CPEng).

Tim is responsible for directing the operations of Council's Engineering & Assets, Health & Regulatory Services, Buildings & Property, and Works & Services functions. His focus for the next several years will be on systemizing the operations under his direction and ensuring that Council delivers what the Community wants within his areas of responsibility.

## Tim Piper, Director Finance

Tim is an experienced Finance Director who joined Council in November 2009. Tim has most recently worked in the not-for-profit sector and the legal sector, both in South Australia and the UK. He holds an honours Law degree and is a qualified Chartered Accountant (FCA).

His experience includes running a large number of organisations under stress, and for eight years he worked in insolvency management with one of the world's largest accounting firms, PricewaterhouseCoopers. Tim works hard to encourage financially responsible management across all branches of Council.

Tim is responsible for Council's Finance and ICT/Knowledge Management functions. He has also assumed responsibility for Libraries and Community Services, as well as Customer Service, Events, Records Management and Cemeteries. Tim believes strongly in the importance of timely financial information to manage any organisation.

## Marc Salver, Director Planning & Development Services

Marc has worked in local government in five countries over the last 24 years. He was appointed as the Director of Planning & Development Services in December 2004, having previously been the Council's Manager Development Services since joining the organisation in July 2003. Marc has a Bachelor Degree in Urban and Regional Planning and a Diploma in Project Management, is a corporate member of the Planning Institute of Australia and is a Certified Practising Planner.

Marc is responsible for the management of the Council's forward strategic land-use planning functions, development assessment (includes planning and building approvals) and the related compliance services. He is committed to ensuring that Council's Development Plan is responsive to emerging issues, and that planning and development in the Council area is undertaken in an environmentally sustainable manner and in accordance with the Council's Development Plan. He also endeavours to ensure that development does not negatively impact on the character or amenity of the immediate locality and that the scenic beauty of the Hills is maintained.

# Performance by Service Delivery Areas

## Waste Services

### Services under this heading:

- Infrastructure management and upgrades for the removal and treatment of effluent waste from properties in Community Wastewater Management System (CWMS) serviced townships
- Domestic refuse collection to ensure appropriate standards of public and environmental health which benefit the community and the environment
- Operation of waste disposal sites to manage solid refuse

Triple Bottom Line Indicators	Details of Activities and Achievements
<p><b><u>Community Wastewater Management Systems</u></b></p> <p> On budget ✓</p> <p>Appropriate reserve funds established to meet long-term maintenance requirements ✓</p> <p> Customer service targets met ✓</p> <p> Infrastructure maintained to prevent spills ✗</p> <p>EPA guidelines and licence conditions met ✓</p>	<p><b>Community Wastewater Management Systems</b></p> <p>Maintenance and operation of Council’s six CWMS was carried out during the year without major customer or environmental incidents.</p> <p>The Council’s present focus is on ensuring compliance with EPA licence conditions and the prevention of environmental harm from CWMS. This has led to:</p> <ul style="list-style-type: none"> <li>• The development of an Environmental Improvement Program for the Kersbrook effluent disposal site</li> <li>• A review of the management processes for all CWMS schemes</li> <li>• Significant work to enhance the effectiveness of the Birdwood effluent disposal site</li> <li>• An Expression of Interest process for treated water customers.</li> </ul> <p>The Council also updated an existing feasibility study concerned with new CWMS for Inglewood/Houghton, Mylor and Uraidla.</p> <p>One significant environmental incident occurred in August 2011, involving the release of effluent into a local water course. The Council worked with the EPA and SA Water in response to this incident and commissioned an independent report to identify the underlying cause. The outcome of that report led to a review of the management of CWMS and a number of improvements to operating and reporting practices.</p>
<p><b><u>Domestic Refuse Collection</u></b></p> <p> Cost of service at industry best value ✓</p>	<p><b>Domestic Refuse Collection</b></p> <p>Council disposed of 7,251 tonnes of non-recyclable waste to Hartley Landfill and 1,545 tonnes of non-recyclable waste went from Heathfield Resource Recovery Centre to Hartley Landfill.</p>



Weekly property service delivered to schedule ✓

4,071 tonnes of recyclables were collected via the fortnightly kerbside collection service.



Service complies with EPA requirements ✓

The annual Drum Muster program of recycling chemical containers resulted in the collection of 4,041 containers during the year.

Collection of domestic green waste shall commence in September 2012 from town areas only.

Planning is underway to commence an at call Hard Waste collection from February 2013.

**Disposal Sites**



On budget ✓

**Disposal Sites**

Council is a shareholder in the Adelaide Hills Region Waste Management Authority (AHRWMA) which operates a landfill at Hartley.

Waste disposal costs achieved at or below the metro average ✓

Closure and Post Closure Plans for Council's Ashton, Heathfield and Mount Charles landfill sites were finalised and approved by the EPA. Capping of Ashton, Heathfield and Mt Charles have been completed.



Waste disposal facility retained for resident use ✓

Upgrading of the Heathfield Transfer Station (which is located at the site of the old landfill) has been completed and management of this site outsourced to Adelaide Hills Region Waste Management Authority. Another section of the site has been leased to Finding Workable Solutions who will carry out removal of recycling from the waste stream and conduct a resale shop on site.

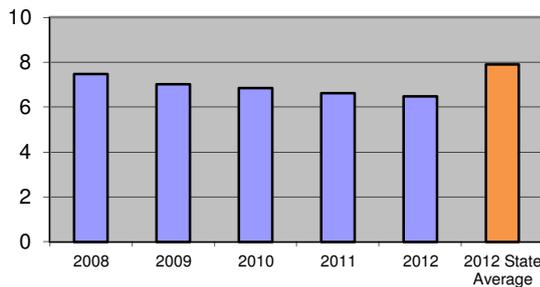


100% compliant with environmental conditions ✓

EPA requirements met

**Customer Survey**

**Performance in providing Waste Disposal & Recycling Services**



Source: LGA Community Survey

The Heathfield Transfer Station has been renamed the Heathfield Resource Recovery centre to more truly reflect that waste is being recycled not just transferred to landfill.

It is anticipated that council staff shall investigate the feasibility of opening the site to commercial quantities of Construction and Demolition material with a view to crushing and reusing this material on council roads. The feasibility study will be undertaken in 2012/13.

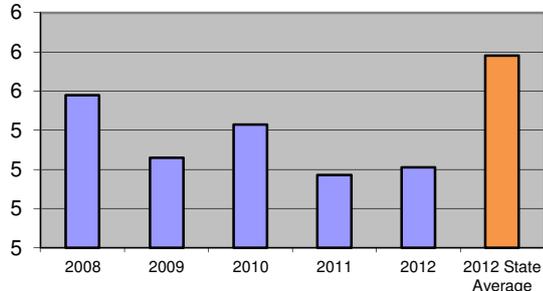
Council continues to provide rateable properties that do not receive a domestic green bin collection with a free green tip pass which can be redeemed at Council's Heathfield Resource Recovery Centre.

Council will also provide three free green waste drop of days for residents to enable green waste to be removed from homes prior and during the fire season.

# Planning & Development Services

## Services under this heading:

- Economic Development, which includes support for the Council's Adelaide Hills Business and Tourism Centre and contributions to local and regional tourism and economic development
- Development Assessment Services which are responsive to customer needs consistent with the legislative process and Council's delegations
- Undertaking of development plan amendments and projects in accordance with the forward planning program

Triple Bottom Line Indicators	Details of Activities and Achievements														
<p><b><u>Economic Development &amp; Tourism</u></b></p> <p> On budget ✓</p> <p> Business occupancy rate for Adelaide Hills Business &amp; Tourism Centre at 88% ✓</p> <p><b>Customer Survey</b></p> <p><b>Performance in Providing Economic Development Services</b></p>  <table border="1"> <caption>Performance in Providing Economic Development Services</caption> <thead> <tr> <th>Year</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>5.8</td> </tr> <tr> <td>2009</td> <td>5.3</td> </tr> <tr> <td>2010</td> <td>5.5</td> </tr> <tr> <td>2011</td> <td>5.0</td> </tr> <tr> <td>2012</td> <td>5.1</td> </tr> <tr> <td>2012 State Average</td> <td>5.9</td> </tr> </tbody> </table> <p>Source: LGA Community Survey</p>	Year	Score	2008	5.8	2009	5.3	2010	5.5	2011	5.0	2012	5.1	2012 State Average	5.9	<p><b>Economic Development and Tourism</b></p> <p>Notwithstanding the very difficult economic times, Adelaide Hills businesses have generally held up well, with unemployment (according to the 2011 Census) being 3.6% compared with the State average of 5.7%.</p> <p>During 2011 the SA Tourism Commission (SATC) centralised tourism marketing which resulted in the withdrawal of regional marketing funding. Adelaide Hills Tourism Committee was formed in December 2011, consisting of independent industry representatives and joint funding partners, Adelaide Hills Council, District Council of Mount Barker and Regional Development Australia. Since commencing the Committee have achieved the following:</p> <ul style="list-style-type: none"> <li>• Revised governance structure</li> <li>• Adelaide Hills Tourism Committee Incorporated</li> <li>• Executive appointments finalised</li> <li>• New Constitution lodged, accepted and Public Officer adopted</li> <li>• Launched the Adelaide Hills Regional Strategic Tourism Plan 2011-2014 and implemented associated projects from the Plan.</li> </ul> <p>Regional Development Australia (RDA) (Adelaide Hills, Fleurieu Peninsula &amp; Kangaroo Island) continued operation in 2011/12.</p> <p>The Adelaide Hills Business &amp; Tourism Centre (AHBTC) has had another successful year:</p> <ul style="list-style-type: none"> <li>• 97% of tenant space occupied</li> <li>• 180 people employed (equating to 111FTE's)</li> </ul> <p>The support provided by the AHBTC Advisory Committee is acknowledged along with the advice and guidance provided to tenants and the business community by RDA.</p>
Year	Score														
2008	5.8														
2009	5.3														
2010	5.5														
2011	5.0														
2012	5.1														
2012 State Average	5.9														

## Development Assessment & Compliance



Completed within Budget ✓

Value of Development work maintained at over \$70m ✓

Improve cost recovery ✓

Fee income up by more than 10% ✓



20% reduction in formal complaints (including Ombudsman complaints) compared with the previous year ✗

Improved information dissemination to the public with the development of more fact sheets ✓

Complaints regarding adjacent developments acted upon within 5 business days ✓

75% of applicants satisfied with processing of applications ✓

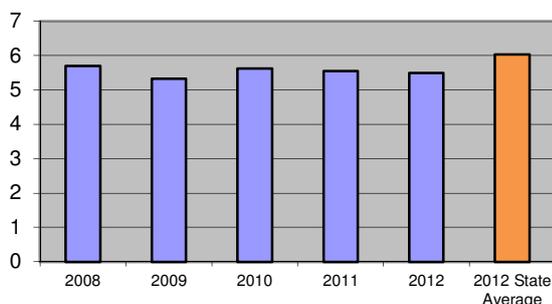


90% consistency maintained with Appeals and Development Assessment Panel decisions consistent with officer recommendations ✓

90% compliance with the Department's inspection policy ✓

## Customer Survey

Performance in Providing Planning & Development Controls



Source: LGA Community Survey

## Development Assessment & Compliance

The Development Assessment Team received 1,216 development applications with a construction value of just over \$76.9 million for the 2011/12 year. Sixty-eight of the development applications received were land division applications. The following table provides details of the major types of development applications received.

Description of Development	Number of Applications Received
Domestic garages and sheds	192
Verandahs	166
Dwelling additions and alterations	186
New dwellings	111
Significant tree removal or pruning	3
Carports	73
Swimming pools	43
Other	365
<b>TOTAL</b> (Excludes land divisions and Government Applications)	<b>1139</b>

There was a decrease of 52 applications received as compared with 2010/11 financial year, and a significant decrease in construction value of over \$16.9 million. This is a continuation of the downward trend seen in 2010/11 as a result of the Global Financial Crisis and general decline in national economic activity.

Whilst there was a drop in overall income as a result in the decrease in applications received, we still exceeded the target of \$70 million in construction value and fee income was up 13.8% on that predicted in the 2011/12 budget.

There was massive decline in the number of significant tree applications this year which is a direct result of the State Government changes to the legislation introduced on 17 November 2011. This reduced the numbers down to 3 as compared with 158 received the year before.

The Department is maintaining the reduction in the backlog applications, with the output of decisions exceeding new applications being lodged each month despite a reduction in staff of 0.8 FTE. This is a credit to our staff who continue to process applications as expeditiously as possible.

The Department only received 2 formal complaints through the State Ombudsman's Office, which is one more than last year. However, the Ombudsman was satisfied that Council had followed due process in both instances and therefore the matters were not progressed to formal investigations.

Council has a Development & Fire Compliance Officer who follows up on all development-related complaints received from the public. We managed to act on these complaints within 5 days in 70% of cases registered. In 2011/12, 205 new compliance matters were dealt with. Of these, 109 were as a result of general complaints and 96 were for breaches of conditions of approval or unauthorised developments. Council issued 46 formal Section 84 Enforcement Notices (18 less than last financial year), of which 13 were for breaches of development approvals and 33 were for unauthorised developments.

In terms of compliance with our Building Inspection Policy, the Team undertook 218 building inspections, including 54 swimming pools. This well exceeds the required 20% target for dwellings required to be inspected.

94% of applicants who responded to the customer satisfaction survey were satisfied with the processing of their applications. This represents a 2% decrease on last year's responses but is still considered an excellent result.

Council has had a Development Assessment Panel (CDAP) comprised of independent and elected members since November 2005. In February 2007 State legislation required the Panel to be comprised of seven members, four of whom are independent (including the independent Chairperson). 50 applications (4.1% of total applications received) were considered by the CDAP this financial year. 96% of the decisions of the Panel were consistent with staff recommendations, which are based on the Development Plan.

In 2011/12 only four applications (0.3% of total applications received) were the subject of planning appeals, which represents a 50% decrease compared with last year's figures. The statistics show that 25% of the appeals to the Environment Resources & Development Court were subsequently withdrawn, and 75% were ongoing at the end of the financial year. Overall, the above statistics reflect how the Development Assessment Service has been performing and is considered to be an excellent result.

**Planning Policy and Projects**



On budget



**Planning Policy and Projects**

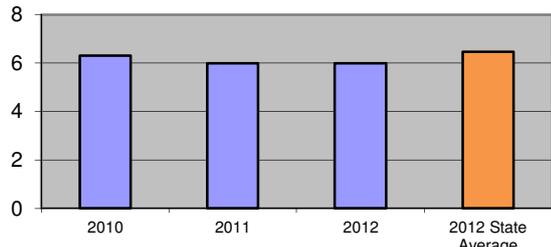
The Policy and Projects area is responsible for the co-ordination of planning policy as expressed in the Development Plan as well as progressing district-wide and area-specific projects aimed at enhancing the Council area and our community.

<b><u>Development Plan Amendments</u></b>	<b>Development Plan Amendments</b>
<b>Current:</b>	Council's 2012 Strategic Directions Review (SDR) shows that Council has completed 9 Development Plan Amendments (DPAs) since the last Review in 2003. The SDR also notes that Council has 3 DPAs in progress, with 3 more plans for the coming 5 years.
	✘
Townships & Urban Areas DPA progressed to public consultation stage	Currently, Council is working on its <i>Townships and Urban Areas</i> , <i>Local Heritage</i> and <i>Primary Production Lands</i> DPAs.
Local Heritage DPA progressed efficiently	✘
	The <i>Townships and Urban Areas</i> DPA is the largest yet undertaken by this Council, and is likely to go out for public consultation in early 2013. The <i>Primary Production Lands</i> DPA will implement the findings of PIRSA's "Areas of Primary Production Significance" land capability study to protect those areas for primary production over coming decades.
Primary Production Lands DPA started	✓
<b>Completed:</b>	As the DPAs in progress are completed, Council will address environmental issues in a <i>Natural Environments</i> DPA, area-wide rural issues and sustainability issues in a <i>Rural Policy</i> DPA, and tourist development in a <i>Tourism Activities</i> DPA.
Environmental Covers DPA Approved	✓
Extractive Industry (Bradbury) Zone DPA progressed	✓
Stirling District Centre DPA Approved	✓
<b>Planned:</b>	Government requirements to convert the Development Plan to a policy base from the SA Planning Policy Library is being undertaken in two steps – settled areas are being converted in the <i>Townships and Urban Areas</i> DPA and rural areas will be converted in the <i>Rural Areas</i> DPA.
Natural Environments DPA Planning stage	✓
Rural Policy DPA Planning stage	✓
Tourism Activities DPA Planning stage	✓
<b>Major Projects Planned:</b>	The Policy and Projects Team has also been involved in developing a variety of Council Policies including the <i>GM Crops</i> , <i>Liquor Licensing</i> , <i>Management of Built Heritage</i> , <i>Privately Funded DPAs</i> , and in reviewing others including <i>Road-side Trading</i> , <i>Outdoor Dining</i> , and <i>Buffers Policy</i> .
Economic Development Strategy Review of State of the District Report	Other projects completed include completion of the Strategic Directions Review of the Development Plan, establishment of an Urban Trees Fund, State of the District Report in 2011, and input into the Hills Positive Ageing Program. The team is also commencing with the development of an Economic Development Strategy for the district.
	The Team has also prepared submissions on the Government's Barossa Valley and McLaren Vale Protections Districts, and the Parliament's Select Committee on Sustainable Farming Practices.

# Environmental Health & Regulatory Services

## Services under this heading:

- Inspection of all food premises to ensure the safe manufacture and retail supply of food
- Immunisation service and rapid complaint follow-up to prevent occurrence and spread of communicable disease
- Management of sanitation and pollutants by regular inspections and complaints follow-up
- Ongoing European Wasp eradication program

Triple Bottom Line Indicators	Details of Activities and Achievements										
<p><b>Public &amp; Environmental Health</b></p> <p> On budget ✓</p> <p> Service standards met for customer requests ✓</p> <p>Routine inspections of food premises undertaken ✓</p> <p>86% immunisation status of community ✓</p> <p>Public &amp; Environmental Health Plan implemented ✓</p> <p> Prompt approval of waste control systems ✓</p> <p>Rapid and effective response to customer requests and problems. All projects were either completed or substantially progressed ✓</p> <p>All SA Health &amp; Environment Protection Authority guidelines being met ✓</p>	<p><b>Public and Environmental Health</b></p> <p>Council officers inspected food premises in the area. Of a total of 375 premises, 211 inspections were undertaken and 9 audits. This resulted in the issuing of 21 warnings and 5 improvement notice. 11 food complaints were investigated with several verbal warnings issued.</p> <p>Environmental Health Officers attended major public events to ensure proper food handling and adequate sanitation. The temporary food stalls at these events are now of a very good standard.</p> <p>A total of 98 complaints were investigated, including water pollution, insanitary conditions, waste disposal etc. This resulted in 40 Notices being issued.</p> <p>244 waste control applications were received during the year including new applications, upgrades and connections to CWMS. This resulted in approximately 663 inspections being carried out</p> <p>Other major projects included:</p> <ul style="list-style-type: none"> <li>• Strategies listed in the Public &amp; Environmental Health Management Plan were carried out</li> <li>• Mt Lofty Ranges Waste Systems Control Project continued into its 10th year with the project staff having achieved 1100 upgrades to failing systems.</li> <li>• 5 Food Safety training programmes were provided to community groups and schools.</li> <li>• Council continued to implement strategies outlined in the Council's Climate Change Strategy Plan</li> <li>• The immunisation service provided monthly clinics at Woodside and Stirling and ran clinics at all secondary schools. A total of 40 clinics were held.</li> </ul>										
<p><b>Customer Survey</b></p> <p><b>Performance in providing Health Services to the Community</b> (First asked 2010)</p>  <table border="1"> <caption>Performance in providing Health Services to the Community</caption> <thead> <tr> <th>Year</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>6</td> </tr> <tr> <td>2011</td> <td>6</td> </tr> <tr> <td>2012</td> <td>6</td> </tr> <tr> <td>2012 State Average</td> <td>6.5</td> </tr> </tbody> </table> <p>Source: LGA Community Survey</p>	Year	Score	2010	6	2011	6	2012	6	2012 State Average	6.5	
Year	Score										
2010	6										
2011	6										
2012	6										
2012 State Average	6.5										

## Fire Mitigation



On budget ✓



Effective community awareness ✓

Effective responses to customer requests – ongoing ✓



Reduce bushfire risks ✓

Increase surveillance of fuel loadings on private property ✓

Reduce phalaris grass, pinus radiata & wild olive trees – 10% per year ✗

## Regulatory Services



On budget ✓



Service standards for customer requests met ✓

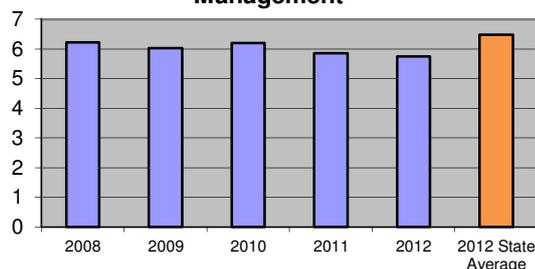


Effective responses to customer requests ✓

Reduction of recorded risk of animal attacks/nuisance incidents ✓

## Customer Survey

Performance in providing Dog, Cat, Pest Control & Feral Animal Management



Source: LGA Community Survey

## Fire Mitigation

Council continued to improve its Bushfire Mitigation and Emergency Management systems. Key projects and outcomes in 2011/12 were:

- A program to create Asset protection Zones for buildings adjoining Council reserves was commenced. \$80,000 in grant funding was secured to continue this program.
- The fire track maintenance program was enhanced with additional reconstruction, grading, vegetation grooming and weed spraying
- 1181 property inspections were carried out to evaluate fuel loads on vacant land
- 443 Notices were issued to reduce fire hazard
- 36 fines were issued for non-compliance with Notices issued
- In addition to Council's roadside, reserve, weed maintenance and bushfire fuel reduction programs:
  - Follow up spraying for weed control was undertaken following the controlled burn on land adjoining the Heathfield Resource Recovery Centre
  - 15 kilometres of regrowth, following grooming, was sprayed
  - Maintenance of previously established asset protection zones was undertaken

## Regulatory Services

Key projects and outcomes for 2011/12 included:

- Finalisation of a fenced dog park at Evelyn Halliday Reserve Stirling.
- Upgrade of trails in Evelyn Halliday Reserve to create an off leash precinct
- 18 Dog Waste Bag Dispensers are now installed throughout the Council district.
- Upgrade of dog holding facilities at Heathfield Depot
- The European Wasp eradication program continued with 483 nests destroyed.
- Removal and follow-up of 51 abandoned vehicles
- Stakeholder management for dog access on Council reserves
- Animal Management
 

- Registered dogs	8499
- Barking complaints	80
- Dogs wandering	300
- Dogs impounded	150
- Dogs returned to owner	147
- Dog attacks on humans	5
- Dog attacks on animals	40
- Cat complaints	17

# Community Recreation/Leisure

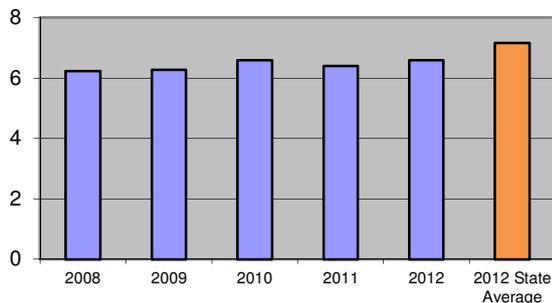
## Services under this heading:

- Maintenance of township parks and gardens, maintenance of public open space.
- Maintenance and improvement of sports fields and grounds for sporting activities and various Council-controlled venues across the district, including the support of community and sporting groups involved in facility operation and maintenance for the benefit of community and visiting users
- Operation, maintenance and improvement of Council-owned building assets for corporate and community use including community halls and buildings, public toilets, corporate offices and works depots
- Operation and maintenance of swimming centre, hard courts, playgrounds, indoor sporting facilities and the operation and maintenance of public cemeteries

Triple Bottom Line Indicators	Details of Activities and Achievements
<p><b><u>Parks &amp; Reserves</u></b></p> <p> On budget ✓ Costs represent benchmarked best value O</p> <p> Maintenance to specified standards ✓</p> <p> Protection of native flora &amp; fauna on natural reserves Ongoing</p> <p>No environmental impact on developed parks &amp; reserves ✓</p> <p><b><u>Sporting Facilities</u></b></p> <p> On budget ✓ Costs represent benchmarked best value O</p> <p> 100% availability at acceptable standard ✓</p> <p> Watering regime optimises consumption ✓</p>	<p><b>Parks and Reserves</b></p> <p>Council's maintenance program for its 300 parks and reserves was delivered on time and within budget to achieve a satisfactory level of serviceability.</p> <p>Playground replacement works were completed at Oakbank, Scott Creek, Balhannah and Teringie. Replacement of the playground at Steamroller Park, Stirling, was completed.</p> <p><b>Sporting Facilities</b></p> <p>Council continued its maintenance and improvement of sports and recreational facilities, working in conjunction with sports clubs and community organisations which lease many of Council's grounds. Where Council undertakes the maintenance of ovals on behalf of clubs, they are charged 50% of actual costs. Where clubs undertake the maintenance, Council provides a maintenance grant which represents a notional 50% of the estimated cost of maintenance undertaken by the club.</p> <p>Council obtains advice on its allocation of funding towards sport and recreation facility improvement works through its Sporting and Recreation Advisory Group. This group provided valuable assistance to Council in assessing applications for financial assistance for facility improvement works and the prioritising of allocations of limited available funds.</p>

## Customer Survey

### Performance in Providing & Maintaining Sporting Facilities, Parks, Gardens & Playgrounds



Source: LGA Community Survey

### Community Use Buildings



On budget ✓

Repairs & maintenance to minimise whole of life maintenance cost ✓



100% availability for scheduled purposes ✓

Nil reported incidents from inadequate maintenance ✓

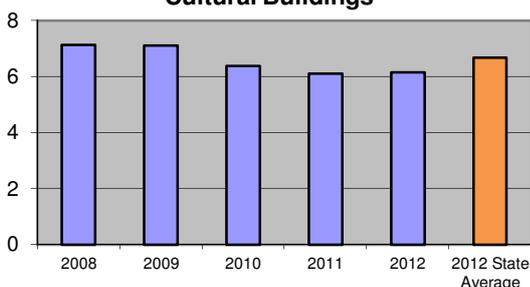


Environmentally sustainable building maintenance practices utilised ✓

Minimise environmental impact from building operations Ongoing

## Customer Survey

### Performance in Providing & Maintaining Community Halls & Cultural Buildings



Source: LGA Community Survey

Key sporting facility developments receiving funding from the Council in 2011/12 included:

- Sealing entrance ways to recreation grounds at Kersbrook, Birdwood, Uraidla and Heathfield.
- Upgrading tennis club rooms at Bridgewater
- The construction of flood lighting and club room improvements at Woodside Recreation Grounds
- Renovations of Scout facilities at Stirling

Council continued to support re-use of treated wastewater for irrigation of parks, gardens and ovals. Effluent re-use schemes were operated at both Birdwood and Kersbrook ovals.

The Council was unsuccessful in applying for a State Government Open Space Grant for redeveloping Bridgewater Community Park.

### Community Use Buildings

The refurbishment of Council's Norton Summit offices was completed using grants funds obtained via The Hut. This facility is now being more actively utilised as a community access facility

Other significant building projects carried out during 2011/12 include:

- Refurbishment of Woodside Library via funding from Regional Local Community Infrastructure program.
- Toilet refurbishment at Steamroller Park Stirling
- Community Bus shed at Gumeracha
- New roof at the Crafers Hall
- Significant Ceiling and salt dap remediation works at the Lobethal Centennial Hall
- Asbestos removal at various sites.
- Continuing upgrade of Public Conveniences with a new installation at the Montacute Institute to replace a structurally unsound facility.
- Council contributed funds and project managed an upgrade of community owned public conveniences on the Mt Torrens Recreation Ground.
- Disability access upgrades at various sites were undertaken to improve access for all.

<b><u>Other Community Facilities</u></b>	<b>Other Community Facilities</b>
 On budget ✓ Costs represent benchmarked best value	During the year, Council maintained and undertook minor improvements at its 15 cemeteries.
 Facilities available for major recreation/leisure pursuits ✓	The King Emery Cabin at Aldgate Oval was upgraded to provide better facilities for the pre-school facility that utilises the site. A toilet was installed for the first time and access improvements made to make the facility more appropriate for the users.
 Zero environmental impact from operation & maintenance ✓	Retirement Units were improved at Lobethal and Gumeracha with renewals and upgrades. Carports were installed at Lobethal and new line marking and access parking defined in several sites.  A significant kitchen upgrade was undertaken at the Woodside Institute.

# Community Services

## Services under this heading:

- Planning for the development and coordination of human services across the area to meet identified needs, often in partnership with other agencies eg Regional Positive Ageing Project, to improve funding and services for older residents
- Retirement villages, providing 63 independent living units for older residents. This enables older residents to live in affordable, comfortable accommodation, in their own community, near family and friends. All units are provided on a 'user-pays' basis
- Home and Community Care Programs to enable frail-aged and young people with disabilities to remain in their homes and in their communities and to provide support to the carers of these people
- Development of appropriate activities and programs to support the needs of young people
- A library service which provides access to a wide range of resources that address the information, education, recreation and leisure needs of the Adelaide Hills community
- The Hills Community Passenger Network which addresses the needs of the transport disadvantaged in the region by coordinating and brokering existing transport services. A transport service is also provided, utilising three community buses which are owned and maintained by Council
- Community information and community support facilities eg. Services such as Council's own Community Centres at Torrens Valley and at Norton Summit. This also involves providing community-related services and enhancing the value of volunteers in the community

## Triple Bottom Line Indicators

### Community Care Services (HACC & NRCP)



On budget



Total external funding for 2011/12 over \$600,000

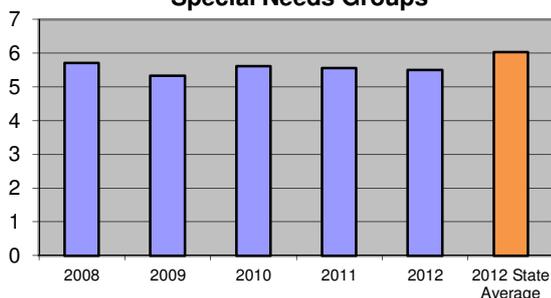


The HACC program during 2011/12 provided services to approximately 750 residents, including more than 150 receiving domestic assistance, over 300 receiving home maintenance. More than 6000 transport trips were made and over 9000 hours of social support were provided.



## Customer Survey

### Performance in Providing & Maintaining Facilities for the Aged, Disabled & Special Needs Groups



Source: LGA Community Survey

## Details of Activities and Achievements

### Community Care Services (HACC & NRCP)

The Community Care program continues to provide a wide range of services for the frail aged, younger disabled and their carers and works closely with other service providers and community groups in the area to maximise the provision and coordination of services.

Council is continuing to develop and implement improvements to its Community Care services. Council has successfully taken on the operations of the Woodside Seniors Program which is fully funded through the HACC program. External funding has been sourced to initiate a service for people who experience dementia.

Expansion of the social support program with the great success of the "Let's Do" events has offered more opportunities for residents to connect with their community. The program as a whole currently has 755 active clients.

The Hills Positive Ageing project continues to develop an inclusive model for collaboration between service providers in the region. The project has identified gaps in service delivery and established priorities for action. Working parties under the umbrella of this project include falls prevention and transport. The Project has also worked closely to expand services for carers.

<p><b>Retirement Villages</b></p> <p> On budget ✓</p> <p>Occupancy rates maintained at 98% ✓</p> <p> No referrals to Residential Tenancies Tribunal ✓</p> <p>Yearly inspections of units ✓</p> <p>Biennial residents' meetings ✓</p> <p> Water &amp; sewerage disposal environmental standards met ✓</p> <p>Compliance with DDA (Disability Discrimination Act) Audit with safety upgrades to villages Ongoing</p> <p><b>Transport</b></p> <p> On budget ✓</p> <p> Client feedback with 95% satisfaction</p> <p> Additional services in north and west of the area ✓</p> <p>Safe &amp; comfortable transport Ongoing</p> <p> Vehicles maintained to meet environmentally acceptable standards Ongoing</p> <p>Accidents minimised to avoid environmental damage Ongoing</p>	<p>The Hills Positive Ageing Strategy 2020 has been launched for the Hills region. Action Plans for individual Councils are currently being developed. It is anticipated that the Adelaide Hills Council Plan will be formulated for Council consideration in early 2013.</p> <p>Council has allocated funding to support the development, training and support of volunteers across our area through Hills Volunteering which is based at The Hut Community Centre and provides a local resource to support volunteer organisations and also provides pathways for local people into employment and training.</p> <p><b>Retirement Villages</b></p> <p>Aged accommodation is in demand in the district as our population ages, with over 100 people on waiting lists at any given time.</p> <p>There have been ongoing improvements to the grounds and the interior of many of Council's units. Works to upgrade and comply with the DDA (Disability Discrimination Act) Audit have been undertaken and are continuing.</p> <p>A proposed project has been identified in partnership with the residents at the Woodside Retirement Village to look at installing solar panels. If this proceeds the project, largely funded by Village Residents Social Club, will have a major benefit to residents and reduce the carbon footprint of the Village considerably. This project is scheduled to be undertaken in 2012/13.</p> <p><b>Transport</b></p> <p>Transport services are provided through the Hills Community Passenger Network which is run from Mount Barker, but to which the Adelaide Hills Council contributes funding.</p> <p>The Hills Community Passenger Network provided 978 trips to 135 clients from the Adelaide Hills Council area in 2011/12.</p> <p>Bus shelters were maintained during the year and funding was actively pursued for additional facilities where required.</p>
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## Community Development & Support



On budget ✓



Regular reports, statistics, minutes provided ✓

Customer feedback with 95% satisfaction

Support policies and procedures in place for volunteers ✓

Volunteer feedback with 95% satisfaction

Youth Plan produced and strategy implementation commenced ✓

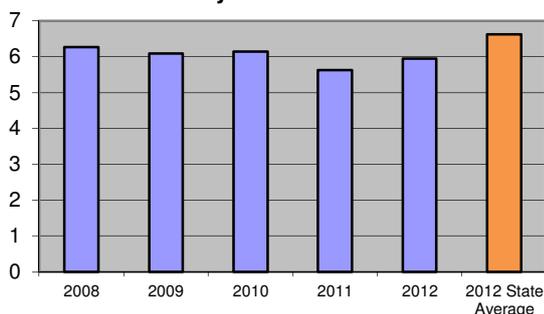


Water & sewerage disposal meets environmental standards in centres ✓

Environmental courses in response to community Ongoing

## Customer Survey

Performance in Providing Community & Cultural Services



Source: LGA Comparative Survey

## Community Development & Support

A range of services are delivered in partnership with, or funded by, Council to provide support to the community.

The Hut Community Centre receives substantial funding from Council and provides a wide range of educational, social and recreational activities to the community. The Hut was instrumental in assisting with the establishment of a Community Centre at Norton Summit (officially opened in September 2010).

The Summit – A Centre for the community (as it is now known) is a new Council operated community centre which is now open five days per week and offers a growing range of programs and activities.

Torrens Valley Community Centre (TVCC), located at Gumeracha, provides a range of educational, social and recreational activities to the residents of the Torrens Valley and Onkaparinga Valley wards, including computer courses, tax help, Tai Chi, Fit and Fifty, First Aid and a range of volunteering opportunities. It offers facilities for hire to community groups and raises funds to support the provision of services to youth through its 'Oppe Shoppe'. The School Holiday Program, Youth programs and various health promotion activities are regular services at the Centre.

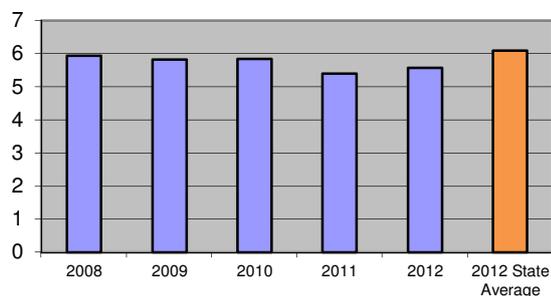
Volunteers working in the 'Op' Shop raised in excess of \$30,000 towards local services. A further 1,900 volunteer hours were contributed to TVCC by tutors, management committee members and those who support the general running of the centre and its programs.

TVCC and The Summit activities & resources included:

- Courses and Interest Groups (eg returning to work skills)
- Computer Centre for public use or one-to-one courses on computing
- Local Tourist Information
- Community Information Service
- Opportunities for volunteers & volunteer training
- Tax help (July – October)
- Community fitness including strength and balance, walking, Tai Chi
- 'Op' Shop at the CWA Hall at Gumeracha and Book Shed at Stirling
- Aldgate Valley Food Co-op
- Social programs e.g. The Club, Men's Shed, Music for Seniors
- Meeting Rooms and other facilities for hire.

## Customer Survey

### Performance in helping Improve Quality of Life in the Community



Source: LGA Community Survey

Council also contributed to the Life Education program, which focuses on drug education and provided support to over 1,700 local children during the year.

### Services for Young People

The Youth Services section has continued to offer activities during the year including the further development of school holiday programs.

Support of the Youth Advisory Committee; organisation of National Youth Week events; “Movie in the Park” in Lobethal; further development of the increasingly popular XiTH X-box and PC gaming events now run four times per year by a team of young volunteers (on average 30 young people attending).

Other youth initiatives included: further establishment of connections with the students at the public high schools in our Council area.

Another two Defensive Driving Courses were also held at Charleston for young drivers – both learners and P-platers.

Council’s Youth Development Officer coordinates the regional Adelaide Hills Youth Sector Network, and is an active member of the State Youth Services network and the Adelaide Hills Community Road Safety Group.

### Disability Awareness

Council is actively generating disability awareness in the community, and creating additional recreation and sport opportunities for Adelaide Hills residents with disabilities. Strong partnerships and links are being established with local sporting & recreation clubs and relevant organisations.

Ability-Activities supported by Council are Petanque-Ability, Sport-Ability Hub and Inclusive Basketball Competition for people of all abilities. These activities are aimed at providing participants with sufficient skills, knowledge and confidence to enable participation in integrated activities, within the broader community, on an ongoing basis. This program was ‘handed over’ to the Mount Barker Community Centre in 2011/12.

Events include the International Day for People with a Disability (3 December each year). AHC celebrates this day by recognising local people who have contributed to and supported people with a disability through the Mayor’s Awards.

### Library & Customer Services



On budget

✓



Legislative requirements in regard to police checks and mandatory reporting fulfilled for staff and volunteers

✓

7% overall increase in membership  
1% increase in loans

✓

✓

Programs targeting child & youth literacy and lifelong learning well supported by the community

✓

374 child & youth programs with 12,500 attendees  
498 adult programs with 4,202 attendees  
20 family programs with 7,723 attendees

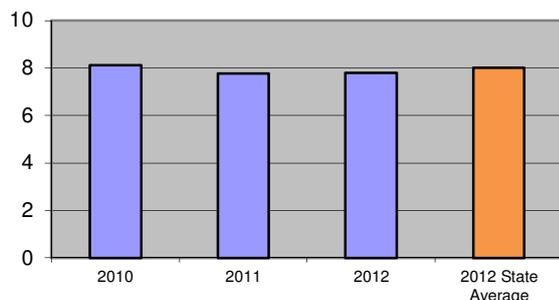


Environmental based resources, services and programs provided at all sites

✓

### Customer Survey

**Performance in providing Libraries and Library Services to the community**  
(First asked 2010)



Source: LGA Community Survey

### Community Planning

The Community Services Team commenced a review of Council's Community Plan which will result in the development of a new Community Plan. Community Focus group meetings have been held and these have highlighted a number of community issues which Council will now seek to address. A draft Community Plan will be developed for broad consultation with a new version expected to be completed early in 2013.

### Library & Customer Services

2011/12 saw strong support of the Adelaide Hills Library/Service Centres at Stirling and Woodside and the Mobile Library. The Gumeracha Library/Service Centre again experienced a decline in use and Council supported implementation of a 'shared space' model between Library & Customer Services and the Torrens Valley Community Centre. The model will be implemented in 2012/13, providing street frontage for the Community Centre and increased hours of access to library resources and technology.

Completion of a review of integrated library & Council services resulted in some physical changes at Woodside, to be completed in late 2012, which will better accommodate the mix of customer transactions now occurring.

In a year of considerable technological change the library management software was upgraded, self-check units installed at all sites to facilitate customers issuing their own loans, a new public computer bookings and print management system introduced, together with CRM, a customer relation management system. CRM will better facilitate Council's interaction with residents and ratepayers and provide an improved reporting capability. A new phone system, to be introduced later in 2012, will similarly improve reporting for Contact Centre staff in relation to the number of calls they manage each year.

While library membership increased by 7% to 29,800 visits were slightly under at 355,550. Loans increased by 1% to 600,700 and reservations rose by 2% to 87,200. Adelaide Hills library members continue to borrow from our LINK partners, demand increasing by 36% with the majority reserving on-line.

Reflecting the effect of technology, only 8,000 of the 101,200 notices sent out for reservations and overdue notices went through the post. The remainder were emails (42,700) and text messages (50,500).

Programs focusing on early childhood literacy and life-long learning experienced increased participation with a

total attendance of nearly 24,500 for 892 events and sessions. Continued partnering with local businesses and professionals, community groups, local history associations and state government bodies provided an eclectic range of topics and interests. These included literature, poetry writing, health, organic gardening, crafts, photography, games workshops, genealogy and local history, science, chemistry, the Spring and Autumn Festivals, together with ongoing early childhood literacy initiatives and summer reading programs.

Volunteer assistance and donations primarily received from each of our three Friends of the Library groups underpinned many of these programs. It was therefore very rewarding to win a national award from Friends of the Library Australia for 'Library Lions', a program for children with special needs.

Friends of the Library supported the purchase of 42 book sets for our numerous Book Clubs and the introduction of 'Café Libraries'. Books were placed in cafes across the Adelaide Hills to further encourage the pleasure of reading in this, the 2012 National Year of Reading. Six kindles were also provided for library members to borrow and experience reading an e-Book. The next few years will see an increasing range of 'loanable' on-line resources.

Community facilities continued to be in demand with regular bookings for the Coventry Library IT training suite by groups such as the University of the Third Age, and 313 groups and individuals making use of the Community Meeting Room.

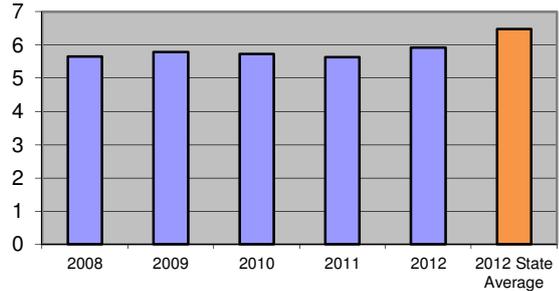
The Elected Members' receipt of the Brecknock Audit of Arts & Culture in the Adelaide Hills was followed by a facilitated staff workshop identifying opportunities for Council participation in and support of arts in the Hills. Council actively supported the Sculpture Symposium with a seeding grant and in kind support for installing purchased sculptures.

With the Art Wall and Craft Cabinet at Stirling in high demand, the purchase of moveable display screens by the Friends of the Stirling Library extended the capacity to host larger exhibitions, including three photographic exhibitions and a retrospective showing of Michael Atchison's cartoons. An information evening linking prospective venues with artists supported the SALA Festival and a map was developed in partnership with the Adelaide Hills Wine Region to highlight SALA events across the Hills. The 84 displays and exhibitions provided through the year drew an approximate 58,000 viewers.

# Infrastructure and Natural Asset Management

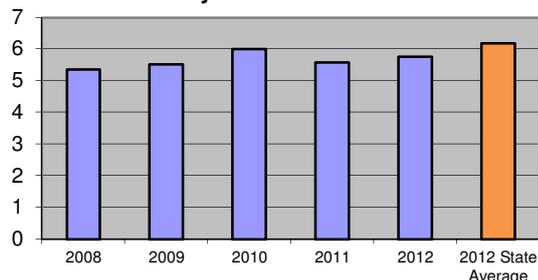
## Services under this heading:

- Strategic planning and development for the provision and management of public infrastructure and natural assets, including transport infrastructure, stormwater and effluent drainage, parks and reserves and buildings.
- Project management for the construction or enhancement of public infrastructure and natural assets.
- Provision of technical advice relating to engineering and natural resource management matters.
- Enabling community and not-for-profit conservation volunteer groups.
- Road safety and road user management.

Triple Bottom Line Indicators	Details of Activities and Achievements
<p><b>Infrastructure Assets</b></p> <p> On budget ✓</p> <p>On time – carry forward for Capital Projects less than 10% of total ✓</p> <p> Maintained to appropriate standard - nil incidents from inadequate maintenance ✓</p> <p> Minimise environmental impact of road maintenance ✓</p> <p>Negligible environmental impact from road pavement management ✓</p> <p>Nil net loss of roadside Vegetation Ongoing</p> <p><b>Customer Survey</b></p> <p><b>Performance in Providing &amp; Maintaining Storm Drainage Facilities</b></p>  <p>Source: LGA Community Survey</p>	<p><b>Infrastructure Assets</b></p> <p>Routine and periodic maintenance was performed on Council’s stock of infrastructure assets, with a total replacement value of around \$335million. These include:</p> <ul style="list-style-type: none"> <li>• 588km of sealed road</li> <li>• 383km of unsealed road</li> <li>• 200km (approx.) of fire tracks</li> <li>• 66km of stormwater drainage pipes</li> <li>• 61km of collection effluent (CWMS) pipes</li> <li>• 3,200 stormwater drainage pits</li> <li>• 73 road bridges</li> <li>• 12 footbridges</li> </ul> <p>\$9,454,000 of infrastructure assets, which had reached the end of their serviceable life, were renewed. \$378,000 of new infrastructure assets were created.</p> <p>Key infrastructure projects included:</p> <ul style="list-style-type: none"> <li>• Improved road safety through the installation of guardrail on Montacute Road under the Federal Government’s Black Spot Program (\$220,000) and the installation of new guardrail on four major culverts.</li> <li>• Enhanced public safety and amenity through the completion of the redevelopment of Steamroller Park, Stirling.</li> <li>• Reconstructing sections of Hill Road, Kersbrook and Springhead Road, Mt Torrens to address acute road pavement failure.</li> <li>• Improving road safety along Lower Hermitage Road, through the installation of guardrail, pull-in bays and road realignment.</li> </ul>

## Customer Survey

### Performance in Providing & Maintaining Roads, Footpaths & Cycle tracks



Source: LGA Community Survey

Key business and community driven infrastructure related issues considered by the Council included:

- The retention of traffic control devices on Sheoak Road, Crafers West.
- Road safety improvements for Edgeware Road and Kingsland Road, Aldgate.
- Streetscape development in the Stirling business precinct.
- Provision of public car parking and bus stops for schools across the district.

Key infrastructure investigations and design exercises (for future implementation) included:

- Designing future stormwater drainage systems for Birdwood, Woodside and Lobethal.
- Investigating capacity limitations for CWMS disposal ponds and determining solutions.
- Examining options for decreasing car parking congestion associated with public transport, in residential streets.

Strategic asset management continued to be a focus, with key activities including:

- Targets for the Asset Sustainability Ratio Key Performance Indicator were revised with new medium and longer term targets to reflect the need to address a backlog of infrastructure renewal.
- An asset renewal backlog reduction program was developed.
- Revision of the Council's 10 year Infrastructure & Asset Management Plan commenced.
- The Council became a foundation member of the SA Local Government Asset Management Operations Network.
- The Council was represented by delegates at the Institute of Public Works Engineering Australia biennial International Public Works Conference held in Canberra in August 2011 and the Municipal Association of Victoria Asset Management Conference in early 2012.

The Council continued to receive a number of requests received by schools in the district for assistance in providing improved facilities for car parking and bus pick-up and drop-off.

The Council again received a number of requests for investigating high traffic speeds on local roads and the Council engaged with traffic consultants and SA Police to address a number of situations.

<p><b>Natural Assets</b></p> <p> On budget ✓</p> <p> Customer service standards met ✓</p> <p>Assessment of development application referrals on time ✓</p> <p> No net loss of native vegetation on Council controlled land ✓</p> <p>Vegetation management plans progressively developed (according to progressive schedule) for all high conservation value sites ✓</p>	<p><b>Natural Assets</b></p> <p>A full review of the Council’s Natural Resource Management Program commenced.</p> <p>Reallocation of resourcing allowed an additional Natural Resources Officer to be employed, with a mission to improve engagement with community based and not-for-profit conservation volunteer groups and enhance the Council’s strategic approach to natural resource management.</p> <p>Biodiversity principles and actions were developed for the Council’s Environmental Sustainability Framework.</p> <p>The Council’s agreement with the Adelaide &amp; Mt Lofty Ranges Natural Resources Management Board to host their Education Program in the region ceased.</p> <p>The Council supported community based and not-for-profit conservation volunteer groups to undertake work on Council land to achieve mutually desired outcomes. Examples include a \$30,000 contribution to the Bush for Life Program, run by Trees for Life, which involves work on 28 conservation sites held by the Council.</p> <p>Phytophthora management was better understood through targeted professional training of Council field staff.</p> <p>A Bushfire Management Plan was developed for Stirling Linear Park.</p> <p>Vegetation assessments were conducted across many biodiversity sites, which will lead to the targeted development of vegetation and weed management plans.</p> <p>Woody weed control was carried out along key significant roadside biodiversity sites (as identified under the Roadside Marker Scheme).</p> <p>Targeted roadside weed control was carried out in partnership with AMLRNRM Board in Lower Hermitage and surrounding areas.</p> <p>The Stirling Linear Park Advisory Group provided advice to council on the sustainable management of Stirling Linear Park.</p> <p>Funding support was provided to assist the implementation of three targeted weed control programs by the Adelaide and Mt Lofty Ranges Natural Resources Management Board (or affiliated groups).</p>
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The Unmade Road Reserve Evaluation Project, carried out by the Council on behalf of Local Government across South Australia, was completed.

**Technical Services**

The Engineering & Assets Department acted as an internal referral agency for Development Applications where there were potential impacts on engineering infrastructure or native vegetation or where there were potential constraints due to road and traffic issues, stormwater flow or effluent disposal capacity.

The Rural Property Addressing Program was completed, resulting in the majority of properties in the district having a nationally recognised standard 'road and number' address.

Many requests for driveways, underground service installations and roadside vegetation planting were assessed.

A program of collecting traffic speed and volume data continued, with a view to developing a key suite of traffic indicator hot-spots to assist in future transport and road safety planning.

# Governance and Elected Members

## Services under this heading:

- Incorporates activities including civic requirements and approved elected member expenses including training and development activities. This service area ensures legislative requirements are met and that decision-making is carried out in an open and transparent manner.

Triple Bottom Line Indicators	Details of Activities and Achievements
<p><b><u>Governance</u></b></p> <p> On budget ✓</p> <p> Legislative requirements met for Council &amp; Committee meetings ✓</p> <p>Legislative requirements met for Elected Members &amp; appropriate staff ✓</p>	<p><b>Governance</b></p> <p>Sound Corporate Governance is pivotal to the Council’s success in gaining – and keeping – the public’s confidence in the government process. With the election of a new Council in November 2010 (including the election of a new Mayor and seven new Councillors), a good deal of time has been spent providing the new members with the necessary induction to elected life. Experienced consultants, John Comrie &amp; Mark Coleman, assisted in this process.</p> <p>In addition to this, the following documents were reviewed in 2011/12:</p> <ul style="list-style-type: none"> <li>• Elected Members Allowances &amp; Support Policy</li> <li>• Code of Conduct for Council Employees</li> <li>• Code of Conduct for Elected Members</li> <li>• Code of Practice for Meeting Procedures</li> <li>• Code of Practice for Access to Council Meetings, Committees &amp; Documents</li> </ul> <p>Finally, Council’s Internal Audit Program saw the following projects completed in 2011/12:</p> <ul style="list-style-type: none"> <li>• Enterprise Agreement Remuneration &amp; Employee Management Systems &amp; Practices</li> <li>• Treasury &amp; Cash Management Procedures</li> </ul> <p>In addition to the training associated with the annual performance review process, a number of Elected Members attended conferences and training courses.</p>

# Corporate Support

## Services under this heading:

- Financial management through the accounting functions and control of Council’s revenue and expenditure
- The efficient collection of Council’s rate revenue
- Information technology software and hardware to deliver the necessary tools for Council staff
- Information management through compliance with legislative requirements
- Provision of “One Stop Shop” customer services through face to face and telephone channels
- Event and Cemetery Management
- Corporate Communications
- Management and support services for Council’s plant and equipment fleet

Triple Bottom Line Indicators	Details of Activities and Achievements
<p><b><u>Financial Management &amp; Treasury</u></b></p> <p> On budget ✓</p> <p> 95% of accounts paid within 30 days ✓</p>	<p><b><u>Financial Management and Treasury</u></b></p> <p>The financial management function is responsible for ensuring proper management of Council’s incoming and outgoing funds. This includes functions such as payroll, accounts payable and accounts receivable.</p> <p>✓</p> <p>During the year, Council maintained the detailed cashflow monitoring and forecasting process introduced in 2010 and was able to compare and forecast cash requirements for the first time. Overall borrowing requirements increased slightly less than forecast, but climbed earlier in the year due to a more advanced capital programme.</p> <p>Grant funds received “in advance” for the Financial Assistance Grant and the NBN Digital Hub project were placed on short term deposit at the balance sheet date to avoid distorting the long term reported trend of Council borrowing. In the interests of cash management, however, they were reapplied to reduce the total overdraft requirement at the beginning of July.</p>
<p><b><u>Rates Administration</u></b></p> <p> On budget ✓</p> <p> Community awareness of Rating Policy ✓</p> <p>All legislative requirements met ✓</p>	<p><b><u>Rates Administration</u></b></p> <p>The Rates administration area is responsible for ensuring that legislative requirements relating to rating are complied with and Council’s rate revenue is collected in an effective manner.</p> <p>✓</p> <p>The rate revenue collection process met all necessary legislative requirements. At 30 June 2012, over 96.1% of all rate revenue (2011: 96.9%) had been recovered. In common with many other Councils, a sharp increase in rate arrears has been noted, and for the first time Council has reported legitimately postponed rates separately from those in arrears.</p>

## ICT & Information Systems



On budget



Internet site available 98%

A Budget and Rates Consultation process was undertaken as part of the 2011/12 Budget and Rates process. This included a survey via the *Hills Voice* magazine, which generated more than 1090 responses. This feedback assisted in setting the Budget, Rates Policy and Long Term Financial Plan frameworks.

## **ICT & Information Systems**

- ✓ These departments are responsible for providing innovative, streamlined and effective ICT services and systems to both internal and external customers, in line with the broader Adelaide Hills Council Strategic Plan.
- ✓

2011/12 saw the first phase of the Flexible Solutions section of the ICT strategic direction. With a focus on beginning to decommission aged and ineffective systems, the year began with a project to introduce a new Customer Relationship Management system. After reviewing options Adelaide Hills Council selected the world class Microsoft Dynamics platform and began the project in August 2011.

The project was completed at the end of April and since “go live” the solution has managed over 4000 cases for our customers. It is planned that the system will be expanded and added to across the next three years and begin to automate many processes.

iPads were rolled out to Elected Members and from the 27th of March 2012, elected members are no longer supplied printed copies of the council meeting agendas and minutes. This has seen a reduction in printing costs and significantly improved efficiencies in the way information is distributed to Elected Members. The success of this project paved the way for iPads to be rolled out to management across the council, further reducing printing costs.

2011/12 also saw the Records team incorporated into the Information Systems team expanding their focus from purely management of corporate records, to include corporate document and knowledge management. This change has seen significant work in the knowledge management area and information lifecycles, which will continue into the future.

As part of the continuous improvement plan, 2011/12 saw the upgrade of our core desktop delivery solution, database platform and email system. The organisation also upgraded to the latest version of Microsoft Office and a new booking and print management solution was installed in our public libraries.

**Information Management**



All State Records guidelines met  
And applications completed within  
legislation timelines.

✓

**Customer Service/Contact Centres**



Ensure the needs and expectations of  
both our internal and external  
customers are met

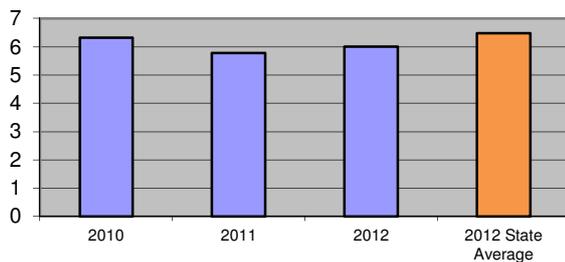
✓

Good customer service to all customers,  
complaints low

✓

**Customer Survey**

**Performance in Customer Service**



**Customer Service Culture**



On budget

✓



Promote Customer Service  
throughout the organisation

✓

2011/12 was an extremely successful year for both the ICT and Information System Teams. It has seen another leap forward in technology and the decommissioning of many out-dated and ineffective solutions. This has positioned us very strongly to continue delivering significant systems improvements during 2012/13, including the renewal of our Core Business System.

**Information Management**

The capture of records electronically is undertaken across the organisation and coordinated by the Records department utilising our Electronic Document Records Management System. During the year, 46,063 items were captured which includes correspondence and development applications. In addition 90 Copyright Applications were processed to 30 June 2012.

Information management includes the archiving and coordination of hard copy data stored externally. A total of 2,868 containers are stored off-site and during the year some 1306 containers were retrieved to access the contents.

**Customer Service Centre**

Now fully located within the libraries at Stirling, Woodside and Gumeracha, integrated Council and library customer services were reviewed during the year. The review resulted in minor physical changes at the Woodside Library/Service Centre that will be completed in late 2012. Multi-skilling staff across three areas – Council services, Contact Centre and library – continues to be a priority, as does developing Information Guides for all activities and services delivered across Council.

The new CRM system is proving positive for both Council and Contact Centre service delivery and both areas are looking forward to the introduction of the new phone system that will provide better management of customer calls and reporting of call traffic.

**Customer Service Culture**

The introduction of Business Excellence, with its focus on customer outcomes, will continue to shape and improve customer service delivery throughout 2012/13 and ensure a strong customer service culture throughout the whole of Council.

### **Customer Action Requests**



Continue to capture requests for work in a timely manner and aim to meet stated turnaround times.

### **Event Management and Support**



On budget ✓



Standards are met or exceeded as determined through OHS&W Audit and Risk Management results. ✓

### **Cemetery Management**



On budget ✓



Standards are met or exceeded as determined through OHS&W Audit and Risk Management results. ✓

### **Customer Action Requests**

Customer Action Requests, now termed Cases, capture and program actions requested of Council by residents and ratepayers. They are predominantly implemented through the Contact Centre and Customer Service Centres. The introduction of CRM, a new customer relationship management system, in 2011/12 will provide greatly improve reporting on management of these cases.

### **Event Management and Support**

The event application procedure continued to provide a greater level of service to event organisers, both from the local community and more broadly. 474 event related customer enquiries were received during the year. The development of draft Festivals and Events Policy to be consulted during 2012/13 will see better event support decision making.

Over 60 community events received some level of formal Council support. These events range from Christmas pageants and garden festivals, to road rallies and fair ground shows. The Santos Tour Down Under continued to be a highlight with more than 110,000 spectators watching the Adelaide Hills Council's sponsored race stage (including 7,000 in Lobethal for the Race Start and 25,000 in Stirling for the Race Finish).

A road rally event survey was conducted in May 2012 asking residents their opinion of road events and their impacts. 2080 responses were received giving broad information to assist the development of the Festivals and Event Policy.

### **Cemetery Management**

The provision of Cemetery Services includes the provision of information about burials, licences, historical searches, interment of ashes and the approval and installation of memorials and plaques. 531 cemetery enquiries were received during the year.

Across the 16 cemeteries managed by Council, 47 new leases were provided, 51 burials took place, and there were 23 interments of ashes, whilst 26 plaques and 71 memorials were installed.

A Cemetery Advisory Group continued its work to enhance the operations of the cemeteries that Council operates through the involvement of relevant public and private stakeholders. The group met regularly and provided valuable feedback on the State Government Draft Burial and Cremation Bill 2012.

**Corporate Communications**



On budget

✓



Standards are met or exceeded as determined through OHS&W Audit and Risk Management results.

✓

**Plant & Vehicle Replacement**



On budget

✓



Fuel efficiency of fleet continually being assessed.

✓

Fleet replacement and fuel decisions reflect environmental and economic criteria

✓

**Corporate Communications**

Two editions of The Hills Voice were produced during the year. This community magazine comprised a mix of general interest stories and useful Council information, including a community survey in the Winter edition and is produced using environmentally friendly inks and recycled paper. In addition to the two community newsletters, the Hills Voice Community Calendar featuring 'exploring your own backyard' pictures was circulated to residents in late 2011.

The Adelaide Hills Council website continued to be updated with current information, and Council's presence in social media is improving. Social media includes the various online technology tools that enable people to communicate easily via the internet to share information and resources.

The social media tools Facebook and Twitter interaction has increased, 145 tweets were posted during the year and Council's twitter followers increased to well over 250.

29 Press Releases were circulated to the community and media during the year.

**Plant and Vehicle Replacement**

Council's workforce uses a wide range of vehicles, trucks, mobile plant and equipment to undertake its services, including maintenance and construction activities. The maintenance and replacement of vehicles, trucks and plant is managed under a fleet management plan which aims to maintain and replace items in line with optimum whole of life cost.

Light vehicles have generally been replaced as scheduled, although some items of major plant (trucks, graders etc) are overdue for replacement. Significant progress has been made to address this backlog, and further accelerated replacements will occur in the coming years to bring the replacement program back on track.

Council continues to identify fuel efficiency as a major factor in replacement decisions. For cost and environmental reasons, Council uses LPG or diesel fuel where it is economical to do so. The use of alternative fuels (eg bio-diesel) is regularly assessed.

# General Governance Information

## Council's Representation Quota

The Adelaide Hills Council's total representation quota (the number of electors for each Elected Member, including Mayor) is 1 for every 2,215 electors. The total number of electors is 28,801.

The Adelaide Hills Council's representation quota compares favourably with Councils of similar populations:

- City of Holdfast Bay (electors 26,048) = 1:1,977
- Burnside (electors 31,266) = 1:2,405
- City of Unley (electors 26,708) = 1:2,020

## Elector Representation Review

Under Section 12 of the Local Government Act 1999, an elector representation review will be conducted at least once in every 8 years.

Section 18 of the Local Government Act 1999 has provisions for Electors to make submissions on representations.

Council completed a review of its elected member representation in October 2009 through a public consultation process, in accordance with the provisions of Chapter 3 of the Local Government Act 1999. Arising from the necessary consultation, the Electoral Commission of SA approved Council's proposal, and some slight boundary changes were made to a number of Wards with all affected residents notified in writing.

## Freedom of Information Requests

Eleven requests for information were made under the Freedom of Information Act in 2011/12. In summary:

FOI Requests		Full Release	Refused	Withdrawn
Outstanding from Previous period	3			
New Applications	11			
Total to be processed	14			
Unfinished at the end of Period	1			
Determined	13	12	1	0

Freedom of Information (FOI) applications can be submitted using an FOI Application form, available from the State Records website, Council's website or any of Council's Service Centres. An application fee (in accordance with Council's Fees & Charges Policy) must accompany the application. The State Records website provides detailed information on the FOI process or you can contact Council's FOI Officer.

FOI requests should be addressed to:  
Freedom of Information Officer  
Adelaide Hills Council  
P O Box 44  
WOODSIDE SA 5244

## Amendment to Council Records

Any member of the public may inspect Council Documents relating to their personal affairs by a request under Part 4 Division 2 of the Freedom of Information Act 1991. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect or misleading, or out-of-date. Access to relevant Council records by a member of the public shall be by completion of a Freedom of Information Request Form. Amendment to any Council records, under this section, shall be requested by completion of a Freedom of Information Amendment of Records Form.

## Internal Review of Council Decisions

There were five S270 requests made in 2011/12 for Internal Reviews of a Council Decisions.

## Council and Committee Meetings

Full Council, consisting of the Mayor and 12 Ward Councillors, is the ultimate decision-making body of Council.

Council meetings are held on the second and fourth Tuesday of every month at 6.30pm. Members of the public are permitted to address the Council at any ordinary meeting. 21 ordinary meetings of Council and four special meetings were held during 2011/12.

Each year, Council holds a number of its Council meetings across the district, in different locations, in conjunction with a Community Forum. This is part of Council's commitment to work with its community, be accessible and listen. Three community forums were held in 2011/12 at Verdun, Norton Summit and Houghton.

The Council's Development Assessment Panel (CDAP) comprises three elected members of Council plus four independent members (which includes an independent chairperson). The Panel considers development applications (i.e. requests from people wishing to construct buildings or undertake other developments in the area) which cannot be decided upon by staff under delegation. CDAP meetings are held on the first Tuesday of each month at 6.30pm. Twelve ordinary meetings and one special meetings of the Panel were held during 2011/12.

The Strategic Planning & Development Policy Committee (SPDPC), formed pursuant to Section 101A of the Development Act, 1993, comprises all elected members. The role of this Committee is to develop land-use planning policies and initiate projects for the orderly and sustainable development of the Council district. Meetings of this committee are held on the third Tuesday of each month at 6.30pm. Seven ordinary meetings were held during 2011/12.

The Audit Committee was established by Council on 6 December 2005. Adelaide Hills Council established the Audit Committee because it saw the obvious benefits to Council of a committee specifically providing 'oversight' to items such as the budget, annual & quarterly reporting, external & internal audit and the risk management activities of Council. The Audit Committee comprises five members, three independent members and two elected members of Council. The role of the Audit Committee is to assist Council in the discharge of its responsibilities for financial reporting, maintaining a reliable system of internal controls and risk management, asset management, liaising with the external auditor and fostering the organisation's ethical development. Five ordinary meetings were held during 2011/12.

During 2011/12, Council meetings & Committee meetings were held at both 36 Nairne Road, Woodside and 63 Mt Barker Road, Stirling as well as at the three Community Forum venues.

Attendance at meetings by the Mayor and Councillors in 2011/12 is detailed below.

Councillor	Council		Special Council		Development Assessment Panel		Special Development Assessment Panel		Strategic Planning & Development Policy		Audit Committee	
	21		4		12		1		7		5	
<i>Total Meetings</i>	<i>Present</i>	<i>Apology</i>	<i>Present</i>	<i>Apology</i>	<i>Present</i>	<i>Apology</i>	<i>Present</i>	<i>Apology</i>	<i>Present</i>	<i>Apology</i>	<i>Present</i>	<i>Apology</i>
9												
Bill Spragg	21	-	4	-	*	*	*	*	6	1	*	*
Ron Nelson	18	3	4	-	*	*	*	*	6	1	*	*
Jan-Claire Wisdom	17	4	3	1	*	*	*	*	2	5	*	*
Ian Bailey	17	4	4	-	*	*	*	*	7	-	*	*
Jan Loveday	20	1	4	-	11	1	1	-	5	2	4	1
John Kemp	20	1	4	-	12	-	1	-	7	-	*	*
Kate Hosking	16	5	4	-	*	*	*	*	5	2	5	-
Simon Jones	18	3	4	-	*	*	*	*	5	2	*	*
Bill Gale	18	3	3	1	*	*	*	*	7	-	*	*
Lynton Vonow	16	5	3	1	*	*	*	*	3	4	*	*
Luke Ritchie **	12	6	3	1	*	*	*	*	1	5	*	*
Linda Green	19	2	4	-	12	-	1	-	7	-	*	*
Malcolm Herrmann	21	-	4	-	*	*	*	*	6	1	*	*

\* Member not appointed to the committee, not required to attend.

\*\* Member resigned 22 May 2012

## Agendas and Minutes

All Council, Committee & CDAP meeting agendas are placed on public display at least five days prior to the holding of these meetings. Minutes are placed on display within three days of meetings. Copies of agendas and minutes are available at Council's service centres and libraries and are posted on Council's website: [www.ahc.sa.gov.au](http://www.ahc.sa.gov.au).

## S41 Committees & Council Advisory Groups

The Adelaide Hills Council has one S41 Committee, being the Audit Committee.

Council has the following Advisory Groups, operating under their own Terms of Reference, which have been formed to provide advice and support to Council's administration:

- AHBTC Advisory Committee
- Sustainability Advisory Group
- Property Advisory Group
- Stirling Linear Park Advisory Group
- Sport & Recreation Advisory Committee
- Rural Land Management Advisory Group
- Upper Torrens Land Management Project
- Torrens Valley Community Centre Advisory Committee
- Social Planning Reference Group
- Hills Voice Committee
- Cemeteries Advisory Group
- The Summit Community Centre Advisory Committee

These groups do not report directly to Council.

All of the Council's committees have delegated authority to the extent allowed under the Local Government Act 1999, to make decisions on behalf of the Council. Where a committee lacks delegation, the matter is referred to Council for resolution.

## Fraud & Corruption Prevention

The Adelaide Hills Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance.

The Council recognises that Fraud and Corruption have the potential to cause significant financial and non-financial harm and that the prevention and control of Fraud and Corruption should feature predominantly within the systems and procedures of a responsible Council.

On 6 April 2010 Council adopted a Fraud & Corruption Policy to assist in meeting its good governance responsibilities.

## Public Involvement in Council Business

Members of the public may put forward their views to Council on particular issues, in a number of different ways:

### **Public Forum**

The Public is allocated a 10 minute segment at each Council meeting to address the Council with comments or questions.

### **Representations/Deputations**

With the permission of the Mayor or Committee Chairman, a Member of the Public can address a Committee or the Council personally or on behalf of a group of residents. Each representation is usually limited to a maximum time of 10 minutes. Persons wishing to access this opportunity are asked to make prior arrangements through the Mayor's Office on 8408 0438.

### **Petitions**

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

### **Written Requests**

A member of the public can write to the Council on any Council service, activity or policy. This can be carried out by post, addressed to the Chief Executive Officer, Adelaide Hills Council, PO Box 44, Woodside, SA 5244, or by Email to [mail@ahc.sa.gov.au](mailto:mail@ahc.sa.gov.au).

### **Community Consultation**

The Adelaide Hills Council consults with local residents on particular issues that affect their neighbourhoods, in accordance with its Public Consultation Policy.

### **Community Forums**

Six community forums were held during the year in conjunction with regular Council meetings, with local community groups invited to attend and address Council on any local issues of concern. In a large peri-urban council area like Adelaide Hills, the holding of these forums in different townships is an important mechanism to provide residents with an opportunity to meet with and present information or concerns to Council.

### **Public & Private Development**

Residents are notified of some development applications requiring the approval of Council. A number of applications are exempted from public notification by the Development Act. When an application is publicly notified, residents have the opportunity to write to Council expressing their views and subsequently addressing 'in person' the Council's Development Assessment Panel before a decision is made.

Local residents may be consulted on the types of facilities and equipment during the design of infrastructure for public areas, including streetscapes, pursuant to Council's Community Involvement in Council Business Protocol.

## Delegations/Sub-Delegations

The Chief Executive Officer and other officers have the delegated authority from Council to make decisions on a number of specified administrative and operational matters. These delegations are listed in the Delegations Register on Council's website.

## Executive Management Team Arrangements

Council has a Management Executive Group of four members, under the leadership of the Chief Executive Officer.

The Management Executive Group as at 30 June 2012 was made up of the following members:

Chief Executive Officer	Peter Peppin*
Director Engineering	Tim Hancock
Director Finance	Tim Piper
Director Planning & Development Services	Marc Salver

\*Mr Peppin left Council in May 2012 and has been replaced by Mr Andrew Aitken, who commenced in October 2013.

The total remuneration of the Chief Executive Officer and three Directors includes cash salary, motor vehicle and superannuation.

## Registers

Documents available for Public Inspection (as required under the Local Government Act 1999) are as follows:

- Register of Interests (S68 & 116)
- Register of Members Allowances and Benefits (S79)
- Register of Remuneration, Salaries and Benefits (S105)
- Register of Community Land (S207)
- Register of Public Roads (S231)
- Register of By-laws (S252)
- Codes of Conduct (Members of Council and Staff) (S63 & S110)
- Code of Practice for Meeting Procedures (S92)
- Register of Delegations
- Strategic Management Plan
- Annual Reports
- Annual Budget & Business Plan
- Audited Financial Statements
- Assessment Records
- Register of Fees and Charges
- Register of Development Applications
- Council Policies

## Community Lands Management Plans

The Adelaide Hills Council Community Lands Register and Community Lands Management Plan was adopted on September 2004. The current version dated January 2010 is available for viewing on Council's Website: [www.ahc.sa.gov.au](http://www.ahc.sa.gov.au).

## Competitive Tendering

It has been determined that a number of services provided by Council can most efficiently be provided by external contractors. Where services are outsourced, a tender process is used to achieve best value for Council. Details are included in Council's Contracts and Tenders Policy. In 2011/12, there were 38 services that were subjected to the tender process.

## National Competition Policy

Council had no significant business activities during 2011/12 relating to the National Competition Policy.

## Purchase of Local Goods and Services

When goods and services are required, local suppliers are invited to tender.

All tenders are considered on an equal basis in accordance with the principles of fair trading and the requirements of National Competition Policy and the Trade Practices Act.

## Section 90(2) and 91(7) Requirements

During 2011/12, the following issues were considered in closed session, in accordance with Section 90(2) of the Local Government Act 1999:

Date	Council/ Committee	Item	Title	Local Govt. Act 1999 Section
19/07/11	SPDPC	15.1	Local Heritage DPA for Adoption	90(3)(m)
09/08/11	Council	15.1	Update on Magill Training Centre Land	90(3)(m)
23/08/11	Council	15.1	Audit Committee Appointments	90(3)(a)
07/09/11	Special Council	4.1	Proposal to Lease Council Land – Exclusion of the Public	90(3)(d)(i)
07/09/11	Special Council	4.2	Bituminous Surfacing Contract Extension	90(3)(k)
11/10/11	Council	15.1	Sale of Council Land - Balhannah	90(3)(d)
25/10/11	Council	15.1	Morgan Road Kersbrook Access Issues	90(3)(b)
22/11/11	Council	15.1	Stirling Linear Park Advisory Group Appointments	90(3)(a)
22/11/11	Council	15.2	Operation of Heathfield Waste Transfer Station	90(3)(d)(i)
13/12/11	Council	15.1.1	Australia Day Nominations 2012	90(3)(d)
13/12/11	Council	15.3.1	Adelaide Hills Tourism Committee Update	90(3)(a)
14/02/12	Council	15.1	CEO's Performance Review 2011	90(3)(d)
14/02/12	Council	15.2	CEO's Performance Review 2011	90(3)(d)
21/02/12	Special Council	5.1.1	CEO's Employment Contract	90(3)(a)
21/02/12	Special Council	5.1.2	CEO's Selection Panel	90(3)(a)
02/05/12	Special Council	4.1	CEO's Contract Conclusion	90(3)(a)
02/05/12	Special Council	4.2	Appt Acting CEO	90(3)(a)
21/02/12	SPDPC	15.1	Local Heritage DPA - Stage One - Update	90(3)(m)
17/04/12	SPDPC	15.1	Townships & Urban Areas DPA General Policies - Part 1	90(3)(m)
15/05/12	SPDPC	15.1	Townships & Urban Areas DPA General Policies - Part 2	90(3)(m)
22/05/12	Council	15.1	Appointments to Sustainability Advisory Group	90(3)(a)
19/06/12	SPDPC	15.1	Townships & Urban Areas DPA General Policies - Part 3	90(3)(m)
26/06/12	Council	15.1	Service Agreement - The Hut Community Centre	90(3)(b)

## Our People

In November 2011 council began the implementation of Business Excellence, which centres on customer outcomes and ensuring the right processes are in place to enable our people to obtain the best outcomes for our customers. It's a long journey and one that will build continuous improvement into the way we do business at Adelaide Hills. It will also provide opportunity to develop our people as individuals, teams and leaders.

At 30 June 2012 Council employed 162 full time equivalent staff.

Council's turnover was 17%. This was due to a number of fixed term contracts finishing, retirement of a number of field employees and the community services and planning areas having a number of employees change roles.

## Communication

One of the first steps in Business Excellence was a self-assessment, to identify key areas for improvement. Communication is an area where we can continue to improve including ways we give employee information, how we seek feedback and how we make decisions. We continued with our RoadShow program, running two more events in July/August and Dec where organisational information was provided and employee's feedback was sought.

## Training & Development

In March a team of 6 employees participated in the LGMA Challenge. This challenge provided employees with the opportunity to further develop their skills in team work, leadership, decision making, problem solving and communication. Our team competed against other teams from across LG in SA in a day long challenge. The team also completed a workplace project and presented the final report to the Management Executive Group.

The Council entered another team in the LGMA Management Challenge. The challenge provides a great training opportunity through 'real life' experiences in a range of management activities. The Adelaide Hillbillies Team had an added challenge as they had 5 members instead of the usual 6. They rose to the occasion completing all their tasks on time.

Council continued to support a number of employees undertaking further studies, from Certificate to Degree level qualifications.

One Supervisor in Works and Services also completed the Emerging Leaders Program through the LGMA, working with 17 people from across local government and completing a team project titled 'Democracy, Bureaucracy or ....?'.

## Human Resource Improvements

Council participated in a Pilot Program through the LGA, working with 5 other councils from across the state to develop an organisational Workforce Plan. This involved surveying employees, reviewing the data, undertaking additional analysis and completing a report, including possible strategies to improve the management of people in the organisation. This provides a great basis for developing our workforce through the implementation of these strategies in the future.

An HR Team also commenced in April 2012. The team includes managers and employee representatives and is initially tasked with assisting in the update of the human resource policy and procedure framework. This team provides the participants with the opportunity to expand their knowledge while they share their perspective on how to improve organisational processes.

## Work Health and Safety

In February 2012 Council had its final WorkCover audit. This audit was to review the improvements made since the 2011 review and to close out those items completed. At the 2010 audit Council had 12 non-conformances; by the February 2012 review we have 3 non-conformances.

All people managers, employees and our Work Health and Safety Coordinator should be congratulated on their contribution to change and improve our WH&S processes and for making WH&S part of their everyday work. Our organisation is a different place compared with where we were in 2010.

Our Executive Management Group and Middle Managers continue to monitor and manage WH&S within their areas. WH&S continues to be reported on through these leadership levels and decisions are made on changes and improvements needed.

With the expectation that the OHS&W Act was going to be replaced with a new Act from 1 January 2012, training sessions were run, including a legal briefing, to ensure our management team understood their responsibilities under the new Act. Although the legislation did not change on this date, the information is still relevant, and we expect to see changes to legislation in 2013.

Council continued promoting employee health with 42 employees participating in the health assessments and 74 in skin screening.

We received 12 workers compensation claims. We continue to support and provide opportunity for our employees to return to work as quickly as possible which aids in recovery and reduces lost days.

## Elected Members' Training & Development

The Adelaide Hills Council is committed to providing training and development activities for its Elected Members and recognises its responsibility to develop and adopt a policy for this purpose under the Local Government Act, Section 80A.

Mayor Bill Spragg attended the following:

- Mayor and Chairpersons Seminar with the LGA of SA (July 2011)
- National General Assembly of the Australian Local Government Association (Aug 2011)
- PR training with Ball & Associations (Aug 2011)
- Motor Accident Commission - Knowledge transfer session:"Speed & Speed management" (Aug 2011)
- Governance Training Session - conducted by Mark Colman for AHC (Sep 2011)
- Motor Accident Commission - Knowledge transfer session:"High Risk Road users" (Sep 2011)
- Mobile Population Research Seminar - LGA of SA (Oct 2011)
- Murray Darling Basin NRM Planners Seminary (Oct 2011)
- Motor Accident Commission - Knowledge transfer session: Priority issues for safer rural roads (Nov 2011)
- Australian Institute of Urban Studies Seminar - Role of City Centres (Feb 2012)
- LGA of SA General Meeting (Apr 2012)

Councillors Jan Loveday, Simon Jones and Linda Green attended the Community Centres Conference in May 2012.

## Allowances Paid to Elected Members

Elected Members are entitled to receive an annual allowance, as determined by the Remuneration Tribunal pursuant to Section 76 of the LG Act for performing and discharging their official functions and duties.

Pursuant to the Remuneration Tribunal's Determination, the following amounts were prescribed for Elected Members for 2011/12:

Mayor/Principal Member	\$58,249.24 per annum
Deputy Mayor/Deputy Chairperson	\$18,202.88 per annum
Other Elected Members	\$14,562.27 per annum

In addition to the allowance paid under section 76 of the LG Act, Elected members are entitled to receive:

- Reimbursement for travelling within the area of Council and child/dependent care expenses associated with attendance at a Prescribed Meeting.
- Reimbursement of other expenses including:
  - The use of an iPad (or similar tablet computer) and associated software and 3G connection to be used primarily for Council business, such as document management (including Council Agenda and Minutes), communication and research (both Council Workspace and Internet).
  - A Council email address for Council business
  - Phone costs – call charges only
  - Travel - for expenses incurred in travelling to a function or activity on Council business
  - Conference, Seminar & Training Course Fees and associated Travel expenses

In addition to these, Council has resolved to make available to the Mayor (or Deputy Mayor during the Mayor's absence) the following additional facilities and support to assist them in performing and discharging their official functions and duties:

- A personal computer with the appropriate software at his/her home
- A mobile phone for Council business use
- A motor vehicle for official Council business use by the Mayor.

## Allowances Paid to Audit Committee Members

The sitting fees paid to Independent members of the Audit Committee in 2011/12 were:

Independent Presiding Member	\$500 per meeting
Independent Ordinary Member	\$350 per meeting

## Allowances Paid to the Development Assessment Panel

The sitting fees paid to Independent members of the Development Assessment Panel were:

Independent Presiding Member	\$500 per meeting
Independent Ordinary Member	\$380 per meeting

## Remuneration Payable to Council's Auditor

Remuneration payable for the annual audit of the Adelaide Hills Council's Annual Financial Statements for 2011/12 was \$18,250. No other remuneration was paid.

## Council Policies

Council policies, effective as at 30 June 2012, were:

- Account Reconciliation Policy
- Asset Management
- Buffers – An Essential Part of Rural Planning
- Building Inspection
- Capitalised Assets
- Caretaker
- Cat Management
- CDAP Complaints Handling
- Code of Conduct for Council Employees
- Code of Conduct for Elected Members
- Code of Practice for Access to Council Meetings, Committees & Documents
- Code of Practice for Meeting Procedures
- Community and Neighbourhood Houses
- Community Grants
- Community Group Use of Photocopiers
- Community Groups Access to Waste Disposal Sites
- Community Information
- Complaints Handling
- Development Application Fee Refunds
- Development Application Fee Waiver
- Development Applications Involving Significant Trees
- Directional Signage
- Disposal of Land
- Disposal of Materials
- Elected Member Allowances and Support
- Elected Member Training and Development
- Engagement of Management Consultants
- Equitable Commercial Trading Opportunities at Council Operated Events
- Fees and Charges 2012/2013
- Floral Tributes for Memorial Services Support – Anzac Day
- Fraud & Corruption Prevention
- Internal Review of Council Decisions
- Kerbside Green Organics Service Implementation
- Keys to the City & Freedom of Entry
- Management of Built Heritage
- Mayors/Chairpersons Seeking Legal Advice
- Minor Grants
- Occasional Hiring of Council Meeting Rooms
- Order Making
- Outdoor Dining
- Privately Funded Development Plan Amendments
- Procurement & Purchasing
- Provision of Physical Models for Major Development Proposals
- Public Consultation
- Public Notification
- Rate Rebate
- Recreational Use Of Council Reserves & Public Space
- Reporting of Offences
- Risk Management
- Road Rents
- Roadside Trading (Use of Public Road Verges for Business Purposes)
- Social
- Sport and Recreation
- Street Lighting
- Transport
- Treasury
- Volunteers
- Whistleblowers Protection

All policies are available for viewing on Council's Website: [www.ahc.sa.gov.au](http://www.ahc.sa.gov.au)

## State and Federal Govt. Industry Programs

During 2011/12 Council members and senior staff participated in the following:

- Adelaide Hills Community Health Service
- Adelaide Hills Division of General Practice
- Adelaide Hills Region Waste Management Authority & Committees
- Adelaide Hills Regional Managers' Forum
- Adelaide Hills Tourism Committee Forums & Projects
- Adelaide Hills Youth Services Network
- Australian Institute of Animal Management
- Australian Science and Maths School
- Bushfire GIS & Development Assessment System Steering Committee
- Bushfire Management Committee
- Cemeteries and Crematoria Association of South Australia
- Country Fire Service Regional Bushfire Prevention Committee (CFS Committee)
- Country Fire Service/Local Government Fire Prevention Reference Group (CFS Facilitated Reference Group)
- Department of Health – Deputy Member Public and Environmental Health Council
- Department of Health – Wastewater Codes Advisory Group
- Department of Planning & Local Government
- Dog & Cat Management Board
- Eastern Waste Management Authority Inc (East Waste)
- Emergency Management Australia
- Environment Protection Authority - Local Government/EPA Legislative Responsibilities Forum
- Environmental Health Australia – Disease Control and Disaster Management Special Interest Group
- Environmental Health Australia – Environment Special Interest Group
- Environmental Health Australia – Food Special Interest Group
- Environmental Health Australia – Special Interest Group Disease Control & Emergency Management
- Environmental Health Australia – Wastewater Special Interest Group
- Environmental Health Climate Change Special Interest Group Convenor
- Environmental Health Managers Forum
- Gawler River Floodplain Management Authority
- Green Web Committee
- Greenhill Water Company
- Health in All Planning Reference Group (Department of Health and Department of Planning Transport and Infrastructure)
- Hills Area Planning Influenza Group
- Hills Murray Zone Emergency Management Committee
- Hills Positive Ageing Taskforce and Executive Committee
- Hills Volunteering Steering Committee
- ICLEI – Cities for Climate Protection
- Lobethal Lights Committee
- Local Government Association – Water Sensitive Urban Design Workshop
- Local Government Association Projects & Programs
- Local Government Communicators Network
- Local Government Community Managers Network ( a Network of the Local Government Managers Association)
- Local Government Events Network
- Local Government Youth Services Forum
- Metropolitan Local Government Group

- Mt Lofty Community Sports Centre Advisory Committee
- Mt Lofty Ranges Planners Group
- Mt Lofty Ranges Waste Control Project
- Mt Lofty Ranges Watershed Environmental Management Systems Pilot Project
- National Broadband Network Digital Hub
- Northern Adelaide Hills Health Service
- Planning Institute of Australia - Social Planning Chapter (SA)
- Planning Institute of Australia (SA Division)
- Planning Social Infrastructure and Community Services for Urban Growth areas – Project Reference Group (City of Charles Sturt Hosting Council)
- Public Libraries Board
- Public Libraries Services
- Ranges to River NRM Local Government Advisory Group
- Regional Development Australia
- Regional Partnership Forum (30 Year Plan for Greater Adelaide)
- River Torrens Linear Park Trail Coordinating Committee
- Senior Animal Management Officers Forum
- South Australian Immunisation Network
- South Australian Public Health Council
- South Para Natural Resources Management Committee
- South Verdun Gateway Park Inter-Departmental Committee
- Southern & Hills Local Government Association Projects & Programs
- Southern & Hills Local Government Planning Strategy Forum
- Southern Brown Bandicoot Recovery Team
- Summertown Village Water Company
- Torrens Resilience Institute Community Disaster Resilience Project – Working group
- Tour Down Under Organising Committee
- Upper River Torrens Land Management Project
- Watershed Water Quality Improvement Project (EPA Working Group)
- World Heritage Status Bid (Mt Lofty Ranges) Working Group
- Youth Affairs Council of South Australia
- Zero Waste Garage Sale Trail

## Rating Overview 2011/12

This overview provides an outline of the current Rating Framework at Adelaide Hills Council. It is broken down as follows:

- Rates 2011/12 including average rate impacts.
- Current Rating Structure- methodology and rationale
- Rate Payment/ Relief Options

### **Rates 2011/12**

#### ***Valuation Changes***

The overall change in land values for 2011/12 was a decrease of (3.2)%, which contrasts with the increase of 5.8% in 2010/11 and mostly larger increases in the preceding years. Increases of more than 14% were experienced in 2004/05 and 2005/6. In each year the spread of changes across individual townships varies considerably, and the range in 2011/12 went from a (5.9)% decrease to a 0.9% increase (2010/11: 1% to 15% increases only). These valuations are determined by the Valuer General's Department and are outside Council's control.

### ***Rates 2011/12 in context***

The Budget for 2011/12 was prepared in conjunction with the new Long Term Financial Plan and incorporated the same assumptions. Recent average rate increases have consisted of:

	<u>2008/9</u>	<u>2009/10</u>	<u>2011/12</u>	<u>2011/12</u>
• To fund additional capital renewal	3.1%	4.3%	3.3%	2.5%
• To meet inflation	4.6%	2.8%	2.9%	3.0%
To meet additional maintenance				1.25%
<b>TOTAL</b>	<b>7.7%</b>	<b>7.1%</b>	<b>6.2%</b>	<b>6.75%</b>

The element required to fund additional capital renewal includes the effect of new developments and growth in rateable properties built in each year, which was 0.8% in 2008/9 but only 0.3% in subsequent periods.

The ten year Long Term Financial Plan assumes rate increases incorporating an uplift of CPI +1% is applied, the additional uplift over CPI being required to meet the anticipated demand for additional or enhanced council services, as experienced in recent years.

### **Rating Structure- methodology & rationale**

#### ***Business Impact Statement***

The Council recognises the importance of supporting and encouraging a diverse and healthy business sector and this is reflected within the Strategic Management Plan.

Council also recognises that large numbers of properties still zoned as Primary Production are no longer operated as such, and instead are used for residential purposes. For this reason Council has removed the automatic application of the 10% differential rate, and instead makes it available upon request to genuine primary producers. In this way Council ensures an equitable allocation of the rates burden across all residential ratepayers without penalising genuine primary producers.

In 2010/11 and 2011/12 the total 10% rate differential claimed by Primary Production ratepayers has remained constant at about \$35k. This indicates that only \$760k of rate income is attributable to genuine primary producers and so over \$3.0M is from properties used for residential purposes.

#### ***Fixed Charge***

When Council sets a variable rate in the dollar, the rates burden is shared equally across all properties according to their valuation. This is potentially unfair, as all properties have potentially the same access to core Council services, regardless of their valuation, and should ideally make an equivalent contribution to the cost of providing those core services.

The Local Government Act recognises this potential unfairness and offers two mechanisms to eliminate it. The less sophisticated is a minimum rate, whereby all properties below a certain value still pay the same minimum rate. This is not entirely fair, as every property below a certain valuation is treated equally, and the lowest valued of all make the largest contribution offsetting rates on higher value properties.

The fixed charge offers a compromise whereby every property makes a basic contribution to the cost of core services, and then the remainder of the rates bill is dictated by valuation. In addition, the fixed charge provides a mechanism to adjust rates contributions across high and low valued properties, adding balance and equity to the rate system.

It is important to realise that the fixed charge is not raised in addition to the variable rate: the two are set together to raise the required total revenue as fairly as possible. If Council abandoned the fixed charge then the variable rate would increase for all ratepayers. The fixed charge for 2011/12 was set at \$375, increasing from \$350 in 2010/11. Most South Australian Councils operating a fixed rate maintain it in the region of 23-25% of the average residential rates bill and this charge equates to 24%.

### ***Natural Resource Management Levy***

The Adelaide Hills Council collects a regional Natural Resources Management (NRM) Levy on all rateable properties on behalf of your regional NRM board (the Adelaide & Mt Lofty Ranges Board for almost all Hills ratepayers)

The NRM undertakes works and measures to improve quality and quantity of water resources, to maintain the eco-systems that depend on them, to prepare and implement catchment management plans, and to promote public awareness about the importance of proper management of water resources.

The State Government has chosen the Council rate collection process as the most efficient and economical method to collect the NRM levies without establishing a separate system. The levy is listed separately the rate notice, calculated as a percentage of land capital value.

### ***Service Charge- CWMS***

Council applies a Community Wastewater Management Systems (CWMS) service charge to properties serviced by the various CWMS systems. The cost of operating these services includes depreciation of plant, maintenance of equipment, an administration allocation and infrastructure replacement provision.

The CWMS service charges for occupied and vacant properties are set on the basis that, within each locality, access to the service is equal and has a similar positive impact on property values, so each user or property with access should pay equally. The service charges used to differ between localities due to historical reasons (pre amalgamation), but fees have been equalised across localities since 2008/09.

### ***Stirling Business Association***

Council collects a separate rate levied on business owners in the Stirling precinct which is passed onto the Stirling Business Association in full. The levy amounts to \$70,000 as requested by the Association which enjoys strong support from the Stirling business community.

## **Rate Payment / Relief Options**

### ***Pensioner Concessions***

Eligible pensioners may be entitled to a remission on rates which is administered by SA Water. Eligible pensioners must hold a Pension Card, State Concession Card or be a TPI Gold, EDA Gold or War Widow Pensioner. In addition it must be their principal place of residence.

### ***Other Concessions administered by Family & Youth Services***

Family and Youth Services may assist people in receipt of Austudy, Newstart, Parenting payments, Youth allowance etc with the payment of Council rates provided it is for the principal place of residence.

### ***Rate Cap***

Rate capping was introduced in 2005/06 and has been very successful in eliminating large rate movements resulting from uneven increases in property values. The policy applies for the principal place of residence with a rate increase of more than 15%pa and,

- the property must have been owned by the current rate payer for more than one year,
- no major developments being undertaken in the last two years, and,
- the cap does not apply if the increase in rates is less than \$50.

Council monitors the actual level of rate capping required as a key indicator that rate increases are being applied fairly across the Council area. In recent years the level has been minimal (less than \$10,000 in total).

### ***Postponement of Rates***

Section 182A of the Local Government Act requires councils to provide eligible senior ratepayers (i.e. persons eligible to hold a Seniors card) the option to postpone a prescribed proportion of their council rates on their principal place of residence each financial year. The associated Regulation 13A(1) requires that the property must be the ratepayer's home, and that the prescribed proportion of rates is any amount in excess of \$500. Interest will accrue monthly on the deferred sum.

### ***Rebate of Rates***

The Local Government Act Division 5 requires council to rebate the rates payable on some land. These can be categorised as mandatory or discretionary rebates.

### ***Mandatory Rebates***

Mandatory rebates are applied as dictated by the Local Government Act. 100% rebates apply to mostly to hospitals, cemeteries and churches, whilst 75% rebates are applied mainly to private schools, universities and community organisations. The power to determine applications for mandatory rebates of rates has been delegated to the Chief Executive Officer. Where a mandatory rebate of 75% is applied, Council will not consider any further rebates in relation to that property.

In addition, where Council is aware of an organisation which is entitled to a mandatory rebate and there is no doubt as to the eligibility for that rebate, the power to grant a rebate without first receiving an application has been delegated to the Chief Executive Officer.

### ***Discretionary Rebates***

Council has the power under Section 166 of the Local Government Act 1999 (as amended) to grant discretionary rebates in a wide range of circumstances where the strict application of the Act gives rise to an unfair outcome. It is particularly applicable where valuations or other circumstances change and give rise to an unforeseen or demonstrably inequitable outcome.

The power to determine applications for discretionary rebates of rates has been delegated to the Chief Executive Officer. Applications for a rebate of rates are to be received in writing and should be accompanied by the appropriate supporting documentation.

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# **Financial Statements**

*Year ended 30 June 2012*

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# ADELAIDE HILLS COUNCIL

## General Purpose Financial Reports for the year ended 30 June 2012

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## ADELAIDE HILLS COUNCIL

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
<b>INCOME</b>			
Rates	2	28,758	26,693
Statutory charges	2	824	854
User charges	2	1,320	1,422
Grants, subsidies and contributions	2	3,711	3,498
Investment income	2	69	71
Reimbursements	2	376	230
Other income	2	997	1,230
Net gain - joint ventures & associates	19	251	74
<b>Total Income</b>		<b><u>36,306</u></b>	<b><u>34,072</u></b>
<b>EXPENSES</b>			
Employee costs	3	12,139	11,824
Materials, contracts & other expenses	3	16,199	14,615
Depreciation, amortisation & impairment	3	6,906	6,943
Finance costs	3	690	517
Net loss - joint ventures & associates	19	35	75
<b>Total Expenses</b>		<b><u>35,969</u></b>	<b><u>33,974</u></b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>337</b>	<b>98</b>
Asset disposal & fair value adjustments	4	123	481
Amounts received specifically for new or upgraded assets	2	1,357	1,596
Physical resources received free of charge	2	-	158
Other Share of Equity Income not Operating in nature	19	-	(18)
<b>NET SURPLUS / (DEFICIT)</b>		<b><u>1,817</u></b>	<b><u>2,315</u></b>
transferred to Equity Statement			2,315
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	(4,127)	5,750
Share of other comprehensive income - joint ventures and associates	19	(7)	-
Impairment (expense) / recoupments offset to asset revaluation reserve	19	-	12
<b>Total Other Comprehensive Income</b>		<b><u>(4,134)</u></b>	<b><u>5,762</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>(2,317)</u></b>	<b><u>8,077</u></b>

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

## ADELAIDE HILLS COUNCIL

### BALANCE SHEET as at 30 June 2012

<b>ASSETS</b>	Notes	2012 \$'000	2011 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	5	1,266	1,257
Trade & other receivables	5	2,573	1,769
Inventories	5	19	23
		<u>3,858</u>	<u>3,049</u>
Non-current Assets held for Sale	20	-	-
<b>Total Current Assets</b>		<u><b>3,858</b></u>	<u><b>3,049</b></u>
<b>Non-current Assets</b>			
Financial Assets	6	293	204
Equity accounted investments in Council businesses	6	934	847
Infrastructure, Property, Plant & Equipment	7	240,993	238,372
Other Non-current Assets	6	3,743	8,234
		<u>245,964</u>	<u>247,657</u>
<b>Total Non-current Assets</b>		<u><b>245,964</b></u>	<u><b>247,657</b></u>
<b>Total Assets</b>		<u><b>249,822</b></u>	<u><b>250,706</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8	9,104	8,215
Borrowings	8	5,168	4,362
Provisions	8	989	1,136
		<u>15,261</u>	<u>13,713</u>
<b>Total Current Liabilities</b>		<u><b>15,261</b></u>	<u><b>13,713</b></u>
<b>Non-current Liabilities</b>			
Borrowings	8	5,292	5,000
Provisions	8	158	443
Liability - Equity accounted Council businesses	6	53	175
		<u>5,503</u>	<u>5,618</u>
<b>Total Non-current Liabilities</b>		<u><b>5,503</b></u>	<u><b>5,618</b></u>
<b>Total Liabilities</b>		<u><b>20,764</b></u>	<u><b>19,331</b></u>
<b>NET ASSETS</b>		<u><b>229,058</b></u>	<u><b>231,375</b></u>
<b>EQUITY</b>			
Accumulated Surplus		128,225	125,536
Asset Revaluation Reserves	9	96,358	100,485
Other Reserves	9	4,475	5,354
		<u>229,058</u>	<u>231,375</u>
<b>TOTAL EQUITY</b>		<u><b>229,058</b></u>	<u><b>231,375</b></u>

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

## ADELAIDE HILLS COUNCIL

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2012

2012	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
Balance at end of previous reporting period		125,536	100,485	5,354	231,375
Restated opening balance		125,536	100,485	5,354	231,375
<b>Net Surplus / (Deficit) for Year</b>		1,817	-	-	1,817
<b>Other Comprehensive Income</b>					
Loss on revaluation of infrastructure, property, plant & equipment	9	-	(4,127)	-	(4,127)
Impairment (expense) / recoupments offset to asset revaluation reserve		(7)	-	-	(7)
Transfers between reserves	9	879	-	(879)	-
<b>Balance at end of period</b>		<b>128,225</b>	<b>96,358</b>	<b>4,475</b>	<b>229,058</b>
<b>2011</b>					
Balance at end of previous reporting period		123,362	94,735	5,201	223,298
Restated opening balance		123,362	94,735	5,201	223,298
<b>Net Surplus / (Deficit) for Year</b>		2,315	-	-	2,315
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment	9	-	5,750	-	5,750
Impairment (expense) / recoupments offset to asset revaluation reserve		12	-	-	12
Transfers between reserves	9	(153)	-	153	-
<b>Balance at end of period</b>		<b>125,536</b>	<b>100,485</b>	<b>5,354</b>	<b>231,375</b>

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

# ADELAIDE HILLS COUNCIL

## CASH FLOW STATEMENT for the year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other		28,454	24,980
Fees & other charges		889	1,139
User charges		1,561	2,276
Investment receipts		69	26
Grants utilised for operating purposes		3,871	5,081
Reimbursements		414	230
Other revenues		2,846	3,057
<u>Payments</u>			
Employee Costs		(12,209)	(11,895)
Materials, contracts & other expenses		(18,524)	(18,314)
Investment payments		(97)	-
Finance payments		(665)	(460)
<b>Net Cash provided by (or used in) Operating Activities</b>	11	<b>6,609</b>	6,120
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		1,357	1,596
Sale of replaced assets		501	166
Sale of surplus assets		-	170
Repayments of loans by community groups		-	22
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(9,454)	(9,449)
Expenditure on new/upgraded assets		(378)	(877)
Loans made to community groups		(82)	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(8,056)</b>	(8,375)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from Borrowings New		-	5,000
Proceeds from Borrowings Existing		98	-
Proceeds from Aged Care Facility deposits		504	727
<u>Payments</u>			
Repayments of Borrowings		(147)	(111)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>455</b>	5,616
<b>Net Increase (Decrease) in cash held</b>		<b>(991)</b>	3,361
Cash & cash equivalents at beginning of period	11	(2,743)	(6,104)
<b>Cash &amp; cash equivalents at end of period</b>	11	<b>(3,734)</b>	(2,743)

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

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### **1 Basis of Preparation**

##### **1.1 Compliance with Australian Accounting Standards**

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

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

##### **1.2 Historical Cost Convention**

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

##### **1.3 Critical Accounting Estimates**

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

##### **1.4 Rounding**

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

#### **2 The Local Government Reporting Entity**

Adelaide Hills Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 28 Onkaparinga Valley Road, Woodside 5244. 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.

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

#### **3 Income recognition**

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

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

**ADELAIDE HILLS COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2012**

Note 1 - Significant Accounting Policies (cont)

**4 Cash, Cash Equivalents and other Financial Instruments**

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

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

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

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

**5 Inventories**

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

**5.1 Real Estate Assets Developments**

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

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

**5.2 Other Real Estate held for resale**

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

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

**ADELAIDE HILLS COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2012**

Note 1 - Significant Accounting Policies (cont)

**6 Infrastructure, Property, Plant & Equipment**

**6.1 Initial Recognition**

All assets are initially recognised at cost.

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

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

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

**6.2 Materiality**

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

**6.3 Subsequent Recognition**

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

**6.4 Depreciation of Non-Current Assets**

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

Major depreciation periods for each class of asset are prescribed in the Council's Capitalisation Asset's Policy. 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.

**6.5 Impairment**

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

**ADELAIDE HILLS COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2012**

Note 1 - Significant Accounting Policies (cont)

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

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

**6.6 Borrowing Costs**

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

**7 Payables**

**7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Borrowings**

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

**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 Employee Benefits.*

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

*No accrual is made for sick leave as Council'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. Council does not make payment for untaken sick leave.*

**ADELAIDE HILLS COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2012**

Note 1 - Significant Accounting Policies (cont)

**9.2 Superannuation**

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

**10 Construction Contracts**

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

**11 Joint Ventures and Associated Entities**

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

**12 Leases**

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

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

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

**13 GST Implications**

*In accordance with UIG Abstract 1031 Accounting for the Goods & Services Tax*

- *Receivables and Creditors include GST receivable and payable.*
- *Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.*
- *Non-current assets and capital expenditures include GST net of any recoupment.*
- *Amounts included in the Statement of Cash Flows are disclosed on a gross basis.*

**ADELAIDE HILLS COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2012**

Note 1 - Significant Accounting Policies (cont)

**14 Pending Accounting Standards**

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2012 reporting period and have not been used in preparing these reports.

- *AASB 9* Financial Instruments
- *AASB 10* Consolidated Financial Statements
- *AASB 11* Joint Arrangements
- *AASB 12* Disclosure of Interests in Other Entities
- *AASB 13* Fair Value Measurement
- *AASB 119* Employee Benefits
- *AASB 127* Separate Financial Statements
- *AASB 128* Investments in Associates and Joint Ventures
- *AASB 2010-6* Amendments to Australian Accounting Standards [AASBs 1 & 7]
- *AASB 2010-7* Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]
- *AASB 2011-1* Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]
- *AASB 2011-5* Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]
- *AASB 2011-7* Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]
- *AASB 2011-8* Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]
- *AASB 2011-9* Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]
- *AASB 2011-10* Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]
- *AASB 2011-12* Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]

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

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

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

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

### Note 2 - INCOME

	Notes	2012 \$'000	2011 \$'000
<b>RATES REVENUES</b>			
<u>General Rates</u>		26,939	24,980
Less: Mandatory rebates		(174)	(156)
Less: Discretionary rebates, remissions & write offs		(172)	(164)
		26,593	24,660
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		781	782
Stirling Traders		70	50
Community Wastewater Management Systems		1,166	1,069
		2,017	1,901
<u>Other Charges</u>			
Penalties for late payment		77	60
Legal & other costs recovered		71	72
		148	132
		28,758	26,693
<b>STATUTORY CHARGES</b>			
Development Act fees		290	293
Town planning fees		120	128
Animal registration fees & fines		240	294
Parking fines / expiation fees		94	55
Other licences, fees, & fines		1	1
Sundry		79	83
		824	854
<b>USER CHARGES</b>			
Cemetery/crematoria fees		162	163
Rent received AHBTC		474	463
Rent and maintenance received - Ret Villages		251	248
Dump Fees		298	386
Rate Searches		33	37
Sundry		102	125
		1,320	1,422
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		25	30
Banks & other		25	21
Loans to community groups		19	20
		69	71

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### NOTE 2 - INCOME (continued)

	Notes	2012 \$'000	2011 \$'000
<b>REIMBURSEMENTS</b>			
- for private works		27	13
- other		349	217
		376	230
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		349	208
Sundry		648	1,022
		997	1,230
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		1,357	1,596
Other grants, subsidies and contributions		2,895	3,103
Individually significant item - additional Grants Commission payment	see below	816	395
		5,068	5,094
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		1,915	2,157
State government		2,577	2,014
Other		576	923
		5,068	5,094

#### **Individually Significant Item**

On 28 June 2011, Council received payment of the first instalment of the 2011/12 Grant Commission (FAG) grant. Similarly, on 28 June 2012 Council received payment of the first two instalments of the 2012/13 grant.

	816	395
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This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt.

Similarly material adverse effects will be experienced when the timing of these grant payments is restored to normal schedule. It is not known when this will occur.

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### NOTE 2 - INCOME (continued)

	Notes	2012 \$'000	2011 \$'000
<b>Conditions over grants &amp; contributions</b>			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		<b>395</b>	439
<i>Roads Infrastructure</i>		<u>(395)</u>	<u>(379)</u>
<i>Subtotal</i>		-	60
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Financial Assistance Grant</i>		<b>816</b>	335
<i>Subtotal</i>		<u>816</u>	<u>335</u>
<i>Unexpended at the close of this reporting period</i>		<u><b>816</b></u>	<u>395</u>
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>			
		<u><b>421</b></u>	<u>455</u>
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>			
Sport & Rec		-	158
<b>TOTAL PHYSICAL RESOURCES RECEIVED</b>		<u>-</u>	<u>158</u>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 3 - EXPENSES

	Notes	2012 \$'000	2011 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		10,253	10,108
Employee leave expense		606	505
Superannuation - defined contribution plan contributions	18	592	586
Superannuation - defined benefit plan contributions	18	361	385
Workers' Compensation Insurance		543	566
Other		344	217
Less: Capitalised and distributed costs		(560)	(543)
<b>Total Operating Employee Costs</b>		<b>12,139</b>	<b>11,824</b>
 <b>Total Number of Employees</b>		 <b>161</b>	 <b>162</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		18	17
Elected members' expenses		325	321
Election expenses		61	105
Operating Lease Rentals - cancellable leases	17	304	287
Subtotal - Prescribed Expenses		<b>708</b>	<b>730</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		8,125	7,300
Energy		320	463
Contributions and Donations		449	475
Maintenance		1,472	1,145
Legal Expenses		103	133
Levies paid to government - NRM levy		782	782
- Other Levies		25	24
Parts, accessories & consumables		2,095	1,756
Professional services		414	266
Sundry		1,706	1,541
Subtotal - Other Materials, Contracts & Expenses		<b>15,491</b>	<b>13,885</b>
		<b>16,199</b>	<b>14,615</b>

## ADELAIDE HILLS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 3 - EXPENSES (cont)

	Notes	2012 \$'000	2011 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Roads		3,180	3,289
Bridges		229	227
Footpaths		245	246
Retaining Walls		50	42
Guardrails		31	26
Kerb & Gutter		122	118
Traffic Controls		31	31
Street Furniture		38	38
Stormwater		328	290
CWMS		313	272
Buildings		1,081	959
Sport & Rec		292	293
Playgrounds		30	26
Cemeteries		22	23
Library Resources		128	139
Plant & Equipment		652	789
Furniture & Fittings		134	135
		<b>6,906</b>	<b>6,943</b>
<b>FINANCE COSTS</b>			
Interest on overdraft and short-term drawdown		665	500
Unwinding of present value discounts		25	17
		<b>690</b>	<b>517</b>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

	Notes	2012 \$'000	2011 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<b><i>Assets renewed or directly replaced</i></b>			
Proceeds from disposal		501	647
Less: Carrying amount of assets sold		<u>378</u>	<u>336</u>
<b>Gain (Loss) on disposal</b>		<u>123</u>	<u>311</u>
<b><i>Assets surplus to requirements</i></b>			
Proceeds from disposal		-	170
<b>Gain (Loss) on disposal</b>		<u>-</u>	<u>170</u>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		<u>123</u>	<u>481</u>

## ADELAIDE HILLS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 5 - CURRENT ASSETS

	Notes	2012 \$'000	2011 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		293	488
Deposits at Call		570	769
Short Term Deposits		403	-
		<u>1,266</u>	<u>1,257</u>
 <b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		1,126	827
Council Rates Postponement Scheme		6	1
Accrued Revenues		313	147
Debtors - general		406	331
Other levels of Government		233	115
GST Recoupment		230	127
Prepayments		236	193
Loans to community organisations		47	54
Total		<u>2,597</u>	<u>1,795</u>
Less: Allowance for Doubtful Debts		<u>(24)</u>	<u>(26)</u>
		<u>2,573</u>	<u>1,769</u>
 <b>INVENTORIES</b>			
Stores & Materials		<u>19</u>	<u>23</u>
		<u>19</u>	<u>23</u>

## ADELAIDE HILLS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2012 \$'000	2011 \$'000
<b>Receivables</b>			
Loans to community organisations		<u>293</u>	<u>204</u>
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>293</u></b>	<b><u>204</u></b>
 <b>EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES</b>			
Gawler River Floodplain Management Authority	19	356	391
Adelaide Hills Regional Waste Management Auth	19	<u>578</u>	<u>456</u>
		<b><u>934</u></b>	<b><u>847</u></b>
 <b>OTHER NON-CURRENT ASSETS</b>			
Capital Works-in-Progress		<u>3,743</u>	<u>8,234</u>
		<b><u>3,743</u></b>	<b><u>8,234</u></b>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

	2011 \$'000				2012 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Roads	175,221	1,819	(67,146)	109,894	170,115	3,681	(68,531)	105,265
Bridges	14,577	-	(5,981)	8,596	14,071	683	(5,854)	8,900
Footpaths	8,962	1,247	(4,769)	5,440	8,463	780	(3,286)	5,957
Retaining Walls	2,521	617	(1,181)	1,957	2,630	1,723	(1,035)	3,318
Guardrails	1,135	242	(278)	1,099	1,412	334	(309)	1,437
Kerb & Gutter	7,764	559	(2,809)	5,514	8,011	1,068	(2,967)	6,112
Traffic Controls	994	-	(434)	560	1,003	55	(469)	589
Street Furniture	1,894	-	(1,298)	596	1,049	84	(485)	648
Stormwater	26,539	185	(6,631)	20,093	29,492	370	(7,610)	22,252
CWMS	15,239	856	(5,666)	10,429	16,097	569	(6,066)	10,600
Land	37,810	30	-	37,840	37,840	-	-	37,840
Buildings	60,041	-	(38,264)	21,777	59,409	2,995	(38,830)	23,574
Sport & Rec	13,359	-	(6,168)	7,191	12,269	943	(7,012)	6,200
Playgrounds	659	31	(273)	417	666	407	(262)	811
Cemeteries	3,025	-	(1,016)	2,009	2,904	185	(911)	2,178
Library Resources	1,204	172	(1,190)	186	1,151	232	(1,078)	305
Plant & Equipment	-	8,504	(4,011)	4,493	7,297	1,352	(3,836)	4,813
Furniture & Fittings	-	2,053	(1,773)	280	2,053	47	(1,907)	193
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>370,944</b>	<b>16,316</b>	<b>(148,888)</b>	<b>238,372</b>	<b>375,933</b>	<b>15,508</b>	<b>(150,448)</b>	<b>240,993</b>
<i>Comparatives</i>	<b>365,080</b>	<b>9,611</b>	<b>(142,677)</b>	<b>232,014</b>	<b>370,944</b>	<b>16,316</b>	<b>(148,888)</b>	<b>238,372</b>

*This Note continues on the following pages.*

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

	2011	CARRYING AMOUNT MOVEMENTS DURING YEAR							2012
	\$'000	\$'000							\$'000
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers to WIP	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Roads	109,894	121	3,560	-	(3,180)	-	(704)	(4,426)	105,265
Bridges	8,596	167	516	-	(229)	-	(227)	77	8,900
Footpaths	5,440	201	579	-	(245)	-	(153)	135	5,957
Retaining Walls	1,957	850	873	-	(50)	-	(52)	(260)	3,318
Guardrails	1,099	334	-	-	(31)	-	-	35	1,437
Kerb & Gutter	5,514	534	534	-	(122)	-	(27)	(321)	6,112
Traffic Controls	560	18	37	-	(31)	-	-	5	589
Street Furniture	596	72	12	-	(38)	-	(1)	7	648
Stormwater	20,093	212	158	-	(328)	-	(97)	2,214	22,252
CWMS	10,429	518	51	-	(313)	-	(24)	(61)	10,600
Land	37,840	-	-	-	-	-	-	-	37,840
Buildings	21,777	1,855	1,140	-	(1,081)	-	(70)	(47)	23,574
Sport & Rec	7,191	736	207	-	(292)	-	(89)	(1,553)	6,200
Playgrounds	417	332	75	-	(30)	-	(13)	30	811
Cemeteries	2,009	93	92	-	(22)	-	-	6	2,178
Library Resources	186	232	-	-	(128)	-	(17)	32	305
Plant & Equipment	4,493	-	1,352	(380)	(652)	-	-	-	4,813
Furniture & Fittings	280	-	47	-	(134)	-	-	-	193
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>238,372</b>	<b>6,275</b>	<b>9,233</b>	<b>(380)</b>	<b>(6,906)</b>	<b>-</b>	<b>(1,474)</b>	<b>(4,127)</b>	<b>240,993</b>
<i>Comparatives</i>	<b>232,014</b>	<b>1,190</b>	<b>6,698</b>	<b>(336)</b>	<b>(6,943)</b>	<b>-</b>	<b>-</b>	<b>5,750</b>	<b>238,372</b>

*This Note continues on the following pages.*

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

#### Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

#### **Land**

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

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

#### **Buildings**

Buildings and other structures are initially recognised on the cost basis, and subsequently revalued to current replacement cost. Buildings and other improvements were valued by Propell National Valuers.Pty Ltd for the period ended 30/6/2011.

Buildings have been segmented into Roof, Gutters, foundation, external walls, internal walls, flooring, ceilings, plumbing, windows, air conditioning, heating, electrical, fittings, septic tanks, security, lifts and fire equipment.

#### **Infrastructure**

All infrastructure assets have been either independently revalued or indexed forward to disclose their written down current replacement cost for the period ended 1 July 2011, and pursuant to Council's election, are disclosed at written down replacement cost. All additions after this date are recorded at cost.

Tonkin Consulting Pty Ltd has provided a representation letter detailing their support of these condition assessments and replacement values.

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

#### **Library Books**

Council undertook an internal valuation of all Library Resources assets as at 1 July 2011. Library Resources assets were valued at the written down replacement cost. All additions made after the date of valuation have been recorded at cost. Library Resources assets which have been written down to nil value have been disposed of during the year at no consideration.

#### **Plant, Furniture & Equipment**

These assets are recognised on the cost basis.

#### **All other assets**

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 8 - LIABILITIES

	Notes	2012 \$'000		2011 \$'000	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		1,691		863	
Payments received in advance		670	-	470	-
Accrued expenses - employee entitlements		1,381	-	1,350	-
Accrued expenses - other		1,147	-	1,973	-
Aged Care Facility Deposits		4,027	-	3,523	-
Deposits, Retentions & Bonds		4	-	4	-
Other		184	-	32	-
		<u>9,104</u>	<u>-</u>	<u>8,215</u>	<u>-</u>
<b>BORROWINGS</b>					
Bank Overdraft		5,000	-	4,000	-
Loans		168	5,292	362	5,000
		<u>5,168</u>	<u>5,292</u>	<u>4,362</u>	<u>5,000</u>

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

### PROVISIONS

Employee entitlements (including oncosts)		915	90	1,029	77
Future reinstatement / restoration, etc		74	68	107	366
		<u>989</u>	<u>158</u>	<u>1,136</u>	<u>443</u>

### *Movements in Provisions - 2012 year only (current & non-current)*

<i>Opening Balance</i>				<i>Future Reinstatement</i>	473
<i>Add Unwinding of present value discounts</i>					25
<i>(Less) Payments</i>					(66)
<i>Unused amounts reversed</i>					(290)
<i>Closing Balance</i>					<u>142</u>

### LIABILITY - EQUITY ACCOUNTED COUNCIL BUSINESSES

<i>Eastern Waste Management Authority</i>	19		<u>53</u>		<u>175</u>
			<u>53</u>		<u>175</u>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2011	Net Increments (Decrements)	Transfers, Impairments	30/6/2012
Notes	\$'000	\$'000	\$'000	\$'000
Roads	49,539	(4,426)	-	45,113
Bridges	2,960	77	-	3,037
Footpaths	338	135	-	473
Retaining Walls	578	(260)	-	318
Guardrails	551	35	-	586
Kerb & Gutter	5,299	(321)	-	4,978
Traffic Controls	440	5	-	445
Street Furniture	662	7	-	669
Stormwater	15,940	2,214	-	18,154
CWMS	2,743	(61)	-	2,682
Land	10,497	-	-	10,497
Buildings	4,751	(47)	-	4,704
Sport & Rec	3,176	(1,553)	-	1,623
Playgrounds	35	30	-	65
Cemeteries	2,101	6	-	2,107
Library Resources	875	32	-	907
<b>TOTAL</b>	<b>100,485</b>	<b>(4,127)</b>	<b>-</b>	<b>96,358</b>
<i>Comparatives</i>	<i>94,735</i>	<i>5,750</i>	<i>-</i>	<i>100,485</i>

OTHER RESERVES	1/7/2011	Transfers to Reserve	Transfers from Reserve	30/6/2012
Investment in Associates	182	205	-	387
CWMS	1,648	279	-	1,927
Retirement Village Lobethal JV	6	-	-	6
Retirement Village Woodside	204	-	(24)	180
Retirement Village Improvement Mgt	77	-	(70)	7
Retirement Homes Fee Bond	43	-	-	43
TVCC Reserve	52	12	-	64
Library Reserve	15	-	(1)	14
Upper Torrens Land Mgt Project	181	-	(78)	103
Scott Creek Progress Association	26	-	(19)	7
	<b>2,434</b>	<b>496</b>	<b>(192)</b>	<b>2,738</b>

Carried Forward Projects Reserve	2,920	-	(2,920)	-
Heathfield Netball Courts - New toilets & Site Roadways - Bitumen work to		50	-	50
Birdwood/Mt Torrens CWMS - Overflow		50	-	50
LOWER HERMITAGE ROAD Millbrook		50	-	50
Cemeteries Fencing		50	-	50
Stirling Service Centre - Fire & Crafers Hall - New toilet block		55	-	55
Stirling Main Street - Paving upgrade		70	-	70
Kersbrook CWMS - Lagoon 1 lining		70	-	70
Building 20 - Prep works new lease (incl RIVERVIEW ROAD, WOODSIDE,		75	-	75
Stirling Main Street - Paving upgrade		92	-	92
Birdwood - Lagoon upgrade		100	-	100
Mt Barker Rd Stirling - Footpath upgrade		100	-	100
VoIP		120	-	120
Birdwood CWMS - Extend effluent reuse		120	-	120
CRM		123	-	123
Other Capital Projects < \$50k		150	-	150
		170	-	170
		243	-	243
<b>TOTAL OTHER RESERVES</b>	<b>5,354</b>	<b>2,233</b>	<b>(3,112)</b>	<b>4,475</b>
<i>Comparatives</i>	<i>5,201</i>	<i>3,166</i>	<i>(3,013)</i>	<i>5,354</i>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

<b>CASH &amp; FINANCIAL ASSETS</b>	Notes	<b>2012 \$'000</b>	<b>2011 \$'000</b>
Unexpended amounts received from Federal Government			
CWMS Investigations		302	258
Unspent Grants		670	470
		<u>972</u>	<u>728</u>
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<u>972</u>	<u>728</u>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	Notes	2012 \$'000	2011 \$'000
Total cash & equivalent assets	5	1,266	1,257
Less: Short-term borrowings	8	<u>(5,000)</u>	<u>(4,000)</u>
Balances per Cash Flow Statement		<u><b>(3,734)</b></u>	<u><b>(2,743)</b></u>

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

Net Surplus (Deficit)		1,817	2,315
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		6,906	6,943
Equity movements in equity accounted investments (increase) decrease		(209)	(15)
Net increase (decrease) in unpaid employee benefits		(70)	165
Premiums & discounts recognised & unwound		25	17
Change in allowances for under-recovery		(2)	7
Non-cash asset acquisitions		-	(158)
Grants for capital acquisitions treated as Investing Activity		(1,357)	(1,596)
Net (Gain) Loss on Disposals		<u>(123)</u>	<u>(499)</u>
		6,987	7,179
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(670)	713
Net (increase) decrease in inventories		4	1
Net increase (decrease) in trade & other payables		354	(1,841)
Net increase (decrease) in other provisions		<u>(66)</u>	<u>32</u>
<b>Net Cash provided by (or used in) operations</b>		<u><b>6,609</b></u>	<u><b>6,084</b></u>

## ADELAIDE HILLS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

#### Note 11 (Cont.) - RECONCILIATION TO CASH FLOW STATEMENT

##### (c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	2	-	158
<i>Amounts recognised in Income Statement</i>		-	158
- Finance Leases		-	-
- Estimated future reinstatement etc. costs		(356)	-
		<u>(356)</u>	<u>158</u>

##### (d) Financing Arrangements

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

Bank Overdrafts	5,100	8,200
Corporate Credit Cards	45	24

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

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2012	2011	2012	2011	
2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Community Services	1,535	1,710	4,776	4,019	(3,241)	(2,309)	1,100	1,359	-	13,180
Corporate Support	29,235	26,380	9,857	9,927	19,378	16,453	824	991	4,084	14,272
Planning and Environment	669	2,631	2,481	3,922	(1,812)	(1,291)	132	727	-	7,140
Governance	-	-	384	354	(384)	(354)	-	-	-	-
Infrastructure Assets	1,024	2,209	8,531	7,477	(7,507)	(5,268)	2,393	1,583	243,422	166,956
Community Recreation and Leisure	2,027	234	5,449	3,924	(3,422)	(3,690)	562	192	-	37,946
Waste Management	1,565	616	4,456	4,057	(2,891)	(3,441)	30	228	-	10,364
<b>TOTALS</b>	<b>36,055</b>	<b>33,780</b>	<b>35,934</b>	<b>33,681</b>	<b>121</b>	<b>99</b>	<b>5,041</b>	<b>5,081</b>	<b>247,506</b>	<b>249,858</b>

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

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

The activities relating to Council functions are as follows:

#### **Community Recreation and Leisure**

Parks & Reserves, Sporting Facilities, Community Use Buildings, Other Community Facilities, and Cemeteries.

#### **Community Services**

Retirement Villages, Home and Community Care, Library Services, Transport, and Community Support.

#### **Corporate Support**

Rates Administration, Information Technology, Financial Management and Treasury, Plant and Vehicle Replacement, Other Corporate Support, and Infrastructure Support.

#### **Planning and Environment**

Economic Development and Tourism, Development Assessment, Public and Environmental Health, Natural Resources, Public Safety, Regulatory Services, and Policy and Projects Planning.

#### **Governance**

Elected Members.

#### **Infrastructure Assets**

Roads (Sealed), Roads (Unsealed), Stormwater Drainage, Footpaths and Trails, and Bridges.

#### **Waste Management**

Community Wastewater Management Systems (CWMS), Domestic Refuse Collection, and Disposal Sites.

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 13 - FINANCIAL INSTRUMENTS

#### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 3.50% and 4.75% (2011: 4.50% and 5.25%). Short term deposits have an average maturity of 1 day and an average interest rates of 4.25%.</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges (including legals &amp; penalties for late payment)</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 8.5% (2011: 9.0%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth &amp; State.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Receivables - Retirement Home Contributions</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Retirement Home Contributions</b>	<p><b>Accounting Policy:</b> To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p><b>Terms &amp; conditions:</b> Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p><b>Carrying amount:</b> approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 3.50% and 4.75% (2011: 6.25% and 6.75%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117 - Leases.</p>

## ADELAIDE HILLS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

##### Liquidity Analysis

2012	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	1,266			1,266	1,266
Receivables	999	52	-	1,051	981
Other Financial Assets	19	293	-	312	293
<b>Total</b>	<b>2,284</b>	<b>345</b>	<b>-</b>	<b>2,629</b>	<b>2,540</b>
<b>Financial Liabilities</b>					
Payables	9,104	-	-	9,104	6,576
Current Borrowings	5,185	52	-	5,237	5,168
Non-Current Borrowings	-	5,292	-	5,292	5,292
<b>Total</b>	<b>14,289</b>	<b>5,344</b>	<b>-</b>	<b>19,633</b>	<b>17,036</b>
2011	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	1,257			1,257	1,257
Receivables	667	-	-	667	647
Other Financial Assets	23	204	-	227	204
<b>Total</b>	<b>1,947</b>	<b>204</b>	<b>-</b>	<b>2,151</b>	<b>2,108</b>
<b>Financial Liabilities</b>					
Payables	8,215	-	-	8,215	4,892
Current Borrowings	4,362	-	-	4,362	4,362
Non-Current Borrowings	-	5,000	-	5,000	5,000
<b>Total</b>	<b>12,577</b>	<b>5,000</b>	<b>-</b>	<b>17,577</b>	<b>14,254</b>

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

	30 June 2012		30 June 2011	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Overdraft	6.47	5,000	6.16	5,000
Other Variable Rates	6.06	5,100		4,000
Fixed Interest Rates	6.47	359	6.59	362
		<b>10,459</b>		<b>9,362</b>

## ADELAIDE HILLS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

##### **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.

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 14 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2012 \$'000	2011 \$'000
<b>Capital Commitments</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Infrastructure Assets		237	1,401
Buildings		53	360
Plant & Equipment		<u>283</u>	<u>201</u>
		<u>573</u>	<u>1,962</u>
These expenditures are payable:			
Not later than one year		<u>573</u>	<u>1,962</u>
		<u>573</u>	<u>1,962</u>
<b>Other Expenditure Commitments</b>			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		-	18
Waste Management Services		6,034	4,483
Employee Remuneration Contracts		<u>3,507</u>	<u>2,063</u>
		<u>9,541</u>	<u>6,564</u>
These expenditures are payable:			
Not later than one year		<u>4,125</u>	2,907
Later than one year and not later than 5 years		<u>5,416</u>	<u>3,657</u>
		<u>9,541</u>	<u>6,564</u>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 15 - FINANCIAL INDICATORS

	2012	2011	2010
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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.

**Operating Surplus Ratio**

<u>Operating Surplus</u>	1%	0%	1%
Rates - general & other less NRM levy			

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

<b>Adjusted Operating Surplus Ratio</b>	0%	0%	1%
---	----	----	----

*In each of June 2009, 2010 and 2011 the Commonwealth Government made an advance of one quarterly payment of the Financial Assistance Grant. In June 2012 an advance of two quarterly payments was made (see Note 2). Accordingly there were four "quarterly" payments in 2010 and 2011, and five payments in 2012. The **Adjusted Operating Surplus Ratio** adjusts for this distortion.*

**Net Financial Liabilities Ratio**

<u>Net Financial Liabilities</u>	47%	48%	47%
Total Operating Revenue less NRM levy			

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

**Asset Sustainability Ratio**

<u>Net Asset Renewals</u>	130%	134%	116%
Infrastructure & Asset Management Plan 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.*

*Amounts shown above an asterisk (\*) indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.*

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2012 \$'000	2011 \$'000
Income	36,306	34,072
<i>less</i> Expenses	<u>35,969</u>	<u>33,974</u>
<b>Operating Surplus / (Deficit)</b>	<b>337</b>	<b>98</b>
 <i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	9,454	9,449
<i>less</i> Depreciation, Amortisation and Impairment	6,906	6,943
<i>less</i> Proceeds from Sale of Replaced Assets	<u>501</u>	<u>166</u>
	<b>2,047</b>	<b>2,340</b>
 <i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	378	877
<i>less</i> Amounts received specifically for New and Upgraded Assets	1,357	1,596
<i>less</i> Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	170
	<u>(979)</u>	<u>(889)</u>
 <b>Net Lending / (Borrowing) for Financial Year</b>	 <b><u>(731)</u></b>	 <b><u>(1,353)</u></b>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 17 - OPERATING LEASES

#### *Leases providing revenue to the Council*

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

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

	2012 \$'000	2011 \$'000
Not later than one year	362	197
Later than one year and not later than 5 years	1,040	710
Later than 5 years	-	-
	<u>1,402</u>	<u>907</u>

#### *Lease payment commitments of Council*

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

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

No lease contains any escalation clause.

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

	2012 \$'000	2011 \$'000
Not later than one year	298	249
Later than one year and not later than 5 years	269	344
Later than 5 years	-	-
	<u>567</u>	<u>593</u>

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 18 – SUPERANNUATION

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

#### Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2011/12; 9% in 2010/11). 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 Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6% in 2010/11) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Scheme's actuary, L C Brett, BSc FIA FIAA, of Brett and Watson Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

# ADELAIDE HILLS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

### Note 19 - JOINT VENTURES & ASSOCIATED ENTITIES

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

#### **Eastern Waste Management Authority**

Eastern Waste is a regional subsidiary pursuant to S.43 of the Local Government Act 1999. Council has an interest in the assets and liabilities of Eastern Waste. Other Council members are Mitcham, Burnside, Norwood Payneham St Peters, Campbelltown and Walkerville.

<b>Eastern Waste Management Authority</b>	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
Council's respective interests are:		
- interest in outputs of the joint operation	15%	15%
- ownership interest in the joint operation	15%	15%
- the proportion of voting power in the joint operation	15%	15%
<u>Movements in Investment in Joint Operation</u>	<b>\$'000</b>	<b>\$'000</b>
Opening Balance	(175)	(89)
New Capital Contributions	-	-
Share in Operating Result	122	(68)
Share in other comprehensive income	-	-
Distributions Received	-	-
Adjustment to Equity Share	-	(18)
<b>Share in Equity of Joint Operation</b>	<b><u>(53)</u></b>	<b><u>(175)</u></b>

### **Expenditure Commitments**

#### **Finance Lease Commitment**

Eastern Waste Management Authority has commitments under finance leases as at 30/6/2012. Adelaide Hills Council reports the 100% share of these commitments. They are as follows:

Not later than one year	1,816	2,058
Later than one year and not later than 5 years	3,338	4,805
Later than 5 years	-	349
	<b><u>5,154</u></b>	<b><u>7,212</u></b>
Less: future finance charges	<b><u>(538)</u></b>	<b><u>(909)</u></b>
Net Lease Liability	<b><u>4,616</u></b>	<b><u>6,303</u></b>

## ADELAIDE HILLS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

##### Gawler River Floodplain Management Authority

Gawler River Floodplain Management Authority is a regional subsidiary pursuant to S.43 of the Local Government Act 1999. Council has an interest in the assets and liabilities of Gawler River. Other members are Barossa, Gawler, Light, Mallala and Playford Councils.

	2012 \$'000	2011 \$'000
<b>Gawler River Floodplain Management Authority</b>		
Council's respective interests are:		
- interest in outputs of the joint operation	2%	2%
- ownership interest in the joint operation	2%	2%
- the proportion of voting power in the joint operation	2%	2%
 <u>Movements in Investment in Joint Operation</u>	 <b>\$'000</b>	 <b>\$'000</b>
Opening Balance	391	379
New Capital Contributions	-	-
Share in Operating Result	(35)	(1)
Share in other comprehensive income	-	-
Distributions Received	-	-
Share of Capital Revenue	-	1
Share of Asset Revaluation - Dam	-	12
<b>Share in Equity of Joint Operation</b>	<b>356</b>	<b>391</b>

#### Expenditure Commitments

Nil

## ADELAIDE HILLS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012

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

##### **Adelaide Hills Regional Waste Management Authority**

Adelaide Hills Regional Waste Management Authority is a regional subsidiary pursuant to S.43 of the Local Government Act 1999. Council has an interest in the assets and liabilities of Adelaide Hills Regional Waste Management Authority. Other members are Alexandrina, Mt. Barker and Murray Bridge Councils.

	2012	2011
	\$'000	\$'000
<b>Adelaide Hills Regional Waste Management Authority</b>		
Council's respective interests are:		
- interest in outputs of the joint operation	34%	40%
- ownership interest in the joint operation	34%	40%
- the proportion of voting power in the joint operation	34%	40%
<u>Movements in Investment in Joint Operation</u>	<u>\$'000</u>	<u>\$'000</u>
Opening Balance	456	383
New Capital Contributions	-	-
Share in Operating Result	129	74
Share in other comprehensive income	-	(1)
Distributions Received	-	-
Adjustment to Equity Share	(7)	-
<b>Share in Equity of Joint Operation</b>	<b><u>578</u></b>	<b><u>456</u></b>

#### **Expenditure Commitments**

Nil

# **ADELAIDE HILLS COUNCIL**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2012**

### **Note 20 - 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.

#### **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 2,485 km of road reserves of average width 20 metres.

#### **BANK GUARANTEES**

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$340k (2011: \$258k) at reporting date.

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

# ADELAIDE HILLS COUNCIL

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2012

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Council for the year ended 30 June 2012, the Council's Auditor, Dean Newbery and Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Andrew Aitken  
**CHIEF EXECUTIVE OFFICER**



Peter Brass  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date: 29 October 2012.



Dean Newbery & Partners

CHARTERED ACCOUNTANTS ABN 30 164 612 890

### **Certification of Auditor's Independence**

I confirm that, for the audit of the financial statements of Adelaide Hills Council for the year ended 30 June 2012, 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*.

**JIM KEOGH**

**Partner**

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**

**Dated this 6<sup>th</sup> day of July 2012**

**Office:**  
214 Melbourne Street  
North Adelaide SA 5006

**All Correspondence:**  
PO Box 755  
North Adelaide SA 5006

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

# ADELAIDE HILLS COUNCIL

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2012

### 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 2012 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



Andrew Aitken  
CHIEF EXECUTIVE OFFICER



Bill Spragg  
MAYOR/COUNCILLOR

Date: 14 NOVEMBER 2012.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ADELAIDE HILLS COUNCIL

We have audited the accompanying financial report of the Adelaide Hills Council, which comprises the balance sheet as at 30 June 2012 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

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

The Chief Executive Officer of the Adelaide Hills 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 Local Government (Financial Management) Regulations 2011. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

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

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

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 and the Australian professional ethical pronouncements.

### **Auditor's Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Adelaide Hills Council as of 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards (including Australian Accounting Interpretations).

**DEAN NEWBERY & PARTNERS**  
**CHARTERED ACCOUNTANTS**



**JIM KEOGH**  
**PARTNER**

Signed on the 22<sup>nd</sup> day of November 2012,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

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# **Subsidiary Annual Reports**

*2011/2012*

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# ANNUAL REPORT 2011/2012

## EAST WASTE

1 Temple Court, Ottoway SA 5013  
PO Box 26, Mansfield Park SA 5012  
Ph 08 8347 5111 Fax 08 8240 3244  
Email: east@eastwaste.com Website www.eastwaste.com

### Board of Management



**Mr Paul di Iulio**  
Chairman  
City of Campbelltown



**Mr Bill Cossey**  
Adelaide Hills Council



**Mr Mario Barone**  
City of Norwood,  
Payneham & St Peters



**Cr Elaine Grimm**  
City of Mitcham



**Cr Grant Piggott**  
City of Burnside



**Cr Gianni Busato**  
Corporation of the  
Town of Walkerville

### CHAIRMAN'S REPORT

#### Governance

Membership of the Board remained unchanged for the year and I wish to express my appreciation to Board Members for their contribution at the monthly Board Meetings.

The Board continues to provide a high level of strategic advice and governance.

It was pleasing that all Member Councils finally endorsed the revised Charter of East Waste. This Charter will set a new strategic framework for East Waste and focus the organisation on the core activity of waste collection services for Member Councils.

The Charter will be gazetted once the membership of the new Board has been decided by each Member Council together with the appointment of an Independent Chair.

A new 10 year Strategic, Financial and Business Continuity Plan will be required. East Waste has commenced reviewing and adopting policies and procedures that meet the highest governance standards.

#### Financial Management

The Audited Financial Statements for East Waste show a marked improvement in the equity within East Waste due in part to the back payment by Burnside Council.

Strict budget control during the year has seen all Member Councils receive a credit on their fees for the year reflecting the Charter requirement to charge Member Councils only the actual cost of the service.

The East Waste GPS system is now fully operational and the Board has resolved to calculate the future cost of all services provided by East Waste using the common fleet costing methodology. This will see Member Councils paying by actual truck hours worked using the GPS system and lead to further efficiencies in the utilisation of the 33 trucks comprising the East Waste fleet.

East Waste continued to comply with its capital replacement policy and use the local buy contracts to procure 5 new Robotic Arm Collection Vehicles.

#### Operations Management

East Waste collected over 1.7 million bins during the year.

The Key Performance Indicator for the waste collection industry is missed bins. East Waste's database shows that missed bins only account for 0.1% of all collections.

East Waste continues to focus on one key objective which is to pick up every bin presented for collection and to respond to any request regarding waste collection within 24 hours or as agreed with the resident.

The East Waste Enterprise Agreement is due to expire in November this year and negotiations are well advanced in agreeing a new 3 year deal with the employees of East Waste that fairly rewards our drivers but delivers a productive and efficient service.

East Waste has planned during the year, in conjunction with Adelaide Hills and Burnside Councils, the introduction of new waste collection services. Adelaide Hills commenced their fortnightly green organics collection in September 2012 and Burnside will introduce a new 3 bin kerbside collection service in early December 2012.

Finally, I would like to thank the Board and staff of East Waste for their work and commitment during the year.

**I commend the 2011-2012 East Waste Annual Report to you.**

**Paul di Iulio**  
Chairman

# ACTING GENERAL MANAGER'S REPORT

## Year in Review

### GOVERNANCE

#### **Charter**

All Member Councils have now endorsed the revised charter. The Charter will be gazetted once Member Councils have nominated their Board Members pursuant to the revised Charter.

#### **10 Year Business Plan, Financial Plan and Business Continuity Plan**

This work has been delayed with resources focused on gazettal of the new charter, as this sets the strategic framework and reporting requirements for East Waste. This work will be undertaken during the 2012/2013 year.

#### **Continual Improvement in Governance**

The revised Charter sets out the policies and procedures to be adopted for East Waste. East Waste has commenced a review of all existing policies to ensure compliance with the revised Charter. This work will continue into the new financial year.



### ADMINISTRATION & MANAGEMENT

#### **Succession Planning, Management & Administration Team**

The Operations Manager has now had over 18 months' experience in the role and has undergone several training programs that have allowed him to act in the Acting General Manager role while the incumbent was on annual leave.

An extensive review of the maintenance role in East Waste has been carried out. Several procurement contracts have been approved with significant savings. The utilisation of the existing workshop has been enhanced with in-house servicing with outsourcing only for specialised work such as transmissions, brakes and compactor repairs.

This key function of East Waste involves over \$1 million of expenditure and is constantly under review.

The regular human resource management functions, appraisals, etc, have been ongoing and appropriate training provided, with performance management of all personnel.

#### **Occupational Health, Safety & Welfare**

East Waste has had an excellent record over the 12 months regarding the KPI's for OH&S. East Waste is part way through implementing the One System Implementation Program and has maintained its rebate percentage of 45.7, with a KPI audit score of 82%.

#### **Collection Service Performance Management**

With the resolution of the Burnside dispute, East Waste has worked with this Council to again be the primary point of contact for residents regarding the waste collection services. Individual Member Council Service Level Agreements are in place with Adelaide Hills Council and Burnside Council with the other Councils to follow.



The GPS system provides another resource to better handle customer queries and provide efficiency in meeting customer service needs.

Quarterly meetings with most Member Councils to discuss all the issues associated with the collection service are held and minutes kept of these meetings. Reports are also provided from the database system of East Waste, tracking key performance indicators such as collecting missed bins within one day, etc.

## Financial Management

East Waste's budget was set on the activity based system previously used. The performance to budget has been met during the year, with all Councils to receive a credit on the fees paid. The Board and Member Councils have previously resolved to introduce a common fleet costing methodology based on the GPS tracking system now on all East Waste trucks. This system has been delayed as the software has been refined to equitably proportion travel time when trucks work across two Council areas and then travel to the processing facility. It is expected that the Board will receive common fleet costing reports from the 1st July 2012.

The Board has resolved to prepare the budget for the coming financial year on the activity based costing method, but adjustments to actual costs for the 2012/2013 year will be based on the common fleet costing model.

## Operations Management

EB negotiations for the next three years have commenced with the drivers. Negotiations centre on performance measures relying on information from the database and GPS systems of East Waste. This approach will further improve the performance and efficiency of East Waste collections.

All major supply contracts have now been reviewed. Substantial savings have been made, and a claim for \$300,000 made with a major supplier of services to East Waste as a result of a discount not being passed on when the contract was extended.

East Waste has successfully tendered for kitchen bio-baskets that have now been delivered in the Norwood Payneham & St Peters Council. East Waste continues to cooperate with the Burnside Council in the introduction of its three-bin system and is providing assistance and new bins for the Adelaide Hills Council green organics collection that commenced in September 2012.

East Waste has engaged a service provider to redevelop its website and has liaised with all Member Councils regarding this initiative. This will provide East Waste with the ability to regularly update the website and make available a resource for Member Councils to include their information on both their Council and East Waste websites.

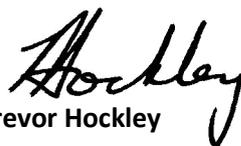
The Board has received a comprehensive report on the Unley contract. Negotiations with Unley Council will be progressed during the 2012/2013 year.

The Board and Member Councils approved capital for a new training room for the drivers of East Waste. Planning approval has been granted and the construction of the training room is due to be completed in October 2012. This facility will provide a resource for East Waste to better communicate and train its workforce.

## Non-Core Activities of East Waste

East Waste is in the process of ceasing its hooklift operation. The hooklift truck is being trialled by a sister Local Government organisation with a view to transfer the truck in the new financial year while still protecting the existing Member Councils use. The hooklift services the Adelaide Hills Council and the Campbelltown depot. These services will be maintained in any arrangement finalised by East Waste. This initiative will remove a loss-making activity for East Waste.

During the year various Member Councils have asked East Waste to evaluate *at call hard waste services* and *litter services*. A litter collection service has been included in the 2012/2013 budget and may be accessed by Member Councils if there are savings to be made when compared to their existing contracts.



Trevor Hockley  
Acting General Manager



# Eastern Waste Management Authority Inc

## Summary Financial Statement for the year ended 30 June 2012

	2012	2011
<b>REVENUE</b>	<b>\$</b>	<b>\$</b>
Collection Charges	12,913,196	12,386,164
Interest Income	40,573	26,032
Sundry Income	1,803,950	1,029,931
<b>TOTAL REVENUE</b>	<b>14,757,719</b>	<b>13,442,127</b>
<b>EXPENSES</b>		
Employee Costs	3,525,866	3,476,610
Materials, contracts & other expenses	7,992,116	7,872,707
Depreciation, amortization & impairment	1,953,813	2,014,981
Finance Costs	451,996	529,152
<b>TOTAL EXPENSES</b>	<b>13,923,791</b>	<b>13,893,450</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>833,927</b>	<b>(451,323)</b>
Net gain (loss) on disposal or revaluation of assets	664	(96,298)
Income Tax Equivalent Charge arising from the the Principle of Competitive Neutrality	(19,158)	(21,247)
<b>NET SURPLUS (DEFICIT)</b>	<b>815,433</b>	<b>(568,868)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>815,433</b>	<b>(568,868)</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	1,336,741	340,257
Trade and Other Receivables	529,515	591,909
Inventories	12,771	79,755
<b>TOTAL CURRENT ASSETS</b>	<b>1,879,027</b>	<b>1,011,921</b>
<b>NON-CURRENT ASSETS</b>		
Infrastructure, Property, Plant & Equipment	4,615,587	6,534,798
<b>TOTAL NON-CURRENT ASSETS</b>	<b>4,615,587</b>	<b>6,534,798</b>
<b>TOTAL ASSETS</b>	<b>6,494,614</b>	<b>7,546,719</b>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	1,226,924	699,292
Borrowings	1,628,082	2,455,471
Provisions	195,516	48,511
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,050,522</b>	<b>3,203,274</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	3,729,472	5,357,556
Provisions	64,416	151,117
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>3,793,888</b>	<b>5,508,673</b>
<b>TOTAL LIABILITIES</b>	<b>6,844,409</b>	<b>8,711,947</b>
<b>NET ASSETS</b>	<b>(349,795)</b>	<b>(1,165,228)</b>
<b>EQUITY</b>		
Accumulated Surplus (Deficit)	(349,795)	(1,165,228)
<b>TOTAL EQUITY</b>	<b>(349,795)</b>	<b>(1,165,228)</b>

# **GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY**

**Adelaide Hills Council  
The Barossa Council  
Town of Gawler  
Light Regional Council  
District Council of Mallala  
City of Playford**

Address: 3/58 Charles Street, Unley, South Australia 5067  
Mobile: 0413 174 222  
Email: deangollan@hotmail.com

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## **Annual Report 2011 – 2012**

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### **Gawler River Floodplain Management Authority**

#### **Annual Report 2011 – 2012**

#### **Chairman's Forward**

Major work throughout 2011-2012 has seen the work on the South Para Reservoir modifications almost complete as at the 30th June. It has been a major undertaking and is testimony to SA Water supervision and Bardavcol's Construction Team that it has been completed without any financial overrun.

Maintenance of the North Para Dam has continued and the two major heavy storms during the year proved its worth in respect of downstream events. The downstream councils have continued to research their responsibilities and programs and the Board now will lend its support to developing the next phase of the necessary works. I personally thank the Council's representatives for their input to our meetings and take the opportunity to welcome Dean Gollan as Fred Pedler's successor.

*Dr Bruce Eastick AM  
Chairman*

## GRFMA

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22 August 2002. The Constituent Councils are the Adelaide Hills Council, The Barossa Council, The Town of Gawler, Light Regional Council, District Council of Mallala and the City of Playford.

The Charter provides that a representative of the Adelaide Mount Lofty Ranges Natural Resources Management Board (AMLRNRMB) is the Chairperson of the Board of Management of the GRFMA. The Charter sets down the powers, functions, safeguards, accountabilities and an operational framework and the Business Plan sets down the operational plan and financial plan to achieve agreed objectives.

The GRFMA has been established for the following purposes:

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

## The Board

The Members of the Board for the year were:

<b>Authority</b>	<b>Board Members</b>	<b>Deputy Board Members</b>
<b>AMLRNRMB</b>	Dr Bruce Eastick AM, Chairman	
<b>Adelaide Hills Council</b>	Mayor Bill Spragg Mr Peter Peppin, CEO	Mr Marc Salver
<b>The Barossa Council</b>	Mayor Brian Hurn OAM Mr Ian Baldwin	Cr Dave de Vries
<b>Town of Gawler</b>	Cr Brian Thom Mr Stephen Kerrigan, CEO	Cr Paul Koch Mr Alec Shaw
<b>Light Regional Council</b>	Cr William Close Mr Brian Carr, CEO	Cr Peter Graham Mr Andrew Philpott
<b>District Council of Mallala</b>	Cr Ann Picard Mr Charles Mansueto, CEO	Cr Tom Summerton
<b>City of Playford</b>	Cr Dino Musolino Mr Tim Jackson, CEO	Mr Andy Slager Mr Shaun Kennedy

Ordinary meetings of the Board are held bi-monthly on the third Thursday, except December, which is held on the second Thursday, of the even months commencing at 9.00am.

Meetings are hosted by the Constituent Councils on a rotational roster. Six Board meetings were held during the year as follows:

Thursday 25 August 2011	Gawler
Thursday 3 November 2011	Mallala
Thursday 12 December 2011	Elizabeth
Thursday 16 February 2012	Kapunda

Thursday 19 April 2012  
Thursday 21 June 2012

Gumeracha  
Nuriootpa

A Key Outcomes Summary is prepared following each Board Meeting that highlights the key issues and achievements and is distributed to Stakeholders electronically.

### **Technical Assessment Panel**

A Technical Assessment Panel has been appointed to support the decision-making processes of the Board with delegated powers to provide advice and manage the technical aspects of the design, assessment and construction of the various parts of the Scheme.

The Members of the Panel are:

- Dr Bruce Eastick AM, Chairman
- Dean Gollan, Executive Officer, GRFMA
- Bill Lipp, Principal Stormwater Engineer, Department for Transport, Energy and Infrastructure
- Andy Slager, Civil Engineer, City of Playford
- Chris Wright, Water Projects Officer, Adelaide Mount Lofty Ranges NRM Board
- Derek Moore, Principal Engineer Dams, SA Water
- Mr Adrian Swiatnik, (proxy to Andy Slager)

The Panel meets as the agenda requires.

### **Audit Committee**

Following amendment to the Local Government Act 1999, the GRFMA Board recommended to the Constituent Councils that an Audit Committee of three members be formed, comprising an independent Chair with audit committee, financial management, governance and risk management skills, supported by two council chief executive officers, with audit committee and financial management skills, from the Constituent Councils. Following endorsement by the Constituent Councils, the Committee held three meetings during the year.

- Thursday 25 August, 2011 at Gawler
- Thursday 5 April, 2012 at 25 Peel Street, Adelaide
- Friday 18 May, 2012 at 25 Peel Street, Adelaide

The members of the Committee are:

- Mr Allen Bolaffi, Partner, UHY Haines Norton
- Mr Charles Mansueto, CEO, District Council of Malalla
- Mr Peter Peppin, CEO, Adelaide Hills Council

### **Executive Officer Services Committee**

In April 2011, a committee was formed to have oversight of the Executive Officer Services Contract, including the annual contract performance review process.

The members of the Committee are:

- Dr Bruce Eastick AM
- Cr Ann Picard, District Council of Mallala
- Mr Charles Mansueto, CEO, District Council of Mallala
- Mr Stephen Kerrigan, CEO, Town of Gawler

## **Gawler River Flood Mitigation Scheme**

The 'Scheme' is described in the 'Gawler River Flood Mitigation Scheme', published by the Northern Adelaide and Barossa Catchment Water Management Board and the Department of Water, Land and Biodiversity Conservation, October 2002. Based on the Gawler River Flood Management Study - Flood Management Plan prepared for The Gawler River Flood Management Working Party, BC Tonkin and Associates, April 1994.

Following the November 2005 flood, the Australian Government, South Australian Government, the six Constituent Councils and the Northern Adelaide Barossa Catchment Water Management Board committed to a funding package totalling \$20 million to implement the Scheme.

The Scheme comprised three parts as follows:

- The construction of a flood mitigation dam on the North Para River near Gawler – the Bruce Eastick North Para Flood Mitigation Dam was completed in December 2007.
- Modifications to the dam wall and spillway of the South Para Reservoir to provide flood mitigation – the modifications reached practical completion in June 2012.
- Construction of levees including the formalization of a controlled parallel flow path together with sensitive vegetation and channel maintenance along the lower reaches of the Gawler River - to be later described as Strategy 6d – this part of the Scheme was abandoned following the findings of the Gawler River Mapping Study in 2008.

In February 2008, the Gawler River Mapping Study was completed to identify the impact of the March 2007 estimates and to identify strategies to mitigate the impact of flooding.

In June 2009, the Board amended the Business Plan to include the preparation of a *Gawler River Flood Mitigation Scheme – Mark Two*, planned to build on the studies of recent years and bring forward strategies that can cost effectively reduce the impact of flooding from the Gawler River. The development of the Mark Two Scheme has been delayed by the need to provide additional funding to complete the modifications to the South Para Reservoir.

## **Flood Events**

### **4<sup>th</sup> and 5<sup>th</sup> September 2010**

Heavy rains fell across the catchment, up to 70 mm, estimated to be approximately a 1 in 7 year storm event resulted in strong flows in the North Para River. Water began to rise behind the Bruce Eastick North Para Flood Mitigation Dam on Saturday and at 10.00am on Sunday, reached a maximum height of 70 metres AHD, just below the high-level outlet pipes. Dam waters estimated to be 1.2 Gl extended approximately four kilometres upstream, passed through the low level outlet pipe at a controlled flow, returning to stream level at midday the following day. The real time catchment rainfall, river flow data and height of water in the dam were able to be monitored on the Bureau of Meteorology website.

Both the effect of the dam, and filling the South Para Reservoir, mitigated the flow in the Gawler River that caused flooding of grazing land just east and west of the new Port Wakefield Highway. No property damage was reported.

Had the Bruce Eastick North Para Flood Mitigation Dam not been in place, it is estimated that a breakout just west of Bakers Road to the north would have occurred, flooding a number of horticultural properties.

## **8<sup>th</sup> December 2010**

Following intense storms in the early hours where several centres recorded 24 hour falls of 70 to 80 mm, that gave rise to strong flows in the North Para River that caused the Bruce Eastick North Para Flood Mitigation Dam to operate for the second time in four months. Water rose to 72.5 m, which caused the two High Level Outlet Pipes to operate for the first time. Dam waters estimated to be 1.8 Gl extended over 4 kilometres upstream passed through the low level outlet pipe at a controlled flow returning to stream level by late the following afternoon.

Had the Bruce Eastick North Para Flood Mitigation Dam not been in place it is estimated that a breakout just west of Bakers Road to the north would have occurred, flooding a number of horticultural properties.

These events confirmed that the dam operated as designed and provided protection by mitigating the peak flow to a level that could be passed by the lower Gawler River, without overtopping the banks causing flooding as was the case in 2005 and 1992.

### **Minor Works**

A replacement Turretfield Flow Gauge Weir has been constructed 800 metres downstream from the dam on the North Para River. The former flow gauge weir just upstream of the dam wall is drowned out in a flood event by the dam waters and has been decommissioned. The replacement weir is smaller in design, gauging flows up to approximately 300 cubic metres per second. This gauge weir downstream of the junction with Walker Creek provides flow data from the western part of the catchment. Data from this flow gauge will be added to the online real time data on the Bureau of Meteorology web site.

Two additional survey monuments have been constructed at the dam site, to provide a total of four monuments to provide a survey base to monitor the deformation stability of the dam wall and spillway. Part of the maintenance program is to periodically survey the structure to ensure that there is no movement. In particular this is performed after major flood or seismic events.

### **South Para Reservoir Modifications**

To further improve protection of the population at Gawler and the downstream floodplain, mitigation works were necessary at South Para Dam.

SA Water was approached by the GRFMA in September 2001, to discuss the implementation of flood mitigation works at the South Para Dam as part of their overall flood mitigation strategies.

Undertaking the flood mitigation works concurrently with a proposed dam safety upgrade was seen as the most economical solution to achieve compliance with ANCOLD guidelines, whilst providing considerable additional benefit to the community. The flood mitigation work involves modifying the existing spillway crest by raising it by 1.57 m. A 10m central slot remained at the original full supply level to provide a 1 in 100 year flood event flood retention capacity. The height of the dam embankment crest was raised 2 m by adding 1 m of additional fill and installing a concrete parapet wall on top to accommodate the resultant increased flood level.

Since that time, SA Water has been working with the GRFMA for the joint development of the South Para Reservoir to improve flood mitigation on the Gawler and South Para rivers, and dam safety improvements for the reservoir itself.

Detailed design work was completed in September 2010 and the total project costed at \$8.218 million excluding GST. The GRFMA portion of the project cost is \$4,382 million

A contract was awarded for the construction of the works on 12 July 2011. Practical completion was achieved on 25 June 2012 and the contract was completed without any variations.

## Summary Financial Statement for the Year Ending 30<sup>th</sup> June 2012

	2012 \$	2011 \$
<b>Income</b>		
Subscriptions	67,000	40,000
Investment Income	55,492	72,080
State Government Grants	1,409,631	1,415
Commonwealth Government Grants	1,234,879	1,415
Other	842	32
<i>Total Income</i>	<u>2,767,844</u>	<u>114,942</u>
<b>Expenditure</b>		
Contractual Services	3,978,477	124,798
Finance Charges	4,141	2,550
Depreciation	191,510	-
Other	11,855	18,853
<i>Total Expenditure</i>	<u>4,185,983</u>	<u>146,201</u>
<b>Surplus / (Deficit) from Operations</b>	<b><u>-1,418,139</u></b>	<b><u>-31,259</u></b>
<b>Capital Revenues</b>		
State Government Grants	-	21,123
Commonwealth Government Grants	-	21,213
<b>Total Capital Revenues</b>	<u>-</u>	<u>42,246</u>
<b>Surplus / (Deficit)</b>	<b><u>-1,418,139</u></b>	<b><u>10,987</u></b>
<b>Current Assets</b>		
Cash at Bank	7,926	59
Investments	22,610	1,587,756
Debtors – GST	87,172	1,057
Accrued Grant Income	426,514	-
<i>Total Current Assets</i>	<u>544,222</u>	<u>1,588,872</u>
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Accounts Payable	3,997	-
Accrued Expense	188,660	10,678
<i>Total Current Liabilities</i>	<u>192,657</u>	<u>10,678</u>
<b>Net Current Assets</b>	<u>351,565</u>	<u>1,578,194</u>
<b>Non Current Assets</b>		
Infrastructure	15,320,793	15,320,793
Less: Accumulated Depreciation	-191,510	-
Land	326,364	326,364
<i>Total Non Current Assets</i>	<u>15,455,647</u>	<u>15,647,157</u>
<b>Net Assets</b>	<b><u>15,807,212</u></b>	<b><u>17,225,351</u></b>
<b>Equity</b>		
Accumulated Surplus	16,737,278	16,726,291
Surplus/(Deficit) from this year	-1,418,139	10,987
Asset Revaluation Reserve	488,073	488,073
<b>Total Equity</b>	<b><u>15,807,212</u></b>	<b><u>17,225,351</u></b>

This is an abridged Annual Report. The full report is available from the GRFMA web site.

## About the Southern & Hills Local Government Association region

The Southern & Hills Local Government Association was first formed in July 1969 and is now constituted as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. Consisting of seven (7) local government Councils:

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

Collectively these seven (7) Councils have:

- ☑ More than 137,000 people as at 30<sup>th</sup> June 2010.
- ☑ 7,274 kilometres of local roads of which 2,585 are sealed, 4,440 are formed unsealed and the remaining 249 are unformed.
- ☑ Area consists of 9,658 square kilometres.
- ☑ An ocean coastline of 653 Km.
- ☑ The River Murray and lakes form the southeast boundary of the region.
- ☑ The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- ☑ Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- ☑ The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- ☑ Much of the area has, (by South Australian standards) a high rainfall.
- ☑ A large part of the area is within the 30 Year Plan for Greater Adelaide.
- ☑ Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- ☑ Projected change in the population to 2026 by approximately 25%.
- ☑ Within the region, Victor Harbor and Goolwa are key retirement destinations.
- ☑ Within the region, The Barossa Valley, The Adelaide Hills, The Fleurieu and Kangaroo Island are all major tourism destinations.
- ☑ Kangaroo Island is a major component of the Australian and SA tourism plan with tourist numbers targeted to double over the next decade.

## Office Bearers 2011 – 2012

President	Mayor Ann Ferguson, DC Mount Barker
Deputy President	Mayor Jayne Bates, Kangaroo Island Council
Executive Officer	Mr Fred Pedler <sup>1</sup> Mr Graeme Martin <sup>2</sup>
Auditor	Mr Trevor Hirth, FCA, HLB Mann Judd
Elected under the provisions of the Constitution of the Local Government Association	
Delegate to LGA State Executive	Mayor Ann Ferguson
Proxy Delegate to LGA State Executive	Mayor Jayne Bates, Kangaroo Island Council
Delegates to SAROC	Mayor Ann Ferguson Mr Fred Pedler <sup>3</sup> Mr Graeme Martin <sup>4</sup>
Proxy Delegate to SAROC	Mayor Jayne Bates

1 To December 2011

2 From January 2012

3 To December 2011

4 From January 2012

## President's Forward

Another successful year completed, one of development and change for the Southern and Hills Local Government Association.

With the retirement of S&HLGA's long standing Executive Officer, Fred Pedler we have successfully appointed his replacement, Graeme Martin.

With the change in executive officers we undertook a review of the organisation's operations. A new logo has been created and we developed and launched our new website, all designed to enhance our brand and provide up to date and accessible information for our stakeholders.

Naturally the early focus for our new executive officer has been to introduce himself to all the organisation's key stakeholders. As Chair of both groups, it has been personally very rewarding to witness the relationship between the region's Regional Development Australia organisation (RDA) and S&HLGA go from strength to strength and we look forward to the unfolding of the many joint regional projects currently in the early development stage.

The organisation is in a sound financial position and nearing the end of its current four year Business Plan. This past year has seen our energies devoted to the establishment of a regional Community Waste Water Management System (CWMS) user group and working closely with the LGA (SA) on the development of the State Government Regional Economic Policy.

Our relationship with the LGA (SA) is very productive as we have indeed been fortunate to have that organisation's President, from our own region, Alexandrina Council's Mayor Kym McHugh.

We have seen three of our regional Council CEO's move on. To the outgoing CEO's, Peter Peppin of Adelaide Hills Council, David Morcom of The Barossa Council and Roger Sweetman of The District Council of Yankalilla, we wish you well in your future appointments and thank you for your valuable contribution to S&HLGA.

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

**Mayor Ann Ferguson  
President**



## **The Board**

The Board held 6 ordinary bi-monthly meetings, and a Board workshop, during the year. Board Members are generally the Mayor and Chief Executive Officer of each Council. To provide the opportunity for Board Members to gain first hand knowledge of regional issues, meetings are hosted by Member Councils on a rotational basis and were held at Goolwa, Victor Harbor, Mt Barker, Kingscote, Yankalilla and Stirling.

Key Issues acted on by the Board included:

- o Signed Part Two of the regional NRM MOU 'Our Mutual Agreement' between the AMLRNRM Board and the S&HLGA. Part Two is the joint action - operational plan involving Alexandrina Council and the AMLRNRM Board. Supported the launch of the MOU.
- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to revisit the region road map and infrastructure priorities for the region.
- o Submission to the LGA for input into the progress of the State Government Regional Development Policy.
- o Sourced seed funding from the Department of Environment and Natural Resources for a Regional Integrated Climate Change Vulnerability Assessment.
- o Joined and assisted with the RDA application to the Federal and State Natural Disaster Resilience Program schemes for full funding for a stage one Regional Integrated Climate Change Vulnerability Assessment.
- o Submission and application to the LGA Research and Development Fund for funding for a regional project designed to capture and measure data on transient Population and Migration.
- o Submission to the LGA for contribution funding towards the Dream Australia TV and on-line project to attract skilled workers to regional Councils.
- o Development and launch of the S&HLGA Website.

Regional Consultations and briefings are now coordinated to occur on the day of Board meetings. 22 speakers addressed meetings of the Board and 1 regional forum was held.

The Board has undergone a consultative process to develop the Action Plan for 2011 - 2012.

In consultation with the constituent Councils the Board conducted a review of the S&HLGA Charter and the revised Charter was formally gazetted in August 2011.

## **S&HLGA Roads Working Party**

The Working Party, with membership drawn from directors /managers of technical services of Councils and regional managers and infrastructure planners of the Department of Transport Energy and Infrastructure (now the Department of Planning, Transport and Infrastructure) held 2 meetings for the year to complete the S&HLGA 2020 Transport Plan (Plan) and to make recommendations on regional priorities for the Special Local Roads Program (SLRP). The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan.
- Co-ordinated and supported the application process of Councils to the SLRP.
- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2012 – 2013
  - Bald Hills Road, Stage 3A – District Council of Mt Barker, Requested Grant \$1,200,000
  - Cole Road/Range Road, - District Council of Yankalilla, Requested Grant \$1,060,000

## **CWMS Group**

Following on from the previous year's research and information-briefing meetings the S&HLGA Community Waste Water Management Systems (CWMS) User group has been formally constituted with member establishment levies set comprising a base rate plus a percentage of the number of connections. The value and work of this user group will become apparent over the next year with the introduction of the Water Industry Act 2012 with all the implications for water operators and providers.

## **Regional Papers and Submissions**

The following Papers and Submissions have been prepared on behalf of Member Councils during the course of the year:

- Local Government Association of SA discussion paper on Partnering with Local Government to deliver Regional Outcomes.
- Minister for Fisheries, Hon Gail Gago MP seeking changes to the recreational fishing regulations around recreational jetties.

## **Task Force and Working Groups**

The Executive Officer was a member of the following Task Force and Working Groups during the course of the year:

- SAROC working group to develop the second draft of the LGA Regional Development Discussion Paper – Partnering with Local Government to deliver regional outcomes.
- LGA Local Government Reform fund – Building Capacity in regional Councils.

## **SAROC**

The South Australian Regional Organisation of Councils (SAROC) is an important LGA committee for Country Councils. Membership is drawn from each of the six non-metro Regional Local Government Associations that meets the day before the State Executive Committee of the LGA, and provides an important focus to the key issues affecting country Councils.

The S&HLGA supports the governance process by contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to S&HLGA Board meetings and collegiate support to prepare submissions on behalf of country Councils that included:

- Provide initial feedback and then assist with the Task Force Group to develop the draft Regional Development and Growing Country Communities policy.
- Recommending and developing policy on expired Marine flares.
- Lobbying for a more balanced & nationally consistent approach to planning, regulation and management of Wind Farms.
- Input into the development and announcement of State Marine Parks.
- Input into the development of a bushfire framework between Councils & CFS as well as formalising linkages between Regional Zone Emergency Management Committees and Regional Bushfire Management Committees

### **LGA State Executive Committee**

S&HLGA President, Mayor Ann Ferguson has represented the Southern and Hills Region at the Local Government Association State Executive Committee meetings as the region's Delegate, and Kangaroo Island Mayor, Jane Bates has acted as proxy delegate.

### **Resources**

The continuation of the capacity building grant from the Local Government Research and Development Scheme has consolidated the capacity of the Executive Officer that has been applied across a range of Association activities during the year.

Part of the additional capacity has supported the administrative processes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC and various reports and submissions throughout the year. The capacity of the region has been significantly enhanced by the development and launch of its new website.

Mr Fred Pedler, Principal of Fred Pedler & Associates, provided Executive Officer services to the Association under a contract services agreement until 31<sup>st</sup> December 2011.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement since 1<sup>st</sup> January 2012.

## Acronyms

AMLRNRM.....Adelaide and Mt Lofty Ranges Natural Resources Management Board

CEO.....Chief Executive Officer

CWMS.....Community Wastewater Management Systems

LGA.....Local Government Association

MOU.....Memorandum of Understanding

NRM.....Natural Resources Management

RDA.....Regional Development Australia

SAROC.....South Australian Regional Organisation of Councils

S&HLGA.....Southern and Hills Local Government Association

SLRP.....Special Local Roads Program

**SUMMARY FINANCIAL STATEMENTS**for the Year Ending 30<sup>th</sup> June 2012

	2012	2011
	\$	\$
<b>Income</b>		
Subscriptions	89,890	61,803
Operating Grants	35,780	34,537
Investment Income	4,357	4,209
Other	0	0
	<hr/>	<hr/>
Total Income	130,026	100,549
<b>Expenditure</b>		
Contractual Services	106,225	87,946
Finance Charges	1,500	1,225
Other	19,090	8,507
	<hr/>	<hr/>
Total Expenditure	126,815	97,678
	<hr/>	<hr/>
<b>Surplus (Deficit) from Operations</b>	<b>3,212</b>	<b>2,871</b>
	<hr/>	<hr/>
	\$	\$
<b>Current Assets</b>		
Investments	60,244	51,982
Debtors	2,985	2,312
	<hr/>	<hr/>
Total Current Assets	63,229	54,294
<b>Current Liabilities</b>		
Accounts Payable	13,360	7,637
	<hr/>	<hr/>
Total Current Liabilities	13,360	7,637
	<hr/>	<hr/>
<b>Net Current Assets</b>	<b>49,869</b>	<b>46,657</b>
	<hr/>	<hr/>
<b>Net Assets</b>	<b>49,869</b>	<b>46,657</b>
	<hr/>	<hr/>
<b>Equity</b>		
Accumulated Surplus	49,869	46,657
	<hr/>	<hr/>
<b>Total Equity</b>	<b>49,869</b>	<b>46,657</b>
	<hr/>	<hr/>

This is an abridged version of the Annual Report. The full report is available on the website [www.shlga.sa.gov.au](http://www.shlga.sa.gov.au)

ADELAIDE HILLS REGION  
WASTE MANAGEMENT AUTHORITY

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# *Annual Report 2011/2012*



## ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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Lyn Stokes - Chair AHRWMA

“The charter of the Adelaide Hills Waste Management Authority establishes the Regional Subsidiary as the coordinating waste management body on behalf of its Member Councils. The independently-resourced Authority is continuing to evaluate waste services throughout the region and determine where it can add value to Member Councils by applying a resource sharing model.

This model continues to return benefits for Member Councils and this has been further demonstrated the Authority successfully taking on the operation of the Heathfield Transfer Station. The existing management agreement with the Rural City of Murray Bridge has continued to show positive results showing the way forward for other Member Councils to benefit on a shared service basis.

“There are many challenges ahead as the Authority continues to pursue its shared services model with its Member Councils, implements required changes to comply with new guidelines associated with the Environment Protection Waste to Resources Policy and plans for resourcing that will ensure a sustainable organisation for the future.”

# ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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## THE VISION

*“Sustainable Waste Management through Shared Services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge”.*

## THE MISSION

- *To meet the Zero Waste SA Resource Recovery Targets across the region where economically and environmentally justified.*
- *To continue to develop and manage the Hartley landfill as an EPA compliant model regional landfill that provides the most cost effective disposal option for Member Councils and commercial customers.*
- *To educate the regional community on responsible waste choices that enhance and maintain their environment.*

## THE OBJECTIVES

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

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

**ADELAIDE HILLS REGION  
WASTE MANAGEMENT AUTHORITY**

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**SUMMARY OF 2011-12**

- Excavation of 65% of Hartley Cell 7
- Placement of additional capping soil on Hartley Landfill historic Cells 1-2. The next steps will include adding a suitable top soil growth medium and planting these areas with a mixture of grasses, shrubs and small trees. The types of plants to be used will be consistent with future planting to be done with Cells 5a & b which will most likely utilise a specially designed evapo-transpiration cap
- Excavation of a leachate evaporation pond to satisfy EPA requirements has been completed. The next step will include the lining and fencing off of this pond ahead of obtaining EPA approval to put it into service.
- Land tenure negotiations and review resulting in new future landfill strategies being implemented to safeguard a waste disposal facility for Member Councils.
- An independent estimate of our future cell construction costs, timing of cells and capping and post closure costs has been completed by engineering consultant firm Golder and Associates. The independent assessment has shown that the figures used in our Long Term Financial Plan are conservative and satisfy audit requirements.
- Participated successfully in Heathfield EOI resulting in drafting of management agreement. Management and operation of Heathfield Transfer Station commenced on 26 March 2012 including:
  - Putting in place new systems and procedures
  - Improving efficiencies
  - Successful transfer of AHC employee as Waste Transfer Station Operator
- Brinkley performance – improved from \$167,000 per annum net loss to \$70,000 net loss without increasing charges.
- Brinkley Transfer Station upgrade works substantially completed including the construction of a 24m by 30m undercover area enabling customers to be sheltered and use the facility in all weather conditions. This should lead to increase patronage and improved resource recovery.

## ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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- The Authority participated in and was short listed in the Monarto Quarries EOI process run by the District Council of Mount Barker. The next stage of the process will involve a Request for Proposals. The joint management of both the quarry and landfill has potential benefits for both operations in the utilisation of resources. The RFP submission is subject to ultimate Board approval.
- Hooklift Truck Trials were commence to verify if further savings can be made by being more efficient with the transport of residual waste from transfer stations and the movement of recovered resources and equipment between sites and to market places.
- Recyclables trial commenced at the Brinkley Transfer Station site using material collected from the Southern Mallee Council with the East Waste hook lift truck. By combining cardboard recovered from the Southern Mallee Council with cardboard from the Brinkley and Heathfield Transfer Station and Hartley Landfill we are able to receive favourable commercial payments for this resource. This service should be able to expand to other Member Council transfer stations and further improve efficiencies.
- Continued consultancy service role:
  - Assisted with upgrade works to the Heathfield Transfer Station.
  - Various earthworks projects for DCMB
  - Preparation of closure plans for Alexandrina Council's Goolwa Landfill
- A favourable result in our total net operating budget for 2011/12 of \$382k

**ADELAIDE HILLS REGION  
WASTE MANAGEMENT AUTHORITY**

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**Brinkley Transfer Station Upgrade Works**



**Hartley Landfill**



**Heathfield Transfer Station Upgrade**

**ADELAIDE HILLS REGION  
WASTE MANAGEMENT AUTHORITY**

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**Adelaide Hills Region Waste Management Authority**

**STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 June 2012**

	2012	2011
	\$	\$
<b>INCOME</b>		
User charges	2,713,473	2,392,508
Investment income	372	5,957
Other income	<u>919,204</u>	<u>684,007</u>
<b>Total Income</b>	<u><b>3,633,049</b></u>	<u><b>3,082,472</b></u>
<b>EXPENSES</b>		
Employee costs	307,585	180,937
Materials, contracts & other expenses	2,438,285	2,077,596
Depreciation, amortisation & impairment	487,268	628,935
Finance costs	<u>13,591</u>	<u>9,071</u>
<b>Total Expenses</b>	<u><b>3,246,729</b></u>	<u><b>2,896,540</b></u>
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>386,320</b>	<b>185,932</b>
Asset disposal & fair value adjustments	<u>(3,438)</u>	<u>(2,763)</u>
<b>NET SURPLUS / (DEFICIT)</b>	<b>382,882</b>	<b>183,169</b>
transferred to Equity Statement		
<b>TOTAL COMPREHENSIVE INCOME</b>	<u><b>382,882</b></u>	<u><b>183,169</b></u>

**ADELAIDE HILLS REGION  
WASTE MANAGEMENT AUTHORITY**

**Adelaide Hills Region Waste Management Authority**

**BALANCE SHEET  
as at 30 June 2012**

	2012	2011
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	513,900	333,115
Trade & other receivables	485,738	316,228
Inventories	10,797	5,134
	<u>1,010,435</u>	<u>654,477</u>
Non-current Assets held for Sale	-	-
<b>Total Current Assets</b>	<u>1,010,435</u>	<u>654,477</u>
<b>Non-current Assets</b>		
Infrastructure, Property, Plant & Equipment	3,865,419	4,030,155
Other Non-current Assets	334,557	-
<b>Total Non-current Assets</b>	<u>4,199,976</u>	<u>4,030,155</u>
<b>Total Assets</b>	<u>5,210,411</u>	<u>4,684,632</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & Other Payables	617,373	348,759
Borrowings	-	47,464
<b>Total Current Liabilities</b>	<u>617,373</u>	<u>396,223</u>
<b>Non-current Liabilities</b>		
Borrowings	200,000	200,000
Provisions	2,798,397	2,876,650
<b>Total Non-current Liabilities</b>	<u>2,998,397</u>	<u>3,076,650</u>
<b>Total Liabilities</b>	<u>3,615,770</u>	<u>3,472,873</u>
<b>NET ASSETS</b>	<u>1,594,641</u>	<u>1,211,759</u>
<b>EQUITY</b>		
Accumulated Surplus	1,594,641	1,211,759
<b>TOTAL EQUITY</b>	<u>1,594,641</u>	<u>1,211,759</u>