Adelaide Hills Council

Annual Report

2012/2013

Nurturing our unique place and people

Contents

Cover photograph:
Coventry Library, Stirling

Annual Report

Welcome to our 2012/13 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 2012/13, 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

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.

PO Box 44
Woodside SA 5244

Mail@ahc.sa.gov.au

Mayor & CEO's Statement

Over the past year, Adelaide Hills Council has continued to deliver community improvements as part our endeavours to make "the Hills" an outstanding place to live, work, play and visit and work towards our vision of *Nurturing our unique place and people*.

The following initiatives provided the foundations for Council's service improvements in 2012/2013:

» Improved road safety through the construction of Avenue Road roundabout Stirling under the Federal Government's Black Spot Program ($670,000).
» Delivered over $5.0M of road renewal and reconstruction work on existing transport infrastructure, including reconstructions at Stentiford Road (Lenswood), Checker Hill Road (Forreston), Riverview Road (Woodside) and Sprigg Road (Piccadilly). This helped to reduce the accumulated backlog in line with our Asset Management Plan.
» Launched green waste (third bin) collection service in townships and other areas, successfully diverting waste stream away from landfill and encouraging fire prevention through fuel load reduction in those areas.
» Introduced "at call" hard waste collection service available over summer months, supported by free e-waste drop off days at various locations in the Council area.
» Completed re-lining work at Birdwood CWMS and introduced scheme to re-use surplus water in winter months.
» Completed the fenced dog park at Evelyn Halliday Reserve, Stirling
» Transferred all library services onto the state wide library management system in June, significantly increasing borrower access to other collections.
» Introduced VOIP telephony integrated with Council's email and calendar systems, improving staff responsiveness to the 86% of customer requests received by phone, and enhancing internal connectivity.
» Replaced core business system software to allow better and fuller integration with other contemporary applications and third party systems.
» Commenced design and construction of new Council website complete with video conferencing facilities, supported by $412k of Federal funding under the Digital Local Government programme.
» Conducted community consultation programmes for website design, the new Strategic Plan, the Long Term Financial Plan and the Asset Management Plan.
» Restructured the Community Forum programme to allow more resident input and better interaction with Councillors and staff, independently of formal council meetings.

Looking to the future, the following are some of the service improvements to be 'rolled out' in 2013/14:

» Expanding and developing Council's online presence to build on the Digital Local Government programme, enhancing online transactions and case reporting .
» Research and trials to develop a suitable road building material from construction and demolition waste.

Council once again successfully hosted a Race Finish for the Tour Down Under in Stirling as well as for the first time in Lobethal. Finally, we would like to thank the Councillors and staff for their support and hard work in achieving some significant outcomes in 2012/2013.

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 and the Eastern Range and Escarpment. The Council district is within the traditional lands of the Kaurna, 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, Melba's Chocolate Factory, Mt Lofty Botanic Gardens, the Gorge Wildlife Park and Stirling's renowned Sunday markets.

About the Area

At the 2011 Census, AHC resident population was 38,633, a 2% increase on the 2006 Census. The median age of the area was 42, up from 39 in 2006.

27% of the population was 19 years or younger and 13.4% 65 years or older, compared with 24.3% and 15.4% respectively for metropolitan Adelaide. Future increase in the proportion of residents 65 years and over will necessitate further improvements in aged services and physical infrastructure to maximise accessibility.

In the preceding five years to 2011, a fifth of the population moved in to the Council area from another part of South Australia, Australia or overseas, representing a significant turn over in resident population.

The district continues to experience comparable changes in family composition and household structure. Couples with children make up 38.9% of the Council's households, with one parent families comprising 7.7% of households. Couples without children represent 30.9% of households and lone person households make up a majority of the remainder (18.7%), reflecting the ageing of the population and general changes in life pattern trends.

The district has a higher percentage of tertiary educated residents and employed people than the State average (96% employed compared to 94%). A higher proportion of residents earn a high income in comparison to metropolitan Adelaide, 16.3% of the population compared to 10.2% in Greater Adelaide.
In 2011, approximately two-thirds of employed people worked outside the area, with the remainder employed locally.

For more information about the Adelaide Hills area and communities you can see further analysis of the 2011 census results at www.id.com.au/ in the .id community section.

Ward Structure

Manoah
No. of Electors:
4,969

Cr Ron Nelson
Cr Jan-Claire Wisdom

Marble Hill
No. of Electors:
4,500

Cr Ian Bailey
Cr Jan Loveday

Torrens Valley
No. of Electors:
4,967

Cr Linda Green
Cr Malcolm Herrmann

Mount Lofty
No. of Electors:
7,980

Cr Kate Hosking
Cr John Kemp
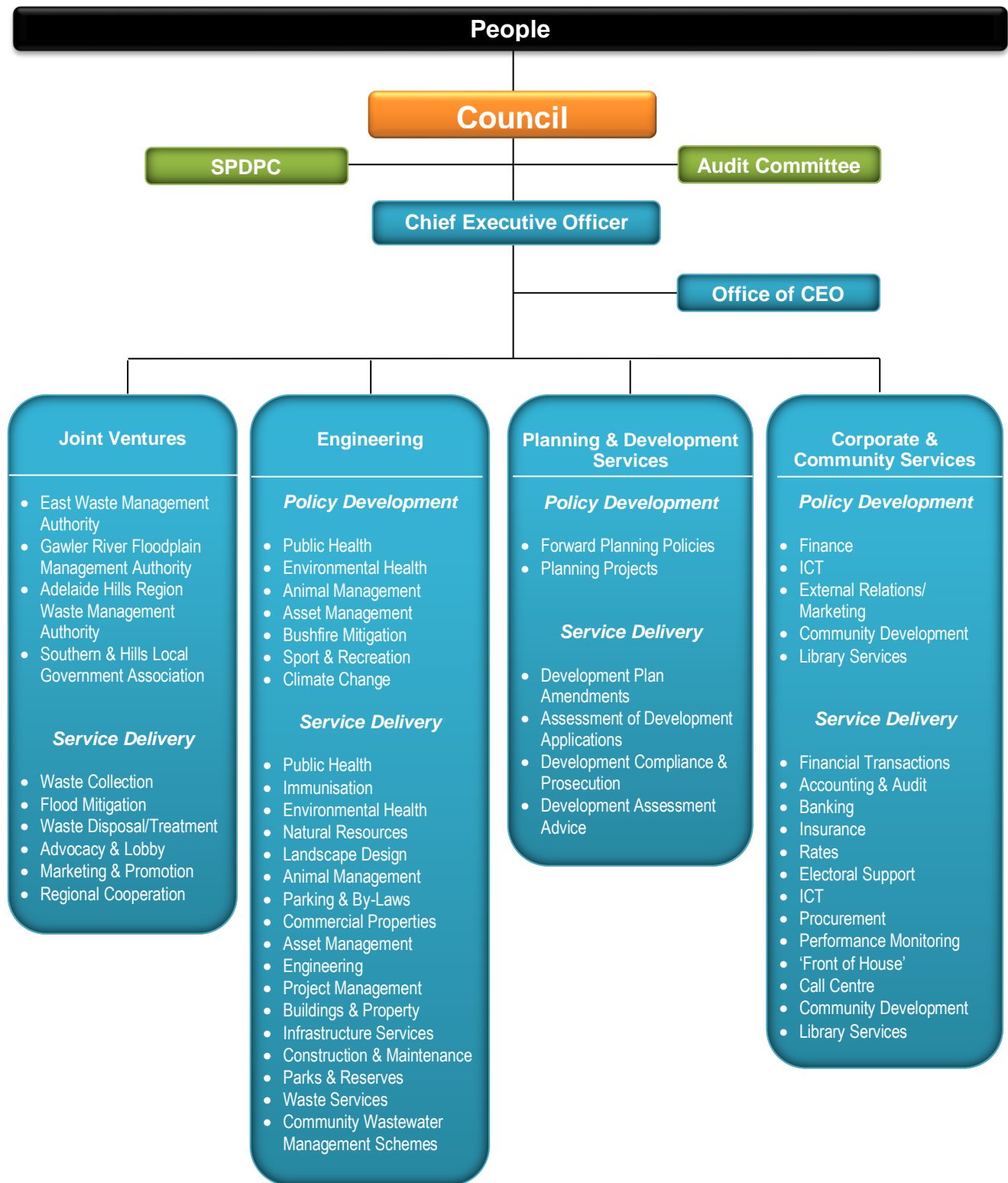Cr Simon Jones

Onkaparinga Valley
No. of Electors:
6,465

Cr Robert (Bill) Gale
Cr Lynton Vonow
Cr Andrew Stratford (elected Sept 2012)

Mayor
Bill Spragg

Organisation Structure

People

Council

SPDPC

Audit Committee

Chief Executive Officer

Office of CEO

Joint Ventures

- East Waste Management Authority
- Gawler River Floodplain Management Authority
- Adelaide Hills Region Waste Management Authority
- Southern & Hills Local Government Association

Service Delivery

- Waste Collection
- Flood Mitigation
- Waste Disposal/Treatment
- Advocacy & Lobby
- Marketing & Promotion
- Regional Cooperation

Engineering

Policy Development

- Public Health
- Environmental Health
- Animal Management
- Asset Management
- Bushfire Mitigation
- Sport & Recreation
- Climate Change

Service Delivery

- Public Health
- Immunisation
- Environmental Health
- Natural Resources
- Landscape Design
- Animal Management
- Parking & By-Laws
- Commercial Properties
- Asset Management
- Engineering
- Project Management
- Buildings & Property
- Infrastructure Services
- Construction & Maintenance
- Parks & Reserves
- Waste Services
- Community Wastewater Management Schemes

Planning & Development Services

Policy Development

- Forward Planning Policies
- Planning Projects

Service Delivery

- Development Plan Amendments
- Assessment of Development Applications
- Development Compliance & Prosecution
- Development Assessment Advice

Corporate & Community Services

Policy Development

- Finance
- ICT
- External Relations/ Marketing
- Community Development
- Library Services

Service Delivery

- Financial Transactions
- Accounting & Audit
- Banking
- Insurance
- Rates
- Electoral Support
- ICT
- Procurement
- Performance Monitoring
- 'Front of House'
- Call Centre
- Community Development
- Library Services

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.

Organisation Structure

Andrew Aitken, Chief Executive Officer (commenced 2 October 2013)

Andrew has over 15 years of management experience in both the local government and private sectors and is a strong advocate for strategic planning, accountable performance and continuous improvement. Achieving high performance through progressive leadership and people development is a key feature of Andrew's leadership style. Developing a culture that prides itself on customer service and delivering value for money to our community is also a key priority.

Delivering social, economic and environmental outcomes is of paramount importance to Andrew and his executive team, as is establishing a governance framework based on managing risk, building respectful relationships and enhancing the reputation of Adelaide Hills Council.

Andrew has Bachelor Degrees in Business (Marketing) and Arts (Psychology and Anthropology).

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, and Works & Services functions. His focus for the next several years will be on systemizing and improving the efficiency of the operations under his direction and ensuring that Council delivers key Community outcomes within his areas of responsibility.

Tim Piper, Director Finance

Tim is an experienced Finance Director who joined Council in November 2009. Tim has previously worked in the not-for-profit sector, the legal sector and the accounting profession, 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 Governance and Risk Management. 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.

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. .

FAIRNESS

RESPECT

INNOVATION

INTEGRITY

SUPPORT

COMMUNICATION

OPENNESS & TRANSPARENCY

Commitment to WH&S

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:

» Is safe and healthy for all employees, volunteers, contractors and visitors
» Minimises, manages and controls risks within the work environment
» Minimises the risk of injury and ill health at work
» 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.

The Year at a Glance

Our Strategic Directions

Goal 1: A Healthy, Safe, Engaged and Connected Community

Key Issue	Achievements
1.1 Sense of Belonging	Fostered/supported new events including Santos Tour Down Under (STDU) stage finishes celebrations in Lobethal and Stirling.
1.2 Community Planning	Two schools involved in Way to Go Travelsmart projects to encourageg safer, greener and more active travel to school. Developed Regional Youth Strategy across AHC, DCMB & Strathalbyn part of Alexandrina
1.3 Community Participation Partnership & Support	Torrens Valley Community Centre and Gumeracha Library implement 'shared space' model to extend access. TVCC moves upstairs in the shared space with Gumeracha Library and starting more programs within back of library. NBN Digital Hub grant received $335k approximately and hub started at Coventry Library Stirling in January 2013. Adult Community Education Foundation Skills funding received for programs across TVCC and the Summit Community Centres $100k until June 2013.
1.4 Village" Amenity & Character	Completed the third year of successive main street rejuvenation works in Stirling, enhancing the village character and creating 'places' for people. Progressed the Townships & Urban Areas Development Plan Amendment (DPA) which will include opportunities for the provision of a range of housing options in appropriate locations; and prepared desired character statements to ensure new development does not negatively impact on the desired character and amenity of the locality in which they are located.
1.5 Quality of Life	Positive Ageing Centre revitalised with programs moved to areas of Council with need. Home and Community Care program grown to now service over 800 older residents and secured grant funding for additional domestic assistance and home maintenance. Hills Youth Mental Wellness Project commenced; to conclude Sept 2013 Further development of, and support for, community initiatives for young people, including Lobethal Outdoor Movie Night, annual youth festival GumaROCKa!, XitH Xbox & PC gaming events, and the successful revival of The Lounge (regular drop-in nights for young people at the Aldgate RSL Hall) Upgraded all antennas at the Gumeracha Retirement Village and all residents across all sites are now receiving a full digital television signal
1.6 Community Safety	Council continued the Red Cross Redi Plan Project and subscribed to the SES Flood Safe Project
1.7 Culture & Arts	Three sculptures installed from Adelaide Hills International Sculpture Symposium, and supported funding application for Adelaide Hills Sculpture Trail through the Regional Development Australia Fund

The Year at a Glance

Our Strategic Directions

Goal 2: Sustainable Natural, Built & Agrarian Environments

Key Issue	Achievements
2.1 Natural Environment	Undertook development of Environment & Nature Conservation Strategy to guide the Council's future investment and priorities in natural asset management; completed study and mapping of precincts to identify biodiversity values of Council's Conservation Reserves; progressed Primary Production Lands DPA
2.2 Sensitive Development	Staff continue to apply the principle of developments achieving a neutral or beneficial impact when assessing development applications.
2.3 Agrarian Environment	Progression of the Primary Production Lands DPA. Reviewed Council's Buffers Policy with regard to spray drift management. The Rural Land Management Advisory Group work continues to review matters such as carbon pricing impacts on farmers, value adding industries and the issue of abandoned orchards.
2.4 Water Quality	Staff continue to consider and address water quality issues when assessing development applications. Completed negotiations for further wastewater reuse at Birdwood.
2.5 Scenic Beauty	Procedures developed to minimise the impact of development upon the scenic beauty.
2.6 Climate Change	Commenced Council office modifications at Stirling and Woodside to improve energy efficiency . Car purchases continued with smaller turbo diesel vehicles where practicable.
2.7 Built Environment	Progression of the Townships & Urban Areas DPA which includes desired character statements for each of the 24 main townships to ensure retention of the village character of these towns.
2.8 Green Education	Provided financial support to community groups working on Council land to enable them to become educated in best practice bushcare methods. Participated in the Solar Councils project to promote solar panels.

The Year at a Glance

Our Strategic Directions

Goal 3: A Prosperous and Vibrant Economy

Key Issue	Achievements
3.1 Promoting and supporting the District's Economy	Strong liaison maintained with Stirling & Lobethal businesses. Support for local Regional Development Authority reconfirmed during year. World Heritage Status bid progressed.
3.2 Sustainable Agrarian Enterprises	Progression of the Primary Production Lands DPA which will protect and enhance primary production land. Council endorsed the Feasibility Study & Economic Impact Analysis Report for the World Heritage Listing of the Mount Lofty Ranges Agrarian Landscape Project, and agreed to proceed with Stage 1 of the Project which aims to achieve National Heritage Listing of the area in question.
3.3 Tourism	Progressed Adelaide Hills Tourism Committee regional activities in conjunction with District Council of Mt Barker and Regional Development Australia (RDA). Successfully hosted 2 Race Finishes in Lobethal and Stirling for 2013 STDU. Provided event application training to the community in Gumeracha, Norton Summit and Stirling. Continued to promote local events and populated the Adelaide Hills Tourism website.
3.4 Economic Sustainability	Secured NBN related funding in excess of $800k from Department of Broadband Communications and Digital Economy to develop NBN readiness in all affected areas through Digital Hub and Digital Local Government programmes.
3.5 Economic Infrastructure	Operate Adelaide Hills Business & Tourism Centre (AHBTC) at Lobethal

Our Strategic Directions

Goal 4: Well Managed and Maintained Community Infrastructure

Key Issue	Achievements
4.1 Infrastructure Planning & Maintenance	Completed a major review of the Infrastructure & Assets Management Plan, leading to the development and adoption of a strategy to eliminate the asset renewal backlog in 10 years.
4.2 Waste Management	Ongoing improvements at the Heathfield Resource Recovery centre with sales of mulch returning, Finding Workable Solutions commencing recycling activities and the commencement of crushing and recycling of used concrete and bricks into road making material. Commencement of the green bin domestic collection in townships and the commencement of a limited hard waste collection.
4.3 Community Wastewater Management Systems	Undertook works to line the largest of the Council's wastewater lagoons, at Birdwood, to minimise environmental risks. Entered into a water reuse agreement for excess water from the Birdwood Treatment Plant.
4.4 Managing Open Space & Infrastructure for Sustainability	Incorporated water sensitive urban design elements in infrastructure improvement works in Stirling and Balhannah. Completed a master plan, incorporating environmental demonstration features, for Bridgewater Institute Reserve.
4.5 Managing Community Facilities	Continued to improve all Council cemeteries, including renewal of path works and grounds, and provision of on-site utility sheds for ground staff.

The Year at a Glance

Our Strategic Directions

Goal 5: Open, Effective & Efficient Governance

Key Issue	Achievements
5.1 Leadership	Commenced review of ten year Strategic Management Plan including stakeholder consultations with elected members, council staff and ratepayers and residents across the district
5.2 Effective & Efficient Services & Infrastructure	Implemented new phone system that links in with customer relationship management system to further improve responsiveness. Moved onto state wide library management system to increase customer access to resources and achieve cost and performance efficiencies.
5.3 Risk Management	Development of a risk assessment matrix to define a process for determining if previous land uses pose a site contamination risk for residential use. Review of Council's Building Inspection Policy. Preparation of a Building Fire Safety Bushfire Protocol to ensure residential buildings such as hotels, hostels, B&Bs, hospitals and nursing homes meet the requirement for building fire and bushfire safety. Undertook a fire safety audit of all of Councils workplaces. Workplace Health & Safety systems updated to leading sector standards
5.4 Financial Responsibility	Recorded a 3rd consecutive surplus while keeping the total average rates increase to 3.6% and adhering to an LTFP that incorporates a responsible AMP.
5.5 Promote Community Engagement	Conducted community engagement in regard to Strategic Plan Review. Conducted Engagement strategy for Council On line project, which is funded through the Digital Local Government program. Further development of Youth Advisory Committee Terms of reference & positioning closer to Council Produced Adelaide Hills Community Calendar at no cost to Council. Continued Twitter feed and grew to over 500 followers.
5.6 Management & Administration	Expanded Business Excellence programme based on the European Framework for Quality Management (EFQM). Completed Self Assessment process Commenced work on 6 key organisational improvement projects.
5.7 Effective Partnerships	Continued partnerships with Gawler River Flood Management Authority, East Waste and Adelaide Hills Regional Waste Management Authority and additional outsourcing of operations at Heathfield Waste Transfer Station to Finding Workable Solutions

Financial Analysis

Introduction

In 2012/2013 Adelaide Hills Council has recorded its fourth successive operating surplus to consolidate the drive for financial sustainability which was launched in 2008/9. Council's financial future, however, will always be dominated by the challenge of maintaining and renewing existing infrastructure. Having reduced expenditure on new assets to $378k in 2011/12, the 2012/13 budget was initially capped at $370k, whilst expenditure on renewal and replacement assets was increased in line with the Asset Management Plan to $10.9M To achieve long term sustainability, expenditure on new assets should be funded by operating surpluses (or external grants and surplus asset sales where available) and renewals and replacements should be funded by Council's depreciation provisions (from recurring income).

Financial Targets

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

Indicator	Target (set 2008/09)	Target Date	Current Status
Operating Surplus (Deficit)	>$0	2012/2013	$548k (met)
Operating Surplus Ratio	0%	2012/2013	1.8% (met)
Net Financial Assets	$3M	Ongoing	$(19.3M) *
Interest Cover Ratio	0%	Ongoing	1.6% *
Asset Sustainability Ratio	100% (on average over 5 year period)	2012/13	116% 2012/2013 (108% average) **

* Note that the original targets set for net financial assets and interest cover predate 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 key financial indicators section of the Annual Report. Under the latest Financial Management Regulations, Council is required to monitor its Asset Sustainability Ratio against the Asset Renewal spend required by its adopted Asset Management Plan and not its reported Depreciation.

Financial Analysis

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.

Operating Surplus / (Deficit)
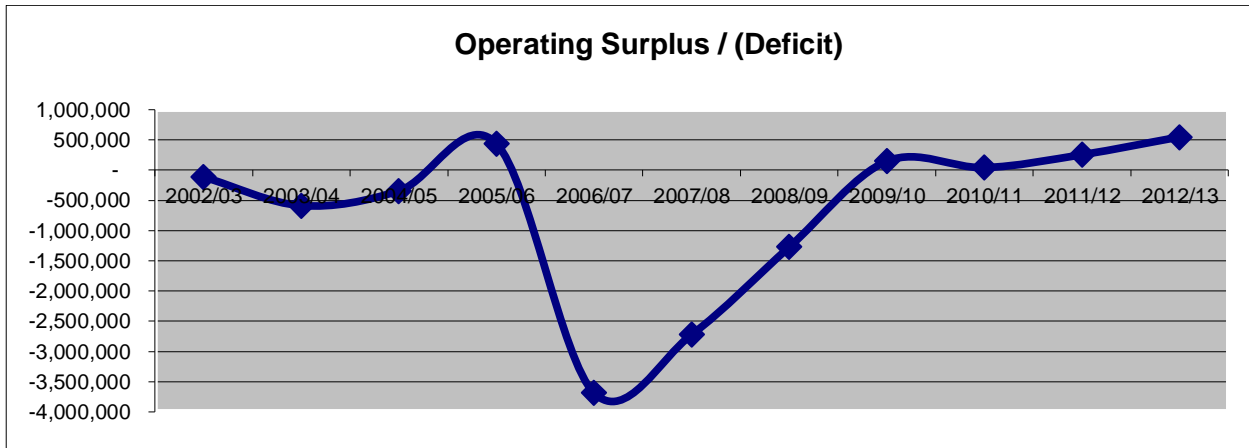
It is therefore pleasing that the small surpluses achieved since the adoption of a Long Term Financial Plan are being maintained and continue to grow. The three main factors responsible for this are unchanged:

» 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) as well as 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 had, however, borrowed $9 million by 2011, and funded the remainder by selling off surplus assets.

Since 2011 Council has continued to borrow from the LGFA to fund asset renewal, and $5 million of overdraft has been converted to a ten year loan. Overall, 2012/13 saw a $3.25M increase in borrowings commensurate with the increase in net infrastructure values and slightly ahead of that forecast in the Long Term Financial Plan. This can be attributed in part to accelerated project completion and in part to the delayed settlement of asset sales expected to complete in 2012/13.

Looking ahead for the next seven 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.

Financial Analysis

Infrastructure and other Non-Current Assets

Each year Council provides depreciation (currently approaching $7 million) to reflect infrastructure and other non-current assets wearing out. Over the life of each asset enough is "provided" to renew that asset when it wears out. Many infrastructure assets have long lives (20 years plus), and calculating depreciation relies upon accurate information and careful estimates.

During the year Council provided $6.1M for depreciation on infrastructure (2012: $6.0M, 2011: 5.9M), reflecting the steady growth in the asset base as renewals increase, and also the reduced volatility of depreciation forecasting for infrastructure following the work of recent years.

Besides capitalised infrastructure assets recorded in Council's Conquest asset database, Council also reports on a pool of Capital Works in Progress containing those assets presently being worked upon and renewed. On 30 June 2012 this pool had a value of $5.6M (2012: $3.7M, 2011: $8.2M). Fluctuations in the value of the pool depend upon project timing and the extent of completion, which are sometimes beyond council's control (eg the new Birdwood CWMS pond lined at the end of 2012/13). This can have a knock on effect when calculating some of council's KPIs and when forecasting cash flow requirements.

The remainder of Council's depreciation provision in 2013 related to Plant & Equipment/Vehicles ($0.5M), and Furniture and Fittings ($0.1M). Both categories were reduced from 2012 ($0.6M and $0.1M respectively) by a change in depreciation policy which increased their residual values and reduced the rates of depreciation. The Policy change was intended to generate depreciation provisions more closely in line with actual reductions in asset value during Council's ownership. This has had the desired effect of reducing depreciation over-provisions, illustrated by the reduction in Asset Disposal and Fair Value Adjustments to $15k (2012: $123k, 2011 $481k respectively).

The final change adopted by Council during 2012/13 saw the Library collection revalued to $nil, to reflect the practical effect of introducing the One Library card system (whereby far greater numbers of Council materials spend time being borrowed through other libraries, effectively moving outside Council's control). The $305k cost of the downwards revaluation was absorbed by Reserves created from previous upwards revaluations. Library depreciation in charged 2012 had been $128k. No further depreciation will need to be provided now, and new books will be expensed as they are acquired. New collection acquisitions of $192k in 2013 were substantially offset by State Government funding of $164k.

In addition to reduced operating expenses, one of the biggest benefits to Council will be the time saved not having to capitalise acquisitions, and then revalue and depreciate the entire collection each year. Operationally, however, library users will not notice any difference in the library service as a result of this policy change.

Grant and Other Income

During 2013 the budget review process introduced a series of changes to refine the adopted budget for operational changes identified after the budget was adopted at the end of June 2012. The cumulative effect of these reviews was that the adopted budget surplus of $80k was progressively revised upwards to an expected surplus of $180k at the time of the third budget review in May. It is therefore gratifying to see a reported surplus of $548k for 2012/2013, with no exceptional or non-recurring items to take into account. The equivalent result for 2012 was $338k (and $255k after adjusting for non-recurring items).

The most significant gain seen by Council compared with 2012 is an additional $264k attributable to its interests in waste collecting and processing subsidiaries (East Waste and Adelaide Hills RWMA): these contributed $480k (budget $100k). Council also saw operating Grant income increase by $158k compared with 2012, having budgeted for a $(529)k reduction.

Financial Analysis

Operating Costs

As with most operating budgets, Council again experienced significant variances in several categories of expense compared with budget, but their combined net effect was largely to balance each other out. Total operating expenses reached $36.5M, just $0.2M above the adopted budget.

For the second year in succession waste collection expenses did not increase as sharply as expected ($(120)k more than 2012, but $541k less than budgeted). Other costs, however, proved to be higher than budget. $(484)k related to grant funded projects, whilst energy bills and water bills also exceeded budget by $(103)k and $(150)k respectively. Expenditure on road maintenance also exceeded budget by $(130)k, and Council made a $(31)k provision against doubtful debts which was unbudgeted.

Depreciation infrastructure costs were $529k less than budgeted, with depreciation on roads $164k below, and library collection depreciation of $150k eliminated by the in change accounting policy referred to above. Plant & Equipment depreciation charges were $168k below budget. However, overdraft interest charged by the Local Government Finance Association exceeded budget by $(148)k (but increased only $(40)k from 2012).

None of these variances are considered unusual or unacceptable in a total operating budget of $36.3M, and the final operating result again confirms that Council's (long sought-after) *underlying* profitability is being preserved. Whether an ongoing surplus can be *reported* in future years (as per the LTFP) will be significantly influenced by (and more dependent upon) 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 four 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. During 2013 the programme absorbed more cashflow than forecast resulting in increased borrowings at the balance sheet date. This was exacerbated by the delayed settlement of asset sales expected to complete during the year and the increase in the Work in Progress pool of incomplete capital projects. However, across three and five year periods Council remains within the parameters of the Long Term Financial plan thanks to asset sale completions and capital grant income in 2013/14.

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)

Operating Surplus Ratio
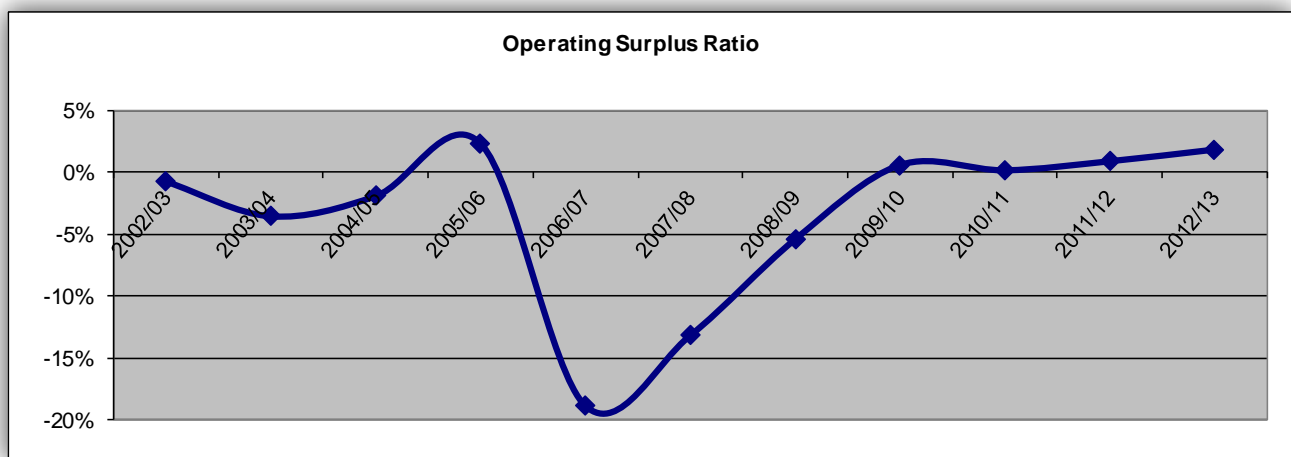
Interpretation and analysis

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 1.8% (2012:0.9%, 2011:0.2%). Council's objective for this ratio to reach 5% 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.

Key Financial Indicators

Indicator 2 – Adjusted Operating Surplus

Operating surplus (excluding profit/loss on asset disposals and revaluations, amounts received specifically for new or upgraded assets and any Individually Significant Items)

Recurrent Operating Surplus / Deficit
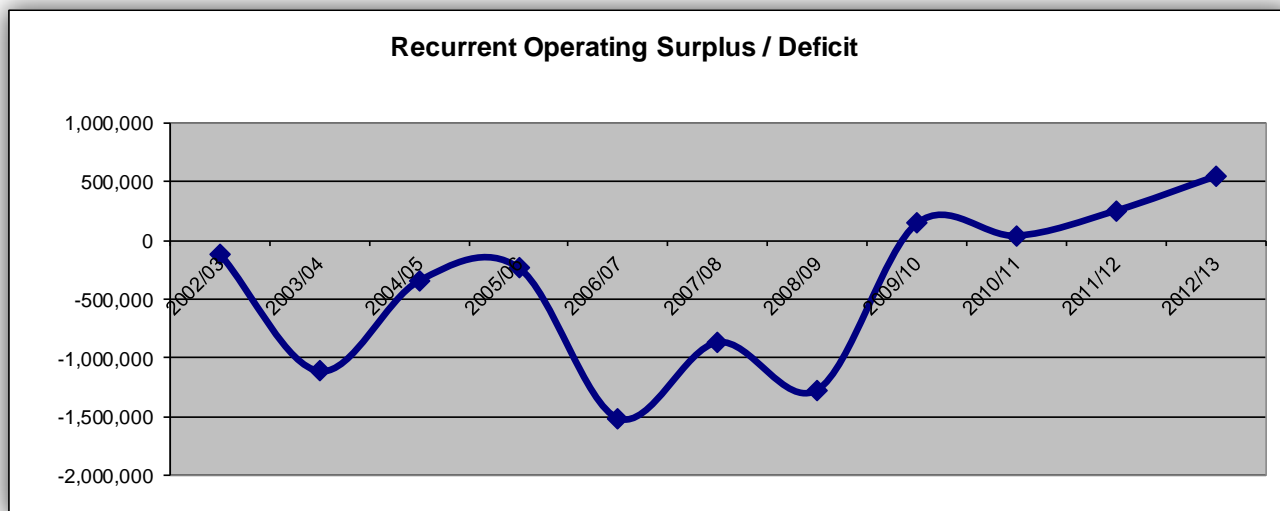
Interpretation and analysis

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 adjusted operating surplus of $548k for 2012/2013. This compares with the 2011/12 adjusted operating surplus of $215k. However, included within the 2013 figure is $389k of Other Comprehensive Income arising within Adelaide Hills Waste Management Authority and unlikely to recur. If this were to be treated as an individually significant item for Council then the adjusted operating surplus for 2013 would fall to $159k, indicating yet again that long term financial sustainability for Council is not yet guaranteed. However, the performance of Council's subsidiaries remains outside Council's direct control.

The Financial Assistance Grant received in advance during 2013 totalled $829k (2012, $816k). This factor remains outside Council's control and will have a material effect when it reverses by reducing the reported operating surplus, but increasing the *adjusted* operating surplus. This is because the *timing* of grant receipts from other levels of government does not affect the *underlying* financial sustainability of Council.

The medium–term objective at Adelaide Hills Council is for council to achieve modest adjusted operating surpluses (up to $500k) over the next two 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.

Key Financial Indicators

Indicator 3 - Net Financial Liabilities Ratio

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

Net Financial Liabilities Ratio
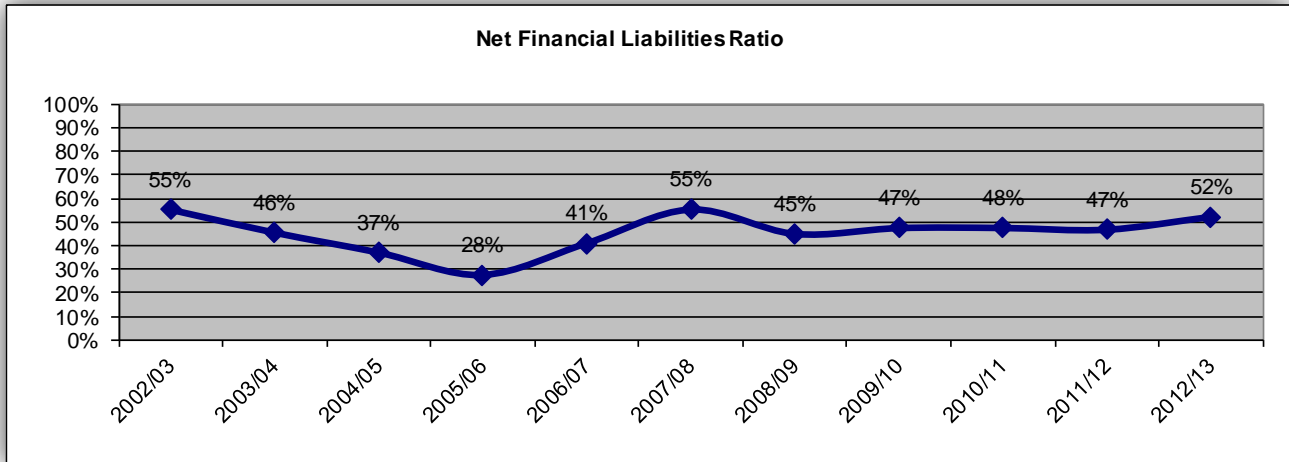
Interpretation and analysis

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.

Whilst this ratio for Adelaide Hills has reached 52% for 2012/2013, a 5% increase on the previous year, it remains below the peaks of earlier years. Income has significantly increased since then. Had asset sales completed within the year this increase would have been contained. Although Council has increased its borrowing from the affordable levels of the last four years, this needs to be assessed in conjunction with the increases in income and profitability achieved in the same period.

This ratio also needs to be assessed in conjunction with the interest cover ratio of 1.6% (2012:1.5%), which illustrates that Council's average interest bearing borrowings remain affordable.

Key Financial Indicators

Indicator 4 – Asset Sustainability Ratio

(Net Asset Renewals/ Planned Asset Renewals or Depreciation Expense)

Asset Sustainability Ratio

Year	Value
2007/08	80%
2008/09	83%
2009/10	116%
2010/11	134%
2011/12	130%
2012/13	116%
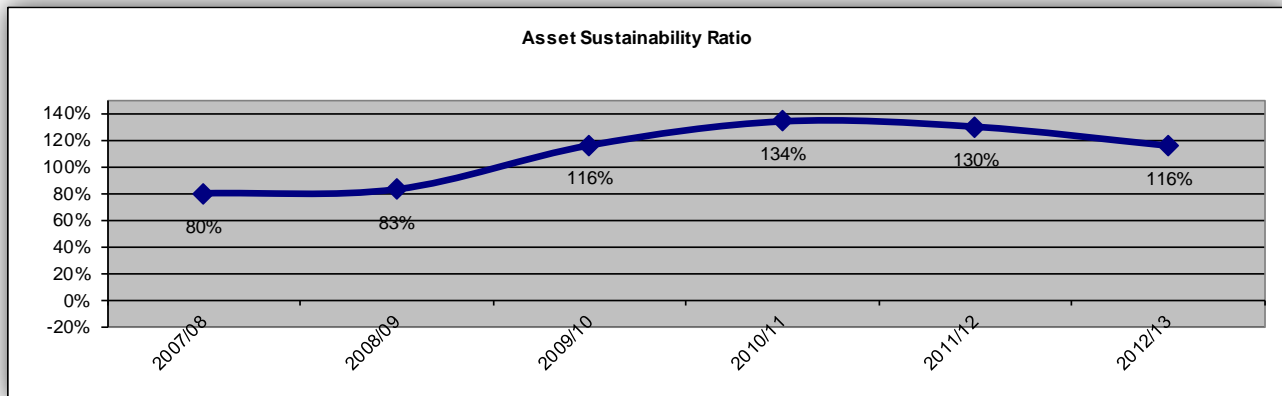
Interpretation and analysis

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 2012/2013 it has remained at 108% on average, within the Five Year Average target.

Historically the rate of renewal/replacement was compared with depreciation as a proxy for the planned rate of renewal/replacement. Following the adoption of Council's Asset Management Plan it is now possible to calculate the rate as required by the Financial Management Regulations for 2012 and 2013.

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.

"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.

Performance by Service Delivery Areas
Waste Services

CWMS

| On budget | ✓ |

Appropriate reserve funds established to meet long-term maintenance requirements ✓

Customer service targets met ✓

Infrastructure maintained to prevent spills ✗

EPA guidelines and licence conditions met ✓

Maintenance and operation of Council's six Community Wastewater Management Systems (CWMS) was carried out during the year without major customer or environmental incidents.

The Council's present focus is on ensuring compliance with EPA licence conditions and the prevention of environmental harm from CWMS.

Major CWMS initiatives have been inspection and rectification of faulots throughout the Kersbrook system and negotiation of water reuse with a neighbouring farmer at Birdwood

Disposal Sites

On budget ✓

Waste disposal costs achieved at or below the metro average ✓

Waste disposal facility retained for resident use ✓

100% compliant with environmental conditions ✓

EPA requirements met ✓

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

The Heathfield Resource Recovery Centre is operated by the Adelaide Hills Region Waste Management Authority. The Authority has established a free e-waste collection service at the centre and continues to focus on resource recovery. 179 tonnes of e-waste was collected at Heathfield via the free e-waste collection service.

The Authority has achieved a reduction in the annual operating loss for the site by implementing service improvements, such as improving transport efficiency.

Council staff investigated the feasibility of opening the Heathfield site to commercial quantities of Construction and Demolition material with a view to crushing and reusing this material on council roads and a feasibility study was undertaken in 2012/13. Evaluation in regards to this project is ongoing.

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

Performance by Service Delivery Areas
Waste Services

Domestic Refuse Collection

Cost of service at industry best value	✓
Weekly property service delivered to schedule	✓
Service complies with EPA requirements	✓

Council disposed of 6,856tonnes of non-recyclable waste to Hartley Landfill, 548 tonnes of non-recyclable waste to Wastecare and 1,553 tonnes of non-recyclable waste went from Heathfield Resource Recovery Centre to Hartley Landfill.

3,606 tonnes of recyclables were collected via the fortnightly kerbside collection service.

2,207 tonnes of green organics were collected via the fortnightly kerbside collection service provided to township and urban areas.

The annual Drum Muster program of recycling chemical containers resulted in the collection of 4,500containers during the year.

Collection of domestic green waste for composting commenced in September 2012 from township and urban areas only.

A trial at call Hard Waste collection service was undertaken, which heavily focused on waste reuse where possible.

Performance by Service Delivery Areas
Planning & Development Services

Economic Development & Tourism

On budget ✓

Business occupancy rate for Adelaide Hills Business & Tourism Centre at 88% ✓

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%.

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:
» Revised governance structure
» Adelaide Hills Tourism Committee Incorporated
» Executive appointments finalised
» New Constitution lodged, accepted and Public Officer adopted
» Launched the Adelaide Hills Regional Strategic Tourism Plan 2011-2014 and implemented associated projects from the Plan.

Regional Development Australia (RDA) (Adelaide Hills, Fleurieu Peninsula & Kangaroo Island) continued operation in 2012/2013.

The Adelaide Hills Business & Tourism Centre (AHBTC) has had another successful year with occupancy of tenanted space remaining in the high ninety percentiles and employment on the site remaining close to 200 staff. 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.

Development Assessment & Compliance

Completed within Budget ✓
Value of Development work increased from $70m to over $82m ✓
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 ✓

The Development Assessment Team received 1,036 development applications with a construction value of just over $82.65 million for the 2012/13 year. Fifty One of the development applications received were land division and government applications.

The following table provides details of the major types of development applications received.

Domestic garages and sheds	165
Verandahs	158
Dwelling additions and alterations	156
New dwellings	100
Significant tree removal or pruning	8
Carports	61
Swimming pools	37
Other	300
TOTAL	**985**

(Excludes land divisions and Government Applications)

Performance by Service Delivery Areas
Planning & Development Services

There was a decrease of 154 applications received as compared with 2012/2013 financial year, but a significant increase in construction value of $5.75 million. This is a continuation of the downward trend in application numbers seen in 2012/2013 as a result of a general decline in national economic activity.

As a result in the decrease in applications received, there was a subsequent drop in overall income although we still exceeded the target of $70 million in construction value.

There was a slight increase in the number of significant tree applications this year with 8 applications received compared with 3 in 2012/2013.

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

The Department only received 3 formal complaints through the State Ombudsman's Office, which is one more than last year. Although this does not meet our targeted reduction, the Ombudsman was satisfied that Council had followed due process in all instances and therefore the matters were not progressed to formal investigations.

Council has a Development Compliance Officer who follows up on all development-related complaints received from the public. Council acted on these complaints within 5 days in 70% of cases registered. In 2012/13, 201 new compliance matters were dealt with which is consistent with the previous year. Of these, 127 were as a result of general complaints and 74 were for breaches of conditions of approval or unauthorised developments. Council issued 46 formal Section 84 Enforcement Notices which is also consistent with the previous year. All of these Notices were for breaches of development approvals or unauthorised developments.

Council's Building Inspections Policy requires inspection of roof framing on dwellings and dwelling additions at a rate of 66% of all Building Rules (BR) Consents where a licensed builder is responsible for the building works, with a 90% inspection rate where a licensed builder is not responsible for the work. There were 202 BR Consents issued in for dwellings and dwelling additions in the 2012/13 year and 169 inspections undertaken associated with dwellings. This equates to a 85% inspection rate.

98% of applicants who responded to the customer satisfaction survey were satisfied with the processing of their applications. This represents a 4% increase on last year's responses. Of these, 43% rated the service as excellent, 42% as good and 13% as satisfied.

Council's Development Assessment Panel (CDAP) is comprised of seven members, four of whom are independent (including the independent Chairperson) and three elected members. CDAP considered 39 applications (3.8% of total applications received) this financial year, compared with 50 applications in 2012/2013. This year, 100% of the decisions of the Panel were consistent with staff recommendations, which are based on the Development Plan. This is considered an excellent result.

In 2012/13 only four applications (0.38% of total applications received) were the subject of planning appeals, which is the same number as last year. Only one of these was a new appeal against a decision of CDAP, and the other three were carry overs from the previous year. This represents no change in the number of appeals compared with 2012/2013 year.

Overall, the above statistics reflect how the Development Assessment Service has been performing and is considered to be an excellent result.

Performance by Service Delivery Areas
Planning & Development Services

Development Plan Amendments

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 DPAs planned for the coming 5 years.

Currently, Council is working on its *Townships and Urban Areas*, *Local Heritage* and *Primary Production Lands* DPAs. The *Townships and Urban Areas* DPA is the largest yet undertaken by this Council, and is likely to go out for public consultation in early/mid 2014. The *Primary Production Lands* DPA will implement the findings of PIRSA's "Priority Primary Production Areas" land capability study to protect those areas for primary production over coming decades.

As the DPAs in progress are completed, Council will address environmental issues in a *Natural Environments* DPA, area-wide rural issues and sustainability issues in a *Rural Policy* DPA, and tourist development in a *Tourism Activities* DPA.

The Policy and Projects Team has also been involved in reviewing the AHC Strategic Plan and a variety of Council Policies including the Place and Road Naming Policy and a review of the Physical Models Policy for Major Developments.

The major project progressed by the Team in this Financial Year was the World Heritage Listing Bid project. The team will shortly commence the formulation of an Economic Development Strategy for the district.

The Team has also prepared submissions on the Government's Character Values for the Barossa Valley Protection District, and the Minister's Glen Stuart Road Woodforde (Magill Training Centre) DPA.

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.
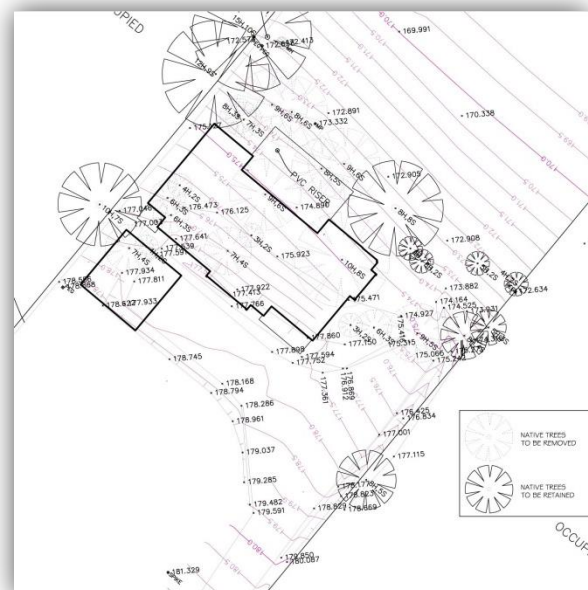
Performance by Service Delivery Areas
Environmental Health & Regulatory Services

Public & Environmental Health

On budget	✓
Service standards met for customer requests	✓
Routine inspections of food premises undertaken	✓
86% immunisation status of community	✓
Public & Environmental Health Plan implemented	✓
Prompt approval of waste control systems	✓
Rapid and effective response to customer requests and problems. All projects were either completed or substantially progressed	✓
All SA Health & Environment Protection Authority guidelines being met	✓

Council officers inspected food premises in the area. Of a total of 433 premises, 247 inspections were undertaken and 10 audits. This resulted in the issuing of 7 warnings and 10 improvement notice. 7 food complaints were investigated with several verbal warnings issued. Two expiations were issued for food related breaches.

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.

A total of 106 complaints were investigated, including water pollution, insanitary conditions, waste disposal etc. A total 122 notices were issued in this period as a result of routine inspections and complaint investigations.

243 waste control applications were received during the year including new applications, upgrades and connections to CWMS. This resulted in approximately 656 inspections being carried out

Other major projects included:
» Strategies listed in the Public & Environmental Health Management Plan were carried out
» Mt Lofty Ranges Waste Systems Control Project continued into its 10th year with the project staff having achieved 1100 upgrades to failing systems.
» 3 Food Safety training programmes were provided to community groups and schools.
» Council continued to implement strategies outlined in the Council's Climate Change Strategy Plan
» The immunisation service provided monthly clinics at Woodside and Stirling and ran clinics at all secondary schools. A total of 40 clinics were held.
» 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 targeted goal of reducing its energy consumption by 20% by the year 2016;

Performance by Service Delivery Areas
Environmental Health & Regulatory Services

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   ✗

Council continued to improve its Bushfire
Mitigation and Emergency Management systems.
Key projects and outcomes in 2012/2013 were:

» A program to create Asset protection Zones
for buildings adjoining Council reserves was
completed. .
» The fire track maintenance program was
enhanced with additional reconstruction,
grading, vegetation grooming and weed
spraying
» 1857 property inspections were carried out to
evaluate fuel loads on vacant land
» 442 Notices were issued to reduce fire hazard
» 42 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

On budget   ✓

Service standards for customer requests
met   ✓

Effective responses to customer requests
   ✓
Reduction of recorded risk of animal
attacks/nuisance incidents   ✓

Key projects and outcomes for 2012/2013
included:
» The European Wasp eradication program
continued with 651nests destroyed.
» Removal and follow-up of 55 abandoned
vehicles
» Stakeholder management for dog access on
Council reserves
» Animal Management:

- Registered dogs	8446
- Barking complaints	95
- Dogs wandering	273
- Dogs impounded	176
- Dogs returned to owner	149
- Dog attacks on humans	12
- Dog attacks on animals	31
- Cat complaints	15

Performance by Service Delivery Areas
Community Recreation/Leisure

Sporting Facilities

On budget ✓
Costs represent benchmarked
best value   Ongoing

100% availability at acceptable standard ✓

Watering regime optimises consumption

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.

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.

Key sporting facility developments receiving funding from the Council in 2012/2013 included:
» Revetment of flooding and groundwater problems to the Mylor Recreation Oval clubrooms
» Upgrade of the Steamroller Park rotunda
» Upgrade of the Woodside Recreation Ground toilets

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

Parks & Reserves

On budget ✓
Costs represent benchmarked
best value   Ongoing

Maintenance to specified standards ✓

Protection of native flora & fauna
on natural reserves   Ongoing
No environmental impact on developed
parks & reserves   ✓

Council's maintenance program for its 300 parks and reserves was delivered on time and within budget to achieve a satisfactory level of serviceability.

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

Council undertook a building and community facilities component condition audit that will allow improved long term planning and strategic spending going forward. Significant building projects carried out during 2012/13 include:
» Significant salt damp remediation works at the Stirling Theatre
» Asbestos removal at various sites
» Upgrade of Public Conveniences at various sites
» Renewal works at Lobethal Hall, Bradbury Hall and Cherryville Community Centre
» Disability access upgrades at various sites were undertaken to improve access for all.

Performance by Service Delivery Areas
Community Services

HACC Community Care Services

On budget ✓

Total external funding for 2012/2013 over $600,000 ✓

The HACC program during 2012/2013 provided services to approximately 900 residents (up from 750 the previous year) with 31,000 hours of services and 1864 transport trips ✓

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.

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.

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.

Retirement Villages

Retirement Villages

On budget ✓
Occupancy rates maintained at 98% ✓

No referrals to Residential Tenancies Tribunal ✓
Yearly inspections of units ✓
Biennial residents' meetings ✓

Water & sewerage disposal environmental standards met ✓
Compliance with DDA (Disability Discrimination Act) Audit with safety upgrades to villages   Ongoing

Aged accommodation is in demand in the district as our population ages, with over 100 people on waiting lists at any given time.

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.

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.

Performance by Service Delivery Areas
Community Services

Transport

💰 On budget ✓

👥 Client feedback with 95% satisfaction
Additional services in north and west of
the area ✓
Safe & comfortable transport   Ongoing

🌳 Vehicles maintained to meet environ-
mentally acceptable standards   Ongoing
Accidents minimised to avoid
environmental damage   Ongoing

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.

The Hills Community Passenger Network
provided 978 trips to 135 clients from the
Adelaide Hills Council area in 2012/2013.

Bus shelters were maintained during the year and
funding was actively pursued for additional
facilities where required.

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

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.

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.

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Performance by Service Delivery Areas
Community Services

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.

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.

Over recent years the Community Development Department has undergone rigorous reviews and streamlined service delivery. This has resulted in increases in program and service outputs (some doubling of programs on offer and increase by 20% of HACC services, trebling the number of volunteers, while reducing the cost to Council by over 5% per annum. The Department has been very successful in attracting external funding and maximising the return from the Retirement Villages.

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 2012/2013.

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.

Performance by Service Delivery Areas
Community Services

Library & Customer Services

On budget ✓

Legislative requirements in regard ✓
to police checks and mandatory reporting
fulfilled for staff and volunteers
Programs targeting child & youth literacy
and lifelong learning well supported by
the community ✓

Environmental based resources, services
and programs provided at all sites ✓

Across 2012/13 the Library/Service Centres at Stirling and Woodside together with the Mobile Library continued to experience solid use with a total of 351,426 visits. The annual Customer Satisfaction Survey identified that 45% of customers visited our centres once a week or more, while a further 41% visited one to three times a month.

In response to a decline in usage at the Gumeracha Library/Service Centre, Library & Customer Services and the Torrens Valley Community Centre introduced a 'shared space' model. This provided the TVCC with street frontage and increased space. It also increased hours of access to library resources and technology by alternating staff assisted hours with volunteer support and 'hot line' assistance by back room library staff. The venture has been well supported by the Gumeracha community and by Community Centre and Library volunteers.

2012/13 was a busy year in relation to systems with the replacing of the phone system which, while affecting all staff, involved considerable reworking of the Contact Centre's call management. It also provided the opportunity to centralise all library and customer service calls and prioritise face to face contact with customers at both the library and customer service desks.

January to June saw all Library & Customer Service staff involved in preparing for two major software changes. Library services were moved successfully onto the state wide library management system on 6th June.

During the same period, Library & Customer Service staff familiarised themselves with the changes emanating from Council's move to My Community as its main operating system as of the end of the financial year.

Although traditional print and audiovisual materials continued in popularity, the use of e-Resources in the form of e-books, e-audio books and e-Magazines is growing steadily with each month showing an overall increase in registrations. Continued community interest in reading regardless of format was clearly evidenced with the number of book groups scattered across the Adelaide Hills reaching an all- time high of 36.

With a primary focus on early childhood literacy and life-long learning, library programs were again well attended. Overall 387 child, youth and family programs were provided with a total attendance of 25,150.

Programs were well supported by the community:
» 316 child & youth programs with 15,073 attendees
» 62 adult programs with 6,417 attendees
» 9 family programs with 3,660 attendees
» 370 Book Group meetings with 3,452 attendees

Volunteers continued to be valuable contributors to the provision both of library services and programs, clocking up an amazing 3,655 hours annually. This is the equivalent of nearly two extra staff per year. Similarly volunteers from the Gumeracha and Mount Lofty Historical Societies ensured access to local history information and resources.

Performance by Service Delivery Areas
Community Services

Volunteers were also the mainstay for home services, selecting library materials and delivering them across the Adelaide Hills to residents unable to access either branch libraries or the mobile library. Currently regular home services are provided to 71 individuals and 4 organisations.

Community facilities were again in demand. Use of the Coventry Library IT training suite was shared between groups such as the University of the Third Age and residents accessing the training and resources of the Digital Hub which was installed in the second half of the year. The Community Meeting Room was similarly well used with bookings by 419 groups and individuals.

Interest in local history continued to grow and the Ancestry database, although confined to use within our facilities, was well used. Volunteers again provided valuable access to local photos and other resources at both Gumeracha and Stirling.

Implementation of a number of recommendations from the previous year's Cultural Audit saw the annual Council sponsored Arts Forum identify a more positive attitude toward arts within the Adelaide Hills. Another important factor in increasing community interest in and approval of arts and culture was the success of the Adelaide Hills International Sculpture Symposium.

Following up on its original seeding grant, Council then installed three of the sculptures –'Le Pelaton', 'The Remoteness' and 'Spring Summer Fall Winter and' – at Balhannah, Stirling and Lobethal respectively.

Overall 26 displays and exhibitions were also provided through the year, attracting approximately 37,500 viewers. As in previous years, the SALA Festival was actively supported and promoted as was the Adelaide Hills Artists Association (AHAA).

Performance by Service Delivery Areas
Infrastructure and Natural Asset Management

Infrastructure Assets

On budget ✓
On time – carry forward for Capital
Projects less than 5% of total ✓

Maintained to appropriate standard -
nil incidents from inadequate
maintenance ✓

Minimise environmental impact of road
maintenance ✓
Negligible environmental impact from
road pavement management ✓
Nil net loss of roadside
Vegetation Ongoing

Routine and periodic maintenance was
performed on Council's stock of infrastructure
assets, with a total replacement value of around
$335million. These include:
» 588km of sealed road
» 383km of unsealed road
» 200km (approx.) of fire tracks
» 66km of stormwater drainage pipes
» 61km of collection effluent (CWMS) pipes
» 3,200 stormwater drainage pits
» 73 road bridges
» 12 footbridges

$11,049,000 of infrastructure assets, which had
reached the end of their serviceable life, were
renewed. $370,000 of new infrastructure assets
were created.

Key infrastructure projects included:
» Construction of the Avenue Road roundabout
  as part of the State Government's blackspot
  funding program.
» Renewal and reconstruction of Centenary
  gardens footpaths in Stirling Main street
» Lining of the Birdwood CWMS tertiary lagoon
» Installation of guardrail on Montacute road as
  part of the Federal Government's blackspot
  funding program
» Reconstructions of Stentiford Road, Checker
  Hill Road, and Riverview Road, and Sprigg
  Road.

» Surface reseal (bitumen and spray seal) of
  over $2m worth of roads
» Renewal of building asset components to
  various Council owned property assets

Key business and community driven
infrastructure related issues considered by the
Council included:
» Streetscape development in the Stirling
  business precinct.
» Installation of bus stops and shelters as part of
  State Government's bus shelter funding
  program

Key infrastructure investigations and design
exercises (for future implementation) included:
» Designing future stormwater drainage
  systems for Birdwood, Woodside and
  Lobethal.
» Design of an effluent re-use pumping main for
  re-use of treated CWMS water
» Design of road reconstructions for Sturt Valley
  Road, Swamp Road, and Checker Hill Road
» Design of the reconstruction of the Spring
  street Kersbrook CWMS gravity main

Strategic asset management continued to be a
focus, with key activities including:
» An asset renewal backlog reduction program
  was implemented and updated
» Revision of the Council's 10 year
  Infrastructure & Asset Management Plan
  completed
» Development of a footpath strategic
  management plan
» Risk management approach to bridge and
  stormwater asset audits
» Building component condition audit
  completed to allow long term planned
  renewals

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. Council is
currently working with the Way2Go program for
schools that are a part of this State Government
funded program, and would encourage schools to
become actively engaged with Way2Go

Performance by Service Delivery Areas
Infrastructure and Natural Asset Management

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. Council is currently working with the Way2Go program for schools that are a part of this State Government funded program, and would encourage schools to become actively engaged with Way2Go.

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. Council is currently developing a guideline with tools to allow a quick assessment of whether streets warrant further investigation for local area traffic management (LATM) reviews

Technical Services

The Engineering & Assets Department continued to act 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.

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

A program of collecting traffic speed and volume data continued, linking with Engineering's development of an internal LATM guideline document.

Performance by Service Delivery Areas
Infrastructure and Natural Asset Management

Natural Assets

On budget ✓

Customer service standards met ✓
Assessment of development application referrals on time ✓

No net loss of native vegetation on Council controlled land ✓
Vegetation management plans progressively developed (according to progressive schedule) for all high conservation value sites ✓

A full review of the Council's Natural Resource Management Program is in progress with strategic direction.

The newly appointed Natural Resources Officer has been able to improve engagement with community based and not-for-profit conservation volunteer groups through development of the Biodiversity Strategy. High priority actions were implemented for woody weeds, blue marker sites and condition assessments of high biodiversity sites. Additionally, areas of biodiversity and habitat value were mapped in the GIS system to enable proactive management.

Biodiversity principles and actions were developed for the Council's Environmental Sustainability Framework.

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 renewing of the funding and partnership agreement with the Bush for Life Program for another three years, dedication of additional funding to the community grants program for environmental projects and received external grant funding for three Heritage Agreement sites at Lobethal, Lenswood and Bradwood.

Phytophthora management was better understood through targeted professional training of Council field staff.

Vegetation assessments were conducted across many biodiversity sites, which will lead to the targeted development of vegetation and weed management plans.

Targeted roadside weed control was carried out in partnership with AMLRNRM Board.

The Stirling Linear Park Advisory Group provided advice to council on the sustainable management of Stirling Linear Park.

Funding support was provided to assist in the implementation of weed control programs by the Adelaide and Mt Lofty Ranges Natural Resources Management Board (or affiliated groups).

The vegetation management plan for Stirling Linear Park was completed.

The Roadside Marker Scheme (RMS) District Survey commenced with roadside/road reserve surveys of the southern Council region (41 in total). The information will assist operational works and strategic direction.

The Aldgate Valley Nature Trail was finalised which included property transfer, interpretive signage, trail marking and GIS record; with the community launch scheduled for the following September.

Orientation signs for Stirling Linear Park were installed under advice from the Stirling Linear Park Advisory Group.

Performance by Service Delivery Areas
Governance and Elected Members

Governance

💰	On budget	✓
👥	Legislative requirements met for Council & Committee meetings	✓
	Legislative requirements met for Elected Members & appropriate staff	✓

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 & Mark Coleman, assisted in this process.

In addition to this, the following documents were reviewed in 2012/2013:

» Elected Members Allowances & Support Policy
» Code of Conduct for Council Employees
» Code of Conduct for Elected Members
» Code of Practice for Meeting Procedures
» Code of Practice for Access to Council Meetings, Committees & Documents

Finally, Council's Internal Audit Program saw the following projects completed in 2012/2013:

» Enterprise Agreement Remuneration & Employee Management Systems & Practices
» Treasury & Cash Management Procedures

In addition to the training associated with the annual performance review process, a number of Elected Members attended conferences and training courses.

Performance by Service Delivery Areas
Corporate Support

Financial Management & Treasury

On budget ✓

95% of accounts paid within
30 days ✓

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.

During the year, Council prepared to introduce the Finesse accounting and finance package from 1 July 2013 and developed a new, process driven, general ledger chart of accounts to introduce the principles of Business Excellence to financial reporting. Once complete, the new system will enable Council to measure the complete cost of providing individual services, rather than departments and sites.

Rates Administration

On budget ✓

Community awareness of Rating Policy ✓
All legislative requirements met ✓

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.

The rate revenue collection process met all necessary legislative requirements. At 30 June 2013, over 95.4% of all rate revenue (*2012: 96.1%*) had been recovered. In common with many other Councils, an increase in rate arrears has been noted, and Council has again reported legitimately postponed rates separately from those in arrears.

A Budget and Rates Consultation process was undertaken as part of the 2012/2013 Budget and Rates process. This included a survey via the *Hills*

Voice magazine, which generated nearly 500 responses. This feedback assisted in setting the Budget, Rates Policy and Long Term Financial Plan frameworks.

Information Systems

All State Records guidelines met ✓
And applications completed within legislation timelines.
Internet site available 98% ✓

The Information Systems department is responsible for corporate software and corporate information management. The records and corporate document management functions are incorporated into this department.

In 2012/13 the process was initiated to replace our Core Business System software. The core solution supports the Finance, Rating, Receipting, Purchasing, Payroll, Planning, Development, Regulatory Services, Environmental Health, Hazard Management and Human Resource functions. After an extensive evaluation process involving over 85 key users, the Open Office, My Community suite was selected. The contracts were signed in December 2012 and work began in January 2013, with a scheduled "go-live" date of July 1st 2013. Significant amounts of work were put in across the organisation allowing us to successfully meet the target.

In January 2013, council secured $412,500 of funding from the Commonwealth Department of Broadband, Communications and the Digital Economy as part of their Digital Local Government program. The successful proposal was to create of a new Web Portal including the provision of video conferencing facilities. Capitalising on council's existing investments in world class software, this project is designed to provide a much improved web presence and many more community interaction options. The new web portal and video conferencing facilities will be available by November 2013.

Performance by Service Delivery Areas
Corporate Support

As part of the organisational wide Business Excellence program; all staff from within the Information Systems team has been involved in improvement projects. Projects focused around increasing organisational efficiency and providing the best possible services to our customers have been undertaken across the year. This has been a fantastic opportunity for staff across a variety of departments to interact, gain a deeper understanding of other functions of council and build even stronger internal relationships.

2012/13 was an exceptionally busy year for the Information Systems team, leading into an even busier 2013/14. However the team's achievements are worthwhile and we continue to strive to provide the best internal services and systems we can, so all departments can provide the best possible service to our customers.

Information Communication Technology

On budget ✓

The ICT department is responsible for the provision and maintenance of all information technology and communications infrastructure used by council to provide services to the community. The ICT department also provides technical user support and help desk facilities to all staff and elected members for council provided technology.

2012/13 began with a very large project replacing the aged PABX telephone system with a new digital Voice over IP (VoIP) solution. This project involved the roll out of over one hundred replacement handsets, training of all staff, implementation of a new call centre solution into our contact centre and the setup and configuration of several new features and functions. The project was rolled out across a three month period in order to manage the change process and ensure that all users were confident using the many additional features offered by the solution.

The Community Development department were successful in securing funding from the Commonwealth Department of Broadband, Communication and the Digital Economy for Adelaide Hills Council to provide a Digital Hub within the Coventry Library at Stirling, as part of their Digital Hub program. The funding was specifically to provide a facility where community members could engage with new technologies and receive training in use of technology prior to the roll out of the NBN at Stirling. The ICT department worked closely with Community Development to select, procure, install, configure and setup all the technology in the Hub. The technology has all been selected so that community members can be trained to take full advantage of the devices they have available to them at home.

The ICT team undertook an extensive review of the security of the Infrastructure. The review included looking into how our systems communicate with the internet and how we are protected against cyber-attacks. This review resulted in several minor system modifications, increasing our already robust security measures.

The ICT team have also been extensively supporting the organisations Business Excellence program, ensuring systems and hardware can support the ongoing organisational efficiency projects. This has provided an opportunity for staff across a variety of departments to interact with the ICT department and gain a deeper understanding of the complexities of our systems and network infrastructure.

2012/13 was a very busy year for the ICT team, delivering new projects, assisting other departments with their projects, maintaining the infrastructure & network environment and supporting over one hundred and fifty internal customers. The teams' achievements are significant and have placed us in a strong position to continue into a very full 2013/14.

Performance by Service Delivery Areas
Corporate Support

Customer Service Centres

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

Good customer service to all customers, complaints low ✓

The integration of customer service centres into the Stirling, Woodside and Gumeracha libraries was approved by 86% of respondents to the annual Library & Customer Service Satisfaction Survey. Cross-skilling Customer Service Officers continued to be a priority, as did developing Information Guides to all the services provided by Council.

Customer Service Culture

On budget ✓

Promote Customer Service throughout the organisation ✓

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 Cases

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

Customer Cases(previously Customer Action Requests) 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 2012/2013 has greatly improved reporting on management of these cases. Overall 5,570 cases were created by Customer Services – 14% through the front service desks and 86% through the Contact Centre.

Event Management and Support

On budget ✓

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

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).

Performance by Service Delivery Areas
Corporate Support

Cemetery Management

On budget ✓

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

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. ✓

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 was circulated to residents in late 2012.

Councils 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

On budget ✓

Fuel efficiency of fleet continually being assessed. ✓
Fleet replacement and fuel decisions reflect environmental and economic criteria ✓

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 with the forward programs showing that this backlog should be remedied within 3 years.

Council continues to identify fuel efficiency as a major factor in replacement decisions. For cost and environmental reasons, Council uses diesel fuel in the light fleet where it is economical to do so.

General Governance Information

Council Meetings

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

Council meetings are held on the second Tuesday of every month at 6.30pm. Members of the public are permitted to address the Council at any ordinary meeting. 18 ordinary meetings of Council and five special meetings were held in 2012/2013.

Attendance at meetings by the Mayor and Councillors in 2012/2013 is detailed below:

Councillor	Council		Special Council		Development Assessment Panel		Special Development Assessment Panel		Strategic Planning & Development Policy		Audit Committee	
Total Meetings	**18**		**5**		**10**		**3**		**8**		**5**	
	Present	*Apology*	*Present*	*Apology*	*Present*	*Apology*	*Present*	*Apology*	*Present*	*Apology*	*Present*	*Apology*
Bill Spragg	17	1	5	-	*	*	*	*	8	-	*	*
Ron Nelson	18	-	4	1	*	*	*	*	7	1	*	*
Jan-Claire Wisdom	16	2	2	3	*	*	*	*	6	2	*	*
Ian Bailey	13	5	4	1	*	*	*	*	8	-	*	*
Jan Loveday	18	-	5	-	9	1	3	-	8	-	5	-
John Kemp	17	1	5	-	9	1	3	-	6	2	*	*
Kate Hosking	14	4	4	1	*	*	*	*	8	-	5	-
Simon Jones	13	5	3	2	*	*	*	*	8	-	*	*
Bill Gale	16	2	4	1	*	*	*	*	8	-	*	*
Lynton Vonow	17	1	4	1	*	*	*	*	8	-	*	*
Andrew Stratford **	13	-	3	-	*	*	*	*	7	-	*	*
Linda Green	17	1	5	-	9	1	3	-	8	-	*	*
Malcolm Herrmann	16	2	3	2	*	*	*	*	6	2	*	*

* Member not appointed to the committee and not required to attend.
** Member commenced September 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 2012/13:

Mayor/Principal Member	$60,780 per annum
Deputy Mayor/Deputy Chairperson	$18,996 per annum
Other Elected Members	$15,192 per annum

General Governance Information

In addition to the allowance paid under section 76 of the LG Act, Elected members are entitled to receive the following under Council's Elected Members Allowance and Support Policy:

» 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.

S41 Committees

The Adelaide Hills Council has two S41 Committee, being the Strategic Planning & Development Policy Committee and the Audit Committee.

Strategic Planning & Development Policy Committee

The Strategic Planning & Development Policy Committee (SPDPC), formed pursuant to Section 101A of the Development Act, 1993, comprises all elected members. The original 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 now held on the fourth Tuesday of each month at 6.30pm. Since March 2013 the Committee has held delegated authority from Council to consider and act upon all matters except those specifically reserved for Council by Section 44 of the Local Government Act 1999 (primarily property and finance related functions). Eight ordinary meetings of the committee were held during 2012/2013.

The Strategic Planning & Development Policy Committee has direct delegation from Council to make decisions on behalf of Council, where the Local Government Act 1999 allows. Where the committee lacks delegation, the matter is referred to Council for resolution.

Audit Committee

The Audit Committee was established by Council in 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.

General Governance Information

The Audit Committee comprises five members, three independent members and two elected members of Council. Membership at the end of June 2013 is as follows:

- » Mr Peter Brass (Presiding Member)
- » Mr Peter Robertson
- » Mr Allen Bolaffi
- » Cr Kate Hosking
- » Cr Jan Loveday

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 2012/2013.

This Audit committee has delegated authority to the extent allowed under the Local Government Act 1999, to make decisions on behalf of the Council. Where the committee lacks delegation, the matter is referred to Council for resolution.

The sitting fees paid to Independent members of the Audit Committee in 2012/2013 were:

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

Council's Development Assessment Panel

The Council's Development Assessment Panel (CDAP) comprises three elected members of Council plus four independent members (which includes an independent chairperson). Membership at the end of June 2013 is as follows:

- » Mr Stephen Hains (Presiding Member)
- » Mr Alistair McHenry
- » Mr Daniel Bennett
- » Ms Wendy Stubbs
- » Cr Linda Green
- » Cr Jan Loveday
- » Cr John Kemp

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.

Ten ordinary meetings and three special meetings of the Panel were held during 2012/2013.

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

General Governance Information

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.

Internal Review of Council Decisions

There was one S270 Internal Reviews of a Council Decisions request made in June 2013 regarding the Kerbside Green Organics Service Implementation and this application had not been resolved at the close for the financial year.

Section 90(2) and 91(7) Requirements

During 2012/2013, 20 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	S91(7) Status as at 30 June 2013
08/08/12	Council	4.2	Chief Executive Officer Selection	90(3)(a)	Released
28/08/12	Council	15.1	Tender 29/12 Bituminous Products Contract	90(3)(k)	Released
28/08/12	Council	15.2	Sale of Land, 90a Onkaparinga Valley Road, Balhannah	90(3)(b)	S91(7) Remained
16/10/12	SPDPC	15.1	Townships & Urban Areas DPA	90(3)(m)	S91(7) Remained
29/10/12	Audit	8.2	Banking and Bill Payment Services, Contract No. 28/12	90(3)(k)	Released
20/11/12	SPDPC	15.1	Townships & Urban Areas DPA	90(3)(m)	S91(7) Remained
11/12/12	Council	15.1	Banking & Bill Payment Services 28/12	90(3)(k)	Released
11/12/12	Council	15.2	AHRWMA Hartley Landfill Site Tenure	90(3)(b)	Released
11/12/12	Council	15.3	Formal Complaint under Code of Conduct	90(3)(g)	Released
22/01/13	Council	15.1	Water Reuse Birdwood CWMS	90(2)(d)	Released
22/01/13	Council	15.2	Appointments to Torrens Valley Community Centre Advisory Group	90(3) (a&g)	Released
22/01/13	Council	15.3	Appointments to The Summit Advisory Group	90(3)(a&g)	Released
22/01/13	Council	15.4	Formal Complaint under Code of Conduct	90(3)(a&g)	Released
11/02/13	Audit	7.1	External Audit Services, Contract No. 15/13	90(3)(k)	Released
12/02/13	Council	15.1	Animal Management Plan Advisory Group	90(3)(a)	Released
26/02/13	Council	15.1	Appointment of External Auditor	90(3)(k)	Released
12/03/13	Council	17.1	Election of Metropolitan Adelaide Representatives to the LGA State Executive Committee	90(3)(c)	Released
09/04/13	Council	17.1	Sale of Asset Morialta Barns	90(3)(b)	S91(7) Remained
14/05/13	Council	17.1.1	Appointment of Independent Members to Council's Development Assessment Panel (CDAP)	90(3)(a)	S91(7) Remained
11/06/13	Council	17.1.1	Santos Tour Down Under 2013 & 2014	90(3)(d)	S91(7) Remained

Of these, 14 issues were released and 6 remained operative, in accordance with Section 91(7) of the Act.

General Governance Information

Council Advisory Groups

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 Group
- » Adelaide Hills Bushfire Advisory Group
- » Animal Management Plan Advisory Group
- » Australia Day/Hills Voice Advisory Group
- » Cemeteries Advisory Group
- » Property Reference Group
- » Rural Land Management Advisory Group
- » Social Planning Reference Group
- » Sport & Recreation Advisory Group
- » Stirling Linear Park Advisory Group
- » Sustainability Advisory Group
- » The Summit Community Centre Advisory Committee
- » Torrens Valley Community Centre Advisory Committee
- » Youth Advisory Group

These groups do not report directly to Council.

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.

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

General Governance Information

Community Forums

Five community forums were held this year separate to regular Council meetings, with local community groups invited to attend and address Council on new and emerging issues as well as 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.

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 25,814) = 1:2,151
» Burnside (electors 31,270 = 1:2,605
» City of Unley (electors 26268) = 1:2,189

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 12 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. During April 2013 Council commenced a Representation Review with the intention of effecting any required changes before the cut-off date for the 2014 Election. The Review process was discontinued in October 2013 when it was decided that the process could not be completed by the December 2013 deadline.

The next review is scheduled to commence in 2016 for completion by April 2017.

General Governance Information

Freedom of Information Requests

Nine requests for information were made under the Freedom of Information Act in 2012/13. In summary:

FOI Requests		Full Release	Partial Release	Refused
Outstanding from Previous period	1			
New Applications	8			
Total to be processed	9			
Unfinished at the end of Period	0			
Determined	9	6	1	2

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.

Council's Freedom of Information Statement is included as an appendix to this report.

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.

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.

Council has adopted a Fraud & Corruption Policy and a Whistleblower Policy to assist in meeting its good governance responsibilities.

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.

General Governance Information

Registers, Codes and Policies

Documents available for Public Inspection are as follows:

Local Government Act 1999 Registers:

» Section 68   Members Register of Interests
» Section 79   Members Register of Allowances and Benefits
» Section 105   Officers Register of Salaries
» Section 116   Officers Register of Interests
» Section 188   Fees and Charges
» Section 196   Community Management Plans
» Section 207   Community Land
» Section 231   Public Roads
» Section 252   By Laws

Local Government Act 1999 Codes:

» Section 63   Members Code of Conduct
» Section 92   Code of Practice for Access to Meetings and Documents
» Section 110   Employees Code of Conduct
» Reg 7   Code of Practice for Meeting Procedures

Local Government Act 1999 Statutory Policies:

» Section 48   Prudential Management policy and procedures
» Section 49   Contracts and Tenders Policies
» Section 50   Public Consultation Policies
» Section 77(1)(b)   Reimbursement of Council Member Expenses Policy
» Section 78   Provision of Facilities and Support for Council Members Policy
» Section 80A   Council Member Training and Development Policy
» Section 125   Internal Control Policies
» Section 219   Road Naming Policy
» Section 259   Policy on Order Making
» Section 270   Internal Review of Council Decisions Procedure

Local Government (Elections) Act 1999

» Part 14   Campaign Donation Returns prepared by candidates.

Freedom of Information Act 1991

» Section 9   Information Statement

Council Discretionary Policies

» Account Reconciliation
» Asset Management
» Buffers – An Essential Part of Rural Planning
» Building Inspection
» Capitalised Assets
» Caretaker
» Cat Management
» CDAP Complaints Handling
» Community and Neighbourhood Houses
» Community Grants
» Community Group Use of Photocopiers
» Community Groups Access to Waste Disposal Sites

General Governance Information

» 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
» Engagement of Management Consultants
» Equitable Commercial Trading Opportunities at Council Operated Events
» Floral Tributes for Memorial Services Support – Anzac Day
» Fraud & Corruption Prevention
» Genetically Modified Crops
» Kerbside Green Organics Service Implementation
» Keys to the City & Freedom of Entry
» Liquor Licencing
» Management of Built Heritage
» Mayors/Chairpersons Seeking Legal Advice
» Occasional Hiring of Council Meeting Rooms
» Outdoor Dining
» Privately Funded Development Plan Amendments
» Provision of Physical Models for Major Development Proposals
» 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)
» School Parking & Associated Facilities
» Social
» Sport and Recreation
» Street Lighting
» Transport
» Treasury
» Volunteers
» Wastewater System Application Fee Refunds
» Whistleblowers Protection

Community Land 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.

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 2012/2013, there were 26 services that were subjected to the tender process.

General Governance Information

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.

National Competition Policy

Council had no significant business activities during 2012/2013 relating to the National Competition Policy.

Our People

The success of our organisation is reliant upon having excellent employees, skilled and knowledgeable in their professions, which enable Council to undertake work and provide services to the community. We continue to develop our Business Excellence Program, focused on improving services through the review and refinement of our processes, with key changes suggested through our people.

At 30 June 2013 Council employed 162.49 full time equivalent staff. Employee turnover was 5.58%.

Training & Development

A focus this year has been to further development our Managers, Directors and CEO in the way they lead. As an initial step to provide feedback we undertook a 360 feedback process (seeking feedback from an employee's manager, peers and subordinates) using the Circumplex Leadership Scan 360 (CLS360). Each person received an individual debrief on their results and are working towards making changes to improve the way they lead their people.

Communication

Council undertook an Employee Opinion Survey seeking feedback on a range of topics such as performance, training and development, leadership, equal opportunity, quality and service and work processes. The feedback provides the basis for engaging with employees to make improvements over the coming year.

Equal Employment Opportunity

We are committed to providing a workplace that is fair and equitable for all staff, is safe and secure, and draws upon the benefits of diversity.

All employees and people leaders have a responsibility to meet the requirements of equity and diversity and to take action to raise issues so matters can be addressed promptly.

Human Resource Improvements

An administrative support role was appointed to enable improvements to be made to the way we undertaken our HR across the council, including the ability to implement significant programs such as Leadership Development, and to provide a more responsive service.

General Governance Information

Work Health and Safety (WH&S)

Council continued to work on our WH&S Improvement Plan activities and our KPI Audit Plan Actions which are critical pieces of work that impact on our overall safe system of work, which in turn affects how our employees undertake their duties to ensure they are safe at work.

We undertook training with our People Leaders on the changes to the WH&S Act 2012 and provided updated information on the roles of the PCBU and Officers.

Council continued promoting employee health with 44 employees participating in the health assessments and 83 in skin screening assessments.

We received 16 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:

» LGA - Minister Gago: Regional Development (July 2012)
» Workskils Business Forum (August 2012)
» 2012 LGA Conference and Annual General Meeting (October 2012)
» DEH - Heritage Directions (October 2012)
» MAC - Knowledge transfer: traffic enforcement for the future (November 2012)
» Workskils Business Forum (November 2012)
» Hawke Lecture Advancing Australia where (November 2012)
» Mt Barker HS - Martin Seligman: Positive education, positive futures (February 2013)
» Thinker in Residence - Creating Productive and Healthy Organisations (February 2013)
» LGA of SA General Meeting and Conference (Apr 2013)
» Regional Communities Consultative Council (April 2013)
» Reconciliation SA (May 2013)
» National General Assembly of the Australian Local Government Association (June 2013)
» ARA- Annual Oration (June 2013)
» IPAA - Safe Communities, Health Neighbourhoods (June 2013)

Councillor Jan-Claire Wisdom attended the National General Assembly of the Australian Local Government Association in June 2013 and Councillor Linda Green attended the Dairy SA Conference in April 2013.

In early 2013 Council commenced monthly developmental training sessions for Elected Members and senior staff. Topics included:

» Intro to ICAC for Elected Members – Part 1 (March 2013) conducted by Norman Waterhouse Lawyers
» Intro to ICAC for Elected Members, including Code of Conduct – Part 2 (April 2013) conducted by Norman Waterhouse Lawyers
» AICD In-Boardroom Series: Leadership (May 2013)

General Governance Information

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 2013 was as follows:

Title	Name	Base Salary
Chief Executive Officer	Andrew Aitken	$180,831
Director Engineering	Tim Hancock	$163,691
Director Finance	Tim Piper	$144,682
Director Planning & Development Services	Marc Salver	$138,260

The total remuneration of the Chief Executive Officer and three Directors includes salary (as shown above), motor vehicle, superannuation and other benefits such as the provision of ICT equipment.

Remuneration Payable to Council's Auditor

Remuneration payable for the annual audit of the Adelaide Hills Council's Annual Financial Statements for 2012/2013 was $20,000. No other remuneration was paid.

Rating Overview 2012/2013

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

» Rates 2012/2013 including average rate impacts.
» Current Rating Structure- methodology and rationale
» Rate Payment/ Relief Options

Rates 2012/2013

Valuation Changes

The overall change in land values for 2012/2013 was an increase of 1.1%, which contrasts with the decrease of (3.2)% in 2010/11, but 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 can vary considerably, but the range in 2012/2013 was narrower than usual, ranging from a (0.4)% decrease to a 3.6% increase (2011/12: (5.9)% decrease to a 0.9% increase). These valuations are determined by the Valuer General's Department and are outside Council's control.

Rates 2012/2013 in context

The Budget for 2012/2013 was prepared in conjunction with the Long Term Financial Plan and incorporated the same assumptions. Recent average rate increases collected by Council have consisted of:

	2009/10	**2010/11**	**2011/2012**	***2012/2013***
From growth (# of assessments)	0.3%	0.3%	1.0%	*0.4%*
To fund additional capital renewal	4.0%	3.0%	2.5%	*1.0%*
To meet inflation	2.8%	2.9%	3.0%	2.*6%*
To meet additional maintenance			1.25%	
TOTAL INCREASE IN RATE INCOME	**7.1%**	**6.2%**	**7.75%**	***4.0%***

The element labeled "From growth" represents the effect of new developments and growth in rateable properties built in each year, which is usually less than 0.5%. It is independent of the valuation increases set by the Valuer General. The element required to fund additional capital renewal is the budgeted increase in the rate in the dollar to generate additional funds to address Council's asset backlog. The increase for inflation is set at budget time to reflect forecast CPI for the year. (The element to meet additional maintenance was one off item in response to severe weather events during 2010/11)

The ten year Long Term Financial Plan assumes rate increases incorporating an uplift of CPI +1% is applied for 2012/13 and subsequent years, the additional uplift over CPI being required to fund Council's asset backlog. There is no provision in the LTFP to meet the continued anticipated demand for additional or enhanced council services, as experienced in recent years. This is expected to be funded from future efficiency gains.

Rating Overview 2012/2013

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 mainly 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. (From 2013/14 onwards, they will only be able to receive the rebate if they do not benefit from a notional capital value assessment). In this way Council ensures an equitable allocation of the rates burden across all residential ratepayers without penalising genuine primary producers (unless otherwise supported by a reduced capital valuation).

In 2012/2013 the total 10% rate rebate claimed for Primary Production increased to about $38k (from about $35k). This indicates that only $384k of rate income is attributable to eligible primary producers and that more than $5.1M is from properties used mainly 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 2012/2013 was set at $395, increasing from $375 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.

Rating Overview 2012/2013

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 amounted to $72,500 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 that 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.

Rating Overview 2012/2013

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. !00% 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.

Financial Statements

Year ended 30 June 2013

ADELAIDE HILLS COUNCIL

General Purpose Financial Reports
for the year ended 30 June 2013

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Audit Report
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ADELAIDE HILLS COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 $'000	2012 $'000
INCOME			
Rates	2	**29,898**	28,758
Statutory charges	2	**806**	824
User charges	2	**1,020**	1,320
Grants, subsidies and contributions	2	**3,869**	3,711
Investment income	2	**42**	69
Reimbursements	2	**232**	376
Other income	2	**651**	654
Net gain - equity accounted Council businesses	19	**480**	251
Total Income		**36,997**	35,963
EXPENSES			
Employee costs	3	**12,484**	11,851
Materials, contracts & other expenses	3	**16,480**	16,144
Depreciation, amortisation & impairment	3	**6,756**	6,906
Finance costs	3	**730**	690
Net loss - equity accounted Council businesses	19		35
Total Expenses		**36,449**	35,626
OPERATING SURPLUS / (DEFICIT)		**548**	337
Asset disposal & fair value adjustments	4	**85**	123
Amounts received specifically for new or upgraded assets	2	**1,636**	1,357
Physical resources received free of charge	2	**-**	-
Operating result from discontinued operations	20	**-**	-
NET SURPLUS / (DEFICIT)		**2,269**	1,817
transfered to Equity Statement			
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	**6,812**	(4,127)
Share of other comprehensive income - equity accounted Council businesses	19	**-**	-
Impairment (expense) / recoupments offset to asset revaluation reserve	9	**-**	(7)
Transfer to accumulated surplus on sale of revalued infrastructure, property, plant & equipment		**-**	-
Total Other Comprehensive Income		**6,812**	(4,134)
TOTAL COMPREHENSIVE INCOME		**9,081**	(2,317)
Share of Net Surplus / (Deficit)			
Council		**2,269**	1,817
Minority Interest			
		2,269	1,817
Share of Other Comprehensive Income			
Council		**6,812**	(4,134)
Minority Interest		**-**	-
		6,812	(4,134)
TOTAL COMPREHENSIVE INCOME		**9,081**	(2,317)

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

ADELAIDE HILLS COUNCIL

BALANCE SHEET
as at 30 June 2013

ASSETS	Notes	2013 $'000	2012 $'000
Current Assets			
Cash and cash equivalents	5	**1,216**	1,266
Trade & other receivables	5	**3,076**	2,573
Other financial assets	5	**-**	-
Inventories	5	**24**	19
		4,316	3,858
Non-current Assets held for Sale	20	**400**	-
Total Current Assets		**4,716**	3,858
Non-current Assets			
Financial assets	6	**150**	293
Equity accounted investments in Council businesses	6	**1,405**	934
Investment property	7	**-**	-
Infrastructure, property, plant & equipment	7	**247,204**	240,993
Other non-current assets	6	**5,576**	3,743
Total Non-current Assets		**254,335**	245,963
Total Assets		**259,051**	249,821
LIABILITIES			
Current Liabilities			
Trade & other payables	8	**8,642**	9,104
Borrowings	8	**8,734**	5,168
Provisions	8	**1,065**	989
Other current liabilities	8		-
		18,441	15,261
Liabilities relating to Non-current Assets held for Sale	20	**-**	-
Total Current Liabilities		**18,441**	15,261
Non-current Liabilities			
Borrowings	8	**5,000**	5,292
Provisions	8	**153**	158
Liability - Equity accounted Council businesses	6	**44**	53
Other Non-current Liabilities	8		
Total Non-current Liabilities		**5,197**	5,503
Total Liabilities		**23,638**	20,764
NET ASSETS		**235,413**	229,057
EQUITY			
Accumulated Surplus		**130,693**	128,224
Asset Revaluation Reserves	9	**100,672**	96,358
Other Reserves	9	**4,048**	4,475
TOTAL EQUITY		**235,413**	229,057

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 2013

2013	Notes	Accumulated Surplus $'000	Asset Revaluation Reserve $'000	Other Reserves $'000	Available for sale Financial Assets $'000	TOTAL EQUITY $'000
Balance at end of previous reporting period		**128,225**	**96,358**	**4,475**	**-**	**229,058**
Adjustment to give effect to items reported from a prior period	1	**(228)**				**(228)**
Restated opening balance		127,997	96,358	4,475	-	228,830
Net Surplus / (Deficit) for Year		**2,269**				**2,269**
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment			**6,812**			**6,812**
Transfers between reserves		**427**		**(427)**		**-**
Balance at end of period		**130,693**	**103,170**	**4,048**	**-**	**237,911**
2012						
Balance at end of previous reporting period		125,536	100,485	5,354	-	231,375
Adjustment due to compliance with revised Accounting Standards						-
Adjustment to give effect to changed accounting policies						-
Restated opening balance		125,536	100,485	5,354	-	231,375
Net Surplus / (Deficit) for Year		1,817				1,817
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment			(4,127)			(4,127)
Impairment (expense) / recoupments offset to asset revaluation reserve		(7)				(7)
Transfers between reserves		879		(879)		-
		-			-	-
Balance at end of period		128,225	96,358	4,475	-	229,058

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

ADELAIDE HILLS COUNCIL

CASH FLOW STATEMENT
for the year ended 30 June 2013

	Notes	2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates - general & other		29,716	28,454
Fees & other charges		870	889
User charges		1,325	1,561
Investment receipts		0	69
Grants utilised for operating purposes		4,010	3,871
Reimbursements		255	414
Other revenues		3,274	2,846
Payments			
Employee costs		(12,651)	(12,209)
Materials, contracts & other expenses		(20,326)	(18,524)
Investment payments		(200)	(97)
Finance payments		(796)	(665)
Net Cash provided by (or used in) Operating Activities		5,478	6,609
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		1,636	1,357
Sale of replaced assets		44	501
Sale of surplus assets		70	
Repayments of loans by community groups		143	
Distributions received from equity accounted Council businesses		-	
Payments			
Expenditure on renewal/replacement of assets		(10,401)	(9,454)
Expenditure on new/upgraded assets		(303)	(378)
Loans made to community groups		-	(82)
Capital contributed to equity accounted Council businesses		(1)	
Net Cash provided by (or used in) Investing Activities		(8,812)	(8,056)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings		-	98
Proceeds from aged care facility deposits		11	504
Payments			
Repayments of borrowings		(168)	(147)
Repayment of finance lease liabilities		-	
Repayment of aged care facility deposits		-	
Net Cash provided by (or used in) Financing Activities		(157)	455
Net Increase (Decrease) in cash held		(3,491)	(992)
Cash & cash equivalents at beginning of period	11	(3,735)	(2,743)
Cash & cash equivalents at end of period	11	(7,226)	(3,735)

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 2013

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.

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.

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.

Note 1 - Significant Accounting Policies (cont)

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 is 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.

Library lending media were fully expensed during the year ended June 2013. This change in accounting treatment means that all Accumulated Depreciation, Revaluation Reserves and depreciation have been written down to zero. Future purchases will be treated as operating expenses and any associated grant funding received will be an operating revenue.

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

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

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

Note 1 - Significant Accounting Policies (cont)

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 and 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 and 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.

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.

Note 1 - Significant Accounting Policies (cont)

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.

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 2013

Note 2 - INCOME

	Notes	2013 $'000	2012 $'000
RATES REVENUES			
General Rates		**28,087**	26,939
Less: Mandatory rebates		**(193)**	(174)
Less: Discretionary rebates, remissions & write offs		**(188)**	(172)
		27,706	26,593
Other Rates (including service charges)			
Natural Resource Management levy		**750**	781
Waste collection			
Water supply			
Community wastewater management systems		**1,214**	1,166
Stirling Traders		**73**	70
Electricity Supply			
		2,037	2,017
Other Charges			
Penalties for late payment		**86**	77
Legal & other costs recovered		**69**	71
		155	148
Less: Discretionary rebates, remissions & write offs			
		29,898	28,758
STATUTORY CHARGES			
Development Act fees		**243**	290
Town planning fees		**112**	120
Animal registration fees & fines		**295**	240
Parking fines / expiation fees		**68**	94
Other licences, fees, & fines		**88**	80
		806	824
USER CHARGES			
Cemetery/crematoria fees		**147**	162
AHBTC		**493**	474
Retirement Villages		**245**	251
Dump fees		**3**	298
Rate Searches		**59**	33
Sundry		**73**	102
		1,020	1,320
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		**16**	25
Banks & other		**8**	25
Loans to community groups		**18**	19
		42	69

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

NOTE 2 - INCOME (continued)

	Notes	**2013** **$'000**	2012 $'000
REIMBURSEMENTS			
- for private works		**28**	27
- other		**204**	349
		232	376
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		**3**	11
Joint Ventures		**480**	251
Sundry		**648**	392
		1,131	654
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		**1,636**	1,357
Clean Energy Future grants etc.			
Other grants, subsidies and contributions		**3,869**	3,711
		5,505	5,068
The functions to which these grants relate are shown in Note 2.			
Sources of grants			
Commonwealth government		**1,279**	1,915
State government		**3,473**	2,577
Other		**753**	576
		5,505	5,068
Individually Significant Item			
Financial Assistance Grant (FAG) received in respect of 2013/14 year.		**829**	816

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

NOTE 2 - INCOME (continued)

	Notes	**2013** **$'000**	2012 $'000
Conditions over grants & contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		*816*	*395*
Less: expended during the current period from revenues recognised in previous reporting periods			
Roads Infrastructure		*(816)*	*(395)*
Heritage & Cultural Services			
Subtotal		*(816)*	*(395)*
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Roads Infrastructure		*829*	*816*
Heritage & Cultural Services			
Subtotal		*829*	*816*
Unexpended at the close of this reporting period		*829*	*816*
Net increase (decrease) in assets subject to conditions in the current reporting period		*13*	*421*

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 3 - EXPENSES

	Notes	2013 $'000	2012 $'000
EMPLOYEE COSTS			
Salaries and Wages		**10,620**	10,211
Employee leave expense		**852**	606
Superannuation - defined contribution plan contributions	18	**692**	592
Superannuation - defined benefit plan contributions	18	**345**	361
Workers' Compensation Insurance		**270**	297
Other		**255**	344
Less: Capitalised and distributed costs		**(550)**	(560)
Total Operating Employee Costs		**12,484**	11,851
Total Number of Employees		*163*	*161*
(Full time equivalent at end of reporting period)			
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the financial reports		**20**	18
Elected members' expenses		**351**	325
Election expenses		**37**	61
Operating Lease Rentals - cancellable leases		**262**	304
Subtotal - Prescribed Expenses		**670**	708
Other Materials, Contracts & Expenses			
Contractors		**7,928**	8,066
Energy		**416**	320
Contributions and Donations		**467**	449
Maintenance		**1,689**	1,618
Legal Expenses		**185**	162
Levies paid to government - NRM levy		**750**	782
- Other Levies		**67**	25
Parts, accessories & consumables		**2,351**	2,095
Professional services		**338**	268
Insurance		**639**	640
Sundry		**980**	1,011
Subtotal - Other Materials, Contracts & Expenses		**15,810**	15,436
		16,480	16,144

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 3 - EXPENSES (cont)

	Notes	2013 $'000	2012 $'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Roads		3,211	3,180
Bridges		236	229
Footpaths		271	245
Retaining Walls		70	50
Guardrails		40	31
Kerb & Gutter		123	122
Traffic Controls		34	31
Street Furniture		42	38
Stormwater		332	328
CWMS		318	313
Land		-	-
Buildings		1,150	1,081
Sport & Recreation		287	292
Playgrougns		44	30
Cemeteries		31	22
Library Assets		-	128
Plant & Equipment		475	652
Furniture & Fittings		92	134
		6,756	6,906
FINANCE COSTS			
Interest on overdraft and short-term drawdown		383	327
Interest on Fixed 6.75% $5million Loan		338	338
Unwinding of present value discounts		9	25
		730	690

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2013 $'000	2012 $'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		**114**	501
Less: Carrying amount of assets sold		**99**	378
Gain (Loss) on disposal		**15**	123
Assets surplus to requirements			
Proceeds from disposal		**70**	-
Less: Carrying amount of assets sold		**-**	-
Gain (Loss) on disposal		**70**	-
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		**85**	123

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 5 - CURRENT ASSETS

	Notes	2013 $'000	2012 $'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		**-**	293
Deposits at Call		**830**	570
Short Term Deposits & Bills, etc		**386**	403
		1,216	1,266
TRADE & OTHER RECEIVABLES			
Rates - General & Other		**1,302**	1,126
Rates postponed for State Seniors		**12**	6
Accrued Revenues		**555**	313
Debtors - general		**372**	406
Other levels of Government		**382**	233
GST Recoupment		**215**	230
Prepayments		**228**	236
Loans to community organisations		**77**	47
Total		**3,143**	2,597
Less: Allowance for Doubtful Debts		**67**	24
		3,076	2,573
INVENTORIES			
Stores & Materials		**24**	19
		24	19

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 6 - NON-CURRENT ASSETS

	Notes	2013 $'000	2012 $'000
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		**150**	293
TOTAL FINANCIAL ASSETS		**150**	293
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
GRFMA	19	**352**	356
AHRWMA	19	**1,053**	578
		1,405	934
OTHER NON-CURRENT ASSETS			
Capital Works-in-Progress		**5,576**	3,743
		5,576	3,743

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012 $'000				2013 $'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Roads	173,793	-	(68,529)	105,264	182,580	-	(71,336)	111,244
Bridges	14,754	-	(5,854)	8,900	14,931	-	(6,096)	8,835
Footpaths	9,243	-	(3,286)	5,957	10,276	-	(3,880)	6,396
Retaining Walls	4,352	-	(1,035)	3,317	4,359	-	(1,167)	3,192
Guardrails	1,746	-	(309)	1,437	1,981	-	(364)	1,617
Kerb & Gutter	9,079	-	(2,967)	6,112	8,401	-	(3,094)	5,307
Traffic Controls	1,058	-	(469)	589	1,869	-	(531)	1,338
Street Furniture	1,133	-	(485)	648	2,019	-	(1,394)	625
Stormwater	29,863	-	(7,610)	22,253	30,089	-	(7,972)	22,117
CWMS	16,666	-	(6,066)	10,600	17,258	-	(6,601)	10,657
Land	37,840	-		37,840	37,840	-		37,840
Buildings	62,404	-	(38,830)	23,574	61,721	-	(39,578)	22,143
Sport & Recreation	13,212	-	(7,012)	6,200	14,559	-	(7,665)	6,894
Playgrougns	1,073	-	(262)	811	1,067	-	(324)	743
Cemeteries	3,089	-	(911)	2,178	3,136	-	(962)	2,174
Library Assets	1,383	-	(1,078)	305	-	-	-	-
Plant & Equipment	-	8,649	(3,834)	4,815	-	9,725	(3,822)	5,903
Furniture & Fittings	-	2,100	(1,907)	193	-	2,178	(1,999)	179
Work in Progress Transfer	-	-	-	-	-	2,498	-	2,498
TOTAL PROPERTY, PLANT & EQUIPMENT	380,688	10,749	(150,444)	240,993	392,086	14,401	(156,785)	249,702
Comparatives					380,688	10,749	(150,444)	240,993

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 2013
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012 $'000	CARRYING AMOUNT MOVEMENTS DURING YEAR $'000							2013 $'000
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Roads	105,264	-	3,858	(960)	(3,211)	-	-	6,293	111,244
Bridges	8,900	-	-	-	(236)	-	-	171	8,835
Footpaths	5,957	-	721	(47)	(271)	-	-	36	6,396
Retaining Walls	3,317	-	-	-	(70)	-	-	(55)	3,192
Guardrails	1,437	177	-	-	(40)	-	-	43	1,617
Kerb & Gutter	6,112	-	235	(14)	(123)	-	-	(902)	5,307
Traffic Controls	589	761	-	-	(34)	-	-	22	1,338
Street Furniture	648	-	-	-	(42)	-	-	20	625
Stormwater	22,253	-	-	-	(332)	-	-	197	22,117
CWMS	10,600	-	-	-	(318)	-	-	375	10,657
Land	37,840	-	-	-	-	-	-	-	37,840
Buildings	23,574	-	-	-	(1,150)	-	(400)	(369)	22,143
Sport & Recreation	6,200	-	-	-	(287)	-	-	980	6,894
Playgrounds	811	-	-	-	(44)	-	-	(25)	743
Cemeteries	2,178	-	-	-	(31)	-	-	26	2,174
Library Assets	305	-	-	(305)	-	-	-	-	-
Plant & Equipment	4,815	112	1,922	(471)	(475)	-	-	-	5,903
Furniture & Fittings	193	78	-	-	(92)	-	-	-	179
Work in Progress Transrfer							2,498		**2,498**
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	240,993	1,128	6,736	(1,797)	(6,756)	-	2,098	6,812	**249,702**
Comparatives	*-*	*6,275*	*9,233*	*(380)*	*(6,906)*	*-*	*(1,474)*	*(4,127)*	*240,993*

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 2013

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.

Property at Morialta Barns
is now recorded as a Non Current Asset Held for Sale. A selling price of $400k has been agreed and the asset is now recognised at that amount.

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 2012, and pursuant to Council's election, are disclosed at written down replacement cost. All additions after this date are recorded at cost.

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

Library Books

Library lending media were fully expensed during the year ended June 2013. This change in accounting treatment means that all Accumulated Depreciation, Revaluation Reserves and depreciation have been written down to zero. Future purchases will be treated as operating expenses and any associated grant funding received will be an operating revenue.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis.

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 8 - LIABILITIES

	Notes	2013 $'000 Current	Non-current	2012 $'000 Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		1,067		1,691	
Payments received in advance		852		670	
Accrued expenses - employee entitlements		1,110		1,381	
Accrued expenses - other		1,072		1,147	
Aged Care Facility Deposits		4,438		4,027	
Deposits, Retentions & Bonds		2		4	
Other		101		184	
		8,642	-	9,104	-
BORROWINGS					
Bank Overdraft		8,442		5,000	
Short term draw down facility					
Loans		292	5,000	168	5,292
		8,734	5,000	5,168	5,292

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

	Notes	2013 Current	Non-current	2012 Current	Non-current
PROVISIONS					
Employee entitlements (including oncosts)		1,038	101	915	90
Future reinstatement / restoration, etc		27	52	74	68
Other					
		1,065	153	989	158
LIABILITY - EQUITY ACCOUNTED COUNCIL BUSINESSES					
EWMA	19		44		53
here describe the associated entity.	19				
			44		53

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 9 - RESERVES

ASSET REVALUATION RESERVE		1/7/2012	Net Increments (Decrements)	Transfers, Impairments	30/6/2013
	Notes	$'000	$'000	$'000	$'000
Roads		45,113	6,292		51,405
Bridges		3,036	171		3,207
Footpaths		473	36		509
Retaining Walls		318	(55)		263
Guardrails		586	43		629
Kerb & Gutter		4,978	(902)		4,076
Traffic Controls		445	22		467
Street Furniture		669	20		689
Stormwater		18,154	197		18,351
CWMS		2,682	375		3,057
Land		10,497			10,497
Buildings		4,704	(369)		4,335
Sport & Recreation		1,623	980		2,603
Playgrounds		65	(25)		40
Cemeteries		2,107	27		2,134
Library Assets		907			907
TOTAL		96,357	6,812		**103,169**
Comparatives		*100,485*	*(4,127)*		*96,358*

OTHER RESERVES	1/7/2012	Transfers to Reserve	Transfers from Reserve	30/6/2013
Investment in Associates	387	479		**866**
CWMS	1,927	231		**2,158**
Retirement Village Lobethal JV	6	13		**19**
Retirement Village Woodside	180	50		**230**
Retirement Village Improvement	7		(1)	**6**
Retirement Village Fee Bond	43			**43**
TVCC	64	4		**68**
Library	14		(10)	**4**
UTLMP	103		(10)	**93**
Scott Creek Progress Association	7		(1)	**6**
				0
Carry Forward Projects	1,737	555	(1,737)	**555**
TOTAL OTHER RESERVES	4,475	1,332	(1,759)	**4,048**
Comparatives	*5,354*	*2,233*	*(3,112)*	*4,475*

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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.

	Notes	2013 $'000	2012 $'000
CASH & FINANCIAL ASSETS			
Unexpended amounts received from Federal Government			
CWMS Investigations		**312**	302
Unspent Grants		**852**	670
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		**1,164**	972

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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	2013 $'000	2012 $'000
Total cash & equivalent assets	5	1,216	1,266
Less: Short-term borrowings	8	(8,442)	(5,000)
Balances per Cash Flow Statement		(7,226)	(3,734)

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

	2013 $'000	2012 $'000
Net Surplus (Deficit)	2,269	2,068
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	6,756	6,906
Fair value adjustments	-	
Equity movements in equity accounted investments (increase) decrease	(480)	(209)
Net increase (decrease) in unpaid employee benefits	(167)	(70)
Premiums & discounts recognised & unwound	9	25
Change in allowances for under-recovery	43	(2)
Non-cash asset acquisitions	-	-
Grants for capital acquisitions treated as Investing Activity	(1,636)	(1,357)
Net (Gain) Loss on Disposals	(85)	(123)
	6,710	7,238
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(524)	(670)
Net (increase) decrease in inventories	(5)	4
Net (increase) decrease in other current assets	-	
Net increase (decrease) in trade & other payables	(602)	354
Net increase (decrease) in other provisions	(68)	(66)
Net increase (decrease) in other liabilities	-	
Net Cash provided by (or used in) operations	5,511	6,860

(c)   Non-Cash Financing and Investing Activities

Acquisition of assets by means of:	Notes	2013 $'000	2012 $'000
- Physical resources received free of charge	3	-	-
- Non-cash grants & contributions			
Amounts recognised in Income Statement		-	-
- Finance Leases		-	
- Estimated future reinstatement etc. costs		(68)	(356)
- Land taken over for non-payment of Rates			
		(68)	(356)

(d)   Financing Arrangements

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

	2013 $'000	2012 $'000
Bank Overdrafts	3,800	5,100
Corporate Credit Cards	50	45
LGFA Cash Advance Debenture facility		

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 2013

Note 12 - FUNCTIONS

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Community Development	1,856	1,676	3,998	3,840	(2,142)	(2,164)	1,187	965	-	-
Environmental Management	893	659	1,979	1,875	(1,086)	(1,216)	731	549	-	-
Governance and Administration	715	653	4,081	3,834	(3,366)	(3,181)	-	-	-	-
Infrastructure	1,142	1,436	14,571	15,262	(13,429)	(13,826)	2,632	2,712	258,560	240,992
Land Use and Planning	403	499	1,516	1,535	(1,113)	(1,036)	-	-	-	-
Laws and Enforcement	352	327	387	389	(35)	(62)	-	-	-	-
Waste Management	30	32	3,272	3,130	(3,242)	(3,098)	-	-	-	-
Financial Management	31,607	31,024	6,646	6,104	24,961	24,920	-	-	-	-
Less Joint Ventures	(480)	(251)	-	(35)	(480)	(216)	-	-	-	-
					-	-				
					-	-				
TOTALS	**36,518**	36,055	**36,450**	35,934	**68**	121	**4,550**	4,226	**258,560**	240,992

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

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Community Development
Public Order and Safety, Crime Prevention, , Other Public Order and Safety, Health Services, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services, Customer Service,.

Environmental Management
Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Other Environment, Natural Resource Management Levy, and Other Environment.

Governance and Administration
Governance, Administration, Elected Members, Organisational Support Services, Revenues, Cemeteries / Crematoria, Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development

Infrastructure
Bridges, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport, Gravel Pits/Quarries, Private Works, Property Portfolio, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Outdoor, and Other Recreation. Public Conveniences, Telecommunications Networks, and Other Community Amenities, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping

Land Use and Planning
Building Control, Town Planning, Clean Air/Pollution Control.

Laws and Enforcement
Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services, Emergency Services, Other Fire Protection, Pest Control – Health, Immunisation.

Waste Management
Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, , Sewerage/CWMS

Financial Management
Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, , Other Support Services, LGGC – General Purpose, and Separate and Special Rates.

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** Carried at lower of cost and net realiseable value; Interest is recognised when earned.
	Terms & conditions: Deposits are returning fixed interest rates between 2.50% and 3.25% (2012: 3.50% and 4.75%). Short term deposits have an average maturity of 1 day and an average interest rates of 2.5% (2012: 1 day, 3.5%).
	Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
	Terms & conditions: Secured over the subject land, arrears attract interest of 8.0% (2012: 8.5%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.
	Carrying amount: approximates fair value (after deduction of any allowance).
Receivables - Fees & other charges	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
	Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.
	Carrying amount: approximates fair value (after deduction of any allowance).
Receivables - other levels of government	**Accounting Policy:** Carried at nominal value.
	Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.
	Carrying amount: approximates fair value.
Receivables - Retirement Home Contributions	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
	Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.
	Carrying amount: approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.
	Terms & conditions: Liabilities are normally settled on 30 day terms.
	Carrying amount: approximates fair value.
Liabilities - Retirement Home Contributions	**Accounting Policy:** To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.
	Terms & conditions: 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.
	Carrying amount: approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.
Liabilities - Interest Bearing Borrowings	**Accounting Policy:** Carried at the principal amounts. Interest is charged as an expense as it accrues.
	Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.75% and 5.50% (2012: 6.25% and 6.75%)
	Carrying amount: approximates fair value.
Liabilities - Finance Leases	**Accounting Policy:** accounted for in accordance with AASB 117.

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 13 (cont) - FINANCIAL INSTRUMENTS
Liquidity Analysis

2013		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		$'000	$'000	$'000	$'000	$'000
Cash & Equivalents		**1,216**			**1,216**	**1,216**
Receivables		**1,319**	**52**		**1,371**	**1,252**
Other Financial Assets		**24**	**150**		**174**	**150**
	Total	**2,559**	**202**	**-**	**2,761**	**2,618**
Financial Liabilities						
Payables		**8,642**			**8,642**	**6,460**
Current Borrowings		**8,734**	**52**		**8,786**	**8,734**
Non-Current Borrowings		**-**	**5,000**		**5,000**	**5,000**
	Total	**17,376**	**5,052**	**-**	**22,428**	**20,194**

2012		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		$'000	$'000	$'000	$'000	$'000
Cash & Equivalents		1,266			1,266	1,266
Receivables		999	52		1,051	1,758
Other Financial Assets		19	293		312	-
	Total	2,284	345	-	2,629	3,024
Financial Liabilities						
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
	Total	14,289	5,344	-	19,633	17,036

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

	30 June 2013		30 June 2012	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	$'000	%	$'000
Overdraft		**8,442**	6.47	5,000
Other Variable Rates		**5,000**	6.06	5,100
Fixed Interest Rates		**292**	6.47	359
		13,734		10,459

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

<u>Credit Risk</u> 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.

<u>Market Risk</u> 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 <u>currency risk</u> apply.

<u>Liquidity Risk</u> 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.

<u>Interest Rate Risk</u> 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 2013

Note 14 - COMMITMENTS FOR EXPENDITURE

	Notes	2013 $'000	2012 $'000
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Infrastructure Assets		**-**	237
Buildings		**-**	53
Plant & Equipment		**425**	283
		425	573
These expenditures are payable:			
Not later than one year		**257**	573
Later than one year and not later than 5 years		**168**	
Later than 5 years			
		425	573
Other Expenditure Commitments			
Other non-capital expenditure commitments in relation to investment properties:			
Audit		**80**	-
Waste Management		**3,017**	6,034
Employee Renumeration		**5,325**	3,507
Not later than one year		**4,333**	4,125
Later than one year and not later than 5 years		**4,045**	5,416
Later than 5 years		**44**	
Minimum lease payments		**8,422**	9,541
Less: future finance charges			
Net Lease Liability		**8,422**	9,541

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 15 - FINANCIAL INDICATORS

	2013	2012	2011

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

	2013	2012	2011
Operating Surplus	2%	2%	0%
Rates - general & other less NRM levy			

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

	2013	2012	2011
Adjusted Operating Surplus Ratio	*2%*	*2%*	*0%*

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

Net Financial Liabilities Ratio

	2013	2012	2011
Net Financial Liabilities	53%	47%	48%
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

	2013	2012	2011
Net Asset Renewals	116%	130%	134%
Infrastructure & Asset Management Plan required expenditure	*	*	*

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

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 2013

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

	2013 $'000	2012 $'000
Income	36,997	36,214
less Expenses	36,449	35,626
Operating Surplus / (Deficit)	548	588
less **Net Outlays on Existing Assets**		
Capital Expenditure on renewal and replacement of Existing Assets	10,401	9,454
less Depreciation, Amortisation and Impairment	6,756	6,906
less Proceeds from Sale of Replaced Assets	44	501
	3,601	2,047
less **Net Outlays on New and Upgraded Assets**		
Capital Expenditure on New and Upgraded Assets *(including investment property & real estate developments)*	303	378
less Amounts received specifically for New and Upgraded Assets	1,636	1,357
less Proceeds from Sale of Surplus Assets *(including investment property and real estate developments)*	70	-
	(1,403)	(979)
Net Lending / (Borrowing) for Financial Year	(1,650)	(480)

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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 whereever 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.

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

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

	2013 $'000	2012 $'000
Not later than one year	257	362
Later than one year and not later than 5 years	904	1,040
Later than 5 years		
	1,161	1,402

Lease payment commitments of Council

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

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

Leases in relation to computer 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:

	2013 $'000	2012 $'000
Not later than one year	256	298
Later than one year and not later than 5 years	611	269
Later than 5 years		
	867	567

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 18 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to 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 2012/13; 9% in 2011/12). 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 Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2011/12) 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 section 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, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 19 - EQUITY ACCOUNTED COUNCIL BUSINESSES

All equity accounted Council businesses 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,

	2013	2012
Eastern Waste Management Authority	**$'000**	$'000
Council's respective interests are:		
- interest in the operating result	15%	15%
- ownership share of equity	15%	15%
- the proportion of voting power	15%	15%
<u>Movements in Investment in Joint Operation</u>	**$'000**	$'000
Opening Balance	**(53)**	(175)
New Capital Contributions		
Share in Operating Result	**9**	122
Share in other comprehensive income		
Adjustment to Equity Share		
Distributions Received		
Share in Equity of Joint Operation	**(44)**	(53)

<u>Expenditure Commitments</u>

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	**2,244**	1,816
Later than one year and not later than 5 years	**4,638**	3,338
Later than 5 years		-
	6,882	5,154
Less: future finance charges	**(906)**	(538)
Net Lease Liability	**5,976**	4,616

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 19 (cont) - EQUITY ACCOUNTED COUNCIL BUSINESSES

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.

	2013	2012
Gawler River Floodplain Management Authority	**$'000**	$'000
Council's respective interests are:		
- interest in the operating result	2%	2%
- ownership share of equity	2%	2%
- the proportion of voting power	2%	2%
Movements in Investment in Joint Operation	**$'000**	$'000
Opening Balance	**356**	391
New Capital Contributions		
Share in Operating Result	**(4)**	(35)
Share in other comprehensive income		
Adjustment to Equity Share		
Distributions Received		
Share in Equity of Joint Operation	**352**	356

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 19 (cont) - EQUITY ACCOUNTED COUNCIL BUSINESSES

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.

	2013	2012
Adelaide Hills Regional Waste Management Authority	**$'000**	$'000
Council's respective interests are:		
- interest in the operating result	**40.4%**	34%
- ownership share of equity	**40.4%**	34%
- the proportion of voting power	**40.4%**	34%
Movements in Investment in Joint Operation	**$'000**	$'000
Opening Balance	**578**	456
New Capital Contributions		
Share in Operating Result	**475**	129
Share in other comprehensive income		
Adjustment to Equity Share		(7)
Distributions Received		
Share in Equity of Joint Operation	**1,053**	578

ADELAIDE HILLS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 20 - NON-CURRENT ASSETS HELD FOR SALE
& DISCONTINUED OPERATIONS

Sale of Morialta Barns

Council has resolved to sell the property known as Morialta Barns.

At reporting date, the contract for the sale had been executed on 16th September 2013, and settlement is expected before 30th June 2014.

Financial information relating to the discontinued operation is shown below:

Financial Performance & Cash Flow Information

	2013 $'000	2012 $'000
Carrying Amount of Assets and Liabilities		
Infrastructure, property, plant and equipment	**400**	
Receivables		
Inventories - stores and materials		
Total Assets	**400**	-
Payables		
Loans		
Total Liabilities	**-**	-
Net Assets	**400**	-

As the consideration expected to be received exceeds the carrying amount, these assets have been recognised at the carrying amount.

ADELAIDE HILLS COUNCIL

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2013

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 2013, the Council's Auditor, BDO, 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 Robertson
PRESIDING MEMBER
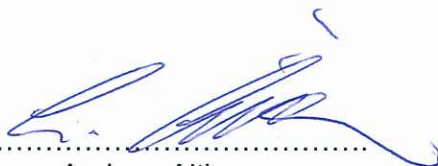**AUDIT COMMITTEE**

Date: 27 · 11 · 2013

ADELAIDE HILLS COUNCIL

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2013

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 2013 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

Date: 27 · 11 · 2013

BDO

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
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Level 7, BDO Centre
420 King William Street
Adelaide SA 5000
GPO Box 2018, Adelaide SA 5001
AUSTRALIA

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of Adelaide Hills Council for the year ended 30 June 2013, 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.

I J Painter
Partner

BDO Audit Partnership (SA)

Adelaide, 27 November 2013

INDEPENDENT AUDITOR'S REPORT
TO THE PRINCIPAL MEMBER OF ADELAIDE HILLS COUNCIL

We have audited the accompanying financial report of Adelaide Hills Council, which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive Officer and the Mayor.

Council's Responsibility for the Financial Report

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

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the council'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 council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council's officers, as well as evaluating the overall presentation of the financial report.

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

BDO

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Adelaide Hills Council as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

BDO

BDO Audit Partnership (SA)

I J Painter
Partner

Adelaide,   27 November 2013

FOI Information Statement
2012/2013

FREEDOM OF INFORMATION
Information Statement 2012/2013

This information statement is published by the Adelaide Hills Council in accordance with the requirements of Sections 9 of the Freedom of Information Act 1991. The information contained herein will be reviewed and updated annually.

1. Structure and Function of the Council

1.1 Structure of the Council

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

The Council comprises of a Mayor and 12 Councillors elected to represent the community, across the following five Wards:

» Manoah Ward
» Marble Hill Ward
» Mount Lofty Ward
» Onkaparinga Valley Ward
» Torrens Valley Ward

Mount Lofty and Onkaparinga Valley Wards have three Elected Members representing each Ward and Manoah, Marble Hill and Torrens Valley Wards have two Elected Members representing each Ward.

The Mayor is elected across the entire Council area. The Deputy Mayor is elected by full council from the elected Councillors on an annual basis.

1.2 Function of the Council (as set out in the Local Government Act 1999).

A council, under the system of local government established by the Local Government Act 1999, is established to provide for the government and management of its area at the local level and, in particular:

» to act as a representative, informed and responsible decision-maker in the interests of its community
» to provide and co-ordinate various public services and facilities and to develop its community and resources in a socially just and ecologically sustainable manner
» to encourage and develop initiatives within its community for improving the quality of life of the community
» to represent the interests of its community to the wider community
» to exercise, perform and discharge the powers, functions and duties of local government under this and other Acts in relation to the area for which it is constituted.

The functions of a council include:

» to plan at the local and regional level for the development and future requirements of its area
» to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including general public services or facilities (including electricity, gas and water services, and waste collection, control or disposal services or facilities), health, welfare or community services or facilities, and cultural or recreational services or facilities)
» to provide for the welfare, well-being and interests of individuals and groups within its community

- » to take measures to protect its area from natural and other hazards and to mitigate the effects of such hazards
- » to manage, develop, protect, restore, enhance and conserve the environment in an ecologically sustainable manner, and to improve amenity
- » to provide infrastructure for its community and for development within its area (including infrastructure that helps to protect any part of the local or broader community from any hazard or other event, or that assists in the management of any area)
- » to promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism
- » to establish or support organisations or programs that benefit people in its area or local government generally
- » to manage and, if appropriate, develop, public areas vested in, or occupied by, the council
- » to manage, improve and develop resources available to the council
- » to undertake other functions and activities conferred by or under an Act.

1.3 Council Meetings

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

Ordinary Council meetings are held on the 2nd Tuesdays of each month. Meetings are held at 36 Nairne Road Woodside and 63 Mt Barker Road Stirling.

1.4 S41 Committees

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 as well as to consider other Council business (as per delegated authority from Council). Meetings of this committee are held on the fourth Tuesday of each month.

Council is required to establish an Audit Committee in accordance with Section 126 of the Local Government Act, 1999. The Audit Committee makes recommendations to the Council on areas within its terms of reference. The Audit Committee comprises three independent members plus 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.

1.5 Development Assessment Panel

The Development Act 1993 requires all Councils in South Australia to establish a Development Assessment Panel to operate as the relevant authority under the Development Act to assess development applications. 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

Agendas and Minutes of all full Council and committees are available for inspection at Council's Woodside, Stirling and Gumeracha Service Centres and on Council's website. Agendas are available no less than three days prior to those meetings and Minutes are available within 5 days after the meeting.

1.6   Advisory Groups

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. These groups do not report directly to Council:

» AHBTC Advisory Group
» Adelaide Hills Bushfire Advisory Group
» Animal Management Plan Advisory Group
» Australia Day/Hills Voice Advisory Group
» Cemeteries Advisory Group
» Property Reference Group
» Rural Land Management Advisory Group
» Social Planning Reference Group
» Sport & Recreation Advisory Group
» Stirling Linear Park Advisory Group
» Sustainability Advisory Group
» The Summit Community Centre Advisory Committee
» Torrens Valley Community Centre Advisory Committee
» Youth Advisory Group

1.7   Delegations

In accordance with Section 44 and 101 of the Local Government Act, 1999 the Council has delegated relevant powers or functions to the Chief Executive Officer who may then sub-delegate to an employee or a Committee.

The Register of Delegations reflects the delegated authority from the Council to the Chief Executive Officer (and subsequently any sub-delegations) and, as a minimum, is reviewed annually.

The Register of Delegations is available on Council's website and at the Stirling and Woodside office

2.   Access to Council Documents

The following policies, codes and registers are available through Council's Service Centres for inspection and/or purchase by the public (for a fee as set out in Council's Fees & Charges Policy). Many of these can also be accessed on Council's website at no charge:

2.1   Local Government Act 1999 Registers:

» Section 68   Members Register of Interests
» Section 79   Members Register of Allowances and Benefits
» Section 105   Officers Register of Salaries
» Section 116   Officers Register of Interests
» Section 188   Fees and Charges
» Section 196   Community Management Plans
» Section 207   Community Land
» Section 231   Public Roads
» Section 252   By Laws

2.2 Local Government Act 1999 Codes:

- » Section 63   Members Code of Conduct
- » Section 92   Code of Practice for Access to Meetings and Documents
- » Section 110   Employees Code of Conduct
- » Reg 7   Code of Practice for Meeting Procedures

2.3 Local Government Act 1999 Statutory Policies:

- » Section 48   Prudential Management policy and procedures
- » Section 49   Contracts and Tenders Policies
- » Section 50   Public Consultation Policies
- » Section 77(1)(b)   Reimbursement of Council Member Expenses Policy
- » Section 78   Provision of Facilities and Support for Council Members Policy
- » Section 80A   Council Member Training and Development Policy
- » Section 125   Internal Control Policies
- » Section 219   Road Naming Policy
- » Section 259   Policy on Order Making
- » Section 270   Internal Review of Council Decisions Procedure

2.4 Local Government (Elections) Act 1999

- » Part 14   Campaign Donation Returns prepared by candidates.

2.5 Freedom of Information Act 1991

- » Section 9   Information Statement

2.6 Council Discretionary Policies

- » Account Reconciliation
- » Asset Management
- » Buffers – An Essential Part of Rural Planning
- » Building Inspection
- » Capitalised Assets
- » Caretaker
- » Cat Management
- » CDAP Complaints Handling
- » 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
- » Engagement of Management Consultants
- » Equitable Commercial Trading Opportunities at Council Operated Events
- » Floral Tributes for Memorial Services Support – Anzac Day
- » Fraud & Corruption Prevention
- » Genetically Modified Crops
- » Kerbside Green Organics Service Implementation
- » Keys to the City & Freedom of Entry
- » Liquor Licencing
- » Management of Built Heritage
- » Mayors/Chairpersons Seeking Legal Advice
- » Occasional Hiring of Council Meeting Rooms
- » Outdoor Dining
- » Privately Funded Development Plan Amendments
- » Provision of Physical Models for Major Development Proposals
- » 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)

» School Parking & Associated Facilities	» Treasury	
» Social	» Volunteers	
» Sport and Recreation	» Wastewater System Application Fee Refunds	
» Street Lighting	» Whistleblowers Protection	
» Transport		

Enquiries regarding any of Council's policies, codes and registers should be directed to Council's Policy Officer on 8408 0400.

Council's Service Centres and opening hours are:

» 63 Mt Barker Road, Stirling	8.30am to 5.00pm	Monday to Friday
» 28 Onkaparinga Valley Road, Woodside	9.00am to 5.00pm 9.00am to 8.00pm	Monday, Tuesday, Wednesday, Friday Thursday
» 45 Albert Street, Gumeracha	11.00am to 2.00pm 2pm - 5.00pm	Monday, Wednesday, Friday Tuesday, Thursday

Opening hours are subject to change. Please refer to Council's website for updates.

2.7   Other requests for information

Requests to access Council and Council Committee documents not listed above can be made under the *Freedom of Information Act 1991*.

Freedom of Information (FOI) applications should be submitted using the correct application form and be as specific as possible to enable the correct documents to be identified. FOI Application forms are available from the State Records website, Council's website or from any of Council's Service Centres.

An application fee (in accordance with Council's Fees & Charges Policy) must accompany the application. Applications under this legislation will be dealt with as soon as practicable (and in any case, within 30 days) after receipt.

The State Records website also has detailed information on the FOI process or you can also contact Council's FOI Officer on 8408 0400.

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

2.8   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.

3.   Public Participation

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.
» 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.
» Community Consultation – the Adelaide Hills Council consults with local residents on particular issues that affect their neighbourhoods, in accordance with its Public Consultation Policy.
» 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.
» Three Community Forums were held at Woodside, Norton Summit and Stirling

Members of the public, 18 years of age and over, living, owning or occupying property within the Adelaide Hills Council are encouraged to enrol and participate in Local Government Elections.

The next general election is scheduled for November 2014 and thereafter, every four years.

4.   Services for the Community

Council is required by legislation to:

» Determine policies to be applied by the Council
» Develop and adopt Strategic Management Plans
» Prepare and adopt Annual Business Plans and Budgets
» Establish an Audit Committee
» Develop appropriate policies, practices and procedures of internal control
» Set performance objectives
» Establish procedures for the internal review of Council actions
» Determine the type, range and scope of projects to be undertaken by the Council
» Planning and development services eg Determining whether or not approvals are to be granted for various forms of development
» Dog and Cat management
» Fire Prevention (some building inspection and bushfire prevention planning functions)
» Administrative requirements such as supporting the elected Council

Other services and activities are provided by local choice and Council is responsive to the needs, interests and aspirations of individuals and groups within its community.

Local Government partners with a number of State Government departments to plan, fund and deliver services to local community.

Council makes decisions on policy issues relating to services that are provided for members of the public and uses its own resources or that of State and Federal Governments to deliver a range of services in its local area.

Council's services are listed below, by department, and currently include (but are not limited to):

Animal Control
Asset & Risk Management
Building Fire Safety
Bushfire Management
Cemeteries
Commercial Properties
Communications
Community Buildings
Community Consultation
Community Development
Community Grants
Community Halls and Buildings
Community Housing
Community Services Groups
Corporate Administration
Corporate Planning
Council Meetings and Committees
Customer Services
Development Assessment
Development Policy
Disaster Management and Planning
Dog & Cat Management
Elected Member Relations
Elections
Environmental Health
Finance General
Fire Prevention
Fleet Management
Food Premises Inspections
Footpaths & Cycle Tracks
Heritage
Home And Community Care (HACC)
Human Resources
Immunisation
Information Services
Information Technology
Libraries
Liquor Licensing
Litter Control /Waste Services
Marketing
Natural Resources Management
OHS&W

Parking Control
Parks, Gardens and Reserves
Pest Plant & Weeds
Policy Development/Advice
Private Works
Property Access
Public Conveniences
Public Relations
Purchasing & Contract Management
Rates and Assessments
Records Management
Road Construction and Maintenance
Road Opening/Closing
Road Reserves
Service Centres/Depots
Signage
Significant Trees
Sport and Recreation Facilities
STEDS
Stormwater Drainage
Strategic Land Use Policy
Strategic Planning
Street Lighting
Street Sweeping
Street Tree Maintenance
Vandalism
Waste Control Systems
Waste Management
Waste Water System
Water Catchment Management

Subsidiary Annual Reports

2012/2013

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

**Adelaide Hills Council   Alexandrina Council   The Barossa Council   Kangaroo Island Council
District Council of Mount Barker   City of Victor Harbor   District Council of Yankalilla**

Southern Hills

Annual Report
2012 - 2013

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:

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

Collectively these seven (7) Councils have:

☑   More than 137,000 people as at 30th June 2012.

☑   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 form 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 2012 – 2013

President   Mayor Ann Ferguson, DC Mount Barker

Deputy President   Mayor Jayne Bates, Kangaroo Island Council

Executive Officer   Mr Graeme Martin

Auditor   Mr Trevor Hirth, FCA, HLB Mann Judd

Elected under the provisions of the Constitution of the Local Government Association

Delegate to LGA Board   Mayor Ann Ferguson

Proxy Delegate to LGA Board   Mayor Jayne Bates, Kangaroo Island Council

Delegates to SAROC   Mayor Ann Ferguson
                                                 Mr Graeme Martin

Proxy Delegate to SAROC   Mayor Jayne Bates

President's Forward

We have completed another successful year, one of consolidation for the Southern and Hills Local Government Association.

I feel very proud and privileged to have been re-elected in February as the association president for another term.

The organisation is in a sound financial position and has now completed its current four year Business Plan. This past year has seen our energies devoted to the continuing work of the existing Roads Working Party, the establishment of a new working group to develop and co-ordinate a regional response and ultimately a regional plan to comply with the SA Public Health Act, developing key strategy and performance documents such as the Annual Action Items, Annual Budget, active participation with the LGA and generally consolidating our administration.

The key to our future success will be in our continued collegiate co-operation and development of efficient shared services.

Our Executive Officer, Graeme Martin has been active in many representative roles as we seek to widely promote the S&HLGA region and the association's activities. I thank him for his continued support and commitment.

Our relationship with our peak representative body the LGA (SA) is very strong and productive as we tackle the many impacting regional issues with the SAROC committee and the LGA Board.

In this period we have welcomed three new member Council CEO's. To the newly appointed CEO's, Andrew Aitken of Adelaide Hills Council, Martin McCarthy of The Barossa Council and Adrian Skull of The District Council of Yankalilla, we trust you have found the S&HLGA a valuable and supporting organisation.

In closing, I once again 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:

17 August 2012	–	Barossa
19 October 2012	-	Victor Harbor
7 December 2012	-	Alexandrina
15 February 2013	-	Kangaroo Island
12 April 2013	-	Mt Barker
21 June 2013	-	Yankalilla

Key Issues acted on by the Board included:

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 develop the funding agreement and agreed Key Performance Indicators for the region.

o   Continued developing with the RDA and DEWNR on a Regional Integrated Climate Change Vulnerability Assessment and adaptation project.

o   Input into and filming of a segment for the Dream Australia TV and on-line project to attract skilled workers to regional Councils.

o   Developed a new four year 2013-2017 Business Plan.

o   Continued lobbying the State Government on the impacting issues involved with the declaration of the State Marine Parks.

o   The creation and overseeing of a regional working party to develop a regional SA Public Health Plan.

o   Developed the regional priorities following the LGA reform fund results and report of the Local Government performance improvement program.

o   Developed and published the S&HLGA Strategic Plan to complement its suite of key corporate documents.

o   Set in motion a comprehensive review of the regional 2020 Transport Plan.

o   Updating and maintaining of the S&HLGA Website and developing new promotional material.

Regional Consultations and briefings were coordinated to occur on the day of Board meetings. 14 various speakers addressed meetings of the Board and 2 regional hearings were held.

In addition the CEO's group conducted their meetings in the morning preceding the Board meeting.

The Board reviewed its achievements to date and developed a new Action Plan for 2012-2013

At the conclusion of the period 2012-2013 the Board completed a review of its 4 Year Business Plan 2013-2017, its Annual Key Actions and its Annual Budget performance.

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:

o Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.

o Co-ordinated and supported the application process of Councils to the SLRP.

o A workshop with the Department of Planning, Transport and Infrastructure for input into the draft State Integrated Transport and Land Use Study and to consider a full and comprehensive review of the S&HLGA Regional Transport Plan which will form a preliminary regional Infrastructure plan.

o The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2013 – 2014

  o Cole Road/Range Road, - District Council of Yankalilla, (continuing) Requested Grant $660,000

  o Bald Hills Road, Stage 3B – District Council of Mt Barker, (continuing) Requested Grant $530,000

  o Stokes Bay Road – Kangaroo Island Council (compliance and completion of final safety audit) Requested Grant $400,000

  o Alexandrina Road - District Council of Mt Barker, Requested Grant $470,000

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.

This committee hosted a workshop with the Essential Services Commission of SA (ESCOSA) during the year to review Water Industry reform and the implications of the Water Industry Act 2012.

The value and work of this user group will become apparent over the next year following the introduction of the Water Industry Act 2012 with all the implications for water operators and providers and the necessity for CWMS owners to seek best practices and efficient maximum return operations.

Regional Papers and Submissions

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

o   Regional Development SA discussion paper and Statement with the LGA and associate professor Michael O'Neill, Director of SA Centre for Economic Studies.

o   Roads and Rallies Policy and Guidelines for Local Councils with Victor Di Maria of the LG Mutual Liability Scheme.

o   To the SA Department of Health regarding the SA State Public Health Plan.

o   To ESCOSA in the development of guidelines for Water Licences under the Water Industry Act.

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:

o   LGA Local Government Reform fund – Building Capacity in regional Councils.

o   LGA Video Conferencing Pilot Study selection committee.

o   Zero Waste 2013-2014 funding round selection panel.

o   SA Public Health Plan.

o   Regional LGA CEOs group.

o   LGA Regional Airports group.

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:

o   Provide initial feedback and then assist with the Task Force Group to develop and promote the draft Regional Development and Growing Country Communities policy

o   Recommending and developing policy on Marine Park Boundaries and compensation methodology

o   Lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits

o   Input into the development of a balanced and consistent Live Animal Export policy and position.

o   Input into the development of a Video Conferencing study.

o   Providing input into the criteria and selection for the Video Conferencing Pilot study.

o Active support for the LGA position on the Hard Waste Levy and assisting the development of a policy to manage this into the future.

LGA Board 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.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement for the period 2012 - 2013.

Acronyms

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

CEO...................................Chief Executive Officer

CWMS...............................Community Wastewater Management Systems

DEWNR.............................Department of Environment, Water & Natural Resources

ESCOSA............................Essential Services Commission of South Australia

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 30th June 2013

	2013	**2012**
	$	**$**
Income		
Subscriptions	70,000	89,890
Operating Grants	36,424	35,780
Investment Income	2,566	4,357
Other	284	0
Total Income	109,558	130,026
Expenditure		
Contractual Services	102,124	106,225
Finance Charges	3,203	1,500
Other	18,182	19,090
Total Expenditure	123,509	126,815
Surplus (Deficit) from Operations	**(13,951)**	**3,212**
	$	**$**
Current Assets		
Investments	45,614	60,244
Debtors	3,397	2,985
Total Current Assets	49,011	63,229
Current Liabilities		
Accounts Payable	13,094	13,360
Total Current Liabilities	13,094	13,360
Net Current Assets	35,917	49,869
Net Assets	**35,918**	**49,869**
Equity		
Accumulated Surplus	35,918	49,869
Total Equity	**35,918**	**49,869**

This is an abridged version of the Annual Report. The full report is available on the website www.shlga.sa.gov.au

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Constituent Councils	Adelaide Hills Council
	Alexandrina Council
	The Barossa Council
	Kangaroo Island Council
	District Council of Mount Barker
	City of Victor Harbor
	District Council of Yankalilla

S&HLGA KEY ACTION PLAN ACHIEVEMENTS

2012 - 2013

Address:	13 Ringmer Dr. Burnside, South Australia 5066
Telephone:	(08) 7122 4348
Mobile:	0418 502 311
Email:	graeme@shlga.sa.gov.au
Web Site:	www.shlga.sa.gov.au

The Business Plan 2009 – 2013 prepared in accordance with Clause 18 of the Charter, and to comply with Clause 24 of Schedule 2 of the Local Government Act 1999, was adopted on 21st August 2009. The Business Plan should be read in conjunction with the Budgets 2010 – 2011, 2011 – 2012 and 2012-2013 that provides the resources for the Plan.

An Annual Key Actions Plan is prepared based on a framework of the Business Plan that incorporates the Key Issues identified by the Councils and the Executive Officer in various Board meetings and forums during the preceding period. The Key Actions Plan is the framework for review and reporting against the Business Plan.

This report format will facilitate the reviews required by Clause 18.3 of the Charter to be conducted by the Board during the course of the year.

The Executive Officer will report to Ordinary Board meetings against the following criteria

1. To keep maintained the business office of the Authority

2. To prepare the Business Plan, Budgets and reports in a timely manner

3. To liase with Councils, NRM Board and Stakeholders to foster the outcomes of the Business Plan

4. To attend all meetings of the Authority, to prepare agendas, minutes and correspondence as required.

AND against the Performance Planning Development System (PPRADS) Key Performance Objectives (KPO's) and Key Performance Indicators (KPI's)

Business Plan	Action Plan 2012 - 2013		PPRADS KPO & KPI Action Plan 2012		Achievements
Objective	**Key Actions**	**Performance Targets**	**KPO**	**KPI**	
1. *To provide leadership and advocacy for Member Councils on regional issues.*	Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by: ○ Meetings to include presentations, workshops and forums on Key Issues Respond as necessary to State and Federal Government Policies which impact on the region	☑ Strategies that give priority to S&HLGA issues ☑ Satisfaction data on the meeting format, speakers ☑ Number of policy responses	To maintain a vibrant responsive format for the S&HLGA Board	Key issues are addressed and format of meetings constantly meet the needs of the Association's members.	Formal Meetings conducted – 17th August 2012, Barossa 19th October 2012, Victor Harbor 7th December 2012, Goolwa 15th February 2013,Kingscote 4th April 2013, Mt Barker 21st June 2013 Yankilla Guest speakers & presentations – Anita Crisp CEO Central Region,Christine Umapathysivam LGA, Richard Bingham OmbudsmanSA, Michael Pengilly,MP Finniss,Victor DiMaria LGA Mutual Laibility Scheme,Tony Piccolo MP for Light,Danny Broderick SA Health, Richard Tucker, Zen Energy,Kristina Roberts KIFA, Vanya Andropov Vehicle Solutions Australia Policy responses- Marine Parks, Solid Waste Levy, Jetties & Ramps fund, SA State Health Plan
2. *To promote the Southern & Hills Local Government Association*	Ensure the new website is current and marketed appropriately	☑ Update the website as required and review ☑ Print new Business cards and business stationery with new logo and website reference	Maintain an informative, current and appealing S&HLGA website		Website data is uploaded each month New stationery printed and received Sept 2012

Business Plan	Action Plan 2012 - 2013		PPRADS KPO & KPI Action Plan 2012		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	To provide sound financial management and manage resources effectively	☑ To prepare annual Budget and review as required ☑ Prepare new 4 year Business Plan (2013-2017)	To manage the financial affairs within budget and to prepare reporting within the required timeframes. Business Plan objectives and actions are addressed.	Budget is maintained and reports meet timelines. Objectives and actions within Business Plan have been addressed meeting agreed to timelines.	1. Actual v Budget performance reviewed each Bi monthly S&HLGA Board meeting. 2. Formal Budget review 15th February 2013. 3. Draft new 4 Year Business Plan 2013-2017 prepared for June 2013 Board meeting
	○ Form Meeting Steering Group including President and EO to plan meeting formats and items ○ CEO's to inform EO of issues for each meeting ○ Stakeholders to inform EO of issues for each meeting	☑ Formation of meeting steering group and its effectiveness	To review existing and investigate alternative communication models for the Chief Executive Members of the Association taking into consideration: time, cost, relevance etc. Review key stakeholder relationships with the S&HLGA Board	A Board communications model has been agreed to and greater strategic alliances are forged. Key Stakeholder feedback and Board satisfaction	CEO's meeting re-activated April 2013 To be held either immediately prior or post conclusion of the scheduled S&HLGA Board meeting. Key Stakeholders present updates at each S&HLGA Board meeting
	○ Regional issues to be raised with LGA through SAROC	☑ Number of issues raised with LGA / SAROC / Agencies ☑ Number of LGA/SAROC Task groups and Committees involved in			Issues with SAROC- Marine Park boundaries, Jetties & Ramps Fund, Video Conferencing, Road safety & speed limits, Live animal exports, Video Conferencing pilot study, Regional Economic Statement LGA Regional Airports Committee Regional EO's group

Business Plan	Action Plan 2012 - 2013		PPRADS KPO & KPI Action Plan 2012		Achievements
Objective	**Key Actions**	**Performance Targets**	**KPO**	**KPI**	
2. *To support sustainable development in the region*	In co-operation with adjoining regions support the adoption of the Individual Member Council/ NRM MoUs o Rollout one additional MoU with one member Council and one of the other regional NRMs o Review current operational plan between Alexandrina and NRM Explore funding for a regional Climate Change Vulnerability Assessment study	☑ Signing of new additional MoU. ☑ Formal Board Report on existing Operational plan ☑ Funding application submitted			Climate Change Vulnerability Assessment funding successfully applied for. Partnership with RDA established. Project due to commence Mid to late 2013. Due to the many existing studies, Adaptation templates and RDA uncertainty a workshop is planned in mid 2013 to work through the issues and decide how the region can best proceed
			Review the membership base of the S&HLGA and explore the possibility of a Peri Urban Region or identify additional members	Issues have been identified, investigations into a Peri Urban Region has been completed and reported back to S&HLGA Board, including recommendations.	

Business Plan	Action Plan 2012 - 2013		PPRADS KPO & KPI Action Plan 2012		Achievements
Objective	**Key Actions**	**Performance Targets**	**KPO**	**KPI**	
	Explore (with the LGA) research and /or pilot programs for the Region.	☑ Successful Research applications or projects facilitated in the region			Research application for a project on Transitory Populations applied for. Success depending on ability to merge with a similar project request from the SE. Further investigation with ABS recommended this research project be abandoned.
3. *To improve infrastructure to meet the communities needs.*	Implement the recommendations of the S&HLGA 2020 Transport Plan.	☑ Implementation of 2020 Transport Plan	To update the 2020 Roads Database Report to provide the reference for the 2014 round of SLRP project recommendations.	Roads Database Report is updated and meeting critical timelines. This provides a reference for the 2013 SLRP recommendations for 2014 funding.	1. RWP meeting 21/3/2013 with 3 recommendations for SLRP funding in 2013-14 to be forwarded to S&HLGA Board for consideration. 2. A review of the Roads Database workshop May 2013
	Activate the CWMS user group	☑ Documented CWMS meetings and outcomes			
	Review existing Regional Waste Management arrangements	☑ Waste management report presented to the Board and/or Regional Forum conducted			Water Licence seminar conducted. ESCOSA Pricing seminar imminent. Active with SAROC & LGA State Executive in discussions with State Govt re: Hard Waste Levy issues Member of the Zero Waste Funding assessment panel for S&HLGA region applications for 2013/14 funding round
	Review the RDA Regional Trail Master Plan proposal	☑ Agreed next step in conjunction with the RDA			RDA in structural review due to funding uncertainty.

Business Plan	Action Plan 2012 - 2013		PPRADS KPO & KPI Action Plan 2012		Achievements
Objective	**Key Actions**	**Performance Targets**	**KPO**	**KPI**	
4. *To strengthen the capacity of the Association to meet its service obligations.*	The Executive Officer to work with the Council CEO's, LGA and Key Stakeholders to explore identified opportunities to share resources that will build capacity in the region and its networks by establishing Task Group/s	☑ LGA Regional Capacity Building Grant successfully applied for			LGA Regional Capacity Building Grant application successful, July 2012 EO attended the Local Government Manager's Australia Congress 19/21 May 2013
	Review the 'Fleurieu Councils - Working Together For Stronger Communities Project Proposal'	☑ Formation of Shared Services Task Group and the implementation of shared services			LGA Business Partner program commenced with two projects – Asset data/management software Asset management plans service levels Regional Response working party for State Public Health Plan established
	Explore the opportunities of boosting the regional tourism activity and yields	☑ Review of regional tourism delivery, marketing and product ☑ Facilitate an inter-government planning forum with a tourism theme for the region			Attended SATIC May 2013 Tourism Conference Awaiting confirmation from new Regional Minister Gago on continued support for inter-government planning forums.

HLB Mann Judd

Chartered Accountants

9 September 2013

The Board
Southern & Hills Local Government Association
C/- Mr G Martin
Executive Officer
13 Ringmer Drive
BURNSIDE SA 5066

Dear Graeme and Board Members

STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

In accordance with Regulation 22(5) Local Government (Financial Management) Regulation 2011 and the Local Government Act 1999, we confirm that, for the audit of the financial statements of Southern and Hills Local Government Association for the year ended 30 June 2013 we have maintained our 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

TREVOR D HIRTH
HLB MANN JUDD

Dated this   9th   day of   September   2013

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT

To the constituent councils of the Southern & Hills Local Government Association:

We have audited the accompanying financial report of Southern & Hills Local Government Association, which comprises the balance sheet as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Board's responsibility for the Financial Report

The board of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (Including the Australian Accounting Interpretations), the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011 (Regulations) made under that Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Southern & Hills Local Government Association, as well as evaluating the overall presentation of the financial report.

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

HLB Mann Judd

Chartered Accountants

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
INDEPENDENT AUDITOR'S REPORT (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Local Government Act and Regulations.

Auditor's Opinion

In our opinion:

(a)   the financial report presents fairly, in all material respects, the financial position of Southern & Hills Local Government Association as at 30 June 2013 and its financial performance and its cash flows for the year then ended; and

(b)   complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and Regulations.

HLB Mann Judd
Chartered Accountants

Trevor Hirth
Partner

Adelaide, South Australia
September 2013

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ending 30th June 2013

	Notes	2013 $	2012 $
Income			
Subscriptions	1.8	70,000	89,890
Operating Grants		36,424	35,780
Investment Income	1.7	2,566	4,357
Other		284	0
Total Income		109,558	130,027
Expenditure			
Contractual Services	3	102,124	106,225
Finance Charges		3,203	1,500
Other		18,182	19,090
Total Expenditure		123,509	126,815
Surplus (Deficit) from Operations		**(13,951)**	**3,212**

The above Income Statement should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2013

	Notes	2013 $	2012 $
Current Assets			
Investments		45,614	60,244
Debtors		3,397	2,985
Total Current Assets		49,011	63,229
Current Liabilities			
Accounts Payable		13,094	13,360
Total Current Liabilities		13,094	13,360
Net Current Assets		35,917	49,869
Net Assets	1.4	**35,918**	**49,869**
Equity			
Accumulated Surplus		35,918	49,869
Total Equity		**35,918**	**49,869**

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2013

	Notes	2013 $	2012 $
Accumulated Surplus			
Balance at beginning of period		49,869	46,657
Net Surplus / (Deficit)		(13,951)	3,212
Balance at end of period		35,918	49,869
Total Equity		**35,918**	**49,869**

The above Statement of Change in Equity should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2013

	Notes	2013 $	2012 $
Cash Flows from Operating Activities			
Receipts		125,717	144,231
Payments		(143,481)	(140,237)
Interest Receipts		3,134	4,357
Net Cash Provided by (Used in) Operating Activities		(14,630)	8,261
Net decrease in Cash Held		**(14,630)**	**8,261**
Cash at the beginning of the reporting period		**60,243**	**51,982**
Cash at the end of the reporting period		**45,613**	**60,243**

The above Statement of cash Flows should be read in conjunction with the accompanying notes

Reconciliation of Change in Net Assets to Cash from operating activities

	2013 $
Net Deficit	(13,951)
Less	
Net Increase in Debtors	(412)
Add	
Net Increase in Accounts Payable	(266)
Net Cash used in Operating Activities	**14,629**

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

Note 1 - Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies subject to the changing from special purpose to general purpose accounts, 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 Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 0f the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, The Barossa Council, Kangaroo Island Council, District Council of Mt Barker, City of Victor Harbor and District Council of Yankalilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

1.5 Non Current Assets and Non Current Liabilities

The Association has no non current assets or non current liabilities.

1.6 Employees

The Association has no employees.

1.7 Investments

Investments are valued at cost. Interest revenues are recognized as they accrue.

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions by Constituent Councils are equal.

Constituent Council Subscription 2013	$10,000
Constituent Council Subscription 2012	$9,270

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.9 Income recognition

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

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration:	The operation of the Office of the Association and its decision making forums.
Natural Resource Management:	The research into and implementation of projects classified under natural resource and environment management.
Transport and Communication:	The review and implementation of the S&H 2020 Transport Plan.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue				Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue	%	Expenses Total	%	
2013	36,424	73,134	109,558	100.0%	119,785	96.9%	(10,227)
2012	35,780	69,247	105,027	100.0%	114,737	90.5%	(9,799)

Natural Resource Management

Year	Grants	Other	Total Revenue	%	Expenses Total	%	Surplus (Deficit)
2013	0	0	0	0%	0	0	0
2012	0	25,000	25,000	100.0%	0	0%	25,000

Transport and Communication

Year	Grants	Other	Total Revenue	%	Expenses Total	%	Surplus (Deficit)
2013	0	0	0	0%	3,724	3.1%	(3,724)
2012	0	0	0	0%	12,078	9.5%	(12,078)

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Total

2013	36,424	73,134	109,558	100.0%	123,509	100.0%	(13,951)
2012	35,780	94,247	130,027	100.0%	126,815	100.0%	3,212

3.   **Contractual Services**

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

		2013	2012
Consultants:	Fred Pedler & Associates	$0	$46,575
	Grange Advisors Pty Ltd	$98,400	$52,000
	HDS Australia Pty Ltd	$3,724	$7,650
	Totals	$102,124	$106,225

4.   **Comparison of Budget and Actual Results**

	2013		2012	
	Budget $	Actual $	Budget $	Actual $
Revenue				
Administration	109,505	109,558	103,597	105,027
Natural Resource Management/ Environment	0	0	50,000	25,000
Transport and Communication	0	0	6,000	0
Total Revenue	109,505	109,558	159,597	130,027
Expenditure				
Administration	113,850	119,785	118,256	114,737
Natural Resource Management/ Environment	500	0	50,000	0
Transport and Communication	750	3,724	13,650	12,078
Total Expenditure	115,100	123,509	181,906	126,815
Surplus (Deficit)	(5,595)	(13,951)	(22,309)	3,212

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

o   the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.

o   the financial statements present a true and fair view of the Association's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.

o   internal controls implemented by the Authority provide a reasonable assurance that the Association's financial records are complete, accurate and reliable and were effective throughout the financial year.

o   the financial statements accurately reflect the Association's accounting and other records.

Dated 30th August 2013

Graeme Martin
EXECUTIVE OFFICER

Mayor Jane Bates
DEPUTY PRESIDENT

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2013, the Association's Auditor, HLB Mann Judd, 169 Fullarton Rd, Adelaide, 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*.

Dated 30th August 2013

Graeme Martin
EXECUTIVE OFFICER

Mayor Jane Bates
DEPUTY PRESIDENT

ADELAIDE HILLS REGION
WASTE MANAGEMENT AUTHORITY

Annual Report 2012/ 2013

Lyn Stokes – Outgoing 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 continues 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 add value and return benefits for all Member Councils whether it be through management agreements to operate Member Council waste facilities, coordinating of waste and recycling activities across the region or specialised project management services.

The existing management agreements with the Rural City of Murray Bridge to operate the Brinkley Waste and Recycling Centre and Adelaide Hills Council to operate the Heathfield Resource Recovery Centre have continued to show positive results showing the way forward for other Member Councils to benefit on a shared service basis.

"The road ahead promises to be challenging but rewarding as the Authority further pursues its shared services model with Member Councils and plans for resourcing that will ensure a sustainable organisation for the future."

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 Authority's 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 Authority's 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

SUMMARY OF 2012-13

Some of the highlights for this year include:

- Smooth planning and execution for the relocation of Landfill operations from Hartley to Brinkley Landfill which occurred over a two day period

- Construction and approval of new Brinkley Cell 6

- Purchase of new transportable building facilities for the Brinkley Landfill and Transfer Station operations

- Completion of the Brinkley Transfer Station upgrade works including the construction of a 24m by 30m undercover area enabling customers to be sheltered and use the facility in all weather conditions and the commissioning of a recyclables baling facility.

- Negotiation of free e-waste services at both the Heathfield and Brinkley Transfer Station

- Continued consultancy service role:
    - Project management and completion of Brinkley Transfer Station upgrade works.
    - Project management of Windmill Hill weighbridge receipting system upgrade
    - Continued work on closure plans for Alexandrina Council's Goolwa Landfill

- The establishment of Audit Committee.

- First full year of operations at the Heathfield Transfer Station have seen performance improve from a previous net loss position of approximately $233,000 to approximately $170,000. Next financial year projects $95,000 net loss – a further improvement of $75,000 per annum.

- Brinkley Transfer Station performance – improved from $70,000 per annum net loss to essentially Break Even – its future target range

- A projected overall favourable result in our total net operating budget for 2012/13 of $1.175m

Brinkley Waste and Recycling Centre

Brinkley Cell 6

Windmill Hill Transfer Station System Upgrade

Adelaide Hills Region Waste Management Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 $	2012 $
INCOME			
User charges	2	2,764,174	2,713,473
Investment income	2	8,342	372
Other income	2	1,732,842	919,204
Total Income		**4,505,358**	3,633,049
EXPENSES			
Employee costs	3	680,702	307,585
Materials, contracts & other expenses	3	3,268,046	2,438,285
Depreciation, amortisation & impairment	3	502,681	487,268
Finance costs	3	9,641	13,591
Total Expenses		**4,461,070**	3,246,729
OPERATING SURPLUS / (DEFICIT)		44,288	386,320
Asset disposal & fair value adjustments	4	963,597	(3,438)
Amounts received specifically for new or upgraded assets	2	168,000	-
NET SURPLUS / (DEFICIT)		1,175,885	382,882
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		1,175,885	382,882

Adelaide Hills Region Waste Management Authority

BALANCE SHEET
as at 30 June 2013

ASSETS	Notes	2013 $	2012 $
Current Assets			
Cash and cash equivalents	5	946,957	513,900
Trade & other receivables	5	298,499	485,738
Inventories	5	14,908	10,797
Total Current Assets		1,260,364	1,010,435
Non-current Assets			
Infrastructure, Property, Plant & Equipment	7	2,681,570	3,865,419
Other Non-current Assets	6	-	334,557
Total Non-current Assets		2,681,570	4,199,976
Total Assets		3,941,934	5,210,411
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	747,497	617,373
Total Current Liabilities		747,497	617,373
Non-current Liabilities			
Borrowings	8	-	200,000
Provisions	8	573,911	2,798,397
Total Non-current Liabilities		573,911	2,998,397
Total Liabilities		1,321,408	3,615,770
NET ASSETS		2,620,526	1,594,641
EQUITY			
Accumulated Surplus		2,770,526	1,594,641
Distribution to Councils	9	(150,000)	-
TOTAL EQUITY		2,620,526	1,594,641

EAST WASTE

Directors of the Board

Mr Brian Cunningham
Independent Chair

Cr Linda Green
Adelaide Hills Council

Mr Paul di Iulio
City of Campbelltown

Mr Mario Barone
City of Norwood, Payneham & St Peters

Mr Matthew Pears
City of Mitcham

Cr Grant Piggott
City of Burnside

Cr Gianni Busato
Corporation of the Town of Walkerville

INDEPENDENT CHAIRPERSON'S REPORT

I take great pleasure in providing my first report as Independent Chair of East Waste. The change in Board make up is as a result of a new Charter being gazetted on 29th November 2012. All Member Councils were asked to confirm their Director as required by the Charter and Member Councils appointed myself as Independent Chair around April 2013.

It is pleasing to note that the Board has continuity with only 2 changes besides my appointment. On behalf of the Board I would like to express my gratitude to the previous members, Mr Bill Cossey, Adelaide Hills Council and Cr Elaine Grimm, City of Mitcham and welcome the new Directors, Cr Linda Green, Adelaide Hills Council, and Mr Matthew Pears, City of Mitcham.

In the short time I have been Chair, the Board has provided professional guidance and advice with the common goal of continual improvement throughout East Waste.

Governance

The Charter sets the framework for East Waste operations and the Board has resolved a process to develop a new 10 year Strategic and Financial Plan for the organisation. This will be an inclusive process involving all stakeholders.

The Board has also resolved to recruit a General Manager to guide the organisation over the next 5 years.

Financial Management

The Audited Financial Statements for East Waste were on budget for the year and all Member Councils received a refund on their budgeted fees.

A review of all major contracts has resulted in a refund of approximately $300,000 by Visy Recycling which has been credited to Member Councils. East Waste also expects to receive a diesel rebate refund for diesel that is used in driving the compactor and lifting the bins. The Taxation Office has recently ruled that these activities attract a lower diesel tax than diesel that is used in normal transportation activities.

The East Waste GPS system is now fully operational and the 2013/ 2014 Budget has been cast based on this system. The cost allocation system is designed to accurately allocate costs for Member Councils kerbside collection services.

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 introduced 2 new services during the year. Adelaide Hills Council commenced a green organics collection and East Waste undertook the finance of new Mobile Garbage Bins for this service. GPS tracking also provided significant savings for Council as only one and a half trucks were needed, rather than the original estimate of 2 trucks.

Burnside introduced its new 3 bin service which has been very well received by residents. East Waste provided back up in the transition from the split-bin to the 3 bin system and actual costs were less than original budget estimates.

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. This has been further reinforced on the new East Waste website.

Finally, I would like to thank Trevor Hockley for his astute leadership of a committed and willing staff team at East Waste in a challenging and successful year. Trevor and our staff continue to drive efficiencies in the business and their focus on customer service remains strong. I would also like to thank the Board for their guidance, hard work and commitment throughout the year and we look confidently to the future as we develop our 10 year forward plan.

I commend the 2012-2013 East Waste Annual Report to you.

Brian Cunningham
Independent Chair

Year in Review

Governance
Charter

The new Charter was gazetted on 29th November 2012.

10 Year Business Plan, Financial Plan and Business Continuity Plan

The Board has resolved to develop these plans as required by the Charter and a Discussion Paper will be circulated in October 2013 prior to a workshop with all Stakeholders later this year.

Continual Improvement in Governance

Seven policies were adopted during the year by the Board and a further 8 policies have been drafted or reviewed and will be progressively presented during the 2013/ 2014 year.

Administration & Management
Management and Administration Team

East Waste has strengthened its operational management by the appointment of a foreman with daily responsibility for performance standards being met for kerbside collection. East Waste has lessened the emphasis on cost only as a measure for waste collection performance by broadening the measure to incorporate the way the street is left and to ensure that every bin that is presented is collected. The performance of each driver is now being measured not only by productivity but by random audit of streets to meet a performance benchmark of 90% conformance to bins left upright with lids closed and positioned back on the kerb. All missed bins by each driver are measured and must meet the same benchmark.

East Waste recruited a new mechanic during the year and has completed a review of existing contracts and outsourced work to achieve a sensible balance between the use of existing workshop facilities within East Waste and the use of outside contractors and suppliers. East Waste has seen an improvement in the utilization of its truck fleet during this year.

Customer Service

East Waste services over 120,000 households per week and empties up to 200,000 bins a week. East Waste is committed to customer service and records all enquiries to its call centre in a database. This database is then used to measure Key Performance Indicators (KPI) on customer service for the organisation. The KPI that most reflects customer satisfaction is the collection of every bin presented and East Waste has met its benchmark performance of collecting every bin within 24 hours that has been missed or not presented in over 99% of the recorded missed bins.

Enterprise Agreement

An enterprise agreement has been successfully negotiated with the drivers of East Waste for the next 3 years. The performance criteria outlined above has been incorporated in to the Agreement and wage increases capped at 4% for the period. 1% of that annual increase relies on each individual driver meeting the performance benchmarks.

Work Health & Safety

East Waste has increased its Human Resources to respond to the challenge of meeting and exceeding workplace safety throughout the organisation. The organisation has progressively implemented the One System Program and achieved a rebate percentage of 37.4% against the contributions required for the coming financial year.   East Waste has also achieved a record number of no lost time accidents which currently stands at 360 days.

Financial Management

The 2012/ 2013 year was the first year that Member Council charges are based on common fleet costing. The Board resolved, prior to the 2012/2013 year, to adjust Member Council fees based on the GPS technology.

The common fleet system relies on allocating all the costs associated with Member Council services, allocated as a percentage of actual hours worked in collection and travel times for each service. This is achieved by using GPS in all trucks and geo-fencing Council borders so the software collates actual collection times and travel times for each Member Council. The percentages are then applied across all East Waste costs incurred (including administration and workshop) to determine the actual cost of the service to Member Councils.

East Waste has worked hard during the year to control costs without reducing service delivery. This has been achieved by a rigorous review of all the procurement processes within the organisation and an ongoing emphasis on using in-house resources for maintenance when more cost effective than the option to outsource repairs.

The use of the GPS technology has allowed for better utilisation of the 37 trucks operated by East Waste that still allows an accurate and auditable costing system for its Member Councils.

Bin Financing

East Waste has previously financed bins for Member Councils and charged a fee back to Member Councils. As part of a report on common fleet costing, the Board of East Waste resolved in June, on a policy to set fees for the financing of Mobile Garbage Bins (MGBs).

East Waste will finance the MGBs through the Local Government Finance Authority over a period between 5 – 10 years (depending on Member Councils preference) at a fixed interest rate paying back principle and interest over that term. The charge to Member Councils will be the repayment of the loan per annum without any administration charges and remain in force until the loan is repaid. This policy will ensure it is cash flow neutral to East Waste and no effect on the equity of East Waste.

Operations Management

East Waste purchased 5 new RACV trucks during the year and introduced 2 new services to Member Councils. Burnside introduced its 3 bin system in December 2012 and Adelaide Hills launched its fortnightly green organics service in September 2012. The introduction of both the services has been seamless.

East Waste continued its quest to broaden core services to Member Councils and reduce costs where possible in providing those services. The capital budget included approval for a litter truck subject to a Member Council wishing to use East Waste as their service provider. Norwood, Payneham & St Peters have agreed to use a litter service from 1st July 2013 and a new truck was delivered to East Waste in June 2013 to commence this service. The Board also authorised the purchase of a second-hand litter truck to provide back up and enable East Waste to progressively replace an external contractor in difficult to access streets in Council collection areas. East Waste currently spends $150,000 per annum with an external contractor providing this service and East Waste would expect to reduce this external cost by fully utilising its own vehicles.

An at call hard waste collection service has also been investigated during the year. The City of Mitcham has agreed to introduce an East Waste at call hard waste service in the 2013/ 2014 financial year modelled on their existing service, provided by an external contractor.

Regular meetings are held with Member Councils to review East Waste performance and information is fed back to drivers via regular toolbox meetings. The new training facilities at East Waste provide the opportunity to train and improve East Waste drivers in safety and courtesy to the public.

East Waste has launched a new website for the public at www.eastwaste.com.au that also links to all Member Councils. This site provides a more up-to-date interface for residents to communicate with East Waste.

Trevor Hockley
Acting General Manager

Eastern Waste Management Authority Inc

Summary Financial Statement for the year ended 30 June 2013

	2013 $	2012 $
REVENUE		
Collection Charges	13,400,493	12,913,196
Interest Income	40,762	40,573
Sundry Income	888,646	1,803,950
TOTAL REVENUE	**14,329,901**	**14,757,719**
EXPENSES		
Employee Costs	3,914,629	3,525,866
Materials, contracts & other expenses	8,046,678	7,992,116
Depreciation, amortization & impairment	1,958,761	1,953,813
Finance Costs	411,319	451,996
TOTAL EXPENSES	**14,331,388**	**13,923,791**
OPERATING SURPLUS/(DEFICIT)	**(1,487)**	**833,926**
Net gain (loss) on disposal or revaluation of assets	78,999	664
Income Tax Equivalent Charge arising from the the Principle of Competitive Neutrality	(19,767)	(19,158)
NET SURPLUS (DEFICIT)	**57,745**	**815,433**
TOTAL COMPREHENSIVE INCOME	**57,745**	**815,433**
CURRENT ASSETS		
Cash and Cash Equivalents	2,064,227	1,336,741
Trade and Other Receivables	(5,980)	529,515
Inventories	2,916	12,771
TOTAL CURRENT ASSETS	**2,061,163**	**1,879,027**
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	6,541,665	4,615,587
TOTAL NON-CURRENT ASSETS	**6,541,665**	**4,615,587**
TOTAL ASSETS	**8,602,828**	**6,494,614**
CURRENT LIABILITIES		
Trade and Other Payables	1,426,284	1,226,924
Borrowings	2,021,622	1,628,082
Provisions	221,056	195,516
TOTAL CURRENT LIABILITIES	**3,668,962**	**3,050,522**
NON-CURRENT LIABILITIES		
Borrowings	5,146,936	3,729,472
Provisions	78,981	64,416
TOTAL NON-CURRENT LIABILITIES	**5,225,917**	**3,793,888**
TOTAL LIABILITIES	**8,894,879**	**6,844,409**
NET ASSETS	**(292,051)**	**(349,795)**
EQUITY		
Accumulated Surplus	(292,051)	(349,795)
TOTAL EQUITY	**(292,051)**	**(349,795)**

Gawler River Floodplain Management Authority

Annual Report
2012 - 2013

Constituent Councils:
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 5061
Mobile: 0413 174 222
Email: deangollan@hotmail.com
Website: www.gawler.sa.gov.au/grfma

Gawler River Floodplain Management Authority

Annual Report 2012 – 2013

Chairman's Forward

Completion of the South Para Reservoir modifications within budget and the earlier undertaking on the North Para, thoughts turn to the third phase of the original program – the lower Gawler River.

However, new technology on flooding predictions and the failure of the work so far completed to arrest the 'one in a hundred' threat, has led to further consideration of the feasibility of another flood control dam on the North Para should a site be available and such a project being cost effective.

In the meantime, the Councils associated with the lower reaches of the Gawler River continue to address local issues relative to the extension of safe urban development.

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 are:

Authority	*Board Members*	*Deputy Board Members*
AMLRNRMB	Dr Bruce Eastick AM, Chairman	
Adelaide Hills Council	Mayor Bill Spragg	Mr Marc Salver
	Mr Andrew Aitken, CEO	
The Barossa Council	Mayor Brian Hurn OAM	Cr Dave de Vries
	Mr Ian Baldwin	
Town of Gawler	Cr Brian Thom	Cr Barry Neylon
	Mr Henry Inat, CEO[1]	Mr Scott Reid[2]
Light Regional Council	Cr William Close	Mr Andrew Philpott
	Mr Brian Carr, CEO	
District Council of Mallala	Cr Ann Picard	Cr Tom Summerton
	Mr Charles Mansueto, CEO	
City of Playford	Cr Dino Musolino	Mr Harry Pitrans
	Mr Tim Jackson, CEO	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.

[1] From 11 February 2013
[2] From 17 June 2013

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

- Thursday 16 August 2012   Gawler
- Thursday 18 October 2012   Mallala
- Thursday 13 December 2012   Gawler
- Thursday 21 February 2013   Kapunda
- Wednesday 24 April 2013   Gumeracha
- Thursday 20 June 2013   Nuriootpa

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
- Harry Pitrans, Infrastructure Planner, City of Playford
- Chris Wright, Water Projects Officer, Adelaide Mount Lofty Ranges NRM Board
- Derek Moore, Principal Engineer Dams, SA Water

The Panel held three meetings during the year:

- 14 August 2012
- 4 October 2012
- 22 February 2013

Audit Committee

An Audit Committee has been appointed to review:

- the annual financial statements to ensure that they present fairly the state of affairs of the Board, and
- the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Board on a regular basis.

The Panel held three meetings during the year:

- 15 February 2013
- 6 June 2013

The members of the Committee are:

- Mr Peter Brass, Independent Member
- Mr Charles Mansueto, CEO, District Council of Malalla
- Mr Des Ellis, Councillor, Light Regional Council

Executive Officer Performance Review Committee
On 15 February, 2013 a review committee was formed to oversight of the Executive Officer Services Contract, including the annual contract performance review process.
The members of the Committee are:
- Dr Bruce Eastick AM
- Mr Charles Mansueto, CEO, District Council of Mallala
- Mr Ian Baldwin, Director, Barossa Council

The Committee held one meeting during the year on 12 April 2013.

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 had been delayed by the need to provide additional funding to complete the modifications to the South Para Reservoir.

Flood Events
4ᵗʰ and 5ᵗʰ 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.

8ᵗʰ 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 involved 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 at a total project cost in excess of $7.5 million excluding GST. The GRFMA portion of the project cost is $4,013 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 and on time.

Gawler River Flood Mitigation Scheme Mark Two
The Board is now proceeding to the next stage in its Business Plan, which is the Gawler River Flood Mitigation Scheme Mark Two:

Step One: Reconfirm with the Constituent Councils that a 1 in 100 year level of protection is the protection standard that is to be pursued in the development of the Gawler River Flood Mitigation Scheme - Mark Two Strategy.

Step Two: Determine if a second dam on the North Para River is an option, taking into consideration opportunities to pursue either an evacuation model or detention model.

Step Three: The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be updated to include recent works such as the Northern Expressway works, modifications to South Para Reservoir spillway and dam wall and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the District Council of Mallala.

It is expected that tenders for this work will be called in the first half of next financial year, with the Board to seek funding assistance from the Stormwater Management Authority and the Adelaide & Mount Lofty Ranges NRM Board.

General

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Policy A1 - Access to Meetings and Documents
- Policy C1 - Consultation
- Policy I1 - Internal Review of Decisions
- Policy O1 - Operations Manual

All meetings of the GRFMA and its committees are open to the public.

Forum	Total Resolutions for the year	Resolutions to exclude the Public - Sec 90(3)	Purpose	Order for documents to remain confidential - Sec 91(7)	Percentage
Board	66	0	-	-	0%
Technical Reference Panel	3	0	-	-	0%
Audit Committee	8	0	-	-	0%
Executive Officer Performance Review Committee	1	0	-	-	0%

Mr Dean Gollan was engaged to provide Executive Officer services under a services agreement until 31 December 2013. Mr Gollan has extensive experience in the administration of Councils and regional subsidiaries under the Local Government Act. The GRFMA has no employees and all services are engaged on a contract basis.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ending 30th June 2013

	Notes	2013 $	2012 $
Income			
Subscriptions	3	**69,278**	67,000
Investment income	1(d)	**13,311**	55,492
State Government Grants	7.3	**12,469**	1,409,631
Commonwealth Government Grants	7.4	**78,503**	1,234,879
Other			842
Total Income		**173,561**	**2,767,844**
Expenditure			
Contractual Services	5	**140,650**	3,978,477
Finance Charges		**5,307**	4,141
Depreciation	1(i),4	**191,510**	191,510
Other		**10,241**	11,855
Total Expenses		**347,708**	**4,185,983**
Surplus / (Deficit) from Operations		**(174,147)**	(1,418,139)
Surplus / (Deficit)		**(174,147)**	**(1,418,139)**

The above Income Statement should be read in conjunction with the accompanying notes

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Balance Sheet as at 30th June 2013

	Notes	2013 $	2012 $
Current Assets			
Cash at Bank		**48,528**	7,926
Investments	1(d)	**332,262**	22,610
Debtors - GST		**497**	87,172
Accrued Grant Income		**90,972**	426,514
Total Current Assets		**472,259**	544,222
Current Liabilities			
Accounts Payable		**5,119**	3,997
Accrued Expense		**98,213**	188,660
Total Current Liabilities		**103,332**	192,657
Net Current Assets		**368,927**	351,565
Non-current Assets			
Infrastructure	4	**15,320,793**	15,320,793
Less: Accumulated Depreciation	1(i),4	**(383,020)**	(191,510)
Land	4	**326,364**	326,364
Total Non-current Assets		**15,264,137**	15,455,647
Net Assets		**15,633,064**	15,807,212
Equity			
Accumulated Surplus		**15,144,991**	15,319,139
Asset Revaluation Reserves	1(h),4	**488,073**	488,073
Total Equity		**15,633,064**	15,807,212

The above Balance Sheet should be read in conjunction with the accompanying notes

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Statement of Changes in Equity for the Year Ended 30th June 2013

	Notes	2013 $	2012 $
Equity			
Accumulated Surplus			
Balance at begining of period		**15,319,138**	16,737,278
Add Net Surplus / (Deficit)		**(174,147)**	**(1,418,139)**
		15,144,991	15,319,139
Balance at end of period		**15,144,991**	15,319,139
Asset Revaluation Reserve			
Balance at begining of period		**488,073**	488,073
Add movement increase	1(h),4	**-**	
Balance at end of period		**488,073**	488,073
Total Equity		**15,633,064**	**15,807,212**

The above Statement of Change in Equity should be read in conjunction with the accompanying notes

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Cash Flow Statement for the Year Ended 30th June 2013

	Notes	2013 $	2012 $
Cash Flows from Operating Activities			
Receipts		**609,439**	2,579,337
Payments		**(272,496)**	(4,192,108)
Interest Receipts		**13,311**	55,492
Net Cash (Provided By) Operating Activities	8.1	**350,254**	**(1,557,279)**
Cash Flows from Investment Activities			
Receipts			
Payments			
Net Cash (Used In) Investment Activities		**-**	**-**
Net Increase (Decrease) in Cash Held		**350,254**	**(1,557,279)**
Cash & cash equivalents at beginning of period		**30,536**	1,587,815
Cash & cash equivalents at end of period	8.2	**380,790**	30,536

The above Statement of Change in Equity should be read in conjunction with the accompanying notes

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2013

1   Statement of Significant Accounting Policies

(a) The Local Government Reporting Entity
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 Gawler River Floodplain Management Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, The Barossa Council, Town of Gawler, Light Regional Council, District Council of Mallala and The City of Playford.

All funds received and expended by the Authority have been included in the financial statements forming part of this financial report.

(b) Basis of Accounting
This financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where specifically stated, current valuation of non current assets.

(c) Employees
The Association has no employees.

(d) Investments
Investments are valued at cost. Interest revenues are recognised as they accrue.

(e) Cash
For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdraft.

(f) Infrastructure
The Bruce Eastick North Para Flood Control Dam was constructed in 2007. The valuation includes all materials, contractor's costs plus costs incidental to the acquisition, including engineering design and supervision fees and all other costs incurred.

(g) Land
The dam land includes the land on which the dam is constructed, rights of way access to the land and 'right to flood' easements over the land upstream from the dam that will be inundated by dam waters for short periods of time during a flood event. The Board valuation was undertaken at 30th June 2011.

(h) Revaluation

The Bruce Eastick North Para Flood Control Dam has previously been brought to account as a historical cost. The Board has not sought an independent valuation. The Board recognises that the dam is a unique infrastructure and in absence of market based evidence of fair value because of the specialized nature of the asset, the Board have used the depreciated cost approach. The Board sought the advice of the dam designers, URS Australia Pty Ltd, who advised that the building price increase index outlined in Rawlinson's Australian Construction handbook would be a suitable basis for the escalation of the original construction cost for the purpose of revaluation. The index was applied to the contract cost to construct the dam infrastructure. The Board has resolved to have the Dam revalued by an independent engineer during the 2013-2014 financial year.

(i) Depreciation
The depreciation period for the Bruce Eastick North Para Flood Control Dam is based on the best information available to the Board advised to be 80 years. Depreciation has been applied from 1st July 2011.

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2013

(j) Revenue
Revenue from the sale of services is recognised upon the delivery of the service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(l) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In this circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balanced sheet are shown inclusive of GST.

(m) Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Financial Instruments

Recognition
Financial Instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses are rising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(o) Critical Accounting Estimates and Judgments
The Subsidiary evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the subsidiary.

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2013

Key Estimates – Impairment
The subsidiary assesses impairment at each reporting date by evaluating conditions specific to the subsidiary that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(p) Going Concern Basis
The Board of Management of the Gawler River Floodplain Management Authority has prepared the financial statements on a going concern basis.

(q) New accounting standards for application in future periods
The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Authority has assessed that it is not expected to be materially impacted by those changes.

2   Functions / Activities of the Association

(a) Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note b.

(b) The activities of the Authority are categorised into the following function / activities:

Administration: The operations of the Authority and its Board

Other Environment: Flood Mitigation

Note 2b Functions of the Gawler River Floodplain Management Authority
(excluding depreciation)

Revenue					Expenses		
Year	Grants	Other	Total Revenue	%	Expenses Total	%	Surplus (Deficit)

Administration

2013		66,045	66,045	2.4%	50,068	1.3%	15,977
2012		107,334	107,334	3.9%	71,871	1.8%	35,463

Other Environment: Flood Mitigation

2013	90,972	16,544	107,516	3.9%	106,130	2.7%	1,386
2012	2,644,510	16,000	2,660,510	96.1%	3,922,604	98.2%	(1,262,094)

Total

2013	**90,972**	**82,589**	**173,561**	6.3%	**156,198**	3.9%	**17,363**
2012	**2,644,510**	**123,334**	**2,767,844**	100.0%	**3,994,475**	100.0%	**(1,226,631)**

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2013

3 Subscriptions

The following subscriptions were levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for the year:

Constituent Council	Scheme Works		Maintenance		Operations		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Adelaide Hills Council			$ 288	$ 277	$ 8,789	$ 8,500	$ 9,077	$ 8,777
The Barossa Council			$ 1,434	$ 1,387	$ 8,789	$ 8,500	$ 10,223	$ 9,887
Town of Gawler			$ 2,869	$ 2,774	$ 8,789	$ 8,500	$ 11,658	$ 11,274
Light Regional Council			$ 1,434	$ 1,387	$ 8,789	$ 8,500	$ 10,223	$ 9,887
District Council of Mallala			$ 4,781	$ 4,626	$ 8,789	$ 8,500	$ 13,570	$ 13,126
City of Playford			$ 5,737	$ 5,549	$ 8,789	$ 8,500	$ 14,526	$ 14,049
Total	$ -	$ -	**$ 16,544**	**$ 16,000**	**$ 52,734**	**$ 51,000**	**$ 69,278**	**$ 67,000**

4 Non-Current Assets Summary

Summary including movement in the carrying amount

		2013	2012
Infrastructure			
North Para - carrying amount at start of year (at valuation)		$15,320,793	$15,320,793
Less: Accumulated Depreciation - Note 1(i)		($383,020)	($191,510)
Carrying amount at the end of year (at revaluation)		**$14,937,773**	**$15,129,283**
Land and Easements			
Carrying amount at start of the year (at valuation)	Note 1(g)	$326,364	$326,364
Carrying amount at the end of year (at valuation)		**$326,364**	**$326,364**
Total infrastructure and Land		**$15,264,137**	**$15,455,647**

There are no Non Current Liabilities

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2013

5   Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

	2013	2012
Consultants Operations		
Fred Pedler & Associates	$ -	$ 42,900
Dean Gollan	$ 35,637	$ 15,533
URPS	$ 850	
Enviro Group Pty Ltd	$ 4,000	$ 2,500
Maloney Field Services		
Allen Bolaffi Pty Ltd	$ 650	
Business Risk A S Solutions	$ 1,300	
UHY Haines Norton Ltd	$ -	$ 1,950
	$ 42,437	**$ 62,883**
Contractors, Consultants Infrastructure		
SA Water	$ 98,213	$3,915,594
	$ 98,213	**$3,915,594**
Totals	**$ 140,650**	**$3,978,477**

6   Comparison of Budget and Actual Results (excluding depreciation)

	2013		2012	
	Budget $	Actual $	Budget $	Actual $
Revenue				
Administration	$63,734	$66,045	$116,256	$107,334
Other Environment: Flood Mitigation	$87,020	$90,972	$3,100,528	$2,644,510
Maintenance	$16,544	$16,544	$16,000	$16,000
Other Environment: Flood Mitigation Capital				
Total Revenue	**$167,298**	**$173,561**	**$3,232,784**	**$2,767,844**
Expenditure				
Administration	$64,050	$50,068	$163,337	$71,871
Other Environment: Flood Mitigation	$143,945	$102,029	$4,164,319	$3,916,795
Maintenance	$10,000	$4,101	$16,000	$5,809
Other Environment: Flood Mitigation Capital				
Total Expenditure	**$217,995**	**$156,198**	**$4,343,656**	**$3,994,475**
Surplus (Deficit)	**($50,697)**	**$17,363**	**($1,110,872)**	**($1,226,631)**

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2013

7 Expenditure Commitment

(i) An agreement has been entered into with SA Water Corporation to undertake flood mitigation works to the South Para Reservoir dam wall and spillway in 2011-2012 for an estimated cost of $4,381,949 that includes a 10% contingency.

(ii) An agreement has been entered into with Dean Gollan to provide Executive Officer and Supervision of Consultants services to 31 December 2013.

(iii) The State Government has approved funding for the Gawler River Flood Mitigation Scheme totalling $8,166,612 of which $8,148,558 has been paid to the Authority. Amount claimable in June will be paid in July.

(iv) The Commonwealth Government has approved funding for the Gawler River Flood Mitigation Scheme under the Regional Flood Mitigation Program totalling $8,713,371 of which $8,275,407 has been paid to the Authority. Amount claimable in June will be paid in July.

8 Reconciliation Statement of Cash Flows

8.1 Reconcile to operating activities

Net deficit from operations	(174,147)
Adjust for non cash Items	
Depreciation	191,510
Reduction Accrued Grant Income	335,541
Reduction in Debtors - GST	86,675
Increase in Accounts Payable	1,122
Reduction in Accrued Expense - SA Water	(90,447)
Net cash increase from operating activities	350,254

8.2 Cash and cash equivalents

Balance at bank	48,528
Balance at LGFA	332,262
Total cash and cash equivalents	380,790

9 Events after the Reporting Period

After the reporting period the Authority has been involved with commissioning a study to investigate various options available to mitigate the effect of potential future flooding.

The Authority may contribute $50,000 to the study and is seeking a $50,000 grant from the State Stormwater Management Authority.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

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

ACHIEVEMENTS AGAINST THE BUSINESS PLAN 2012 – 2015

For the Period July 2012 to July 2013

Gawler River Floodplain Management Authority
Achievements Against the Business Plan 2012 – 2015 for the period July 2012 to June 2013
For the previous achievements see the Annual Reports for the years ending June 2003 to 2012.

Evaluation of Performance against the Business Plan

This Statement of Achievements against the Business Plan will form part of the Key Outcomes Summary to Councils following the meetings at which it is tabled. The Statement will be prepared for the October, February, and June Board Meetings. The June report will form part of the GRFMA Annual Report 2012 - 2013.

Part A: Funding

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Secure Additional Project Funding	June 2009	All Councils, stakeholders and Governments agree to contribute to the project in accordance with the Plan	☑ **Scheme Total now $21,697,377 grants total $16,879,982**
Grant Claims	At all times	Lodge claims monthly for the payment of Commonwealth and State Government Grants.	☑ **Claims lodged at the end of the month**
Maintain positive Cash Flow	At all times	Positive bank account balances at all times.	☑ **Positive cash flow maintained**

Part B: Proposed Flood Mitigation Scheme Works

South Para Works
The South Para Reservoir is under the control and management of SA Water Corporation who have agreed to undertake the required modifications to the South Para Reservoir to provide the required level of flood mitigation capacity as a cost to the Scheme.
Dam safety review and design proposal to modify the dam wall and spillway completed September 2005
Detailed hydrology study of the catchment using the very latest methodologies let to Department of Transport, Energy and Infrastructure completed March 2007.

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Detailed design of works	December 2010	Completion of detailed design and tender documents	☑ **July 2011 Final approvals granted**
Construction of the works	June 2012	Completion of construction	☑ **Practical completion achieved June 2012**

Gawler River Floodplain Management Authority
Achievements Against the Business Plan 2012 – 2015 for the period July 2012 to June 2013
For the previous achievements see the Annual Reports for the years ending June 2003 to 2012.

Gawler River Flood Mitigation Scheme – Mark Two

What will the Mark Two Scheme Include? (Note these steps may occur concurrently and not necessarily in the following order)

One   Reconfirm with the Constituent Councils that a 1 in 100 year level of protection is the protection standard that is to be pursued in the development of the Gawler River Flood Mitigation Scheme - Mark Two Strategy.

Two   Determine if a second dam on the North Para River is an option. The GRFMA Board is currently calling tenders for a Findings Report to undertake an assessment to determine if a second dam is required and feasible.

Three   The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be upgraded to include recent works such as the Northern Expressway works and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the District Council of Mallala.

Four   To further develop the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and develop a levee strategy for Virginia to a robust design standard with a staging plan. Undertake a cost benefit study for each stage of the plan.

Five   Establish a protocol with the Floodplain Councils that where development of land in areas identified as 'at risk of flooding' is planned to proceed by the implementation of a local area levee that mapping of the proposed levees on the Gawler River Floodplain Mapping Study Model will be required.

Six   Maintain a working relationship with the Australian Rail Track Corporation to ensure that any changes to Rail track infrastructure of culverts and rail heights are mapped on the Gawler River Floodplain Mapping Study Model to identify any changes to flooding impacts.

Seven   Develop a funding strategy for flood protection that is delivered by local area levees on the questions of who should own and maintain the levees and whether local area levees are regional works that the GRFMA should fund or are they local works that are the responsibility of the local Council.

Eight   Investigate opportunities for funding partners and grants to undertake the necessary assessments and designs.

Nine   The Scheme will also seek to clarify, through the Local Government Association, the policy and legal framework around maintenance of rivers and creeks where those rivers and creeks are part of the regional flood management plan. Under current legislation a landowner is responsible for the condition of a creek or waterway on private land.

Part B: Maintenance of the Scheme

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Six monthly inspection	June and December	Completion of Inspection Report	☑ **Feb 2011 – Dam Inspector inspection** ☑ **Sep 2011 – Dam Inspector inspection**
Inspection following initial filling of the Dam	Within one month of event	Completion of Inspection Report	

Gawler River Floodplain Management Authority
Achievements Against the Business Plan 2012 – 2015 for the period July 2012 to June 2013
For the previous achievements see the Annual Reports for the years ending June 2003 to 2012.

Part C: Operation of the Regional Subsidiary

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Reports to Stakeholders	Twice yearly	The publication and distribution of a Fact Sheet to all stakeholders and affected landowners.	
	Bi-Monthly	Key Outcomes Summary to be published following each Board Meeting to include a summary of the progress of the development of the Scheme.	☑ **Key Outcomes Summary prepared following meetings**
Maintain effective Regional Subsidiary	December	The performance of the Executive Officer be reviewed annually	☑ **Performance Review Committee appointed in February 2013** ☑ **Initial review conducted on 12 April 2013**
	August	The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually.	☑ **Auditor reappointed up to 30 June 2014** ☑ **Policies reviewed February 2013**
Review of the Business Plan	By 31st March	Review the Business Plan prior to preparing the Budget Forward to the Councils	☑ **June 2013 – Business Plan 2013-2016 adopted** ☑ **August 2012 – Achievements against the Business Plan 2012-2015 presented**
Annual Budget	By 31st March, June, October, December, April	Adopt for consultation forward to Councils Adopt Budget – copy to Councils in 5 days Conduct Budget Reviews	☑ **April 2013 – Approved for consultation** ☑ **Budget 2012 – 2014 adopted at June Board meeting**
Subscriptions	June December	Send half year subscriptions to Council Send half year subscriptions to Council	☑ **All subscriptions paid**
Report to Constituent Councils	Following each Board meeting By 30th September	The receipt of the following reports by Councils: • Board Meeting Key Outcome Summary • Annual Report including Annual Financial Statements	☑ **Key Outcomes Summary prepared following meetings** ☑ **Annual Report forwarded electronically to Councils on 14 September 2012**