

2013/2014



*Nurturing our unique place
and people*

Contents

Mayor & CEO's Statement	3
About the Area	4
Ward Structure	5
Organisation Structure	6
Our Vision, Mission & Values	9
Commitment to WH&S	9
The Year at a Glance	10
Financial Analysis	21
Key Financial Indicators	26
General Governance Information	28
Rating Overview 2012/2013	40

Appendix 1

Financial Statements Year Ended 30 June 2014

Appendix 2

FOI Information Statement 2013/14

Appendix 3

Subsidiary Annual Reports 2013/2014

Annual Report

Welcome to our 2013/14 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 2013/14, 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 website:

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's Statement

Over the past year, Adelaide Hills Council has continued to deliver a range of important services to our community and address an infrastructure renewal backlog, in line with Council's Long Term Financial Plan.

Council's 2014-18 Strategic Plan, *Lofty Aspirations Sustainable Actions* contains a number of long term strategic objectives based around our community, environment, economy and governance.

Council remains focused on sound and responsible fiscal management. Despite the challenges facing local government, Council has worked hard to balance the need for long term financial sustainability while still delivering valued services and significant works programs to our community. In 2013-14, Council completed \$8m of asset renewals, contributing to the goal of long term financial sustainability.

In conjunction with the District Council of Mount Barker and Alexandrina Council our continued support for the Adelaide Hills Sculpture Symposium and Trail will provide ongoing benefits to our community and the region by attracting business and increased tourism in the Hills.

2013-14 has also seen the progression of Council's Biodiversity Strategy 2013-16, which will guide the management of native vegetation, ecosystem services and habitat within our district, improving the overall management and quality of this important habitat.

The distribution of kitchen caddie bins to residents for food waste is an initiative which will help to reduce the greenhouse gas emissions from waste going to landfill as food wastes are redirected to green waste.

Council has defined its own set of behavioural principles in order to achieve a higher standard of conduct than required by the mandatory code to demonstrate to the community the commitment the council has to providing quality governance and decision making. These standards along with the long-term financial plan and the strategic plan create the framework which guides the council in the performance of its duty in delivering services to the community.

Bill Spragg

CEO's Statement

In 2013/14, Council achieved approximately 80 per cent of its strategic priorities through the delivery of a number of projects and activities of real benefit to our community.

Looking ahead, Council's Strategic Plan 2014-18, *Lofty Aspirations Sustainable Actions* details a clear 20 year vision and direction for Council in response to feedback from the community on the things that are most important to them.

The strategic plan is focused on delivering sustainable long term objectives under four goal areas;

- 1 A safe and connected community
- 2 Sustainable natural and built environs
- 3 A prosperous economy
- 4 A recognised leading performer.

To position the organisation to deliver on the actions outlined in the Strategic Plan, Council's administration has produced a 2014-16 Corporate Plan. The actions contained in this plan are designed to continuously improve the capability and performance of the organisation through a focus on leadership, staff development, customer service, risk management and streamlined processes and efficiencies.

Strengthening our relationships with stakeholders inside and outside the organisation is key to achieving an enhanced level of respect - and ultimately a greater reputation for our Council. This is an exciting time for Adelaide Hills Council. This new strategic direction will enable us to deliver a consistent level of quality customer services and provide value for money to our community.

Andrew Aitken

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

The district holds special significance as a major environmental and recreational asset. The majority of AHC (89%) lies within the Mt Lofty Ranges Watershed, which supplies around 60% of metropolitan Adelaide's annual 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 monthly 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:
4,928

Cr Ron Nelson
Cr Jan-Claire Wisdom

Marble Hill

No. of Electors:
4,506

Cr Ian Bailey
Cr Jan Loveday

Torrens Valley

No. of Electors:
5,024

Cr Linda Green
Cr Malcolm Herrmann

Mount Lofty

No. of Electors:
7,990

Cr Kate Hosking
Cr John Kemp
Cr Simon Jones

Onkaparinga Valley

No. of Electors:
6,583

Cr Robert (Bill) Gale
Cr Lynton Vonow
Cr Andrew Stratford

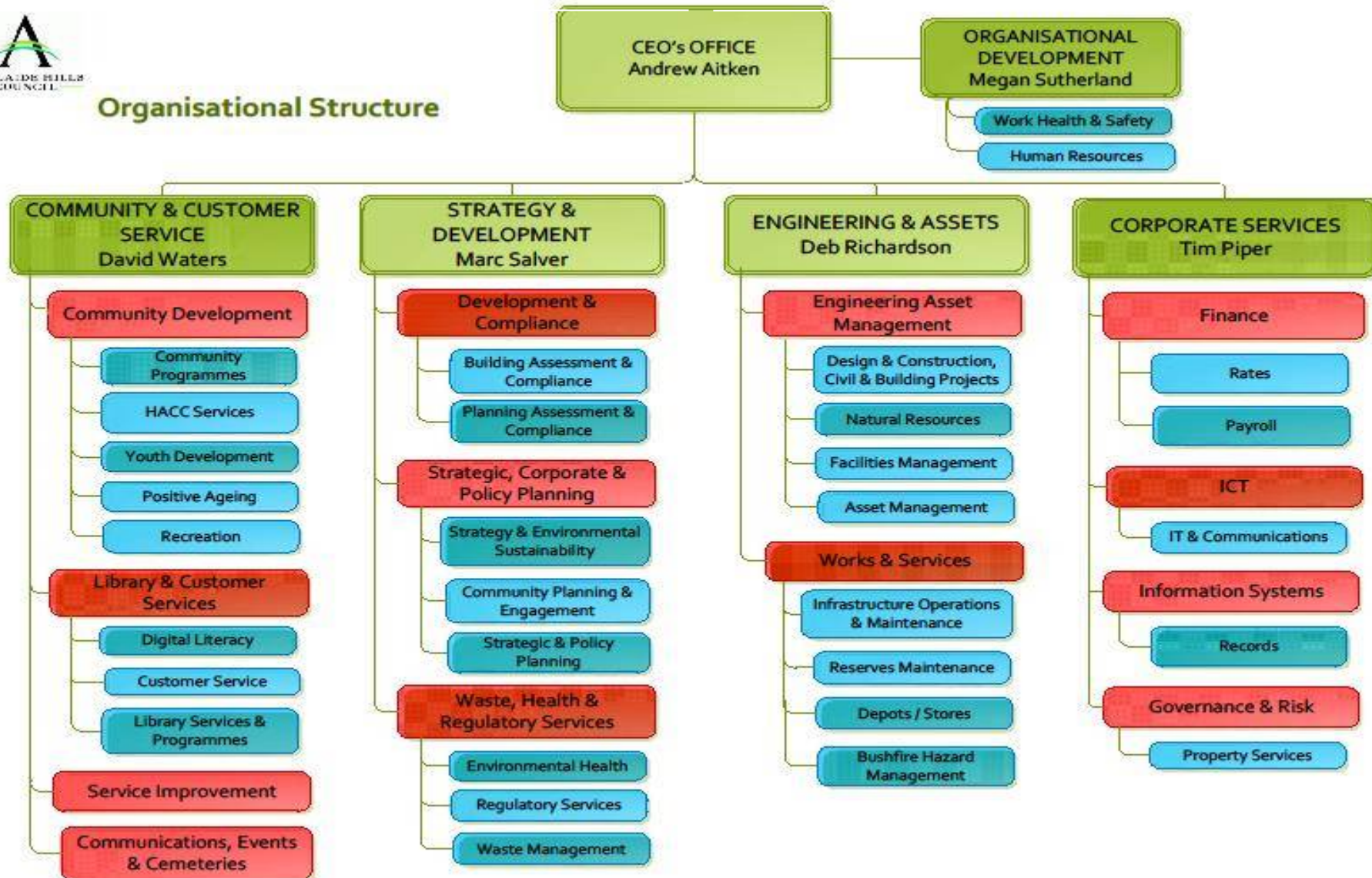
Mayor

Bill Spragg

Organisation Structure



Organisational Structure



The community surrounds the operations of the Council, be they ratepayers, businesses, visitors, etc. The community interacts with Council and uses our services. It is the community, through periodic elections, which elects the Council. The Council in turn appoints the Chief Executive Officer (CEO) to manage the organisation. The departments of Council are arranged into four Directorates. The CEO is responsible for the appointment of the Directors.

Organisation Structure

Andrew Aitken, Chief Executive Officer

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 high 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).

Deb Richardson, Director Engineering & Assets

Deb has enjoyed a 20 year career working with communities in a range of roles in local government. She has been responsible for leading the delivery of a variety of services including recreation, community development, urban planning, environmental sustainability and community engagement.

In her role as Director Engineering and Assets, Deb is responsible for leading the operations of Built and Natural Assets and Works and Services.

Deb is passionate about working with the community to create and provide places and an environment in which people thrive.

Tim Piper, Director Corporate Services

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, Strategy & Development

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.

David Waters, Director Community & Customer Services

David has over 10 years' management experience in both state and local government. He has delivered a diverse range of services to metropolitan and regional communities in South Australia and interstate and has a strong background in project management.

David brings a diverse skill set to the Executive Team, having worked in and led teams responsible for infrastructure development, asset management, works, community services, event management and communications.

As a strategic thinker, David has a passion for understanding community needs and finding the most effective way to address them. His portfolio includes libraries and community centres, customer service, communications, community development, events and service improvement.

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. During 2013/14 Council continued to operate with the following value structure.

FAIRNESS

RESPECT

INNOVATION

INTEGRITY

SUPPORT

COMMUNICATION

OPENNESS & TRANSPARENCY

As part of the new Corporate Plan, Council is adopting new service based values for 2014/15 and beyond.

Commitment to WH&S

Managing WH&S is a priority at Adelaide Hills Council. The Council has a broad risk profile associated with its work in the community and within the organisation. AHC is committed to providing a workplace that:

- » Is safe and healthy for all workers (including but not limited to employees, volunteers and contractors) and visitors
- » Identifies, minimises and controls risks within the work place
- » Minimises the risk of injury and ill health at work
- » Complies with the *Work Health and Safety (WH&S) Act and Regulations 2012 (SA)* 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
- » A Sound WHS Management System
- » Planning, implementing, monitoring and reviewing the WHS & Injury Management Improvement Plan
- » Planning, implementing and Reviewing WH&S policies, procedures, safe operating procedures
- » Measuring and evaluating the effectiveness of the implementation
- » Exercising due diligence to ensure WH&S obligations are met
- » Effectively implementing controls and corrective actions
- » Effectively communicating and consulting with employees
- » Provision of training and awareness on WH&S issues
- » Proactively managing rehabilitation and early return to work
- » Reviewing and revising the system to enable continual improvement
- » Encouraging innovative solutions and participation.

The Year at a Glance

Council achieved approximately 80% of its strategic priorities for 2013/14. A snapshot of key projects is below.

Please refer to Adelaide Hills Council's Annual Business Plan and Budget for further information on Key Projects and Achievements for 2013/14.

Our Strategic Directions

Goal 1: A Safe and Connected Community

Development of Positive Ageing Action Plan

Snapshot

The Positive Ageing Action Plan will guide Adelaide Hills Council in creating an age friendly community and responding positively to the needs of older residents while celebrating their achievements and contributions. The Action Plan will map the responsibilities of each Council directorate and team in implementing the Positive Ageing Action Plan.

Status

- Due for completion in December 2014, with further reviews to follow.

Key Outcomes

- ✓ AHC supports and recognises older people within their own community.
- ✓ The needs of older residents are considered and respected in Council's decision making and activities.

Adelaide Hills Sculpture Symposium and Trail

Snapshot

The Adelaide Hills Sculpture Symposium project will see the creation of 24 sculptures, by internationally renowned sculptors, placed across the Adelaide Hills, the District Council of Mount Barker and Alexandrina Council to form a visitors' trail.

Following the first symposium, all three Councils and the Sculpture Symposium successfully applied for a Federal infrastructure grant of \$400,000 to support development of the Sculpture Trail. The grant covers design of an overall concept plan for landscaping, lighting and furniture and for signage for the trail plus individual concept plans for each of the 24 sites. Landscaping of the 2012 sculpture sites is nearly complete and concept plans are in hand for the 2014 sculptures.

Two symposia have been held with the final scheduled for April 2016. Following this, the final sculptures will be installed accompanied by signage and landscaping.

Status

In progress. Due for completion in December 2016.

Key Outcomes

- ✓ Development of Sculpture Trail throughout region.
- ✓ Tourism generation.

Increased Digital Hub engagement and activities

Snapshot

In January 2013, the Federal Government provided funding of \$350,000 to establish and support a Digital Hub within the Coventry Library, Stirling. The objective of the funding was to provide and staff a digital literacy training centre for members of the community until March 2015. Council provided in kind support through the provision of space and IT assistance as needed.

Uptake of training by the community – both group and one-on-one training – has been positive with the Digital Hub consistently exceeding Federal targets. The sessions have introduced residents to a range of digital devices and applications. The Discovery Zone, introduced into the Coventry Library foyer in February 2013, provided the community with the opportunity to explore different tablets.

Status

Federal funding for project ceases January 2015.

Key Outcomes

- ✓ AHC Digital Hub training consistently exceeding Federal Government targets.
- ✓ Establishment of Discovery Zone at Coventry Library.
- ✓ Wide cross-section of community engaging with new technologies.

'One Card' South Australian Library Network

Snapshot

Adelaide Hills Library Service successfully rolled onto the 'One Card' library network on 6 June 2013, allowing Adelaide Hills' library members to reserve books, DVDs, CDs and magazines from across the state and have them delivered to their preferred library. Overall the changeover was seamless as Adelaide Hills residents were already familiar with consortium borrowing due to their prior experience with the LINK network.

By December 2014 all public libraries in South Australia will be connected on a single library management system.

Status

Completed.

Key Outcomes

- ✓ Providing residents access to 130 libraries via one card.
- ✓ Increased access to eResources and other library materials.

\$8m of asset renewals completed

Snapshot

In 2012, the Council adopted an Asset Management Plan that laid out a programme over 10 years to reduce the Council's infrastructure backlog from over \$27M to \$0 by 2022. This was to be done by gradually reducing expenditure on "new" infrastructure over first 5 years, while increasing the amount of renewal works undertaken each year.

Status

Previous years saw nearly \$11M of works completed by the Engineering team, significantly above the target figure of around \$9Million. The additional \$2M worth of projects were undertaken thanks to hard work by the team in sourcing grants from state and federal government. A further \$800K of projects carried forward from previous years were also completed. It is anticipated the Council is well ahead of the renewal programme laid out in 2012, with a full review of the Asset Management Plan due to commence in 2015.

Key Outcomes

- ✓ Strong effort to attract grants, accelerating the process of reducing the backlog.
- ✓ Only \$650K of new projects (excluding grant funded works).
- ✓ Incomplete projects (comprising carry-forwards and work in progress) saw a substantial reduction from 2012-13.

Goal 2: Sustainable Natural and Built Environs

Continued implementation of Council's Biodiversity Strategy 2013-16

Snapshot

The Biodiversity Strategy guides the management of native vegetation, ecosystem services and habitat within the District. The high level vision and guiding principles developed for the Strategy are region wide, including State Government land, non-government owned land and private land. However, the development of the strategies and actions will focus on Council's role and the land under its care and control.

A Biodiversity Advisory Group has been established to provide specialist advice to Council staff in the implementation of Council's Biodiversity Strategy and provide feedback and information from and to other interested community groups and community members.

Status

In progress. Due for review at the end of 2016.

Key Outcomes

- ✓ Standard Operating Procedures for sustainable management of council land formalised.
- ✓ Planning policies around biodiversity protection strengthened.
- ✓ Improved habitat quality throughout the district.
- ✓ Improved internal and external communication/tools regarding biodiversity management.
- ✓ Information and fact sheets developed for community.

Completed recycling project to remove concrete, bricks and similar materials from waste to landfill cycle for reuse on unsealed roads

Snapshot

All reclaimed materials have been crushed and reused as a base to build up sealed roads across the district. This has helped to reduce Council's material purchases for a number of projects.

Status

Ongoing.

Key Outcomes

- ✓ Reduced waste to landfill.

Installed Solar PV Panel Systems on the Woodside Library and Heathfield Depot

Snapshot

In 2012 an energy efficiency audit was undertaken of council buildings to determine where energy efficiency measures would have the most effect in reducing the Councils' greenhouse gas emissions. A number of actions have been undertaken including changes to light fixtures, sensor lights, instantaneous hot water systems and solar PV panels installed. Solar PV panels have been installed on two of council buildings a 15 kWh system on the Woodside Library and a 30kWh system on the Heathfield Depot.

Energy efficiency measures will continue to be implemented to reduce greenhouse gas emissions.

Status

Completed.

Key outcomes

- ✓ The installation of the PV solar panels at Heathfield will result in a savings of 40,000kWh annually and at the Woodside Library of 22,000 kWh annually.

Review of Roadside Vegetation Management Plan

Snapshot

The Council has created and implemented the Roadside Vegetation Management Plan to reflect the wide range of community values and uses for the network of road reserves in the Adelaide Hills.

Since its initial development in 2000, the Plan has provided guidance in managing our roadside vegetation. The review of this document in 2013 ensures that it reflects new knowledge and remains relevant to our changing environment.

Status

Completed. Plan submitted to the Native Vegetation Assessment Panel for formal approval.

Key Outcomes

- ✓ Consistent regional approach to road reserve management.
- ✓ Revision of the Roadside Vegetation Management Plan encompassing current legislation, the inclusion of contemporary information and focussed management actions.



Goal 3: A Prosperous Economy

Development of Master Plan for the Adelaide Hills Business and Tourism Centre (AHBTC) site

Snapshot

The Adelaide Hills Business and Tourism Centre (AHBTC) Masterplan, which seeks to develop potential future directions for the AHBTC site, was identified as a key strategic priority for Council and its development is based on resolutions in December 2013 and March 2014.

The draft Masterplan has been developed in consultation with the AHBTC Advisory Group, tenants, Councillors and the local community. Council has provided updates to stakeholders on the outcomes of the draft plan and held information sessions for the community.

Council will now conduct further work to finalise a Masterplan for the Adelaide Hills Business and Tourism Centre (AHBTC), following the presentation of the draft Masterplan and report to Council.

Status

In progress.

Key Outcomes

- ✓ Recommendations for future direction of site developed.
- ✓ Consultation with key stakeholders, community and Council.
- ✓ Advisory group engaged to assist in guiding project.

Development of Economic Development Strategy

Snapshot

Council's Strategic Plan identifies the creation of "a prosperous economy" as one of its four goals. Council is currently preparing a strategy to establish its role, function and key activities in respect to supporting economic activity on the district.

Status

In progress. The first part of this project is to understand the nature of the district's business mix and capacity. An Economic Profile of the district has been prepared. This profile provides an economic overview of the District, identifies the megatrends affecting the economy, relevant government policy, the state of infrastructure, analyses of each major economic sector, and strategies for economic development. The Economic Profile will inform the preparation of Council's Economic Development Strategy.

Key Outcomes

- ✓ An Economic Development in AHC discussion paper.
- ✓ Consultation with the business community.
- ✓ Preparation of the Economic Development Strategy.
- ✓ A plan indicating the ways in which Council can help, facilitate, assist or support the AHC's various business sectors.

Preparation of Development Plan Amendment for Primary Production lands

Snapshot

Council is preparing changes to planning policies in its Development Plan which affect rural areas. One of the key intents is to find ways of “Making Farming Easier”.

Status

In progress. To better understand how agriculture in this Hills works, its main issues, and how it relates to the wider Hills community, Council’s Rural Land Management Advisory Group ran nine (9) public consultation sessions with agricultural industry groups and the community. These sessions provided essential information to guide the creation of useful and relevant planning policy. A Working Party of local farmers has been established to provide informed guidance during this policy development process.

Key Outcomes

- ✓ The Primary Production Lands Development Plan Amendment.
- ✓ A better informed relationship with the District’s farmers.



Goal 4: A Recognised Leading Performer

Held four development forums across the region

Snapshot

Community Forums have been held across the Council over the past year at the following towns:

- Lobethal
- Scott Creek
- Crafers
- Cudlee Creek

The Forums provide an opportunity for the community to participate in interactive discussion with Elected Members and Council staff on emerging issues.

A range of topics have been presented by community members and schools covering environmental issues, roadside fuel reduction, fire prevention strategies, social and recreational activities, Business and Community Associations, local events, fairs and fundraising celebrations as well as proposed events to commemorate the Centenary of Anzac. Several State Government agencies have also provided information about projects they are working in collaboration with Council including SA Water on the Kangaroo Creek Dam Upgrade and the DPTI about the Speed Limit Review consultation being undertaken across Council.

Status

Completed. Council to continue holding forums in future years.

Key Outcomes

- ✓ Increased direct engagement between Council and community.
- ✓ Ideas generation.
- ✓ Increased awareness of regional projects.

Major Improvements to Key Systems and Processes

1. Service Improvement

Snapshot

Over the 2013/14 financial year, the Service Improvement program has focused on delivering efficiency and financial benefits through Continuous Improvement and “Breakthrough” projects. Breakthrough projects are aimed at driving improvement in service delivery, efficiency and effectiveness and were prioritised by their ability to meet a range of criteria, including the potential to save money or significant amounts of time. The benefits realised in the 13/14 year include \$189,400 of net recurrent savings and \$60,000 in once-off savings.

Productivity gains realised through these projects have enabled new strategic priorities to be addressed without increasing resources. These include;

- Undertaking a proactive approach to identifying and addressing infrastructure defects
- Developing a professional communications function
- Implementing the Arts & Culture Program
- Improving governance practices and policy planning

Status

Ongoing.

Key Outcomes

- ✓ \$189,400 of net recurrent savings.
- ✓ \$60,000 of once-off savings.
- ✓ Productivity gains enabling new strategic priorities to be addressed without additional resources.

2. Website

Snapshot

In early 2013 Adelaide Hills Council secured \$375,000 of Federal Government funding as part of the Digital Local Government Program. This funding allowed council to create a new website and implement video conferencing facilities.

The website was a key project that involved staff from across council, council members and community representatives. The site has been designed to comply with the WCAG disability access standards and provides significant search and usability improvements over the previous site.

The project began in February 2013 and the new site went live on the 31st of October 2013.

Since launching, the site has been steadily built up with new content and cosmetic changes resulting from feedback received both internally and externally. The website is currently being reviewed and there will be some more changes appearing over the next few months to enhance the user experience.

Status

Ongoing.

Key Outcomes

- ✓ New website developed and launched.
- ✓ Search and usability improvements.

Financial System

Snapshot

In July 2013, Council began using a newly installed, integrated whole of business software solution to increase greater functionality and flexibility at lower cost and risk. Council will continue to identify and implement improvements to financial systems.

Status

Completed.

Key Outcomes

- ✓ Workflow that integrates with other departments.
- ✓ Increased internal controls, particularly with a more robust purchase ordering process.
- ✓ Additional transactional attributes, such as, cuboid structures to facilitate management reporting at all levels of the Council.

Work, Health and Safety

Snapshot

Work, Health and Safety (WH&S) Audits are carried out annually by the Local Government Association Workers Compensation Scheme. Key Performance Indicator (KPI) Audits are undertaken against the Performance Stands for Self Insurers (PSSI).

The KPI Audit is undertaken each year between November and December. It takes between 1-3 days depending on the extent of the audit.

After the audit outcomes are received, a plan to address any non-conformances or observations is completed and implemented over the next 9 months. Council received no non-conformances and 5 observations in its 2013 KPI audit.

Status

Completed.

Key Outcomes

- ✓ Audit by WorkCover with no non-conformances.
- ✓ Development and implementation of organisation wide volunteer management process.
- ✓ Development and testing of response plans to six emergency scenarios.
- ✓ New process to capture contractor information including WH&S requirements.

Development of Corporate Plan 2014 – 16

Snapshot

Early in 2013, Council began to prepare a Corporate Plan to drive performance based strategies and equip the organisation to achieve its Strategic Plan goals during the next three years. The Plan took shape throughout 2013, concentrating upon the direction adopted by Council and setting out how to develop a high performing and service focussed culture throughout the organisation.

The Corporate Plan is structured around five established enabling criteria – leadership, people, strategy, partnerships & resources, and processes & customer service. It defines each criterion and sets out a range of objectives and actions required to advance each one.

The Corporate Plan was completed and adopted at the end of 2013, and projects to deliver the first round of actions have been incorporated into the 2014/15 Annual Business Plan. A number already substantially completed during 2014 are listed below

Status

Development Completed, Projects Ongoing.

Key Outcomes

- ✓ Corporate values and behaviours redefined based on principles of good service.
- ✓ Timetable developed to review and update policies and strategies on a regular basis.
- ✓ Workplace organisation enhanced in multiple areas using the 5S framework to optimise inventory.
- ✓ Resources, space and efficiency.
- ✓ Internal Corporate Sustainability group established.
- ✓ Customer Service Framework defining service values, behaviours, standards and competencies developed.

- ✓ External Communications Strategy developed.
- ✓ Creation of a Benefits Realised Framework to ensure the results of continuous improvement and innovation are regularly captured and reported to the Audit Committee.

Implementation of Strategic Plan

Snapshot

After extensive community consultation and input, the Council adopted its most recent Strategic Plan in December 2013 which establishes Council's vision for the period 2014 - 2018. The Plan identifies four key goal areas and 148 strategic actions to be implemented over the next 4 – 5 years. 38 of these actions have been identified for implementation in 2014/15, many of which are currently being worked on and are envisaged to be completed within the next 12 months. The most notable actions are:

- Developing a Community Engagement Strategy.
- Preparing a Volunteer Action Plan.
- Continue implementing the Biodiversity Strategy.
- Preparing an Economic Development Strategy.
- Progressing Stage 1 of the World Heritage Status Bid Project.
- Preparing and implementing a Customer Service Framework.
- Updating the Risk Management Framework.

Status

Development Completed, Actions Ongoing.

Key Outcomes

- ✓ An action arising from the Strategic Plan is the need to develop a reporting tool to monitor and report on the progress of the implementation of these actions. This reporting tool has been developed and a report will aim to be presented to the elected members on a quarterly basis in this regard and be made publicly available at the same time.
- ✓ It is considered that the Strategic Plan ensures the organisation has a strategic, progressive and innovative focus whilst still delivering its core business over the coming years.
- ✓ Further, it is considered that the Council will hopefully achieve its vision of "Nurturing our unique place and people" through the implementation of the strategic actions, core business services and excellent customer service.

Financial Analysis

Introduction

In 2014, Council reported a \$(256)k (or 0.7%) operating loss. This result is consistent with Council's Long Term Financial Plan, representing a further gradual improvement in the core sustainable profitability of Council's underlying activities.

In the 2013 Annual Report it was noted that *"The Financial Assistance Grant received in advance during 2013 totalled \$829k. 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."*

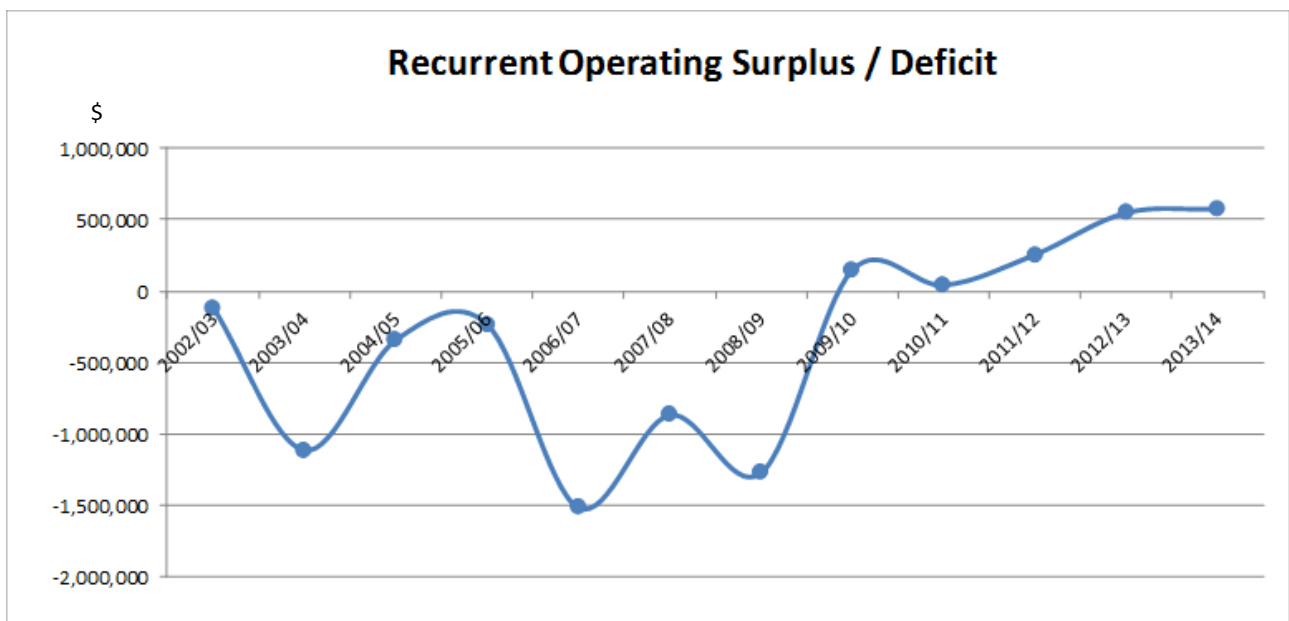
"Whether an ongoing surplus can be reported in future years (as per the LTFP) will be significantly influenced by (and more dependent upon) the timing of future FAG receipts, which is beyond Council's control."

The timing reversal was confirmed in the May 2014 Federal budget. As a result, Council was only able to report half of its 2013/14 grant. The first two quarter instalments received at the end of June 2013 were reported in last year's accounts.

Reporting all of 2013/14's grant income in 2013/14 would have resulted in a reported surplus of \$573k (adjusted 2012/13 equivalent: \$535k). In future years it is anticipated that Council will be allowed to report four quarters of Financial Assistance Grant for each financial year, eliminating the confusion about underlying profitability which has existed since 2008/9.

Financial History

In the first 12 years following amalgamation, Adelaide Hills Council reported cumulative operating losses just in excess of \$18 million. In most years, Council was unable to generate sufficient income to meet its operating costs for that year. This legacy has continued to impact Council's ongoing financial performance. In recent years, following the adoption of a Long Term Financial Plan, Council has achieved small underlying surpluses which have been maintained and continue to grow.



Financial Analysis

The three main factors responsible for this are unchanged:

- » rate income has reached levels consistent with ongoing costs
- » operating costs are being contained wherever possible
- » asset depreciation is being constantly refined and 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, 2013/14 saw a \$0.4 million increase in borrowings, (to \$14.1 million) and a \$2.8 million increase in total liabilities (to \$26.5 million), commensurate with the increase in net infrastructure values and slightly ahead of that forecast in the Long Term Financial Plan. This can be again attributed to infrastructure project completion and the delayed settlement of asset sales expected to complete in 2013/14.

Looking ahead for the next eight years (the remaining period of Council's currently adopted Long Term Financial Plan), rate increases will need to be maintained in line with the Long Term Financial Plan at levels up to CPI +1% and Council will require operating surpluses of between \$500k and \$1 million to keep infrastructure renewal up-to-date and to make repayments of long term loans to the LGFA.

Financial Focus: Infrastructure

Each year, Council must budget to maintain and renew infrastructure with a fair value replacement cost of \$470 million and a current carrying value of \$294 million – ten times the general rate revenue available to support it (\$29.4million in 2013/14).

Valuations: Several categories of assets were reconsidered during 2013/14, and most significantly the valuations of Council's freehold land were revised to reflect indexation since the last formal valuation in 2009. The resulting revaluation uplift of \$19.5 million has been applied in two stages, with a back dated revision of \$13.4 million to 30 June 2012, and a further \$6. Million at 30 June 2014. These restatements have no direct impact on Council's financial performance (land is not depreciated) but do ensure that Council's buildings and sport and recreational assets carried at current replacement cost can now be considered in the context of a more contemporary land value. (Included within Council's \$57.2 million of land is \$13.9 million of Crown land under the care and control of Council, mostly reserves and vacant land).

Further verification work on asset categories associated with Council's road network during the year resulted in the identification and reclassification of further kerbs, guttering, retaining walls and guardrails in excess of \$11 million. Council's Capitalised Assets (Accounting) Policy anticipates that verification work will continue to identify previously unrecognised assets in this way and provides for them to be initially recognised in the current reporting period. In this case, however, the scale of the adjustment is such that Council has again backdated the associated revision. These items are now separately categorised and depreciated, and the adjusted valuations applied since 30 June 2012 to reflect the better information now available.

Depreciation: Each year Council provides total depreciation (currently \$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.

Financial Analysis

During the year Council provided \$6.3 million for depreciation on infrastructure (2013: \$6.1 million), 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. Further work completed during 2014 identified that a small but increasing proportion of Council's infrastructure has reached the end of its financial life and is therefore no longer subject to depreciation. The resulting "holiday" from depreciation charges has a positive effect upon Council's reported results which will reverse once that infrastructure is rebuilt in the near future. Whilst this treatment is fully consistent with Council's Fixed Asset policy and the applicable Accounting Standards, it also creates a favourable impression of Council's sustainability and will need to be addressed in the next iteration of Council's Long Term Financial Plan.

In addition to 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 2014 this pool had a value of \$3.4 million (2013: \$5.6 million). Fluctuations in the value of the pool depend upon project timing and the extent of completion, which are sometimes beyond Council's control. This can have a knock on effect when calculating some of council's KPIs and when forecasting cash flow requirements.

Rates, Grants and Other Income

Council is primarily dependent on its rates income to fund both operations and asset renewal. General rates net of rebates (\$29.1 million) comprise 78% of Council's income.

Adding in CWMS rates (applied to maintain and renew the CWMS systems) and the NRM levy (collected on behalf of the State government but reported as rates) results in total rate revenues of \$31.4 million or 84% of council's Income.

While the Council resolved to increase rates by 3.8% for 2013/14 (applied to existing properties), rates growth has added a further 0.9% (through new properties, subdivisions and extended properties) so that total rate revenues increased by 4.7% compared with 2012/13.

Council experienced relatively minor growth in either statutory or user charges income in the year, but grant income – its second largest source of income – grew 9% in real terms. Excluding the Financial Assistance Grant (explained above) Council's other grant income grew from \$2.2 million to \$2.4 million. It is important to realise that the majority of grants have directly associated costs and therefore seldom contribute to any surplus: they have to be spent in full. In this case, most of the increase is attributable to the Upper Torrens Land Management Project which continues to grow. Council also saw its Home & Community Care grant funding grow in excess of budget.

The other significant year on year movement experienced by Council related to net gains in its equity accounted businesses, East Waste Management and Adelaide Hills Regional Waste Management. Whereas these entities contributed \$484k of gain in 2013, this year they fell to \$86k. Furthermore, Council bore its share of these subsidiaries' losses which increased from \$(4)k to \$(227)k. The combined effect of these movements is an adverse change of \$(621)k, which has also contributed to the reported \$(256)k loss.

Operating Expenses

As in previous years, Council experienced a wide range of variances within its \$37.3 million operating budget. Whilst total expense increased to \$37.6 million, this is primarily attributable to the \$(227)k of losses in subsidiaries and additional costs incurred to use the extra grant income referred to above. Compared with the previous year, combined operating expenses increased by 3.3% (or 2.4% if those losses and grant funded expenses are excluded).

Financial Analysis

Unfortunately, this does not mean that the other variances (both from budget and 2013) can be ignored. Depreciation increased by \$0.2 million but still fell \$0.3 million short of budget, partly reflecting the “depreciation holidays” referred to above. Finance costs increased by \$(117)k and exceeded budget, reflecting the growth in borrowing needed to sustain Council’s asset renewal program and consistent with the revised Long Term Financial Plan.

Employee expenses, whilst largely contained due to unfilled positions, also saw leave provisions increase for the same reason, with existing staff unable to take leave as planned. Contract staff engaged to help maintain operations caused a \$(206)k increase on 2013 (but the associated budgets were transferred from payroll for the unfilled positions.)

Half of the total \$1.2 million operating cost increase on 2013 is attributable to additional waste collection and handling costs with the first full year of green waste collection using a third bin and the continued increase in landfill disposal prices. On a more positive note, waste collection and handling costs (\$2.8 million in total) was on budget. Whilst other savings against budget were achieved for fuel, materials and leasing costs, there was a sharp rise in tree contractor costs which is the subject of ongoing review process to improve efficiencies. This is particularly important given the growth in demand for tree services due to our environment and the impact of recent weather changes.

Whilst energy bills increased by \$(62)k from 2013, they remained below budget, and real reductions against both 2013 costs and 2014 budgets were achieved for insurance costs, leasing costs, legal expenses, professional services and water bills. All of these savings indicate that Council’s Service Improvement and Business Excellence initiatives of the last three years are having a beneficial effect.

Implications for Council’s Long Term Financial Plan

Council’s detailed Long Term Financial Plan (LTFP) has been continuously updated since being adopted five 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.

Council continues to extend its borrowings, but only to fund asset renewal and upgrading. No funds are borrowed to maintain normal operations or to build or purchase additional new assets. There are only three ways for council to fund additional new assets. One is to borrow the necessary funds (which Council does not do), a second is to secure grant funding (available for both new and upgraded assets, increased from \$1.6 million in 2013 to \$2.05 million in 2014), and the third is to earn the necessary funds through underlying operating surpluses.

Council has reported a \$(256)k loss for 2013/14. Had it been able to include all of its Financial Assistance Grant that would have resulted in a \$573k surplus. Critically, that figure is after absorbing the effect of \$(141k) of net losses incurred by subsidiaries. This means the adjusted underlying operating surplus for the core business of Council could be as high as \$714k (but subject to possible depreciation holidays). The equivalent figures for the last two years would be 2013: \$55k and 2012: \$(300k) loss. However, all three results included over \$300k of Supplementary Local Road Funding Grants which were discontinued in the 2014 Federal budget. In future years, that income will not be available for Council. A further fiscal drag will be the three year indexation freeze on the Financial Assistance Grant introduced by the same budget, effectively costing Council in the region of another \$50k per annum (rising to \$150k) and \$300k in total over the next three years.

Financial Analysis

These underlying operating surplus figures do still demonstrate the very real turnaround in the underlying sustainability of core Council activities over the last three years. They suggest that, despite an infrastructure burden equivalent to ten years of rate income, Council is finally starting to develop the capacity to maintain that infrastructure into the long term. That capacity has, however, been bolstered by a level of grant support which is seriously compromised for the next three years and beyond. Council's ability to moderate levels of rate increase will therefore be even more dependent upon it continuing to deliver its own efficiency gains.

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)

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 reporting a negative ratio of approximately (0.8)% (2013:1.8% positive, 2012:0.9%). Council's objective for this ratio to reach 5% is still likely to be achieved in the near future. Thereafter, Council will be in the position to fund capital expenditure on new assets without having to borrow more to do so. This has not been achieved before by Adelaide Hills Council.

Indicator 2 – Adjusted Operating Surplus

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

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.

Adelaide Hills Council is reporting an adjusted operating surplus of \$578k (1.9%) for 2013/2014. This compares with the 2012/13 adjusted operating surplus of \$535k (1.8%).

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.

Indicator 3 - Net Financial Liabilities Ratio

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

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.

Key Financial Indicators

This ratio for Adelaide Hills has reached 61% for 2013/2014, increased from 53% in the previous year. 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 2.1% (2013:1.8%), which illustrates that Council's average interest bearing borrowings remain affordable.

Indicator 4 – Asset Sustainability Ratio

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

This ratio indicates whether a Council is renewing or replacing existing infrastructure assets at the same rate that its asset management plan requires. 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, and in 2013/2014 it has made significant ground to catch up, capitalising 166% of the \$8.25 million planned in the asset management plan. (Note that this ratio has been further distorted because it includes work completed but not capitalised in earlier years and held within work in progress).

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.

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 fourth Tuesday of every month at 6.30pm. Members of the public are permitted to address the Council at any ordinary meeting. 12 ordinary meetings of Council and 2 special meetings were held in 2013/2014.

Attendance at meetings by the Mayor and Councillors in 2013/2014 is detailed below:

Councillor	Council		Special Council		DAP		Special DAP		SPDPC		Audit Committee		CEOPRP	
	P	A	P	A	P	A	P	A	P	A	P	A	P	A
Total Meetings	12		2		11		1		10		5		1	
Bill Spragg	12	-	2	-	*	*	*	*	*	*	10	-	1	-
Ron Nelson	10	2	2	-	*	*	*	*	*	*	9	1	*	*
Jan-Claire Wisdom	10	2	2	-	*	*	*	*	*	*	8	2	1	-
Ian Bailey	11	1	2	-	*	*	*	*	*	*	9	1	*	*
Jan Loveday	11	1	1	1	10	1	5	-	1	-	8	2	1	-
John Kemp	12	-	2	-	11	-	*	*	1	-	10	-	*	*
Kate Hosking	8	4	2	-	*	*	5	-	*	*	9	1	*	*
Simon Jones	9	3	1	1	*	*	*	*	*	*	5	5	*	*
Bill Gale	10	2	2	-	*	*	*	*	*	*	10	-	0	1
Lynton Vonow	11	1	2	-	*	*	*	*	*	*	10	-	*	*
Andrew Stratford	11	1	2	-	*	*	*	*	*	*	9	1	*	*
Linda Green	12	-	2	-	10	1	*	*	1	-	10	-	*	*
Malcolm Herrmann	11	1	2	-	*	*	*	*	*	*	10	-	*	*

* Member not appointed to the committee and not required to attend.

P (Present)

A (Apology)

DAP (Development Assessment Panel)

SPDPC (Strategic Planning & Development Policy)

CEOPRP (CEO Performance Review Panel)

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 2013/14:

	1 July 2013 – 12 November 2013	13 November 2013 – 30 June 2014
Mayor/Principal Member	\$60,780 per annum	\$61,980 per annum
Deputy Mayor/Chair of Prescribed Committee	\$18,996 per annum	\$19,368 per annum
Other Elected Members	\$15,192 per annum	\$15,495 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 three S41 Committees, being the Strategic Planning & Development Policy Committee, the Audit Committee and the CEO Performance Review Panel.

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 legislated 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 second 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). Ten ordinary meetings of the committee were held during 2013/2014.

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 in accordance with Section 126 of the *Local Government Act 1999*. 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 2014 is as follows:

- » Mr Peter Brass (Presiding Member) – Independent Member
- » Mr Peter Robertson – Independent Member
- » Vacant – Independent Member (filled by Paula Davies in August 2014)
- » 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 2013/2014.

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 2013/2014 were:

Independent Presiding Member	\$525 per meeting
Independent Ordinary Member	\$365 per meeting

Chief Executive Officer Performance Review Panel

The Chief Executive Officer Performance Review Panel (CEOPRP) was established as a Section 41 committee on 14 May 2013 to provide advice to Council on matters related to the Chief Executive Officer (CEO) and his performance by reviewing the CEO's performance against an agreed set of key performance indicators and reviewing the remuneration package payable.

Membership as at the end of June 2014 is as follows:

- » Mayor Bill Spragg (Presiding Member)
- » Deputy Mayor Jan-Claire Wisdom
- » Cr Jan Loveday
- » Cr Linda Green
- » Vacant - Independent Member (filled by Paula Davies in July 2014)

One ordinary meeting was held in 2013/14.

Council's Development Assessment Panel

The Council's Development Assessment Panel (CDAP) is established under Section 56A of the *Development Act 1993* and comprises three elected members of Council plus four independent members (which includes an independent chairperson). Membership at the end of June 2014 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.

Eleven ordinary meetings and one special meetings of the Panel were held during 2013/2014.

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

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 were four S270 Internal Reviews of a Council Decisions request made in 2013/2014 regarding dogs, rate increases and development applications.

Section 90(2) and 91(7) Requirements

During 2012/2013, 17 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 2014
09/07/13	Council	17.7.1	Prosecution pursuant to the <i>Development Act 1993</i> for the unauthorised removal of Trees in Aldgate	90(3)(i)	Released
24/09/13	SPDPC	15.1	Status of current Development Plan Amendments	90(3)(m)	S91(7) Remained
24/09/13	SPDPC	15.2	Primary Production Lands DPA: Community Engagement Strategy	90(3)(m)	S91(7) Remained
08/10/13	Council	17.2	Code of Conduct	90(3)(a)	Released
12/11/13	Council	17.1.2	Sale of Asset 90a Onkaparinga Valley Road Balhannah	90(2)(3)(b)	Released
10/12/13	Council	17.1.1	Australia Day Awards 2014	90(2)(3)(a)	Released
21/01/14	Council	17.1.1	Lobethal Recreation Ground Sports Club Inc Proposal	90(3)(d)	S91(7) Remained
04/02/14	CEO PRP	6.1	CEO Performance Review 2012 - 2013	90(3)(a)	Released
04/02/14	CEO PRP	6.2	CEO Remuneration Review 2012 - 2013	90(3)(a)	Released
04/02/14	CEO PRP	6.3	CEO Key Performance Indicators 2013 - 2014	90(3)(a)	Released
25/03/14	Council	17.1.1	AHBTC Masterplan	90(3)(d)	S91(7) Remained
25/03/14	Council	17.2.1	Disposal of Land, Renewal SA	90(3)(d)	S91(7) Remained
22/04/14	Council	18.1.1	RLMAG Grazing Broadacre Representative	90(3)(a)	Released
22/04/14	Council	18.2.1	AHRWMA	90(3)(b,d,i)	S91(7) Remained
22/04/14	Council	18.3.1	Cemetery Advisory Group Independent Members	90(3)(a)	Released
22/04/14	Council	18.4.1	Local Heritage DPA Stage 1 Statement of Intent	90(3)(m)	S91(7) Remained
24/06/14	Council	18.1.1	Event Opportunity (2015 Santos Tour Down Under)	90(3)(j)	S91(7) Remained

General Governance Information

Of these, 9 issues were released and 8 remained operative, in accordance with Section 91(7) of the Act.

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
- » Animal Management Plan Advisory Group
- » Bushfire 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.

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

- » Australia Day Awards Panel
- » Hills Voice Reference Panel

These panels 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.

General Governance Information

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.

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 2,251 electors as at 2013/14. The total number of electors is 29,267.

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

- » City of Holdfast Bay (electors 26,576) = 1:2,044
- » Burnside (electors 31,723) = 1:2,440
- » City of Unley (electors 26,875) = 1:2,067

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.

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. Due to the complexities of the representative review process that Council determined to discontinue the process as it would not be completed by 31 December 2013 deadline.

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

General Governance Information

Freedom of Information Requests

Six requests for information were made under the Freedom of Information Act in 2013/14. In summary:

FOI Requests		Full Release	Partial Release	Refused
Outstanding from Previous period	0			
New Applications	6			
Total to be processed	6			
Unfinished at the end of Period	0			
Determined	6	4	0	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 Council Member Conduct
- » Section 92 Code of Practice for Access to Meetings and Documents
- » Section 110 Code of Conduct for Council Employees (Mandatory)
- » 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 Policy
- » Section 50 Public Consultation Policy
- » Section 77(1)(b) Elected Members Allowance and Support 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 Place and 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 and Primary Production Grants
- » Community Group Use of Photocopiers
- » Community Groups Access to Waste Disposal Sites

General Governance Information

- » Community Information Display
- » 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
- » Festival and Events
- » Floral Tributes for Memorial Services Support – Anzac Day
- » Fraud & Corruption Prevention
- » Genetically Modified Crops
- » Internal Audit
- » 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
- » Tree Management
- » 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.

General Governance Information

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 2013/2014, there were 32 services that were subjected to the tender process.

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 2013/2014 relating to the National Competition Policy.

Our People

The success of our organisation is reliant upon having skilled and knowledgeable employees enabling Council to undertake required work and provide services to the community. We continue to focus on developing service improvement across the organisation, reviewing and refining processes to enable better service to our customers.

At 30 June 2014 Council employed 161 full time equivalent staff. Employee turnover was 12.35%.

Performance Process

Our performance process has been updated over the course of the year, with implementation commencing in the new financial year. The process encourages conversations around priority work goals, development, our service values and behaviours and enjoyment at work. Team goal setting and monitoring conversations enable collaboration and celebration of achievements. This process was a priority to improve from the Employee Opinion Survey feedback.

Leadership Development Framework

A new framework has been developed aimed at standardising the leadership requirements for all those with a responsibility for managing people. The framework will be implemented in the new financial year, which will include group training and individual development.

Communication

A plan was developed, with feedback from employees, to improve a range of areas identified through the Employee Opinion Survey. The actions linked directly to the above projects, leadership and performance process. Additionally there were actions about improving steps in the recruitment process, improving communication of meeting outcomes across the organisation and making leaders more accessible.

General Governance Information

Work Health and Safety and Injury Management (WHS & IM)

AHC prides itself in the delivery of a sound Work Health and Safety Management System which has been evident following the LGA KPI Audit results and Employee Opinion Survey.

This year the 2014-2017 WHS & Injury Management Improvement Plan has been released which outlines Council's commitment to the achievement and ongoing continuous improvement of a safe workplace for its workers.

Council continues promoting employee health with employees participating in the health and skin screening assessments.

On the occasion where there has been an injury to a worker AHC strives to provide opportunity for them to return to work as quickly as possible, this has proved to aid in a quicker 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 Conference (April 2014)
- » National General Assembly of the Australian Local Government Association (June 2014)

Councillor Jan-Claire Wisdom attended the National General Assembly of the Australian Local Government Association in June 2014.

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

- » Community Engagement for Council Members (March 2014)
- » Risk Management Training (June 2014)
- » Asset Management Planning & Assessment (June 2014)

Executive Management Team Arrangements

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

The Management Executive Group as at 30 June 2014 was as follows:

Title	Name	Base Salary
Chief Executive Officer	Andrew Aitken	\$191,981
Director Engineering & Assets	Deb Richardson	\$148,042
Director Corporate Services	Tim Piper	\$160,143
Director Strategy & Development	Marc Salver	\$153,048
Director Community & Customer Service	David Waters	\$144,930

General Governance Information

The total remuneration of the Chief Executive Officer and four 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 2013/2014 was \$20,300. No other remuneration was paid.

Rating Overview 2013/2014

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

- » Rates 2013/2014 including average rate impacts.
- » Current Rating Structure- methodology and rationale
- » Rate Payment/ Relief Options

Rates 2013/2014

Valuation Changes and Adopted Rate Increases

The overall change in land values for 2013/2014 was an increase of 1.2%, which compares with the increase of 1.1% in 2012/13, and “one off” decrease of (3.2)% in 2011/12. Historically, 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, and the range in 2013/2014 was broad, from a (1.6)% decrease to a 4.9% increase (2012/13: (0.4)% decrease to a 3.6% increase). These valuations are determined by the Valuer General’s Department and are outside Council’s control.

Valuation changes are factored into the rate increase adopted by Council. To achieve an average rate increase of 3.8% when average land values increase by 1.2%, the rate in the dollar needs to be uplifted by 2.6% only. In this way the average rate increase for existing properties matches the percentage set by Council. If, however, an individual property has a valuation change far greater (or less) than 1.2% then its individual rate increase will vary accordingly.

Additionally, any new (or substantially enlarged) properties are excluded from the rate setting calculation, giving rise to a growth element which can cause actual rate collections to grow by more than Council’s adopted percentage increase. The rationale for this is that new and larger properties will ultimately demand additional services to be provided by Council which need to be funded.

Rates 2013/2014 in context

The Budget for 2013/2014 was prepared in conjunction with the Long Term Financial Plan and incorporated the same assumptions into its adopted rate increase of 3.8%. During 2013/14 Council then set the rate increase for 2014/15 at 3.4% (having initially proposed a 2.9% increase which was rendered unviable by changes to grant funding in the Federal budget).

The below table details the percentage breakdown of the composition of recent average rate increases approved by Council, and the overall growth in rate income subsequently collected

Detail	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
To meet inflation	2.8%	2.9%	3.0%	2.6%	2.8%	2.5%
To fund capital renewal	4.0%	3.0%	2.5%	1.0%	1.0%	0.9%
To meet additional maintenance			1.25%			
Adopted rate increase	6.8%	5.9%	6.75%	3.6%	3.8%	3.4%
Growth (# of assessments)	0.3%	0.3%	1.0%	0.4%	0.9%	n/a
Total growth in rate income reported in financial statement	7.1%	6.2%	7.75%	4.0%	4.7%	n/a

“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 (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.

Rating Overview 2013/2014

The ten year Long Term Financial Plan assumes rate increases incorporating an uplift of CPI +1% are applied for 2015/16 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 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 that 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).

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 proportional 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 2013/2014 was set at \$405, increasing from \$390 in 2012/13. 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)

Rating Overview 2013/2014

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

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

Council receives a commission of \$8K for the NRM fees or levies collected.

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 \$76,000 as requested by the Association, which enjoys strong support from the Stirling business community.

Rate Payment / Relief Options

Pensioner Concessions

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

Other Concessions administered by Family & Youth Services

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

Rate Cap

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

- » 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).

Rating Overview 2013/2014

Postponement of Rates

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

Rebate of Rates

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

Mandatory Rebates

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

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

Discretionary Rebates

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

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

Financial Statements

Year ended 30 June 2014

Adelaide Hills Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Nurturing our unique place and people



Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2014

Contents	Page
1. Council Certificate	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	7
4. Independent Auditor's Report - Financial Statements	52
5. Certificates of Audit Independence	
- Council Certificate of Audit Independence	55
- Audit Certificate of Audit Independence	56

Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2014

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 2014 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 Aiken
CHIEF EXECUTIVE OFFICER



Bill Spragg
MAYOR

Date:

Adelaide Hills Council

Statement of Comprehensive Income

for the year ended 30 June 2014

\$ '000	Notes	2014	2013
Income			
Rates Revenues	2a	31,389	29,982
Statutory Charges	2b	811	806
User Charges	2c	1,175	1,137
Grants, Subsidies and Contributions	2g	3,252	3,869
Investment Income	2d	41	42
Reimbursements	2e	254	232
Other Income	2f	398	450
Net Gain - Equity Accounted Council Businesses	19	86	484
Total Income		37,406	37,002
Expenses			
Employee Costs	3a	12,777	12,638
Materials, Contracts & Other Expenses	3b	16,809	16,271
Depreciation, Amortisation & Impairment	3c	6,952	6,756
Finance Costs	3d	897	785
Net loss - Equity Accounted Council Businesses	19	227	4
Total Expenses		37,662	36,454
Operating Surplus / (Deficit)		(256)	548
Asset Disposal & Fair Value Adjustments	4	(3,274)	85
Amounts Received Specifically for New or Upgraded Assets	2g	2,055	1,636
Net Surplus / (Deficit) ¹		(1,475)	2,269
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	11,886	32,196
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	58	-
Total Other Comprehensive Income		11,944	32,196
Total Comprehensive Income		10,469	34,465

¹ Transferred to Equity Statement

Adelaide Hills Council

Statement of Financial Position

as at 30 June 2014

\$ '000	Notes	2014	2013
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	714	1,216
Trade & Other Receivables	5b	3,118	3,076
Other Financial Assets	5c	-	-
Inventories	5d	18	24
Subtotal		3,850	4,316
Non-Current Assets Held for Sale	20	400	400
Total Current Assets		4,250	4,716
Non-Current Assets			
Financial Assets	6a	181	150
Equity Accounted Investments in Council Businesses	6b	1,279	1,405
Infrastructure, Property, Plant & Equipment	7a	291,097	275,086
Other Non-Current Assets	6c	3,420	5,576
Total Non-Current Assets		295,977	282,217
TOTAL ASSETS		300,227	286,933
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	11,033	8,642
Borrowings	8b	9,100	8,734
Provisions	8c	1,180	1,065
Total Current Liabilities		21,313	18,441
Non-Current Liabilities			
Trade & Other Payables	8a	-	-
Borrowings	8b	5,000	5,000
Provisions	8c	150	153
Liability - Equity Accounted Council Businesses	8d	-	44
Total Non-Current Liabilities		5,150	5,197
TOTAL LIABILITIES		26,463	23,638
Net Assets		273,764	263,295
EQUITY			
Accumulated Surplus		131,046	130,693
Asset Revaluation Reserves	9a	140,440	128,554
Other Reserves	9c	2,278	4,048
Total Council Equity		273,764	263,295

Adelaide Hills Council

Statement of Changes in Equity for the year ended 30 June 2014

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
2014					
Balance at the end of previous reporting period		130,693	128,554	4,048	263,295
a. Net Surplus / (Deficit) for Year		(1,475)	-	-	(1,475)
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	11,886	-	11,886
- Share of OCI - Equity Accounted Council Businesses	19	58	-	-	58
Other Comprehensive Income		58	11,886	-	11,944
Total Comprehensive Income		(1,417)	11,886	-	10,469
c. Transfers between Reserves		1,770	-	(1,770)	-
Balance at the end of period		131,046	140,440	2,278	273,764

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
2013					
Balance at the end of previous reporting period		128,225	96,358	4,475	229,058
a. Adjustments (Correction of Prior Period Land Valuation)	23a	(228)	13,363	-	13,135
Restated Opening Balance		127,997	109,721	4,475	242,193
b. Net Surplus / (Deficit) for Year		2,269	-	-	2,269
c. Other Comprehensive Income					
- Gain (Loss) on Revaluation of Infrastructure	7a	-	6,812	-	6,812
- Gain (Loss) on Revaluation of Freehold Land (restated)	7a, 23a	-	1,835	-	1,835
- Gain on Revaluation to recognise Road network assets (restated)	7a, 23a	-	10,186	-	10,186
Other Comprehensive Income		-	18,833	-	18,833
Total Comprehensive Income		2,269	18,833	-	21,102
d. Transfers between Reserves		427	-	(427)	-
Balance at the end of period		130,693	128,554	4,048	263,295

Adelaide Hills Council

Statement of Cash Flows

for the year ended 30 June 2014

\$ '000	Notes	2014	2013
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		31,052	29,716
Statutory Charges		811	870
User Charges		1,293	1,325
Grants, Subsidies and Contributions (operating purpose)		3,729	4,010
Investment Receipts		41	-
Reimbursements		274	255
Other Receipts		2,333	3,274
<u>Payments</u>			
Payments to Employees		(12,733)	(12,651)
Payments for Materials, Contracts & Other Expenses		(16,470)	(20,325)
Finance Payments		(889)	(996)
Net Cash provided by (or used in) Operating Activities	11b	9,441	5,478
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		2,055	1,636
Sale of Replaced Assets		795	44
Sale of Surplus Assets		-	70
Repayments of Loans by Community Groups		-	143
Distributions Received from Equity Accounted Council Businesses		226	-
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(12,340)	(10,401)
Expenditure on New/Upgraded Assets		(650)	(303)
Loans Made to Community Groups		(39)	-
Capital Contributed to Equity Accounted Council Businesses		(227)	(1)
Net Cash provided by (or used in) Investing Activities		(10,180)	(8,812)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Aged Care Facility Deposits		-	11
<u>Payments</u>			
Repayments of Borrowings		(67)	(168)
Repayment of Bonds & Deposits		(1)	-
Repayment of Aged Care Facility Deposits		(128)	-
Net Cash provided by (or used in) Financing Activities		(196)	(157)
Net Increase (Decrease) in Cash Held		(935)	(3,491)
plus: Cash & Cash Equivalents at beginning of period	11	(7,226)	(3,735)
Cash & Cash Equivalents at end of period	11	(8,161)	(7,226)

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	16
3	Expenses	19
4	Asset Disposal & Fair Value Adjustments	21
	Current Assets	
5a	Cash & Cash Equivalents	21
5b	Trade & Other Receivables	21
5c	Inventories	21
	Non-Current Assets	
6a	Financial Assets	22
6b	Equity Accounted Investments in Council's Businesses	22
6c	Other Non-Current Assets	22
	Fixed Assets	
7a	Infrastructure, Property, Plant & Equipment	23
7b	Valuation of Infrastructure, Property, Plant & Equipment	24
	Liabilities	
8a	Trade & Other Payables	29
8b	Borrowings	29
8c	Provisions	29
8d	Liability Accounted Investments in Council Businesses	30
	Reserves	
9a	Asset Revaluation Reserve	30
9b	Other Reserves	31
10	Assets Subject to Restrictions	32
11	Reconciliation to Statement of Cashflows	32
12a	Functions	34
12b	Components of Functions	35
13	Financial Instruments	36
14	Commitments for Expenditure	41
15	Financial Indicators	42
16	Uniform Presentation of Finances	44
17	Operating Leases	45
18	Superannuation	46
19	Equity Accounted Council Businesses	47
20	Non Current Assets Held for Sale & Discontinued Operations	48
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	49
22	Events After the Balance Sheet Date	50
23	Equity - Retained Earnings and Revaluation Reserves Adjustments	50
	Additional Council Disclosures	
24	Council Information & Contact Details	51

n/a - not applicable

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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 these Notes.

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 South Australian *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.

3 Income Recognition

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

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

In the month of June in recent years the Federal Government has paid amounts of untied financial assistance grants, which are recognised as income on receipt, in advance of the year of allocation. In June 2011, one quarter of the 2011/12 allocation amounting to \$396k was paid in advance; in June 2012, two quarters of the 2012/13 allocation: \$816k; and in June 2013, again two quarters of the 2013/14 allocation: \$829k. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in a consistent manner.

These amounts in advance were adjusted in the 2013/14 financial year. The total amount of the adjustment was \$(829)k, which has **adversely** affected the operating result for the year.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

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

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.

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

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. 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. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

During the year Council's Land assets were revalued according to the State Valuer General's indexation of vacant land valuations in the Council area to 2014. The resulting adjustments to prior year valuations are disclosed notes 7 and 23 and in the Statement of changes in Equity..

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

The initial recognition of previously constructed assets has been included in asset revaluations, as the adjustment records the existence of an asset not previously valued. The affected categories in 2014 were Kerb and Gutter, Guardrail and Retaining walls and details of the adjustments applied are disclosed in note 23

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.

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

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.5 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 inflows or value in use).

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

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

6.6 Borrowing Costs

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

7 Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Investment property is carried at fair value, representing an in-house valuation based on a discounted cash flow analysis.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Investment Income".

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

The last full revaluation for Council's Investment Properties was dated 30/6/2011.

8 Payables

8.1 Goods & Services

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

8.2 Payments Received in Advance & Deposits

Amounts other than grants 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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

9 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings 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".

10 Employee Benefits

10.1 Salaries, Wages & Compensated Absences

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

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

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

10.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide 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.

11 Provisions

11.1 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

12 Leases

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

In respect of finance leases, where Council substantially carries all of the 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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

13 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".

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

14 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 and set out in detail in Note 19.

15 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.

16 New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2014.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards,

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9,

AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures and

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2015 but is available for early adoption.

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

Applicable to Local Government but no implications for Council;

AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (*effective for 30 June 2015 Financial Statements*)

There are no changes to reported financial position or performance from AASB 2013 – 3, however additional disclosures may be required.

Applicable to Local Government but not relevant to Council at this stage;

AASB 10 Consolidated Financial Statements,

AASB 11 Joint Arrangements,

AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements,

AASB 128 Investments in Associates and Joint Ventures and

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (*effective for 30 June 2015 Financial Statements for not-for-profit entities*)

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies (continued)

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date.

Not applicable to Local Government per se;

There are no other standards that are "not yet effective" and expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

17 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

18 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 2. Income

\$ '000	Notes	2014	2013
(a). Rates Revenues			
General Rates			
General Rates		29,408	28,087
Less: Mandatory Rebates		(228)	(193)
Less: Discretionary Rebates, Remissions & Write Offs		(89)	(188)
Total General Rates		29,091	27,706
Other Rates (Including Service Charges)			
Natural Resource Management Levy		788	750
Community Wastewater Management Systems		1,258	1,214
Separate & Special Rates		-	-
Stirling Traders		76	73
Total Other Rates		2,122	2,037
Other Charges			
Penalties for Late Payment		177	170
Legal & Other Costs Recovered		(1)	69
Total Other Charges		176	239
Total Rates Revenues		31,389	29,982
(b). Statutory Charges			
Development Act Fees		298	243
Town Planning Fees		145	112
Animal Registration Fees & Fines		262	295
Parking Fines / Expiation Fees		13	68
Other Licences, Fees & Fines		93	88
Total Statutory Charges		811	806
(c). User Charges			
Cemetery/Crematoria Fees		124	147
Community Centres		83	41
AHBTC		516	493
Dump Fees		3	3
Rate Searches		60	59
Retirement Villages		349	362
Sundry		40	32
Total User Charges		1,175	1,137

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 2. Income (continued)

\$ '000	Notes	2014	2013
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		13	16
- Banks & Other		13	8
- Loans to Community Groups		15	18
Total Investment Income		41	42
(e). Reimbursements			
Private Works		38	28
Other		216	204
Total Reimbursements		254	232
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		10	3
Sundry		388	447
Total Other Income		398	450
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		2,055	1,636
Other Grants, Subsidies and Contributions		3,252	3,869
Total Grants, Subsidies, Contributions		5,307	5,505
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		1,562	1,279
State Government		3,109	3,473
Other		636	753
Total		5,307	5,505
(ii) Individually Significant Items			
Grant Commission (FAG) Grant Recognised as Income		-	829

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 2. Income (continued)

\$ '000	Notes	2014	2013
(h). 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		829	816
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(829)	(816)
Subtotal		(829)	(816)
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		-	829
Subtotal		-	829
Unexpended at the close of this reporting period		-	829
Net increase (decrease) in assets subject to conditions in the current reporting period		(829)	13

(i). Physical Resources Received Free of Charge

Nil

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 3. Expenses

\$ '000	Notes	2014	2013
(a). Employee Costs			
Salaries and Wages		11,696	11,368
Employee Leave Expense		277	104
Superannuation - Defined Contribution Plan Contributions	18	748	692
Superannuation - Defined Benefit Plan Contributions	18	275	345
Workers' Compensation Insurance		367	362
Other - PIP		148	154
Other		40	163
Less: Capitalised and Distributed Costs		(774)	(550)
Total Operating Employee Costs		12,777	12,638
Total Number of Employees (full time equivalent at end of reporting period)		161	163
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		29	20
Elected Members' Expenses		360	351
Election Expenses		45	37
Operating Lease Rentals - Cancellable Leases		231	262
Subtotal - Prescribed Expenses		665	670
(ii) Other Materials, Contracts and Expenses			
Contractors		9,665	9,463
Contributions & Donations		419	467
Energy		679	617
Insurance		592	639
Legal Expenses		97	185
Levies Paid to Government - NRM levy		786	750
Levies - Other		247	218
Parts, Accessories & Consumables		2,300	1,999
Professional Services		255	338
Sundry		1,104	925
Subtotal - Other Material, Contracts & Expenses		16,144	15,601
Total Materials, Contracts and Other Expenses		16,809	16,271

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 3. Expenses (continued)

\$ '000	Notes	2014	2013
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings		899	1,150
Plant & Equipment		585	475
Furniture & Fittings		53	92
Roads		3,210	3,211
Bridges		236	236
Footpaths		280	271
Retaining Walls		195	70
Guardrails		58	40
Kerb & Gutter		345	123
Traffic Controls		37	34
Street Furniture		43	42
Stormwater		339	332
CWMS		321	318
Sport & Recreation		275	287
Playgrounds		44	44
Cemeteries		32	31
Subtotal		6,952	6,756
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		6,952	6,756
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		72	56
Interest on Loans		702	601
Merchant Fees		64	55
Unwinding of Present Value Discounts		8	9
Bank Charges		51	64
Total Finance Costs		897	785

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	Notes	2014	2013
Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		795	114
Less: Carrying Amount of Assets Sold		(4,069)	(99)
Gain (Loss) on Disposal		(3,274)	15
(ii) 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		(3,274)	85

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank	371	-
Deposits at Call	1	830
Short Term Deposits & Bills, etc.	342	386
Total Cash & Cash Equivalents	714	1,216

(b). Trade & Other Receivables

Rates - General & Other	1,629	1,302
Council Rates Postponement Scheme	22	12
Accrued Revenues	328	555
Debtors - General	357	372
Other Levels of Government	155	382
GST Recoupment	197	215
Prepayments	412	228
Loans to Community Organisations	85	77
Subtotal	3,185	3,143
Less: Allowance for Doubtful Debts	(67)	(67)
Total Trade & Other Receivables	3,118	3,076

(c). Inventories

Stores & Materials	18	24
Total Inventories	18	24

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 6. Non-Current Assets

\$ '000	Notes	2014	2013
(a). Financial Assets			
Receivables			
Loans to Community Organisations		181	150
Total Receivables		181	150
Total Financial Assets		181	150
 (b). Equity Accounted Investments in Council Businesses			
GRFMA	19	184	352
EWMA	19	42	-
AHRWMA	19	1,053	1,053
Total Equity Accounted Investments in Council Businesses		1,279	1,405
 (c). Other Non-Current Assets			
(i) Inventories			
Nil			
 (ii) Other			
Capital Works-in-Progress		3,420	5,576
Total Other		3,420	5,576
Total Other Non-Current Assets		3,420	5,576

Adelaide Hills Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 7a. Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2013				Asset Movements during the Reporting Period						as at 30/6/2014			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Transfers to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
						New / Upgrade	Renewals								
Capital Work in Progress		-	2,496	-	2,496	-	-	-	-	(2,496)	-	-	-	-	-
Land - Community	2	53,038	-	-	53,038	-	-	(98)	-	-	4,266	57,206	-	-	57,206
Buildings	3	61,721	-	39,578	22,143	-	493	(48)	(899)	70	414	63,209	-	41,037	22,172
Plant & Equipment		-	9,725	3,822	5,903	87	1,922	(548)	(585)	-	-	-	10,777	3,995	6,782
Furniture & Fittings		-	2,178	1,999	179	-	66	-	(53)	-	-	-	2,245	2,047	198
Roads	3	182,580	-	71,336	111,244	-	7,583	(2,288)	(3,210)	1,681	4,570	195,304	-	75,723	119,581
Bridges	3	14,931	-	6,096	8,835	-	220	(158)	(236)	227	343	15,615	-	6,384	9,231
Footpaths	3	10,276	-	3,880	6,396	100	740	(94)	(280)	214	(288)	11,063	-	4,275	6,788
Retaining Walls	3	6,326	-	1,600	4,726	-	-	-	(195)	52	260	6,752	-	1,908	4,844
Guardrails	3	4,217	-	1,961	2,256	204	411	(12)	(58)	-	74	4,896	-	2,021	2,875
Kerb & Gutter	3	26,817	-	13,497	13,320	-	728	(51)	(345)	27	707	28,987	-	14,601	14,386
Traffic Controls	3	1,869	-	531	1,338	-	74	-	(37)	-	2	1,977	-	605	1,372
Street Furniture	3	2,019	-	1,394	625	-	-	-	(43)	-	32	2,088	-	1,469	619
Stormwater	3	30,089	-	7,972	22,117	-	844	(4)	(339)	97	1,128	32,609	-	8,767	23,842
CWMS	3	17,258	-	6,601	10,657	200	941	(421)	(321)	24	446	18,321	-	6,795	11,526
Sport & Recreation	3	14,559	-	7,665	6,894	-	538	(347)	(275)	89	(129)	14,598	-	7,838	6,760
Playgrounds	3	1,067	-	324	743	-	-	-	(44)	15	15	1,111	-	383	728
Cemeteries	3	3,136	-	962	2,174	-	-	-	(32)	-	46	3,247	-	1,060	2,187
Total Infrastructure, Property, Plant & Equipment		429,903	14,399	169,218	275,086	591	14,560	(4,069)	(6,952)	-	11,886	456,983	13,022	178,908	291,097
Comparatives		429,903	14,399	169,218	275,084	1,128	6,736	(1,797)	(6,756)	-	32,196	429,903	14,399	169,218	275,086

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

\$ '000

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

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

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Other Information

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 addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

At 1 July 2004 upon the transition fo 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 the basis of recognition of non-material asset clases.

Land & Land Improvements

Council being of the opinion that it is not possible to attribute value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Land - Level 3: Land which is subject to restriction for its use or sale, ie Community Land, or land where there is no active market such as Parks & Gardens or subject to Community Service Obligations. Land assets revaluation was undertaken by Council officers using the Valuer General's values indexed up to 31 January 2014

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Buildings

- Council discloses Buildings as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Infrastructure

Roads

- Council discloses Roads as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Bridges

- Council discloses Bridges as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Footpaths

- Council discloses Footpaths as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Retaining Walls

- Council discloses Retaining Walls as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Adelaide Hills Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2014

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Guardrail

- Council discloses Guardrail as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 18 Input of the House Construction industry, Adelaide steel products index numbers for 2014.

Kerb & Gutter

- Council discloses Kerb & Gutter as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Traffic Controls

- Council discloses Traffic Controls as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Street Furniture

- Council discloses Street Furniture as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Stormwater

- Council discloses Stormwater as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment &
Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Community Wastewater Management Systems (CWMS)

- Council discloses CWMS as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Sport & Recreations Assets (S&R)

- Council discloses S&R as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Playgrounds

- Council discloses Playgrounds as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Cemeteries

- Council discloses Cemeteries as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement,
 - and the level of fair value hierarchy to be Level Three, as no relevant observable inputs (Markets) are available.
- Valued by Council Officers at depreciated current replacement cost during the period ended 30 June 2014.
- There were no assets valued where it was considered that the highest and best use was other than its current use.
- Based on Australian Bureau of Statistics (ABS) Time Series data, specific for Adelaide.
 - Table 17 Output of the Construction industries, Adelaide index numbers for 2014.

Plant, Furniture & Equipment

- Basis of valuation: These assets are recorded on a cost basis.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 8. Liabilities

\$ '000	Notes	2014 Current	2014 Non Current	2013 Current	2013 Non Current
(a). Trade and Other Payables					
Goods & Services		3,946	-	1,067	-
Payments Received in Advance		349	-	852	-
Accrued Expenses - Employee Entitlements		1,110	-	1,110	-
Accrued Expenses - Other		1,162	-	1,072	-
Aged Care Facility Deposits		4,310	-	4,438	-
Deposits, Retentions & Bonds		1	-	2	-
Other		155	-	101	-
Total Trade and Other Payables		11,033	-	8,642	-

(b). Borrowings

Bank Overdraft	8,875	-	8,442	-
Loans	225	5,000	292	5,000
Total Borrowings	9,100	5,000	8,734	5,000

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

(c). Provisions

Employee Entitlements (including oncosts)	1,153	98	1,038	101
Future Reinstatement / Restoration, etc	27	52	27	52
Total Provisions	1,180	150	1,065	153

Movements in Provisions

\$ '000		
2014 (current & non-current)	Employee Entitlements (including oncosts)	Future Reinstatement
Opening Balance	1,139	79
Add Additional Amounts Recognised	112	-
(Less) Payments	-	-
Closing Balance	1,251	79

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 8. Liabilities (continued)

\$ '000	Notes	2014 Current	2014 Non Current	2013 Current	2013 Non Current
(d). Liability Accounted Investments in Council Businesses					
EWMA	19		-		44
Total Liability Accounted Investments in Council Businesses			-		44

Note 9. Reserves

\$ '000	1/7/2013	Increments (Decrements)	Transfers	Impairments	30/6/2014
(a). Asset Revaluation Reserve					
Land - Community	25,695	4,266	-	-	29,961
Buildings	4,335	414	-	-	4,749
Library Assets	907	-	-	-	907
Roads	51,405	4,570	-	-	55,976
Bridges	3,207	343	-	-	3,550
Footpaths	509	(288)	-	-	221
Retaining Walls	1,797	260	-	-	2,057
Guardrails	1,268	74	-	-	1,342
Kerb & Gutter	12,089	707	-	-	12,796
Traffic Controls	467	2	-	-	469
Street Furniture	689	32	-	-	721
Stormwater	18,351	1,128	-	-	19,479
CWMS	3,057	446	-	-	3,503
Sport & Recreation	2,603	(129)	-	-	2,474
Playgrounds	40	15	-	-	55
Cemeteries	2,134	46	-	-	2,180
Total Asset Revaluation Reserve	128,553	11,886	-	-	140,440
Comparatives	96,358	32,196	-	-	128,554

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 9. Reserves

\$ '000	1/7/2013	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2014
(b). Other Reserves					
Investment in Associates	866	-	(82)	-	784
CWMS	2,158	-	(1,165)	-	993
Retirement Village Lobethal JV	19	7	-	-	26
Retirement Village Woodside	230	-	(3)	-	227
Retirement Village Improvement	6	-	(6)	-	-
Retirement Village Fee Bond	43	-	-	-	43
TVCC	68	26	-	-	94
Library	4	6	-	-	10
UTLMP	93	2	-	-	95
Scott Creek Progress Association	6	-	-	-	6
Carry Forward Projects	555	-	(555)	-	-
Total Other Reserves	4,048	41	(1,811)	-	2,278
Comparatives	4,475	1,332	(1,759)	-	4,048

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2014	2013
<p>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.</p>			
Cash & Financial Assets			
Unexpended amounts received from Federal Government			
CWMS Investigations		321	312
Unspent Grants		349	852
Total Cash & Financial Assets		670	1,164
Total Assets Subject to Externally Imposed Restrictions		670	1,164

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2014	2013
(a). Reconciliation of Cash			
<p>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 Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:</p>			
Total Cash & Equivalent Assets	5	714	1,216
Less: Short-Term Borrowings	8	(8,875)	(8,442)
Balances per Statement of Cash Flows		(8,161)	(7,226)

Adelaide Hills Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2014	2013
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		(1,475)	2,269
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		6,952	6,756
Equity Movements in Equity Accounted Investments (Increase)/Decrease		83	(480)
Premiums & Discounts Recognised & Unwound		58	9
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(2,055)	(1,636)
Net (Gain) Loss on Disposals		3,274	(85)
		6,837	6,833
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(34)	(523)
Change in Allowances for Under-Recovery of Receivables		-	43
Net (Increase)/Decrease in Inventories		6	(5)
Net Increase/(Decrease) in Trade & Other Payables		2,520	(602)
Net Increase/(Decrease) in Unpaid Employee Benefits		112	(167)
Net Increase/(Decrease) in Other Provisions		-	(68)
Net Cash provided by (or used in) operations		9,441	5,511
(c). Non-Cash Financing and Investing Activities			
Amounts recognised in Income Statement			
- Estimated Future Reinstatement etc. Costs		-	(68)
Total Non-Cash Financing & Investing Activities		-	(68)
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		50	50
LGFA Cash Advance Debenture Facility		2,000	3,800

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 2014

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013	Actual 2014	Actual 2013	Actual 2014	Actual 2013	Actual 2014	Actual 2013
\$ '000										
Community Development	2,004	1,856	4,874	3,998	(2,870)	(2,142)	1,358	1,191	-	-
Environmental Management	940	893	1,729.13	1,979	(789)	(1,086)	860	716	-	-
Governance and Administration	753	715	3,565.73	4,081	(2,813)	(3,366)	406	963	9,180	11,847
Infrastructure	723	1,142	13,460	14,571	(12,737)	(13,429)	2,683	2,635	291,097	249,702
Land Use and Planning	473	403	2,043	1,516	(1,570)	(1,113)	-	-	-	-
Laws and Enforcement	371	352	338.14	387	33	(35)	-	-	-	-
Waste Management	49	30	4,762	3,272	(4,713)	(3,242)	-	-	-	-
Financial Management	32,093	31,607	6,890	6,650	25,203	24,957	-	-	-	-
Less: Joint Ventures	(86)	(480)	(227)	(4)	141	(476)	-	-	-	-
Total Functions/Activities	37,320	36,518	37,435	36,450	(115)	68	5,307	5,505	300,277	261,549

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.

Note 12b. Components of Functions

\$ '000

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, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Other Support Services, LGGC – General Purpose, and Separate and Special Rates.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & Conditions:

Deposits are returning variable interest rates between 2.5% and 2.75% (2013: 2.50% and 3.25%). Short term deposits have an average maturity of 1 day and an average interest rate of 2.67%. (2013: 1 day and 2.5%).

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 7.75% (2013: 8%). 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. 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).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

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 end of month terms.

Carrying Amount:

Approximates fair value.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

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 overstated 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 at will; interest is charged at variable rates between 4.75% and 4.75% (2013: 4.75% and 5.50%).

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 2014

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2014					
Financial Assets					
Cash & Equivalents	714	-	-	714	714
Receivables	858	30	-	888	858
Other Financial Assets	18	181	-	199	181
Total Financial Assets	1,590	211	-	1,801	1,753
Financial Liabilities					
Payables	11,033	-	-	11,033	10,684
Current Borrowings	9,100	30	-	9,130	9,100
Non-Current Borrowings	-	5,225	-	5,225	5,000
Total Financial Liabilities	20,133	5,255	-	25,388	24,784

\$ '000	Due < 1 year	Due > 1 year & 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2013					
Financial Assets					
Cash & Equivalents	1,216	-	-	1,216	1,216
Receivables	1,319	52	-	1,371	1,025
Other Financial Assets	24	150	-	174	150
Total Financial Assets	2,559	202	-	2,761	2,391
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 Financial Liabilities	17,376	5,052	-	22,428	20,194

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

	30 June 2014		30 June 2013	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	4.75%	8,875	6.47%	8,442
Other Variable Rates	5.90%	225	6.06%	5,000
Fixed Interest Rates	6.75%	5,000		292
		14,100		13,734

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

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

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 14. Commitments for Expenditure

\$ '000	Notes	2014	2013
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Plant & Equipment		2	425
Other		18	-
		<u>20</u>	<u>425</u>
These expenditures are payable:			
Not later than one year		20	257
Later than one year and not later than 5 years		-	168
Later than 5 years		-	-
		<u>20</u>	<u>425</u>
(b). Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		60	80
Waste Management Services		1,509	3,017
Employee Remuneration Contracts		5,579	5,325
		<u>7,148</u>	<u>8,422</u>
These expenditures are payable:			
Not later than one year		2,722	4,333
Later than one year and not later than 5 years		4,426	4,045
Later than 5 years		-	44
		<u>7,148</u>	<u>8,422</u>

(c). Finance Lease Commitments

Council has no Finance Leases.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 15. Financial Indicators

\$ '000	Amounts 2014	Indicator 2014	Prior Periods	
			2013	2012

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.

1. Operating Surplus Ratio

Operating Surplus	(256)			
Rates - General & Other Less NRM levy	30,601	(1%)	2%	2%

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

1a. Adjusted Operating Surplus Ratio

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.

	578			
	30,601	2%	2%	2%

2. Net Financial Liabilities Ratio

Net Financial Liabilities	22,450			
Total Operating Revenue Less NRM Levy	36,618	61%	53%	47%

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).

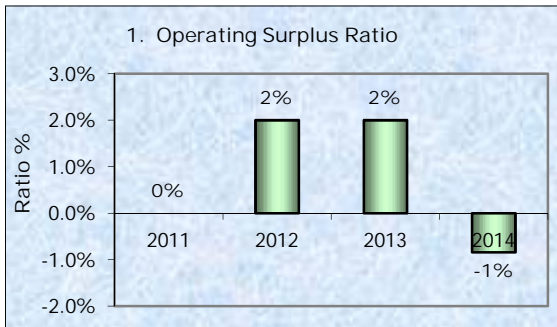
3. Asset Sustainability Ratio

Net Asset Renewals	11,545			
Infrastructure & Asset Management Plan required expenditure	6,952	166%	116%	130%

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 15. Financial Indicators - Graphs (continued)



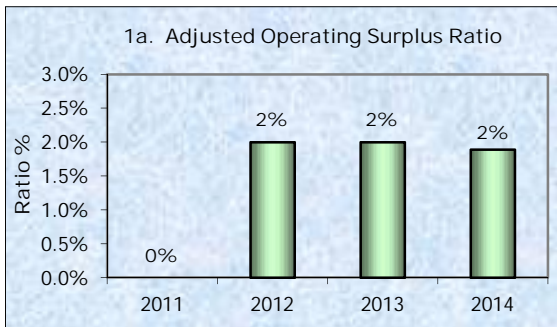
Purpose of Operating Surplus Ratio

This Ratio expresses the operating surplus or (operating deficit) as a percentage of general rate revenue and other rates, net of NRM Levy.

Commentary on 2013/14 Result

2013/14 Ratio -1%

Adelaide Hills Council is now reporting a negative ratio of (0.9)%. Council's objective is for this ratio to reach 5% is still likely to be achieved in the near future. Thereafter, Council will be in a position to fund capital expenditure on new assets without having to borrow to do so.



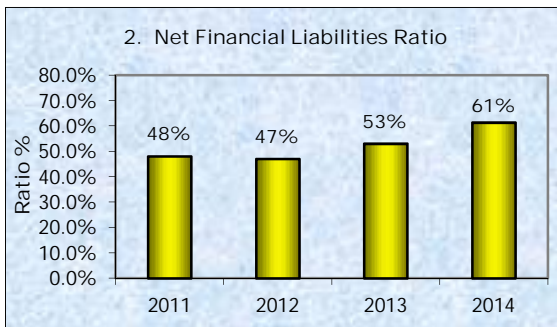
Purpose of Adjusted Operating Surplus Ratio

This Ratio expresses the operating surplus or (operating deficit) as a percentage of general rate revenue and other rates, net of NRM Levy.

Commentary on 2013/14 Result

2013/14 Ratio 2%

Council is reporting an adjusted operating surplus of \$578k (1.9%). The medium-term objective is to achieve modest adjusted surpluses (c \$500k) over the next two years and then up to \$1.0M thereafter. There is no alternative way for Council to repay its LGFA borrowings or to fund any new infrastructure assets without Grant assistance.



Purpose of Net Financial Liabilities Ratio

Total liabilities less financial assets (excluding Joint Ventures). These are expressed as a percentage of total operating revenue (excluding NRM Levy).

Commentary on 2013/14 Result

2013/14 Ratio 61%

This ratio for Adelaide Hills has reached 61% for 2013/2014. 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.



Purpose of Asset Sustainability Ratio

Net capital expenditure on the renewal and replacement of existing assets, excluding new capital expenditure on the acquisition of additional assets.

Commentary on 2013/14 Result

2013/14 Ratio 166%

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 90% to 110% in any given year, with 100% on average over five years. Council is presently addressing an infrastructure backlog and exceeding the target range for this ratio.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 16. Uniform Presentation of Finances

\$ '000	2014	2013
<p>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.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	37,406	37,002
less Expenses	(37,662)	(36,454)
Operating Surplus / (Deficit)	(256)	548
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	11,694	10,401
less Depreciation, Amortisation and Impairment	(6,952)	(6,756)
less Proceeds from Sale of Replaced Assets	(795)	(44)
Subtotal	3,947	3,601
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	650	303
less Amounts Received Specifically for New and Upgraded Assets	(2,055)	(1,636)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	(149)	(70)
Subtotal	(1,554)	(1,403)
Net Lending / (Borrowing) for Financial Year	(2,649)	(1,650)

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 17. Operating Leases

\$ '000	2014	2013
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Leases Providing Revenue to the Council

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

(i) Investment Property

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

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

Not later than one year	298	257
Later than one year and not later than 5 years	356	904
Later than 5 years	-	-
	<u>654</u>	<u>1,161</u>

(ii) Lease Payment Commitments of Council

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

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

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

No lease contains any escalation clause.

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

Not later than one year	187	256
Later than one year and not later than 5 years	148	611
Later than 5 years	-	-
	<u>335</u>	<u>867</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

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 (9.25% in 2013/14; 9% in 2012/13). 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) 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 range is currently 6.3% (6.3% in 2012/13) 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, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent full actuarial investigation 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.

Contributions to Other Superannuation Schemes

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Note 19. Equity Accounted Council Businesses

\$ '000

(i) JOINT VENTURE ENTITIES

(a) Carrying Amounts

Name of Entity	Principal Activity	2014	2013
Eastern Waste Management Authority	Waste Management	42	(44)
Gawler River Floodplain Management Authority	Floodplain Management	405	352
Adelaide Hills Regional Waste Management Authority	Waste Management	831	1,053
Total Carrying Amounts - Joint Venture Entities		1,278	1,361

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. The other member Councils are Norwood, Payneham & St. Peters, Burnside, Mitcham, Campbelltown and Walkerville.

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.

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.

(b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2014	2013	2014	2013	2014	2013
Eastern Waste Management Authority		15%		15%		15%
Gawler River Floodplain Management Authority		2%		2%		2%
Adelaide Hills Regional Waste Management Authority		40%		40%		40%

Adelaide Hills Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 19. Equity Accounted Council Businesses (continued)

\$ '000

(i) JOINT VENTURE ENTITIES (continued)

(c) Movement in Carrying Amounts

	Eastern Waste Management Authority		Gawler River Floodplain Management Authority	
	2014	2013	2014	2013
Opening Balance	(44)	(53)	352	356
Share in Operating Result	86	9	(5)	(4)
Share in Other Comprehensive Income	-	-	58	-
Council's Equity Share in the Joint Venture Entity	42	(44)	405	352
			Adelaide Hills Regional Waste Management Authority	
			2014	2013
Opening Balance			1,053	578
Share in Operating Result			(222)	475
Council's Equity Share in the Joint Venture Entity			831	1,053

(d). Share of Joint Venture Entities Expenditure Commitments

Expenditure committed for Eastern Waste Management Authority (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

(i) Capital Expenditures Payable

Not later than one year	2,033	2,244
Later that one year and not later than 5 years	5,091	4,638
Later than 5 years	1,161	-
Less: Future Finance Charges	(1,148)	(906)
	7,137	5,976

(ii) ASSOCIATED ENTITIES

Council has no interest in any Associated Entities.

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

\$ '000

2014

2013

Non Current Assets & Disposal Group Assets

Infrastructure, Property, Plant & Equipment	400	400
Total Non Current Assets & Disposal Group Assets	400	400

Details of Non-Current Asset Held for Sale

Council has resolved to sell the property known as Morialta Barns.
Settlement has occurred on 23rd September 2014.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 1,091 km of road reserves of average width 6.0 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. LEGAL MATTERS

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

4. CARBON TAX

From 1 July 2012 a new tax on emissions of certain "greenhouse" gases commenced operation. Council has a number of garbage landfill facilities which emit, and will continue for many years to emit, gases of this type.

Using current calculation methods, emissions from Council's landfill facilities are substantially below current taxable thresholds. This situation is expected to continue while thresholds remain at current levels.

Information currently available provides assurances that "legacy emissions" from garbage placed in landfills prior to commencement of the tax will not subsequently become liable to the tax. However, should taxable thresholds be substantially reduced Council may be subject to taxation on landfill deposits made after 1 July 2013. No liability has been recognised in these reports. current taxable thresholds. This situation is expected to continue while thresholds remain at current levels.

Information currently available provides assurances that "legacy emissions" from garbage placed in landfills prior to commencement of the tax will not subsequently become liable to the tax. However, should taxable thresholds be substantially reduced Council may be subject to taxation on landfill deposits made after 1 July 2013. No liability has been recognised in these reports.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2014

Note 22. Events after the Balance Sheet Date

Note 23. Equity - Retained Earnings and Revaluation Reserves Adjustments

(a). Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period. As a result of better information not available at previous reporting dates, Council has revised its Freehold Land revaluations to reflect indexation since 2009, applying the average Valuer General indexation for vacant land in the Council area for each of the subsequent years. The resulting revaluation uplift has been applied at 30 June 2012 and the opening balance for 2012/13 has been restated accordingly.

Council also obtained better information about its road network during 2014 following a further asset verification exercise for kerb and gutter, guardrails and retaining walls. A significant quantity of previously uncatalogued assets was registered at its estimated written down value and the opening balance at 1 July 2013 have been adjusted accordingly. The corresponding adjustments have also been made to the Statement of Movements in Equity for 2012/13..

The table below summarises all of the above adjustments.

Asset	Value \$'000	Accumulated Depreciation \$'000	Asset Revaluation Reserve \$'000
Retaining Walls	1,967	433	1,534
Guardrail	2,236	1,597	639
Kerb & Gutter	18,416	10,403	8,013
Total	22,619	12,433	10,186

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

These amounted to the following Equity Adjustments:

- Adjustments to Opening Equity - 1/7/12 (relating to adjustments for the 30/6/12 reporting year end and prior periods)	-	-
- Adjustments to Closing Equity - 30/6/13 (relating to adjustments for the 30/6/13 year end)	-	(228)
Total Prior Period Adjustments - Prior Period Errors	-	(228)

Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2014


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 2014, 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 Aiken
CHIEF EXECUTIVE OFFICER



Peter Robertson
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 3 November 2014.



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

Report on the Financial Report

We have audited the accompanying financial report of Adelaide Hills Council ('the Council'), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 Principal Member of the Council.

Council's Responsibility for the Financial Report

The Council's officers are responsible for the preparation 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 controls as the Council's officers determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 of the financial report that gives a true and fair view 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.



Opinion

In our opinion the financial report of Adelaide Hills Council presents fairly, in all material respects, the Council's financial position as at 30 June 2014 and of its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

A handwritten signature in blue ink, appearing to read 'I J Painter', written over the printed name.

BDO Audit Partnership (SA)

A handwritten signature in blue ink, appearing to read 'I J Painter', written over the printed name.

I J Painter
Partner

Adelaide, 28 November 2014



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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 2014, 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.

BDO Audit Partnership (SA)

I J Painter
Partner

Adelaide, 28 November 2014

FOI Information Statement

2013/2014

FREEDOM OF INFORMATION

Information Statement 2013/2014

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*, and Section 41 of the Local Government Act, 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.

The Chief Executive Officer Performance Review Panel (CEOPRP) was established as a Section 41 committee on 14 May 2013 to provide advice to Council on matters related to the Chief Executive Officer (CEO) and his performance by reviewing the CEO's performance against an agreed set of key performance indicators and reviewing the remuneration package payable.

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
- » Social
- » Sport and Recreation
- » Street Lighting
- » Transport
- » Treasury
- » Volunteers
- » Wastewater System Application Fee Refunds
- » Whistleblowers Protection

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
2.00pm - 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	Libraries
Asset & Risk Management	Liquor Licensing
Building Fire Safety	Litter Control /Waste Services
Bushfire Management	Marketing
Cemeteries	Natural Resources Management
Commercial Properties	WH&S
Communications	Parking Control
Community Buildings	Parks, Gardens and Reserves
Community Consultation	Pest Plant & Weeds
Community Development	Policy Development/Advice
Community Grants	Private Works
Community Halls and Buildings	Property Access
Community Housing	Public Conveniences
Community Services Groups	Public Relations
Corporate Administration	Purchasing & Contract Management
Corporate Planning	Rates and Assessments
Council Meetings and Committees	Records Management
Customer Services	Road Construction and Maintenance
CWMS	Road Opening/Closing
Development Assessment	Road Reserves
Development Policy	Service Centres/Depots
Disaster Management and Planning	Signage
Dog & Cat Management	Significant Trees
Elected Member Relations	Sport and Recreation Facilities
Elections	Stormwater Drainage
Environmental Health	Strategic Land Use Policy
Finance General	Strategic Planning
Fire Prevention	Street Lighting
Fleet Management	Street Sweeping
Food Premises Inspections	Street Tree Maintenance
Footpaths & Cycle Tracks	Vandalism
Heritage	Waste Control Systems
Home And Community Care (HACC)	Waste Management
Human Resources	Waste Water System
Immunisation	Water Catchment Management
Information Services	
Information Technology	

Subsidiary Annual Reports

2013/2014



Southern & Hills Local Government Association

Adelaide Hills, Alexandrina, Barossa, Kangaroo Island, Mt Barker, Victor Harbor and Yankalilla



ANNUAL REPORT 2013-2014

Address:
Email:
Mobile:
Website:

13 Ringmer Dr. Burnside SA 5066
graeme@shlga.sa.gov.au
0418 502 311
www.shlga.sa.gov.au

About the Southern & Hills Local Government Association region

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

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

Collectively these seven (7) Councils have:

- ☑ More than 137,500 people as at 30th June 2013.
- ☑ 7,274 kilometres of local roads of which 2,585 are sealed, 4,440 are formed unsealed and the remaining 249 are unformed.
- ☑ Area consists of 9,658 square kilometres.
- ☑ An ocean coastline of 653 Km.
- ☑ The River Murray and lakes form the southeast boundary of the region.
- ☑ The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- ☑ Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- ☑ The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- ☑ Much of the area has, (by South Australian standards) a high rainfall.
- ☑ A large part of the area is within the 30 Year Plan for Greater Adelaide.
- ☑ Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- ☑ Projected change in the population to 2026 by approximately 25%.
- ☑ Within the region, Victor Harbor and Goolwa are key retirement destinations.
- ☑ Within the region, The Barossa Valley, The Adelaide Hills, The Fleurieu and Kangaroo Island are all major tourism destinations.
- ☑ Kangaroo Island is a major component of the Australian and SA tourism plan with tourist numbers targeted to double over the next decade.

Office Bearers 2013 – 2014

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 and reflection for the Southern and Hills Local Government Association.


The organisation is in a sound financial position and has now commenced its new four year Business Plan for the period 2013-2017. This past year has seen our energies devoted to the core business of the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, the continuing work to develop and co-ordinate a regional plan to comply with the SA Public Health Act and maintaining and reviewing key strategy and performance documents such as the Annual Action Items and Annual Budget.

Once again the key to our future success will be in our continued collegiate co-operation and development of efficient shared services particularly in the face of economic headwinds. These conditions will force us in future years to question our essential business and sustainability. One of life's certainties is 'change'.

Our Executive Officer, Graeme Martin now in his second year has been active in many management and representative roles as we continue to advocate and promote the S&HLGA region and the association's activities. The S&HLGA Board conducted a thorough EO performance review and successfully negotiated a new contract. I thank our EO for his continued support and commitment.

We have continued to foster our relationships with our peak representative body the LGA (SA) and other key bodies such as Regional Development Australia and the Natural Resource Management Boards as we confront the many impacting regional issues.

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:

16 August 2013	–	Adelaide Hills
18 October 2013	-	Barossa
6 December 2013	-	Victor Harbor
21 February 2014	-	Kangaroo Island
4 April 2014	-	Alexandrina
21 June 2013	-	Adelaide Hills

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 develop the regional Investment portfolio.
- o Recommended and developed policy and involvement in the campaign on “making regions matter” for the 2014 State election.
- o Lobbied and worked with the LGA on the review of the Native Vegetation Council Significant Environmental Benefits (SEB) offset scheme.
- o Developed and completed stage one of a regional SA Public Health Plan.
- o Developed the regional priorities following the critical strategic review of the organisation.
- o Completed the updating of the Roads Database component of the regional 2020 Transport Plan and commenced the comprehensive review of the Regional Transport Plan.
- o Successfully completed the Chief Executive Officer Contract renewal negotiations following on from the comprehensive formal performance review.
- 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. 10 various speakers addressed meetings of the Board and 2 regional hearings were held.

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

The Board reviewed its achievements to date and developed a new Action Plan for 2013-2014

At the conclusion of the period 2013-2014 the Board completed a review of 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 Planning, Transport and Infrastructure held its annual meeting in April to review the S&HLGA 2020 Transport Plan (Plan) Roads database priority summary list and to make recommendations on regional priorities for the Special Local Roads Program (SLRP). The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.
- Co-ordinated and supported the application process of Councils to the SLRP.
- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2014 – 2015
 - Alexandrina Road - District Council of Mt Barker, Requested Grant \$1,000,000
 - Cape Willoughby Bay Road – Kangaroo Island Council, Requested Grant \$466,666
 - Ocean Road – City of Victor Harbor, Requested Grant \$734,000

CWMS Group

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 based on the number of connections.

Following on from 2012 workshop with the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, the group has been reviewing options for CWMS assets in light of registered interests from the private sector.

This work should continue during the following years along with the recommendations for CWMS owners to seek and implement 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:

- To the Commonwealth Financial Assistance Scheme review on behalf of the S&HLGA region.
- To the Native Vegetation Council concerning the SEB offset review and Local Government exemptions
- To LGA on Mobile Communication Blackspots in the S&HLGA Region

Task Force and Working Groups

The S&HLGA EO was a member of the following Task Force and Working Groups during the course of the year:

- SA Public Health Plan.
- Regional LGA CEOs group.
- LGA Regional Airports group.
- 2020 Transport Review task force

Workshops and seminars

The Executive officer represented the member Councils at various workshops and seminars during the course of the year:

- NBN Briefing for the region
- Planning Reform for the State
- Integrated Land Use Study
- Local Excellence Expert Panel on Councils of the Future

SAROC

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that focuses on key issues affecting country Councils.

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

- Provide initial feedback and then assist with the ongoing review of the Native Vegetation Council SEB offsets methodology and calculation
- Recommending and developing policy on Regional Development for the 2014 State Elections
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits
- Input into the development of a balanced and consistent community access policy and position to Department of Education sport and recreational facilities.
- Input into the development of policy on the use of Council Resources in Emergency response operations
- Providing input into the Financial Assistance Grants Commission methodology review
- Active support for the LGA position on the implementation of the National Heavy Vehicle Regulations 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 Board 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 2013 - 2014.

Acronyms

AMLNRNM.....	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
EO.....	Executive Officer
ESCOSA.....	Essential Services Commission of South Australia
LGA.....	Local Government Association
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
RDA.....	Regional Development Australia
SAROC.....	South Australian Regional Organisation of Councils
SEB.....	Significant Environmental Benefits
S&HLGA.....	Southern and Hills Local Government Association
SLRP.....	Special Local Roads Program

SUMMARY FINANCIAL STATEMENTS**For the Year Ending 30th June 2014**

	2014	2013
	\$	\$
Income		
Subscriptions	98,423	70,000
Operating Grants	37,225	36,424
Investment Income	1,988	2,566
Other	19,269	284
	<hr/>	<hr/>
Total Income	156,905	109,558
Expenditure		
Contractual Services	128,575	102,124
Finance Charges	3,588	3,203
Other	15,790	18,182
	<hr/>	<hr/>
Total Expenditure	147,953	123,509
	<hr/>	<hr/>
Surplus (Deficit) from Operations	8,953	(13,951)
	<hr/>	<hr/>
	\$	\$
Current Assets		
Investments	59,548	45,614
Debtors	3,721	3,397
	<hr/>	<hr/>
Total Current Assets	63,269	49,011
Current Liabilities		
Accounts Payable	18,398	13,094
	<hr/>	<hr/>
Total Current Liabilities	18,398	13,094
	<hr/>	<hr/>
Net Current Assets	44,871	35,917
	<hr/>	<hr/>
Net Assets	44,871	35,918
	<hr/>	<hr/>
Equity		
Accumulated Surplus	44,871	35,918
	<hr/>	<hr/>
Total Equity	44,871	35,918
	<hr/>	<hr/>



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

2013 - 2014

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 2013 – 2014 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 21 June 2013. The Business Plan should be read in conjunction with the Budgets 2013 – 2014, 2014 – 2015, 2015 - 2016 and 2016 - 2017 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 liaise with Councils, 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 recognised and documented success indicators (Key Performance Outcome KPO, Key Performance Indicator, KPI).

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
1. <i>To provide leadership and advocacy for Member Councils on regional issues.</i>	<p>Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by:</p> <ul style="list-style-type: none"> ○ Meetings to include presentations, workshops and forums on Key Issues <p>Respond as necessary to State and Federal Government Policies which impact on the region</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Strategies that give priority to S&HLGA issues <input checked="" type="checkbox"/> Satisfaction data on the meeting format, speakers <input checked="" type="checkbox"/> 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.	1. Responded to Commonwealth FAGs review August 2013
2. <i>To promote & market the Southern & Hills Local Government Association</i>	<p>Ensure the new website is current and marketed appropriately</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Update the website as required and review <input checked="" type="checkbox"/> Upgrade the logo to incorporate appropriate State Branding 	Maintain an informative, current and appealing S&HLGA website		1. Updated logo presented to Board Dec 6 th 2013
	<p>To provide sound financial management and manage resources effectively</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> To prepare annual Budget and review as required 	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.	<p>1. Actual v Budget performance reviewed each Bi monthly S&HLGA Board meeting.</p> <p>2. Annual External Audit commenced July 2013</p> <p>3. Audit completed and Annual Report completed & distributed 13 Sept 2013</p>

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	<ul style="list-style-type: none"> ○ CEO's to inform EO of issues for each meeting ○ Stakeholders to inform EO of issues for each meeting ○ Strengthen interaction with State government and opposition MP's 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Activate the CEO's forum 	<p>Management of key stakeholder relationships with the S&HLGA Board</p>	<p>CEO meeting recommendations and feedback.</p> <p>Key Stakeholder feedback and Board satisfaction</p>	<ul style="list-style-type: none"> 1. CEO meeting prior to S&HLGA Board meetings 1. Key Stakeholders present at each Board meeting 2. Invitation issued to new Regional Development Minister Geoff Brock April 2014
	<ul style="list-style-type: none"> ○ Regional issues to be raised with LGA through SAROC 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Number of issues raised with LGA / SAROC / Agencies <input checked="" type="checkbox"/> Number of LGA/SAROC Task groups and Committees involved in 			<ul style="list-style-type: none"> 1. NV report presented to SAROC meeting 11 Sept 2013 2. Updated NV report presented to SAROC meeting 19 March 2014 3. Attended LGA workshop on Expert Panel report on "Council of the Future" 1. Regional Airports Committee membership 2. Attendance at joint AAA SA/Vic meeting 12/3/14

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
<p>2. <i>To support sustainable economic, environmental, & social development in the region</i></p>	<p>Environment In co-operation with adjoining regions support the adoption of the Individual Member Council/ NRM MoUs</p> <ul style="list-style-type: none"> o Rollout one additional MoU with one member Council and one of the other regional NRMs o Review current operational plans o Agree and commence the process for a regional Climate Change Vulnerability Assessment and/or Climate change adaptation study o Support LGA review of the current NRM model 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Signing of new additional MoU. <input checked="" type="checkbox"/> Formal Board Report on existing Operational plan <input checked="" type="checkbox"/> Recommendation and regional study commenced 			<p>1. LGA NRM survey completed</p> <p>1. Consultant quote to undertake the study received July 2013. 2. Management Committee formed in partnership with RDA, DEWNR 3. Consultant appointed Sept 2013 4. Stage 2 funding application submitted by RDA May 2014</p> <p>1. LGA options paper on NRM available for comment Feb 2014</p>
	<p>research Explore (with the LGA) research and /or pilot programs for the Region.</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Successful Research applications or projects facilitated in the region 			<p>1. KI successful applicant to the LGA Video Conferencing Pilot study 2. Peri Urban Research project request submitted April 2014</p>

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
<i>Objective</i>	Key Actions	Performance Targets	KPO	KPI	
	Health Undertake a regional Health Plan in accordance with the State Public Health Plan	<input checked="" type="checkbox"/> Completed Regional Health Plan			1. Working Party meeting 30 July 2013. 2. Consultant brief completed 24 Sept 2013 3. Consultant appointed Nov 2013 4. Draft Regional snapshot produced March 2014 5. Stakeholder Consultations completed April 2014
	Regional Development Review LG involvement and contributions in the RDA	<input checked="" type="checkbox"/> Signed contract with the RDA with agreed contribution levels and regional KPI's		Key Stakeholder feedback and Council satisfaction	1. New LG contract with agreed LG KPIs and contributions formulated with RDA and distributed August 2013.

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
<p>3. <i>To improve infrastructure to meet the community's needs.</i></p>	<p>Transport Review and update S&HLGA 2020 Transport Plan.</p> <p>Waste Activate the CWMS user group</p> <p>Review existing Regional Waste Management arrangements and support LGA review of waste levy management and projects</p> <p>Telecommunication Lobby for equitable access for the region for digital technology including broadband upgrades and mobile coverage</p>	<p><input checked="" type="checkbox"/> Completed review of 2020 Transport Plan</p> <p><input checked="" type="checkbox"/> Documented CWMS meetings and outcomes</p> <p><input checked="" type="checkbox"/> Waste management report presented to the Board and/or Regional Forum conducted</p>	<p>To update the 2020 Roads Database Report to provide the reference for the 2014 round of SLRP project recommendations</p>	<p>Roads Database Report is updated and meeting critical timelines. This provides a reference for the 2014 SLRP recommendations for 2015 funding</p> <p>The review of the 2020 Transport Study provides the basis of a regional infrastructure plan.</p>	<p>1. HDS quote submitted July 2013 and accepted</p> <p>2. Deficient Roads template and guidelines issued to each Council July 2013</p> <p>3. Workshop on proposed DPTI “Integrated Transport & Land use Strategy – ITLUS” conducted May 30</p> <p>4. Presentation ITLUS draft Nov 19</p> <p>5. Completed Deficient Roads template and new regional priority list developed March 2014</p> <p>6. SLRP 2014-15 Funding applications submitted 30/4/14</p> <p>1. NBN workshop attended 21 Aug 2013</p> <p>2. Blackspot funding submission via LGA Feb 2014</p>

Business Plan	Action Plan 2013 - 2014		Success Indicators Action Plan 2013		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
4. <i>To strengthen the capacity of the Association to meet its service obligations.</i>	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	<input checked="" type="checkbox"/> LGA Regional Capacity Building Grant successfully applied for <input checked="" type="checkbox"/> Formation of Shared Services Task Group and the implementation of shared services			1. LGA Regional Capability grant invoice submitted 3 August 2013 2. Acquittal form for 2012-2013 submitted 5 August 3. LGA Regional Capability grant received 20 Sept 2013
	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.	1. Discussions commenced with Central Region EO in Feb 2014 regarding possible boundary realignments and membership review.
	Support the LG Business Partner Program which promotes Long term financial sustainability of Councils	<input checked="" type="checkbox"/> Workshop participation and Progress and Outcome Reports to the Board			1. Workshops under Terry Bruun continuing
	Explore the opportunities of boosting the regional tourism activity and yields	<input checked="" type="checkbox"/> Review of regional tourism delivery, marketing and product <input checked="" type="checkbox"/> Facilitate an inter-government planning forum with a tourism theme for the region			1. Investment Planning day with RDA conducted 20 th Feb on KI

9th September 2014

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 2014**

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 2014 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* 2014

HLB Mann Judd (SA Partnership) ABN: 22 640 925 071

169 Fullarton Road, Dulwich SA | Telephone +61 (0)8 8133 5000 | Facsimile +61 (0)8 8431 3502

Postal: PO Box 377, Kent Town SA 5071

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**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 2014, 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.

**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 2014 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
9th September 2014

Southern & Hills Local Government Association

Report to the Members of the Board and Audit Committee

Year ended 30 June 2014

■ Your Business | Our Specialty ■

HLB Mann Judd

Accountants | Business and Financial Advisers

Contents

Contents	2
1. Audit Overview.....	3
2. Significant Accounting and Auditing Issues.....	4
3. Specific matter to be reported to those charged with governance	4
4. Internal Control Findings.....	6

1. Audit Overview

1.1 Purpose

The purpose of this closing report is to communicate any significant matters arising from our audit with the Board. The matters raised in this report have been discussed with management.

1.2 Scope

We conducted our audit of the financial report of Southern & Hills Local Government Association for the year ended 30 June 2014 in accordance with the terms of our engagement and with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

1.3 Status

We have completed the audit including the following which were required in order to finalise the audit:

Matter	Responsibility
Management Representation letter	Management completed 2.9.2014
Signed Financial Statements for the year ended 30 June 2014	Pending - <i>SINCE RECEIVED</i>
Statement of Auditors Independence	Pending - <i>ATTACHED</i>
Independent Auditors Report	Pending - <i>ATTACHED</i>

1.4 Access and co-operation

We can confirm that we were not restricted in any way from being able to perform our audit and were provided with access to all information when requested. We would like to express our thanks to the Executive Officer Graeme Martin for his co-operation and assistance.

1.5 Audit opinion

Subject to receiving the signed statement, an unqualified audit report will be issued for the year ended 30 June 2014.

1.6 Disclaimer

Other than our responsibility to the Board of Southern & Hills Local Government Association ("the Association") neither HLB Mann Judd nor any member or employee of HLB Mann Judd undertakes responsibility arising in any way from reliance placed by a third party, on this report. Any reliance placed is that party's sole responsibility.

Our report is for the sole use of the Association and is not to be used by any other person for any other purpose and may not be distributed, duplicated, quoted, referred to, in whole or in part, without our prior written consent.

2. Significant Accounting and Auditing Issues

Any matters raised during the course of our audit, were considered and discussed with management and appropriate action was taken by management to resolve any issues.

2.1 Accounting and Financial Statements

We again assisted the Executive Officer with balancing the financial statements and the Cashflow Statement, assisting with the finalisation of the financial statements for the year ended 30th June 2014 and updating to the General Purpose presentation. We understand that a new system has been adopted from 1st July 2014.

2.2 Audit Committee and Internal Control

We continue to note that the Minister confirmed by letter on the 27th July 2012 that a further exemption from the requirement to establish an audit committee under Regulation 18 of the Local Government (Financial Management) Regulation 2011 was granted until 30th June 2016.

3. Specific matters to be reported to those charged with governance

3.1 Independence and ethics

All partners and staff on the Southern & Hills Local Government Association ("the Association") audit engagement team have confirmed that they have been independent for the year ended 30 June 2014.

Furthermore, audit engagement team members have confirmed their compliance with the ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Regulation 22(5) of the Local Government (Financial Management) Regulation 2011 required the independent auditor to make a declaration to the Board and Audit Committee Members regarding their independence.

HLB Mann Judd's policies relating to financial interests with audit clients (loans, shares in the client or share investments) are more stringent than the requirements imposed by the regulatory and professional bodies.

Specifically we represent to you:

- There are no business interests between the Association and HLB Mann Judd.
- No portion of fees paid by the company to HLB Mann Judd is paid on a contingency basis.
- There is no litigation between the company and HLB Mann Judd.
- We are satisfied that the policies and procedures we have in place adequately address any conflicts of interest.

3.2 Audit Considerations in relation to Fraud

Under Australian Auditing Standard ASA 240, The Auditors' Responsibility to Consider Fraud in an Audit of a Financial Report, the auditor is responsible for planning and performing the audit to obtain reasonable assurance about whether the financial report is free of material misstatements as a result of fraud or error.

Management have a responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error and for the accounting policies and accounting estimates inherent in the financial report.

While our audit work during the year was not primarily directed towards the detection of fraud, as part of our annual procedures, we consider the following:

- likelihood of material misstatements arising from fraudulent financial reporting or omissions of amounts of disclosures designed to deceive financial statement users; and
- likelihood of material misstatements arising from misappropriation of assets involving theft and embezzlement of assets.

As a result of the above procedures, we have not become aware of any instances of fraud or non compliance with legislative, regulatory or contractual requirements, which have come to our attention during our procedures.

3.3 Other Matters

Apart from any issues detailed in section 2, we confirm that:

- We noted no errors or irregularities that would cause the financial report to contain a material misstatement, and noted no apparent illegal acts.
- There were no difficulties encountered in dealing with management relating to the performance of the audit.
- The accounting policies selected by the Association are appropriate to the particular circumstances of the Association.
- There are no financial report disclosures issues that we wish to bring to your attention.
- We are not aware of any significant unusual transactions in controversial or emerging areas for which there is a lack of authoritative accounting guidance or consensus.
- We are not aware of any material inconsistencies or material misstatements of fact in information accompanying the financial report that have been corrected.
- We are not aware of any significant matters arising during the audit in connection with the Association's related parties

4. Internal Control Findings

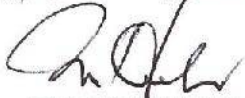
During the course of our audit for the year ended 30 June 2014, we obtained an understanding of the Association's internal control structure and procedures sufficient to allow us to determine our audit procedures for the purpose of expressing our opinion on the financial report.

Our consideration of the control structure and procedures would not necessarily disclose all material weaknesses, as our audit is based on selective tests of accounting records and supporting data, and is not intended to provide specific assurance on the internal control structure.

Subject to earlier comments in this report we have not identified any significant matters that warrant the attention of management or the Board in this area.

Meanwhile management and the Board are required to closely monitor the internal controls in the future in view of the changes made to the Regulations, with an obligation to report from 1st July 2014 for the 2014/2015 year.

H L B Mann Trust



**TREVOR HIRTH
PARTNER**

9th September 2014

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ending
30th June 2014

	Notes	2014 \$	2013 \$
Income			
Subscriptions	1.8	98,423	70,000
Operating Grants		37,225	36,424
Investment Income	1.7	1,988	2,566
Other		19,269	284
		156,905	109,558
Expenditure			
Contractual Services	3	128,575	102,124
Finance Charges		3,588	3,203
Other		15,790	18,182
		147,953	123,509
		8,953	(13,951)

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2014

		2014	2013
	Notes	\$	\$
Current Assets			
Investments		59,548	45,614
Debtors		3,721	3,397
Total Current Assets		<u>63,269</u>	<u>49,011</u>
Current Liabilities			
Accounts Payable		<u>18,398</u>	<u>13,094</u>
Total Current Liabilities		<u>18,398</u>	<u>13,094</u>
Net Current Assets		<u>44,871</u>	<u>35,917</u>
Net Assets	1.4	<u>44,871</u>	<u>35,918</u>
Equity			
Accumulated Surplus		<u>44,871</u>	<u>35,918</u>
Total Equity		<u>44,871</u>	<u>35,918</u>

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 2014

	2014	2013
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	35,918	49,869
Net Surplus / (Deficit)	8,953	(13,951)
Balance at end of period	44,871	35,918
Total Equity	44,871	35,918

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 2014

	2014	2013
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts	176,348	125,717
Payments	(164,401)	(143,481)
Interest Receipts	1,988	3,134
	<hr/>	<hr/>
Net Cash Provided by (Used in) Operating Activities	13,935	(14,630)
	<hr/>	<hr/>
Net increase in Cash Held	13,935	(14,630)
	<hr/>	<hr/>
Cash at the beginning of the reporting period	45,613	60,243
	<hr/>	<hr/>
Cash at the end of the reporting period	59,548	45,613
	<hr/>	<hr/>

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

	2014
	\$
Net Surplus	8,953
Less	
Net Increase in Debtors	324
Add	
Net Increase in Accounts Payable	5,306
	<hr/>
Net Cash provided by Operating Activities	13,935
	<hr/>

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

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 Of 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 2014	\$10,000
Constituent Council Subscription 2013	\$10,000

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.

Special projects: The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.

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	%	
2014	37,225	84,180	121,405	77.4%	117,777	79.6%	3,628
2013	36,424	73,134	109,558	100.0%	119,785	96.9%	(10,227)

Projects

2014	0	18,000	18,000	11.5%	22,000	14.9%	(4,000)
2013	0	0	0	0%	0	0	0

Transport and Communication

2014	0	17,500	17,500	11.1%	8,175	5.5%	9,325
2013	0	0	0	0%	3,724	3.1%	(3,724)

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
Total							
2014	37,225	119,680	156,905	100.0%	147,953	100.0%	8,953
2013	36,424	73,134	109,558	100.0%	123,509	100.0%	(13,951)

3. Contractual Services

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

	2014	2013
Consultants:		
Suter Planners	\$22,000	\$0
Grange Advisors Pty Ltd	\$98,400	\$98,400
HDS Australia Pty Ltd	\$8,175	\$3,724
Totals	\$128,575	\$102,124

4. Comparison of Budget and Actual Results

	2014		2013	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	119,257	121,405	109,505	109,558
Projects	20,500	18,000	0	0
Transport and Communication	17,500	17,500	0	0
Total Revenue	157,257	156,905	109,505	109,558
Expenditure				
Administration	116,933	117,777	113,850	119,785
Projects	30,000	22,000	500	0
Transport and Communication	17,500	8,175	750	3,724
Total Expenditure	164,433	147,952	115,100	123,509
Surplus (Deficit)	(7,176)	8,953	(5,595)	(13,951)

CERTIFICATION OF FINANCIAL STATEMENTS

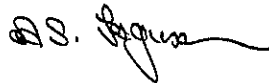
We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

- 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 2014



Graeme Martin
EXECUTIVE OFFICER



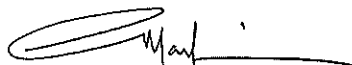
Mayor Ann Ferguson
PRESIDENT

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 2014, 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 2014



Graeme Martin
EXECUTIVE OFFICER



Mayor Ann Ferguson
PRESIDENT

ADELAIDE HILLS REGION
WASTE MANAGEMENT AUTHORITY

Annual Report 2013/2014



ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY



Cr. Barry Laubsch – Chair AHRWMA

“The Charter of the Authority envisages the Regional Subsidiary coordinating waste management on behalf of its Member Councils. The independently-resourced Authority is now able to evaluate all waste services throughout the region and determine where it can add value to Member Councils by applying a resource sharing model.

This has again been a demanding year. We have successfully completed the relocation of our landfill operations from Hartley to the Brinkley Landfill site with the establishment of new supporting infrastructure. The Authority has also been addressing issues in the form of substantial discounting of commercial tonnes and a legal challenge from private competitor Southern Waste ResourceCo.

The road ahead is still challenging however, with the continued support and commitment from Member Councils the future should be rewarding and return significant benefits to our Member Councils and their communities.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

THE BOARD

District Council of Mt Barker



Lyn Stokes (Deputy Chairperson)
Councillor

Alexandrina Council



Simon Grenfell
GM, Engineering & Open Space

Adelaide Hills Council



Ian Bailey
Councillor

Rural City of Murray Bridge



Peter Bond
Chief Executive Officer



David Peters
GM, Corporate Services



Alan Oliver
Councillor



Andrew Aitken
Chief Executive Officer



Barry Laubsch (Chairperson)
Councillor



Simon Westwood
Councillor
Deputy Board Member



Madeleine Walker
Councillor
Deputy Board Member



Marc Salver
Deputy Board Member



Bob England
Councillor
Deputy Board Member

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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 2013-14

Some of the highlights for this year include:

- The first full year of the Authority's Audit Committee through what was a very crucial period. We recognise the incredibly valuable role played by our former Independent Chair the Late Allen Bolaffi.
- Following several proposals from Southern Waste ResourceCo the Authority and Member Councils have had to re-evaluate the purpose and benefits of the Authority. The Authority Board and Member Councils have indicated their commitment to the AHRWMA's Long Term Financial Plan and its goals.
- Construction and approval of new Brinkley Cell 6A Stage 2
- Installation and commissioning of new transportable building facilities for the Brinkley Landfill and Transfer Station operations
- With a new e-waste agreement in place at Mount Barker's Windmill Hill Transfer Station free e-waste services are now in place across the region.
- Continued consultancy service role offered and provided to Member Councils
- Preparation for the release of a combined collection tender for the Rural City of Murray Bridge, District Council of Mount Barker and Adelaide Hills Council.
- The arrival and commencement of operations of the Authority's crushing plant part funded by ZerowasteSA.
- The new sorting and baling plant, part funded by ZerowasteSA, commenced operations at the Brinkley Transfer Station. To date approximately 1500 tonnes of cardboard, paper and plastics have been diverted from landfill and baled and supplied into the recyclables market. A mobile baling plant has also been commissioned for use across the region.
- A review and update of our Work Health and Safety procedures was undertaken using the LGA model and templates
- A review of the Authority's current financial controls was undertaken by UHY Haines Norton using the LGA Better Practice Model as a guide. This process involved several workshop with key staff within the organisation to outline our current practices and policies and to identify areas where further improvement could be undertaken to reduce risk
- The Heathfield Transfer Station has seen performance improve from a pre Authority net loss position of approximately \$233,000 to \$170,000 in its first year to a position of \$95,000 net loss this year after adjustments for a special concrete

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

crushing project and some minor site fencing and safety rail works. This is a further improvement of \$75,000 per annum. The concrete crushing project produced approximately 11,000 tonnes of recycled select rubble which was used by Adelaide Hills Council for road works. The next year should see a further improvement in the net operating position as new construction and demolition recycling services are bedded down.

- The Brinkley Transfer Station has seen performance improved from \$167,000 in the Authority's first year of operation to \$70,000 per annum net loss to the current position of approximately \$10,000 net loss after adjustments for unbudgeted costs associated with disposal of street sweepings.
- The Brinkley Landfill processed 32,362 tonnes of waste which was approximately 8,000 tonnes below target due to intense competition. This resulted in landfill income being approximately \$750,000 below budget over the full year. Our LTFP has been further reviewed to take into account these effects.



Construction & Demolition Resource



Baling Cardboard and Plastics for Recycling



Sorting Plant and Brinkley for Cardboards and Plastics

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY



New Weighbridge Processing System installed at Windmill Hill Transfer



New Facilities at Brinkley Landfill and Transfer



New Mobile Baling Plant for Cardboard and Plastics

Adelaide Hills Region Waste Management Authority

General Purpose Financial Reports for the year ended 30 June 2014

TABLE OF CONTENTS

	<u>Page</u>
Principal Financial Statements	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N5
Note 2 - Income	N10
Note 3 - Expenses	N11
Note 4 - Asset Disposal & Fair Value Adjustments	N13
Note 5 - Current Assets	N14
Note 6 - Infrastructure, Property, Plant & Equipment & Investment Property	N15
Note 7 - Liabilities	N17
Note 8 - Reserves & Equity	N18
Note 9 - Assets Subject to Restrictions	N19
Note 10 - Reconciliation of Cash Flow Statement	N20
Note 11 - Financial Instruments	N21
Note 12 - Expenditure Commitments	N23
Note 13 - Operating Leases	N23
Note 14 - Assets & Liabilities not Recognised	N23
Note 15 - Events Occurring After Reporting Date	N23
Note 16 - Uniform Presentation of Finances	N24
Audit Report	
Certification of Financial Statements	
Constituent Councils Certification of Auditor Independence	
Audit Certificate of Audit Independence	

Adelaide Hills Region Waste Management Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
INCOME			
User charges	2	2,262,588	2,764,174
Investment income	2	3,242	8,342
Other income	2	<u>1,819,189</u>	<u>1,732,842</u>
Total Income		<u>4,085,019</u>	<u>4,505,358</u>
EXPENSES			
Employee costs	3	840,452	680,702
Materials, contracts & other expenses	3	2,979,455	3,268,046
Depreciation, amortisation & impairment	3	652,737	502,681
Finance costs	3	<u>9,488</u>	<u>9,641</u>
Total Expenses		<u>4,482,132</u>	<u>4,461,070</u>
OPERATING SURPLUS / (DEFICIT)		(397,113)	44,288
Asset disposal & fair value adjustments	4	(7,079)	963,597
Amounts received specifically for new or upgraded assets	2	<u>-</u>	<u>168,000</u>
NET SURPLUS / (DEFICIT)		(404,192)	1,175,885
transferred to Equity Statement			
TOTAL COMPREHENSIVE INCOME		<u>(404,192)</u>	<u>1,175,885</u>

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

Adelaide Hills Region Waste Management Authority

**STATEMENT OF FINANCIAL POSITION
as at 30 June 2014**

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	192,437	946,957
Trade & other receivables	5	629,817	298,499
Inventories	5	<u>12,689</u>	<u>14,908</u>
Total Current Assets		<u>834,943</u>	<u>1,260,364</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	<u>3,371,647</u>	<u>2,681,570</u>
Total Non-current Assets		<u>3,371,647</u>	<u>2,681,570</u>
Total Assets		<u>4,206,590</u>	<u>3,941,934</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	582,290	681,654
Provisions	7	<u>70,115</u>	<u>65,843</u>
Total Current Liabilities		<u>652,405</u>	<u>747,497</u>
Non-current Liabilities			
Borrowings	7	427,000	-
Provisions	7	<u>910,851</u>	<u>573,911</u>
Total Non-current Liabilities		<u>1,337,851</u>	<u>573,911</u>
Total Liabilities		<u>1,990,256</u>	<u>1,321,408</u>
NET ASSETS		<u>2,216,334</u>	<u>2,620,526</u>
EQUITY			
Accumulated Surplus	8	<u>2,216,334</u>	<u>2,620,526</u>
TOTAL EQUITY		<u>2,216,334</u>	<u>2,620,526</u>

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

Adelaide Hills Region Waste Management Authority

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

		Accumulated Surplus	TOTAL EQUITY
2014	Notes	\$	\$
Balance at end of previous reporting period		<u>2,620,526</u>	<u>2,620,526</u>
Restated opening balance		2,620,526	2,620,526
Net Surplus / (Deficit) for Year		<u>(404,192)</u>	<u>(404,192)</u>
Balance at end of period		<u>2,216,334</u>	<u>2,216,334</u>
 2013 			
Balance at end of previous reporting period		1,594,641	1,594,641
Distribution to Councils		(150,000)	(150,000)
Net Surplus / (Deficit) for Year		<u>1,175,885</u>	<u>1,175,885</u>
Balance at end of period		<u>2,620,526</u>	<u>2,620,526</u>

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

Adelaide Hills Region Waste Management Authority

STATEMENT OF CASH FLOWS for the year ended 30 June 2014

		2014	2013
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		4,183,198	5,224,870
Investment receipts		7,826	3,704
<u>Payments</u>			
Operating payments to suppliers & employees		(4,330,162)	(4,270,267)
Finance payments		<u>(9,488)</u>	<u>(9,641)</u>
Net Cash provided by (or used in) Operating Activities	10	(148,627)	948,666
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		-	168,000
Sale of replaced assets		44,902	900,000
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(134,861)	(5,286)
Expenditure on new/upgraded assets		<u>(942,934)</u>	<u>(1,378,323)</u>
Net Cash provided by (or used in) Investing Activities		(1,032,893)	(315,609)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		427,000	-
<u>Payments</u>			
Repayments of Borrowings		<u>-</u>	<u>(200,000)</u>
Net Cash provided by (or used in) Financing Activities		427,000	(200,000)
Net Increase (Decrease) in cash held		(754,520)	433,057
Cash & cash equivalents at beginning of period	10	<u>946,957</u>	<u>513,900</u>
Cash & cash equivalents at end of period	10	<u>192,437</u>	<u>946,957</u>

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

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 equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, The District Council of Mt Barker and Rural City of Murray Bridge.

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 judgment 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.

2 The Local Government Reporting Entity

Adelaide Hills Region Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act, and has its principal place of business at c/- of The District Council of Mt Barker, 6 Dutton Road, Mt Barker. These financial statements have been prepared for use by constituent Councils of the Authority.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority 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 income 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 income in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

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 the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

All receivables are reviewed 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 policy applied to financial instruments forms part of Note 11.

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 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. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

6.2 Materiality

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Road Construction & Reconstruction	\$10,000
Paving & Footpaths, Kerb & Gutter	\$2,000

6.3 Subsequent Recognition

Certain 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

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 in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Authority, 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.

<u>Plant, Furniture & Equipment</u>	
Office Equipment	5 years
Other Plant & Equipment	5 years
 <u>Infrastructure</u>	
Unsealed Roads	15 years
Fencing	15 years
Water Tanks	30 years
Litter Fence	5 years
Pumps	5 years
Monitor Bore	10 years
Buildings	20 years
Roads	25 years

Cell construction expenditure for this year has been capitalised and will be amortised over the estimated life of the cell. Any further expenditure on the cell to complete its useful life will be amortised over that remaining life.

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 the Authority 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.

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with the allowed alternative treatment in AASB 1023. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Authority 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

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

9.2 Superannuation

The Authority makes employer superannuation contributions in respect to its employees to the Local Government Superannuation Scheme. The scheme has two types of membership, each of which is funded differently. The Authority's employees are only members of the accumulated fund.

Accumulated fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.25% in 2013/14; 9% in 2012/13). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the net assets of the Fund.

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

10 Construction Contracts

Construction works undertaken by Authority for third parties are generally on an agency basis where the third party reimburses the Authority 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

The Authority does not have or participates in cooperative arrangements with other Councils for the provision of services and facilities.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 1 - Significant Accounting Policies (cont)

12 Leases

The Authority does not have any leases.

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.

14 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been used in preparing these reports.

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

15 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustment to the liability as required ensuring an accurate projected cost of the liability is showing in the Statement of Financial Position. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

16 Carbon

From 1 July 2012 a new tax on emissions of certain 'greenhouse' gases commenced operation. The Authority operates a landfill facility which emits, and will continue to emit gases of this type. Information currently available provides assurances that 'legacy emissions' from garbage placed in landfills prior to the commencement of the tax will not become liable to the tax.

As at the time of preparing the Financial Statements, the Carbon Tax was abolished on 17 July 2014 with it being effective as from 1 July 2014. As greenhouse emissions from the landfill site prior to 1 July 2014 did not exceed minimum levels to cause the Authority to be liable to pay a tax, there is therefore no liability for this tax to be recorded.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 2 - INCOME

	Notes	2014 \$	2013 \$
USER CHARGES			
Waste disposal fee - Adelaide Hills Council		721,008	611,595
Waste disposal fee - Alexandrina Council		42,109	106,916
Waste disposal fee - District Council of Mt Barker		453,109	307,380
Waste disposal fee - Rural City of Murray Bridge		352,142	280,676
Waste disposal fee - Other Customers		<u>694,220</u>	<u>1,457,607</u>
		<u>2,262,588</u>	<u>2,764,174</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		<u>3,242</u>	<u>8,342</u>
		<u>3,242</u>	<u>8,342</u>
OTHER INCOME			
Consultancy service		84,069	100,280
Waste officer contribution		144,474	113,520
Waste Transfer Station Income		996,923	929,158
Waste Transfer Station Management		246,824	182,124
Transport Income		124,364	136,975
Fuel Tax Rebate		38,393	39,486
Machinery Charge Out		155,905	176,738
Recycled Income		3,878	26,335
Select Fill Sales		-	829
Sundry		<u>24,359</u>	<u>27,397</u>
		<u>1,819,189</u>	<u>1,732,842</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		<u>-</u>	<u>168,000</u>
		<u>-</u>	<u>168,000</u>
Sources of grants			
Commonwealth government		-	-
State government		-	168,000
Other		<u>-</u>	<u>-</u>
		<u>-</u>	<u>168,000</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES

	Notes	2014 \$	2013 \$
EMPLOYEE COSTS			
Salaries and Wages		635,310	519,341
Employee leave expense		80,992	58,272
Superannuation		60,879	47,745
Workers' Compensation Insurance		19,133	17,774
Other		44,138	37,570
Total Operating Employee Costs		840,452	680,702
 Total Number of Employees		10	8
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		3,270	2,900
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		276,728	526,276
Waste Transfer Station Expenses		849,451	727,673
Repairs and Maintenance		213,781	215,600
Leachate Monitoring/Pumping		495	5,721
Research and Development		17,883	18,184
Administration and Accountancy Service		45,146	78,182
EPA Waste Levy		892,682	980,047
EPA Licence Fees		7,057	14,673
Royalty To Landowners/Lease		62,781	45,770
Insurance and Legal		118,952	103,993
Professional Services		325,173	357,345
Parts, accessories & consumables		161,840	190,055
Sundry		4,216	1,627
Subtotal - Other Materials, Contracts & Expenses		2,976,185	3,265,146
		2,979,455	3,268,046

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 3 - EXPENSES (cont)

	Notes	2014 \$	2013 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Road Infrastructure		5,178	2,277
Buildings		14,844	18,391
Vehicles		22,722	25,557
Plant & Equipment		305,623	169,715
Landfill Cells		159,941	150,195
Leachate Ponds		4,464	19,820
Landfill Rehabilitation		59,632	116,726
Landfill Cell Capping		<u>80,333</u>	<u>-</u>
		<u>652,737</u>	<u>502,681</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		9,488	9,641
Interest on Loans		<u>-</u>	<u>-</u>
		<u>9,488</u>	<u>9,641</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2014	2013
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	44,902	900,000
Less: Carrying amount of assets sold	78,782	2,723,915
Add: Derecognition of related liabilities	<u>26,801</u>	<u>2,787,512</u>
Gain (Loss) on disposal	<u>(7,079)</u>	<u>963,597</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(7,079)</u>	<u>963,597</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 5 - CURRENT ASSETS

	Notes	2014 \$	2013 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		183,907	343,639
Deposits at Call		<u>8,530</u>	<u>603,318</u>
		<u>192,437</u>	<u>946,957</u>
TRADE & OTHER RECEIVABLES			
Accrued Revenues		175,408	6,922
Debtors - general		425,235	291,370
Prepayments		<u>29,174</u>	<u>207</u>
		<u>629,817</u>	<u>298,499</u>
INVENTORIES			
Stores & Materials		<u>12,689</u>	<u>14,908</u>
		<u>12,689</u>	<u>14,908</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

	2013				2014			
	\$							
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Road Infrastructure	-	129,398	(425)	128,973	-	138,352	(5,603)	132,749
Buildings	-	237,200	(21,877)	215,323	-	284,432	(36,721)	247,711
Vehicles	-	120,475	(32,941)	87,534	-	83,704	(29,693)	54,011
Plant & Equipment	-	1,554,002	(555,780)	998,222	-	2,213,398	(860,572)	1,352,826
Landfill Cells	-	778,785	(64,899)	713,886	-	1,024,547	(224,840)	799,707
Leachate Ponds	-	14,840	-	14,840	-	89,280	(4,464)	84,816
Landfill Rehabilitation	-	298,000	(6,208)	291,792	-	364,000	(65,840)	298,160
Landfill Cell Capping	-	252,000	(21,000)	231,000	-	503,000	(101,333)	401,667
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	3,384,700	(703,130)	2,681,570	-	4,700,713	(1,329,066)	3,371,647
Comparatives		7,483,135	(3,617,716)	3,865,419		3,384,700	(703,130)	2,681,570

This Note continues on the following page.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

	2013	CARRYING AMOUNT MOVEMENTS DURING YEAR						2014	
	\$	\$						\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Road Infrastructure	128,973	8,954	-	-	(5,178)	-	-	-	132,749
Buildings	215,323	47,232	-	-	(14,844)	-	-	-	247,711
Vehicles	87,534	-	40,625	(51,426)	(22,722)	-	-	-	54,011
Plant & Equipment	998,222	566,546	94,236	(555)	(305,623)	-	-	-	1,352,826
Landfill Cells	713,886	245,762	-	-	(159,941)	-	-	-	799,707
Leachate Ponds	14,840	74,440	-	-	(4,464)	-	-	-	84,816
Landfill Rehabilitation	291,792	-	66,000	-	(59,632)	-	-	-	298,160
Landfill Cell Capping	231,000	-	251,000	-	(80,333)	-	-	-	401,667
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	2,681,570	942,934	451,861	(51,981)	(652,737)	-	-	-	3,371,647
Comparatives	3,865,419	1,928,323	5,286	(2,614,777)	(502,681)	-	-	-	2,681,570

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 7 - LIABILITIES

	Notes	2014		2013	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		556,425		485,268	
Accrued expenses - other		4,614	-	-	-
Other		<u>21,251</u>	-	<u>196,386</u>	-
		<u>582,290</u>	-	<u>681,654</u>	-
 BORROWINGS					
Loans		-	<u>427,000</u>	-	-
		-	<u>427,000</u>	-	-

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

PROVISIONS

Employee entitlements (including oncosts)	70,115	43,851	65,843	23,911
Future reinstatement / restoration, etc	-	<u>867,000</u>	-	<u>550,000</u>
	<u>70,115</u>	<u>910,851</u>	<u>65,843</u>	<u>573,911</u>

Movements in Provisions - 2013 year only (current & non-current)

	Future Reinstatement	Cell Capping
Opening Balance	298,000	252,000
Add Additional amounts recognised	66,000	251,000
Add (Less) Remeasurement Adjustments		
Closing Balance	<u>364,000</u>	<u>503,000</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 8 - RESERVES & EQUITY

DISTRIBUTION SHARE OF SURPLUS/(DEFICIT)

The net surplus for the year has been distributed in proportion to the volumes of waste deposited by each respective constituent council.

Volumes of waste dumped (in tonnes)	2014		2013	
		%		%
Adelaide Hills Council	9,170	40.7%	8,409	40.4%
Alexandrina Council	678	3.0%	1,821	8.8%
District Council of Mt Barker	7,289	32.4%	5,792	27.8%
Rural City of Murray Bridge	5,392	23.9%	4,779	23.0%
	<u>22,529</u>	<u>100%</u>	<u>20,801</u>	<u>100%</u>

Distribution in accordance with the above percentages

	2014	2013
	\$	\$
Adelaide Hills Council	(164,506)	475,057
Alexandrina Council	(12,126)	103,478
District Council of Mt Barker	(130,958)	326,896
Rural City of Murray Bridge	<u>(96,602)</u>	<u>270,454</u>
	<u>(404,192)</u>	<u>1,175,885</u>

DISTRIBUTION SHARE OF EQUITY

Adelaide Hills Council		
Balance at end of previous reporting period	1,052,901	577,844
Distribution	(57,006)	-
Share of surplus	<u>(164,506)</u>	<u>475,057</u>
Balance at end of period	<u>831,389</u>	<u>1,052,901</u>

Alexandrina Council		
Balance at end of previous reporting period	255,371	151,893
Distribution	(13,826)	-
Share of surplus	<u>(12,126)</u>	<u>103,478</u>
Balance at end of period	<u>229,419</u>	<u>255,371</u>

District Council of Mt Barker		
Balance at end of previous reporting period	954,507	627,611
Distribution	(51,678)	-
Share of surplus	<u>(130,958)</u>	<u>326,896</u>
Balance at end of period	<u>771,871</u>	<u>954,507</u>

Rural City of Murray Bridge		
Balance at end of previous reporting period	507,747	237,293
Distribution	(27,490)	-
Share of surplus	<u>(96,602)</u>	<u>270,454</u>
Balance at end of period	<u>383,655</u>	<u>507,747</u>

Distribution to Councils - (150,000)

TOTAL EQUITY AT END OF REPORTING PERIOD 2,216,334 2,620,526

Adelaide Hills Region Waste Management Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014**

Note 9 - ASSETS SUBJECT TO RESTRICTIONS

The Authority as at 30 June 2014 had no assets subject to restrictions.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 10 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2014 \$	2013 \$
Total cash & equivalent assets	5	<u>192,437</u>	<u>946,957</u>
Balances per Cash Flow Statement		<u>192,437</u>	<u>946,957</u>

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

Net Surplus (Deficit)		(404,192)	1,175,885
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		652,737	502,681
Net increase (decrease) in unpaid employee benefits		24,212	44,434
Grants for capital acquisitions treated as Investing Activity		-	(168,000)
Net (Gain) Loss on Disposals		<u>7,079</u>	<u>(963,597)</u>
		279,836	591,403
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(331,318)	187,239
Net (increase) decrease in inventories		2,219	(4,111)
Net (increase) decrease in other current assets		-	(150,000)
Net increase (decrease) in trade & other payables		(99,364)	324,135
Net increase (decrease) in other provisions		-	-
Net Cash provided by (or used in) operations		<u>(148,627)</u>	<u>948,666</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Estimated future reinstatement etc. costs		<u>317,000</u>	<u>(430,600)</u>

(d) Financing Arrangements

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

Bank Overdrafts	450,000	450,000
Loan Facilities - Outstanding Principle	-	-
Corporate Credit Cards	6,000	6,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice, this facility is provided by the Local Government Finance Authority of SA.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 11 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits at call have an average maturity of 90 days and an average interest rates of 2.50% (2013: 90 days, 2.90%).</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Overdraft	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues interest is charged at an average variable rate of 4.75%.</p> <p>Carrying amount: Approximates fair value.</p>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 11 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2014	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	192,437			192,437	192,437
Receivables	629,817	-	-	629,817	629,817
Total	822,254	-	-	822,254	822,254
Financial Liabilities					
Payables	577,676	-	-	577,676	577,676
Current Borrowings	-	427,000	-	427,000	427,000
Total	577,676	427,000	-	1,004,676	1,004,676

2013	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	946,957			946,957	946,957
Receivables	298,499	-	-	298,499	298,499
Total	1,245,456	-	-	1,245,456	1,245,456
Financial Liabilities					
Payables	681,654	-	-	681,654	681,654
Non-Current Borrowings	-	-	-	-	-
Total	681,654	-	-	681,654	681,654

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

	30 June 2014		30 June 2013	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Overdraft	4.75	\$ 427,000	5%	-
Non Interest Bearing	-	577,676	-	681,654
		1,004,676		681,654

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 Authority.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any allowance for doubtful debts. All Authority 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 Authority's boundaries, and there is no material exposure to any individual debtor.

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

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a bank overdraft that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Authority 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 Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 12 - COMMITMENTS FOR EXPENDITURE

The Authority as at 30 June 2014 had no commitments for expenditure.

Note 13 - OPERATING LEASES

The Authority as at 30 June 2014 had no operating leases.

Note 14 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2014 is a defendant in Supreme Court proceedings in which it is asserted that the Authority made misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. The Authority is defending the claim and legal costs will continue to be incurred. At this time it is not possible to advise whether the Authority will have any additional financial exposure.

Note 15 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2014 that need to be disclosed in the financial statements.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority 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

	2014 \$	2013 \$
Income	4,085,019	4,505,358
less Expenses	<u>4,482,132</u>	<u>4,461,070</u>
Operating Surplus / (Deficit)	(397,113)	44,288
<i>less Net Outlays on Existing Assets</i>		
Capital Expenditure on renewal and replacement of Existing Assets	134,861	5,286
less Depreciation, Amortisation and Impairment	652,737	502,681
less Proceeds from Sale of Replaced Assets	<u>44,902</u>	<u>900,000</u>
	(562,778)	(1,397,395)
<i>less Net Outlays on New and Upgraded Assets</i>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	942,934	1,378,323
less Amounts received specifically for New and Upgraded Assets	-	168,000
less Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	<u>942,934</u>	<u>1,210,323</u>
Net Lending / (Borrowing) for Financial Year	<u>(777,269)</u>	<u>231,360</u>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

We have audited the accompanying financial report of the Adelaide Hills Region Waste Management Authority ('Authority') which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

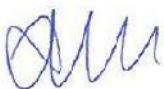
Independence

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as of 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards (including Australian Accounting Interpretations).

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA ALLARD
PARTNER**

Signed on the 15th day of August 2014
214 Melbourne Street, North Adelaide, South Australia 5006.

Adelaide Hills Region Waste Management Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

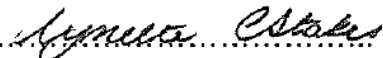
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Adelaide Hills Region Waste Management Authority 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 Authority's financial position at 30 June 2014 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....
Michael Lorenz
EXECUTIVE OFFICER



.....
Councillor Lyn Stokes
Deputy CHAIR PERSON

Date:

8/8/14

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2014, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



Andrew Aitken
CHIEF EXECUTIVE OFFIER
Adelaide Hills Council

Date: 16 July 2014.

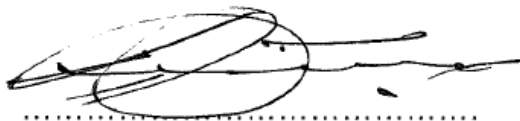
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2014, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Peter Dinning
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 14 July 2014

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2014, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Andrew Stuart
CHIEF EXECUTIVE OFFICER
District Council of Mount Barker

Date:

28/7/14

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2014, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Peter Bond

CHIEF EXECUTIVE OFFICER
Rural City of Murray Bridge

Date: 7 July 2014

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2014**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Adelaide Hills Region Waste Management Authority for the year ended 30 June 2014, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, 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*.



.....
M.Lorenz
EXECUTIVE OFFICER



.....
A.Oliver
**A/PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 21-7-14

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Adelaide Hills Region Waste Management Authority for the year ended 30 June 2014, 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*.



SAMANTHA ALLARD

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 12th day of August 2014



ANNUAL REPORT 2013/ 2014

EAST WASTE

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PO Box 26, Mansfield Park SA 5012
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Email: east@eastwaste.com Website www.eastwaste.com.au

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

It is with great pleasure that I provide my second report as the Independent Chair of East Waste and I am pleased to report that significant positive changes (which were begun as a result of the adoption of the new Charter in late 2012) have been accelerated over the past 12 months. The Board continues to set high standards for the organisation and has resolved to drive the business to higher levels of efficiency and performance into the future.

Over the past few years East Waste has been extremely well served by the Acting General Manager Trevor Hockley who led the organisation through some challenging periods. Together with the committed staff Trevor has established a strong administrative and operational Subsidiary which serves Member Councils very well. In addition Trevor provided astute strategic advice to the Board regarding the waste industry which was critical to our future direction. I would like to put on record the Board's appreciation to Trevor for the excellent job he did over his time as Acting General Manager.

The Board resolved to work through a process to appoint a full time General Manager late in 2013 and through an Australian wide search process we were fortunate to secure Adam Faulkner who took up the role in February of 2014. Adam has made an auspicious start in the role. With his strong background in the industry he has reviewed and challenged all aspects of the business with a view to continued provision of service excellence and new initiatives to add value to member Councils.

Governance

The Board of East Waste continues to provide valuable professional advice to the General Manager and his team with its focus squarely on quality, value for money, engagement with our key clients and a mantra of continual improvement and efficiency throughout East Waste.

The Board and the General Manager are well progressed on the development of the new 10 year Strategic Business Plan and the long term Financial and Asset Management Plans for the organisation which has been an inclusive process aiming to involve all stakeholders. Indeed the enhanced interaction and engagement with Member Councils in 2013/14 is intended to ensure that this subsidiary is more than able to satisfy the owner's needs.

The 2014/15 Annual Plan was approved by Member Councils and it promises to provide operational efficiencies, strong engagement with Councils, and an ability to provide new services and proactively respond to community demands in order to exceed expectations.

INDEPENDENT CHAIRPERSON'S REPORT (cont)

During the year the Board approved a new set of Terms of Reference for the Audit and Risk Management Committee. Allied to this, it is with much sadness that the Board and Management of East Waste noted the sudden passing of our much valued independent member of the Committee Allen Bolaffi. Allen was widely recognised in both business and government sectors for his wise counsel and business expertise. We pass on our sincere sympathies to his family for their great loss.

Performance

The Audited Financial Statements for East Waste showed an operating surplus for the year of \$313,370 after distributing member Council adjustments. The positive equity position of East Waste for the first time in recent history is pleasing to see.

The East Waste GPS system is now in its second year and the cost allocation system which is designed to accurately allocate costs for Member Councils kerbside collection services continues to provide opportunities for productivity efficiencies across the board to Member Councils.

East Waste purchased five new robotic arm collection vehicles, 1 rear loader truck and two litter trucks during 2013/14 in line with the capital replacement policy through local contracts.

In his report Adam has outlined a range of operational matters and achievements which have delivered on our promise to Member Councils and which we hope and expect to exceed in 2014/15. Many thanks to Adam Faulkner for his willing leadership of his committed and capable staff team at East Waste in a challenging and successful year. I would also like to thank the Board for their continued guidance, for their hard work and commitment throughout the year. We look forward confidently to the future as we strive for excellence in our service delivery.

I commend the 2013-2014 East Waste Annual Report to you.

Brian Cunningham

Independent Chairperson

*East Waste reached a record high
418 no-lost time days in 2013/
2014.*

GENERAL MANAGER'S REPORT

The Eastern Waste Management Authority ("East Waste") can look back on 2013/2014 with the knowledge that it achieved a lot in terms of governance, administration improvement, and operational efficiencies. The East Waste Board and the staff are to be congratulated on providing these essential services to the Member Councils and their communities.

I joined East Waste as the General Manager in February 2014, and found the organisation to be in a steady operational and administrative position. Again the staff and the Board can take credit, along with the previous Acting General Manager, for the direction and status of the Subsidiary.



After a complete review and challenge of each component of the Subsidiary, the Board and I developed an enthusiastic 2014/2015 Annual Plan that aims to deliver immediate operational efficiencies, with a concentration on implementing policies and procedures that are focussed on **“repeatable quality”**. Instilling an ethic of **“repeatable quality”** into all of our decision making will assist East Waste in delivering excellence in service delivery that compliments the reputation of the Member Councils.

2013/2014 saw the introduction of a litter and public place bin collection service for Adelaide Hills Council, and the expansion of the at-call hard waste service to City of Campbelltown. Both services were implemented in a seamless fashion in full communication with the relative community and key staff at the respective Member Council. It is this access to flexible and reactive service delivery models that provides the added value for Member Councils of East Waste. East Waste continues to show an ability to adapt to community expectations and operational demands of Member Councils by providing at-cost high-quality service offerings.

The Board endorsed the purchase of five (5) new collection vehicles in 2013/2014 to continue with an industry best practice fleet management program. This program aims to keep a desirable average age of fleet to reduce maintenance costs, downtime, and provide a positive public image.

In March 2014 East Waste staff hosted a charity cricket match which raised \$1600; distributed to Childhood Cancer Association.

On the important aspect of workplace health and safety, East Waste recorded its highest no-lost-time of 418 days in January 2014. An audit score of 84% issued by the Local Government Association Workers Compensation Scheme was an improvement over the previous financial year (82%).

On a financial front East Waste recorded an operating surplus of \$313,370 after distributing Member Council adjustments for the financial year. This result has enabled East Waste to move into a positive equity position for the first time in some years.

In terms of governance, the East Waste Audit Committee was refreshed in the financial year, with a new set of terms of reference providing for additional independence and a greater focus on risk management.

2014/2015 will be a fascinating year for the Subsidiary. I look forward to facilitating the development of the East Waste 10 Year Business Plan, Long Term Financial Plan and Asset Management Plan. These documents will outline the strategic intent and priority agenda of the Subsidiary that will inform and complement the Member Councils' own community strategic plans and budgetary planning.

I have spent much of my initial term at East Waste engaging with Member Councils, their residents, and the broader industry, to ensure that East Waste aligns its capabilities into service offerings that are contemporary, and proactively meet any identified emerging needs.

The 2013/2014 year was the second full year that Member Council fees were based on common fleet costing defined by GPS technology. This costing system ensures that Member Councils only pay for the actual costs associated with servicing their residents. This costing system is unique to East Waste, and is an indicator of the innovation and productivity efficiencies evident throughout the Subsidiary.

Under the guidance of the East Waste Board I look forward to delivering on the defined strategic intent, while seeking that **“repeatable quality”** in customer service, efficiencies, and excellence in service delivery.

Eastern Waste Management Authority Inc

Summary Financial Statement for the year ended 30 June 2014

	2014	2013
	\$	\$
REVENUE		
Collection Charges	14,717,803	13,400,493
Interest Income	39,194	40,762
Sundry Income	1,052,985	888,646
TOTAL REVENUE	15,809,981	14,329,901
EXPENSES		
Employee Costs	4,745,168	3,914,629
Materials, contracts & other expenses	8,310,135	8,046,678
Depreciation, amortization & impairment	2,109,033	1,958,761
Finance Costs	385,791	411,319
TOTAL EXPENSES	15,550,127	14,331,388
OPERATING SURPLUS/(DEFICIT)	259,854	(1,487)
Net gain (loss) on disposal or revaluation of assets	73,549	78,999
Income Tax Equivalent Charge arising from the the Principle of Competitive Neutrality	(20,033)	(19,767)
NET SURPLUS (DEFICIT)	313,370	57,745
TOTAL COMPREHENSIVE INCOME	313,370	57,745
CURRENT ASSETS		
Cash and Cash Equivalents	1,766,027	2,064,227
Trade and Other Receivables	371,625	(5,980)
Inventories	4,278	2,916
TOTAL CURRENT ASSETS	2,141,930	2,061,163
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	6,619,596	6,541,665
TOTAL NON-CURRENT ASSETS	6,619,596	6,541,665
TOTAL ASSETS	8,761,526	8,602,828
CURRENT LIABILITIES		
Trade and Other Payables	1,224,141	1,426,284
Borrowings	1,617,228	2,021,622
Provisions	258,858	221,056
TOTAL CURRENT LIABILITIES	3,100,227	3,668,962
NON-CURRENT LIABILITIES		
Borrowings	5,519,620	5,146,936
Provisions	120,360	78,981
TOTAL NON-CURRENT LIABILITIES	5,639,980	5,225,917
TOTAL LIABILITIES	8,740,207	8,894,879
NET ASSETS	21,319	(292,051)
EQUITY		
Accumulated Surplus	21,319	(292,051)
TOTAL EQUITY	21,319	(292,051)



Gawler River Floodplain Management Authority

Annual Report 2013 - 2014

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 2013 – 2014

Chairman's Forward

A contract has been let to Australian Water Environments to revisit the hydrology of the North para River to determine whether there is a further site which would hold sufficient water at a cost effective price to reduce flooding in the Gawler River. Using updated technology, it is expected a final report will be received before the end of the year. A positive result could reduce the cost of final remedial work in the Gawler River.

I congratulate the Members of the Board for their input to the Authority throughout the year and particularly Members who have announced that they will not be contesting Council elections in November and thus will not be eligible to continue.

To Executive Officer, Dean Gollan, thanks are due for his counsel and input as is also due to appointees to the Technical Assessment Panel and Audit Committee.

We have been fortunate to not have had any serious flooding issues in recent years.

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 Andrew Aitken, CEO	Mr Marc Salver
The Barossa Council	Mayor Brian Hurn OAM Mr Ian Baldwin	Cr Dave de Vries
Town of Gawler	Cr Brian Thom Mr Henry Inat, CEO	Cr Barry Neylon Mr Scott Reid
Light Regional Council	Cr William Close Mr Brian Carr, CEO	Mr Andrew Philpott
District Council of Mallala	Cr Ann Picard Mr Charles Mansueto, CEO	Cr Tom Summerton
City of Playford	Cr Dino Musolino Mr Tim Jackson, CEO	Mr Harry Pitrans Mr Shaun Kennedy

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

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

- | | |
|-----------------------------|-----------|
| - Thursday 4 July 2013 | Gawler |
| - Thursday 15 August 2013 | Gawler |
| - Wednesday 28 August 2013 | Gawler |
| - Thursday 17 October 2013 | Mallala |
| - Thursday 12 December 2013 | Elizabeth |
| - Thursday 6 March 2014 | Gawler |
| - Thursday 9 April 2014 | Gumeracha |
| - Tuesday 29 April | Gawler |
| - Thursday 19 June | 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:

- 9 April 2014
- 17 April 2014

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 two meetings during the year:

- 19 September 2013
- 13 March 2014

The members of the Committee are:

- Mr Peter Brass, Independent Member
- Mr Charles Mansueto, CEO, District Council of Mallala
- 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 18 November 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 GI 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 GI 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 considered the best approach to addressing the next stage in its Business Plan, which is the Gawler River Flood Mitigation Scheme Mark Two.

The studies into the flood issues in the region had identified that although the construction of the Bruce Eastick North Para Flood Mitigation Dam and modifications to the South Para Reservoir have been most successful, there remains 3750 properties still at risk of inundation in a 1 in 100 year flood. Options to rectify this situation include the construction of levees at Gawler, Angle Vale, Two Wells and Virginia and the development of additional flood mitigation storage on the North Para River.

Decisions in relation to the best option had to take into account a vast range of issues including accommodating rail and road corridors, cost effectiveness and the most reliable mitigation for these properties. As the variables and consequences of both options are wide-reaching, the Gawler River Floodplain Management Authority decided to engage professionals to investigate the matter further and to provide a Findings Report. The brief for the report was based on a methodology supported by the Department of Planning, Transport and Infrastructure.

At the beginning of the year tenders were called for appropriate professionals to provide the Authority with a Findings Report and in May 2014, Australian Water Environments were appointed to this task.

Issues to be covered by this report include a review of the Hydrological Study of the Gawler River Catchment, the possible construction of a second dam on the North Para River and other structural and non-structural options. The report will also determine the optimal level of protection for the Gawler River Floodplain.

Any solution to this flood problem needs to be integrated into the overall management of the Gawler River and the Open Space Strategies of both the Gawler River and the Barossa Region. The contractor will be working closely with the Adelaide and Mount Lofty Ranges Natural Resources Management Board.

The Stormwater Management Authority provided a grant of \$50,000 towards the cost of the report. The Findings Report should be completed by the end of 2014.

General

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

- Access to Meetings and Documents
- Consultation
- Internal Review of Decisions
- 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	54	2	Possible litigation Supply of services	1	5%
Technical Assessment Panel	8	2	Supply of services	2	50%
Audit Committee	5	0	-	-	0%
Executive Officer Performance Review Committee	1	0	-	-	0%

Mr Dean Gollan has been engaged to provide Executive Officer services under a services agreement until 31 December 2014. 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 2014

	Notes	2014 \$	2013 \$
Income			
Subscriptions	3	70,732	69,278
Investment income	1(d)	10,344	13,311
State Government Grants		-	12,469
Commonwealth Government Grants		-	78,503
Total Income		81,076	173,561
Expenditure			
Contractual Services	5	82,868	140,650
Finance Charges		-	5,307
Depreciation	1(i), 4	191,510	191,510
Other		8,777	10,241
Total Expenses		283,155	347,708
Surplus / (Deficit) from Operations		(202,079)	(174,147)
Surplus / (Deficit)		(202,079)	(174,147)
Other Comprehensive Income			
Changes in asset revaluation reserve - infrastructure & land		2,363,737	-
		2,363,737	-
Total Comprehensive Income (Deficit)		2,161,658	(174,147)

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Balance Sheet as at 30th June 2014

	Notes	2014 \$	2013 \$
Current Assets			
Cash at Bank		11,573	48,528
Investments	1(d)	361,201	332,262
Debtors - GST		3,614	497
Debtor		2,318	-
Accrued Grant Income		-	90,972
Total Current Assets		<u>378,706</u>	<u>472,259</u>
Current Liabilities			
Accounts Payable		20,348	5,119
Accrued Expenses		-	98,213
Total Current Liabilities		<u>20,348</u>	<u>103,332</u>
Net Current Assets		<u>358,358</u>	<u>368,927</u>
Non-current Assets			
Infrastructure	4	18,497,000	15,320,793
Less: Depreciation	1(i), 4	(1,387,000)	(383,020)
Land	4	326,364	326,364
Total Non-current Assets		<u>17,436,364</u>	<u>15,264,137</u>
Net Assets		<u>17,794,722</u>	<u>15,633,064</u>
Equity			
Accumulated Surplus		14,942,912	15,144,991
Asset Revaluation Reserves	1(h),4	2,851,810	488,073
Total Equity		<u>17,794,722</u>	<u>15,633,064</u>

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Statement of Change in Equity for the Year Ended 30th June 2014

	Notes	2014 \$	2013 \$
Equity			
Accumulated Surplus			
Balance at beginning of period		15,144,991	15,319,138
Add Net Surplus / (Deficit)		<u>(202,079)</u>	<u>(174,147)</u>
		<u>14,942,912</u>	<u>15,144,991</u>
Balance at end of period		<u>14,942,912</u>	<u>15,144,991</u>
Asset Revaluation Reserve			
Balance at beginning of period		488,073	488,073
Add movement increase		2,363,737	-
		<u>2,851,810</u>	<u>488,073</u>
Balance at end of period		<u>2,851,810</u>	<u>488,073</u>
Total Equity		<u>17,794,722</u>	<u>15,633,064</u>

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 2014

	Notes	2014 \$	2013 \$
Cash Flows from Operating Activities			
Receipts		158,587	609,439
Payments		(174,629)	(272,496)
Net Cash (Used in) Operating		<u>(16,042)</u>	<u>336,943</u>
Cash Flows from Investment Activities			
Interest receipts		8,026	13,311
Net Cash (Provided by) Investment Activities		<u>8,026</u>	<u>13,311</u>
Net Increase (Decrease) in Cash Held	8.1	<u>(8,016)</u>	<u>350,254</u>
Cash & cash equivalents at beginning of period		<u>380,790</u>	<u>30,536</u>
Cash & cash equivalents at end of period	8.2	<u>372,774</u>	<u>380,790</u>

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

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 Mitigation 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 Board has sought an independent valuation on the 29th May 2014, to be applied as at 30th June 2014, of the Bruce Eastick North Para Flood Mitigation Dam. The Board recognises that the dam is a unique infrastructure. The Board sought the advice of Entura (Hydro Tasmania), who provided a replacement cost valuation based on the actual construction contract costs, including some 'owner's costs' which would be incurred in the event of a replacement being necessary. The estimate of the replacement cost was \$18.497 million at June 2014. In accordance with Accounting Standard (AASB)13 Fair Value Measurement, it is to be noted that valuation has been under level 3 valuation.

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

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

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

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

i) Depreciation

Entura advise that the accumulated depreciation should be assessed at \$1.387 million as at June 2014.

The depreciation period for the Bruce Eastick North Para Flood Mitigation Dam is based on an expected life of 80 years.

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 rights to receive a dividend has been established.

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

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

c) Functions of the Gawler River Floodplain Management Authority
(excluding depreciation)

	Revenue			Expenses		Surplus (deficit)
	Year	Grants	Other	Total Revenue	Expenses Total	
Administration	2014		\$64,215	\$64,215	\$60,485	\$3,730
	2013		\$66,045	\$66,045	\$50,068	\$15,977
Other Environment: Flood Mitigation	2014		\$16,861	\$16,861	\$31,160	(\$14,299)
	2013	\$90,972	\$16,544	\$107,516	\$106,130	\$1,386
Total	2014		\$81,076	\$81,076	\$91,645	(\$10,569)
	2013	\$90,972	\$82,589	\$173,561	\$156,198	\$17,363

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		TOTALS	
	2014	2013	2014	2013	2014	2013	2014	2013
Adelaide Hills Council			\$292	\$287	\$8,974	\$8,789	\$9,266	\$9,077
The Barossa Council			\$1,434	\$1,434	\$9,004	\$8,789	\$10,438	\$10,223
Town of Gawler			\$2,929	\$2,869	\$8,973	\$8,789	\$11,902	\$11,658
Light Regional Council			\$1,465	\$1,434	\$8,973	\$8,789	\$10,438	\$10,223
District Council of Mallala			\$4,883	\$4,781	\$8,974	\$8,789	\$13,857	\$13,570
City of Playford			\$5,858	\$5,737	\$8,973	\$8,789	\$14,831	\$14,526
TOTAL	-	-	\$16,861	\$16,543	\$53,871	\$52,734	\$70,732	\$69,277

4 Non-Current Assets Summary

	Fair Value Level	2013				2014			
		At Fair Value	At Cost	Accum Dep'n	Carrying Amount	At Fair Value	At Cost	Accum Dep'n	Carrying Amount
Land and easements	-	\$326,364			\$326,364	\$326,364			\$326,364
North Para Dam	-	\$15,320,793		(\$383,020)	\$14,937,773				
North Para Dam	3					\$18,497,000	(\$1,387,000)		\$17,110,000
Total Infrastructure and Land		\$15,647,157		(\$383,020)	\$15,264,137	\$18,823,364	(\$1,387,000)		\$17,436,364
Comparatives		\$15,647,157		(\$191,510)	\$15,455,647	\$15,647,157	(\$383,020)		\$15,264,137

	2013 Carrying Amount	Carrying Amount Movements During Year						2014 Carrying Amount	
		Additions		Disposals	Depreciation	Impairment	Transfers		Net Valuation
		New Upgrade	Renewals						
Land and easements	\$326,364							\$326,364	
Infrastructure - North Para Dam	\$14,937,773				(\$191,510)			\$2,363,737	
Total Infrastructure, Property, Plant & Equipment	\$15,264,137				(\$191,510)			\$2,363,737	
Comparatives	\$15,455,647				(\$191,510)			\$15,264,137	

5 Contractual Services

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

Consultants Operations	2014	2013
Dean Gollan	\$44,034	\$35,637
URPS	-	\$850
Enviro Group Pty Ltd	\$4,000	\$4,000
Maloney Field Services	\$12,773	-
Allen Bolaffi Pty Ltd	-	\$650
Business Risk A S Solutions	\$1,300	\$1,300
Entura	\$9,000	-
Australian Water Environments	\$5,286	-
HLB Mann Judd	\$6,475	-
	<u>\$82,868</u>	<u>\$42,437</u>
Contractors, Consultants Infrastructure		
SA Water	\$0	\$98,213
	<u>\$0</u>	<u>\$98,213</u>
TOTALS	<u>\$82,868</u>	<u>\$140,650</u>

6 Comparison of Budget and Actual Results (excluding depreciation)

	2014		2013	
	Budget	Actual	Budget	Actual
Revenue				
Administration	\$64,841	\$64,215	\$63,734	\$66,045
Other Environment: Flood Mitigation	\$0	\$0	\$87,020	\$90,972
Maintenance	\$16,891	\$16,861	\$16,544	\$16,544
Other Environment: Flood Mitigation Capital				
Total Revenue	\$81,732	\$81,076	\$167,298	\$173,561
Expenditure				
Administration	\$59,350	\$60,485	\$64,050	\$50,068
Other Environment: Flood Mitigation	\$50,000	\$27,059	\$143,945	\$102,029
Maintenance	\$10,000	\$4,101	\$10,000	\$4,101
Other Environment: Flood Mitigation Capital				
Total Expenditure	\$119,350	\$91,645	\$217,995	\$156,198
Surplus (deficit)	(\$37,618)	(\$10,569)	(\$50,697)	\$17,363

7 Expenditure Commitment

- i. An agreement has been entered into with Dean Gollan to provide Executive Officer and Supervision of Consultants services to 31 December 2014.

8 Reconciliation Statement of Cash Flows

8.1 Reconcile to operating activities

Net deficit from operations	(\$202,079)
Adjust for non-cash items	
Depreciation	\$191,510
Reduction Accrued Grant Income	\$90,972
Increase in Debtors	(\$5,435)
Increase in Accounts Payable	\$15,229
Reduction in Accrued Expense	(\$98,213)
<u>Net Cash decrease from operating activities</u>	<u>(\$8,016)</u>

8.2 Cash and cash equivalents

Balance at bank	\$11,573
Balance at LGFA	\$361,201
<u>Total cash and cash equivalents</u>	<u>\$372,774</u>

Gawler River Floodplain Management Authority

Schedule of Constituent Council's Interests in Net Assets as at 30th June 2014

Prepared to meet the requirements of Clause 15.5 of the Charter

"The 'Schedule of Constituent Councils' Interests in Net Assets' will reflect the proportionate contribution each Constituent Council has made to the growth of the net assets of the Authority having regard to the proportionate contribution to subscriptions. The Schedule when updated by the Board at the end of each financial year will reflect the proportionate contribution of each Constituent Council since the commencement of the Authority and once accepted by each Constituent Council will be evidence of the agreed proportion of a Constituent Council's interests in the net assets as at 30 June in that year."

For the purposes of this Clause all subscriptions by Constituent Councils have been included.

This Schedule has been prepared on the basis that the Authority was 'wound up' on 30th June 2014. The value of infrastructure and land as stated in the Audited Financial Statements at 30th June have been included. Grants and contributions from the Commonwealth Government, State Government and the Northern Adelaide Barossa Catchment Water Management Board that have contributed to these costs have not been deducted.

Calculation of Net Equity

Assets	
Investments / Debtors	\$ 378,706
Infrastructure	\$ 17,110,000
Land	\$ 326,364
	\$ 17,815,070
Less Liabilities	
Accounts Payable / Creditors	\$ -
	\$ 20,348
Net Equity	\$ 17,794,722

Allocation of Councils Interest in Net Assets

Constituent Councils	Accumulated Subscriptions for Operations to 30 June 2014	Accumulated Subscriptions for Maintenance to 30 June 2014	Accumulated Subscriptions for Scheme Works to 30 June 2014	All Subscriptions to 30 June 2014	Percentage of Contributions to the Total	Council's Interests in Net Assets
Adelaide Hills Council	\$ 61,428	\$ 1,203	\$ 70,988	\$ 133,619	2.95%	\$ 524,690
The Barossa Council	\$ 61,428	\$ 6,019	\$ 354,951	\$ 422,398	9.32%	\$ 1,658,655
Town of Gawler	\$ 61,428	\$ 12,000	\$ 709,892	\$ 783,320	17.29%	\$ 3,075,909
Light Regional Council	\$ 61,428	\$ 6,019	\$ 354,951	\$ 422,398	9.32%	\$ 1,658,655
District Council of Mallala	\$ 61,428	\$ 20,074	\$ 1,183,146	\$ 1,264,648	27.91%	\$ 4,965,968
City of Playford	\$ 61,428	\$ 24,082	\$ 1,419,763	\$ 1,505,273	33.22%	\$ 5,910,845
	\$ 368,568	\$ 69,397	\$ 4,093,691	\$ 4,531,656	100.00%	\$ 17,794,722

Schedule of Constituent Councils' Interests in Net Assets' as at the 30th June 2014 adopted by the Board in accordance with Clause 15.5 of the Charter on 15 September 2014.

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
INDEPENDENT AUDITOR'S REPORT**

To the constituent councils of the Gawler River Floodplain Management Authority:

We have audited the accompanying financial report of Gawler River Floodplain Management Authority, which comprises the balance sheet as at 30 June 2014, 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 Gawler River Floodplain Management Authority, 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.

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
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 Gawler River Floodplain Management Authority as at 30 June 2014 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
HLB Mann Judd
Chartered Accountants


Trevor Hirth
Partner

Adelaide, South Australia
15th September 2014

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 2013 – 2016

Plan Adopted	3 rd April 2003
Amended	19 th February 2004
Amended	15 th June 2006
Amended	19 th June 2008
Amended	25 th June 2009
Amended	17 th June 2010
Amended	16 th June 2011
Amended	19 th April 2012
Amended	19 st June 2014

For the Period July 2013 to July 2014

Address: 3/58 Charles Street, Unley, South Australia 5061
Mobile: 0413 174 222
Email: deangollan@hotmail.com

**Gawler River Floodplain Management Authority
Achievements Against the Business Plan 2013 – 2016 for the period July 2013 to June 2014**

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 2013 - 2014.

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	<input checked="" type="checkbox"/> 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.	<input checked="" type="checkbox"/> Claims lodged at the end of the month
Maintain positive Cash Flow	At all times	Positive bank account balances at all times.	<input checked="" type="checkbox"/> Positive cash flow maintained

Part B: Proposed Flood Mitigation Scheme Works

South Para Works			
<p>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.</p> <p>Dam safety review and design proposal to modify the dam wall and spillway completed September 2005</p> <p>Detailed hydrology study of the catchment using the very latest methodologies let to Department of Transport, Energy and Infrastructure completed March 2007.</p>			
Performance Targets:	Timings:	To be measured By:	Actual Achievements
Detailed design of works	December 2010	Completion of detailed design and tender documents	<input checked="" type="checkbox"/> July 2011 Final approvals granted
Construction of the works	June 2012	Completion of construction	<input checked="" type="checkbox"/> Practical completion achieved June 2012

Gawler River Floodplain Management Authority
Achievements Against the Business Plan 2013 – 2016 for the period July 2013 to June 2014

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 has recently accepted a tender 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 Railtrack 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	<input checked="" type="checkbox"/> Dec 2013 – Dam inspection <input checked="" type="checkbox"/> June 2014 – Dam inspection

Gawler River Floodplain Management Authority
Achievements Against the Business Plan 2013 – 2016 for the period July 2013 to June 2014

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.	<input checked="" type="checkbox"/> Newsletter forwarded to all stakeholders in March 2014
	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.	<input checked="" type="checkbox"/> Key Outcomes Summary prepared following meetings
Maintain effective Regional Subsidiary	December	The performance of the Executive Officer be reviewed annually	<input checked="" type="checkbox"/> Review conducted in December 2013
	August	The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually.	<input checked="" type="checkbox"/> Auditor reappointed up to 30 June 2014 <input checked="" type="checkbox"/> Appropriate levels of insurance reviewed in July 2013
Review of the Business Plan	By 31 st March	Review the Business Plan prior to preparing the Budget Forward to the Councils	<input checked="" type="checkbox"/> June 2014 – Business Plan 2014-2017 adopted <input checked="" type="checkbox"/> August 2013 – Achievements against the Business Plan 2012-2013 presented
Annual Budget	By 31 st March, June, October, December	Adopt for consultation forward to Councils Adopt Budget – copy to Councils in 5 days Conduct Budget Reviews	<input checked="" type="checkbox"/> April 2014 – Approved for consultation <input checked="" type="checkbox"/> Budget 2014–2015 adopted at June Board meeting
Subscriptions	June December	Send half year subscriptions to Council Send half year subscriptions to Council	<input checked="" type="checkbox"/> All subscriptions paid
Report to Constituent Councils	Following each Board meeting By 30 th September	The receipt of the following reports by Councils: <ul style="list-style-type: none"> • Board Meeting Key Outcome Summary • Annual Report including Annual Financial Statements 	<input checked="" type="checkbox"/> Key Outcomes Summary prepared following meetings <input checked="" type="checkbox"/> Annual Report forwarded electronically to Councils on 13 September 2013