



# City of Port Lincoln



## Annual Report 2015-2016

Adopted by Council

21 November 2016

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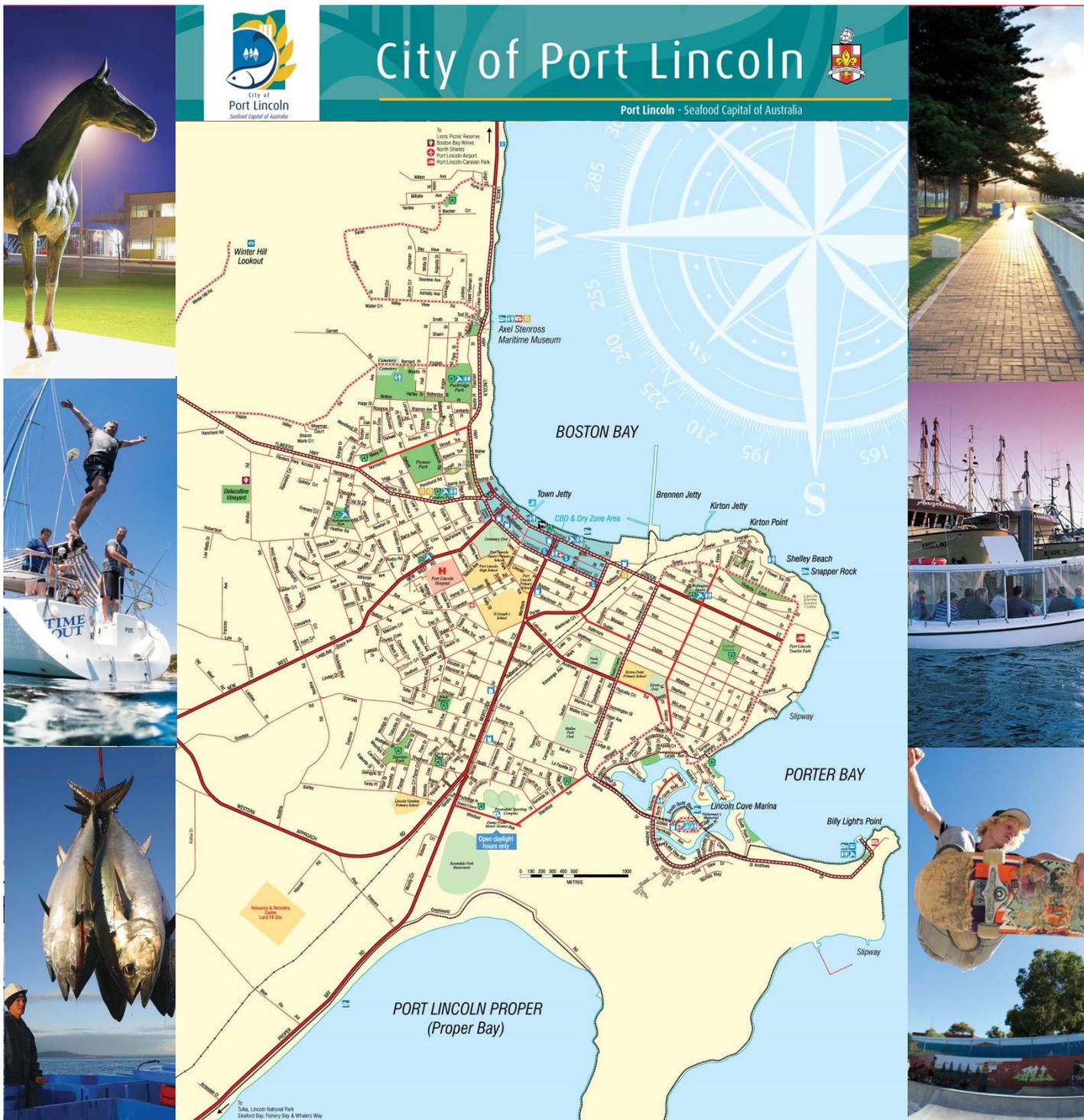
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**CITY OF PORT LINCOLN SNAPSHOT**

Proclaimed City	30 January 1971
Total area	30.4km <sup>2</sup>
Population Estimated (June 2014)	14,888
Elected Members (Including Mayor)	11 (1 Vacant)
Electors (December 2015)	10,228
Rateable Assessments (June 2016)	8303
General Rate Revenue (June 2016)	\$10.2 million
Total Operating Expenditure	\$19 million
Development Applications Approved	309
Estimated Value of DA's processed	\$24.4 million
Dogs Registered	2858
Number of People Accessing the Library Services	70,837
Visitors accessing the Visitor Information Centre	41,418
Value of Grants, Funding and In-Kind Support to Community	\$130,724
Number of NAC Box Office Tickets Sold	5,254
Household Waste Recycled	2,095 tonnes
Waste to Landfill	9,871.04 tonnes
Volunteer hours through Council programs	1714 hours
Permits for Private Functions in Council Parks & Reserves	130



**“A progressive, vibrant and safe coastal city that is an attractive place in which to live, work and grow”**

## MESSAGE FROM THE MAYOR

This report details our services, projects and financial performance for the financial year ending June 30, 2016. I commend the report to you as it contains a great deal of information about the operations of council, our performance and sets out all statutory requirements under the Local Government Act.

As usual, most of our expenditure and activity was on delivering the services the community expects. Waste collection, parks and gardens, sporting fields, roads and footpaths, stormwater and water reuse, street lighting, street sweeping, library, planning, health services, building approvals, dog and cat management and the like, make up the bulk of what we do.

This was the first full year of Council managing the Visitor Information Centre and the success of that venture will see the ongoing operation as a Council enterprise. Planning for the refurbishment of the Indoor Aquatic Centre was completed with the building work commencing in the 2016/2017 Financial Year.

Advice was received that a grant from the Federal Government Bridges Renewal Program was successful and design work commenced to replace London Street Bridge in FY 16/17. This is a \$4.4M project with a subsidy of 50%.

Several high intensity rainfall events caused localised flooding of businesses in Liverpool Street and has caused council to reprioritise future storm water capital works. Work continues on bush fire mitigation and it is pleasing to report that no serious fires occurred this year.

Our CEO continues to have the confidence of Elected Members and recruitment to the Senior Management Team has resulted in a capable and professional team to implement Council's strategies. I take this opportunity to thank CEO Rob Donaldson for his strong leadership. I thank all the staff who provide the services to our community for a job well done.

During the year Councillor Travis Rogers resigned to further his career. Travis was an excellent Councillor and I thank him for his thoughtful contributions. The provisions Section 6(2) of the Local Government (Elections) Act 1999 and Council Policy 9.63.1 Casual Vacancy, allowed Council to continue to operate with one Elected Member vacancy, without having to conduct a supplementary election, resulting in our current representation of nine Elected Members plus myself as Mayor.

Your Councillors work hard and are constantly looking to implement things that will benefit the community. We are always mindful that the community pays for Council operations through rates, and therefore conscious of achieving efficiency and value for money.

We are your local government and rely on you to interact with us, to comment on our plans and projects and to tell us the bad things and the good. My contact number is 0437 437 051 and I welcome your feedback and comments.

Bruce Green

**MAYOR**



## MESSAGE FROM THE CEO

Throughout 2015/16 Council continued to deliver in the key result areas of the Strategic Directions Plan. Our service programs, capital renewal programs, investment in new and improved infrastructure and strategic projects are focused on achieving our Plan's objectives.

Council adopted a new Strategic Directions Plan in February 2016, built on the following Goals:

- Economic Growth and Vitality
- Liveable and Active Communities
- Accountable Leadership and Governance
- A Clean Green Resilient Environment
- Sustainable Service Delivery and Productive Community Assets.

Council invested over \$2 million in renewal and construction of infrastructure assets, together with just over \$4.2 million for the acquisition of the Leisure Centre including the Indoor Aquatic Facility in preparation for a planned \$5 million refurbishment.

Our road reseal program was increased to a new, on-going annual investment of \$550,000 to address priority renewal and maintenance needs, complemented in 2015/16 by major reconstruction of a section of Proper Bay Road with the assistance of additional Roads to Recovery funding. The new footpath construction program also enhanced pedestrian safety and connectivity in the city.

The Elected Members of the Council continued to provide strong governance, leadership and decision-making throughout the year, listening to the community and ensuring effective representation in civic affairs, policy and planning for a sustainable future.

Financially, Council ended the 2015/16 year with an operating deficit of \$894,753, and reporting cash and cash equivalents of almost \$3.15 million at 30 June 2016. This result was negatively affected by early payment (in 2014/15) of Australian and State Government grant funding related to expenditure in the 2015/16 year. The average operating result across the two years ending 30 June 2015 and 2016 was a deficit of just over \$100,000 in each year.

This Annual Report provides details of Council's project and service achievements during 2015/16. A few selected outcomes are listed below:

- acquisition of the Port Lincoln Leisure Centre and Indoor Aquatic Facility in August 2015, followed by interim operation of the indoor aquatic facility and concurrent planning for major refurbishment works in 2016/17
- completion of power line undergrounding and streetscape upgrade with mature trees in Edinburgh Street, in partnership with the Power Line Environment Committee and SA Power Networks
- major review of the Strategic Directions Plan, including significant community and stakeholder engagement, together with cyclical reviews of the Infrastructure and Asset Management Plan and Long Term Financial Plan
- consultation on significant re-zoning proposals contained in the Residential Development Plan Amendment, with submission of the final DPA to the Minister due in late 2016

- transfer of the Visitor Information Centre to Council's management, working with the previous private operator, and upgrade of the VIC customer area
- visits to Port Lincoln by six major cruise ships, supported by the successful Welcome Ambassadors volunteer program and growing trader participation
- adoption of the Southern Eyre Peninsula Regional Public Health Plan, developed together with the two adjoining District Councils and numerous local agencies and service providers
- commencement of work on Stage 3 of the Heritage Trail below Margaret Avenue, due for completion to Stuart Terrace in 2016/17
- unveiling of the Bugler statue, donated by Peter Teakle, at the War Memorial site on Anzac Day 2016
- construction of new stormwater infrastructure in Flinders Highway and Tennyson Terrace and design of the drainage upgrade for Normandy Place, for construction in 2016/17.

Planning was advanced for two major projects – the Parnkalla Trail extension from Port Lincoln Hotel to Axel Stenross Maritime Museum and the replacement of London Street Bridge – while the commencement of work on an open space strategy will also lead to some significant improvements across the city in future years.

The City of Port Lincoln continued to contribute actively to regional and State local government forums and advocate for a range of regional and EP needs and opportunities. Mayor Green continued his leadership roles as the Eyre Peninsula LGA Presiding Member, Board member of the LGA of South Australia and Board member of the LGA Mutual Liability and Workers Compensation Schemes.

The three CEOs of the southern Eyre Peninsula councils continued to advance a proposal for a single Enterprise Bargaining Agreement that would provide a practical, common industrial relations platform to support shared services as the councils' preferred approach to improving service results and value while retaining local elected leadership. Ultimately the majority of staff of the City of Port Lincoln did not vote to support the Consolidated EBA proposal and an Agreement between Council and Port Lincoln staff only was negotiated, including acknowledgement of the shared services approach that the three councils have agreed on and commitment to work cooperatively to advance this service model.

I thank all of our skilled and dedicated staff, volunteers and contractors for their contribution to the City of Port Lincoln's many positive results in 2015/16.

Rob Donaldson  
**Chief Executive Officer**



## CITY OF PORT LINCOLN OUR COMMUNITY, OUR PLACE

### Introduction

The City of Port Lincoln, recognised as the ‘Seafood Capital of Australia’, is a regional city located approximately 650km west of Adelaide, by road. Port Lincoln’s connectivity by air, serviced by South Australia’s busiest regional airport and only a 45 minute flight from Adelaide, enhances the City as the major service centre for the Southern Eyre Peninsula communities. The City continues to experience moderate economic and urban growth. The City covers an area of approximately 30.4 square kilometres and is located at the base of Eyre Peninsula, on one of the world’s largest protected natural harbours, and is one of the most picturesque areas of South Australia. The lifestyle opportunities of the area are without parallel.

Boston Bay is a major feature that defines the character of the City of Port Lincoln. The natural setting of Boston Bay and the foreshore open space support recreational activities and entice people to live in and visit the City of Port Lincoln.

### Our Vision

In 2015/2016 Council reviewed its key Strategic Management Plan, and the “Strategic Directions Plan 2016-2026” was adopted in February 2016 after an extensive consultation process. Council’s Vision reflects the Port Lincoln community’s shared vision for the future, to be delivered through the Plan’s goals, objectives and strategic actions for the period 2016-2026. The Vision for Port Lincoln is:

*“A progressive, vibrant and safe coastal city that is an attractive place in which to live, work and grow”*

### Our Mission

Council’s commitment to the Vision will be demonstrated by:

- Providing services and infrastructure that meet the needs of our community
- Building a safe environment for our community
- Improving community wellbeing and environmental sustainability.

### Our Principles and Values

Council members and staff are committed to applying the following principles and values to guide the decision-making and conduct of Council business and operations:

- honesty and transparency in all things we do
- accountability and fiscal responsibility
- being responsive to our community’s needs
- awareness of and responsiveness to emerging trends
- being socially responsible
- providing community spaces and facilities which meet Risk Management requirements
- providing safe work places for employees and contractors
- providing leadership to the community
- actively engage and communicate with the community and external stakeholders.

## Our Goals

Council has aligned its Goals, Objectives and Strategic Actions to achieve the Vision and meet the needs of the city and the wider community. Council's projects and activities for the 2015/2016 year were developed and set to align with the objectives of the previous plan, 'Strategic Directions – Council Strategic Management Plan 2012 Review', ultimately also contributing to achieving Council's new Goals.

### [Council's Goals for 2016-2026](#)



#### Economic Growth and Vitality

A dynamic local economy that is sustainable and supported to respond to opportunities and attract new investment.



#### Livable and Active Communities

A community supported to be healthy, active and involved.



#### Accountable Governance and Leadership

Council values effective community advocacy and partnerships.



#### A Clean Green Resilient Environment

An environment managed now and into the future.



#### Sustainable Service Delivery and Productive Community Assets

A customer focused, equitable and sustainable service delivery to the community.

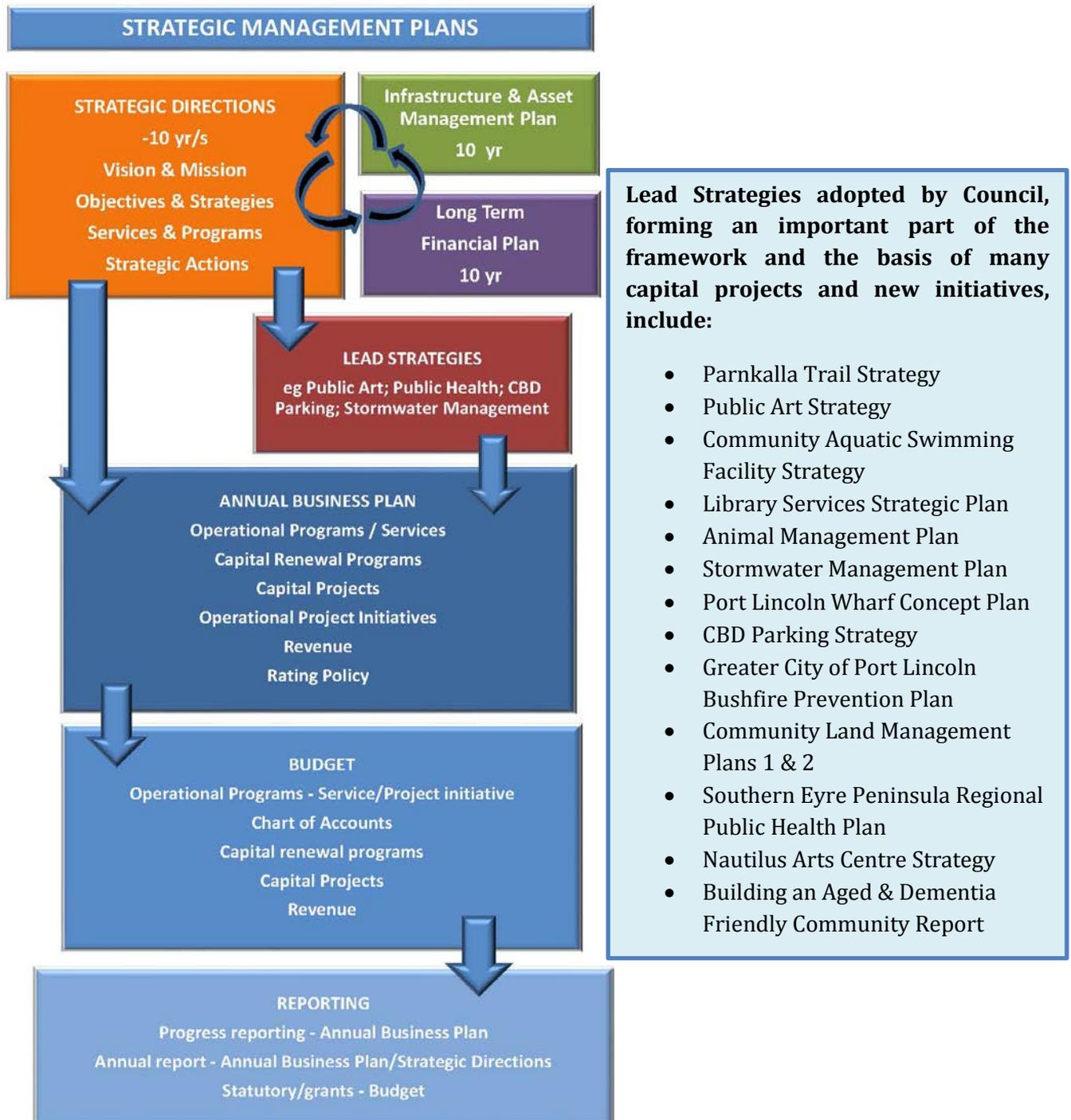


## CORPORATE GOVERNANCE

### Strategy

#### Strategic Management Plans

Council's Corporate Planning Framework defines the relationship between the adopted Strategic Management Plans – Strategic Directions, Infrastructure and Asset Management Plan (IAMP) and Long Term Financial Plan (LTFP) – other plans and strategies adopted from time to time, and the Annual Business Plan and Budget and related reporting commitments.



Council adopted the City of Port Lincoln Strategic Directions Plan 2016-2026 in February 2016. The Plan shares the vision and aspirations for the future of the City of Port Lincoln and outlines how we will, over the next ten years, work towards achieving the best possible outcomes for the City, community and stakeholders.



Stephen Smith and Mayor Bruce Green with students from the Port Lincoln Junior Primary School who took part in the Strategic Directions Plan workshop

Council reviewed its Infrastructure and Asset Management Plan and Long Term Financial Plan for the ten year period 2017 to 2026. Updated versions of both plans were adopted on 7 March 2016.

The Infrastructure and Asset Management Plan 2017-2026 (IAMP) and Long Term Financial Plan 2017-2026 (LTFP) are aligned to reflect the Council's planned on-going service delivery, asset maintenance, renewal, upgrade and construction works, and the estimated costs and revenues proposed for our City over the next ten years. Together, they represent plans for the infrastructure, asset and financial resources needed to achieve the Goals and Objectives that Council and the community have set in the Strategic Directions Plan.

To meet Council's core functions, service levels and community expectations, Council adopts Annual Business Plans and Budgets that are responsible, achievable and underpinned by long term asset and financial planning.

## Community Land Management

Council has adopted Management Plans for its Community Land. These plans will be reviewed following the adoption of a new Public Open Space Strategy in 2016/2017.



### Community Land Management Plan 1

- **Recreation, Sports Grounds and**
- **Community Facilities**
  - *Includes sporting grounds, clubrooms, halls, caravan park, museum*



### Community Land Management Plan 2

- **Parks, Gardens & Reserves**
  - *Including playgrounds*

## Annual Performance

Each year Council prepares an Annual Business Plan that determines the programs, projects and outcomes that support our city's Vision, Goals and Objectives.

A full list of the projects included in the 2015/2016 Annual Business Plan and Council's performance against the Plan is detailed in Appendix A. The following is a summary other highlighted activities undertaken in 2015/2016 that supported the objectives of Council's Strategic Management Plans.

- \* Review and adoption of Strategic Direction Plan 2026
- \* Review of Council's Infrastructure and Asset Management Plan and Long Term Financial Plan
- \* Sponsorship of Port Lincoln Art Prize
- \* Continued upgrades to seating and bin enclosures for Tasman Terrace and the foreshore

- \* Direct support for Community House, West Coast Youth and Community Support and Operation Flinders Youth Program
- \* Continued investigation of Shared Services opportunities including advancement of a combined Enterprise Bargaining Agreement with the District Council of Lower Eyre Peninsula and Tumby Bay (ultimately not supported by a majority of staff)
- \* Ongoing partnerships with Regional Development Australia Whyalla & Eyre Peninsula (RDA WEP), Eyre Peninsula Local Government Association and Provincial Cities Association (the latter being disbanded as of 2016/2017)
- \* Contribution to the Regional Tourism program managed by RDA WEP
- \* Implementation of the Visitor Information Services Strategy and business model for 2016/2017
- \* Continued lead role in the facilitation and local community engagement for Cruise Ships and the economic benefits
- \* Southern Eyre Peninsula Regional Public Health Plan finalised and adopted
- \* Completion of first cycle of assessment, review, action and of Council's internal controls completed, prior to the legislative mandatory transitional timeline
- \* Review of Council's 83 policies required to be completed within 12 months of the 2014 Council election
- \* Facilitation of water security investigations for Mallee Park and Council's water re-use scheme.
- \* Kerbside painting of street names and numbers, concrete footpath assessment and grinding of trip hazards and general maintenance of Port Lincoln Happy Valley Cemetery undertaken through a Work for the Dole Program, facilitated by Port Lincoln Community House under a Memorandum of Understanding with Council.

## Governance

### Elected Members 2014 – 2018

The Port Lincoln community is represented in the Council by the Mayor and ten Area-wide Councillors. In August 2015 Councillor Travis Rogers resigned for personal reasons. Council continued to meet with nine Area-wide Councillors without conducting a Supplementary Election, as provided for in the Local Government Act and Council's Casual Vacancies Policy. Mayor Green expressed his appreciation of Cr Rogers' active and positive work on behalf of the Port Lincoln community.

### *Mayor*



**Bruce Green**

*Area Councillors*



**Neville Starke  
(Deputy Mayor)**



**Danny Bartlett**



**Andrea Broadfoot**



**Linda Davies**



**Faye Davis**



**Peter Jolley**



**Graham Mantle**



**Diana Mislov**



**Jim Papazoglov**



**Travis Rogers  
(Resigned August 2015)**

### Meeting Attendance

Ordinary Council Meetings were held on the first and third Mondays of each month. For the 2015-2016 financial year, there were 23 Ordinary Council meetings and 2 Special Council meetings held.

Attendance was as follows:

Elected Member	Ordinary Council	Special Council
Mayor Bruce Green	21	2
Cr Neville Starke (Deputy Mayor)	18	1
Cr Danny Bartlett	21	2
Cr Andrea Broadfoot	19	2
Cr Linda Davies	20	2
Cr Faye Davis	20	2
Cr Peter Jolley	20	2
Cr Graham Mantle	23	2
Cr Diana Mislov	22	2
Cr Jim Papazoglov	22	2
Cr Travis Rogers (June 2015-August 2015)	3	

### Elected Member Training and Development Activities

The following table details the training and development activities undertaken by Elected Members in 2015-16.

Elected Member	Training and Development Undertaken	Provider
MAYOR GREEN	Provincial Cities Association Meetings	Provincial Cities Association of SA
	EPLGA Board Meeting (2)	EPLGA
	Lord Mayor's Summit On Jobs Growth	LGA
	Proposed Conflict of Interest Changes: Be Prepared	Kelley Jones
	SA Regional Awards	Brand SA
	Local Government Association - AGM	LGA
	Australia Day Awards Presentation	Australia Day Council of SA
	EPLGA Annual Conference	EPLGA
	SA Premier's Invitation Visit to Shandong, China	Department Of The Premier & Cabinet
	Conflict Of Interest	Norman Waterhouse
Council Best Practice Showcase & LGA & OGM	LGA	
CR BARTLETT	Proposed Conflict of Interest Changes: Be Prepared	Kelley Jones
	Conflict of Interest	Norman Waterhouse
CR BROADFOOT	EPLGA Annual Conference	EPLGA
	Conflict of Interest	Norman Waterhouse
	EPLGA Board Meeting	EPLGA
CR DAVIES	Proposed Conflict of Interest Changes: Be Prepared	Kelley Jones
	Conflict of Interest	Norman Waterhouse
CR DAVIS	Proposed Conflict of Interest Changes: Be Prepared	Kelley Jones
	Conflict of Interest	Norman Waterhouse

<b>Elected Member</b>	<b>Training and Development Undertaken</b>	<b>Provider</b>
<b>CR JOLLEY</b>	Proposed Conflict of Interest Changes: Be Prepared	Kelley Jones
	Conflict of Interest	Norman Waterhouse
<b>Cr MANTLE</b>	Council Members Forum	LGA
	Proposed Conflict Of Interest Changes: Be Prepared	Kelley Jones
	Conflict Of Interest	Norman Waterhouse
<b>Cr MISLOV</b>	Proposed Conflict Of Interest Changes: Be Prepared	Kelley Jones
<b>CR PAPAZOLOV</b>	Council Members Forum	LGA
	Conflict Of Interest	Norman Waterhouse
<b>CR STARKE</b>	EPLGA Board Meeting	EPLGA

### *Council Participation*

The City of Port Lincoln was represented at the Local Government Association AGM in October 2015 by Mayor Bruce Green and Chief Executive Officer, Rob Donaldson. Mayor Green continues to serve as the Presiding Member of the Eyre Peninsula Local Government Association (EPLGA), which meets quarterly at various locations on the Eyre Peninsula with Council's Mayor, Deputy Mayor and Chief Executive Officer attending.

The Annual Report of the EPLGA is included as Appendix B.

The six constituent councils that comprised the regional subsidiary, Provincial Cities Association of South Australia (the Association), resolved to request the Minister for Local Government, that the Association be wound up. Pursuant to Schedule 2, clause 33 of the Local Government Act 1999, formal notice of 'Winding-up of a Subsidiary' was given and effective from the date of the Gazette notice, 10<sup>th</sup> March 2016. A copy of the final Provincial Cities Association of South Australia – Audited Statement of Financial Position is included as Appendix C.

### *Elected Member Allowances*

In accordance with Section 76 of the Local Government Act 1999, a member of a Council is entitled to receive an annual allowance from the Council for performing and discharging official functions and duties. Allowances are set by the Remuneration Tribunal and are adjusted annually on the anniversary of the last periodic election, to reflect changes in the Consumer Price Index. The annual allowance for Elected Members is payable quarterly in advance.

The allowance provided under Section 76 is all-inclusive, with the exception of the Mayor, for whom Council provides computer access, an email address and mobile telephone to enable communication from Council, and for Council business.

The Remuneration Tribunal has allocated the City of Port Lincoln to Council Group 3. A Mayor or Principal Member allowance will be four times that of the Councillor allowance, with a Deputy Mayor or Committee Presiding Member allowance being 1.25 times the annual allowance for councillors.

Ordinary Council (Group 3)	Annual Allowance
Mayor (Bruce Green)	\$52,880
Deputy Mayor & Committee Presiding Members	\$16,525
Elected Members	\$13,220

### *Delegates and Representatives*

COMMITTEE	As at 30 June 2016
Eyre Peninsula Local Government Association (Board)	Mayor Bruce Green - Presiding Member Councillor Neville Starke - Board Member Councillor Andrea Broadfoot - Proxy Member
Eyre ICAN Committee	Councillor Danny Bartlett
Eyre Peninsula Old Folks Home	Councillor Peter Jolley
Greater City of Port Lincoln Bushfire Prevention Plan Committee	Councillor Neville Starke - Chairperson Councillor Diana Mislov
Health Advisory Committee	Councillor Jim Papazoglov
Local Government Association of SA	Mayor Bruce Green
Lower Eyre Peninsula Bushfire Management Committee (until 30 June 2018)	Rob Donaldson - Chief Executive Officer Nigel Melzner – Manager Community Infrastructure - Deputy Member
Lower Eyre Peninsula Pest Management Group	Councillor Faye Davis
Lower Eyre Peninsula Road Safety Committee	Councillor Graham Mantle Councillor Jim Papazoglov
Marina Maintenance Advisory Committee	Councillor Neville Starke - Chairperson Councillor Faye Davis - Proxy Member Rob Donaldson – Chief Executive Officer
Matthew Flinders Home Board Inc	Councillor Faye Davis
Parks & Reserves Committee	Councillor Graham Mantle
Port Lincoln Chamber of Commerce & Tourism	Councillor Jim Papazoglov
Port Lincoln Risk Assessment Panel (for Dry Zone Exemption proposals)	Rosa Gagetti - Executive Director Development & Environment Janet Grocke - Manager Community Development
Ravendale Sports Centre Board	Councillor Graham Mantle Councillor Jim Papazoglov
South Australian Local Government Finance Authority	Mayor Bruce Green
Lower Eyre Local Health Cluster	Councillor Linda Davies

COMMITTEE	As at 30 June 2016
Southern Eyre Peninsula Councils Shared Services Working Group	Mayor Bruce Green
Community Drug & Alcohol Action Group	Councillor Jim Papazoglov Mayor Bruce Green – Proxy Member Staff Member appointed by CEO as required
Australia Day Council	Rob Donaldson - Chief Executive Officer <i>(no appointed time frame)</i>
2016 Port Lincoln Airport Airshow Steering Committee	Councillor Neville Starke <i>(no appointed time frame)</i>

Committees and Boards

Council has established a number of Committees, Boards and Advisory bodies, which comprise Elected Members, Staff, Government Officers and members of the public, to act in a range of statutory, delegated and advisory roles.

The composition, structure, delegated authority and Terms of Reference of these groups are reviewed in November of each year and adopted by Council for the following twelve month term.

The minutes of Section 41<sup>1</sup> Committee meetings are reported to the next available Ordinary Council meeting for receipt and consideration of any recommendations by Council.



<sup>1</sup> Section 41 Committee: A committee may, according to a determination of the council (and subject to the operation of this Act), be established to assist the council in the performance of its functions.

The Chairperson and Independent Members of the Council Development Assessment Panel (CDAP – further details below) are remunerated per sitting, as is the independent member of the Financial Management Audit Committee. The independent members' involvement and interest in the future development and strategic and financial goals of the City of Port Lincoln is appreciated.

CDAP	Sitting Fee Per Meeting
Chairperson (Independent)	\$200.00
Independent Members	\$120.00
Financial Management Committee	
Chairperson (Independent)	\$320.00
Independent Member	\$250.00

### *Council Development Assessment Panel (CDAP)*

*Presiding Member - Mr Malcolm Catt*

Council is required pursuant to Section 56A of the Development Act 1993, to establish a Development Assessment Panel. There are three important functions of the Panel:

- To act as a delegate of the Council in accordance with the requirements of the Development Act;
- To provide advice and reports to the Council on trends, issues and other matters relating to the planning and development that have become apparent or arisen through its assessment of applications; and
- To perform other functions assigned to the panel by Council.

CDAP Determinations	
Number of Applications	4
Number of Applications Approved	3
Number of Applications Refused	0
Number of Applications Deferred	1
Number of Applications Appealed	0

The Council Development Assessment Panel (CDAP) meets monthly, when required, on the second Monday at 5.30pm in the Council Chambers. Meetings are open to the public and are advertised accordingly.

The Panel consists of seven members, being three Councillors, three independent members and an independent Presiding Member. The term of office for the Council Members on the Panel is twelve (12) months while Independent Panel Members are appointed for two (2) year terms.

The Development Assessment Panel has delegated authority for decision-making under Division 4, Part 4, Section 56A of the Development Act 1993. The Panel assesses Category 2 Development Applications where representations are received and wish to be heard, all Category 3 applications and all non-complying applications. For the 2015-2016 financial year, there was a total of 4 CDAP meetings.

<b>Membership</b>	<b>Attendance</b>
Mr Malcom Catt – Independent (Presiding Member)	4
Mr Michael Bascombe	4
Cr Faye Davis	4
Mr Roger Nourse	3
Mr Peter Blacker	4
Cr Jim Papazoglov	4
Cr Linda Davies	3

**Marina Maintenance Advisory Committee**

*Chairperson - Cr Neville Starke*

The MMAC held three meetings and one workshop during the 2015/16 year. One of those meetings was chaired by Councillor Faye Davis in my absence.

The workshop focused on a long-term resolution to the repair and maintenance of the shark and cray berths infrastructure, including possible berthing for the HMV Tacoma. It proved very difficult to get any clear directions and agreement between the stakeholders. These discussions led to DPTI installing new hinges for the header pontoon as an interim measure. Other safety issues were also addressed. These repairs were completed during the year and following evaluation of the works the finger pontoons may be similarly repaired at the owners’ cost.



The sustainability of the Marina Maintenance Fund has been of some concern, with DPTI forecasting a severe shortfall in available funds in a few years. Methods of increasing this fund will have to be addressed in the near future.

Council reviewed its practice and will no longer draw from the Marine Maintenance Fund for lighting and recycling costs. The Committee supported a proposal for the Council to invest and use the Marina Maintenance Fund by off-setting Council’s borrowings to gain a better return for the Fund. These funds are to be used by Government and Council when needed for Marina maintenance.

After tenders were called for the security and maintenance contract, local provider, Vice Security was appointed from three tenderers.

Mr John Clark was nominated and appointed in July 2016 as the Commercial Berth representative to fill a long vacancy for this position.

Much time and energy was given between the Committee, Council and DPTI to attempting to resolve a long term berth for the Tacoma. This is a complex and at times, divisive subject and needs some compromise to happen if the expectations of all stakeholders are to be met. As at 30 June 2016 a clear and mutually agreed solution has not been achieved and a decision from DPTI as to the leasing of the waterway in front of the Marina Hotel is still pending with expressions of interest still to be called for.

I thank all Committee members for their attendance and input. I also thank the staff from Council and DPTI for their tireless work preparing for and facilitation the Committee's meetings.

### ***Terms of Reference***

To undertake the duties and oversee the responsibilities pursuant to Clause 23 of the Tripartite Agreement between State Government, Lincoln Cove Development Company and the City of Port Lincoln.

<b>Membership</b>	<b>Attendance</b>
Councillor Neville Starke (Chairperson) or proxy (Cr Faye Davis)	2
Mr Rob Donaldson, Chief Executive Officer	2
Mr Justin Shaw – nominated by Minister for Transport	2
Mr Spiros Dimas – nominated by Minister For Transport	2
Mr Bruce Redding – Lincoln Cove Development Company	2
Mr Brian Henson – representing Stage 1 Residential Proprietors	2
Vacant – representing Lessees of berths in the Commercial Basin or proxy	-
Mr Glenn Karutz – representing Lessees of the Recreational Basin	2

### *Greater City of Port Lincoln Bushfire Prevention Plan Committee*

*Chairperson – Councillor Neville Starke*

#### **Terms of Reference**

To monitor, review and keep up to date the Greater City of Port Lincoln Bushfire Prevention Plan

To make recommendations to the Lower Eyre Peninsula Bushfire Committee and to Council for budget consideration.

#### **Membership:**

Councillor Neville Starke (Chairperson)

Councillor Diana Mislov

Mr Rob Donaldson - Chief Executive Officer

Mr Nigel Melzner – Manager Community Infrastructure

Vacant – Compliance Officer

Mr George Kozminski – Country Fire Service

Mr Phil Kilsby and Mr William Hoey – Metropolitan Fire Service

Mr Joe Tilley – Dept Environment Natural Resources

Councillor Geoff Bayly and Mr Leith Blacker – District Council of Lower Eyre Peninsula

Representative of – SA Water

Mr Frank Crisci – SA Power Networks

The Greater City of Port Lincoln Bushfire Prevention Plan Committee did not meet during the 2015/2016 financial year.

### *Building Fire Safety Committee*

*Presiding Member – Mr Peter Harmer*

#### **Terms of Reference**

The Building Fire Safety Committee is charged with the responsibility for all matters arising under Section 71 of the Development Act 1993 which are of a building fire safety nature.

#### **Membership:**

Rosa Gagetti – Executive Director Development and Environment

Mr Peter Harmer – Building Surveyor (Presiding Member)

Mr Andrew Sharrad – MFS Representative

Mr Bruce Noble – MFS Representative (proxy)

Vacant – City of Port Lincoln

The Building Fire Safety Committee did not meet during the 2015/2016 financial year.

## *Financial Management and Audit Committee*

*Chairperson – Greg Eden Independent Member*

<b>Membership</b>	<b>Attendance</b>
Greg Eden - Independent Member (Chairperson)	5
Councillor Danny Bartlett	5
Councillor Diana Mislov	5
Councillor Peter Jolley	3
Councillor Neville Starke	2

All councils in South Australia are required to have an Audit Committee as per the requirements of Section 126 of the Local Government Act 1999. City of Port Lincoln's audit committee is formed as the Financial Management Audit Committee and must include at least one independent member. Council staff can not be members but provide support to the committee.

The Committee's broad objectives are to:

- Help the elected Council discharge its financial and governance responsibilities
- Provide advice to Council to fulfil its role and purpose and improve the fiscal and viability aspects of its operation
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis
- be an advisory body and report the outcomes of its deliberations to Council.

The Committee is required to meet at least four times per year during the year and in 2015/2016 the FMAC met five times. At each meeting a member of the Senior Management Team presented to the Committee on their role, current issues and projects, and any concerns or possible risks to the Council. The Committee generally tends to place emphasis on areas of risk in its questions to staff.

The Committee reviewed the budget, the long term financial and infrastructure plans and the financial statements and audit report during the course of the year. Many questions were asked of the finance and other staff during the year, and all were answered satisfactorily.

The Committee met with the auditor on 22 September 2016 to discuss the audit findings for the 2015/2016 year. The auditor reported that there would be no qualification of the financial statements and that he was satisfied that the finance staff were competent and cooperative in providing required information. He reported also that the audit team had no real matters of concern in relation to internal controls. All questions asked of the auditor were answered satisfactorily.

## *Strategic Planning and Development Policy Committee*

*Chairperson – Andrea Broadfoot*

### **Terms of Reference**

To provide advice to Council in relation to how Council's planning strategies and development policies accord with the State planning strategies.

- To assist the Council achieve;
  - Orderly and efficient development within the area of council.
  - High levels of integration of transport and land use planning
  - Relevant targets set out in the planning strategy
  - The implementation of affordable housing policies set out in the planning strategy
- To provide advice when council is preparing a
  - Strategic directions (Section 30) report or
  - Development Plan Amendment Report
- Other functions as assigned to the committee by Council (other than functions relating to development assessment or compliance).

### **Membership:**

Cr Andrea Broadfoot (Chairperson)

All Elected Members of Council

This committee involves all Council members who work together to provide advice to Council in relation to how the city's planning strategies and development policies align with State planning strategies. The major focus has been the Residential Development Plan Amendment (the DPA), which was released for public and government agency consultation for a ten-week period in November 2015. Within that timeframe two information sessions were held attended by about 30 people, and a total of 22 written submissions from the public and 8 from State Government agencies were received by the close of consultation.

In February, the Strategic Planning and Development Policy Committee facilitated a public meeting at which ten of the submission authors presented a summary of their feedback on the DPA. These and all other submissions received will be reviewed and amendments made to the DPA where appropriate. The submissions and a summary of Council's response to each submission will be included in a package to be submitted to the Minister for his consideration.

Next steps for this process are:

- the preparation of a Summary of Consultation and Proposed Amendments Report taking into account the submissions received;
- Consideration of the Amendment Report by the committee with an appropriate recommendation to a formal meeting of Council;

- The Amendment Report is submitted to the Minister for his consideration;
- The Minister may determine to authorise all of the amendments, or authorise only part of the amendments proposed or reject the proposals altogether.

This committee works to ensure orderly and efficient development within the area of council and is subject to the legislative and regulatory requirements of the Local Government Act 1999, and the Development Act 1993. The committee members appreciate the work of the Council staff team who ensure its activities are well informed. We thank the public and government agencies who have invested considerable time and effort in providing feedback to the Residential Development Plan Amendment.

The Strategic Planning and Development Policy Committee met three times during 2015/2016 with all but 3 members attending all three meetings and one apology each being recorded for Cr Jolley, Cr Mislov and Cr Starke.

Various Development Plan Amendments as follows have been completed, partially completed or are underway:

Development Plan Amendment	Status
Lincoln Cove Expansion	Statement of Intent Agreed. Work on DPA is on hold pending finalisation of adjacent Parnkalla Waters land division.
Residential	Statutory public and agency consultation concluded 21 January 2016. Amended DPA being prepared for Minister's authorisation.

### *Chief Executive Officer Review Committee*

*Chairperson - Mayor Bruce Green*

#### **Membership**

Mayor Bruce Green (Chairperson)

Cr Neville Strake

Cr Andrea Broadfoot

Cr Peter Jolley

Cr Diana Mislov

**Terms of Reference**

To appraise the performance of the Chief Executive Officer annually using a formal performance appraisal methodology.

- To set performance indicators and objectives based on the objectives included in the position description.
- To review the Officer’s remuneration in accordance with the contract of employment on an annual basis.
- To prepare a report for Council on the outcomes of the annual appraisal and include recommendations in respect to the remuneration review.

The CEO Review Committee met two times during 2015/2016 and reported the outcomes of the formal appraisal process along with its recommendations to Council 4 April 2016.

**Port Lincoln Indoor Aquatic Facility Project Board**

<b>Membership</b>	<b>Attendance</b>
Mayor Bruce Green	3
Councillor Neville Starke	3
Councillor Andrea Broadfoot	3
Councillor Diana Mislov	4
Greg Eden (FMAC Chairperson) - Resigned 13 April, 2016	3
Councillor Danny Bartlett - Commenced 18 April, 2016	1

**Terms of Reference**

The Project Board is the senior authority for the implementation of the project to refurbish the Port Lincoln Leisure Centre, including the Indoor Aquatic Facility.

The Project Board makes the major decisions during the project and is accountable to Council for the success or failure of the project. It also provides the interface between Council and the Project Team.

The members of the Project Board perform their role on a part-time basis, manage by exception, approve all stages, and approve all major plans.

The Project Board has the authority to commit approved resources to the project, and is responsible for the ongoing provision of these resources.

The Project Board’s role is to ensure that the business objectives are met by the project, and that the project is adequately resourced in terms of financial, human and other physical resources. The Project Board delegates responsibility for the project’s success to the Project Executive.

The Project Board's responsibilities are to:

- endorse the Project Implementation Plan (PID)
- approve funding and expenditure for the project within tolerances delegated by Council
- approve changes to the project scope that exceed tolerances allocated to the Project Executive
- ensure that the project achieves its objectives and delivers the benefits for which it was originally commissioned
- endorse any changes to the planned project objectives, and
- endorse the Post Implementation Review outcomes.

The Project Board reports to Council and refers back to Council any decisions on funding and scope that exceed its delegated authority. For the 2015/2016 financial year, there was a total of 4 meetings.

The design consultants, Grieve Gillett Andersen, gave presentations to the Project Board to seek their agreement as the design evolved.

In particular, direction was sought when the team proposed changing the previously identified scope of works to include:

- revitalisation of the centrally located Leisure Centre Entry to allow an operator to effectively manage the whole facility;
- separation of the single body of water and deepening of one end to form a separate Learners and Hydrotherapy pool better suited to the needs of users; and
- retaining the existing waterslide to ensure all age groups were catered for at the pool.

The program was also discussed in some detail and the proposed commencement and completion dates were modified to start construction in early July 2016 to allow for the additional changes in scope to be fully realised.

### [Council Representation](#)

The City of Port Lincoln last completed an "elector representation review" in October 2009 and in accordance with Section 12 of the Local Government Act 1999, is required to undertake an Elector Representation Review at least once in every eight years. Council has begun a review which is to be completed before the end of April 2017.

Council engaged CL Rowe & Associates Pty Ltd to assist with the Elector Representation Review process, with the Representation Options Paper being drafted and prepared at the end of the 2015/2016 year, and the consultation and final report to be completed in early 2017.

The Council area is currently not divided into wards and Council comprises an elected Mayor and ten area-wide Councillors. This structure initially came into effect at the Local Government elections in 2003 and was retained by Council at the completion of the last review, undertaken in 2008/2009.

The following table provides a comparison of the average representation ratios of regional councils in South Australia which are of a similar size, by elector numbers, to the City of Port Lincoln.

Council	Councillors	Electors	Ratio
Wattle Range (3,924 km <sup>2</sup> )	11	8,453	1:768
Loxton Waikerie (7,957 km <sup>2</sup> )	10	8,160	1:816
Yorke Peninsula (5,834km <sup>2</sup> )	11	9,237	1:840
Light Regional (1,278 km <sup>2</sup> )	10	9,850	1:985
<b>Port Lincoln (30.4 km<sup>2</sup>)</b>	<b>10</b>	<b>10,228</b>	<b>1:1,023</b>
Port Augusta (1,153 km <sup>2</sup> )	9	9,446	1:1,050
Copper Coast (773 km <sup>2</sup> )	10	10,592	1:1,059
Victor Harbor (386.5 km <sup>2</sup> )	9	11,974	1:1,330
Port Pirie (1,761 km <sup>2</sup> )	9	12,583	1:1,398
Murray Bridge (1,832 km <sup>2</sup> )	9	13,751	1:1,528

Source: Electoral Commission SA , House of Assembly Roll (December, 2015)  
Council Voters Roll (February 2016)

Through the Elector Representation Review process, the community will have two opportunities to make submissions on Council's Elector Representation, first based on a Representation Options Paper, and then on a Representation Review Report. An opportunity is also given for those persons making a submission and the Review Report to appear, personally or by representative, before Council.

Council will then consider the written and verbal submissions received in response to the second public consultation, finalise its decision on future representation arrangements and prepare a report for presentation to the Electoral Commissioner. This is scheduled for early 2017.

### Council Decision Making Structure

Under the system of Local Government established by the Local Government Act 1999, Council is responsible for the government and management of its area at the local level and in particular it must:

*Act as a representative, informed and responsible decision-maker in the interests of its community.*

The Elected Members are responsible for the direction of the Council and for making significant decisions on community matters. City of Port Lincoln Council governs on behalf of the community, setting directions and priorities for the administration, particularly through its adopted Strategic Management Plans.

Council meetings and informal gatherings are conducted in accordance with the Local Government Act 1999 and Regulations and are open to the public unless otherwise determined.

### Delegations

Councils have certain functions and duties which they must perform, and certain powers which they may exercise, pursuant to the Local Government Act 1999 as well as a range of other Acts. In most cases, the relevant Acts place these obligations and powers directly with the Council. As it is not practical or efficient for the Council as a body of Elected Members to perform the many operational

activities that are required in the day-to-day administration of the Council's roles and functions, Section 44 of the Local Government Act 1999 allows a Council to formally delegate many of its powers and functions to the Chief Executive Officer, who may then sub-delegate these powers and functions to other responsible officers. Council may also delegate its powers and functions to a Committee of Council.

All delegations made by the Council can be revoked at any time and do not, except in limited circumstances, prevent Council from acting in a matter itself. An Officer to whom a delegation has been made may choose not to exercise that delegation and may bring a matter direct to Council or another Officer with delegations, for determination.

Pursuant to Section 44 of the Local Government Act 1999, the City of Port Lincoln's Delegations Register is reviewed by Council at least once in every financial year. These Delegations are located on Council's website [www.portlincoln.sa.gov.au](http://www.portlincoln.sa.gov.au).

### Council Policies, Registers & Codes

Pursuant to Section 125 of the Local Government Act 1999 (the Act) councils are required to have appropriate policies, practices and procedures of internal control in order to ensure that they carry out their activities in an efficient and orderly manner, ensure adherence to management policies, safeguard community assets, and secure (as far as possible) the accuracy and reliability of council records.

Council's policies, codes and registers are accessible to the public via Council's website and/or at the principal Council Office located in the Civic Centre.

Council has determined that its policies will be reviewed within 12 months of the completion of a periodic election, or on significant change to legislation. This process was completed in November 2015.

### *Registers*

Council retains the following information pursuant to the Local Government Act 1999 and the Local Government (Elections) Act 1999;

- Section 44 –Delegations Register
- Section 68 - Register of Interest – Members
- Section 73, 74, 75 & 75A – Register of Conflict of Interest
- Section 79 - Register of Members Allowances & Benefits
- Section 105 - Officers Register of Salaries
- Section 116 - Officers Register of Interest
- Section 188 - Fees & Charges Schedule
- Section 196 - Community Land Plan 1 and Plan 2
- Section 207 - Community Land
- Section 231 - Public Roads
- Section 252 - By-Laws

### *Code of Conduct*

The following Code of Conduct and Practice documents are available to the public, either at the Council Office or on Council's website [www.portlincoln.sa.gov.au](http://www.portlincoln.sa.gov.au);

Section 63, Chapter 5, Part 4 - Policy 9.63.3 Code of Conduct – Council Members

Section 92, Chapter 6, Part 5 - Policy 18.63.1 Code of Practice – Access to Meetings and Documents

Regulation 6 - 18.63.2 Code of Practice at Council and Committee Meetings

Section 110, Chapter 7, Part 4 - Policy 12.63.12 Code of Conduct – Council Employees

### *Policies*

The City of Port Lincoln Council has adopted various Policies to assist in the governance of its operations. Council Policies are developed and reviewed pursuant to the requirements of the Local Government Act 1999 and other applicable legislation. A full list of Council Policies is available on Council's website [www.portlincoln.sa.gov.au](http://www.portlincoln.sa.gov.au). The following list only includes Council's mandated Policies.

3.63.1 Building & Swimming Pool Inspection Policy

9.63.17 Council Elections – Caretaker Policy

3.63.9 Complaint Handling under Code of Conduct Policy

9.63.19 Complaints Handling Policy

7.63.1 Contracts, Tenders, Purchasing & Disposal Policy

9.63.20 Council Members Allowance & Benefits Policy

9.63.12 Council Members Training & Development Policy

7.63.5 Internal Control Policy

9.63.2 Council Decisions Review Policy

14.63.13 Naming of Roads Policy

5.63.1 Order Making Policy

9.63.24 Prudential (Project Management) Policy

2.63.1 Community Engagement Policy

18.63.7 Service & Program Reviews Policy

9.63.25 Informal Gatherings Policy

### Freedom of Information

#### *Freedom of Information Statement*

Under Schedule 5 of the Local Government Act 1999 and Part 2, Section 9 of the Freedom of information Act 1991, relating to publication of information concerning agencies, Council is required to publish annually its Information Statement pertaining to the arrangements and functions that Council has in place for the public to access information and documents to enable participation in Council's decision making processes and policy formulation.

The City of Port Lincoln “Freedom of Information Statement” is available on Council’s website and is reviewed annually.

Requests for information are considered in accordance with the Freedom of Information Act provisions. Under this legislation, an application fee and a search fee must be forwarded with the completed request form unless the applicant is granted an exemption. Should the applicant require copies of any documents inspected pursuant to a Freedom of Information request, the charge set out in the Act will apply.

Freedom of Information Forms are available at the Council Office and Request Forms should be addressed to the FOI Officer. Applications are responded to as soon as possible within the statutory number of days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees.

### *Applications Received*

Two applications for information under the Freedom of Information Act were received by the City of Port Lincoln during the 2015/2016 financial year. Council did not receive any FOI referrals from other agencies and responded to two requests seeking Council’s view on the possible release of documents containing matters that relate to Council, through an FOI application to another agency.

### *Amendment to Council Records*

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Local Government Act 1999. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date. To gain access to these Council records, a member of the public must enquire in the first instance to the Chief Executive Officer. It may be necessary to complete a Freedom of Information Request Form as indicated above outlining the records that he/she wishes to inspect.

### *By-Laws*

The City of Port Lincoln Council has five By-Laws.

<b>By-Law No. 1</b>	<b>Permits and Penalties</b>
<b>By-Law No. 2</b>	<b>Moveable Signs</b>
<b>By-Law No. 3</b>	<b>Roads</b>
<b>By-Law No. 4</b>	<b>Local Government Land</b>
<b>By-Law No. 5</b>	<b>Dogs</b>

The By-Laws were gazetted on 5 December 2011. The certified copies are held in a register (15.13.1.1) as per the Local Government Act 1999 Chapter 12, Part 1, Section 252. Copies of Council’s By-Laws are available by request, or on Council’s website. As per Section 251 of the Act, a By-Law will expire 1 January following the seventh anniversary of the gazettal of the By-Law. The City of Port Lincoln’s five By-Laws will expire 1 January 2019.

## Internal Review of Council Actions

During the 2015/2016 financial year Council did not receive any applications pursuant to the Local Government Act 1999, Section 270(8) to review its decisions.

## Confidentiality

### *Use of Sections 90(2) and 91(7), Local Government Act 1999*

All meetings of Council and Committees are open to the public except where it is necessary and appropriate that the public be excluded from attendance at so much of a meeting as is necessary to receive, discuss or consider in confidence any information or matter listed in Section 90 of the Local Government Act 1999.

A total of 23 Ordinary Council Meetings were held in 2015/2016 with 2 Special Council Meetings also being held.

At 7 meetings during 2015/2016, Council resolved to exclude the public from part of the meeting pursuant to Section 90(2) of the Act as detailed in the following table. The table also shows whether and for how long any documents were retained in confidence after the Council's deliberations.

<b>Orders Pursuant to Section 90(2) of the Local Government Act 1999 2015 - 2016</b>				
<b>Meeting Date</b>	<b>Subject</b>	<b>Section 90(3)</b>	<b>Section 91(7)</b>	<b>Status as at 6<sup>th</sup> June 2016<sup>2</sup></b>
16/3/15	Tourism & Visitor Information Services	(b)	until transition arrangements are concluded and reviewed every 12 months	Retained
7/4/15	Possible Asset Disposal	(a)(b)	until negotiations are concluded and reviewed every 12 months	Retained
20/4/15	Possible Asset Disposal	(a)(b)	until negotiations with interested parties are concluded, and reviewed every 12 months	Retained
4/5/15	A Staff Matter	(a)	for 12 months and reviewed every 12 months	Retained
18/5/15	Land Formerly Owned by Council	(b)	for 24 months and that this order be reviewed every 12 months	Retained
15/6/15	Financial Management Audit Committee Meeting 3 June 2015 – land Formerly Owned by Council	(g)	for 24 months and reviewed every 12 months	(reviewed in 2015-2016)
3/8/15	Strategic Land Acquisition	(b)	Until completion of contract documentation, reviewed every 12 months	Retained
3/8/15	Council Contribution to Major Project Investigation	(j)	Until project details released by project proponent, reviewed every 12 months	Retained
2/11/15	Residential Development Plan Amendment Report – endorsement for Statutory Public and Agency Consultation	(m)	Until release of Residential Development Plan Amendment Report for Consultation, reviewed every 12 months	Retained

<sup>2</sup> Date of Council Meeting when Confidential Orders were reviewed for the 2015/16 financial year

<b>Orders Pursuant to Section 90(2) of the Local Government Act 1999 2015 - 2016</b>				
<b>Meeting Date</b>	<b>Subject</b>	<b>Section 90(3)</b>	<b>Section 91(7)</b>	<b>Status as at 6<sup>th</sup> June 2016<sup>3</sup></b>
2/11/15	Strategic Planning and Development Policy Committee – 26 October 2015	(m)	Until release of Residential Development Plan Amendment Report for Consultation, reviewed every 12 months	Retained
2/11/15	Appointment of Consultant Team for the Refurbishment of the Port Lincoln Leisure Centre	(k)	Until contract signed and that this order be reviewed every 12 months	Retained
4/4/16	Chief Executive Officer Performance review 2014-2015	(a)	Until Mr Donaldson's contract as CEO is concluded	Retained
4/4/16	Chief Executive Officer Remuneration Review	(a)	Until Mr Donaldson accepts the remuneration and conditions for the following 12 month period as CEO	Retained
2/5/16	Barngarla Native Title Claim – Negotiation Directions	(i)	Until publication of the Federal Court judgment, reviewed every 12 months	Retained
2/5/16	Property Lease Matters	(b)	Until formally agreed by lessee and enacted, reviewed every 12 months	Retained
16/5/16	Major Event Proposal	(d)	Until event details publicly announced including sponsorship and reviewed every 12 months	Retained
6/6/16	\$4m Variable Loan Facility to Fund Leisure Centre and Indoor Aquatic Facility Refurbishment	(k)	Until financial institutions confirm their submission may be publicly released, reviewed every 12 months	Retained
20/6/16	\$4m Variable Loan Facility to Fund Leisure Centre and Indoor Aquatic Facility Refurbishment	(k)		Release
20/6/16	Major Event Proposal	(d)	Until proponent releases information, reviewed every 12 months	Retained

Section 91(9) of the Local Government Act, 1999 requires Council, once in every financial year, to review confidential orders made pursuant to Section 91(7) of the Act to determine whether the orders to retain documents in confidence will remain in force or be revoked. Revoked orders result in all confidential documents relating to the order being released to the public.

Council reviewed the Register of Confidential Orders on 6 June 2016 and resolved that certain confidential orders will remain operative as detailed in the following table. Confidential orders remaining operative from the period after 4 June 2012 are also shown in the following table.

<sup>3</sup> Date of Council Meeting when Confidential Orders were reviewed for the 2015/16 financial year

<b>Orders Remaining Operative Pursuant to Section 91(7) of the Local Government Act 1999 4 June 2012 - 30 June 2016</b>				
<b>Meeting Date</b>	<b>Subject</b>	<b>Section 90(3)</b>	<b>Section 91(7)</b>	<b>Status as at 6 June 2016<sup>4</sup></b>
4/6/12	Drainage Easement	(a)	Until formal contractual arrangements are executed	Retained
15/12/14	CEO Performance Review Report	(a)	Until conclusion of Mr Rob Donaldson's contract as CEO	Retained
7/4/15	Possible Asset Disposal	(a)(b)	until negotiations are concluded and reviewed every 12 months	Retained
20/4/15	Possible Asset Disposal	(a)(b)	until negotiations with interested parties are concluded, and reviewed every 12 months	Retained
18/5/15	Land Formerly Owned by Council	(b)	for 24 months and that this order be reviewed every 12 months	Retained
15/6/15	Financial Management Audit Committee Meeting 3 June 2015 – Land Formerly Owned by Council	(g)	for 24 months and reviewed every 12 months	Retained
2/5/16	Barngarla Native Title Claim – Negotiation Directions	(i)	Until publication of the Federal Court judgment, reviewed every 12 months	Retained
16/5/16	Major Event Proposal	(d)	Until event details publicly announced including sponsorship and reviewed every 12 months	Retained
6/6/16	\$4m Variable Loan Facility to Fund Leisure Centre and Indoor Aquatic Facility Refurbishment	(k)	Until financial institutions confirm their submission may be publicly released, reviewed every 12 months	Retained
20/6/16	\$4m Variable Loan Facility to Fund Leisure Centre and Indoor Aquatic Facility Refurbishment	(k)		Release
20/6/16	Major Event Proposal	(d)	Until proponent releases information, reviewed every 12 months	Retained

<sup>4</sup> Date of Council Meeting when Confidential Orders were reviewed for the 2015/16 financial year.



One hundred submissions were received on the Draft Annual Business Plan 2016/2017 in response to an engagement program in which the community was given the opportunity to learn about the Annual Business Plan and talk to staff and Elected Members at a street stall over two days and complete a survey online.

The Draft Long Term Financial Plan and Draft Infrastructure and Asset Management Plan were released for public comment in February 2016 and no submissions or community comment was received on these plans.

The community was informed and consulted on the Residential Development Plan Amendment (DPA) from November 5, 2015 to January 21, 2016. Two information sessions were held on November 24, 2016 with approximately 30 people attending the sessions. Community members were invited to make comment on the proposed Residential DPA through written submissions with an opportunity to speak at a Public Meeting of Council's Strategic Planning & Development Policy Committee. 22 written submissions were received from members of the public and 8 from State Government Agencies. 10 members of the public addressed the Strategic Planning & Development Policy Committee at a public meeting held February 8, 2016.

Council will develop and implement a Communications and Engagement Strategy to ensure consistent pursuit of our engagement objectives and best practice community engagement and communication.

### Communications

Council uses a variety of communication tools and channels to inform the community of Council business and activities, such as:

- up to date information on Council's website.
- Council's weekly advertorial in the Port Lincoln Times
- 5CC/Magic 899 local radio advertisement
- 'cash classifieds' advertisement
- media releases
- public notices and posters on Council's community information board
- static displays and brochures at the Council office and Port Lincoln Library
- surveys and information sheets available at the Council office, website and Port Lincoln Library
- Council and Committee meetings open to the public at the Council Chambers
- street stalls
- banners on the foreshore
- city entrance signs.



ABP street stall on Tasman Terrace

Council regularly informs the community on services, programs, projects, community awards, road closures, public consultation opportunities, employment vacancies, community activities at the library, shows and exhibitions at the Nautilus Arts Centre, community events, development plan amendments, category 3 development applications, community land classification decisions, policy reviews, office closures and other relevant Council Information.

Council staff are working towards implementing Facebook to better inform the community on Council services, programs and projects through social media to enable direct and wider dissemination of information to community members. The introduction of the My Local Services App will also help to deliver information and enable engagement about local services and events.

Members of the community can provide feedback about Council's services at any time through the Customer Service Feedback form available on Council's website or from the Council office.

### Public Participation in Council Meetings

Members of the public have a number of opportunities to put forward their views, questions and concerns on particular issues before the Elected Members of Council.

Deputation to Council	With prior notification and approval of the Mayor, a member of the public can address the Council on any issue relevant to Council.
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 about any Council policy, activity or service.
Elected Members	Members of the public can contact their Elected Members of Council to discuss any issue relevant to Council.
Community Question Time	Members of the public can ask a question directly to the Council at the beginning of each Council Meeting

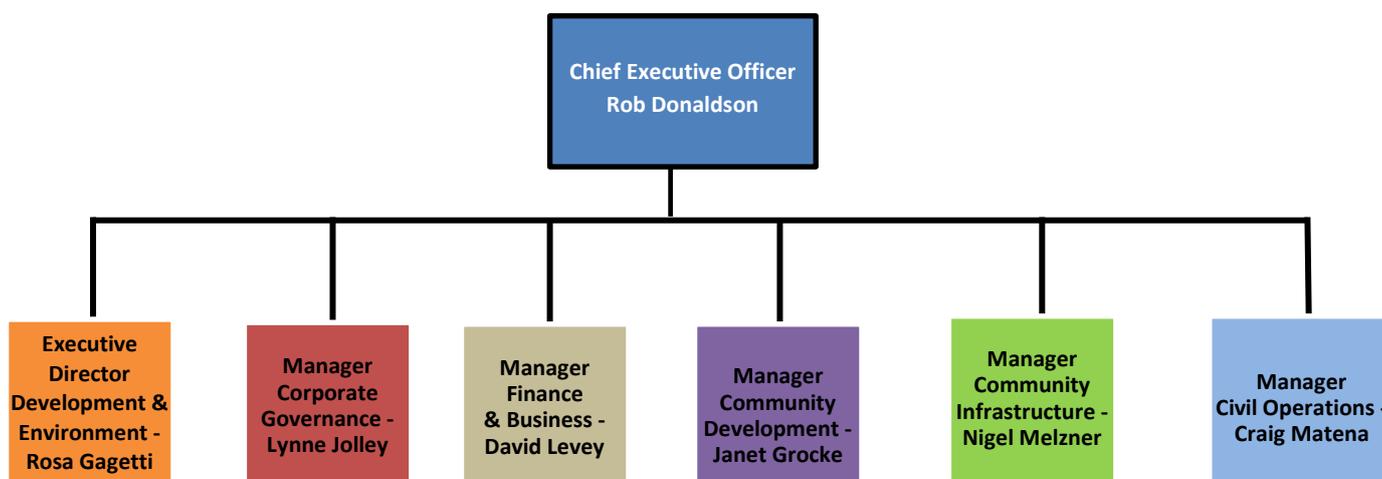
Members of the public can contact the Elected Members of Council directly to discuss any issue relevant to the Council.

## Human Resources

### Management and Staffing

#### Senior Management Team

Management and staff of the City of Port Lincoln work for and on behalf of the community in response to the policies and directions set by Council’s Elected Members. The Chief Executive Officer is responsible for the overall administration of the City of Port Lincoln and for ensuring policies, programs and services are delivered and implemented by staff. During 2015/2016, the Senior Management Team structure was reviewed and aligned with the Council’s Service Areas, to provide improved leadership, strategic direction and operational service delivery. Council’s Service Profile provides further detail of the services and activities of each area.



### Allowances and Benefits

#### Chief Executive Officer

Contract based package

- Salary

- Motor vehicle – full private use

- Mobile phone for Council business

- Matched 3% Super Contribution above Superannuation Guarantee

#### Senior Management Team

Contract package incorporating the City of Port Lincoln Enterprise Bargaining Agreement

- Salary

- Motor vehicle – full private use

- Mobile phone for Council Business

- Matched 3% Super Contribution above Superannuation Guarantee

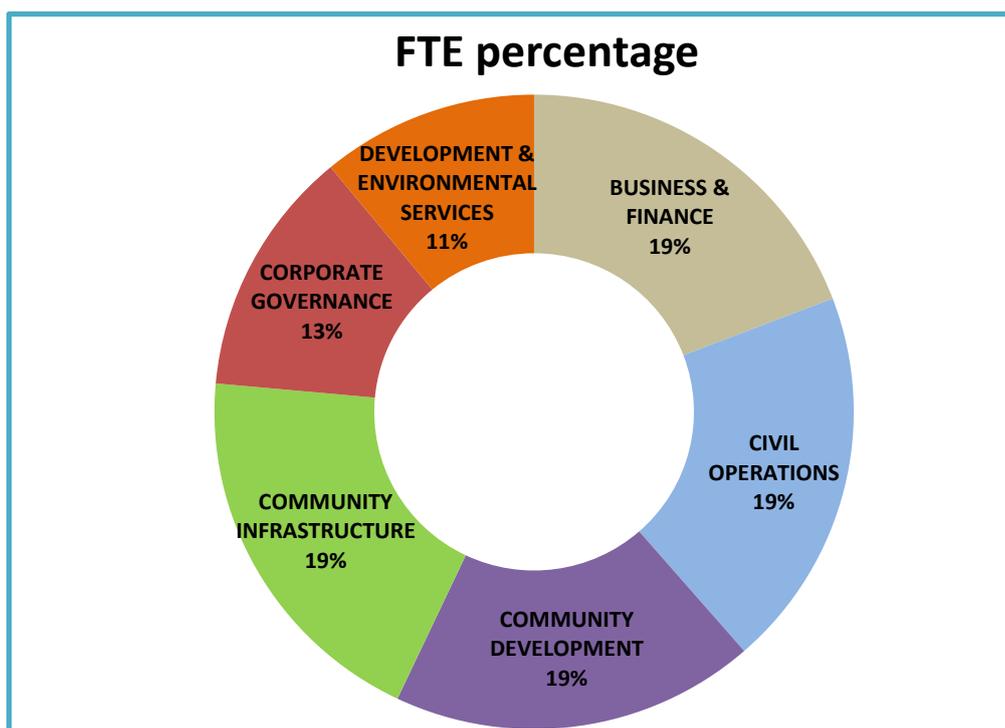
Council maintains a Register of Salaries for all Council employees, pursuant to Section 105 of the Local Government Act 1999, which is available for inspection during business hours, or an extract can be purchased on payment of a fee.

### Employee Distribution

As at 30 June 2016 Council had 65 employees, consisting of 43 full time staff, 13 part time staff and 9 casual employees. The gender balance of Council employees was a female to male ratio of 2:1.

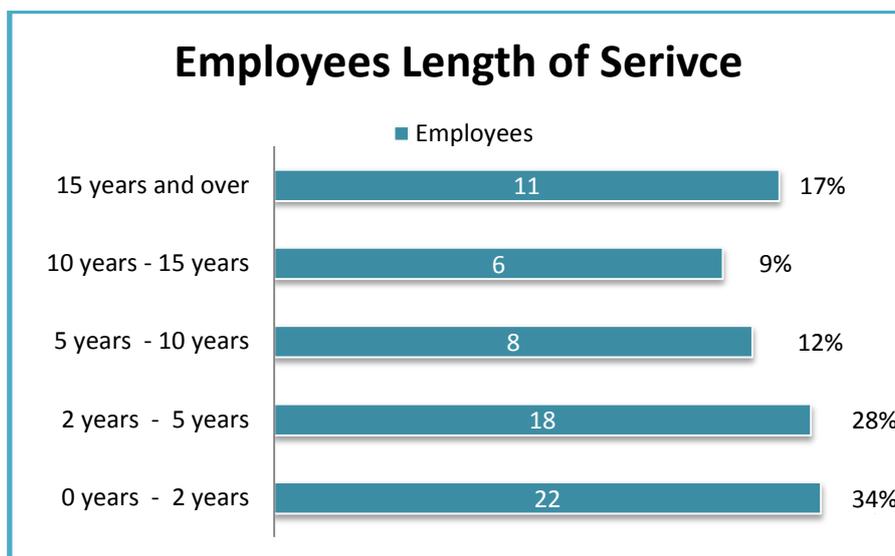
The Full Time Equivalent (FTE) staff employed as at 30 June 2016, was 51.55. The distribution of employees across Council Departments was as follows:

Service Areas	Number of Employees	FTE Equivalent
Finance & Business	11	9.89
Civil Operations	10	10
Community Development	21 (inc 9 Casuals)	9.51
Community Infrastructure	10	10
Corporate Governance	7	6.49
Development & Environmental Services	6	5.66
<b>TOTALS</b>	<b>65</b>	<b>51.55</b>



Council is committed to being an employer of choice to retain and attract the best possible staff. More than half of Council employees (66%) have been with Council for more than 2 years, with 17% of employees having more than 15 years of service with Council.

There was a significant increase in the total employee numbers in 2015/16 as a result of Council taking over the operation of the Visitor Information Centre, which added 10 new employees (almost all employed on a casual basis for part-time work).



**Equal Employment Opportunity**

The City of Port Lincoln is wholly committed to the principles of Equal Employment Opportunity and puts these into practice in all instances of new staff appointments, promotions and training opportunities. In all policies and practices of the Council, there shall be no discrimination relating to sex, marital status, age, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation. Selection of individuals for employment, promotion or advancement training and staff development will be on the basis of personal merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved.

Council will utilise and develop the full potential of its human resources and promote employee morale and motivation by maintaining staff confidence in personnel practices and employment opportunities.

Equal Employment Opportunity practice reflects the Council’s commitment to provide a workplace free of discrimination where each person can progress to the extent of their ability as opportunities arise.

**Training and Development Policies**

Council’s training policies and practices - including policies 12.63.14 Human Resource Management and 9.63.12 Council Members Training & Development - aim to develop highly skilled, knowledgeable and committed employees and Council Members. This will provide positive outcomes to Council, the community and the individuals themselves. It is Council's intent to:

- establish a working environment in which employees are encouraged to undertake training
- actively promote training
- provide opportunities for recognition, development and advancement
- develop the skills and knowledge of entry level employees.

Council has developed a training plan to ensure appropriate budget provisions for training and development are allocated. The training plan also ensures that all Work Health and Safety training is available for all staff as appropriate to their role.

Training should be relevant to the services provided by the Council, meaningful to the participants, and result in improved workplace performance. Training and development forms a key part of a strategic human resources approach which responds to present and future organisational needs.

### Risk Management and Work Health and Safety

As part of Council's continuous improvement activities in 2015/2016, Council has continued to develop its risk management framework, which will reduce our exposure to liability through proactive management of strategic program and project risk and optimum maintenance of Council's assets, infrastructure and facilities.



For the 2015/16 year the Work Health and Safety focus was on improving Hazard Management, Contractor Management and Volunteer Management. A two year WHS and Return to Work Plan was developed, designed to strategically and systematically improve organisational Work Health and Safety and Return to Work Systems, processes and outcomes for Council. Key Programs and projects are identified and all actions within the key programs assigned to responsible officers; monitoring and review of the WHS & RTW Plan occurs quarterly by the CEO, Senior Management Team and the Health and Safety Committee (HSC).

The Annual WHS Key Performance Indicators Audit was conducted by the Local Government Association Workers Compensation Scheme (LGAWCS) in December 2015, testing compliance against the Return to Work SA Performance Standards for Self Insurers (PSSI). The scope of the 2015 audit involved 11 sub-elements of the PSSI and 14 sub-elements of the Injury Management Standards. The findings of this report will be used for:

- Planning and continuous improvement by Council of its Work Health, Safety, and Injury Management Systems; and
- Measuring and monitoring conformance with the Return to Work SA Performance Standards for Self Insurers.

Whilst the KPI Audit identified 3 non-conformances and 5 observations, the safety system foundations are in place and the issues raised formed part of on-going system improvement that Council aims to achieve by the end of the 2016 reporting period.

#### *Achievements for the 2015/2016 year included:*

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• <i>12 One System WHS Procedures reviewed, endorsed and implemented in 2015.</i></li> <li>• <i>Council's Pre qualified Contractor Register process reviewed developed</i></li> <li>• <i>Training provided to those within Council who engage contractors.</i></li> </ul> | <ul style="list-style-type: none"> <li>• <i>Emergency Management system developed and implemented for new Council sites;</i></li> <li>• <i>regular emergency exercises conducted and documented.</i></li> <li>• <i>Pre start checks for all major plant and high risk minor plant will be implemented</i></li> <li>• <i>Certificate IV Work Health and Safety qualification achieved by WHS Officer.</i></li> </ul> |
|--|---|

## FINANCE AND BUSINESS

### Finance

#### Rating & Property Information

Providing and maintaining services and facilities costs money. Council works hard to ensure that rates are kept to a reasonable level, consistent with the needs of the community and financially sustainable outcomes.

#### *Site Value as Rating Basis:*

The City of Port Lincoln used Site Value as the basis for valuing land for the 2015/2016 financial year. Council considers this method of valuing land provides the fairest method of distributing the rate burden across all rate payers.

#### *Incentive for early payment of Rates*

Council provided a 2% discount for rates payments received in full on or prior to the 1<sup>st</sup> Quarter due date. Only 17% of councils in South Australia provide this incentive.

#### *Rebate of Rates*

Type of Rebate	Number of Rebates	Reason of Rebate	Value of Rebates
<b>Mandatory</b>			
	8	Education	20,306.55
	19	Religious	47,970.30
	65	Community	37,867.05
		<b>Sub Total</b>	<b>106,143.90</b>
<b>Discretionary</b>			
	56	Community	39,860.35
	2	Services for Children	2,783.80
		<b>Sub Total</b>	<b>42,644.15</b>
<b>Total</b>	<b>150</b>		<b>148,788.05</b>

#### Financial Performance

#### *Financial Controls*

Section 125 of the Local Government Act 1999 requires Council to have appropriate policies, practices and procedures to assist the Council to carry out its activities in an efficient and orderly manner that safeguards Council's assets and secures the accuracy and reliability of Council records. Council utilises SynergySoft and UV Codes software to manage its financial functions, from which budget and actual performance are measured, reported and analysed. The regular budget review process captures changes in revenue and adjustments to proposed capital works and operational expenditure, which provides an accurate estimation of the financial status of Council as at the next 30 June each year.

The role of the Financial Management Audit Committee is to monitor the integrity of financial statements, review the effectiveness of Council's internal controls and risk management systems and liaise with external auditors on relevant matters.

Section 129 of the Act, Conduct of Audits, requires that the auditor of a council must provide an audit opinion as to whether the internal controls audited are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law. ControlTrack software is used to assist Council with the assessment, review and on-going monitoring of internal control practices, including a "Better Practice Model" to address the mandatory criteria by which local government auditors must assess the internal controls exercised by a council.

Council utilises the services of accounting and auditing firm, Dean Newbery & Partners, to perform the external audit of Council's financial controls and Annual Financial Statements.

### *Loan Borrowings*

In July 2013 Council resolved to undertake loan borrowings of \$419,000 to support a Community Loan to the Port Lincoln Bowling Club Incorporated for the installation of an artificial bowling green. As at 30 June 2016 the outstanding loan to the Local Government Finance Authority was \$334,851.85, repayable over a 10 year term at a fixed interest rate of 5.6%.

In July 2015 Council resolved to borrow the amount of \$4,213,830 to finance the purchase of the Port Lincoln Leisure Centre and associated business on 31 August 2015. As at 30 June 2016 the outstanding loan to the Local Government Finance Authority was \$4,149,559.81, repayable over a 20 year term at a fixed interest rate of 4.75%.

### *Auditor Independence*

Dean Newbery & Partners, with lead auditor Samantha Allard, undertook the audit of Council's internal financial controls and the presentation of financial reports as required for the 2015/2016 financial year (refer Appendix D).

The Local Government (Financial Management) Regulation 14 requires the Chief Executive Officer and Mayor to sign a statement certifying that:

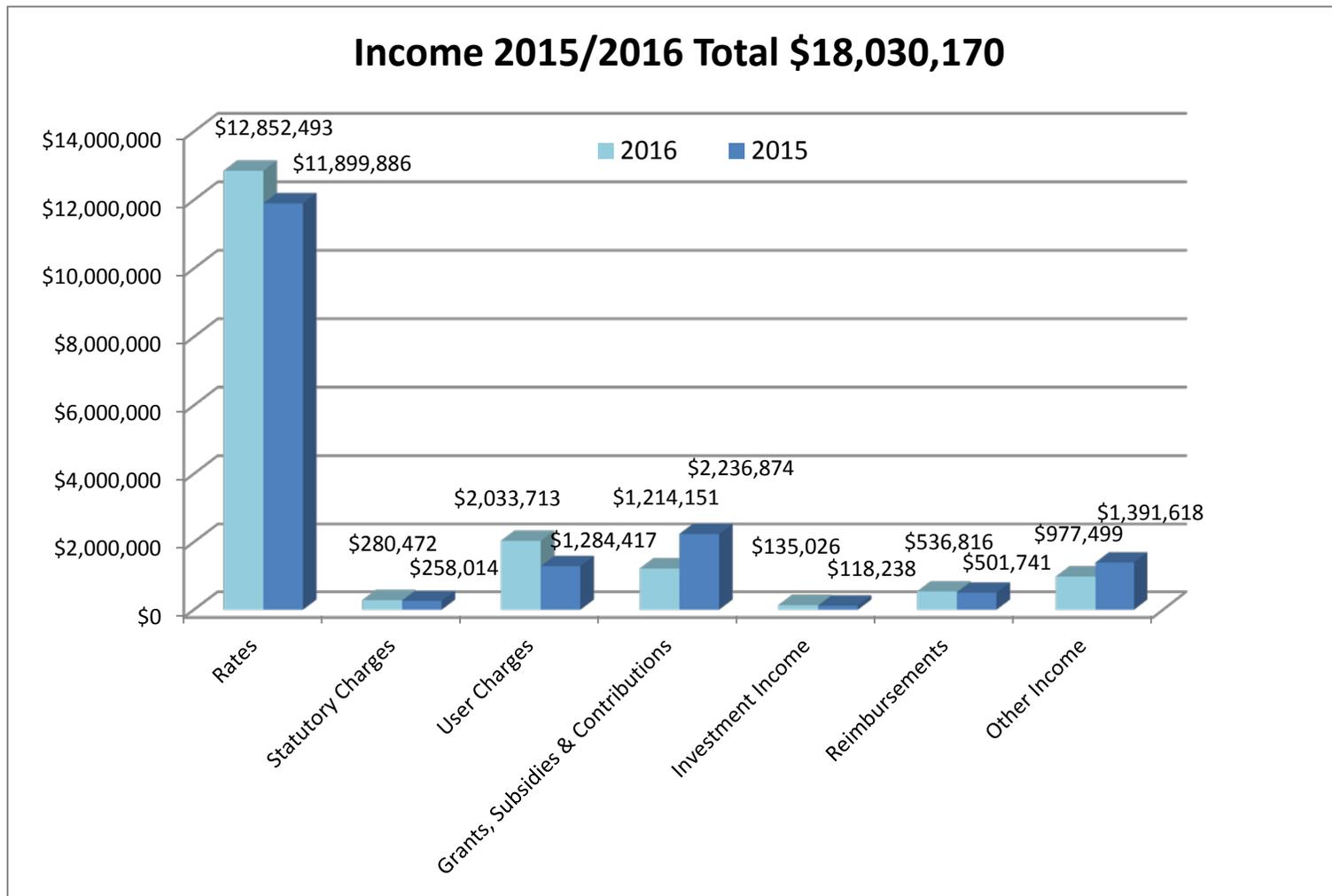
- a) The financial statements comply with relevant legislation and Australian Accounting Standards,
- b) The financial statements present a true and fair view of the financial position, results of the operations and cash flows of Council,
- c) Internal controls implemented by Council provide a reasonable assurance that its financial records are complete, accurate and reliable and were effective throughout the financial year,
- d) The financial statements accurately reflect the accounting and other records of Council, and
- e) That the CEO and Mayor have been authorised by the Council to certify the annual financial statements in their final form.

In order to effect this certification process, Council is required to authorise the CEO and Mayor to sign the certification of the statements in their final form when completed. The result of this process is that the audited financial statements cannot be altered by Council and the final statements will be presented to Council for information only.

Council has not engaged its auditor, Dean Newbery and Partners, to provide any services outside the scope of its functions as Council's auditor.

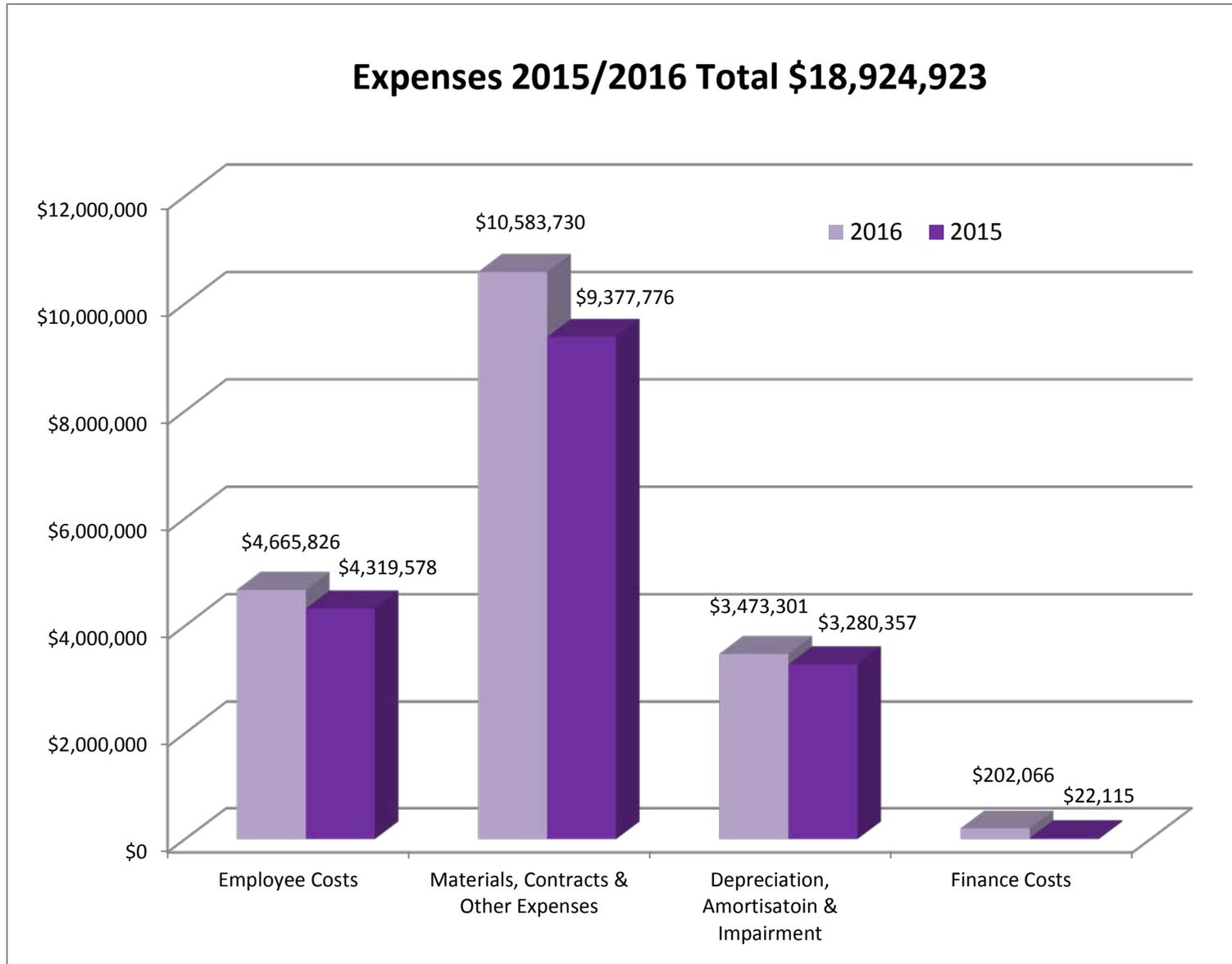
Pursuant to the Local Government Act 1999, Section 128(9) and Schedule 4, the remuneration payable for the annual audit of Council's financial statements and interim audit report for the work performed during the 2015-2016 financial year was \$18,200, being \$14,500 for audit services and \$3,700 for travel expenses

*Financial Performance at a Glance*



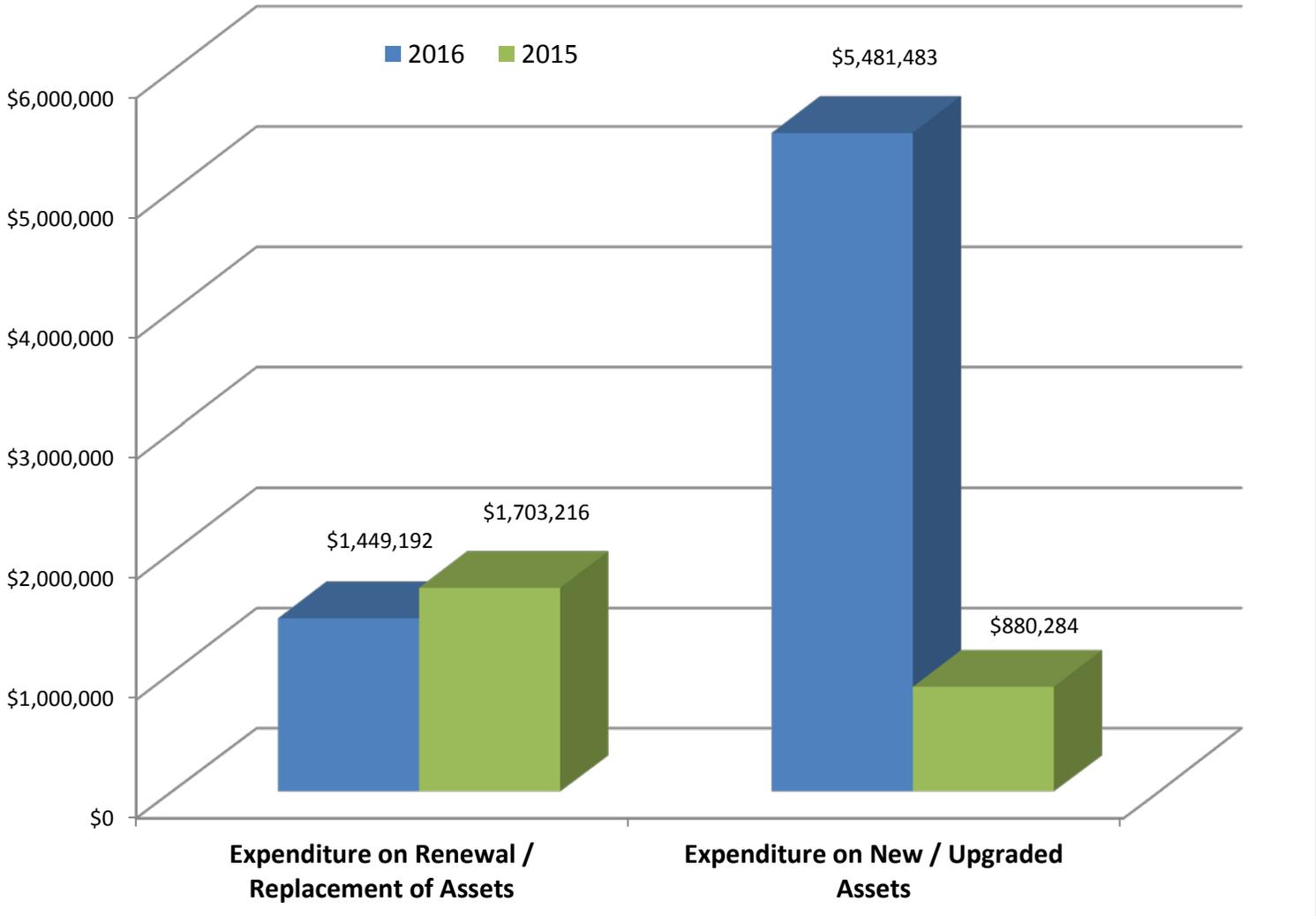
- Rates Fixed Charge ↑
- Waste & Recycling Cost Recovery ↑
- On-street Parking Infringement Income ↑
- Visitor Information Centre Income & Leisure Centre Lease Income ↑
- Pre-payment of Commonwealth Grants Commission Grant ↓
- Investment Income ↑
- Reimbursements ↑
- Insurance Recoupment ↓

### Expenses 2015/2016 Total \$18,924,923



- Employee Annual Leave Liability ↑
- Increased Superannuation Expense ↑
- Election Expenses ↓
- Leisure Centre Operating Costs ↑
- Visitor Information Centre Operating Costs ↑
- General Maintenance ↑
- Filtration, Buildings, Furniture & Fittings Depreciation ↑
- Finance Costs - Loan Payable ↑

### Capital Expenditure 2015/2016 Total \$6,930,675



**Major Projects:**

- Renewal/Replacement  
 Centenary Oval Carpark, Storage Shed & Toilets  
 CCTV Security  
 Nautilus Arts Centre Hall Lighting  
 Road Base Construction  
 Road Surface Construction  
 Road Reseals  
 Footpaths  
 London St Bridge Design  
 Major & Minor Plant

- New/Upgrades  
 Leisure Centre Purchase  
 Stormwater Drainage  
 Heritage Trail  
 Billy Lights Points Boat Wash Down Facility  
 Swimming Enclosure Ring Barrier  
 Parnkalla Trail Foreshore Extension Engineering  
 Footpaths

## Business

### Records Management & IT

The maintenance of effective, efficient, reliable and compliant records of Council's business and transaction is an internal function.

#### Creation of Records in 2015/2016

<b>Incoming Records</b>	<b>15363</b>
<b>Outgoing Records</b>	9925
<b>Internal Records</b>	5955
<b>TOTAL</b>	<b>31243</b>

Council's SynergySoft software will be made compliant with SA State Records for Electronic Record Keeping (SARKMS) in the 2016/2017 financial year. The associated implementation of improved electronic record keeping will involve a two year implementation plan.

The following IT projects were completed in 2015/2016:

- Cisco IP Call Manager was replaced due to the old call manager software going out of support
- Council's internet connection was transitioned from ADSL to a new SIP service. This has increased connectivity speeds and allowed a stable connection between the Civic Office server and the Visitor Information Centre, Works Depot and Library
- a major GIS mapping upgrade was completed
- New Server Storage Array and UPS replaced out of support hardware.

### Competitive Tendering and Cost Effective Services

#### *National Competition Policy*

Under the requirements of the Local Government Act, 1999 Schedule 4 1(j) and the National Competition Policy there were no significant Council-owned or operated business activities created, undertaken or ceased for 2015/2016. There were no complaints received by Council in its application of competitive neutrality in its business dealings.

#### *Purchasing Policies*

Council continues to strive to provide value for money in service delivery to the ratepayers of the City of Port Lincoln through the adoption and utilisation of best practice purchasing and procurement Policies. Council regularly undertakes reviews of its policies as required by the Local Government Act. Policy 7.63.1 (Contracts, Tenders, Purchasing and Disposal) was reviewed and adopted in compliance with Section 49 of the Local Government Act 1999 encompassing the following:

- Monetary limits
- Use of Local Government Corporate Services Supply Agreements

- Pre Qualified Contractor Register
- Quotations, tendering and evaluation
- Outsourcing Council functions
- Additional considerations such as environmental, buying locally and Australian made, health and safety
- Disposal of surplus goods & materials and Council land.

### *Provision of Services, Contracts and Agreements*

Council is committed to implementing fair, transparent and consistent procurement practices when tendering for goods and/or services. In accordance with Local Government Act 1999 Schedule 4 (2) (b) competitive tenders, a procedure is in place to assess how goods and/or services are sourced and acquired as per the following table.

<b>&lt; \$5,000</b> (Issue Purchase Order)	<b>&lt; \$50,000</b> (Issue Purchase Order)	<b>\$50,000 &lt; \$150,000</b> (Issue Minor Works Agreement)	<b>\$150K and above</b> (Issue Contract)
Seek quote and issue purchase order	Refer Council's Prequalified Contractor Register or if not on Register seek 3 quotes using Request for Quotation including specification/ scope documentation.  Issue Purchase Order	Request for Quotation documentation including specification/scope documentation  Public Notification: Advertising through Council's Web Site, Port Lincoln Times Page, Classified Ads  All submissions received are sealed and kept in a Tender Box in Council's Strong Room. They are all treated in a confidential manner and opened in the presence of 2 personnel after the appointed closing time for receiving submissions.	Request for Tender documentation including specification/scope documentation  Public Notification: Advertising through Council's Web Site, Port Lincoln Times Page, Classified Ads and Local Government Association (Tender on Line)  All submissions received are sealed and kept in a Tender Box in Council's Strong Room. They are all treated in a confidential manner and opened in the presence of 2 personnel after the appointed closing time for receiving submissions.
	This process was undertaken <b>17</b> times throughout the 2015/16 year.	This process was undertaken <b>10</b> times throughout the 2015/16 year.	This process was undertaken <b>5</b> times in the 2015/16 year.

## **CIVIL AND OPERATIONAL SERVICES**

### **Sustainable Resource Management**

#### Waste & Recycling

##### ***Resource Recovery Centre – Cell 3 Capping***

A technical specification was prepared for Cell 3 landfill capping works at the Port Lincoln Resource Recovery Centre (PLRRC) and the project was undertaken by Council’s Civil Team and local contractor, D.K. Quarries. The capping system incorporated a gas collection layer, a geosynthetic clay liner (GCL) with textured HDPE film and a gas composite drainage system. The area capped was approximately 13,500m<sup>2</sup>, at a project cost of \$858,031.



### **Field Services and Civil Assets**

#### Roads, Footpaths, Kerbing

##### ***Road Seal Program***

The section of Proper Bay Road from Windsor Avenue to the Stable roadway was identified for reconstruction due to its deterioration beyond suitability for treatment with a standard reseal. This work was carried out by Council’s Civil Team in conjunction with local contractors.

As part of Council’s expanded Road Reseal Program, which is determined by the Road Surface Manager Software program (RSM) based on an annual re-seal expenditure of \$550,000, the roads shown in the table below were resealed.

Road Name	Road Section	Length (m)	Total Area (m <sup>2</sup> )
<b>Adelphi Terrace</b>	Innes Street to Northern Boundary of Lot No. 837	150	1447
<b>Ansley Place</b>	St. Andrews Terrace to Matthew Place	463.2	4513
<b>Augusta Street</b>	Seaview Road to Bay View Road	201	671
<b>Augusta Street</b>	Seaview Road to Bay View Road	201	611
<b>Baltimore Street</b>	Barnard Street to Knott Street	293.4	1878
<b>Barley Road</b>	Western Approach Road to West Boundary Lincoln South	338	3143
<b>Barley Road</b>	West Boundary Lincoln South to Housing Trust Boundary	332.4	2781
<b>Bay View Road</b>	Chapman Street to Lindsay Street (btwn Augusta Street & Chapman Street)	222.5	1647
<b>Bay View Road</b>	Chapman Street to Lindsay Street (btwn South End and Augusta Street)	222.5	1758
<b>Breton Place</b>	Baudin Place to Hall Street	366	2812
<b>Brougham Place</b>	Dublin Street to Cardiff Road	360.2	2649
<b>Cranston Street</b>	Oxford Terrace to Park Terrace	386.5	3460
<b>Denmark Drive</b>	Stuart Terrace to Hermitage Crescent	189	1439
<b>Dennis Street</b>	St. Andrews Terrace to Ansley Place	107.8	798
<b>Dublin Street</b>	Porter Street to Stevenson Street	535.8	4760
<b>Dublin Street</b>	Stevenson Street to Knott Street	416.5	3649
<b>Easton Road</b>	Newton Street to Bonanza Road	348	2540
<b>Freeman Avenue</b>	New West Road to Marine Avenue	185.2	1170
<b>Gliddon Street</b>	McLaren Street to Dublin Street	366.9	2755
<b>Goode Avenue</b>	Marine Avenue to Tobruk Terrace	187	1281
<b>Grange Grove</b>	Flinders Highway to Jillian Avenue	239	1617
<b>Haigh Street</b>	Mortlock Terrace to Matilda Street	171.9	2269
<b>Hamp Street</b>	Oxford Terrace to Goode Avenue	189.5	1300
<b>Hawson Place</b>	Kent Place South to Kent Place North	509.8	3793
<b>Henderson Street</b>	Heath Street to Eden Street (Frangos)	395.2	2924
<b>Holroyd Avenue</b>	Telfer Street to Tennant Street	103.4	781
<b>Homely Place</b>	Banksia Crescent to Robertson Road	216.7	1575
<b>Knott Street</b>	Matthew Place to Dublin Street	171.9	2061
<b>Knott Street</b>	Eltham Avenue to Cardiff Road	170.2	2135
<b>Knott Street</b>	Cardiff Road to London Street	189.1	2413
<b>Lear Place</b>	Flinders Highway to End	120.4	595
<b>Matilda Street</b>	Tennant Street to Swaffer Street	361.1	3300
<b>Milton Avenue</b>	Unga Street to Kurla Street	76.5	518
<b>Oxford Terrace</b>	Trigg Street to Normandy Place	189	1720
<b>Stevenson Street</b>	Eltham Avenue to Matthew Place	347	3846

### *Footpath Construction Program*

A number of existing footpaths were upgraded and new footpaths constructed to maintain the network standards of the Infrastructure and Asset Management Plan (IAMP) and to continue the creation of a fully connected footpath network for residents in Port Lincoln.

Road Name	Road Section	Length (m)
<b>Haigh Street</b>	Mortlock Terrace to Matilda Street	160
<b>Penshurst Road</b>	Oxford Terrace to Brockworth Road	236
<b>Dorset Place</b>	Gloucester Terrace to Brockworth Road	160
<b>Swaffer Street</b>	Mortlock Terrace to Myers Street	270
<b>King Street</b>	London Street to Railway Crossing	193
<b>Haigh Street</b>	Matilda Street to Sleaford Terrace	32



### *London Street Bridge*

Council was successful with its proposal to the Australian Government Bridges Renewal Program, receiving a commitment to 50% of the construction cost of a replacement London Street Bridge, up to a maximum value of \$2.24million.

Tonkin Consulting was engaged to undertake the design of the project.

The design includes a wider bridge to accommodate a 1.5m bicycle lane and 3.5m driving lane on both sides, together with a 2.8m shared path on the south side. Successful negotiations with the rail authority Genesee & Wyoming (G&W) resulted in a reduction of the span of the bridge across the rail lines, which improved the design outcome.

Construction of the bridge is planned for 2016/2017.

Planned milestones for the bridge construction timing are:

Commencement of Construction	28 February 2017
Demolition of existing bridge and commence foundations	30 April 2017
Completion of bridge foundations and abutments	31 July 2017
Completion of bridge super structure	31 August 2017
Completion of construction	31 October 2017
Construction complete and presentation of Post Completion Report	30 November 2017

## Stormwater Management

### *Flinders Highway/Tennyson Terrace Drainage*

Council constructed stormwater drainage along Flinders Highway and Tennyson Terrace to reduce flood risk for the adjacent properties in the area. Approximately 220m of below ground pipe was laid, ranging from 525mm in diameter down to 375mm.



### *Normandy Place*

A detailed drainage design for Normandy Place including McDonald Avenue was completed with the objective of preventing the regular flooding that has previously occurred to a number of properties along both Normandy Place and Amiens Place. The large flood flows can at times exceed the capacity of the road network and existing drainage infrastructure, and spill in to private property. This project is scheduled for construction in 2016/2017.

## COMMUNITY INFRASTRUCTURE SERVICES

### Water Resources Management

Council makes a significant contribution to preserving the region's limited potable water supplies, by irrigating all major reserves and sports fields using recycled water. In 2015/2016 Council's recycled water treatment plant produced 110 mega-litres of recycled water for use in irrigation of open space, mainly Council-owned but including two private sites - and in the construction industry.

Two more non-Council water users are working towards purchasing recycled water from Council for irrigation purposes, which would further reduce the draw on the region's potable water supplies.

Council also continue to carefully monitor all SA Water meters in reserves and Council properties to ensure use of potable water is minimised.

With the assistance and facilitation of RDA Whyalla and Eyre Peninsula and funding support from the Stormwater Management Authority, Council commissioned a study of aquifer re-charge and stormwater re-use potential in Port Lincoln with the objective of identifying possible sources of water capable of enhancing water quality (in particular through reduced salinity) in Council's existing water re-use scheme. The final report is yet to be considered by Council.

### Council Properties and Facilities

Council provides and manages a CCTV network to reduce vandalism and help keep the City safe. In 2015/2016 the network was upgraded from an analogue system to a web-based IP System which allows vision to be saved direct to a PC instead of VHS tape. This project included the upgrade of the recording system and hardware to allow for much better clarity of footage and easier retrieval by SAPOL.

The equipment storage sheds and toilet block at the southern end of Centenary Oval were demolished and replaced, having passed the end of their useful life. The new four bay storage shed will be used under lease agreement by the Port Lincoln Football League and the Port Lincoln Cricket Association. Provisions were also made for the new shed to incorporate disabled compliant public toilet facilities, and the internal fit out will be completed in 2016/2017.

Old Equipment Storage Shed Demolished



New Four Bay Storage Shed



The whole southern car parking area at Centenary Oval was also resurfaced. These latest projects complete the staged upgrade of all facilities and infrastructure at Centenary Oval and further enhance Centenary Oval as a key regional sporting facility.



Two new flagpoles were installed on the Nautilus Arts Centre building to display the Australian and Aboriginal flags side by side. Low energy use LED lighting was incorporated into the project so that the flags are permanently displayed. This confirms Council's willingness to embrace reconciliation and acknowledge the original inhabitants of the area.

Council owns three cemeteries, two of which are still in operation. The North Shields Cemetery is the most utilized and its maintenance and operation is a contracted service. Sections of historical stone walls dividing the Pioneer and Happy Valley cemeteries were

repaired with further renovations planned for 2016/2017.

Council continued its improvement of public facilities at Billy Lights Point with the addition of a purpose-built boat wash down facility and renewal of the BBQ area. The BBQ shelter was renovated and re-roofed, new paving installed and the old BBQ completely replaced. These projects complement the recently constructed fish cleaning station and new boat ramp pontoons from previous years and the recent works ensure the local community and tourists alike have access to high quality recreational facilities.



## Public Places

The third and final stage of the Heritage Trail, which extends from Margaret Avenue down to the Train Playground on Stuart Terrace was started, with construction work to span across the 2015/2016 and 2016/2017 financial years. This stage of the project will see another 400metres of shared use recreational trail constructed to complete the 1.5km long pathway.



A major component of the project in the 2015/2016 financial year was the construction of granite stone retaining walls to terrace the embankment and enable installation of the trail along Denmark Drive.

As part of Council’s objectives to enhance the city’s streetscape and to increase the amount of public art in the city, three custom made pieces of street furniture were commissioned and installed. Local artists and craftsmen created artistic and functional pieces of public seating made from salvaged wharf timbers from the demolition of the former Berth 1 at Brennan’s Jetty.

Two rustic bench seats designed and made by artist Steve Green were installed in front of the Nautilus Arts Centre in Tasman Terrace, and Michael Paech of the Sandune Surf Company designed and installed a sleek seat shaped like a vintage timber surf board in front of Lincoln Surf in Lewis Street.



Council’s ongoing commitment to improving public spaces resulted in Council winning the KESAB Appearance, Amenities and Facilities 2015 Highly Commended Award.



## DEVELOPMENT AND ENVIRONMENTAL SERVICES

### Planning and Development

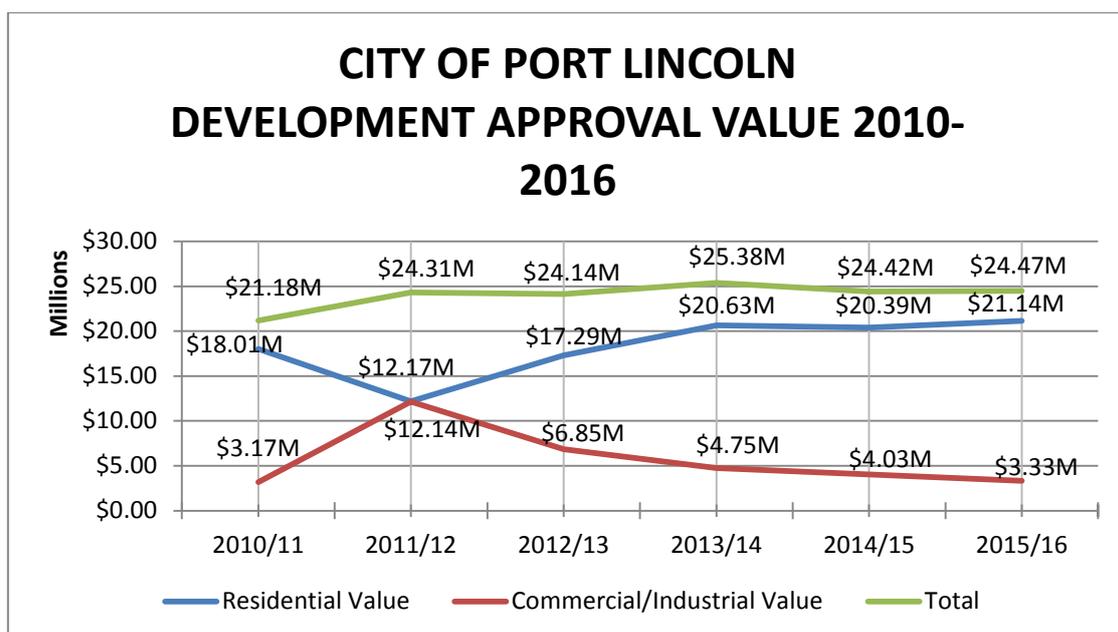
#### Development Assessment

The number of Development Applications received during 2015/2016 continued a small but steady decrease over the past three years. A breakdown is shown in the table below:

Type	Number of Applications			
	2012/13	2013/14	2014/15	2015/16
<b>Development Applications</b>	300	306	290	287
<b>Land Division Applications</b>	30	27	31	22
<b>Total</b>	<b>330</b>	<b>333</b>	<b>321</b>	<b>309</b>

As indicated in the table below, the value of development approved for Residential purposes remained steady with a slight decrease in Commercial & Industrial development value, and an overall slight upward change when compared with the last financial year. The medium-term trend for the value of applications received remains flat notwithstanding the relatively slight increase previously mentioned.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Residential Value</b>	<b>\$18,010,000</b>	<b>\$12,170,000</b>	<b>\$17,290,000</b>	<b>\$20,630,000</b>	<b>\$20,390,000</b>	<b>\$21,143,000</b>
<b>Commercial &amp; Industrial Value</b>	<b>\$3,170,000</b>	<b>\$12,140,000</b>	<b>\$6,850,000</b>	<b>\$4,750,000</b>	<b>\$4,033,700</b>	<b>\$3,327,000</b>
<b>Total</b>	<b>\$21,180,000</b>	<b>\$24,310,000</b>	<b>\$24,140,000</b>	<b>\$25,380,000</b>	<b>\$24,423,700</b>	<b>\$24,470,000</b>



## Land Use Planning

Council has continued to allocate significant resources to undertake Development Plan Amendments (DPAs) to ensure that planning policy and zoning will facilitate appropriate future development and meet future growth requirements of the City.

In line with the Statement of Intent for the Residential DPA, Council undertook workshop reviews to confirm the key policy directions and the DPA was released for public and agency consultation in late 2015, with a number of significant submissions being received. It is anticipated the Residential DPA will be submitted to the Minister for authorisation in late 2016.

## **Community Safety**

### Animal Management

In 2015/2016 a prosecution for a dog attack on an 8 year old child was finalised with the dog owner pleading guilty to 24 offences under the Dog and Cat Management Act 1995. This resulted in a \$4000 fine (reduced to \$3000 on account of the guilty plea) and the Court issuing an order to the dog owner prohibiting her from owning a dog for two years.

The trend for dog harassment to humans and animals improved slightly (ie. there were less reported incidents) whilst the trend for dog attacks remained stable. Council continues to urge owners of dogs to ensure their dogs' security to assist in reducing these incidents and ensuring the safety of the community.

<b>Incident</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-2016</b>
<b>Dog harassment - humans</b>	7	7	7	4
<b>Dog attack - humans</b>	3	10	10	9
<b>Dog harassment - animals</b>	3	1	9	3
<b>Dog attack - animals</b>	12	15	10	8

In May 2016 Council conducted an unregistered dogs survey of 2000 households in Port Lincoln with an amnesty period for dog owners to register dogs without charge during the survey period. This resulted in an additional 300 dogs being registered for the financial year. A similar survey is planned for the 2016/2017 financial year.

### Parking

Compliance Officers continue to monitor school zone areas, disabled parking zones and parking in the CBD. The program has proved to be a deterrent for illegal users of disabled parking areas and parking offenders around school zones. Illegal parking on paved footpaths that present a safety hazard for pedestrians has also been a focus for Council's Compliance Officers.

**Monitoring of parking zone compliance in the CBD**

Financial Year	Number of total Expiation Notices Issued	\$ Value Received From Notices
2012-2013	218	\$13,043
2013-2014	90	\$ 6,364
2014-2015	110	\$ 6,555
2015-2016	373	\$28,385

**Fire Prevention**

The 2015/2016 Fire Danger Season was relatively quiet with no major fires threatening the Port Lincoln area. Seventy-six (76) notices were issued pursuant to *Section 105F of the Fire & Emergency Services Act 2005* formally requesting works to be undertaken, with twelve (12) expiations issued for failing to comply.

Council encourages all property owners to take the time and carefully inspect their properties, assess risks and take action before the commencement of summer. To control the spread of fire, owners should remove all flammable materials, excessive vegetation and reduce long grass.

**Permits for Outdoor Dining**

*Section 222 of the Local Government Act 1999* enables the use of a public road for business purposes when granted a permit from Council. In Port Lincoln this relates mainly to outdoor dining, for which licensed areas must ensure the safe and convenient passage of pedestrians including persons with visual and other physical disabilities. Outdoor dining enhances the active retail atmosphere of the CBD and foreshore and is a contributory factor in attracting visitors and tourists to the area. In 2015/2016 Council introduced a three year permit system to reduce red tape for businesses. This removes the need for an annual application, but allows for payment of the annual fee to validate the permit for each financial year. Currently ten (10) businesses in Port Lincoln hold permits for outdoor dining.

**Public Health**

The risk-based classification process for food businesses has been well received, since its introduction during the 2014/2015 financial year. The principles underpinning the four classifications have generally triggered positive discussion with food handlers about different foods, their inherent risks and the challenges associated with various handling techniques.



The table below shows summary data from Council's 2015/2016 Annual Food Act report. Ongoing redistribution of inspection resources is evident when comparing the data from the last two reporting periods.

**Businesses / Organisations Serving Vulnerable Populations**

**Mandatory Food Safety Programs**

Risk Classification	No. of Businesses	Routine Audits (Standard 3.2.1, 3.2.2 & 3.2.3)		Routine Inspections (Standard 3.2.2 & 3.2.3)	
		No. of audits conducted by your council	No. of audits conducted by other councils (In your area)	No. of inspections conducted	No. of follow-up inspections conducted
Child Care Centres	2	-	2	3	-
Aged Care Facilities	3	-	3	2	-
Private Hospitals	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>0</b>

**General Businesses**

Council continued as a service provider for the school based immunisation program. Students from the Port Lincoln High School, Navigator College, St Josephs School and the Port Lincoln Special School have been involved in the program. Eligible students in Year 8 were offered vaccine courses for Human Papillomavirus, Chicken Pox, Diphtheria, Tetanus and Pertussis.

Businesses Inspections Information as per New Risk Classification				
Risk Classification	Number of Businesses	Inspections Conducted	Follow up Inspections	No of Inspection resulting from complaints
P1 (please exclude businesses that service "Vulnerable Populations")	77	84	17	8
P2	55	43	4	0
P3	26	25	0	0
P4	22	10	0	0
<b>Total</b>	<b>180</b>	<b>162</b>	<b>21</b>	<b>8</b>

The South Australian Communicable Disease Branch statistical data for confirmed reports of notifiable illness in Port Lincoln residents for the 2015/2016 year included:

<b>Communicable Disease Reports</b>		
<b>Notifiable Diseases</b>	<b>No. of Cases</b>	
	<b>2014/2015</b>	<b>2015/2016</b>
<b>Campylobacter</b>	<b>16</b>	<b>16</b>
<b>Cryptosporidiosis</b>	<b>0</b>	<b>3</b>
<b>Pertussis</b>	<b>2</b>	<b>6</b>
<b>Salmonella</b>	<b>14</b>	<b>10</b>
<b>Varicella virus</b>	<b>17</b>	<b>14</b>
<b>Arbovirus</b>	<b>1</b>	<b>1</b>
<b>Influenza</b>	<b>105</b>	<b>234</b>
<b>Rotavirus</b>	<b>13</b>	<b>10</b>
<b>Legionella</b>	<b>0</b>	<b>1</b>
<b>Suspected food poisoning</b>	<b>1</b>	<b>1</b>
<b>Pneumococcal</b>	<b>2</b>	<b>2</b>
<b>Chlamydia</b>	<b>0</b>	<b>1</b>
<b>STEC / HUS / TTP</b>	<b>0</b>	<b>3</b>

Infection control advice was provided to the individuals where appropriate. In situations where cases involved food handlers, additional steps were taken to ensure the public was not exposed.

High risk manufactured water systems, substandard properties, hairdressing and beauty salons, public amenities, and public swimming pools were inspected and assessed for compliance with the relevant Codes and Standards.

Health promotion activities that were undertaken by Council during the year included subscription to 'I'M Alert', an online food safety program, and conducting food safety training sessions.

### ***Southern Eyre Peninsula Regional Public Health Plan (SEPRPHP)***

The Southern Eyre Peninsula Regional Public Health Plan (SEPRPHP) was adopted by Council on 6 October 2015 following consultation with key stakeholders involved in the delivery of services associated with public health outcomes. The District Councils of Lower Eyre Peninsula and Tumby Bay also adopted the jointly developed plan. The SEPRHP was subsequently approved by the Chief Public Health Officer as required by the South Australian Public Health Act 2011.

Pursuant to Section 52 (1) of the South Australian Public Health Act 2011 (the Act), a Council responsible for a regional public health plan must, on a two yearly basis from the date of the introduction of the legislation, prepare a report that contains a comprehensive assessment of the extent to which, during the reporting period, the Council has succeeded in implementing its Regional Public Health Plan to the Chief Public Health Officer.

The first of these reports is due to be submitted late in 2016, presenting a coordinated overview of the shared effort to achieve the goals and objectives set out in the SEPRPHP. One example being where all three Councils undertake the necessary annual works identified in the Bushfire Management Area Plan's Works Program.

The following issues have been identified in recent engagement and strategic planning by the Southern Eyre Peninsula councils and will influence the prioritization of the strategies going forward:

- Increasing and maintaining an acceptable presence and standard of health services in our region
- Identifying and facilitating access to necessary aged care services in the region
- Continued development of community resilience, particularly through strengthening families, developing leadership and supporting mental health programs.

## COMMUNITY SERVICES

### Community Wellbeing

#### Projects

Office of the Ageing (OFTA) invited three councils, including the City of Port Lincoln, to participate in a *SA Communities for All: Our Age-Friendly Guidelines and Toolkit 2014/15*. Alzheimer's Australia SA also participated in the project, working with the Council to add a focus on dementia to this work.

The vision for the project was: "To create communities where older people, in all their diversity, are able to contribute and develop to their full potential." Council has now adopted an action plan to achieve an age-friendly and dementia-friendly community.

In 2015/2016, Council invested \$5,000 in the establishment of the 'healthy brain hub' at Council's library facility, based on the *SA Communities for All: Our Age-Friendly Guidelines and Toolkit*.



#### *Port Lincoln Leisure Centre & Indoor Aquatic Centre*

Council completed the purchase of the Port Lincoln Leisure Centre, including the Indoor Aquatic Facility, on 31 August 2015 with the objective of undertaking major refurbishment works to a budget scope that was ultimately defined as \$5 million. Major transition planning was required to ensure the smooth interim operation of the swimming facilities by a Council-appointed contractor until July 2016.

In November 2015 a consultant design team lead by Grieve Gillet Andersen and including local designers Lowe and Redding was appointed for the design development and construction phase. Council also appointed a Project Board to oversee key decisions on the project and major project planning and management documentation was completed in January 2016.

After extensive design development, Council adopted the design and scope for the refurbishment works in June 2016, with managing contractor Mossop Construction and Interiors set to start work on site in mid-July 2016.

Council also sought Australian Government and other grant funding for the expansion of the Leisure Centre with two more basketball courts, squash courts, lift and other upgrades. The success of this proposal was announced during the 2016 Federal Election campaign, with \$4.4 million of funding to fully fund the expected expansion and redevelopment cost, taking the total value of works planned for the site to \$9.4 million. This second phase of rejuvenation of the Leisure Centre site is expected to start in early 2017.

Volunteer Management

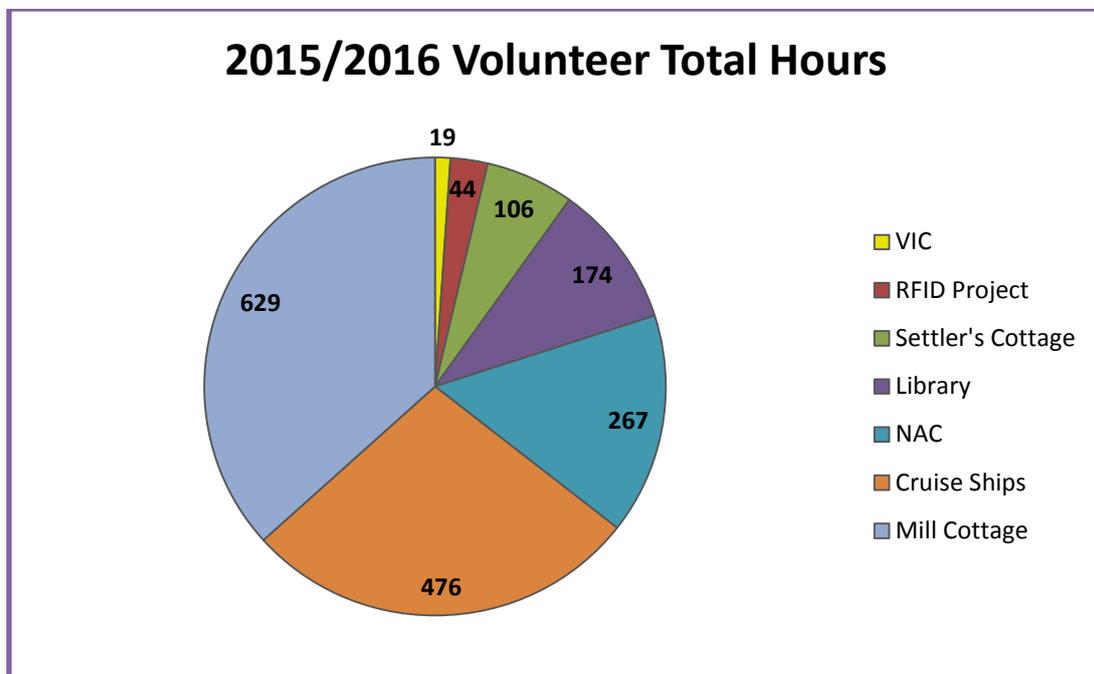
Council supported 101 volunteers, all engaged on an individual basis at the Nautilus Arts Centre, Port Lincoln Library, Mill Cottage and Settler’s Cottage, the Port Lincoln Visitor Information Centre and in the Cruise Ships Welcome Program.

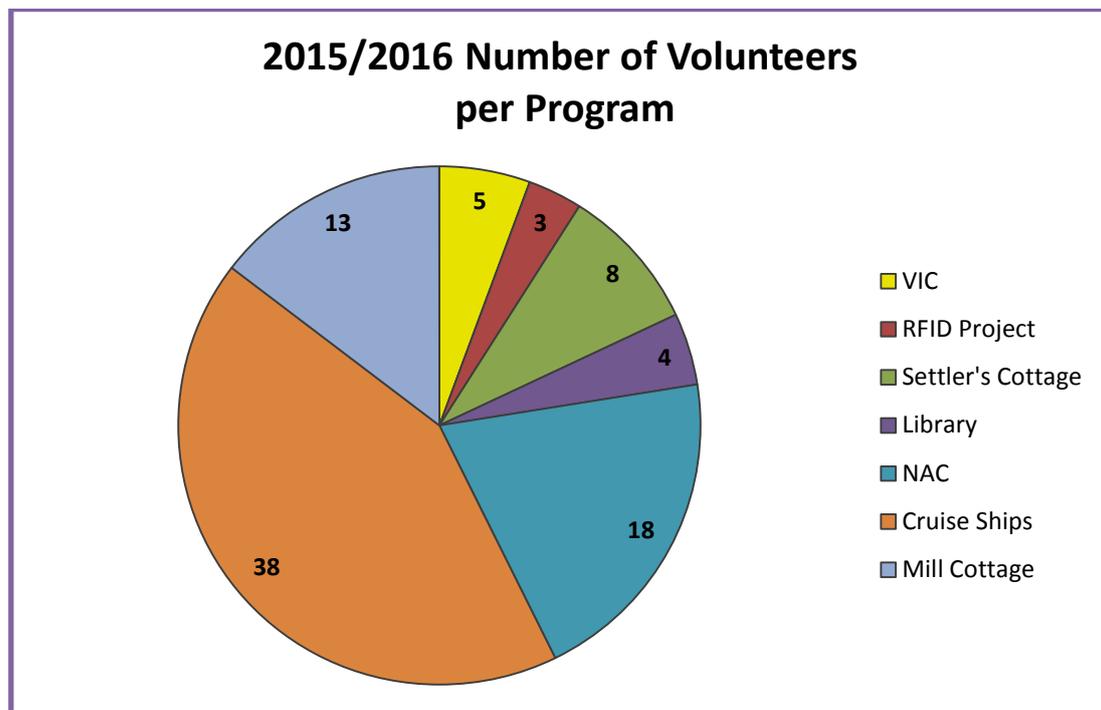
During 2015/2016, 89 individuals enhanced our community’s community well-being through volunteering their skills, knowledge, experience and energy.

In February 2016 a survey was conducted to identify non-active volunteers. Approximately 40 volunteers were identified as inactive, primarily due to closure of the Nautilus Arts Centre Gallery Shop volunteer program.

During 2015/2016 risk assessments were conducted on volunteer tasks. Volunteers also assisted library staff from November through to January with catalogue processing of the library collection onto the new RFID system.

For the first time, volunteer hours were calculated and reported. The following charts show the number of volunteer hours undertaken across the various volunteer programs together with the numbers of individual volunteers.





Community volunteer organisations are also engaged via Memoranda of Understanding for various programs including (not included in the above statistics):

- Parks & Reserves Port Lincoln Inc: assessment and assistance with maintenance of parks and reserves
- Rotary Club of Port Lincoln Inc: maintenance of Puckridge Park
- Friends of Parnkalla Walking Trail: assessment and assistance with maintenance of the Parnkalla Trail
- Port Lincoln Garden Club Inc: maintenance of Kimber's Garden in Flinders Park.

### Community Funding

The City of Port Lincoln supports the development of a vibrant, diverse and connected community by providing financial assistance (either cash or in-kind) through the Community Funding Program.

Council funding for projects, activities or events is based on the type of event and the ongoing contribution it will make to the City's community well-being and cultural life.

Category	Description	Amount funded
Group	Benefit is for a small sector of the community, namely applicant group membership	up to \$250
Local	Benefit is to people from wider Port Lincoln community	up to \$500
Regional	Benefits or attracts substantial numbers of local people and those from surrounding areas	up to \$1,000
Major	In addition to local community members, the project or the event will benefit and attract visitors to the region. A major event should demonstrate potential to evolve into an ongoing event with economic and tourism spin offs	up to \$2,000 or a budget as determined by Council

**Council was please to be able to distribute \$8,600 in 2015/2016, supporting 10 community groups' events and programs**

Some of the Regional and Major Event recipients included:

- Port Lincoln City Band Inc – Annual 2016 FAME Awards: \$500.00
- Port Lincoln Football League – State Country Football Championships: \$2,000.00
- Adelaide Kids Film Festival: \$1,000.00
- Loy Krathong Festival: \$1,000.00
- Variety Bash Start Line: \$1,500.00
- Friends of the One and All Sailing Ship Inc – Port Lincoln Voyage: \$1,400.00

This funding is in addition to over \$100,000 of financial and in-kind support provided through budget allocations to community groups and events including, but not limited to Tunarama, Port Lincoln City Band, West Coast Youth & Community Support, Community House and Operation Flinders.

## Library and Information

### Library Facility and Service

The Port Lincoln Library serves to enrich, inform and connect our community and continues to provide a high quality and welcoming library facility and service.

The Port Lincoln Library is supported by local community and stakeholders, the City of Port Lincoln and SA Public Library Services. There are currently 6,483 active members of the Port Lincoln Library. During 2015/2016 over 70,800 people visited the library. A combined collection of over 4 million items is available to library members in a fully integrated State-wide system using radio-frequency technology. Two self-service machines were introduced to complement our current service. The Port Lincoln Library sent out 23,186 items via courier and received in 30,057 for library members. Online services and content have also been enhanced.

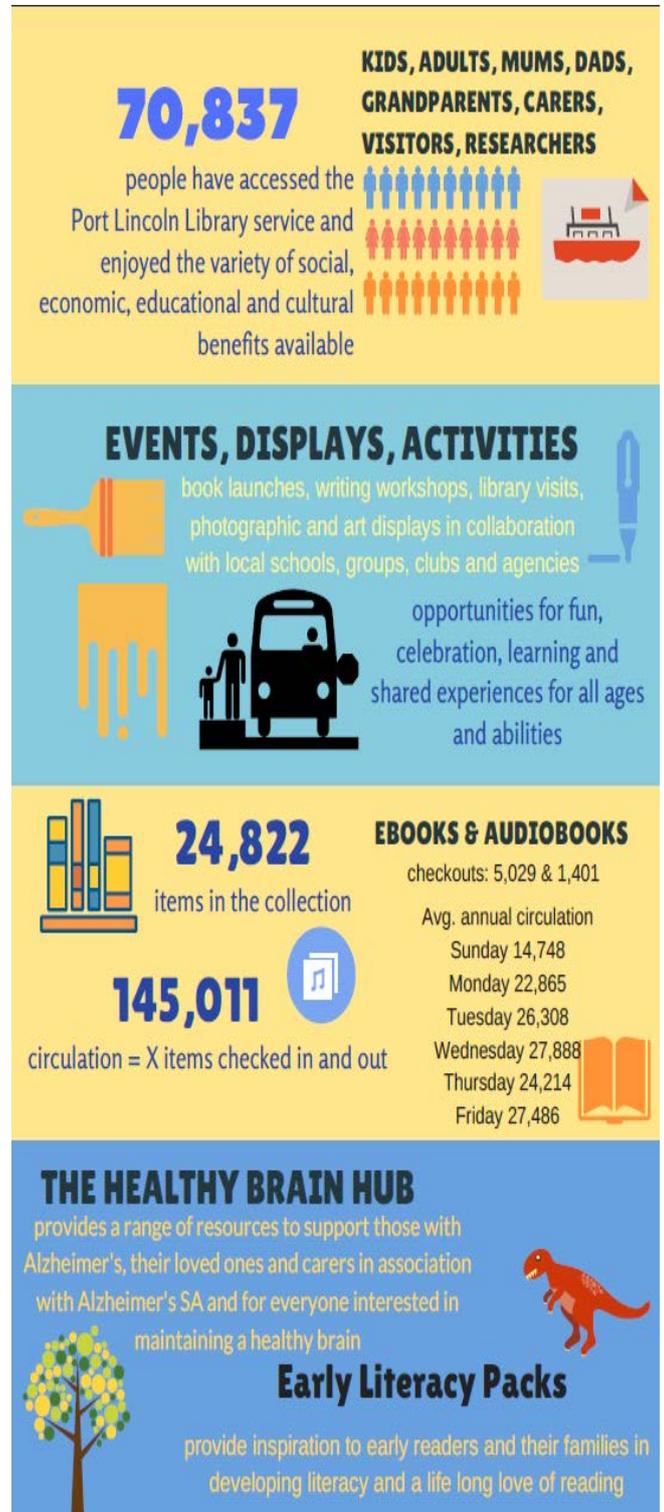
### *Public IT Booking System*

The installation of new software has improved access for public PC terminals, printing and scanning facilities and an updated booking system, improving efficiencies and staff assistance for supporting library users. A wireless printing option gives customers another avenue for printing from laptops and mobile devices.

### *Library Based Programs and Events*

The Port Lincoln Library collaborates and celebrates partnerships with community organisations, individuals and agencies. This year the Port Lincoln Library once again hosted many wonderful displays, events and programs including:

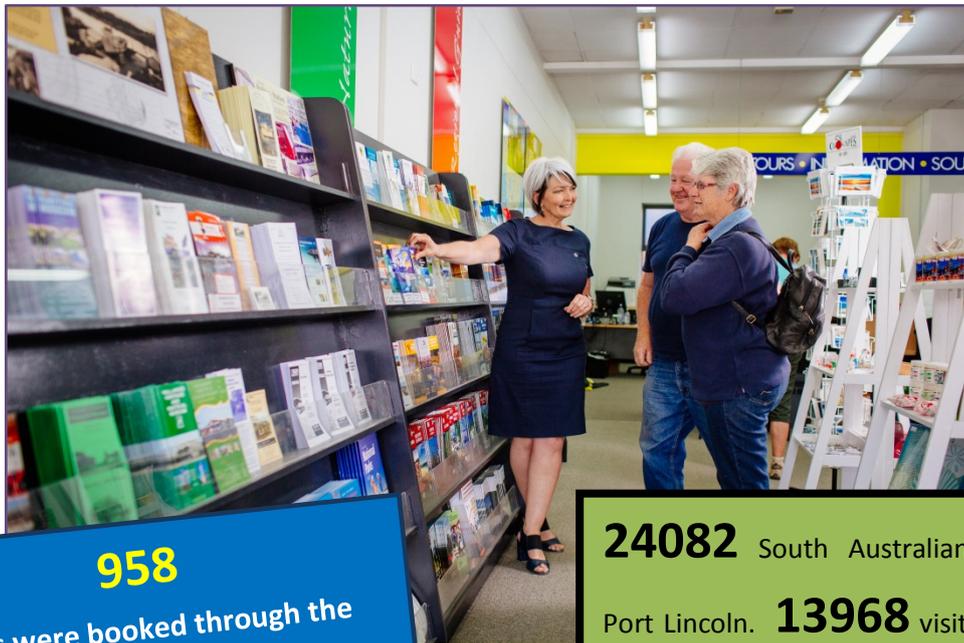
- \* celebrating a number of book launches
- \* school and pre-school visits
- \* health, social and community groups
- \* children's literacy support
- \* nation wide programs including Love2Read and Book Week
- \* meeting with the Muroto delegation
- \* Planning Ahead along with some fantastic school holiday activities including a visit by a mermaid and an astrodome
- \* The Healthy Brain Hub was introduced in association with Alzheimer's Australia.



## Tourism and Events

### Visitor Information Services

Council undertook a twelve month trial period of Council management of the Port Lincoln Visitor Information Centre during 2015/2016. This demonstrated that management by Council is the optimum model for delivery of the service in return for Council’s financial outlay. Previously, the VIC was operated privately, with financial support provided by Council. Utilising Council’s well-established administrative systems has resulted in strategic savings while the introduction of volunteers is complementing the activities of VIC employees. An upmarket souvenir selection and introduction of additional local produce has been implemented during the trial period, with many more strategic actions and tourism strategy initiatives to be put into place.



**958**  
tours were booked through the  
Visitor Information Centre  
**\$413,945**

**24082** South Australians visited  
Port Lincoln. **13968** visitors came  
from interstate and **3368** were  
overseas visitors.

**Souvenir &  
Local produce sales**  
**\$103,285**

**?** **37373**  
total number  
of Visitor Enquiries

Visitor Origin	Numbers
Local	7502
SA	7820
Adelaide	8760
VIC	7307
NSW/ACT	823
QLD	3182
WA	1863
TAS	424
NT	369
Uk/EUR	2271
US/CAN	959
NZ	14
ASIA	124
<b>41418 Visitors</b>	

**Self Contained  
Recreational Vehicles  
Permits**



680 nights @ \$10  
**\$6800**

## Special Events

The 2015/2016 season saw a total of six cruise ships visit our city with over 14,000 passengers and crew. They were greeted by our 45 Welcome Ambassador volunteers providing a local 'face to face information service'. The success of the Cruise Ship Welcome Program is evident in the increasing number of cruise ships visiting Port Lincoln, growing from one visit in 2009.



Council will continue to refine the Cruise Ship welcome program, looking to engage more volunteers for our unique approach to information services. A successful program will help bring more cruise ships to our beautiful city, generating more local spending, great visitor memories and recommendations of our city, and community confidence that our Seafood Capital of Australia is high on visitors' lists of places to experience.

## Arts and Culture

### Nautilus Arts Centre

The Nautilus Arts Centre (NAC) has continued to grow over the 2015/16 period.

The Venue Coordinator and Customer Service Officer have provided volunteers, patrons, promoters and artists with a consistent presence to assist with their queries and streamlining the administration of the NAC.

The Nautilus Arts Centre celebrated its first anniversary since being renamed, with an open day and craft market. This gave the community the chance to walk through the centre and meet some of the local artists.

The Gallery Shop is thriving and the centre is seeing interest from new artists looking for a platform to display and sell their work.

The City Band relocated to Artyrea, allowing the NAC studio space to be re-invented into a Yoga studio, which is hired on a regular weekly basis, generating revenue from a previously mostly unused space.

The Centre's webpage now includes the option for online ticketing, offering a great tool to promote the Centre to patrons, theatre promoters and travelling exhibition coordinators when they are looking for potential venues to host their upcoming event.

During this time, the NAC has become a new venue for the Lincoln Community Markets. Other highlights for this period are *The Fresh Fish Place Long Lunch*, the regular *Lounge Nights* and *Cruise Ship Day Markets*.



**Nautilus Arts Centre Statistics**

	2013-2014	2014-2015	2015-2016
<b>Theatre Productions Commercial</b>	9	16	18
<b>Theatre Productions - Community</b>	11	22	25
<b>Patrons*</b>	5652	6276	5254
<b>Gallery Exhibitions</b>	14 (2 travelling)	15 (4 travelling)	19 (4 travelling)
<b>Meeting Rooms Hired</b>	11 (2 regular)	27 (2 regular bookings)	31 (3 regular weekly bookings)
<b>Other events (weddings, conferences)</b>	12	24	31

*\*represents tickets sold through the box, but excludes community performances which are well attended*

## Economic Development

### Grant Funding

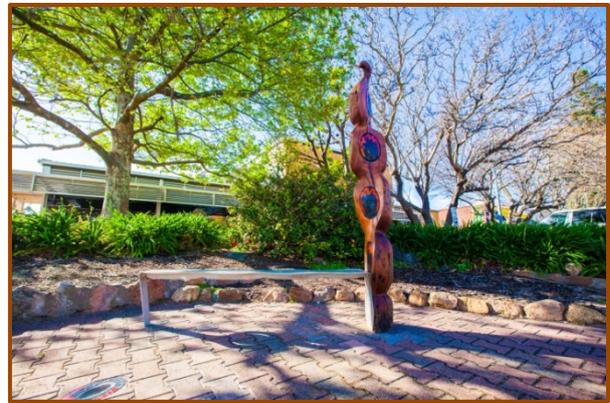
A major grant application was submitted for major expansion and redevelopment of the Port Lincoln Leisure Centre, seeking \$4.4M through Round 3 of the Federal 'National Stronger Regions Fund' to significantly enhance the refurbished Indoor Aquatic Facility. Many letters of community and industry support were provided, and the application had a strong emphasis on economic development outcomes. On 20 June, 2016 Rowan Ramsey, Member for Grey, announced that a re-elected Turnbull Government would fund Council's redevelopment proposal, which includes doubled stadium area, added squash courts, play court upgrade, lift, additional water play features in the pool and entry/café enhancements.

Additionally, a major grant application for the Port Lincoln Leisure Centre was submitted through the PIRSA RDF Round 3 for \$1,000,000, while an application to the Community Recreation and Sport Facility Fund for \$849,370 was also submitted.

Funding of \$36,500 was successfully obtained from the Attorney General Department for upgrading CCTV infrastructure. Council's six (6) CCTVs are linked to the Council office and police station and prior to this funding, vision was recorded by an analogue system on VHS tape. The project saw the system upgraded to an IP system with vision transmitted via web in real time and saved direct to a computer.



The City of Port Lincoln was successful in obtaining \$13,500 through the Country Arts SA Smarty Pants Grant for the 'Wattle You Do' public art project at the Visitor Information Centre and nearby CBD area. Co-ordinated by local artist Jenny Silver, local artists and members of the community collaborated together to design this wonderful public art project.



Unsuccessful grant funding applications for the 2015/16 financial year included SA Recreational Fishing Grants SA for a breakwater to be established at the Proper Bay Boat Ramp and fish cleaning facilities at Billy Lights Boat Ramp.

Council continues with its 10 year partnership plan to underground power lines within the CBD. In partnership with the Power Line Environment Committee (PLEC), Council completed the undergrounding of power lines, paving and landscaping on Edinburgh Street. Works in Porter and Washington Streets remain to complete the long-standing program.

### [Regional Development Australia – Whyalla and Eyre Peninsula \(RDA\)](#)<sup>5</sup>

Council continued to contribute financially to Regional Development Australia – Whyalla and Eyre Peninsula (RDA) in 2015/2016 as a Local Government partner, recognising the importance of promoting tourism and economic growth in the region. Throughout 2015/2016, Council's Manager Community Development worked closely with RDA's Tourism Development Manager on projects such as the Visitor Information Centre and Cruise Ship Welcome Program

<sup>5</sup> For further information on the RDA go to [www.rdawep.org.au](http://www.rdawep.org.au)

## APPENDIX A

### Achievements for 2015/2016

The following table shows the project priorities from the adopted 2015/2016 Annual Business Plan and Budget, and their related performance outcomes and progress to June 2016

6.1 Recreation and Open Space	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Billy Lights Point BBQ area	RENEWAL	Improved recreational facilities completed	Shelter has been renovated. New BBQ and paving ready to be installed
Indoor Aquatic Facility: Continue planning and implementation of refurbishment project	RENEWAL	Advanced project design and planning for refurbishment work	<ul style="list-style-type: none"> <li>•Design Phase Completed</li> <li>•Preliminary Design presented to Project Board/Council for approval</li> <li>•Managing Contractor appointed</li> </ul>
Indoor Aquatic Facility: Settlement of Purchase of Leisure Centre Facility	NEW	Complete settlement and operational transition	Complete
Parnkalla Trail: foreshore extension from Tasman Terrace to Axel Stenross Maritime Museum - advancement of concepts & engineering designs to 'shovel ready' stage	NEW	Concept & Engineering Plans developed to assist with progressing community and property owner consultation	Second draft of engineering plans received and under review
Heritage Trail: continue construction (Section Margaret Ave to Stuart Tce) (subject to matching grant funds being secured)	NEW	Completion of Heritage Trail project. Increased recreational trails. Increase community well being and encourage active life style	Construction commenced. Project programmed over two years, to be completed in 2016/2017 with grant funding

6.2 City Image	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
CBD enhancement (linked to PLEC project) – Edinburgh Street (Porter St to Mortlock Tce), including footpath paving, streetscaping, tree planting, on-street parking	OPERATIONAL & RENEWAL	Enhanced CBD, Improved aesthetics, parking and footpaths	Complete
Centenary Oval: demolition and reinstatement of shedding for water reuse infrastructure and storage	RENEWAL	Improved recreational & sporting facilities. Complete Centenary Oval upgrades	Demolition of shed and toilet complete. Shed construction completed to Lock-up
Undergrounding of overhead cables on Edinburgh Street, from Mortlock Terrace to Porter Street (PLEC project) work completed - Council contribution required in 15/16	OPERATIONAL	Enhanced CBD with improved aesthetics with power lines and stobie poles removed	Complete
6.3 Infrastructure	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Road reseal program – recurrent works	RENEWAL	Maintaining Council’s road network in a satisfactory condition	Annual program complete – ongoing
London Street Bridge - Feasibility study and design to be project ready for grant funding opportunities (estimated replacement cost \$3 to \$4 million)	OPERATIONAL	Feasibility study complete. Preliminary design complete. Successful Bridges Fund application submitted	Preliminary phase complete
Residential footpath renewal program	RENEWAL	Maintaining the footpath network to meet standards of IAMP	Annual program complete - ongoing
Road Construction Program - Proper Bay Rd (Windsor Ave to Stables access road)	RENEWAL	Road reconstructed to maintain road network	Complete
Residential footpath construction program	NEW	Continued development of links for residents in Port Lincoln	Complete

6.3 Infrastructure	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Stormwater Management Plan: 1) Flinders Highway/Tennyson/Hallett Place - reduce risk of flooding to properties on low side of Hallett Place: \$150k 2) Normandy Place Preliminaries and Designs: \$40k)	OPERATIONAL & NEW	Construction of drainage Normandy Place design ready for construction in 2016/17	Complete
Centenary Oval Car Park	RENEWAL	Resurface car park to maintain standard of asset	Complete
Pioneer Cemetery	RENEWAL	Removal of trees causing damage to historical grave sites and stone wall. Repair historical stone wall	Complete
Lincoln Highway Drainage	RENEWAL	Prevent scouring of embankment adjacent to Lincoln Hwy, which had the potential to undermine the road	Deferred to 2016/2017
6.4 Transport	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Plant Replacement Program: Ute replacements as per policy	RENEWAL	Maintain and replace Council's plant and equipment to support works program delivery	Complete
6.5 Environment	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Waste: Capping of Cell 3 to meet EPA Requirements	NEW	Meet significant EPA requirements to cap a landfill cell after it has reached capacity.	Complete

6.5 Environment	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Open Space and Recreation Facilities Strategy: continued investigations into development of a Strategy identifying surplus land holdings; playground strategy & audit; open space development; reserve maintenance; community land management plans	OPERATIONAL	Develop an Open Space Strategy to guide open space provisions and upgrades into the future	Major consultant project commenced and on-going to early 2017
6.6 Community Projects	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Visitor Information Centre: Change in business operation from Private under management services agreement to Council operated (includes once-off transition costs)	OPERATIONAL	Successful and sustainable continuation of the VIC operation and Council confirmation of the future model of operation	Initial 12 months operation complete. Council resolved in May 2016 to continue to operate the VIC for a further five year period
CCTV Security - hardware & software and monitoring system (not cameras)	RENEWAL	Increase and improve recording and tracking capabilities of the CCTV network Safer communities	Complete – New Hardware & Software installed
Port Lincoln Library: Replacement of public IT booking system	RENEWAL	Transition to a new system to rationalise IT bookings and provide better service with less staff input	Complete - Installed and operational
Dorset Place - Old Mill - Remediation of Stonework, upgrade to spiral staircase	RENEWAL	Preserve historical infrastructure	Commenced June 2016 for Completion in July 2016
Microchipping Day (subsidy, promotion and salaries)	OPERATIONAL	Increased micro-chipping of dogs, enabling reliable and timely return to owners if found wandering	Not undertaken due to a similar program being undertaken by a private business initiative in November 2015

6.6 Community Projects	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Replacement/upgrade of Nautilus Arts Centre Gallery lighting – foyer & gallery only	RENEW	Replace gallery and auditorium lighting, as part of replacement of the whole complex lighting	Complete
Unregistered dog identification (door to door survey) – trial project	OPERATIONAL	Identify unregistered dogs and record them prior to the new registration year	Complete – Approx 1,950 homes surveyed and over 300 additional dogs registered
Public Art Projects: Matthew Flinders Precinct Project - rejuvenation of the Archway and plaque area including artwork gate access to NAC laneway, Statue and seating (Arts Council may contribute \$12k)	OPERATIONAL	Increased public art. Enhance CBD streetscape	Donation and loan of Matthew Flinders Statue confirmed with Lang Foundation and Axel Stenross Maritime Museum. Precinct design in progress
Port Lincoln Library: Installation of RFID self checking resource system	NEW	Improvements in library services and staff resources requirements. An educational program on the RFID to be undertaken	Installed and operational
Public Art Projects: Community Public Art Project with matched Grant Funding Opportunity	OPERATIONAL	Successful funding application for the 'Wattle You Do' project utilising the skills of local artists and community workshops	Complete
Boating Facilities: Proper Bay Road Boat Ramp upgrade (subject to grant funding of \$15K)	NEW	Upgraded facility with improved safety and user convenience	Not proceeding - grant funding not received
Community Leadership Development Program	OPERATIONAL	Not implemented. Various models have been discussed but unable to progress with limited staff resources	Deferred to 2016/2017 pending budget allocation for Community Wellbeing Strategies

6.6 Community Projects	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Nautilus Arts Centre: Conference and function furniture and equipment	RENEWAL	Discussion with the NAC Reference Group identified the redevelopment of the NAC kitchen as the main priority	Not implemented. Deferred in favour of achieving NAC kitchen upgrade
Boating Facilities: Billy Lights Point boat wash down bay as Stage 2 following fish cleaning station installation	NEW	Improved recreational boating & tourist facilities	Complete
Investigate the possibility of a permanent berthing and/or passenger access pontoon/wharf options for use by Tacoma Pres Society and/or marine tour operators (with partnership funding)	OPERATIONAL	Investigation completed and directions determined	Complete
Building Families Partnership Event	OPERATIONAL	Work with service providers to provide a multi-level approach to family-based events, to be badged 'Connecting Your Community'	Event delivery deferred to 2016/2017 and included in budget allocation for Community Wellbeing Strategies
Crime Prevention Partnership Strategies	OPERATIONAL	Community safety partnership initiatives	Not implemented, pending budget allocation for Community Wellbeing Strategies
International Engagement and Relations – Japan (Muroto) 25 <sup>th</sup> Anniversary	OPERATIONAL	Council support for celebration of the 25 <sup>th</sup> Anniversary of the Friendship City Agreement	Complete. Contribution made to the Port Lincoln Muroto Friendship Group Inc for activities planned for early 2017
Community House (2014-15 \$5k)	OPERATIONAL	\$10,000 operational support funding	Complete. Subsequently included in 2016/2017 as a recurrent budget item (Council Resolution CO 16/077)
Flagpole Refurbishment: installation of 2 new 6m flagpoles & LED spot lighting on Nautilus Arts Centre (subject to grant funding)	NEW	The flag poles installed and LED spot lighting allows for the Australian flag & Aboriginal flag to fly together as a symbol of reconciliation	Complete. The Aboriginal flag was raised together with the Australian flag on Harmony Day 2016

6.7 Economic Development	Operational, Renewal, Upgrade/New Project	Performance Outcome	Progress to June 2016
Review of the Strategic Directions plan	OPERATIONAL	SDP reviewed and adopted in time to lead the development of the 2016/2017 ABP and budget process	Review Complete and new Strategic Directions Plan adopted 22 February 2016
Administration: Shared Services Project - includes IT and Software investigations, jointly with DCLEP and DCTB	OPERATIONAL	Future IT & Software Solutions to have the capacity to accommodate shared services initiatives	Server Storage Array & Cisco Phone system can be utilised to provide shared IT services across the region.
Investigations into Local Government arrangements on Lower Eyre Peninsula for public consultation in 2015/16, including consideration of shared services, boundary changes, and amalgamations	NEW	Scope and complete investigations of priority shared services options	Joint informal gathering of the three councils was held in 2015. Further formal investigation not commenced, while significant focus given to a Consolidated EBA proposal
Administration: Mapping software upgrades Exponare and MapInfo – scoping phase only	OPERATIONAL	Council's requirements identified to achieve the most cost effective and efficient approach to meet the needs of the organisation.	Complete
Strategic Land Purchases: Purchase properties for infrastructure construction. Site One (NIL) & Site Two (\$50K)	NEW	Transaction under contract, and confirmed for 2016/2017 when approvals completed	Contractual arrangements complete
Develop and implement a communications and social media strategy including website redesign	OPERATIONAL	Effective and efficient community engagement	Work commenced on a draft strategy. Council's website improved to make it more user friendly. Major redesign deferred pending strategy completion
Server Storage Array	NEW	Server Storage Array replaced giving Council the capacity needed to continue operations, and also provide for any future plans for IT shared services	Complete
Cisco Phone System	RENEWAL	Reliable communications with improved technological capabilities to enable efficient and effective operations	Complete

**APPENDIX B**

**Eyre Peninsula Local Government Association 2015-2016 Annual Report**



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

*Annual Report*  
*2015/2016*





*Cover photo: Lincoln National  
Park*



## THE PRESIDENT'S REPORT



I commend this annual report to you.

The Eyre Peninsula Local Government Association is a regional subsidiary established under Clause 19, Part 2, Schedule 2 of the South Australian Local Government Act, 1999 to represent the interests of all Local Governments on Eyre Peninsula. All eligible Councils are members and maintain active participation.

This year's Annual Report details activities undertaken, financial accounts and collaborative partnerships.

Meetings are held quarterly with an annual conference rotated around Member Councils. The most recent conference was held at Ceduna and I thank and congratulate Ceduna Council for hosting a productive and enjoyable event.

Sadly, in June we lost former Mayor of Whyalla Jim Pollock, who passed away after having served his community as a Local Government representative with skill, compassion and vision for 19 years.

We continue to be supported by Local Government Association of South Australia via an Outreach Program that, in conjunction with Member Councils, underpins the position of Executive Officer Tony Irvine. Tony continues to be well supported by Member Councils and I am pleased to report that he has agreed to provide ongoing commitment to our organisation.

Some of the highlights of 2015/2016 have been:

- Development of the working group of Council CEOs, who meet regularly and work through current issues.
- Strong working relationship with Regional Development Australia Whyalla and Eyre Peninsula Inc.
- Commissioning of a major Regional Economic Development Strategy.
- Agreement of regional roads priorities and methodologies for future works.

My view is that pressure will continue to build on Local Government to deliver more services, more efficiently. Our organisation provides a platform for reform and will play an ever increasing part in the roll-out of training, procurement, regional planning, shared service delivery and member service delivery.

I take this opportunity to thank all Member Council Delegates, the Executive Committee of Mayor Low, Mayor Telfer, Port Lincoln CEO Rob Donaldson, all management and technical Council staff, who inform and guide our decisions, and to our support staff at RDAWEP. Special mention to Executive Officer Tony Irvine, who is always responsive to Member Council requests, builds relationships with relevant bodies, represents and advocates our position, and is totally focused on delivering effective and productive Local Government in our region.

**MAYOR BRUCE GREEN**

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## THE REGION

### *Regional Population and Local Government*

The region has 11 Local Government Authorities (LGAs). The LGAs are: The City of Whyalla and City of Port Lincoln; and the District Councils of Ceduna, Cleve, Elliston, Franklin Harbour, Kimba, Lower Eyre Peninsula, Streaky Bay, Tumby Bay, and Wudinna.

The regional population of 56,396 (ABS 2011 Census) comprises about 3.5% of the South Australian population. 98.7% of people reside in the eleven Council districts, which collectively occupy 43,779km<sup>2</sup> or about 19% of the regional land mass. Most of the population (64.1% or 36,174 people) live in the regional cities of Whyalla and Port Lincoln.

LOCAL GOVERNMENT AREA	LAND AREA		POPULATION	
	Km <sup>2</sup>	% of Region	No.	% of Region
Whyalla	1,032.5	0.44	22,088	39.16
Port Lincoln	30.4	0.01	14,086	24.98
Ceduna	5,427.1	2.33	3,480	6.17
Cleve	4,506.7	1.94	1,733	3.07
Elliston	6,500.0	2.79	1,046	1.85
Franklin Harbour	3,283.0	1.41	1,273	2.26
Kimba	3,986.2	1.71	1,088	1.93
Lower Eyre Peninsula	4,771.0	2.05	4,916	8.72
Streaky Bay	6,232.0	2.68	2,102	3.73
Tumby Bay	2,615.9	1.12	2,586	4.58
Wudinna	5,393.8	2.32	1,253	2.22
<b>Collective Local Government (11 LGA's)</b>	<b>43,778.6</b>	<b>18.8</b>	<b>55,651</b>	<b>98.7</b>

Table 1: RDAWP Local Government Land Areas and Population 2011.

*It should be noted that the land areas and populations of Cleve and Franklin Harbour changed on 1st July 2014 due to an adjustment of the Council boundaries. An area of 492km<sup>2</sup> of land was transferred from Franklin Harbour to Cleve. Approximately 62 residents live in the area.*

In 2011, the region had 3,225 Aboriginal people comprising 5.7% of the regional population. This was notably above the proportions in South Australia (1.9%) and Australia (2.6%). 80% of the region's Aboriginal people (2,572) live in the LGAs of Whyalla, Port Lincoln and Ceduna. The greatest concentration is in Ceduna, where Aboriginal people comprise 24.9% of the Council population



The regional population grew by 4.5% from 2001, but this was not consistent across the region as a whole. The District Councils of Elliston, Wudinna and Kimba experienced population decline of -15.2%, -13.7% and -8.5% respectively; but DC Lower Eyre Peninsula experienced growth of 17.2%. Population growth was also experienced in the coastal Councils of Streaky Bay, Tumby Bay and Port Lincoln.

The demographic change is caused by several factors, with the desire for a sea change lifestyle being a key reason. Streaky Bay and Tumby Bay are very desirable coastal locations and new estate developments have been established to cater for growing housing demand, notably by retirees from the agricultural sector. The higher population growth in the District Council of Lower Eyre Peninsula stems from several locational and lifestyle advantages, including proximity to numerous coastal townships, Port Lincoln and Port Lincoln Airport. Kimba and Wudinna are the only Councils in the region without a coastline, and this impacts their residential appeal and tourism development potential.

### Population Ageing

The regional population is ageing. In 2011, the region’s median age was 39, an increase from 38 in 2006. People aged 65 years and over comprised 15.5% of the regional population, which is above the 14.0% rate for Australia, but below the rate of 16.2% for South Australia.

PEOPLE 65 YEARS OF AGE AND OVER	Region	%	South Australia	%	Australia	%
2006 ABS Census	7,758	14.3	233,127	15.4	2,644,374	13.3
2006 Median Age	38		39		37	
2011 ABS Census	8,727	15.5	257,551	16.2	3,012,289	14.0
2011 Median Age	39		39		37	

Table 2: People 65 Years of Age and Over. (ABS Census 2006 & 2011).

The population 65 years and over grew by 1.2% from 2006, exceeding the growth rate of 0.8% for South Australia and 0.7% for Australia.

Almost half of the regional population (49.6%) was 40 years of age and over in 2011 with 21.5% over 60 years of age. The District Council of Tumby Bay has the oldest population profile with 60.1% over the age of 40 and 32.1% over 60 years of age. Similar results for the over 40 age sector were recorded for Kimba (55.9%), Franklin Harbour (55.7%), Cleve (55.3%) and Elliston (54.5%).

Conversely, young people 15-24 years of age comprise the smallest sector of the regional population at 12.1% and this is consistent in all local government areas.

Tumby Bay (8.0%), Kimba (8.5%), Cleve (9.1%), Wudinna (9.3%) and Streaky Bay (9.9%) have the smallest proportion of 15-24 year olds, whereas Whyalla (13.4%), Port Lincoln (13.2%) and Ceduna (12.4%) are the only areas where the 15-24 aged sector exceeds the regional average.

Projections indicate that South Australia’s population aged 65 and over will increase to 22.6% in 2020 and to 25.7% by 2030. It is also known that approximately 30% of young people leave the region each year for employment and study in metropolitan Adelaide. The combination of a growing aged sector and diminishing numbers of young people is not sustainable, and has serious implications for future workforce provision.

Pending Baby Boomer retirements will diminish the labour force of skilled and experienced labour and create employment openings for young people. It is estimated that over 11,000 workers (about 40% of the regional workforce) will leave their jobs within 20 years if they all retire at 65 years of age. But there will be limited choice with the provision of a capable replacement pool.

The regional population is too small to provide the workforce for anticipated future development needs, with the consequence that approximately 3,800 workers may need to be recruited from elsewhere by 2020.



### Regional Economic Snapshot

The regional economy is extremely diverse. The key industries include manufacturing, agriculture, fishing, and aquaculture; however tourism and mining are fast emerging industries with substantial potential for future growth. Industrial diversity is one of the region’s greatest attributes, and underpins its comparative advantage and business competitiveness. Diversity is important for economic growth and sustainability, because it provides resilience through not being reliant on a single industry or product for prosperity.

However, industrial diversity is not evenly spread across the region. Manufacturing and steel processing is focused in Whyalla. Agriculture is the key industry in lower Eyre Peninsula, Tumby Bay, Cleve, Elliston, Kimba, Streaky Bay, Franklin Harbour and Wudinna. Nearly all (96%) of the region’s aquaculture jobs are provided in Port Lincoln, lower Eyre Peninsula, Cleve, Ceduna and Franklin Harbour. Most of the region’s fishing jobs (76%) are based in Port Lincoln. Tourism activity is predominantly focussed in coastal areas. The region’s industries and economy have also changed since 2001. Agriculture has been the primary economic driver in many Council districts. However, larger farming properties, smarter management practices, and new technologies have reduced employment opportunities in agri-businesses, which saw agricultural employment decline by 16.8% between 2001 and 2011.

In the same period, employment in the health care and social assistance industry grew by 29.5%; largely due to the ageing of the regional population and increased demand for aged care services. Employment in the mining industry grew by a significant 79.2%, as a result of unprecedented resource exploration activity on the Eyre Peninsula – Table 3.

INDUSTRY	EMPLOYMENT 2001	EMPLOYMENT 2011	% CHANGE
Agriculture, Fishing & Forestry	4,012	3,338	-16.8
Health Care & Social Assistance	2,111	2,996	29.5
Manufacturing	2,786	2,890	3.6
Retail Trade	2,481	2,669	7.0
Education & Training	1,764	1,967	10.3
Construction	1,340	1,813	26.1
Accommodation & Food Services	1,356	1,595	15.0
Transport, Postal & Warehousing	999	1,260	20.7
Public Administration & Safety	1,152	1,172	1.7
Mining	199	957	79.2
<b>TOTAL</b>	<b>18,200</b>	<b>20,657</b>	<b>11.9%</b>

Table 3: RDAWEP Top Ten Employing Industries and Employment Change 2001-2011. (ABS Census 2001 and 2011).

### Regional Employment by Industry

Based on the number of jobs generated, the region’s top 5 employing industries in 2013-14 were (in ranked order): health care and social assistance (health and community services), manufacturing, agriculture, retail trade and construction.

These industries collectively provided 13,542 (52.0%) of the region’s 25,951 jobs in 2013-14. (EconSearch Pty Ltd, RDAWEP Regional and Council Economic Data 2013-14, RDAWEP and EPLGA, December 2015).

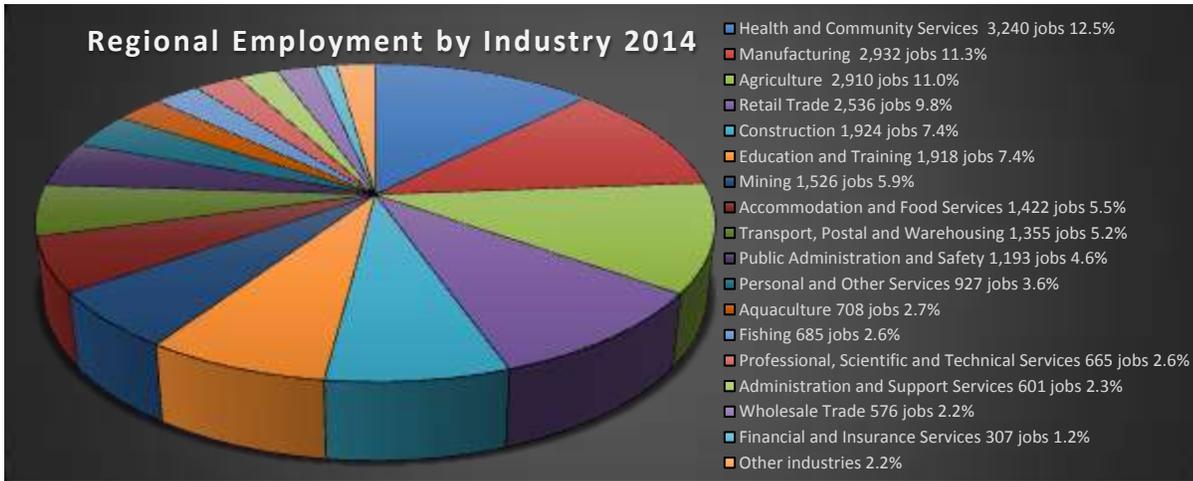


Figure 2: RDAWEP Regional Employment by Industry 2013-14.

### Health and Community Services

A health and community service is the largest employing industry in South Australia, and was the largest industry in the region in 2013-14. Health and community services provided 3,240 jobs and 12.5% of regional employment. Due to population ageing and increasing demand for aged care services, the health and community services industry is expected to grow markedly in future years. This will provide one of the best opportunities for employment and business growth. However the aged care sector has considerable difficulty attracting and retaining aged care workers.

### Manufacturing

The manufacturing industry, which includes the production of metal products and food processing, was the region’s second largest employer, providing 2,932 jobs and 11.3% of regional employment. The industry experienced modest employment growth of 3.6% from 2001.

Whyalla is the largest industrial city in regional South Australia and the principal centre for manufacturing, steel production and resources processing in the Upper Spencer Gulf. Manufacturing was the biggest employer in Whyalla providing 2,027 jobs, and over two-thirds (69%) of the region’s manufacturing employment. Most of Whyalla’s manufacturing jobs (87%, 1,755 jobs) were provided in the iron and steel production sector.

### Agriculture

Agriculture was the third largest employer in 2013-14, providing 2,910 jobs and 11.0% of regional employment. The main agricultural sectors are grain production (wheat, barley, canola, oil seed and pulses), sheep, and beef cattle. The grain sector was the largest agricultural employer providing 1,483 jobs and 50.1% of agricultural employment; compared with 827 jobs (28.4%) for sheep, and 437 (15.0%) for beef cattle.

Agriculture was the largest employer in Lower Eyre Peninsula (538 jobs); Tumby Bay (410); Cleve (378); Elliston (332); Kimba (306); Streaky Bay (279); Wudinna (275) and Franklin Harbour (118).

### Retail Trade

Retail trade was the fourth largest industry, providing 2,536 jobs and 9.8% of regional employment. Retail trade is an integral part of the Small to Medium Enterprise (SME) sector in all regional townships, i.e. businesses employing less than 200 people. In 2013-14, most of the region’s retail trade employees were based in Whyalla (941 - 37% of jobs) and Port Lincoln (919 - 36% of retail jobs).

Retail trade had employment growth of 7.0% between 2001 and 2011. The sustainability of retail trade is largely reliant on the success of the region’s larger industries, e.g. agriculture, manufacturing, mining and tourism. Many SMEs have been established to directly service and support these sectors.

### Construction

The construction industry incorporates residential and non-residential building construction, and civil and heavy engineering services. Building and engineering companies are based in most regional towns, with concentration in the larger regional centres of Whyalla, Port Lincoln and Ceduna. These companies provide construction services locally and across the broader region. Construction is a large regional employer, providing 1,924 jobs and 7.4% of employment in 2013-14.



**Mining**

Mining is the region’s fastest growing industry, but is a relatively small employer in comparison with other industries. In 2012-13, mining did not rank among the top 10 regional employers; however this changed in 2013-14. Mining ranked as the region’s seventh largest employer providing 1,526 jobs and 5.9% of employment. This can be attributed to high levels of exploration activity on the Eyre Peninsula at this time by companies such as Centrex Metals/Eyre Iron (for the Fusion Joint Venture); Iron Road Limited (for the Central Eyre Iron Project); and graphite mining and resource exploration by Valence Industries, Lincoln Minerals and Archer Exploration Limited.

It is anticipated that mining will have additional growth in future years when developing mines and prospects move from exploration to operation. This will bring opportunities to create employment and diversify the regional economy. However mining growth will be subject to substantially improved commodity prices and significant government and private sector investment in major infrastructure, i.e. ports, roads, rail, power and water.

**Fishing and Aquaculture**

Fishing and aquaculture are high profile regional industries. The region is internationally renowned for its premium seafood product, largely due to the marketing success of the trade marked brand: ‘Eyre Peninsula Australia’s Seafood Frontier’. However, the fishing and aquaculture industries are small employers compared with other industries, providing 685 (2.6%) and 708 (2.7%) of the region’s jobs respectively in 2013-14.

Most of the fishing jobs were provided in Port Lincoln (522), Streaky Bay (55), Elliston (40) and Ceduna (38). Most of the aquaculture jobs were provided in Port Lincoln (261), Lower Eyre Peninsula (199), Franklin Harbour (92), Ceduna (82) and Cleve (49).

**Tourism**

Tourism is a fast growing regional industry with considerable development potential due to the region’s attributes of a pristine natural environment, unique nature-based visitor experiences and diversity of premium food product.

Tourism data have not been identified in the pie charts because the industry categories use the Australian and New Zealand Standard Industrial Classification (ANZSIC) system, which does not identify tourism as an industry in its own right. Tourism activity, i.e. the consumption of goods and services by visitors, is captured within the data provided for the other ANZSIC industries. However tourism industry employment and economic data are derived from a range of other sources, including research undertaken by the South Australian Tourism Commission and Regional Tourism Satellite Accounts produced by Tourism Research Australia (TRA). These sources were used by EconSearch to identify tourism expenditure as a component of the region’s exports.

In 2013-14, it was estimated that regional tourism expenditure totalled \$302 million, with \$129 million (42.8%) spent in the retail trade, accommodation and food and beverage services sectors. TRA Satellite Account data also indicate that the tourism industry contributed about 7.2% of GRP and directly employed 1,530 people (5.3% of regional employment) and generated an additional 1,500 indirect jobs. Most of these jobs were in the food service, hospitality, accommodation and retail trade sectors.

**Regional Exports by Industry**

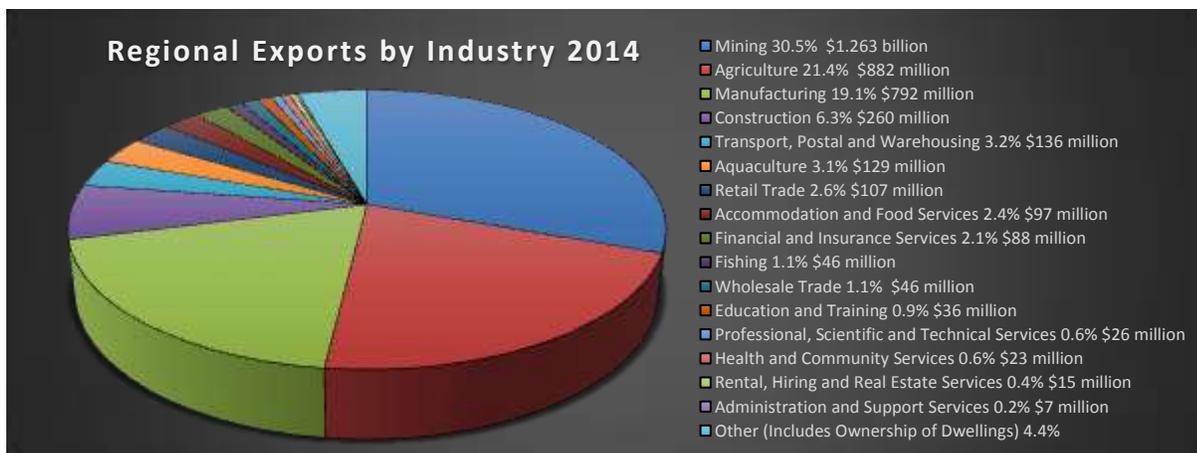


Figure 3: RDAWEP Regional Exports by Industry 2013-14.



RDAWEP is a high export region and produced exports worth \$4.144 billion in 2013-14. The major exporting industries were:

- mining – 30.5% of exports, worth \$1.263 billion;
- agriculture – 21.4% of exports, worth \$882 million; and
- manufacturing – 19.1% of exports, valued at \$792 million.

These industries produced almost three-quarters (71%) of the region’s total exports, worth \$2.937 billion. The key exporting sectors within these industries were:

- **mining:** iron and non-ferrous ore, which provided 27.2% of exports, worth \$1.126 billion; and exploration and mining support services, 1.8% of exports worth \$74.1 million,
- **agriculture:** grains, 16.1% of exports worth \$668 million; and sheep, 3.7% worth \$151 million; and
- **manufacturing:** iron and steel production, providing 15.5% of regional exports worth \$641 million, and processed seafood products, 2.1% of exports worth \$88 million.

These data incorporates exports to intrastate, interstate and overseas markets, however the respective proportions and values to each location are not identified.

The regional contribution to South Australian exports also cannot be identified. The regional data include intrastate exports, whereas State data only apply to exports out of the State. A comparison of regional and State export data would consequently overstate the regional contribution to South Australian export.

### Gross Regional Product by Industry

Gross Regional Product (GRP) is a measure of the net contribution of an activity to the regional economy, and is measured as the value of output less the cost of goods and services. The contribution of an individual industry to GRP is calculated as the sum of household income, gross operating surplus, gross mixed income and indirect taxes less subsidies.

In 2013-14, the region’s GRP was estimated at approximately \$4.2 billion (\$4.195). The top 5 GRP generating industries were:

- mining – 29.2% of GRP worth \$1.22 billion;
- agriculture – 12.0%, \$502 million;
- construction – 6.0%, \$251 million;
- health and community services – 5.8%, \$241 million; and
- manufacturing – 5.5%, \$229 million.

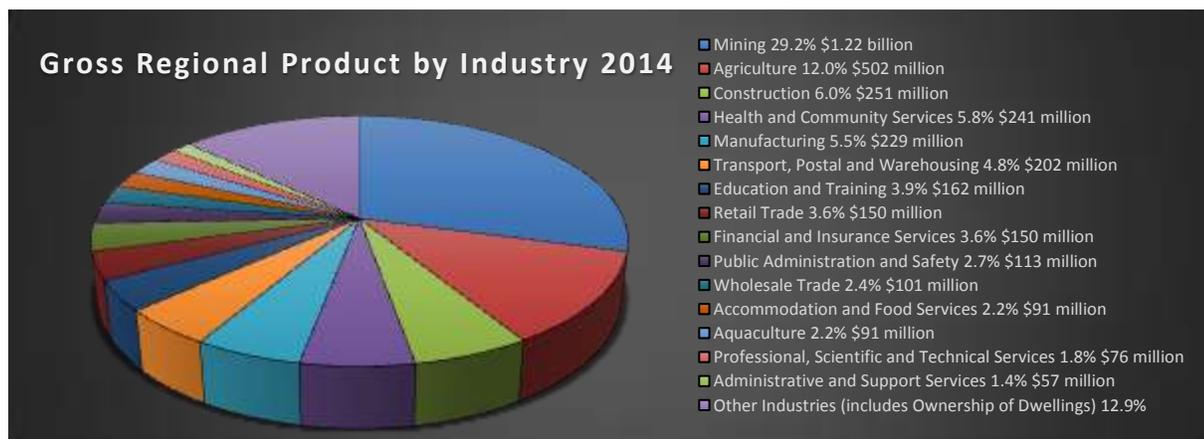


Figure 4: RDAWEP Gross Regional Product by Industry 2013-14.



Although fishing and aquaculture are high profile regional industries, they did not rank among the top GRP producers in 2013-14. The aquaculture industry contributed 2.2% of GRP worth \$91 million; and Fishing, Hunting and Trapping contributed 0.8% worth \$35 million.

One reason for this lower than anticipated GRP contribution is that the processing of seafood product, which most people would associate with the fishing and aquaculture industries, is categorised under manufacturing by ANZSIC industry conventions. Processed seafood product produced 0.6% of GRP worth \$25 million, which was allocated as a component of manufacturing industry GRP.

### **Regional Economic Summary**

The Eyre Peninsula is a highly productive region, generating exports worth over \$4 billion per annum and GRP of approximately \$4.2 billion. In 2013-14, South Australia's Gross State Product (GSP) was valued at \$97 billion. With regional GRP of \$4.2 billion, the Eyre Peninsula provided approximately 4.3% of the State economy.

On a per capita basis, as the Eyre Peninsula population is approximately 3.5% of the State population, the region is exceeding its fair contribution to the State economy. However a per capita analysis undersells the importance of the region to the State economy, which needs to be put into context.

One of the State Government's key economic priorities is the *production of premium food and wine from a clean environment exported to the world*. This is an important brand SA platform for promoting South Australia internationally and a driving force for creating new export markets in Asia. This State Government priority is very much reliant on the RDAWEP region because the Eyre Peninsula produces and exports most of South Australia's premium food product.

- **Agriculture Industry:** The region is renowned for its high quality grains and, on average, produces 40% of the State's wheat crop, 24% of the barley crop and 22% of canola. Approximately 97% of the region's grain crop is exported and was worth \$643 million in 2013-14.
- **Fishing and Aquaculture:** The region is reputed internationally for its premium seafood. On average, the region produces 100% of South Australia's Southern Bluefin Tuna (with approximately 99% of tuna exported to Japan); along with 100% of the State's farmed marine finfish; 97% of oysters, 92% of mussels, and about 62% of the State's abalone production. In total, an estimated 82% of South Australia's seafood product is exported from the Eyre Peninsula. (Regions SA, *Regions in Focus: Whyalla and Eyre Peninsula*, July 2015).

Other State Government economic priorities are to *unlock the full potential of South Australia's resources*, and to enhance State prosperity by *promoting international connections and engagement* to increase exports. The region produces in the vicinity of 45% of GSP for iron and steel manufacturing, which highlights the importance of Whyalla to the State economy.

The region might only contribute 4.3% of GSP, however the growth and sustainability of the Eyre Peninsula is vital to the achievement of key State Government economic priorities.

As an overview, the regional economy is extremely diverse due to the broad range of industries generating exports and GRP. This is a great strength, which underpins the region's comparative advantages and economic resilience.



**MEMBER COUNCILS 2015/2016:**

- City of Whyalla
- City of Port Lincoln
- DC Ceduna
- DC Cleve
- DC Elliston
- DC Franklin Harbour
- DC Kimba
- DC Lower Eyre Peninsula
- DC Streaky Bay
- DC Tumby Bay
- Wudinna DC

**THE REPRESENTATIVES**

*Executive:*

TITLE	MEMBER NAME	COUNCIL
<b>President</b>	Mayor Bruce Green	City of Port Lincoln
<b>Immediate Past President</b>	Mayor Julie Low	DC Lower Eyre Peninsula
<b>Deputy President</b>	Mayor Sam Telfer	DC Tumby Bay
<b>Past Deputy President</b>	Mayor Eddie Elleway	DC Franklin Harbour
<b>Chief Executive Officer</b>	Mr Rob Donaldson	

The President and Deputy President are our nominated representatives to the SAROC and State Executive Forums. The Executive Officer is also a SAROC delegate.

*Other Regional Organisations:*

**Regional Development Australia Whyalla and Eyre Peninsula Inc:**

- Mayor Jim Pollock, Chair/Executive Member - City of Whyalla
- Cr Colin Carter - City of Whyalla
- Mayor Allan Suter, Executive Member - DC Ceduna
- Cr Bryan Trigg - Acting Chair since passing of Mayor Pollock - DC Cleve
- Cr Clare McLaughlin - City of Whyalla

**Eyre Peninsula Natural Resources Management Board:**

- Mr Rob Donaldson - CEO, City of Port Lincoln

**Zone Emergency Management Committee:**

- Mayor Julie Low (Presiding Member) - DC Lower Eyre Peninsula
- Tony Irvine, Executive Officer - EPLGA
- Rod Pearson - DC Lower Eyre Peninsula
- Grant Drummond, General Manager Operations - DC Ceduna
- Edwin Dearham, Engineer - City of Whyalla
- Ivan Noble, Works Manager - DC Cleve

**Eyre Peninsula Integrated Climate Change Adaptation Committee:**

- Mayor Julie Low (President) - to 22 February 2015
- Mayor Bruce Green (President) - from 22 February 2015
- Tony Irvine, Executive Officer - EPLGA



### EPLGA Board Members 2015/16

Under the terms of our Charter, the following Board appointments were current as at 30 June 2016.

MEMBER COUNCIL	BOARD MEMBER	DEPUTY BOARD MEMBER
Ceduna	Allan Suter (Mayor)	Lynton Brown (D/Mayor)
Cleve	Roger Nield (Mayor)	Bryan Trigg (D/Mayor)
Elliston	Kym Callaghan (Chair)	Dave Allchurch (Deputy Chair)
Franklin Harbour	Robert Starr (Mayor)	Michael Williams (D/Mayor)
Kimba	Dean Johnson (Mayor)	Graeme Baldock (D/Mayor)
Lower Eyre Peninsula	Julie Low (Mayor)	Don Millard (D/Mayor)
Port Lincoln	Neville Starke (D/Mayor)	Andrea Broadfoot (Councillor)
Streaky Bay	Sherron MacKenzie (Mayor)	Robert Stephens (Deputy Mayor)
Tumby Bay	Sam Telfer (Mayor)	Geoff Stewart (D/Mayor)
Whyalla	Jim Pollock (Mayor)/ Tom Antonio (Acting Mayor)	Clare McLaughlin (Councillor)
Wudinna	Eleanor Scholz (Chair)	Ned Luscombe(D/Chair)

### ANNUAL CONFERENCE SCHEDULE

A highlight on the EPLGA calendar is the Annual Conference, hosted each year by a member Council. To assist in host Council planning, the following schedule is included:

Year	Council	Year	Council
2017	DC Lower Eyre Peninsula	2022	DC Cleve
2018	City of Port Lincoln	2023	DC Streaky Bay
2019	DC Kimba	2024	DC Elliston
2020	Wudinna DC	2025	DC Tumby Bay
2021	DC Franklin Harbour	2026	City of Whyalla

The 80<sup>th</sup> EPLGA Conference will be held on Monday 27 February – 1 March 2017



## REPORT OF ACTIVITIES 2015/16

Our core activities always include reacting to legislation and policy changes that may have a negative impact on our region. This year ongoing concerns and/or participation have been with the following matters:

- › Natural Resources Management – joint partnership planning, delivery of services.
- › Regional Recognition/Lobbying – ongoing on various matters as they arise.
- › Mining and Impacts – continuation of the taskforce.
- › Emergency Management – regional planning and Council planning, followed by implementation.
- › Development Act Reform.
- › Coastal Access issues.
- › Various roads and waste issues – regional strategy and Zero Waste cessation.
- › Regional Strategy for LGA.
- › The Councils of the Future
- › Mobile phone hotspots.
- › Water Planning – state of the resource, etc.
- › Regional planning – RDAWEP, EPNRM, DPTI, etc.
- › Financial Assistance and Supplementary Road Funding – ongoing issues of SA’s injustice.
- › Health – local sub-regional issues.
- › Outreach Services:
  - Regional Procurement;
  - CEO’s Committee;
  - CWMS Users Group;
  - Regional Training and Seminars delivery;
  - Shared Services – EBA and Award consolidation – LEP Councils;
  - Assets Management and Long Term Financial Planning; and
  - Internal Controls Group.
- › Roadside Native Vegetation – management issues.
- › Regional Climate Change Adaptation Plan finalisation and continuation of the Eyre Peninsula Integrated Climate Change Agreement [EPICCA].
- › Tourism – restructure to sub-regional groups, Food and Tourism Prospectus, RV and Caravan Strategy.
- › Speed Limits Review – reduction from 110kph to 100kph.
- › Aged Care at the local Council level – Council’s role.
- › NHVR impacts on farm machinery movements.
- › Transport Plan and SLRP Prioritisation and funding applications.
- › Oil and gas exploration in the Great Australian Bight.
- › Joint submissions with RDAWEP on various issues.

## PROJECTS 2015/2016

### *Outreach Services Program*

The program includes:

- › assisting with the preparation of LGA policy on regional development;
- › preparing a profile of the region with a focus on what it contributes to the economic growth of both the State and Nation;
- › governance needs of each Council;
- › legislative compliance in assets management and long term financial planning;
- › skills assessment in areas such as IT, planning, environmental health, etc., and development of a regional training plan;
- › short term employment requirements in lieu of full time employees;
- › shared services arrangements to assist in meeting the short/long term skills requirements and other needs;
- › opportunities arising from the Local Excellence Program – trialling new methods of implementation, e.g. improving performance, systems and processes that sustain good performance, raising the image of Local Government, effective engagement across the region and State as a whole, i.e. political clout, with other spheres of government, seeking financial arrangements to support the programs required;



- › positioning Local Government and the region for the next State elections by gathering evidence of the needs of the sector and possible solutions that could be an “ask” in an election environment;
- › identifying any ‘centre of excellence’ that may exist within the region;
- › developing CEO, Works Manager and any other forums to assist in the sharing of resources and information, which would eliminate repetition of the same forum x 10; and
- › managing local issues for the Member Councils – advocacy, lobbying, problem solving, etc.

The LGA and the EPLGA have completed the 2 year pilot, which was centred on:

- › preserving the current important role of the Executive Officer of the EPLGA;
- › enhancing the connections between the work of the EPLGA and that of the LGA where it is mutually beneficial to do so;
- › enhancing the services of the LGA to be an ‘outreach’ service, but targeted to needs identified by the EPLGA/Region;
- › appointing a resource collaboratively identified by the LGA and EPLGA to deliver on the ground services to Councils;
- › agreeing on a program of works/activity and the funding model required; and
- › addressing other issues deemed important to the success of the pilot.

Such was the success of the pilot program that it has now been rolled out to all regional LGAs, with each receiving \$50,000 towards the program.

### **EPLGA CEO COMMITTEE**

On 28 June 2013, the EPLGA established a Chief Executive Officer Committee to ‘meet from time to time to consider issues of relevance to Eyre Peninsula Councils, and to provide advice to the EPLGA Board on those issues’.

The Committee’s role is to:

1. provide high level strategic advice to the EPLGA regarding identified priority issues;
2. arrange and coordinate reports to the EPLGA on those priority issues;
3. initiate reports and advice to the EPLGA on other matters identified by the Committee to be of strategic regional significance;
4. assist and advise the EPLGA about the development and implementation of its Management Plan and other plans; and
5. share operational information and expertise amongst the committee members and other agency Chief Executive Officers.

The membership of the Committee is comprised of the Chief Executive Officers of all Councils, who are members of the EPLGA. Other regional CEOs and the Regional Risk Coordinators are invited to the meetings as and when needed. These meetings allow the sharing of information and expertise, which mutually benefits clusters of Councils or the region as a whole. The agendas reflect the EPLGA agendas to a degree with other day to day operational matters included, and are in the domain of the role of a CEO. However a regional economic component led by the CEO of RDAWEP is now core business for the committee.

### **EPLGA ENGINEERING & WORKS COMMITTEE**

On 4 December 2015, the EPLGA met to consider the establishment of an Engineering & Works Committee (Committee) to meet from time to time to consider issues of relevance to Eyre Peninsula Councils, and to provide advice to the EPLGA Board on those issues’.

The role of the Committee was to

1. provide strategic advice to the EPLGA Board about its identified priority issues;
2. arrange and coordinate reports to the EPLGA Board on those priority issues;
3. initiate reports and advice to the EPLGA Board on other matters identified by the Committee to be of strategic regional significance;
4. assist and advise the EPLGA Board about the development and implementation of relevant plans;
5. share operational information and expertise amongst the committee members; and
6. collaborate on relevant engineering and works functions, with a view to maximising value for money to the Councils and region.



Membership of the Committee comprises the Engineering, Technical, Infrastructure and Works Managers of all Councils who are members of the EPLGA. An officer who is a member of the Committee may appoint a proxy to attend a meeting of the Committee in his/her place.

Other State Government Agency staff or independent expertise may be invited to the Committee on a regular or as needs basis.

The Committee operates on an informal basis and is therefore not subject to formal meeting procedures. However agendas are prepared for each meeting, and circulated to members at least 5 working days in advance of the scheduled meeting. Minutes are taken and distributed to Committee members, and tabled at the EPLGA CEO Committee and EPLGA Board meetings.

The Executive Officer of the EPLGA provides executive support to the Committee, including financial support for venue hire and meals, etc. within the budget of the EPLGA Board. In addition the Committee may, from time to time, establish working groups or appoint individual members to consider and advance work on a particular issue or issues.

Pursuant to the Local Government Act 1999 Schedule 2 clause 36(2) (a) the EPLGA Board may delegate tasks to the Committee for action. The Committee may sub-delegate to the established working groups or newly established working groups as deemed necessary.

## **REGIONAL TRANSPORT STRATEGY 2015 (ADOPTED MARCH 2016)**

This Regional Transport Strategy Update provides guidance on the management and development of roads across the region, including classification into a functional hierarchy and identification of Action Plans. This Strategy Update builds on the Regional Roads Strategy which has been in place and regularly updated since 2003. The format of this Regional Transport Strategy follows similar formatting used in the development of other Regional Transport Plans in the state, and aligns with the guidance provided in the Local Government Association Overarching Regional Transport Strategy – 2014. This format contributes towards a consistent approach across the state.

## **EP INTEGRATED CLIMATE CHANGE ADAPTATION**

The Executive Officer and President are representatives on the EPICCA Committee.

Under the State Climate Change Adaptation Framework, areas across the State, including the Eyre Peninsula, were required to develop a Regional Climate Change Adaptation Plan. EPICCA facilitated the development of the plan for Eyre Peninsula, focussing on a practical, regionally-appropriate and sensitive measure to address the likely impacts of climate change.

The plan has now been completed for the region and with continuation of collaboration between the EPNRM, RDAWEP and the EPLGA in this area, this working group will move into implementation of the plan's pathways. All parties will contribute \$12,500pa for the next 2 years of this project. The State Government had committed \$25,000 towards the group's activities for 2015/2016, which has been carried forward to 2016/17.

## **REGIONAL WATER RE-USE PLANNING AND FUNDING**

In June 2013 a funding submission was lodged to establish a Regional CWMS Users Group with a view to improving regional skills in this area in addition to a forum focussed on sharing of information. The bid was successful and hence a users group has been established.

The Eyre Peninsula Councils jointly own and operate 13 community wastewater management schemes servicing 5,775 property connections. The Councils are acutely aware of the potential impact of the Water Industry Act and the increasing regulatory and reporting environment surrounding CWMS operations due to their classification as an essential service.

The following desired outcomes of a CWMS Users group were identified:

- Establishment of a users group to facilitate intelligence sharing across Councils operating CWMS.
- Identification of regional capacity and skills gaps to provide for the efficient and compliant ongoing operation and maintenance of existing and new Community Wastewater Management Schemes.
- Promote regional training to maintain skill sets required to ensure sustainability.



- › Development and implementation of standardised recording and reporting mechanisms.
- › Facilitated development of an up-to-date user friendly operation, and maintenance, monitoring and contingency plans.
- › Schematic mapping of existing schemes to assist with an understanding of catchment capacities and constraints.
- › Development and implementation of standardised accounting systems to assist in comparisons between schemes and Councils.
- › Identification of opportunities for shared resources, including platforms for remote access.
- › Identification of potential shared procurement opportunities in areas such as spare parts inventories, septic tank desludging and drain flushing.

The Member Councils of the CWMS User Group committed both management and operational resources to this project and their initial commitment has continued through to the ongoing operations of the User Group. This recognised working group of the EPLGA is now incorporated into the newly formed Engineering & Works Committee of the EPLGA.

### REGIONAL TRAINING

An increase in Council participation has been witnessed through the Executive Officer of the EPLGA being a link and encouraging Councils to participate in LGA sponsored training programs and other training sessions/seminars. This is also contributed to the Executive Officer providing advice to the LGA on locations and timing of training to avoid clashes with regional seasonal events such as harvest, as well as other scheduled events. As part of the independently conducted Outreach Services Pilot Program Review, the following statement was made in regards to training:

*“Regional Training has been very successful and continues to be increasingly supported and valued by officers and elected members:*

**Details**

	2012/2013	2013/2014	2014/2015	2015/2016
Sessions conducted	22	12	18	10
Participants	22	176	365	202

*The Executive Officer has identified savings for 2015/16 to be in excess of \$200k through time, travel, accommodation and course costs per head as a direct result of the dramatic increase in participation. There are also the non-dollar benefits through increased participation and therefore increased skills, experience and networking within the region.”*

There is no doubt the effort in arranging regionally held training has resulted in significant savings to Councils.

### CORPORATE PLAN 2016 – 19 (REPLACES THE MANAGEMENT PLAN 2013 – 2016)

The Council Mayors and Chief Executive Officers of the EPLGA have contributed to the development of this Plan. It was clear from responses to our 2015 survey that the member Councils placed great importance on:

- *advocacy (and representation) – the EPLGA being the principal regional advocate for Local Government in the region;*
- *governance – continuing to ensure that our business is conducted in accordance with the law and proper standards;*
- *member services – the EPLGA to continue to provide member support services as they are needed; and*
- *outreach services – Connecting Councils with desirable services offered by the LGA of SA.*

Recognising that regional strategic and economic plans are being jointly developed by RDAWEP, EPNRM and the EPLGA to set out longer term strategies - through which the EPLGA will be responsible for a wide range of actions - this Plan focusses on the EPLGA’s key leadership and advocacy roles and will enable positive, value-adding and timely action on emerging strategic issues.



To avoid confusion between the Business Plan prepared by respective Councils, the EPLGA uses the term 'Management Plan or Corporate Plan'. The Corporate Plan is for the period 2016 – 2019 and reviewed annually, incorporating an updated annual work plan and budget for the current year. It also includes the strategic directions of the EPLGA for that period.

Prior to the new plan the EPLGA worked from its 2013 – 16 Management Plan, which incorporates the current year covered by this Annual Report.

### **Management Plan Performance 2015 – 16**

#### **1. ACTIVELY ASSIST MEMBERS BY REPRESENTING THEIR COMBINED INTERESTS.**

1 Seek invitation to provide responses to legislative and policy changes that materially impact our region.

1.2 Seek the mandated preparation of regional impact statements prior to any state legislated changes likely to affect our region.

*Comment: RDAWEP and EPLGA jointly funded the preparation a regional statement and have captured regional evidence by developing 78 industry sets of statistics. This information will not only be used to support or object to State legislation or policy changes but to develop regional economic and strategic plans. The data is provided to all member Council too with summaries relevant to their districts.*

1.3 Prepare coordinated submissions to relevant inquiries and proposals on behalf of members.

*Comment: RDAWEP and EPLGA prepare regional submissions in partnership.*

1.4 Take an active interest in regional waste management, water planning, marine parks, mining, food security, climate change, local workforce planning and any activities that could impose changes to our region.

*Comment: President and/or Executive Officer are actively involved in regional committees and/ or meetings dealing with regional waste management, water planning, marine parks, mining, food security, climate change, local workforce planning and other activities that may impose change upon the region.*

1.5 Continue to advocate for roads funding opportunities.

*Comment: The developed roads database for all EP roads and the new Regional Transport Strategy will be used as a tool for prioritising regional roads for funding.*

1.6 Develop a coordinated approach to the Commodity Freight Routes across the region, being mindful of divergent needs between Councils.

*Comment: Comments in 1.5 will apply to this as freight roads are weighted to assist in the prioritisation of regional roads seeking funding assistance.*



## 2 BUILDING STRONG PARTNERSHIPS FOR THE PROMOTION OF OUR SECTOR AND OUR REGION

- 2.1 Ensure we are represented at SAROC, State Executive Committee meetings and the General meetings of the LGA.

*Comment: The President (and proxy) and Executive Officer attend these meetings when held.*

- 2.2 Ensure regular information flows to our member Councils via newsletters, website updates, media announcements and personal contacts.

*Comment: After each EPLGA Board meeting a wrap of the meeting is prepared and forwarded to all regional media outlets. It is also posted on the EPLGA website. The media are used as and when needed and are also sent the meeting agendas and minutes. Council senior staff is well informed through emails of any developing issues of matters of interest.*

- 2.3 Seek reports from regional partners at EPLGA Board Meetings and forums.

*Comment: Regional partners have a standing agenda item at each Board meeting to present to the constituent Councils. They are also invited to CEO Committee meetings as and when needed.*

- 2.4 Actively seek direct engagement with state government partners in order to allow bottom up, and more streamlined, planning and engagement.

*Comment: The EPLGA has been a strong advocate for state government partners to visit the region on planning and engagement matters, e.g. Regional Forums, Regional Roadshows, Planning reform, Ministers visiting regional functions and openings, etc.*

- 2.5 Seek opportunities to partner with industry and community groups to promote the economic and social prosperity of Eyre Peninsula.

*Comment: RDAWEP and EPNRM CEOs and Staff meet regularly with the Executive Officer on a range of economic and social matters. The EO also meets with NGO's.*

- 2.6 Work with member Councils to facilitate economic expansion by coordinating the approach to structure planning, ensuring consistency with the principles contained in the Eyre and Western Plan.

*Comment: The Mining Taskforce has a focus on this functional role for Councils. The development of a regional economic plan in conjunction with the RDAWEP & EPNRM Boards will also ensure consistency in the approach to facilitating economic expansion. The planned development of a regional strategic plan will add further strength to this strategy. The Regional Economic Development Plan is nearing completion and the development of the Regional Strategic Plan has commenced.*

- 2.7 Work with state departments and regional partners to better coordinate Infrastructure Planning consistent with the principles in the Eyre and Western Plan.

*Comment: The Executive Officer along with Council representatives have been involved in various infrastructure planning sessions with regional organisations and state agencies. E.g. Minister for Regions road shows*

- 2.8 Investigate ways to encourage the state government to streamline its regional consultation processes to avoid multiple meetings that duplicate effort.

*Comment: This has been an issue discussed at the SAROC level and continues to be pursued. The Minister for Local Government and Regions has held forums and roadshows in the region plus attended EPLGA Board meetings and other regional meetings. This is an example of the State Government's commitment to consulting the region in a more concise way.*



### 3 RAISE THE PROFILE OF THE ASSOCIATION BY GREATER MEDIA PRESENCE

- 3.1 Issue a media release after each Board meeting and at any occasion where deemed appropriate.

*Comment: Media used as and when appropriate. Agenda and minutes of the Board are distributed to regional media to seek interest. The meeting wrap is also distributed to the media outlets.*

- 3.3 Consider the nomination of media representatives to present a coordinated and endorsed approach to all media.

*Comment: Still managing media in-house.*

### 4 ASSIST MEMBER COUNCILS BY COORDINATING REGIONAL INVESTIGATIONS OF OPERATIONAL ISSUES

- 4.1 Actively participate in meetings that promote Continuous Improvement activities in Councils.

*Comment: The Outreach Services Program is in part about the continuous improvement of activities in Councils. Through the Regional Executive Officer's group local government reform is always on the agenda, particularly around continuous improvement and cutting red tape.*

- 4.2 Continue to promote regional training opportunities to assist Councils to up-skill their workforce.

*Comment: The Executive Officer has been assisting with this through better co-ordination of the type of training required, when it could be held and the most suitable location for training. Council's response has been excellent, highlighting the success of this effort.*

- 4.3 Facilitate Shared services investigations and discussions at either the regional or sub regional level, where appropriate.

*Comment: The Executive Officer has in the past assisted in this area but is pleasing to learn of Councils now taking the lead and working in sub-groups whether for regional health planning, waste management or simply sharing human resources.*

- 4.4 Liaise with the LGA program managers to assist in linking funding opportunities to Council activities.

*Comment: As an example of this working, funding has been gained for the Outreach Services (\$50,000), Regional Capacity Building (\$38,000+) and other funding is sought from the LGA Research and Development Fund on a needs basis. The region also offers itself to various pilot projects which often result in additional funding and resources addressing issues.*

- 4.5 Review our Charter.

*Comment: Completed in Dec 2013*

- 4.6 Coordinate a regional or sub regional approach to road upgrades required for resource sector expansion.

*Comment: A Mining Roundtable was held in October 2014 to assist with this type of planning. A report from the SA Centre for Economic Studies was part funded by the EPLGA and LGA to assist with these issues. A Taskforce terms of reference was developed along with appointing a Coordinator to manage the process. The taskforce met three times during the 2015/16 year. It has gathered much information and developed great working relationships with Mining Companies, State Government, EPNRM, RDAWEP and other groups as required to ensure it can now be more individual mining project and location focussed.*



- 4.7 Review the methodology of preparing the Eyre Peninsula Road Strategy.

*Comment: The Roads Strategy was re-worked in 2013. Following this a database has been developed to include all EP roads with a methodology prioritisation tool inbuilt to give better road prioritisation. Further data was collected to finalise the database to allow better planning and prioritisation. The collection of data has been a difficult task but the EP Transport Strategy was completed in 2015 in regards to roads. There will need to be further refinement of the strategy as it is reviewed annually.*

- 4.8 Prepare regional submissions to fund combined approaches to governance activities required of Councils, where agreed by Members.

*Comment: Working Groups and shared services will lead to this occurring on a more regular basis.*

**5 DEVELOP WAYS TO DIRECTLY ENGAGE WITH BOTH STATE AND FEDERAL GOVERNMENTS TO ASSIST IN REGIONAL PROMOTION**

- 5.1 Include funding in the Annual Business Plan to allow deputation to both State and Federal parliaments on key issues that arise.

*Comment: Funding included in the budget.*

- 5.2 Liaise with other regional LGA and RDAs where combined lobbying best represents our interests.

*Comment: The Executive Officer meets bi-monthly with other regional LGA's Executive Officers to manage such issues as joint collaboration and lobbying. The Executive Officer is located in the RDAWEP Port Lincoln Offices and has a good connection to RDAWEP lobbying efforts.*

- 5.3 Seek opportunities to strengthen working relationships with the senior levels of state government.

*Comment: The Executive Officer has good political connections and uses these when needed.*

**6 UNDERTAKE A TWO YEAR "OUTREACH SERVICES" PILOT PROGRAM IN PARTNERSHIP WITH THE LGA OF SA**

- 6.1 Establish a funding agreement for \$50k per year with the LGA of SA.

*Comment: Established pilot in July 2013 and concluded 30 June 2015. Pilot completed - program has continued in all regional LGA's after the pilot at \$50,000pa funding from the LGA for each regional LGA.*

- 6.2 Establish a work plan for the pilot program in consultation with member councils and the LGA of SA.

*Comment: Established as per 6.1 and reported against to EPLGA and LGA of SA on a half yearly basis as per the new agreement.*

- 6.3 Prepare a case study of the pilot program for future reference.

*Comment: COMPLETED an independent evaluation.*



## KEY PERFORMANCE INDICATORS

While the measurement of performance is a key component of planning, the nature of the workload for the Executive Officer has typically made KPI setting and measurement difficult. Much of the day-to-day operational activity remains reactive and in response to legislated and policy changes that routinely emerge. However, the following measurement may be an indication of performance for each year.

KPI	MEASURED BY	TARGET SCORE
Member General Satisfaction	Number of formal complaints	Zero complaints from members Actual: Zero complaints received.
Member attendance at meetings, workshops, training	Number of members who are represented	All members Actual: Usually all 11 Councils represented.
Competitive funding secured	Dollars secured	Equal to membership (\$157K)  Actual: Regional Capacity \$39,000 Mining taskforce \$10,000 CWMS Users Group \$19,500 Emergency management Plans \$7,000 Climate Change - EPPICA \$25,000 Tourism \$76,000  Total \$176,500
Achieved annual work plan		All items either achieved or timeframes for completion, and process, in place. Some subject to external funding.  Actual: On target
EPLGA is represented at LGA regions meetings	Number of meetings attended	100%  Actual: 100%
Co-ordinate regional training activities on EP	Number of days training per year	At least 6  Actual: target exceeded (12)
Annual review of Executive Officer	Final achievement score	Actual: Review occurred in June 2016. Report of satisfactory performance by President - employment contract extended by 24 months.
Greater media activity	Number of interviews and media releases	At least one interview per month. Media releases at least every 2 months.  Actual: Meeting target



## USE OF FINANCIAL RESOURCES

The following audited statement indicates another year of solid financial performance.



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19<sup>th</sup> September, 2016

Mr Tony Irvine,  
Eyre Peninsula Local Government Association  
89 Liverpool Street  
**PORT LINCOLN SA 5606**

Dear Tony,

**RE: AUDIT OF EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2016**

We advise that we have now completed our Audit of the Eyre Peninsula Local Government Association for the year ended 30<sup>th</sup> June 2016 and enclose a copy of our Audit Opinion for your records.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and therefore may not detect all points of weaknesses in systems and procedures which may exist.

Having completed the Audit we now make the following comments:

### ***Internal Controls***

It is our opinion that the Eyre Peninsula Local Government Association has adequate internal controls. During the conduct of our audit we did not make any observations which would contradict this opinion.

### ***Taxation & Superannuation Liabilities***

During the conduct of our audit we observed that GST, PAYG Withholding and Superannuation are being paid in a timely manner and in accordance with legislative guidelines.

Yours faithfully,

  
Greg Nicholls B. Com, CPA, CTA  
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**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED  
30TH JUNE 2016**

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Statement of Income & Expenditure

Balance Sheet

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Board Certificate

Audit Report



## EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

### STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2016

		2016	2015
	NOTE	\$	\$
<b><u>INCOME</u></b>			
Grants Received	2	53,273	279,139
Interest Received		8,412	8,975
Project Income - EP Councils	3	97,969	120,472
Membership Fees	4	157,587	151,423
Reimbursable Expenses		3,988	806
Sundry Income		2,000	-
		<hr/>	<hr/>
<b><u>TOTAL INCOME</u></b>		323,229	560,815
<b><u>EXPENDITURE</u></b>			
Administration		9,420	9,116
Advertising & Promotion		1,055	1,164
Audit Fees		1,300	1,200
Bank Charges & Taxes		443	445
Computer Expenses		886	3,169
Employee Expenses		139,787	134,126
Insurance		5,676	5,549
Legal Costs		4,619	-
Meeting Expenses		5,300	5,314
President's Expenses		2,250	2,005
Project Expenditure	5	117,074	342,892
Secretarial Services		17,462	17,255
Sundry Expenses		1,718	311
Telephone		784	926
Travel & Accommodation		13,381	13,604
		<hr/>	<hr/>
<b><u>TOTAL EXPENDITURE</u></b>		321,155	537,076
		<hr/>	<hr/>
<b><u>NET SURPLUS/(DEFICIT)</u></b>		\$ 2,074	\$ 23,739



## EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

### STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	NOTE	
	\$	\$
Net Surplus/(Deficit)	2,074	23,739
Extraordinary Items	-	-
<b><u>TOTAL NET SURPLUS/(DEFICIT)</u></b>	<b>2,074</b>	<b>23,739</b>
Surplus Funds at July 1	207,334	183,595
SURPLUS/(DEFICIT)	209,408	207,334
<b><u>ACCUMULATED SURPLUS/(DEFICIT)</u></b> <b><u>AT 30TH JUNE, 2016</u></b>	<b>\$ 209,408</b>	<b>\$ 207,334</b>



## EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

### STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2016

		2016	2015
	NOTE	\$	\$
<b><u>EQUITY</u></b>			
Accumulated Surplus		\$ 209,408	\$ 207,334
REPRESENTED BY			
<b><u>CURRENT ASSETS</u></b>			
Cash at Bank	6	268,403	362,766
Debtors		11,000	28,387
Income Accrued		1,814	1,865
GST Receivable		2,332	1,704
<b><u>TOTAL ASSETS</u></b>		283,549	394,722
<b><u>CURRENT LIABILITIES</u></b>			
Sundry Creditors	7	3,709	7,472
Creditors		4,661	70,207
Unspent Project Funds	8	42,130	94,084
Provision for Holiday Pay		7,611	2,601
Prov'n for Long Service Leave	9	16,030	13,024
		74,141	187,388
<b><u>NET ASSETS</u></b>		\$ 209,408	\$ 207,334



## EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. This financial report is a special purpose financial report prepared for use by Board and members of the association. The Board has determined that the association is not a reporting entity.
2. The financial report has been prepared on historical cost basis and does not take into account changing money values or except where stated current valuations of non-current assets. The statements are prepared on an accruals basis.
3. Provision is made in respect of the association's liability for annual and long service leave at balance date. Long service leave is accrued from an employee's start date. Leave provision is based on current wages as at reporting date, and does not include on-costs.

	2016	2015
	\$	\$

#### NOTE 2 - Grants Received

LGA of SA - Outreach Service	-	120,000
LGA of SA - Regional Capacity	38,726	38,305
LGA of SA - CWMS Users Group	4,547	12,500
LGA of SA - Mining Taskforce	10,000	10,000
DEWNR - EP Integrated Climate Change Agreement Program	-	25,000
SAFECOM - Emergency Management Planning	-	73,334
	\$ 53,273	\$ 279,139

#### NOTE 3 - Project Income - EP Councils

CWMS Users Group	15,000	15,000
Emergency Management Planning	6,875	33,000
Tourism Subscriptions	76,094	72,472
	\$ 97,969	\$ 120,472

**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE, 2016**

	2016	2015
	\$	\$
<b><u>NOTE 4 - Membership Fees</u></b>		
District Council of Ceduna	12,491	14,710
District Council of Cleve	11,108	11,013
District Council of Elliston	9,583	9,331
District Council of Franklin Harbour	9,748	9,651
District Council of Kimba	9,613	9,296
Wudinna District Council	9,732	9,734
District Council of Lower Eyre Peninsula	15,547	16,533
District Council of Streaky Bay	11,443	11,297
District Council of Tumby Bay	11,739	12,438
City of Whyalla	32,197	27,473
City of Port Lincoln	24,386	19,947
	<u>\$ 157,587</u>	<u>\$ 151,423</u>
<b><u>NOTE 5 - Project Expenditure</u></b>		
Unspent Funds at 1 July	(94,084)	(59,519)
Climate Change Sector Agreement	12,500	-
Committee & Working Group Mtg	5,410	8,420
CWMS Users Group	6,435	26,451
Emergency Management Planning	8,316	87,893
EP Integrated Climate Change Agreement Program	299	-
Mining Taskforce	25,959	45,032
One Regional Development Plan	-	30,000
Procurement Roadmap	-	982
Regional Roads Strategy	34,015	35,576
Shared Services EBACC Project	-	1,500
Tourism Subscriptions	76,094	72,472
Unspent Funds at 30 June	42,130	94,085
	<u>\$ 117,074</u>	<u>\$ 342,892</u>
<b><u>NOTE 6 - Cash at Bank</u></b>		
BankSA Society Cheque Account	36,167	138,916
Bendigo Bank Term Deposit	151,518	147,438
LGFA	71,855	67,765
LGFA - Cores EP	8,863	8,647
	<u>\$ 268,403</u>	<u>\$ 362,766</u>



## EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016

	2016	2015
	\$	\$
<b><u>NOTE 7 - Sundry Creditors</u></b>		
PAYG Withheld	2,524	6,290
Superannuation	1,185	1,182
	<u>\$ 3,709</u>	<u>\$ 7,472</u>
<b><u>NOTE 8 - Unspent Project Funds</u></b>		
Regional Capacity Building	-	10,438
Cores - EP	8,863	8,646
Outreach Service	-	50,000
EP Integrated Climate Change Agreement Program	24,702	25,000
CWMS Group	8,565	-
	<u>\$ 42,130</u>	<u>\$ 94,084</u>
<b><u>NOTE 9 - Prov'n for Long Service Leave</u></b>		
District Council of Tumby Bay	6,562	6,562
Eyre Peninsula Local Govt. Association	9,468	6,462
	<u>\$ 16,030</u>	<u>\$ 13,024</u>



**EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION**

**BOARD CERTIFICATE**

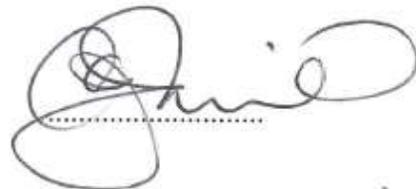
The Board have determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Board of the association declares that:

- 1 the financial statements and notes present fairly the association's financial position as at 30th June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 in the Board's opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board:

signed 



position President

EXECUTIVE OFFICER

Dated this 27th day of Sept 2016



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

4 Tasman Terrace, PO Box 2180  
Port Lincoln, SA 5606  
Telephone: (08) 8682 1899  
Facsimile: (08) 8682 1408  
Email: gpk@gpk.com.au  
ABN 64 945 523 972  
ACN 007 909 382

To the members of Eyre Peninsula Local Government Association,

*Report on the financial report*

We have audited the accompanying financial reports, being a special purpose financial report, of Eyre Peninsula Local Government Association, for the year ended 30<sup>th</sup> June 2016.

*The responsibility of the members of the Board for the financial report*

The members of the Board are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the Local Government Act 1999 and are appropriate to meet the needs of the members. The Board's responsibility also includes establishing 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. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 members of Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board's financial reporting responsibilities under the Local Government Act 1999. We

*Liability limited by a scheme approved under Professional Standards Legislation*

**Gill Penfold Kelly Pty Ltd** > growth, profits and knowledge - the keys to your business success



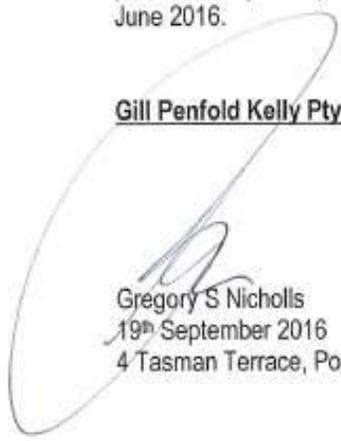
## Eyre Peninsula Local Government Association

disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Auditor's opinion*

In our opinion the financial report of the Eyre Peninsula Local Government Association presents fairly the operations and financial position of the association for the year ended 30<sup>th</sup> June 2016.

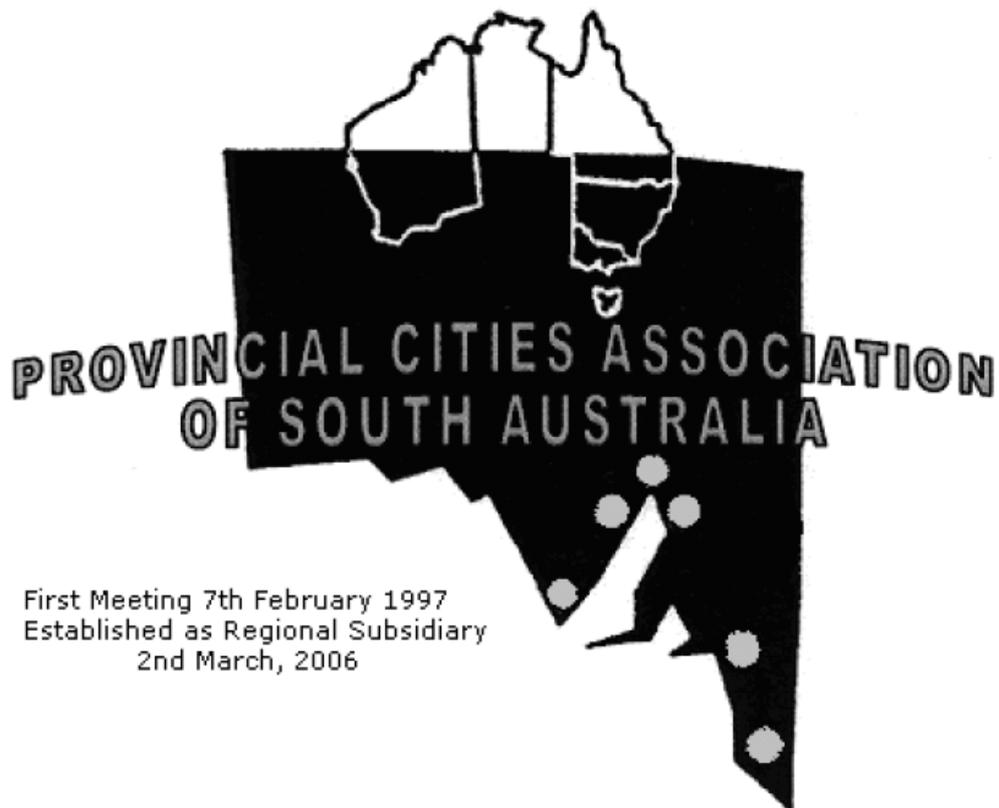
### Gill Penfold Kelly Pty Ltd

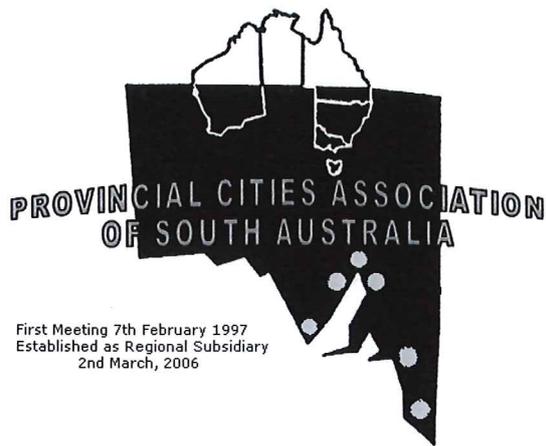


Gregory S Nicholls  
19<sup>th</sup> September 2016  
4 Tasman Terrace, Port Lincoln SA 5606

## APPENDIX C

### Provincial Cities Association of South Australia – Audited Statement of Financial Position





**Membership**  
City of Port Augusta  
City of Mount Gambier  
City of Port Lincoln  
City of Whyalla  
Port Pirie Regional Council  
Rural City of Murray Bridge

ENTERED

**Executive Officer**  
Mr. Ian McSporrان  
PO Box 3106  
PORT AUGUSTA WEST SA 5700  
Mobile: 0419 810 644  
Phone: (08) 8642 2092  
Email: [myallone@bigpond.com](mailto:myallone@bigpond.com)

LET0178

**1 June 2016**

Mr Rob Donaldson  
Chief Executive Officer  
City of Port Lincoln  
PO Box 1787  
PORT LINCOLN SA 5606

 City of Port Lincoln Government of South Australia	<b>City of Port Lincoln</b>
	07 JUN 2016
Record No: <u>I20165373</u>	
GDS Code: <u>10.85.1.2</u>	Scanned <input checked="" type="checkbox"/>
Responsible: <u>CEO</u>	File <input type="checkbox"/>

Dear Rob

### **WINDING UP OF ASSOCIATION**

I refer to previous correspondence concerning the above and enclose final Audited Statement of Financial Position of the Provincial Cities Association of South Australia as at 30<sup>th</sup> April 2016.

As the Association no longer exists as a legal entity, it would be appreciated by the Auditor, Mr John Ewen of John Ewen & Associates, if advice of the receipt and acceptance of the Audited Statement of Financial Position of the former Provincial Cities Association by your Council, could be provided in due course to him at P.O. Box 202, Magill SA 5072.

In forwarding the Audited Statement of Financial Position of the Provincial Cities Association of South Australia, I point out that members of the former Association are still paid up Corporate Members of the South Australian Centre for Economic Studies until 30<sup>th</sup> June 2016. As such you will continue to receive economic publications and corporate invitations from SACES until that date.

With regard to future involvement with SACES by former constituent members of the Provincial Cities Association, I respectfully suggest that a continuation of a Corporate Membership package in one form or another should be considered by the Councils as I suspect that after the forthcoming Federal Election, Regional Development and the pursuance of large infrastructure projects will become a major issue. I also suspect that based on what is occurring in other states, Local Government reform will be a big or bigger issue in South Australia, and again members may value SACES research documents on such issues.

In closing, I wish all former Provincial Cities Association members every success for the future as you tackle the ever changing landscape of Local Government. I also look back on my 53 years of service to the Local Government Industry as time well spent and enjoyed.

With kind regards

**IAN McSPORRAN**  
**EXECUTIVE OFFICER**  
**(Retired)**

**PROVINCIAL CITIES ASSOCIATION OF SOUTH AUSTRALIA**

---

**STATEMENT OF FINANCIAL POSITION**

As at 30<sup>th</sup> April 2016

	<b>Note</b>	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		0	4,107
Receivables	5	0	300
<b>TOTAL CURRENT ASSETS</b>		<u>0</u>	<u>4,407</u>
<b>CURRENT LIABILITIES</b>		0	0
<b>TOTAL CURRENT LIABILITIES</b>		0	0
<b>NET CURRENT ASSETS</b>		<u>0</u>	<u>4,407</u>
<b>NON CURRENT ASSETS</b>		0	0
<b>TOTAL NON-CURRENT ASSETS</b>		0	0
<b>NON-CURRENT LIABILITIES</b>		0	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		0	0
<b>NET ASSETS</b>		<u>0</u>	<u>4,407</u>
<b>Accumulated Surplus</b>		<u>0</u>	<u>4,407</u>

**PROVINCIAL CITIES ASSOCIATION OF SOUTH AUSTRALIA**

---

**OPERATING STATEMENT**

For period ending 30<sup>th</sup> April 2016

	Note	2016 \$	2015 \$
<b>OPERATING REVENUE</b>			
Contributions	2	66,000	66,000
<b>TOTAL OPERATING REVENUE</b>		<u>66,000</u>	<u>66,000</u>
<b>OPERATING EXPENSES</b>			
Contractual Services	3	13,230	37,391
Other	4	16,694	26,403
<b>TOTAL OPERATING EXPENSES</b>		<u>29,924</u>	<u>63,794</u>
<b>NET SURPLUS RESULTING FROM OPERATIONS</b>		<u>36,076</u>	<u>2,206</u>

**PROVINCIAL CITIES ASSOCIATION OF SOUTH AUSTRALIA**

---

**STATEMENTS OF CHANGES IN EQUITY  
FOR PERIOD ENDING 30<sup>th</sup> APRIL 2016**

	<b>2016</b> \$	<b>2015</b> \$
<b>ACCUMULATED SURPLUS</b>		
Balance at end of previous reporting period	4,407	2,201
Net surplus for period	36,076	2,206
Equity distributed to Members	(40,483)	
<b>BALANCE AT END OF PERIOD</b>	<u>0</u>	<u>4,407</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR FINAL ACCOUNT TO PERIOD ENDING 30 APRIL 2016**

**Note 1. Statement of 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 equivalents to International Financial Reporting 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 financial report was authorised for issue by certificate under clause 11 of the *Local Government (Financial Management) Regulations 1999*.

1.2 Historic 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 AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Subsidiary'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

The Provincial Cities Association of SA Regional Subsidiary is incorporated under the SA Local Government Act 1999 and has its principal place of business at a Lot 7, Section 147, Eyre Highway, Port Augusta West. In the process of reporting on the Subsidiary as a single unit, all transactions and balances between activity areas have been eliminated.

3. Income Recognition.

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

4. Cash, Cash Equivalents and other Financial Instruments.

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

5. 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 taxes activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.

6. Comparative Information.

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

**PROVINCIAL CITIES ASSOCIATION OF SOUTH AUSTRALIA**

---

<b>Note 2</b>	<b>2016</b>	<b>2015</b>
<b>Contributions</b>		
City of Mount Gambier	11,000	11,000
Rural City of Murray Bridge	11,000	11,000
City of Port Augusta	11,000	11,000
City of Port Lincoln	11,000	11,000
Port Pirie Regional Council	11,000	11,000
City of Whyalla	11,000	11,000
	<u>66,000</u>	<u>66,000</u>

**Note 3**  
**Contractual Services**

Executive Officer Contract	11,430	36,230
Audit Fees	1,800	900
South Australian Centre for Economic Studies		
Legal Fees		261
	<u>13,230</u>	<u>37,391</u>

**Note 4**  
**Other Expenses**

Travelling Expenses – Executive Officer	1,806	7,853
Postage and Stationery	164	646
Telephone/Internet	502	624
Administration & IT Services – City of Port Augusta	5,000	5,000
Bank Fees	141	87
Membership – Corporate	1,723	1,723
Insurance	6,655	6,506
Meeting Expenses – Members (Note 6)	703	3,964
	<u>16,694</u>	<u>26,403</u>

**Note 5**  
**Trade & Other Receivables**

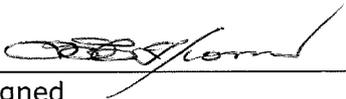
GST (net)	0	300
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**Note 6**  
**Meeting Expenses – Members**

Association Meetings		3,784
Non Refundable Deposit for Cancelled Meeting	500	
Teleconference	203	
Regional Development Policy Meetings		180
	<u>703</u>	<u>3,964</u>

## CHIEF EXECUTIVE OFFICER'S STATEMENT

I, IAN MCSPORRAN the EXECUTIVE OFFICER of PROVINCIAL CITIES ASSOCIATION OF SOUTH AUSTRALIA do hereby state that the Statement of Financial Position of the PROVINCIAL CITIES ASSOCIATION OF SOUTH AUSTRALIA as at 30 APRIL 2016 and the operating Statement and Statement of Changes in Community Wealth, together with the supporting notes for the year ended on that date are to the best of my knowledge presented in accordance with the *Local Government Act 1999*, and the *Local Government Accounting Regulations* made under that Act.

  
\_\_\_\_\_  
Signed

*18<sup>th</sup> May 2016*  
\_\_\_\_\_  
Dated

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PROVINCIAL CITIES ASSOCIATION OF SOUTH AUSTRALIA**

We have audited the accompanying Financial Report of the Provincial Cities Association of South Australia which comprises the statement of financial position as at 30 April 2016 and the operating statement and statement of changes in equity for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the Chief Executive Officer's declaration.

### **THE CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY FOR THE FINANCIAL REPORT**

The Chief Executive Officer 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*. This responsibility includes establishing 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 my 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 judgment, 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 Council, 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.

### **AUDITOR'S INDEPENDENCE DECLARATION**

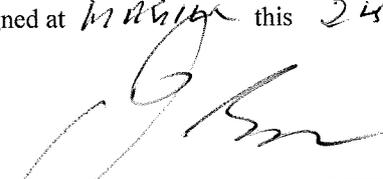
In conducting our audit we have complied with the independence requirements of the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011* and the Australian professional accounting bodies.

## AUDIT OPINION

In our opinion the financial report of the Provincial Cities Association of South Australia is properly drawn up:

- a) To give a true and fair view of:
  - i) the Subsidiary's state of affairs as at 30 April 2016 and changes in equity resulting from operations and cashflows for the period ended on that date.
  - ii) the other matters required by the Local Government Act 1999 to be dealt with in the financial statements.
- b) According to the Local Government Act 1999, together with the Local Government Act 1999 (Financial Management) Regulations 2011 made under that Act; and
- c) According to Australian Accounting Standards and mandatory professional reporting requirements.

Signed at *MARRIAGE* this *24<sup>th</sup>* day of *MAY* 2016

  
\_\_\_\_\_  
**JOHN D EWEN**  
**JOHN D EWEN & ASSOCIATES**  
**CHARTERED ACCOUNTANT**

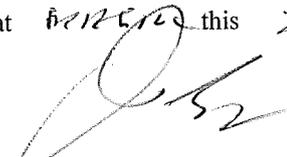
## AUDITOR'S INDEPENDENCE DECLARATION

**Auditor's Independence Declaration Under Section 16A of the Local Government (Financial Management) Regulations 1999 to The Members of the Provincial Cities Association of South Australia.**

I confirm that, for the audit of the financial statements of the Provincial Cities Association of South Australia for the period ended 30 April 2016 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 16A (4) *Local Government (Financial Management) Regulations 2011*.

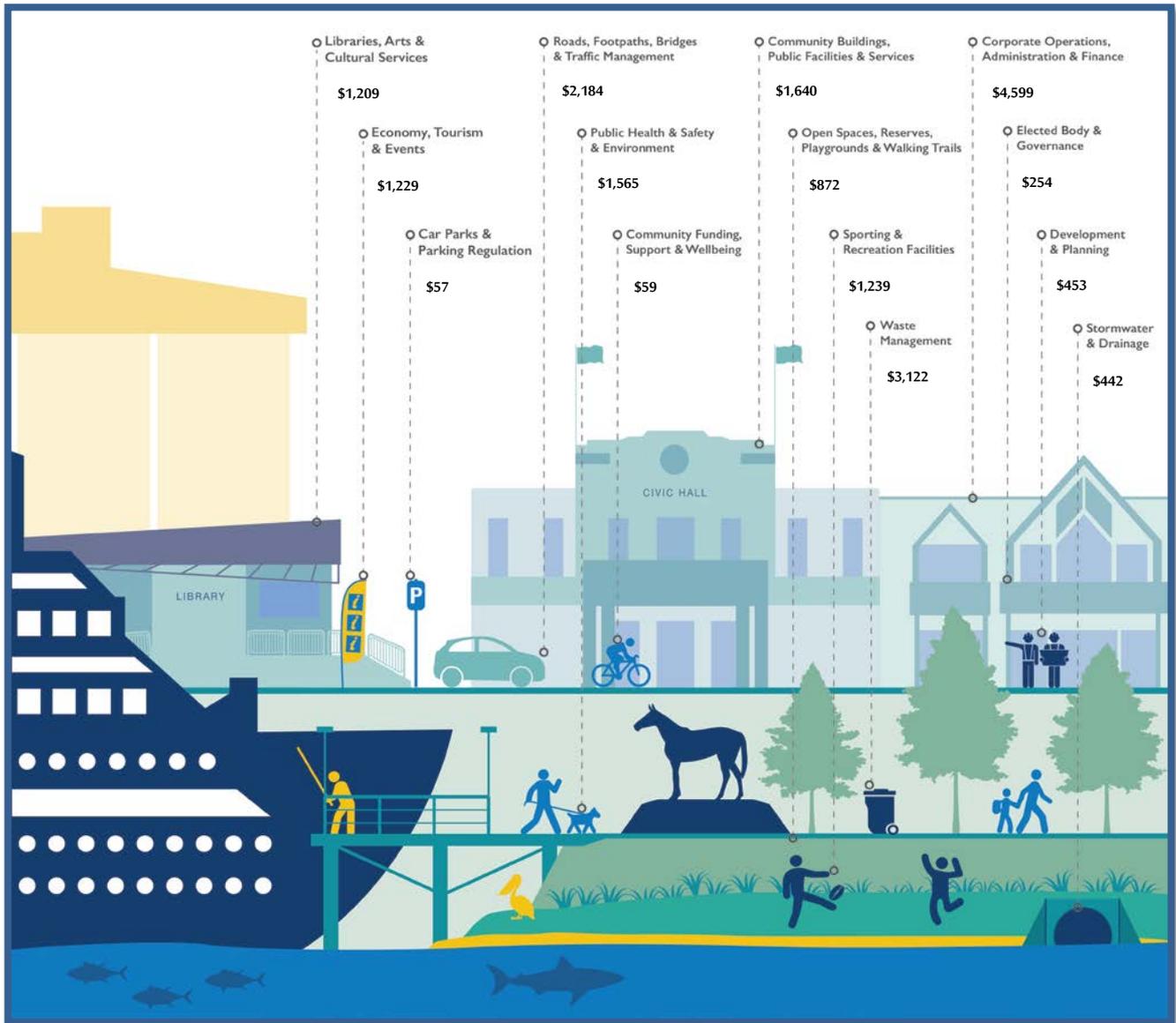
Signed at *MARRIAGE* this *24<sup>th</sup>* day of *MAY* 2016

  
\_\_\_\_\_  
**JOHN D EWEN**  
**JOHN D EWEN & ASSOCIATES**  
**CHARTERED ACCOUNTANT**

## APPENDIX D

### City of Port Lincoln Audited Financial Statements for the Year Ended 30 June 2016

#### 2015-2016 Operational Expenditure \$'000





## General Purpose Financial Reports

**FOR THE YEAR ENDED  
30 JUNE 2016**

RM: N20162841 AUDITED

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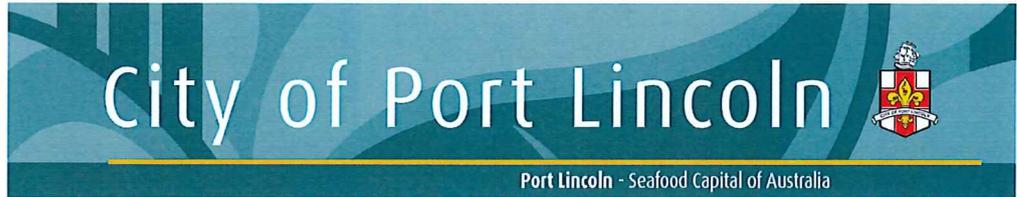


# CITY OF PORT LINCOLN

## General Purpose Financial Reports for the year ended 30 June 2016

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## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016

### 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 2016 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.

.....  
Rob Donaldson  
**CHIEF EXECUTIVE OFFICER**

.....  
Bruce Green  
**MAYOR**

Date: 11/11/2016

**CITY OF PORT LINCOLN**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>INCOME</b>			
Rates	2	12,852,493	11,899,886
Statutory charges	2	280,472	258,014
User charges	2	2,033,713	1,284,417
Grants, subsidies and contributions	2	1,214,151	2,236,874
Investment income	2	135,026	118,238
Reimbursements	2	536,816	501,741
Other income	2	977,499	1,391,618
<b>Total Income</b>		<b>18,030,170</b>	<b>17,690,788</b>
<b>EXPENSES</b>			
Employee costs	3	4,665,826	4,319,578
Materials, contracts & other expenses	3	10,583,730	9,377,776
Depreciation, amortisation & impairment	3	3,473,301	3,280,357
Finance costs	3	202,066	22,115
<b>Total Expenses</b>		<b>18,924,923</b>	<b>16,999,826</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(894,753)</b>	690,962
Asset disposal & fair value adjustments	4	(187,454)	(208,315)
Amounts received specifically for new or upgraded assets	2	27,375	163,000
Physical resources received free of charge	2	515,826	56,146
<b>NET SURPLUS / (DEFICIT)</b>		<b>(539,006)</b>	701,793
transferred to Equity Statement			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	1,261,387	592,756
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>722,381</b>	<b>1,294,549</b>

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

**CITY OF PORT LINCOLN**

**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2016

<b>ASSETS</b>	Notes	<b>2016</b>	2015
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	5	<b>3,145,408</b>	4,156,256
Trade & other receivables	5	<b>1,088,060</b>	1,022,795
Other financial assets	5	<b>52,963</b>	50,655
<b>Total Current Assets</b>		<b><u>4,286,431</u></b>	<u>5,229,706</u>
<b>Non-current Assets</b>			
Financial assets	6	<b>360,423</b>	421,386
Infrastructure, property, plant & equipment	7	<b>169,249,335</b>	164,674,839
Other non-current assets	6	<b>208,864</b>	-
<b>Total Non-current Assets</b>		<b><u>169,818,622</u></b>	<u>165,096,225</u>
<b>Total Assets</b>		<b><u>174,105,053</u></b>	<u>170,325,931</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	<b>1,259,413</b>	1,637,608
Borrowings	8	<b>170,206</b>	35,059
Provisions	8	<b>603,301</b>	602,417
<b>Total Current Liabilities</b>		<b><u>2,032,920</u></b>	<u>2,275,084</u>
<b>Non-current Liabilities</b>			
Borrowings	8	<b>4,314,206</b>	334,852
Provisions	8	<b>2,140,355</b>	2,820,804
<b>Total Non-current Liabilities</b>		<b><u>6,454,561</u></b>	<u>3,155,656</u>
<b>Total Liabilities</b>		<b><u>8,487,481</u></b>	<u>5,430,740</u>
<b>NET ASSETS</b>		<b><u>165,617,572</u></b>	<u>164,895,191</u>
<b>EQUITY</b>			
Accumulated Surplus		<b>33,021,814</b>	33,552,112
Asset Revaluation Reserves	9	<b>131,960,042</b>	130,698,655
Other Reserves	9	<b>635,716</b>	644,424
<b>TOTAL EQUITY</b>		<b><u>165,617,572</u></b>	<u>164,895,191</u>

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

# CITY OF PORT LINCOLN

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

		Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
		\$	\$	\$	\$
<b>2016</b>					
	Notes				
Balance at end of previous reporting period		33,552,112	130,698,655	644,424	164,895,191
Restated opening balance		33,552,112	130,698,655	644,424	164,895,191
<b>Net Surplus / (Deficit) for Year</b>		<b>(539,006)</b>	-	-	<b>(539,006)</b>
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment	9	-	1,261,387	-	1,261,387
Transfers between reserves	9	8,708	-	<b>(8,708)</b>	-
<b>Balance at end of period</b>		<b>33,021,814</b>	<b>131,960,042</b>	<b>635,716</b>	<b>165,617,572</b>
<b>2015</b>					
Balance at end of previous reporting period		30,311,887	132,638,907	649,848	163,600,642
Restated opening balance		30,311,887	132,638,907	649,848	163,600,642
<b>Net Surplus / (Deficit) for Year</b>		701,793	-	-	701,793
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment		-	592,756	-	592,756
Transfer to accumulated surplus from asset revaluation reserve		2,533,008	<b>(2,533,008)</b>	-	-
Transfers between reserves		5,424	-	<b>(5,424)</b>	-
<b>Balance at end of period</b>		<b>33,552,112</b>	<b>130,698,655</b>	<b>644,424</b>	<b>164,895,191</b>

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

# CITY OF PORT LINCOLN

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other		12,679,411	11,885,629
Fees & other charges		302,754	278,513
User charges		2,401,752	1,078,928
Investment receipts		126,970	122,085
Grants utilised for operating purposes		1,305,212	2,404,640
Reimbursements		590,498	551,915
Other revenues		2,353,707	1,837,099
<u>Payments</u>			
Employee costs		(4,612,155)	(4,206,751)
Materials, contracts & other expenses		(13,716,074)	(10,365,756)
Finance payments		(120,310)	(22,115)
<b>Net Cash provided by (or used in) Operating Activities</b>	11	<b>1,311,765</b>	3,564,187
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		27,375	163,000
Sale of replaced assets		15,455	91,659
Repayments of loans by community groups		58,655	51,900
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,449,192)	(1,703,216)
Expenditure on new/upgraded assets		(4,965,657)	(824,138)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(6,313,364)</b>	(2,220,795)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		4,213,830	-
<u>Payments</u>			
Repayments of borrowings		(99,329)	(33,176)
Repayment of aged care facility deposits		(123,750)	(255,000)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>3,990,751</b>	(288,176)
<b>Net Increase (Decrease) in cash held</b>		<b>(1,010,848)</b>	1,055,216
Cash & cash equivalents at beginning of period	11	4,156,256	3,101,040
<b>Cash &amp; cash equivalents at end of period</b>	11	<b>3,145,408</b>	4,156,256

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

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

City of Port Lincoln is incorporated under the Local Government Act 1999 and has its principal place of business at 60 Tasman Terrace, Port Lincoln. 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.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 1 - Significant Accounting Policies (cont)

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

	Cash Payment Received	Annual Allocation	Difference	
2013/14	\$772,236	\$1,422,049	-	\$649,813
2014/15	\$1,999,663	\$1,324,873	+	\$674,790
2015/16	\$642,085	\$1,316,875	-	\$674,790

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

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

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

#### 3.1 Construction Contracts

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

There are no construction contracts as at 30 June 2016.

#### 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

City of Port Lincoln does not hold any inventories as at 30 June 2016.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 1 - Significant Accounting Policies (cont)

#### 6 Infrastructure, Property, Plant & Equipment

##### 6.1 Land under roads

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

##### 6.2 Initial Recognition

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

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

##### 6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7.

##### 6.4 Subsequent Recognition

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

##### 6.5 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are shown in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

##### 6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets 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).

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 1 - Significant Accounting Policies (cont)

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

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

### 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.

### 8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates. Interest free loans are carried at their nominal amounts.

### 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 Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

#### 9.2 Superannuation

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

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 1 - Significant Accounting Policies (cont)

#### 10 Leases

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

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.

#### 11 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.

#### 12 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been used in preparing these reports.

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

The Australian Accounting Standards Board released AASB 15 Revenue from Contracts with Customers in December 2014 which replaces AASB 111 and 118 and has an effective date of 1 January 2018. The financial consequences of this change for not for profit entities cannot be estimated until the new standard is applied in practice and measured.

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

#### 13 Resource Recovery Centre Rehabilitation

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

The Council monitors the liability recorded for landfill rehabilitation and restoration estimates and makes adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet. A liability is recognised for cell 4 capping and post closure rehabilitation works which is shown in Note 8.

Council estimates that as at 30 June 2016, cell 4 has a remaining filling life of approximately 33 years based on estimated future waste volumes and remaining airspace as at reporting date. Council will annually monitor Resource Recovery Centre liabilities and adjust them accordingly in future periods to reflect any changes in assumptions or estimates contained in calculating these liabilities.

Council will engage external consultants to review and update the assumptions used to calculate the cell capping and post closure remediation liability in 2017/18.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 1 - Significant Accounting Policies (cont)

#### 14 Comparative Figures

Comparative figures included in Note 2 and 3 have been reviewed and amended to better reflect income and expense category allocations to revised descriptions included. There has been no change to the previously reported financial performance or position of the Council as a result of the change in comparative information.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 2 - INCOME

	2016 \$	2015 \$
<b>RATES REVENUES</b>		
<u>General Rates</u>	10,285,294	9,655,373
Less: Mandatory rebates	(108,201)	(106,455)
Less: Discretionary rebates, remissions & write offs	(102,393)	(106,685)
	<u>10,074,700</u>	<u>9,442,233</u>
<u>Other Rates</u> (including service charges)		
Natural Resource Management Levy	524,617	508,018
Recycling Service Charge	368,400	318,780
Waste Collection Service Charge	1,784,808	1,544,044
	<u>2,677,825</u>	<u>2,370,842</u>
<u>Other Charges</u>		
Penalties for late payment	71,623	63,001
Legal & other costs recovered	28,345	23,810
	<u>99,968</u>	<u>86,811</u>
	<u>12,852,493</u>	<u>11,899,886</u>
<b>STATUTORY CHARGES</b>		
Development Act fees	95,101	92,741
Town planning fees	22,504	24,505
Health & septic tank inspection fees	1,818	2,230
Animal registration fees & fines	105,699	104,315
Parking fines / expiation fees	28,385	7,058
Other licences, fees, & fines	26,965	27,165
	<u>280,472</u>	<u>258,014</u>
<b>USER CHARGES</b>		
Cemetery	71,818	68,444
Kirton Court units maintenance charge	10,036	12,000
Resource Recovery Centre	774,719	773,724
Property rental income	108,670	67,329
Visitor Information Centre sales	573,062	-
Nautilus Arts Centre production & shop sales	250,422	177,344
Hall & equipment hire	115,695	103,257
Permit fees/costs recov (footpath, dogs)	15,483	17,245
Sales - general	56,378	5,252
Water reuse sales	50,964	54,766
Sundry	6,466	5,056
	<u>2,033,713</u>	<u>1,284,417</u>
<b>INVESTMENT INCOME</b>		
Interest on investments		
Local Government Finance Authority	107,899	98,516
Banks & other	430	881
Loans to community groups	26,697	18,841
	<u>135,026</u>	<u>118,238</u>

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### NOTE 2 - INCOME (continued)

	2016 \$	2015 \$
<b>REIMBURSEMENTS</b>		
- for private works	18,800	91,463
- by joint undertakings	204,388	272,150
- other	313,628	138,128
	<b>536,816</b>	<b>501,741</b>
<b>OTHER INCOME</b>		
Insurance & other recoupments - infrastructure, property, plant & equipment	146,295	276,161
Rebates received	9,693	13,971
Sundry	821,511	873,279
Landfill provision movement	-	228,207
	<b>977,499</b>	<b>1,391,618</b>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Amounts received specifically for new or upgraded assets	27,375	163,000
Individually significant item - additional Grants commission payment	-	674,790
Other grants, subsidies and contributions:		
Untied - Grants Commission Grant	642,085	1,324,873
Roads to Recovery	463,873	162,308
Library	52,133	46,252
Social welfare & community	22,401	3,000
Public art & Nautilus Arts Centre	14,757	551
Infrastructure	18,902	-
Toursim	-	10,039
Environmental	-	4,673
Sundry	-	10,388
	<b>1,241,526</b>	<b>2,399,874</b>
<i>The functions to which these grants relate are shown in Note 12.</i>		
<b>Sources of grants</b>		
Commonwealth government	486,274	162,308
State government	730,093	2,236,627
Other	25,159	939
	<b>1,241,526</b>	<b>2,399,874</b>
<b>Individually Significant Item</b>		
On 30th June 2015 Council received advance payment of the Commonwealth Grants Commission (FAG) Grant allocated to the 2015/16 financial year.	-	674,790
As a result, Council's operating result in the 2014/15 financial year increased.		

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### NOTE 2 - INCOME (continued)

	2016	2015
	\$	\$
<b>Conditions over grants &amp; contributions</b>		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	163,000	-
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Open Space Grant - Heritage Trail</i>	(104,926)	-
<i>Subtotal</i>	(104,926)	-
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Open Space Grant - Heritage Trail</i>	-	163,000
<i>Subtotal</i>	-	163,000
<i>Unexpended at the close of this reporting period</i>	58,074	163,000
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	(104,926)	163,000
 <b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>		
Library Resources	57,496	56,146
Land & Improvements	22,000	-
Other Community Asset	436,330	-
	515,826	56,146

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 3 - EXPENSES

	Notes	2016 \$	2015 \$
<b>EMPLOYEE COSTS</b>			
Salaries and wages		4,111,903	3,739,978
Employee leave expense		269,118	318,040
Superannuation - defined contribution plan contributions	18	365,084	309,756
Superannuation - defined benefit plan contributions	18	59,449	68,966
Workers' compensation insurance		184,039	168,022
Less: Capitalised and distributed costs		(323,767)	(285,184)
		<b>4,665,826</b>	<b>4,319,578</b>
<b>Total Number of Employees</b> <i>(Full time equivalent at end of reporting period)</i>		<b>52</b>	<b>53</b>
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's remuneration - auditing the financial reports		18,200	17,500
Elected members' expenses		194,389	200,380
Election expenses		4,005	50,226
Operating Lease Rentals - non-cancellable leases	17	98,714	112,015
Subtotal - Prescribed Expenses		<b>315,308</b>	<b>380,121</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Waste management contract		2,585,241	2,519,091
Utilities		818,880	609,471
Insurance		312,212	277,471
IT communications		326,389	301,086
Advertising		53,900	50,036
Legal expenses		46,278	85,578
Levies paid to government - NRM Levy		524,518	507,842
- Other levies		380,151	352,163
Plant parts & accessories		61,434	56,929
Plant & machinery fuel & oil		58,783	74,901
Professional services		175,742	293,971
Tourism expenses		597,390	246,563
General maintenance		480,142	316,402
Library		109,628	92,830
Leisure Centre operations		316,090	-
Landfill provision movement*	8	92,693	-
External contractors		1,655,348	1,617,118
Repairs, maintenance & materials		377,739	453,409
Sundry		1,295,862	1,142,794
Subtotal - Other Materials, Contracts & Expenses		<b>10,268,420</b>	<b>8,997,655</b>
		<b>10,583,728</b>	<b>9,377,776</b>

\*During the 2015/16 financial year, Council completed the capping of Cell 3 at the Resource Recovery Centre which cost \$858,031. This capping cost is greater than the \$765,338 provision held for these works to be undertaken at 30 June 2015 which results in an expense being recorded for \$92,693.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 3 - EXPENSES (cont)

	2016 \$	2015 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings	930,467	789,991
Filtration	115,413	93,654
Road Pavement & Surface	594,790	604,953
Kerbing	254,982	254,402
Footpaths	186,112	183,069
Stormwater	245,838	235,151
Bridges	197,920	195,936
Other Community Assets	598,160	581,380
Plant & Equipment	127,791	122,391
Furniture & Fittings	82,950	70,543
Library Books	67,039	111,909
RRC - Landfill Cell 4	35,590	729
RRC - Cell 4 Capping Provision	20,683	20,683
RRC - Post Closure Remediaton Provision	15,566	15,566
	<b>3,473,301</b>	<b>3,280,357</b>
<b>FINANCE COSTS</b>		
Interest on Loans	202,066	22,115
	<b>202,066</b>	<b>22,115</b>

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

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

	2016 \$	2015 \$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	15,455	91,659
Less: Carrying amount of assets sold	202,909	299,974
<b>Gain (Loss) on disposal</b>	<b>(187,454)</b>	<b>(208,315)</b>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<b>(187,454)</b>	<b>(208,315)</b>

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 5 - CURRENT ASSETS

	2016	2015
	\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash on hand and at bank	77,223	182,350
Deposits at call	3,068,185	3,973,906
	3,145,408	4,156,256
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - general & other	709,654	536,572
Accrued revenues	24,697	16,641
Debtors - general	275,046	440,714
BAS recoupment	65,115	14,897
Prepayments	13,548	13,548
Sundry	-	423
	1,088,060	1,022,795
<b>OTHER FINANCIAL ASSETS</b>		
Loans to community organisations	52,963	50,655
	52,963	50,655

### Note 6 - NON-CURRENT ASSETS

	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Loans to community organisations	360,423	421,386
	360,423	421,386
<b>OTHER NON-CURRENT ASSETS</b>		
Capital Works-in-Progress	208,864	
	208,864	-

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

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

	Fair Value Level	2015 \$				2016 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	2	62,537,000	-	-	62,537,000	62,634,500	1,102,349	-	63,736,849
Buildings	2	3,441,783	323,263	(161,184)	3,603,862	3,441,783	478,022	(319,289)	3,600,516
Buildings	3	28,901,444	-	(11,296,192)	17,605,252	35,699,225	3,200,609	(18,894,202)	20,005,632
Filtration	3	3,802,000	-	(881,229)	2,920,771	3,765,853	-	(992,482)	2,773,371
Road Pavement & Surface	3	39,372,111	1,549,975	(15,031,392)	25,890,694	38,492,937	2,341,326	(14,839,314)	25,994,949
Kerbing	3	20,388,270	215,415	(7,152,149)	13,451,536	20,354,323	215,415	(7,406,180)	13,163,558
Footpaths	3	8,428,065	387,541	(2,172,129)	6,643,477	8,377,765	633,844	(2,332,696)	6,678,913
Stormwater	3	16,104,482	2,594,787	(4,928,356)	13,770,913	16,101,754	2,851,961	(5,171,466)	13,782,249
Bridges	3	2,516,453	-	(1,505,366)	1,011,087	2,516,453	218,481	(1,703,286)	1,031,648
Other Community Assets	3	20,694,974	647,397	(7,185,218)	14,157,153	20,687,974	1,362,998	(7,776,378)	14,274,594
Plant & Equipment	3	-	2,148,577	(1,056,891)	1,091,686	-	2,148,616	(1,139,682)	1,008,934
Furniture & Fittings	3	-	1,207,779	(809,929)	397,850	-	1,290,001	(857,390)	432,611
Library Books	3	-	1,164,407	(828,136)	336,271	-	1,231,364	(895,175)	336,189
RRC - Landfill Cell 4	3	-	60,099	(35,286)	24,813	-	1,423,579	(249,126)	1,174,453
RRC - Cell 3 Capping Provision	3	-	973,548	(973,548)	-	-	-	-	-
RRC - Cell 4 Capping Provision	3	-	1,330,000	(626,765)	703,235	-	1,369,900	(647,448)	722,452
RRC - Post Closure Remediaton Provision	3	-	624,805	(95,566)	529,239	-	643,549	(111,132)	532,417
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		206,186,582	13,227,593	(54,739,336)	164,674,839	212,072,567	20,512,014	(63,335,246)	169,249,335
<b>Comparatives</b>		201,459,616	14,184,965	(51,329,471)	164,315,110	206,186,582	13,227,593	(54,739,336)	164,674,839

*This Note continues on the following pages.*

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

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

	Fair Value Level	2015	CARRYING AMOUNT MOVEMENTS DURING YEAR						2016	
		\$	\$						\$	
		CARRYING AMOUNT	Additions		Disposals	Depreciation/Amortisation	Transfers		Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In	Out						
Land	2	62,537,000	1,102,349	-	-	-	-	-	97,500	63,736,849
Buildings	2	3,603,862	90,208	64,551	-	(158,105)	-	-	-	3,600,516
Buildings	3	17,605,252	3,200,609	-	(34,671)	(772,362)	-	(1,185,230)	1,192,034	20,005,632
Filtration	3	2,920,771	-	-	(3,840)	(115,413)	-	-	(28,147)	2,773,371
Road Pavement & Surface	3	25,890,694	10,661	780,690	(92,306)	(594,790)	-	-	-	25,994,949
Kerbing	3	13,451,536	-	-	(32,996)	(254,982)	-	-	-	13,163,558
Footpaths	3	6,643,477	90,835	155,468	(24,755)	(186,112)	-	-	-	6,678,913
Stormwater	3	13,770,913	257,174	-	-	(245,838)	-	-	-	13,782,249
Bridges	3	1,011,087	-	218,481	-	(197,920)	-	-	-	1,031,648
Other Community Assets	3	14,157,153	604,804	110,797	-	(598,160)	-	-	-	14,274,594
Plant & Equipment	3	1,091,686	-	50,039	(5,000)	(127,791)	-	-	-	1,008,934
Furniture & Fittings	3	397,850	67,348	59,704	(9,341)	(82,950)	-	-	-	432,611
Library Books	3	336,271	57,495	9,462	-	(67,039)	-	-	-	336,189
RRC - Landfill Cell 4	3	24,813	-	-	-	(35,590)	1,185,230	-	-	1,174,453
RRC - Cell 3 Capping Provision	3	-	-	-	-	-	-	-	-	-
RRC - Cell 4 Capping Provision	3	703,235	39,900	-	-	(20,683)	-	-	-	722,452
RRC - Post Closure Remediation Provision	3	529,239	18,744	-	-	(15,566)	-	-	-	532,417
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		164,674,839	5,540,127	1,449,192	(202,909)	(3,473,301)	1,185,230	(1,185,230)	1,261,387	169,249,335
<i>Comparatives</i>		164,315,110	880,284	2,467,020	(299,974)	(3,280,357)	298,373	(298,373)	592,756	164,674,839

*This Note continues on the following pages.*

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

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

#### Valuation of Assets

##### General Valuation Principles

*Accounting procedure:* Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

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

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

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

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

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

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

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

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

All acquisitions occurring after a valuation of a class of assets, are recorded at cost.

*Capitalisation thresholds* used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land, interests in land, building, infrastructure, including roads, footpaths, stormwater drainage, kerbing, filtration and community assets.

Office Furniture & Equipment	\$3,000
Minor & Major Plant & Equipment	\$3,000
Portable and Attractive Electronic Equipment	\$3,000

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 7 – Property, Plant & Equipment (cont)

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

Building Assets	
Building items:	50 – 100 years
Other structures:	10 – 100 years
Road Assets	
Road surfaces:	13 – 25 years
Road base:	20 – 80 years
Kerb & gutter:	40 – 70 years
Bridges:	50 – 100 years
Footpaths	
Paved/sealed surfaces:	20 – 50 years
Stormwater	
Drainage structure:	50 years
Dams/retention basins:	80 – 120 years
Facilities & other structures:	10 years
Parks & Recreation Assets	
Playground equipment:	15 – 20 years
Furniture:	5 – 50 years
Irrigation systems:	10 – 20 years
Plant & Equipment	
Earthmoving plant:	5 – 20 years
Motor vehicles:	2 – 5 years
Furniture & Fittings:	3 – 20 years

#### Land

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. The last valuation of land was undertaken by Liquid Pacific as at 1 July 2014. All acquisitions made after the respective date of valuation are recorded at cost.

#### Buildings

Building assets were revalued as at 1 July 2014 by Liquid Pacific. All acquisitions made after the respective date of valuation are recorded at cost.

#### Filtration

Filtration assets were revalued as at 1 July 2014 by Liquid Pacific. All acquisitions made after the respective date of valuation are recorded at cost.

#### Transport Infrastructure

Transport infrastructure assets, being road pavement (base), road surface (seal), footpaths, bridges and kerbing, were revalued by Tonkin Consulting as at 1 July 2013. All acquisitions made after the respective date of valuation are recorded at cost.

#### Stormwater

Stormwater drainage infrastructure was valued by Maloney Field Services as at 1 July 2011 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2011. All acquisitions made after the respective dates of valuation are recorded at cost.

#### Other Community Assets

Other community assets were revalued as at 1 July 2014 by Liquid Pacific. All acquisitions made after the respective date of valuation are recorded at cost.

#### Plant, Equipment, Furniture, Fittings & Library Books

The plant and equipment, furniture and fittings and library books asset groups are recognised on the cost basis and do not require valuation. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

## CITY OF PORT LINCOLN

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

#### **Note 7 – Property, Plant & Equipment (cont)**

##### **Prior Period Correction**

A revaluation of cell 4 at the Resource Recovery Centre was last undertaken on 1 July 2014 as part of Building asset revaluations. The cell 4 asset (B0243) was valued down to a gross value of \$60,100. All Resource Recovery Centre assets are to be carried at cost and therefore Council has reversed the previous revaluation movement posted to cell 4. \$1,185,230 was posted to the Asset Revaluation Reserve to amend the prior period movement recorded in Building asset class to recognise the asset on a cost basis as at 1 July 2015.

Previously, completed cell capping exercises relating to cell 1, 2 and 3 were included in prior revaluations undertaken for Building assets and capping expenditure was allocated to reduce the capping liability. Given cell 1, 2 and 3 operational areas have been capped and no longer operational, Council has determined that there is no asset to be recognised for capping activities undertaken. Accordingly, a reversal of cell capping assets previously recognised through the asset valuation process have been reversed as at 1 July 2015 for a total value of \$475,201 against the Building Asset Revaluation Reserve. This adjustment has made no impact to the financial position of the Council.

The overall impact of the above two adjustments to the Building Asset Revaluation Reserve was a net \$710,029 which has been disclosed in Note 9.

##### **Next Valuation**

The road pavement (base), road surface (seal), footpaths and kerbing classes of assets will next be revalued during the 2016-17 financial year as at 30 June 2017.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 8 - LIABILITIES

	2016		2015	
	\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	Current	Non-current	Current	Non-current
Goods & services	596,699	-	959,172	-
Accrued expenses - employee entitlements	47,979	-	21,437	-
Accrued expenses - other	81,756	-	-	-
Aged care facility deposits	527,500	-	652,250	-
Other	5,479	-	4,750	-
	<b>1,259,413</b>	<b>-</b>	<b>1,637,609</b>	<b>-</b>
<b>BORROWINGS</b>				
Loans	170,206	4,314,206	35,059	334,852
	<b>170,206</b>	<b>4,314,206</b>	<b>35,059</b>	<b>334,852</b>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>				
<b>PROVISIONS</b>				
Employee entitlements long service leave (including oncosts)	184,380	126,905	202,451	100,660
Employee entitlements annual leave (including oncosts)	418,921	-	399,966	-
Cell capping 3	-	-	-	765,338
Cell capping 4	-	1,369,900	-	1,330,000
Post closure remediation	-	643,550	-	624,806
	<b>603,301</b>	<b>2,140,355</b>	<b>602,417</b>	<b>2,820,804</b>
<i>Amounts included in provisions that are not expected to be settled within 12 months of reporting date.</i>	<b>2,140,355</b>		<b>2,820,804</b>	

<b>Movements in Provisions - 2016 year only</b> (current & non-current)	Additional Amounts		Payments	Closing Balance
	Opening Balance	Recognised/ Derecognised		
Cell Capping 3	765,338	92,693	(858,031)	-
Cell Capping 4	1,330,000	39,900	-	1,369,900
Post Closure Remediation	624,806	18,744	-	643,550
<b>Total</b>	<b>2,720,144</b>	<b>151,337</b>	<b>(858,031)</b>	<b>2,013,450</b>

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 9 - RESERVES

<b>ASSET REVALUATION RESERVE</b>		1/7/2015	Net Increments (Decrements)	Transfers, Impairments	30/6/2016
	Note	\$	\$	\$	\$
Land		69,323,362	-	97,500	<b>69,420,862</b>
Buildings	7	12,347,531	-	1,192,034	<b>13,539,565</b>
Filtration		974,196	-	<b>(28,147)</b>	<b>946,049</b>
Road Pavement & Surface		15,056,234	-	-	<b>15,056,234</b>
Kerbing		11,272,384	-	-	<b>11,272,384</b>
Footpaths		4,273,326	-	-	<b>4,273,326</b>
Stormwater		8,116,779	-	-	<b>8,116,779</b>
Bridges		1,105,913	-	-	<b>1,105,913</b>
Other Community Assets		8,228,930	-	-	<b>8,228,930</b>
<b>TOTAL</b>		<b>130,698,655</b>	<b>-</b>	<b>1,261,387</b>	<b>131,960,042</b>
<i>Comparatives</i>		<i>132,638,907</i>	<i>592,756</i>	<i>(2,533,008)</i>	<i>130,698,655</i>

<b>OTHER RESERVES</b>		1/7/2015	Transfers to Reserve	Transfers from Reserve	30/6/2016
Community Pier Fund		28,008	572	-	<b>28,580</b>
Prepaid Burials		65,055	3,762	<b>(3,490)</b>	<b>65,327</b>
Open Space Contributions		70,640	1,445	-	<b>72,085</b>
Community Infrastructure		66,888	1,827	-	<b>68,715</b>
CBD Carpark		246,267	5,036	-	<b>251,303</b>
Kirton Court Capital Upgrade		89,947	1,925	-	<b>91,872</b>
Risk Management Fund		24,074	33,742	-	<b>57,816</b>
Indoor Aquatic Facility Reserve		53,545	38	<b>(53,565)</b>	<b>18</b>
<b>TOTAL OTHER RESERVES</b>		<b>644,424</b>	<b>48,347</b>	<b>(57,055)</b>	<b>635,716</b>
<i>Comparatives</i>		<i>649,848</i>	<i>117,706</i>	<i>(123,130)</i>	<i>644,424</i>

#### **PURPOSES OF RESERVES**

##### **Asset Revaluation Reserve**

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).

##### **Other Reserves**

City of Port Lincoln holds Other Reserve accounts for specific purposes where income is generated for future expenditure, for example Open Space Contributions and Carparking fund. Council also holds income from the sale of significant assets as Community Infrastructure Reserves for expenditure on significant projects identified in the Strategic Plan.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

	2016	2015
<b>CASH &amp; FINANCIAL ASSETS</b>	\$	\$
Grant Funding to renew Closed Circuit Television Security system	27,375	-
Grant Funding received for the Open Space Heritage Trail Project	-	163,000
	<b>27,375</b>	<b>163,000</b>
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>	<b>27,375</b>	<b>163,000</b>

In 2015/16 Council received a grant from the Attorney-Generals Department to renew Council's Closed Circuit Television Security system platform. This project was completed within the 2015/16 financial year.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

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

	Notes	2016 \$	2015 \$
Total cash & equivalent assets	5	3,145,408	4,156,256
Balances per Cash Flow Statement		3,145,408	4,156,256

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

Net Surplus (Deficit)		(539,006)	701,793
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		3,473,301	3,280,357
Net increase (decrease) in unpaid employee benefits		53,671	112,827
Change in allowances for under-recovery		-	(34,869)
Non-cash asset acquisitions		(515,826)	(56,146)
Grants for capital acquisitions treated as Investing Activity		(27,375)	(163,000)
Net (Gain) Loss on Disposals		187,454	208,315
		2,632,219	4,049,277
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(65,265)	(270,316)
Net (increase) decrease in other current assets		(208,864)	
Net increase (decrease) in trade & other payables		(280,987)	13,433
Net increase (decrease) in other provisions		(765,338)	(228,207)
<b>Net Cash provided by (or used in) operations</b>		<b>1,311,765</b>	<b>3,564,187</b>

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

Acquisition of assets by means of:			
- Physical resources received free of charge	3	515,826	56,146
<i>Amounts recognised in Income Statement</i>		515,826	56,146
- Estimated future reinstatement etc. costs		(706,694)	307,392
		(190,868)	363,538

#### (d) Financing Arrangements

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

Corporate Credit Cards		20,000	20,000
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*The balance of the corporate credit cards are cleared in full each month via a direct debit to Council's at call account, therefore interest charges are avoided. Council does not operate any overdraft facilities.*

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
Administration & Governance	13,617,302	13,925,294	3,358,784	3,494,883	10,258,518	10,430,411	550,373	1,647,707	91,659,969	92,458,166
Public Order	124,147	121,504	383,730	369,577	(259,583)	(248,074)	-	-	271,380	279,297
Health	11,737	10,698	115,380	113,277	(103,643)	(102,579)	-	-	-	-
Social Security	44,687	19,378	75,760	66,300	(31,073)	(46,922)	22,401	-	5,432	5,432
Housing & Community Amenities	1,222,927	1,502,971	5,173,417	4,840,876	(3,950,490)	(3,337,905)	11,364	2,273	17,738,984	16,575,571
Protection of the Environment	51,267	57,529	336,761	261,199	(285,494)	(203,670)	-	-	4,491,868	4,695,824
Sport & Recreation	761,936	419,593	3,318,719	2,743,681	(2,556,783)	(2,324,089)	74,428	59,803	15,217,416	11,800,546
Mining, Manufacturing & Construction	22,504	24,601	78,799	118,872	(56,295)	(94,271)	-	-	-	-
Transport & Communication	591,358	537,696	2,213,068	2,066,176	(1,621,710)	(1,528,480)	555,585	514,652	18,738,265	18,957,239
Economic Affairs	584,516	14,075	1,236,327	538,634	(651,811)	(524,559)	-	10,039	-	-
Other Purposes NEC	997,789	1,057,449	2,634,178	2,386,349	(1,636,389)	(1,328,900)	-	2,400	25,981,739	25,553,856
<b>TOTALS</b>	<b>18,030,170</b>	<b>17,690,788</b>	<b>18,924,923</b>	<b>16,999,826</b>	<b>(894,753)</b>	<b>690,962</b>	<b>1,214,151</b>	<b>2,236,874</b>	<b>174,105,053</b>	<b>170,325,931</b>

*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.*

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

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

The activities relating to Council functions are as follows:

#### **Administration & Governance**

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

#### **Public Order**

Dog and Cat Control and Fire Protection.

#### **Health**

Health Services, Health Inspection, Pest Control – Health, Immunisation.

#### **Social Security**

Aged Home Facilities, Crime Prevention, Youth, Family, Community Support.

#### **Housing & Community Amenities**

Cemeteries, Public Conveniences, Sanitary and Garbage, Waste Management, Domestic Waste, Green Waste, Recycling, Street Cleaning, Street Lighting, Town Planning, Stormwater and Drainage.

#### **Protection of the Environment**

Coastal Protection, Effluent Re-Use Program.

#### **Sport & Recreation**

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming facility, Halls, Library, Performing Arts and Other Recreation.

#### **Mining, Manufacturing & Construction**

Building Act Work.

#### **Transport & Communication**

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

#### **Economic Affairs**

Tourism, Region Contribution, Parking Off Street.

#### **Other Purpose NEC**

Public Debt Transactions, Plant Operations, Depot, Vandalism, Transport Asset Management.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 13 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as loans and receivables.

#### Accounting Policies - Recognised Financial Instruments

<p><b>Bank, Deposits at Call, Short Term Deposits</b></p>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> The transaction bank account is returning variable interest rates between 0% and 0.15%. Deposits at call are returning variable interest rates between 1.75% and 2% (2015: 2% and 2.5%). Council did not secure a short term deposit in 2015/16.</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<p><b>Receivables - Rates &amp; Associated Charges (including legals &amp; penalties for late payment)</b> Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 0.6041% (2015: 0.6458%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<p><b>Receivables - Fees &amp; other charges</b></p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<p><b>Liabilities - Creditors and Accruals</b></p>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<p><b>Liabilities - Retirement Home Contributions</b></p>	<p><b>Accounting Policy:</b> To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p><b>Terms &amp; conditions:</b> Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p><b>Carrying amount:</b> approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p>
<p><b>Liabilities - Interest Bearing Borrowings</b></p>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (six monthly); interest is charged at a fixed rate of 4.75% or 5.60% (2015: 5.6%).</p> <p><b>Carrying amount:</b> approximates fair value.</p>

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 13 (cont) - FINANCIAL INSTRUMENTS

#### Liquidity Analysis

2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	3,145,408	-	-	3,145,408	3,145,408
Receivables	340,161	-	-	340,161	1,088,060
Other Financial Assets	69,498	277,993	136,140	483,631	622,250
<b>Total</b>	<b>3,555,067</b>	<b>277,993</b>	<b>136,140</b>	<b>3,969,200</b>	<b>4,855,718</b>
<b>Financial Liabilities</b>					
Payables	1,211,434	-	-	1,211,434	1,259,413
Current Borrowings	383,988	-	-	383,988	170,206
Non-Current Borrowings	-	1,535,951	4,904,337	6,440,288	4,314,206
<b>Total</b>	<b>1,595,422</b>	<b>1,535,951</b>	<b>4,904,337</b>	<b>8,035,710</b>	<b>5,743,825</b>

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	4,156,256	-	-	4,156,256	4,156,256
Receivables	456,034	-	-	456,034	1,022,795
Other Financial Assets	69,468	277,992	235,035	582,495	472,041
<b>Total</b>	<b>4,681,758</b>	<b>277,992</b>	<b>235,035</b>	<b>5,194,785</b>	<b>5,651,092</b>
<b>Financial Liabilities</b>					
Payables	1,616,172	-	-	1,616,172	1,637,609
Current Borrowings	55,290	-	-	55,290	35,059
Non-Current Borrowings	-	221,162	193,516	414,678	334,852
<b>Total</b>	<b>1,671,462</b>	<b>221,162</b>	<b>193,516</b>	<b>2,086,140</b>	<b>2,007,520</b>

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

	30 June 2016		30 June 2015	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Fixed Interest Rates	4.81	4,484,412	5.6	369,911
		<u>4,484,412</u>		<u>369,911</u>

#### **Net Fair Value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

#### **Risk Exposures**

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

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

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

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

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 14 - COMMITMENTS FOR EXPENDITURE

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities are as follows.		
Leisure Centre refurbishment capital committed:		
Architect/Engineers	163,950	-
Quantity Surveyor	22,400	-
Private Building Certifier	4,300	-
Managing Contractor/Builder	4,476,380	-
	<b>4,667,030</b>	-
These expenditures are payable:		
Not later than one year	4,667,030	-
	<b>4,667,030</b>	-
<b>Other Expenditure Commitments</b>		
Other non-capital expenditure commitments in relation to investment properties:		
Audit Services	22,900	33,500
Waste Management Services	13,849,730	8,363,790
Employee Remuneration Services	1,747,906	1,824,913
Cleaning Services	189,775	181,709
Cemetery Management	87,469	180,812
Street Sweeping	206,174	397,335
Locking/Unlocking Public Conveniences	20,992	-
Sanitary Disposal	9,254	-
Leisure Centre Operator	12,500	-
	<b>16,146,700</b>	<b>10,982,059</b>
These expenditures are payable:		
Not later than one year	3,828,783	3,969,624
Later than one year and not later than 5 years	8,501,291	7,012,435
Later than 5 years	3,816,626	-
Later than 5 years	<b>16,146,700</b>	<b>10,982,059</b>

#### **Event After Balance Date**

Council is committed to renew the London Street Bridge. The renewal project will start in 2016/17 and will be completed in 2017/18. The total project cost over 2016/17 and 2017/18 is approximately \$4,482,500. Council will receive federal grant funding of \$2,242,500 over the project period.

Council is committed to complete the refurbishment of the Port Lincoln Leisure Centre in the 2016/17 financial year. The total project budget committed by Council is \$5,000,000. An amount of \$208,864 was spent on the project in 2015/16 which has been recorded in work in progress in Note 6. \$4,791,136 is estimated to be spent in 2016/17. This project is to be partially funded by external borrowings totalling \$4,000,000 to be drawn down in 2016/17.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 15 - FINANCIAL INDICATORS

	2016	2015	2014
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

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

#### Operating Surplus Ratio

Operating Surplus	(5.0%)	3.9%	(1.3%)
Total Operating Revenue			

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

#### Adjusted Operating Surplus Ratio

	(1%)	0%	3%
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*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The **Adjusted Operating Surplus Ratio** adjusts for the resulting distortion in the disclosed operating result for each year.*

#### Net Financial Liabilities Ratio

Net Financial Liabilities	21%	-1%	5%
Total Operating Revenue			

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

#### Asset Sustainability Ratio

Net Asset Renewals	100%	98%	219%
Infrastructure & Asset Management Plan required expenditure			

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

*Depreciation expense for Library Books, Plant & Equipment, Furniture & Fittings assets has been used as a proxy for planned renewal expenditure, as these classes of assets are not included and planned for in the Infrastructure & Asset Management Plan.*

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	<b>2016</b>	<b>2015</b>
	\$	\$
Income	<b>18,030,170</b>	17,690,788
less Expenses	<b>18,924,923</b>	<u>16,999,826</u>
<b>Operating Surplus / (Deficit)</b>	<b>(894,753)</b>	690,962
 <i>less Net Outlays on Existing Assets</i>		
Capital Expenditure on renewal and replacement of Existing Assets	<b>1,449,192</b>	1,703,216
Depreciation, Amortisation and Impairment	<b>(3,473,301)</b>	<b>(3,280,357)</b>
Proceeds from Sale of Replaced Assets	<b>(15,455)</b>	<b>(91,659)</b>
	<b>(2,039,564)</b>	<b>(1,668,800)</b>
 <i>less Net Outlays on New and Upgraded Assets</i>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	<b>4,965,657</b>	824,138
Amounts received specifically for New and Upgraded Assets	<b>(27,375)</b>	<b>(163,000)</b>
	<b>4,938,282</b>	<u>661,138</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(3,793,471)</b>	<u>1,698,624</u>

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### Note 17 - OPERATING LEASES

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

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

Lessees commitments under all non-cancellable lease agreements, are as follows:

	2016	2015
	\$	\$
Not later than one year	53,600	121,199
Later than one year and not later than 5 years	63,618	120,046
	<u>117,218</u>	<u>241,245</u>

#### *Lease payment commitments of Council*

Council has entered into three non-cancellable operating leases for buildings within Port Lincoln. No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

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

	2016	2015
	\$	\$
Not later than one year	99,635	55,753
Later than one year and not later than 5 years	253,218	139,420
	<u>352,853</u>	<u>195,173</u>

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### 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 the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

#### **Marketlink (Accumulation Fund) Members**

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2015/16; 9.50% in 2014/15). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2014/15) of "superannuation" salary.

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

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

#### **Contributions to Other Superannuation Schemes**

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

#### **Superannuation - City of Port Lincoln Enterprise Bargaining Agreement 2013-2014**

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.

##### **Clause 4.11.1 Additional Matched Superannuation - Extract**

*"Employees who choose to personally contribute to their Statewide Super Fund account will receive an additional superannuation contribution payment from Council matching their level of contribution, not inclusive of contribution tax if salary sacrificing, up to a maximum additional council contribution of 3% exclusive of the amount required to be paid under the Superannuation Guarantee (Administrative) Act 1992."*

This was introduced in July 2010. Council pays in the fortnightly pay period, an amount matching personal superannuation contributions (not inclusive of contribution tax if salary sacrificing) up to an additional 3% into the employee's superannuation fund. For example an employee contributing 1% will receive a matched payment of 1% from Council.

# CITY OF PORT LINCOLN

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

### **Note 19 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION**

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

#### **1. LAND UNDER ROADS**

As reported at Note 7, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 2,485 km of road reserves of average width 20 metres.

#### **2. POTENTIAL INSURANCE LOSSES**

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

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

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

#### **3. BANK GUARANTEES**

Council has received bank guarantees amounting to \$1,068,638 (2015: \$168,222) at reporting date.

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

#### **4. LEGAL EXPENSES**

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of nil 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.



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of SA Model Council for the year ended 30 June 2016, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

.....  
Rob Donaldson  
CHIEF EXECUTIVE OFFICER

.....  
Greg Eden, Chairperson  
PRESIDING MEMBER  
FINANCIAL MANAGEMENT  
AUDIT COMMITTEE

Date: 11/11/2016

### Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of City of Port Lincoln for the year ended 30 June 2016, 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 16<sup>th</sup> day of November 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CITY OF PORT LINCOLN**

We have audited the accompanying financial report of the City of Port Lincoln, which comprises the Statement of Comprehensive Income for the year ended 30 June 2016, the Statement of Financial Position as at 30 June 2016, the Statement of Changes in Equity for the year ended 30 June 2016, the Statement of Cash Flows for the year ended 30 June 2016, 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 City of Port Lincoln 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.

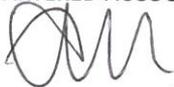
**Independence**

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 City of Port Lincoln as of 30 June 2016, 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 16<sup>th</sup> day of November 2016,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

**INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF PORT LINCOLN**

We have audited the Internal Controls of the City of Port Lincoln (the Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2015 to 30 June 2016 have been conducted properly and in accordance with law.

**The Council's Responsibility for the Internal Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2015 to 30 June 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

**Limitation on Use**

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

**Inherent Limitations**

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

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

**Independence**

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

**Opinion**

In our opinion, the Council has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2015 to 30 June 2016.

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**



**SAMANTHA ALLARD  
PARTNER**

Signed on the 16<sup>th</sup> day of November 2016  
at 214 Melbourne Street, North Adelaide, South Australia, 5006



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## *City of Port Lincoln*

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Council Administration Office

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