

Northern Areas Council

Annual Report

2015 – 2016



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THE YEAR IN BRIEF

It is with great pleasure we present the 2015/16 Annual Report for the Northern Areas Council, highlighting the many achievements Council has made during the year.

The Elected Member Team has during the year completed training that is required by legislation in the role of being an elected member. This training gave members a good knowledge of their roles and responsibilities in running the business of Council. Elected Members are now into the second year of their 4 year term and now have a good understanding of how council works, legislative requirements and the feel of how to engage the community.

The year has been about continuous change and improvements to the operation of council. The Organisational Structure of Council was changed to having only 3 departments rather than the existing 5 departments. The Departments are now, Chief Executive Officer Unit, Operational Services and Corporate and Community.

The aim of this restructure was to delete any roadblocks that we had in the system in supplying services to the community. The combining of the “old” Engineering Department with the “old” Environmental Services Department has led to greater communication, planning and delivery of services to the community.



Council resolved during the year to engage the community more and has held and will continue to hold, till September 2016 (when the trial will be reviewed), Council meetings every second month in other towns in our council region rather than at the principal office of council at Jamestown each month. Early indications are showing that this initiative is being very well accepted with numerous members of the community attending council meetings in the other towns.



One of the biggest challenges for a rural council is the size of our road network. The Council area is approximately 3,100 square kilometres, with some 2,350 kilometres of roads, 2,200 kilometres of unsealed roads and 150 kilometres of sealed road.

Maintaining this large road network is a challenge and at times can be lead to frustration from the community. I can ensure you we are examining our road construction and patrol grading processes frequently to ensure we are delivering the most efficient service.

The development of Asset Management Plans for our road network is maturing. With more informed data collection over the last few years, the planning of what roads are to be constructed and patrol graded has improved.

THE YEAR IN BRIEF CONTINUED

Council commenced one of our biggest projects for the year in the commencement of Stage 1 of the Laura Flood Mitigation project. This project developed into 3 stages will alleviate the flooding issues in the town of Laura. Design works have commenced for Stormwater Management solutions in Gladstone and preliminary designs have been developed for the Sixth and Cross Street areas of town.

The Northern Areas Council is very fortunate to have many community organisations throughout the Council region that contribute to the running of many services within the towns. Council acknowledges these community organisations by running several rounds of Community Grant Funds. This allows community organisations to apply for small grants to improve their operations. Council is a funding body along with the operators of the windfarms in our region AGL and Neoen. Almost \$100,000 was allocated in grants in the 2015/16 financial year.

Council is always looking at ways to decrease our costs and look for efficiencies. An example of this is the installation of Solar panels at the Jamestown Swimming Pool where a 12kw power system was installed in January 2015. The cost of the project was \$15,700 the annual cost of electricity to the pool was \$11,500 per annum with majority of the costs being in summer when the pool was operating. Power savings are now in the vicinity of \$6,000 per annum, a payback period of 2.5 years on the purchase costs.

A major project that has just commenced and will go through to early 2017 is the Elector Representation Review. Council is required under legislation to review all aspects of its composition and structure so as to ensure the fair and adequate representation of the electors within the council area. The key issues to be addressed during the course of the review include. Whether the principal member of council should be an elected Mayor or Chairperson selected by (and from amongst) the elected members, the division of the Council area into wards or the abolition of wards, the level of representation (and elector ratio) under a ward structure and the identification of any proposed future wards (under a ward structure). Community consultation has commenced and the review will run to approximately March 2017, with further community consultation occurring when options are presented to the community.

The year in review, has been as stated earlier, one of continual change and improvement. To date we believe change and efficiencies are occurring. The elected members and staff will continue to explore opportunities to increase efficiencies and deliver the most cost effective solutions to the range of functions council perform.



Mayor Denis Clark



CEO Colin Byles

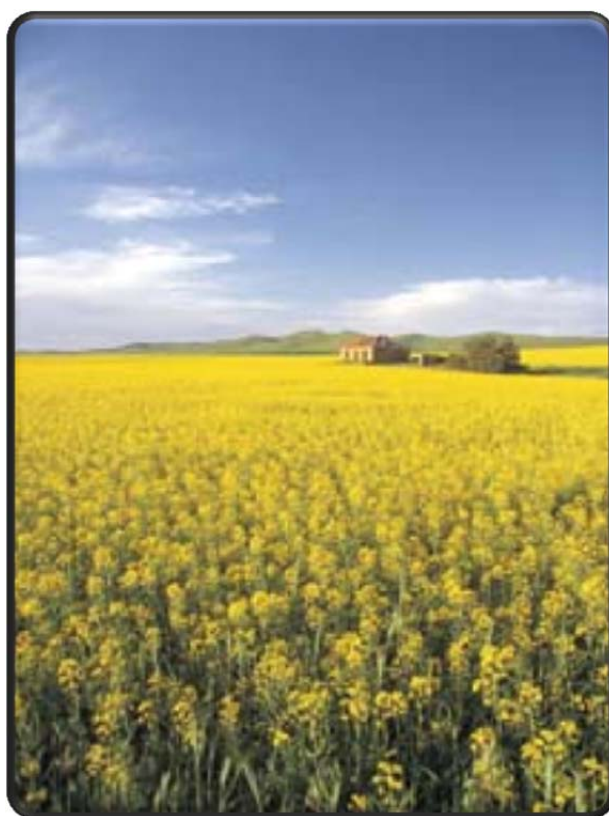
COUNCIL PROFILE

The Northern Areas Council is situated in the heartland of the Southern Flinders Ranges, approximately 200 kilometres north of Adelaide and within the traditional lands of the Nadjuri Aboriginal people. The Council area is divided into four Wards: Jamestown (4 Elected Members), Rocky River (3 Elected Members), Yackamoorundie (1 Elected Member) and Spalding (1 Elected Member). The Council covers an area of 3070km², and has a total of 2,197km of roads of which 133km are sealed.

Council's towns and communities were developed during the prosperous times of traditional cereal and grazing practices complemented by forestry operations and in more recent years, tourism, events and wind energy infrastructure. Jamestown is the main service centre for the district with additional services offered at Gladstone, Laura and Spalding providing for the smaller communities of Caltowie, Georgetown, Gulnare, Stone Hut, Tarcowie and Yacka. Council's close network of towns offers a range of opportunities for shopping, recreation, employment, health and education. Together, Council and the community have built and maintained infrastructure such as recreation facilities and town halls to support the activities of local communities as well as generating interest and income from visitors and tourists.

The Council area hosts a number of significant events, including Jamestown Fly-In and Air Spectacular, Laura Folk Fair, Jamestown Show and Jamestown Races as well as a number of local community events.

Cycle infrastructure has increased in recent times offering residents and visitors the opportunity to use recreational and mountain biking trails, improving visitor numbers as well as providing options for healthy lifestyles.



COUNCIL PROFILE CONTINUED



The economy remains firmly based in broadacre farming, with the Jamestown Saleyards one of the few remaining regional livestock sales facilities. Recent windfarm development has made a strong contribution to the economy and has brought new families into the district. The projected roll-out of high speed broadband through Mid North will make the district more attractive to telecommuters and expand opportunities for health and education within the region.

CONTACT DETAILS AND OFFICE HOURS

Principal Office:

94 Ayr Street, JAMESTOWN SA 5491

Monday to Friday 9am – 5pm

Telephone 8664 1139

Fax 8664 1085

Email: ceo@nacouncil.sa.gov.au

Webpage: www.nacouncil.sa.gov.au

Branch Offices:

14 Fifth Street

GLADSTONE SA 5473

Monday to Friday, 9am-5pm

Telephone: 8662 2018

Main Street

SPALDING SA 5454

Tuesdays 10 am – 2 pm

Thursdays 9am-5pm

Telephone: 8845 2017



Total Population	4505
Total Area	3070km²
Number of Rateable Properties	4120
Total Road Network	2330 km
Number of Electors	4432
Total Number of Elected Members (including Mayor)	9
Number of Staff – FTE	53
State Electorate	Stuart, Frome
Federal Electorate	Grey



**NORTHERN AREAS
COUNCIL**

Regional Touring Map



STRATEGIC STATEMENT

About the Strategic Plan

The Council's Strategic Plan has been developed using insights gained through consultation with the community, Councillors and Council management.

The strategic plan focuses on Council's priorities, reflecting a desire to move into a sound financial position, to manage assets, to provide a high standard of equitable services across the Council area and to support and develop staff.



Building on our Strengths

Our strengths provide a strong basis for a sound future:

- Proactive, flexible planning – helping families and bringing business to the area;
- Clean tidy towns – a sense of civic pride;
- Working in partnership with our community and voluntary groups;
- Good staff doing a great job.

Our Vision

A well-managed, financially sustainable council that meets community expectations for effectiveness and transparency.

Key Goals

Goal	Outcome
Financial Sustainability	<ul style="list-style-type: none"> - Operate at break even by 2018 and achieve cash surplus by 2022; - Prudent and effective financial management
Effective management of infrastructure, assets and built environment	<ul style="list-style-type: none"> - Road (including footpaths and kerbing) repair program continues at an achievable level; - All non road assets owned by Council (e.g. buildings and recreation facilities) are used effectively by the community - Storm water projects are delivered as scheduled
Deliver a high standard of service to our community on an equitable basis	<ul style="list-style-type: none"> - Council aspires to meet community expectations regarding equitable development, management and maintenance of community services. - Better delivery of the Community Projects Budget - Planning processes encourage appropriate development and provide timely responses - Support regional partnerships.
Council recruits and retains highly skilled staff	<ul style="list-style-type: none"> - Staff are capable, approachable and have a high level of skills and knowledge about Local Government - Staff have a 'can do' attitude and work as a united team - Safe, efficient work systems and community safety.

ELECTED MEMBER INFORMATION



Mayor Denis Clark
(Jamestown Ward)



Deputy Mayor Merv Robinson
(Jamestown Ward)



Cr Geoff Lange
(Rocky River Ward)



Cr. Sue Scarman
(Rocky River Ward)



Cr. Tim Zander
(Rocky River Ward)



Cr. Ben Browne
(Spalding Ward)



Cr. Jim Walden
(Yackamoорundie Ward)



Cr. Glan Moore
(Jamestown Ward)



Cr. Hank Langes
(Jamestown Ward)

ELECTED MEMBER INFORMATION CONTINUED

The Local Government (Elections) Act 1999 requires that elections will be held at intervals of four years, with the last election occurring in November 2014. The next scheduled election will be in November 2018.

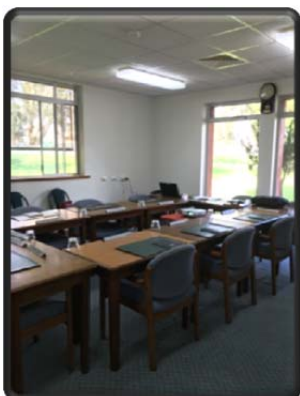
The Northern Areas Council community is represented by nine members.

Northern Areas Council comprises four wards:

- Jamestown
- Rocky River
- Yackamoorundie
- Spalding

Meeting Times

Ordinary Meetings of the Northern Areas Council are held on the third Tuesday of each month commencing at 2:00pm. In February 2016, Council voted to amend the time for meetings from 1.00pm to 2.00pm.



A resolution was passed at the September 2015 Council meeting to conduct Council's ordinary meetings at various venues throughout the council region, over a 12 month trial period commencing with the October 2015 Council meeting, to be held at Gladstone. Subsequent meetings were held at Laura, Spalding, Georgetown and Yacka, with every other month being held at Jamestown.

Council Meetings are open to the public and Council encourages people to attend.

Members of the public can write to Council on any relevant issue or topic. To be included in the Agenda for any Council Meeting, items need to be submitted at least 10 days prior to the respective Council Meeting to ensure inclusion on the Agenda for distribution to Elected Members prior to the meeting.

Agendas and Minutes of all meetings are available for inspection at the Council's Administration Offices located at Jamestown, Gladstone and Spalding. These documents are also included on Council's website at www.nacouncil.sa.gov.au.

With the permission of the Mayor, any member of the public can address Council personally, or as a representative of any group or Committee, to discuss relevant issues.

In September 2015 Council introduced Public Questions Time into the normal Council Meeting agenda to allow questions in writing or taken from the gallery. Questions and responses are then recorded in the Council Minutes.

Written petitions covering issues within Council's jurisdiction can be addressed to the Council.



ELECTED MEMBER INFORMATION CONTINUED

Council Members Attendance

ELECTED MEMBERS JULY 2015 – JUNE 2016	Number Ordinary Meetings	Number Ordinary Meetings Attended	Number Special Meetings	Number Special Meetings Attended
Cr. Denis Clark (Mayor)	12	12	5	5
Cr. Merv Robinson (Deputy Mayor)	12	12	5	5
Cr. Ben Browne	12	11	5	5
Cr. Geoff Lange	12	12	5	5
Cr. Hank Langes	12	11	5	5
Cr. Glan Moore	12	12	5	4
Cr. Sue Scarman	12	12	5	5
Cr Jim Walden	12	12	5	5
Cr. Tim Zander	12	11	5	4

Council Allowances

The allowances after the November 2014 Election were determined by the South Australian Remuneration Tribunal in accordance with the Local Government Act. The Northern Areas Council is in Group 4.

Council Members Allowances (per annum)	
Mayor	\$36,400
Deputy Mayor	\$11,375
Council Members	\$9,100

An additional allowance in the form of a sitting fee is payable to a Councillor who is a presiding members of a committee (Section 41) of \$100 per meeting limited to an aggregate amount of allowance of \$600 per annum.

A travel allowance for 'eligible journeys' (as defined in Regulation 3 of the Local Government Members Allowances and Benefits) Regulations 1999 at the rate per kilometer prescribed in Section 82KX(1)(a) of the Income Tax Assessment act 1936 is available.

An allowance is paid to Council Members, excluding Principal Members, whose usual place of residence is within the relevant Council area and is located at certain distances from the Council's principal office as follows:

Allowances	
At least 30kms but less than 50 kms	\$336 per annum
At least 50kms but less than 100kms	\$560 per annum
100 kms or more	\$1120 per annum

Council resolved that its Allowances be paid quarterly in arrears.

Elected Member Training/Conferences

The Northern Areas Council is committed to providing training and development activities for its Council Members and recognises its responsibility to develop and adopt a policy for this purpose under the Local Government Act, section 80A. Council adopted this Policy in 2006, and it is reviewed annually.

ELECTED MEMBER INFORMATION CONTINUED

Elected Members have attended the following during the year:

- Mayor's Chairpersons Residential Seminar
- LGA Conference and General Meeting
- Roads and Works Conference
- Council Members Forum
- SATIC LG Tourism Forum

Elected Members attended a Post Election Training Program in October 2015 in Jamestown undertaken by Norman Waterhouse Lawyers.

Subjects covered in this training included:

- Ethics of being a Council Members
- Relationships between Council Members and Staff
- ICAC and External Review Bodies
- Meeting Procedures
- Financial Planning and Budgets

Elector Representation

An Elector Representation Review was last undertaken in 2009.

The Review outcome was as follows:

- Council will continue to have wards. There will be four wards.
- The total number of electors will be nine, as listed below:
 1. Jamestown Ward: 4 Elected Members
 2. Spalding Ward: 1 Elected Member
 3. Rocky River Ward: 3 Elected Members
 4. Yackamoорundie Ward: 1 Elected Member
- The existing Ward names of Jamestown, Spalding and Rocky River will continue to be used;
- The Georgetown Ward was renamed Yackamoорundie Ward;
- A Chairperson will be elected from within the nine Elected Members elected by the voters.

Current Representation

According to the House of Assembly Roll and the Supplementary Voters Roll, as maintained by Council, there were 4421 persons eligible to vote in Local Government elections in the Northern Areas Council. Electors - 3417 – No of Wards 4 – Quota per Member –379.

ELECTED MEMBER INFORMATION CONTINUED

The Northern Areas Council ward quota of 379 is comparable to Councils in South Australia of a similar size.

Name	Number Of Electors	Number of Elected Members	Representation Quota
Coorong	3795	9	421
Grant	5325	10	532
Tatiara	4514	10	451
Wakefield	4693	10	469

Council commenced its Representation Review process in January 2016 by appointing consultant Craig Rowe, CL Rowe and Associates to undertake the process. The Electoral Commission were advised in January 2016 that the review process would be commenced by April 2016. 1st stage of public consultation commenced in late June 2016.

Council Appointed Delegates to Organisation and Committees

Local Government Bodies	
Local Government Association	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Local Government Finance Authority of SA	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Regionally Appointed Delegates	
Mid North Health Advisory Council	➤ Cr. Clark
Northern Passenger Transport Network	<ul style="list-style-type: none"> ➤ Cr. Lange ➤ Manager Community Development
Southern Flinders Better Living Group	➤ Cr. Lange
Southern Flinders Health Advisory Committee	➤ Cr. Lange
Section 43 Regional Subsidiaries	
Central Local Government Region	<ul style="list-style-type: none"> ➤ Mayor ➤ Deputy Mayor (Proxy)
Central Local Government Region Committees	
Central Region Transport Committee	➤ Committees are in abeyance subject to CLGR future directions findings.
Central Region Waste Management Committee	
Central Region Water Committee	
Section 101A Development Act 1993	
Strategic Planning and Development Policy Committee	➤ All Council Members

ELECTED MEMBER INFORMATION CONTINUED

Section 41 Committees	
CEO Performance Management Panel	<ul style="list-style-type: none"> ➤ Mayor ➤ Cr. Browne ➤ Cr. Lange ➤ Cr. Scarman
Ewart Oval Management Committee	<ul style="list-style-type: none"> ➤ Cr. Zander
Flinders Mobile Library	<ul style="list-style-type: none"> ➤ Cr. Lange ➤ Judith Gill ➤ Manager Corporate Services (Proxy)
Gladstone Swimming Pool Management Committee	<ul style="list-style-type: none"> ➤ Cr. Zander
Gulnare Memorial Institute	<ul style="list-style-type: none"> ➤ Cr. Walden
Jamestown Health & Ambulance Centre Management Committee	<ul style="list-style-type: none"> ➤ Cr. Lange
	<ul style="list-style-type: none"> ➤ Cr. Moore ➤ Jim Moss (Community Rep) ➤ Max Prior (Community Rep)
Jamestown Regional Hydrotherapy Pool Committee	<ul style="list-style-type: none"> ➤ Cr. Moore
Jamestown Swimming Pool Management Committee	<ul style="list-style-type: none"> ➤ Cr. Robinson
Laura Civic Centre Management Committee	<ul style="list-style-type: none"> ➤ Cr. Scarman
Mid North Be Active Field Officer Management Committee	<ul style="list-style-type: none"> ➤ Manager Community Development
Northern Areas Council Audit Committee	<ul style="list-style-type: none"> ➤ Lavonne Lea (Chair) ➤ Mayor ➤ Cr. Lange ➤ Cr. Langes
Section 41 Committees continued	
Northern Areas Council Finance Committee	<ul style="list-style-type: none"> ➤ All Council Members
Northern Areas Community Road Safety Committee	<ul style="list-style-type: none"> ➤ Cr. Zander ➤ Cr. Browne (Proxy) ➤ Risk Management Officer
Northern Areas Council Works Committee	<ul style="list-style-type: none"> ➤ All Council Members
Southern Flinders Regional Sports Complex Management Committee (established August 2011)	<ul style="list-style-type: none"> ➤ Cr. Zander ➤ Cr. Lange (Proxy) ➤ Scott Crawford ➤ John Hennessey ➤ David Humphris

ELECTED MEMBER INFORMATION CONTINUED

	<ul style="list-style-type: none"> ➤ Tom Humphris
Southern Flinders Regional Tourism Authority	<ul style="list-style-type: none"> ➤ Cr. Scarman ➤ Cr. Lange (Proxy) ➤ Manager of Community Development
Spalding Swimming Pool Management Committee	➤ Spalding Ward Councillor
Stone Hut Soldiers Memorial Hall Committee	➤ Cr. Scarman
Victoria Park Trust (Jamestown)	➤ Cr. Moore
Yacka Community Development Board	<ul style="list-style-type: none"> ➤ Cr. Browne ➤ Cr. Walden
Yacka Hall Committee	➤ Leanne Kunoth
CFS	
Bundaleer CFS Group	➤ Cr Lange
Hallett CFS Group	➤ Cr. Robinson
Community Based Organisations	
AGL Hallett Wind Farm Community Fund Panel	<ul style="list-style-type: none"> ➤ Cr. Moore ➤ Manager of Community Development
Gladstone Community Development & Tourism Association Inc	➤ Cr. Zander
Georgetown Community Development Association Inc	➤ Yackamoorundie Ward Councillor
Jamestown Community Library	<ul style="list-style-type: none"> ➤ Cr. Langes ➤ Cr. Moore ➤ Chief Executive Officer ➤ Vivian Hector
Jamestown Development Association Inc	<ul style="list-style-type: none"> ➤ Cr. Langes ➤ Cr. Robinson ➤ Cr. Clark (Proxy) ➤ Cr. Moore (Proxy)
Laura Community Development & Tourism Association Inc	➤ Cr. Scarman
Spalding District Inc	➤ Spalding Ward Councillor

AUSTRALIA DAY AWARDS 2016

Northern Areas Council's Citizen of the Year for 2016 was awarded to Graham Pech of Laura for his many years of involvement and volunteering in the local community. Graham's volunteering started back in 1960's with involvement in the Georgetown Rural Youth. Over the years Graham held numerous positions within the organisation, including President and was involved with their fundraising activities and the eventual purchase of the first Ambulance for the District which was based at Gladstone.



Graham was a member of the Laura Agricultural Bureau and members of the Laura Hospital Board for many years, including many years as Deputy Chairman.

Graham was also a strong contributor for the Laura Community Development and Tourism Association for many years, including serving as Chairman. A highly valued supporter of the Laura Caravan Park, volunteering countless hours of his time to the upkeep and continued improvement of the Park. Also served as a member of the Laura CFS brigade, Laura Memorial Civic Centre Committee and Laura Lutheran Church.

The Community Event of the Year was awarded to the Caltowie Corridor of Green Landcare Group for the 2015 Environmental Field Day held at Appila Springs.

Around twenty five volunteers facilitated the 'hands on' Field Day, which was attended by over one hundred and seventy local school students and an additional group of over thirty parents. The day raised awareness of the local flora and fauna, and showcased Appila Springs to the community. It also enabled the local students to better understand the importance of the Natural Resources within the local community.



The Awards were presented by Mayor Denis Clark and the Council's 2016 Australia Day Breakfast at the Laura Civic Centre lawns on Tuesday 26 January 2016.

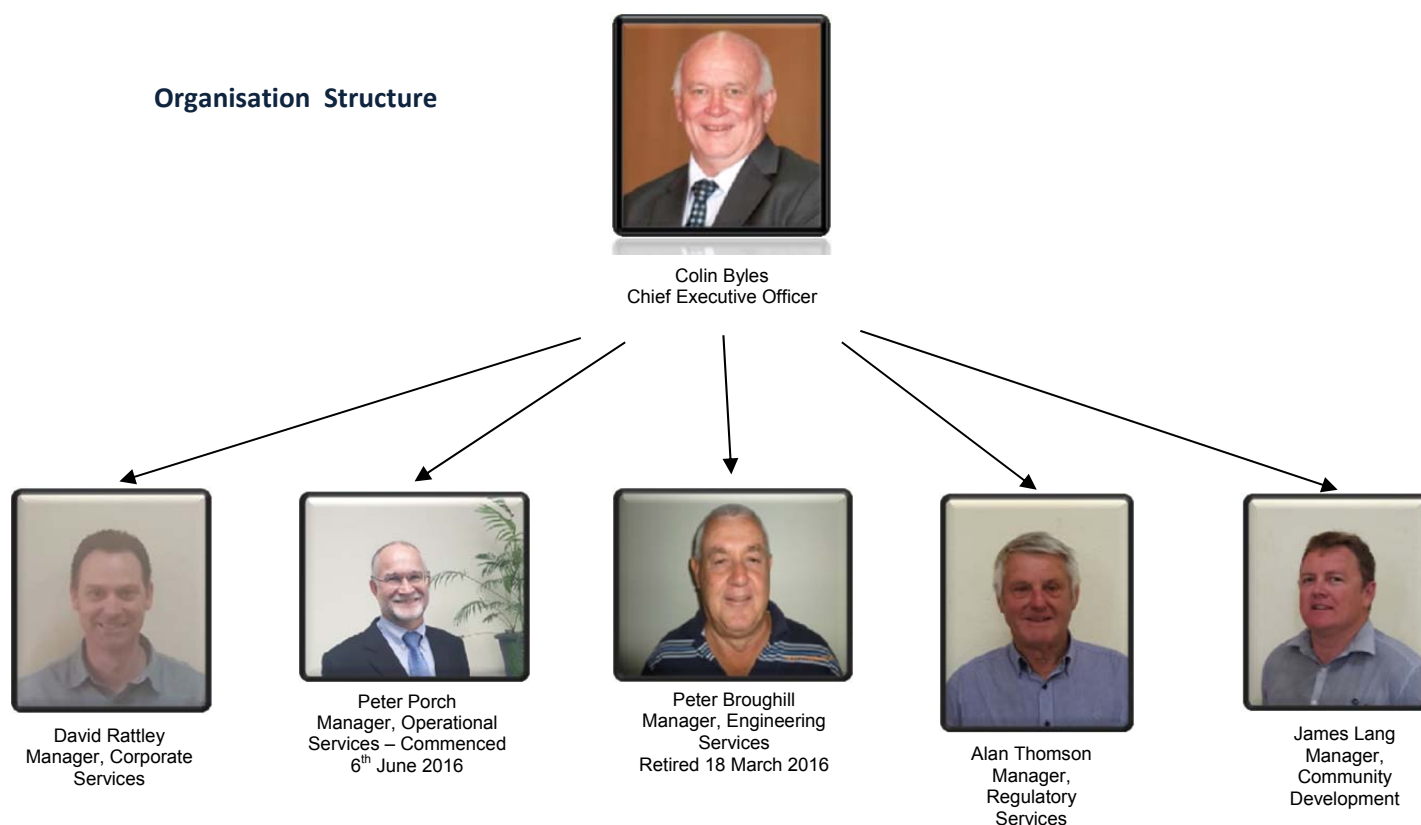
CITIZENSHIP CEREMONY



Mayor Denis Clark presided over a Citizenship Ceremony in December 2015 held at the Jamestown Administration Centre for Karin Lynch from Laura.

CEO UNIT

Organisation Structure



Council's organisation is headed by Chief Executive Officer and Department Manager's covering Engineering Services, Environmental Services, Corporate Services and Community Development.

Council's workforce as at 30 June 2016 consisted of 50.5 full-time equivalent employees. 16.9 Female, 33.6 Male, none with disability and no Aboriginal or Torres Strait Islander descent

Work Health and Safety

Council's commitment to providing a safe workplace for workers is ongoing and is being proactively supported by the Management Team.

Council through the Work Health and Safety Committee, updates workers on WHS matters. Updates are also provided at Workgroup meetings (including toolbox meetings), emails, noticeboards, Health & Safety Representatives.

Balancing resourcing and areas identified for improvement is always challenging, however this process is continuously improving. The Management team are constantly striving to increase their commitment to ensuring actions, objectives and targets dates in both WHS and scheduled daily work are realistic and achievable.

Appropriate Work Health and Safety training is continuing, this year concentrating on First Aid, Incident Reporting & Investigation, Manual Handling, Risk Management, Work Zone Traffic Management, Health & Safety Representative, Council's WHS Procedures

Council has continued with its successful Health Monitoring Program in conjunction with Local Government Worker's Compensation Scheme. Regular health assessments, skin cancer screenings and immunisation programs are offered to all employees.

CEO UNIT CONTINUED

Fire Prevention

Historically, bushfires in the Northern Areas Council district have not grown to unmanageable proportions. The adoption by council, communities and individuals of sound Fire Prevention practices that acknowledge the responsibility for the protection of their own assets, coupled with the identification and reduction of the threat to community assets, will help reduce the risk of major bushfires in the future. Bushfire prevention and safety remains an important part of this district, however prevention methods must continually be exercised and upgraded.

District fire hazard inspections in the following townships were undertaken Caltowie, Georgetown, Gladstone, Gulnare, Jamestown, Laura, Spalding and Yacka.

Two hundred and twenty six (226) hazard reduction (Section 105F) notices were issued to property owners. The majority of the property owners complied with the requested fire hazard reduction work, including twenty eight (28) property owners who negotiated an extension of time to enable them to carry out the required work.

Hazard reduction notices were posted to:

1. 179 of the 226 property owners (79%) requesting only that the vegetation on the property be mowed/ slashed or removed from the land;
2. 28 of the 226 property owners (12%) requesting only that work be carried out on trees; and
3. 13 of the 226 property owners (6%) requesting that work be carried out on trees and that the vegetation on the property be mowed/ slashed or removed from the land.

A Council contractor was engaged to carry out fire hazard reduction work at twenty three (23) of the 226 properties due to the property owners not carrying out the requirements of the Section 105F notice. The cost of engaging the contractor to carry out the work was then passed on to the property owner (this was done in accordance with the FESA legislation). Northern Areas Council did not add on an administration fee.

Additional fire prevention information:

The NAC actively participates in the management and reduction of bushfire/ grassfire hazards in the following ways:

1. Active membership within the Flinders Mid North Yorke Bushfire Management Committee (FMNY BMC), and participation in the review and update of the FMNY Area Bushfire Management Plan;
2. Weekly observations of roadside grasses for curing (generally from September to December) and greening (generally from February to May);
3. The slashing of roadside grasses in key areas, including, where possible, the perimeter of townships.
4. Review of township properties from the beginning of August to the end of April for potential bushfire/ grassfire hazards;
5. The issuing and follow up of hazard reduction (Section 105F) notices to property owners (generally from mid-August to the end of April); and
6. The issuing of Schedule 9 Permits during the Fire Danger Season (cannot be issued for Total Fire Ban Days)

CEO UNIT CONTINUED

HR Policies

Section 107 (1) of the Local Government Act states “The Chief Executive Officer must ensure that sound principles of human resource management are applied to employment in the administration of council and must take reasonable steps to ensure that those principles are known to all employees”.



HUMAN RESOURCES

Salary Package for Senior Officers

As at 30 June 2016, the Senior Management Team consisted of the Chief Executive Officer and 4 Department Managers. The Executive Team were paid remuneration packages in the range of \$81,338 to \$142,500.

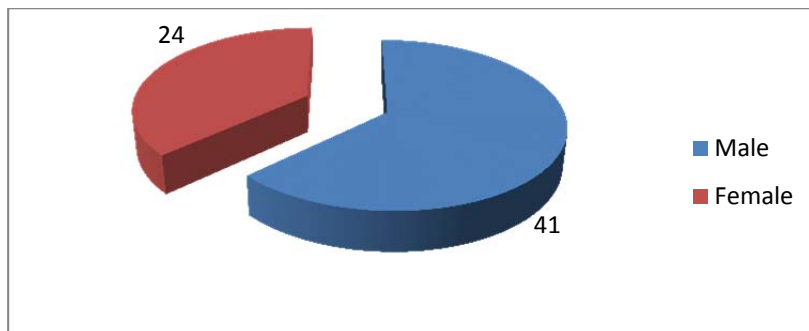
These packages included:

- Salary;
- Superannuation;
- Mobile Phone;
- Provision of motor vehicle for private use.



Council employed a total workforce of 65 people which was equivalent to 53 full time employees as at 30 June 2016.

Staff according to Gender



Salaries for the above officers are in accordance with the applicable Award and Council’s Enterprise Agreement. Other benefits/conditions of employment include provision of mobile phone and vehicle for business and private use, with all fringe benefits tax expenses paid by Council.

Human Resources

- Conduct, Counselling and Discipline Procedure
- Conduct, Counselling and Discipline – Termination Checklist
- Equal Opportunity Policy
- Equal Opportunity Procedure
- Performance Appraisal Policy
- Performance Appraisal Procedure
- Recruitment & Selection Policy
- Recruitment and Selection Procedure
- Training and Development Policy
- Training and Development Procedure



CORPORATE SERVICES

During 2015/16 a range of financial and administrative improvements and efficiencies have continued to be introduced to Councils operations.

2015/16 Rate Raising Process

The 2015/16 year introduced a new option for ratepayers to receive notices by email. Council's rate notice printer Forms Express has set up an application called "Formsport". In each quarters rate notice a flyer was included with instructions on how to register for the email service.

By year end take up has grown to 93 assessments or 2% with this expected to keep growing as more people realise the benefits in receiving electronic billing.

Budget Reviews

Quarterly budget reviews are required to be presented to Council by legislation. This year they were carried out in a more detailed comprehensive fashion with many more budget adjustments made at each review.

In addition a greater level of forecasting was introduced. Managers were required to each review their areas of expertise and accordingly submit budget review recommendations. The mid year budget review was presented to a special meeting of Council in February. Greater focus was given to year to date performance against the key Financial Sustainability Indicators.

Long Term Financial Plan Review

A review was conducted of the Long Term Financial Plan which was originally set in July 2015. It was presented to the March Council meeting and focused on reviewing target Financial Sustainability Indicators. The adopted Ratio Targets were as follows;

Operating Surplus Ratio Between 0 % and 10 %
Net Financial Liabilities Ratio Between 0 % and 50 %
Asset Sustainability Ratio Between 95% and 105%

Roads to Recovery

In 2015/16 and 2016/17 the federal government will provide one-off fuel excise amounts into all Councils Roads to Recovery programme allocations. For northern Areas Council this amount was \$534,008 in 2015/16.

Council considered the best use of these funds while receiving the Draft 2015/16 Budget for adoption. As a result it was decided the extra funding would be used to boost the Re-seal programme in line with road re-seals that were due in the Infrastructure Asset Management Plan.

Audit Committee

The Audit Committee held 3 meetings in 2015/16 financial year (the 3rd meeting in May being a merger of the 3rd & 4th scheduled meetings). Audit Committee Members and relevant staff attending training which led to a Model Work program being adopted. The work program set the scene for matters the committee would address during the year.

CORPORATE SERVICES CONTINUED

The August meeting of the committee resulted in a recommendation to Council to appoint new auditors for a 5 years term. The successful tender was from Ian McDonald of Creative Auditing. At the November meeting the outgoing Auditors Dean Newbery and Partners addressed the meeting and discussed the completed 2014/15 financial results as well as other audit matters. The committee also thanked Dean Newbery and Partners for many years of service with Northern Areas Council.

Internal Controls

New Audit requirements will introduce an internal control opinion to the 2015-16 financial statements. In order to comply many Council's in our region purchased a product called Control Track in order to document and assess our internal financial controls.

As part of this process staff were required to undertake a self-assessment of controls that applied to their areas of expertise. These assessments were reviewed by managers/supervisors. The end result was a list of action plans and improvements required for deficient or ineffective controls.

The assessment and subsequent reporting of internal controls has assisted to inform the council and the auditors about the effectiveness of the overall control environment.

2016/17 Budget Process



A new timeline was set compared to previous budget years with the whole process brought forward by a month allowing a final adoption at the June 2016 Council Meeting held at Yacka. Management input for both Capital and Operating Budgets were also required a lot earlier than previous years.

Early budget preparation works enabled Council to hold 2 budget workshops in April and May thus allowing more Councillor input into the process than previous years. Workshops were focused at the Strategic level (especially around Financial Sustainability Indicators).

In addition the Annual Business Plan document which forms the major component of the public consultation phase was also completely reviewed to increase its interest and relevance.

Financial Assistance Grants to Local Government

Council relies on the receipt of Financial Assistance Grants each year as a significant component of revenue.

During 2015/16 Council received a total of \$870,464 (an amount of \$933,890 relating to 2015/16 was received as an advance payment in June 2015 and reported in the 2014/15 financial statements).

CORPORATE SERVICES CONTINUED

Federal government funding decisions have had a significant impact on Council since 2014/15. This included the loss of non-tied Supplementary road funding for South Australia and paused indexation of the Financial Assistance Grants totalling approximately \$180,000 and \$54,000 respectively.

For 2015/16 continuation of paused indexation has led to a compound effect totalling \$108,000 in addition to the \$180,000 loss of supplementary road funding. The impact of the continuation of this funding change was equivalent to a general rate increase of approximately 5.4%.

Computer Upgrade



A greater focus was put towards Councils computer systems in 2015-16. The results have included a new server being installed and data back-ups being automated offsite which is extremely important from a cyber crime and insurance point of view.

In addition more staff are now using the Synergy system than ever before. This is for functions such as records management, customer service requests and general ledger/ budget enquiries. The additional users have required more licences to be purchased. Other software upgrades have included Windows Server, Office 2010 and the latest Adobe Acrobat.

Phone System Upgrade

Council replaced its old failing Commander phone system with a New Cisco Unified Communications solution from Optus. The new system allows for future expansion and add-ons as technology changes.

Staff can now be contacted on their direct lines; this saves the front counter staff transferring every incoming Council call. Staff can now also have their own personal message banks for when they are unavailable although callers can still press '0' to be transferred back to reception for urgent matters in which they need to speak to someone straight away. In addition the phone system has links to the computer system that allow benefits such as instant messaging between users and presence which gives the ability to see if someone is available, away from their desk, already on a call or in a meeting.



Other Customer benefits include an after hours message bank which applies overnight from 5pm until 8.30am as well as weekends and public holidays. Council information can also be played while a customer is on hold.

CORPORATE SERVICES CONTINUED

Creditors/Purchasing Improvements

A review was conducted into Councils Creditors processes in the later half of 2015/16. The aim was to reduce double handling and create efficiencies in the process. Outcomes have included improved internal processes to speed up the authorisation of incoming invoices which will allow more time for them to be processed ready for payment by the due date.



The purchase order process has also been reviewed and majority of staff with computer access will now undertake electronic orders direct in the Synergy operating system, for officers issuing orders this will take the same time as the previous carbon paper order books.

This will now allow committal costing on projects which will improve project budget management and it will also save time for the Creditors officer who previously had to enter the old paper orders into the Synergy operating system before processing the associated invoice for payment.

A SOLAR POWER CASE STUDY

Solar power can apply to any council site with high power use (especially daytime use) Council offices, depots, swimming pools and Community Waste Water Management sites. The aim being to reduce electricity costs at the site.

Nowadays the pricing rule of thumb on larger size systems with a standard install is generally \$1,000 per 1kW (e.g. \$10,000 for 10kW's – 40 panel system). The Capital payback period is normally around 3-4 years.

When a community group occupies or owns a site and is responsible for power costs grant funds may also be sourced for these projects.

A recent example of such a project is as follows;

Jamestown Swimming Pool

A 12kW Solar power system was installed in January 2015.

Previous annual power costs at the site were approx. \$11,500 of which 80-90% was occurring in summer when the pool pumps ran continuously 7 days a week to achieve appropriate water treatment and turnover.

Due to a pool heating system already taking the existing main building roof space panels were installed on a purpose built gable frame. When completed the structure also doubled as a shade shelter.

The total net price of the Solar power system after government rebates and the structure materials were approx. \$15,700 (ex GST). The structure itself was installed by volunteers of the Jamestown Apex club.

CORPORATE SERVICES CONTINUED



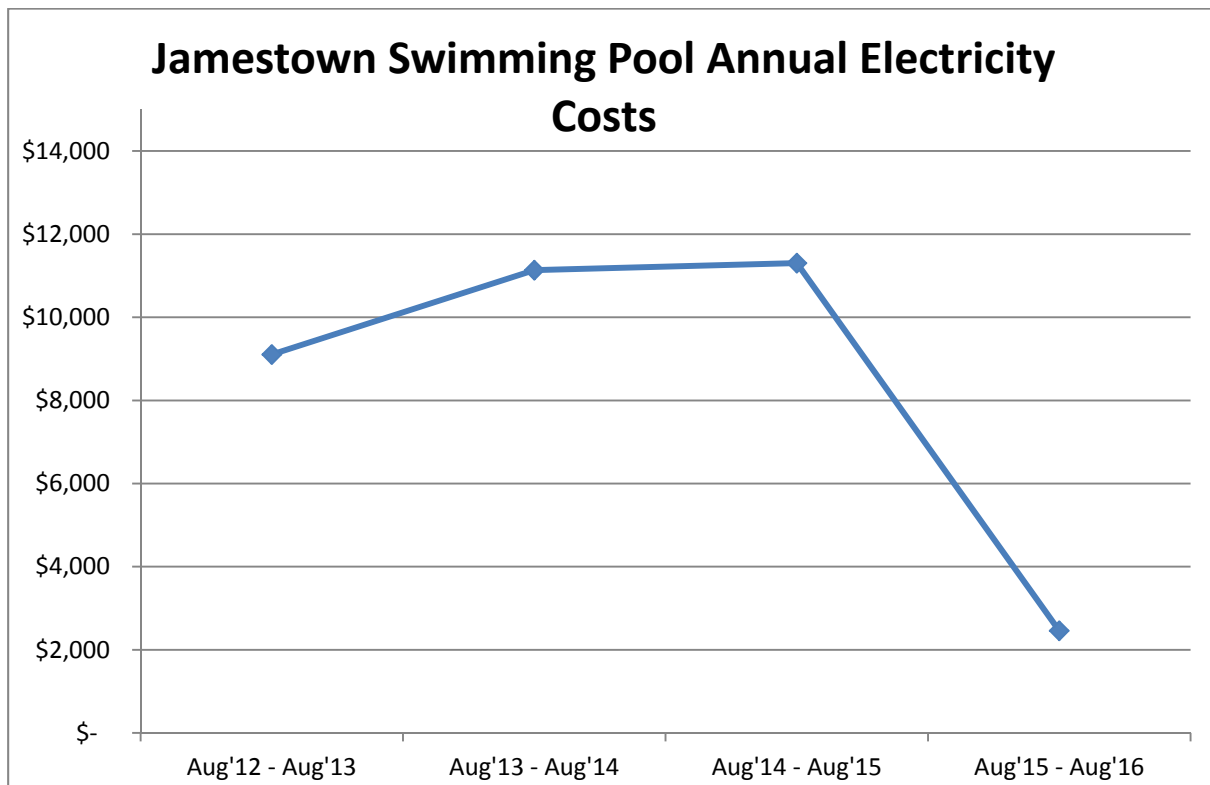
The Jamestown Swimming Pool Management Committee received cash grants towards the project from Council \$3,000, AGL \$3,000, OPAL \$1,500 and Jamestown Apex & Lions totalling about \$4,000.

Council managed the procurement process on behalf of the Committee. This included calling for quotes in accordance with Councils procurement policy and issuing a Works Order to the successful contractor. In addition contractor Work Health Safety requirements included collecting insurance documents, employee tickets, safety policies and job specific documentation.

The aim of the project was to reduce daytime power costs. In addition off-peak costs have also been reduced through installation of a 2 rate commercial metre approved by SA Power Networks.

Power savings are currently in the vicinity of \$6,000 per annum despite the fact electricity pricing has increased.

The committee will now be using the power savings to meet loan repayments on a \$110,000 change room upgrade which commenced in June 2016 and is due for completion in August 2016.



CORPORATE SERVICES CONTINUED

ANNUAL BUSINESS PLAN & BUDGET 2015/16 SUMMARY

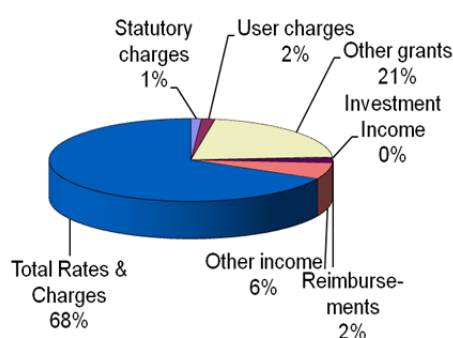
Northern Areas Council is responsible for maintaining the community's \$136 million worth of assets which includes unsealed district roads, local roads and footpaths, stormwater drainage, land and buildings. In addition, Council provides services for the benefit of its residents such as waste management, street lighting, libraries and parks and gardens.

There are also certain services that Councils are required to provide under various Acts of Parliament such as planning and development and dog management. The reality is that these services cost money and Council's rates are the main source of funds to maintain these services and facilities.

Northern Areas Council produces a Strategic Management Plan and 10 Year Long Term Financial Plan that outline the long term priorities and objectives, including infrastructure needs for the community, and the costs to deliver them. This provides the framework for determining the level of rates, debt and service provision for the community.

In 2015/16 the Northern Areas Council needed to raise \$10.69m of revenue (excluding Loans). Of this, \$10.0m is operating revenue which includes \$5.36m in net general rates. Good fiscal management requires Council to increase general rates by 8.0% for the average ratepayer.

2015/16 Operating Revenue Mix



For around \$3.60 per day, the average ratepayer will receive the benefits of the following services which were set down as part of the 2015/16 budget:

Capital Improvement Program

Transport

Re-sealing of existing sealed roads \$500,000

Unsealed road re-sheeting \$1,393,000

Kerbing program \$51,200

Bridges \$51,500

Footpaths \$100,100

Stormwater works at Laura (Stage 1) \$400,000 (\$124,000 grants funded)

Net Plant replacement program - Loans of \$700,000

Sport & Recreation

Spalding Community Sporting Hub \$500,000 (majority grant & community funded)

Jamestown Swimming Pool Upgrade \$110,000 (fully funded via grants and Committee)

CORPORATE SERVICES CONTINUED

Playgrounds \$27,000
Community Amenities
Jamestown CWMS- pond lining \$200,000
Various building maintenance \$118,000

Council's 2015/16 operating budget totals \$10.85m and included some of the following major services.

- \$790,000 spent on domestic waste collection, street cleaning and waste transfer operations;
- \$1.3m spent on infrastructure maintenance; and
- \$445,000 spent on maintaining parks and gardens across the Council.

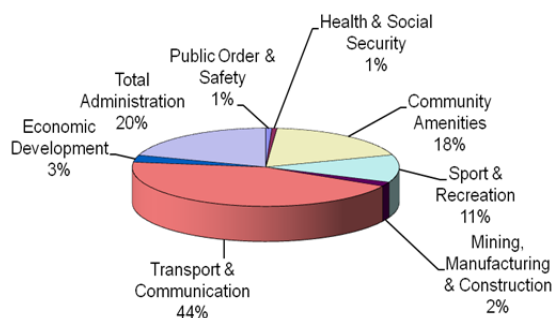
A number of significant factors have influenced the preparation of Council's 2015/16 Annual Business Plan. These included:

- Council to make gradual improvements towards a financially sustainable operating position.
- requirements to maintain infrastructure assets to acceptable standards including roads, footpaths, lighting, storm water drainage, street trees and plantings, open space and Council properties
- reduction/removal of State/Commonwealth grant funding for services deemed to continue
- new fees/changes imposed by other government agencies e.g waste levy, NRM levy

In response to these factors, and to minimise the burden on rate-payers, the Annual Business Plan was prepared within the following guidelines:

- the annual business plan will result in the total revenue raised through general rates increasing by 8.0% (excluding growth)
- reduction of a range of discretionary spending to reflect a need to "tighten our belts".
- maintenance of service levels for continuing Council programs and activities
- Renewed long term focus on road spending

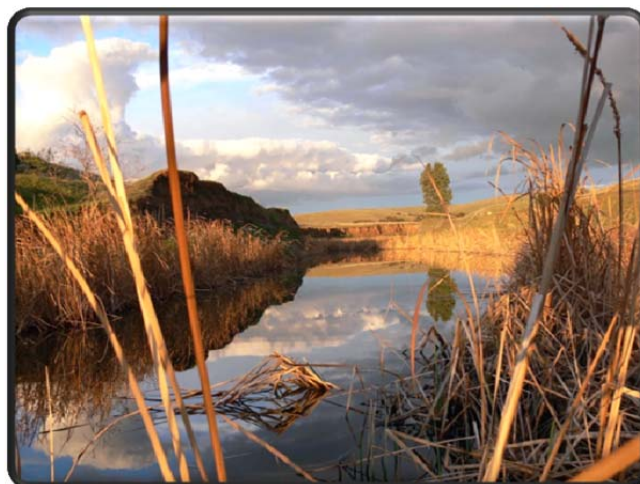
2015/16 Operating Expense Mix



CORPORATE SERVICES CONTINUED

For every \$100 paid in rates and charges, as a guide only, the breakdown in all Council expenses is as follows (there is no reflection made for grant funded or income generating activities).

Parks, Gardens & Recreation \$4.60
Municipal Governance \$1.21
Halls & Library Services \$1.34
Public Health & Safety \$1.09
Administration & Customer Service \$10.41
Insurance \$4.16
Planning, Development & Compliance \$2.53
Community & Economic Development \$1.70
Engineering, Depot & Plant Services \$23.67
Roads and related activities \$32.62
Community Amenities (incl. Waste Mgt) \$12.61
Debt Servicing \$4.06



Firstly, the 10 year Long Term Financial Plan is developed. This plan, which outlines Council's long term priorities and objectives, including infrastructure needs for the community and the cost to deliver them, provides the framework for determining the level of rates, debt and service provision for the community.

Once this framework is adopted, the parameters for the budget and the level of rates required to balance the budget is determined. The amount of rates payable by a ratepayer is determined by multiplying their property value by the rate in the dollar and by adding the fixed charge.

General Rates

All land within a council area, except for land specifically exempt (e.g. crown land, council occupied land and other land prescribed in the Local Government Act 1999 – refer Section 168 of the Local Government Act 1999), is rateable. The Local Government Act provides for a Council to raise revenue for the broad purposes of the Council through a general rate, which applies to all rateable properties.

\$5,360,900 net general rate revenue was raised in a total revenue budget of \$9,993,400. Council set a general rate of 0.3050 cents in the dollar for rural assessments and 0.3960 cents in the dollar for urban assessments to raise the necessary revenue.

Differential General Rates

Council imposed differential general rates based on:

- whether the land is rural or urban,
- a general rate of 0.3050 cents in the dollar for rural assessments and 0.3960 cents in the dollar for urban assessments.
- generating \$3,321,200 being raised from rural rates and \$2,039,700 being raised from urban rates

CORPORATE SERVICES CONTINUED

Fixed Charge

Council imposed a fixed charge on rateable properties of \$340, calculated as approximately 50% of the previous two year average actual administration & governance costs. The fixed charge is levied against the whole of an allotment (including land under a separate lease or licence) and only one fixed charge is levied against two or more pieces of adjoining land, whether intercepted by a road or not, if the land is owned by the same owner(s) and occupied by the same occupier(s). Council believes that a fixed charge provides an equitable base for the rating system.

If two or more pieces of rateable land within the area of the Council constitute a single farm enterprise, only one fixed charge may be imposed against the whole of the land. The Single Farm Enterprise provision allows for eligible farmers to achieve more equitable distribution of the fixed charge (which reflects the changing nature of farm holdings in the area). Approval is subject to a written application and such evidence as Council may reasonably require. Applications must be received by June 30 to take effect in the following financial year.

Annual Service Charges

Council provides a CWMS, to most properties in Jamestown. Council recovers the full cost of operating, maintaining and improving this service for this financial year (includes setting aside funds for the future replacement of the assets employed in providing the service) through the imposition of an annual service charge of \$429.00 per occupied property unit and \$348.00 per unoccupied unit.

Council provides a CWMS, to most properties in Laura. Council recovers the full cost of servicing the construction loan, operating, maintaining and improving this service for this financial year through the imposition of an annual service charge of \$429.00 per occupied property unit and \$348.00 per unoccupied unit.

Council provides a CWMS, to all properties in the Moyletown area of Jamestown. Council recovers the full cost of servicing the construction loan, operating, maintaining and improving this service for this financial year through the imposition of a service charge of \$429.00 per occupied property unit and \$348.00 per unoccupied unit.

Council provides a CWMS, to most properties in Gladstone. Council recovers the full cost of servicing the construction loan, operating, maintaining and improving this service for this financial year through the imposition of a service charge of \$429.00 per occupied property unit and \$348.00 per unoccupied unit.

From the 2015/16 year it is proposed that approximately \$30 from each occupied property unit charge will be allocated towards septic tank de-sludge on a 4-yearly cycle. This process was previously the responsibility of the property owner to organise and pay for direct with a contractor. Council will now undertake this process on behalf of property owners.

Council levied a service charge for waste collection where Council currently has a waste pickup. This annual service charge was calculated at 100% of anticipated costs of roadside waste collection and disposal for all areas having a pickup. The Waste Collection Annual Service Charge proposed for 2015/16 year was \$210.00 per unit (2 bin system).

CORPORATE SERVICES CONTINUED

Property valuations do not determine the rates income to Council

Valuations are only used to determine how much each ratepayer contributes to the total rates required.

Capital value assessment comes from a Government valuation adopted by Council. Objections, query or appeal in relation to property valuations are directed to the Valuer-General within 60 days of receiving any rates notice. Objections should be forwarded to:

State Valuation Office
GPO Box 1354
ADELAIDE SA 5001
Phone: 1300 653 345
Email: lsgobjections@sa.gov.au

If an objection is upheld, the Valuer-General will advise Council and rates notices are amended.

What rate relief measures are available?

In total, Council has budgeted \$38,300 to support rate relief options across the Council. This money will reduce rates levied for community organisations who provide subsidised support services to meet community expectations in areas such as aged care, sport and recreation and education.

State Government Concessions

Until this year, the State Government funded concessions on Council rates. These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees. These concessions were all abolished by the State Government with effect from 30 June 2015.

From 1 July 2015, the State Government has elected to replace these concessions with a single "cost-of-living payment" provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates. Not all former recipients of rates concessions will be entitled to the new payment.

To check eligibility, contact the Department for Communities and Social Inclusion (DCSI) Concessions Hotline 1800 307 758 or at www.sa.gov.au/

CORPORATE SERVICES CONTINUED

	Outgoing Council rate concession (\$ p/a)	New cost of living concession (\$ p/a)	Change (\$ p/a)
Pensioners and low-income earners who own their own home	\$190	\$200	+\$10
Pensioners and low-income earners who are tenants	\$0 (ineligible)	\$100	+\$100
Self-funded retirees who hold a Commonwealth Seniors Health Card* who own their own home	\$100	\$100	No change
Self-funded retirees who hold a Commonwealth Seniors Health Card who are tenants	\$0 (ineligible)	\$100	+\$100

*Assumes recipients held a State Seniors Card.

The separate concession entitlements for Council Community Waste Water Schemes (CWMS) remain unchanged.

The Local Government Act permits a Council, on the application of a ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship.

Approximate rate increases per week

For a typical residential property, it is \$1.85 on general rates and 10 cents on the separate waste collection charge.

Rate Capping

Council provides a rate cap upon application of 50% for the 2015/16 financial year. Rate capping does not apply to properties where the current ratepayer was not a ratepayer for that property prior to 1st July 2014 or where a building/development approval has been granted since 1st July 2014 valued at \$20,000 or more. Applications for the rebate must be received by 31 August 2015.

Payment of rates

The payment of rates was by four equal or approximately equal instalments, with the instalments falling due on the following dates:

- First instalment – 4th September 2015
- Second instalment – 4th December 2015
- Third instalment – 4th March 2016
- Fourth instalment – 3rd June 2016

If the payment due date is not a business day, the rates were due on the next business day following the non-business day on which the payment falls due.

CORPORATE SERVICES CONTINUED

Rates may be paid:

- By post
- BPAY
- By Direct Deposit into Council's Bank Account:
- In person at the Council offices at:
 - 94 Ayr Street, Jamestown during the hours of 9:00am to 5:00pm Monday to Friday
 - 14 Fifth Street, Gladstone during the hours of 9:00am to 1:00pm and 1:30pm to 5:00pm Monday to Friday
 - 11 Main Street, Spalding during the hours of 10:00am & 2:30pm Tuesdays & 9:00am to 1:00pm and 1:30pm to 5:00pm on Thursdays.
- Via Australia Post - In person at any Post Office, By Phone on 13 18 16 using Visa or Mastercard or go to postbillpay.com.au

Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangements should contact the Rates Officer, to discuss alternative payment arrangements.

The Local Government Act provides that a Council may sell any property where the rates have been in arrears for three years or more. Council is required to notify the owner of the land of its intention to sell the land, provide the owner with details of the outstanding amounts, and advise the owner of its intention to sell the land if payment of the outstanding amount is not received within one month.

Natural Resources Management Levy

As part of the Northern & Yorke Natural Resources Management Region, Council set a Separate Rate for the Northern & Yorke NRM Board Levy of 0.0144 cents in the \$ to recover the \$194,180 set by the Board as this district's contribution.

This levy is shown as a separate item on all rate notices.

COMMUNITY DEVELOPMENT

Council's Manager, Community Development was successful in securing the following grant funds from external sources, during the 2015/2016 financial year.

Grant	Applicant	Project
Office for Recreation and Sport	Southern Flinders Netball Club	Programs and equipment funding
SA Recreational Fishing Task Force Funding	Northern Areas Council	Bundaleer Reservoir Recreational Fishing Infrastructure Stage 1
SA Recreational Fishing Task Force Funding	Northern Areas Council	Bundaleer Reservoir Recreational Fishing Infrastructure Stage 2
Saluting Their Service Commemorative Grants	Jamestown R & SL Sub Branch	Bofors Cannon Restoration Project

Community Projects Budget and Grant Rounds

Since 2008/09 Council has assigned funds to the Community Projects Budget to consider 'one-off' requests from community groups for support where projects or events do not 'fit' existing funding or grant guidelines.

With the increasing number of 'one-off' requests being presented to Council from both Section 41 Committees or Incorporated community and sporting groups, it became prevalent that a process was required to ensure the fair and equitable distribution of the funds.

The allocation of funds from the Community Projects Budget was distributed over two grant rounds in August 2015 and February 2016. A total of 34 applications were received with funding allocated to the following 22 groups:

Successful Applicants 2015/16	Awarded
Round One	
Belalie Arts Society	\$3,000
Gladstone History Group	\$3,000
Gladstone Friends of the Park Committee	\$1,980
Gladstone Country Fair Committee	\$1,500
Jamestown Community Garden	\$2,727
Laura Community Development and Tourism Association	\$2,000
Spalding District Inc.	\$3,000
Gladstone Hall Management Committee	\$2,000
Jamestown Hydrotherapy Pool and Gymnasium Management Committee	\$1,005
Jamestown Memorial Hall Committee	\$3,000
Caltowie Memorial Hall and Progress Association	\$1,000
Round Two	
Gladstone Community Development and Tourism Association	\$3,000
Gladstone Hall Management Committee	\$3,000
Jamestown Development Association	\$3,000
Jamestown Swimming Pool Management Committee	\$3,000
Laura Memorial Civic Centre Management Committee	\$3,000
Northern Highlands Soroptimists	\$1,800
Rocky River Historic and Arts Society	\$1,600
Southern Flinders Discovery Centre	\$927
Spalding District Inc.	\$3,000
Spalding Sports Association	\$3,000
Stone Hut Development Committee	\$935
Total	\$51,974

COMMUNITY DEVELOPMENT CONTINUED



Neoen Energy Hornsdale Wind Farm Community Fund



2014/15 also saw the introduction of the Neoen Energy Hornsdale Wind Farm Community Fund, offering \$20,000 for community organisations within the Council area.

A total of 16 different community groups sought funding, of which 9 were successful in the 2015/16 round.

AGL Hallett Wind Farm Community Fund

Whilst there was a continuation of the AGL Hallett Wind Farm Community Fund, which saw an allocation of \$25,000 distributed to groups across the Council area. Applications were received from 15 community groups, of which 9 were successful in their applications.



Community programs

During 2015/2016 Council continued to participate in joint regional initiatives that provide opportunities or assistance for its residents. These initiatives provided transport assistance, sport and recreation development and support for families and individuals to eat well and be active.

Obesity Prevention & Lifestyle (OPAL) Program

Council continued within the partnership with the District Council of Mount Remarkable, the District Council of Peterborough in the five years implementation of the Obesity Prevention and Lifestyle (OPAL) funding.

OPAL is healthy weight initiative aimed at 0 – 18 year olds. OPAL aims to encourage government and local community groups to work together to develop and implement community-wide solutions to health issues.



The OPAL Manager and OPAL Support Officer implement State interventions and local initiatives to support children, families and the community to eat well and be active.

COMMUNITY DEVELOPMENT CONTINUED

Following the withdrawal of funding from the Federal Government during the 2013/14 financial year, a revised funding model between SA Health and Local Government

With slightly reduced staffing and programs remained in operation for the 2015/16 financial year.

Local Government contributions and benefits remain on a basis of District Council of Mount Remarkable (40%), Northern Areas Council (40%) and District Council of Peterborough (20%).



Key projects across the year included the “Pool Fun Days” and the “Geocaching Treasure Hunts”. The Pool Fun Days were designed to engage local children to become active during the summer period of the school holidays. Participants were provided with healthy eating options at the event, to combine healthy eating with physical activity.

Geocaching Treasure Hunts also sought to encourage children to become active, in this case through utilising a GPS unit. Packs were made available at locations across the region, with participants utilising the GPS to locate the treasure items. This also proved to be a positive for families to accompany

Mid North Starclub Field Officer

Council continued commitment what was formally known as the Mid North *be active* Field Officer, now the Mid North Starclub Officer, along with the Port Pirie Regional Council, District Council of Mount Remarkable, District Council of Orroroo Carrieton, District Council of Peterborough, Port Pirie Regional Health Service and the Office for Recreation and Sport.

The Office for Recreation and Sport had previously committed funding for the program for three years, for the 2014/15, 2015/16 and 2016/17 financial years, with additional funding contributed from each of the partner Councils.

The role of the *be active* Field Officer is to work with Sporting Clubs, associations, schools and physical activity providers to support the development of active recreation and sport; further develop clubs and organisations and the programs and services they provide; and increase community participation in active sport and recreation programs. There has been an increased focus on establishing good governance practices and policies through the Starclub program.

The Field Officer has concentrated efforts towards the following key areas:

- Coaching, Officiating & Volunteers
- Safe Supportive Environments
- Club Management Structures and Processes



Following a successful funding application, the first ever Mid North Star Club Recreation and Sport Conference was held at the Southern Flinders Regional Sports Complex at Gladstone on Sunday 21 February 2016.

COMMUNITY DEVELOPMENT CONTINUED

The conference provided access to latest industry resources and information by engaging respected, knowledgeable presenters recognised in their field. The Conference agenda provided a broad range of information and training opportunities relevant to the needs of local sport and recreation organisations.

The programme for the Conference was developed based on a number of factors, namely:

- Starclub, through data extracted from local clubs completing the self evaluation
- Club requests
- Evidence of need based on conversations with local clubs
- Timing in relation to other Office for Recreation and Sport programmes

The programme format was based on the October 2015 State STARCLUB Conference and was designed to cover a range of information and training options and encourage clubs to have more than one person attend. The programme consisted of:

- Asthma First Aid training
- Conflict resolution
- Office for Recreation and Sport Funding
- Drugs and Sport
- Incorporation
- Grant writing
- Financial management for sports clubs
- Irrigated Public Open Space (IPOS) Operational Guide

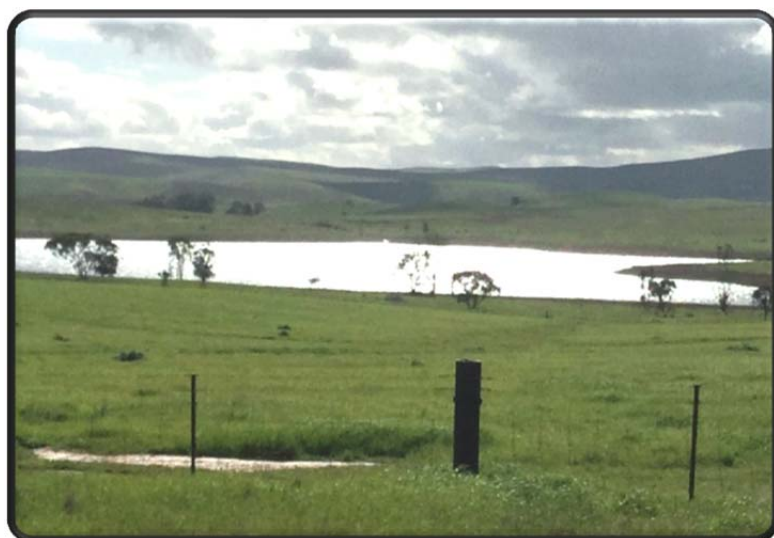
The conference was attended by 37 different people, representing 15 separate organisations. Support was provided by several peak sporting bodies in conjunction with staff from the Office for Recreation and Sport.

Feedback was provided at the completion of the conference, with 17 people opting to complete the feedback forms. A recommendation was given from the feedback to host such a conference in a biennial basis.

Southern Flinders Regional Tourism Authority

Council continued commitment to the Southern Flinders Regional Tourism Authority (SFRTA), in conjunction with the District Council of Mount Remarkable and the Port Pirie Regional Council.

The SFRTA continued to support tourism operators across the region, with significant activity occurring across the entire Council area. Support was predominantly undertaken by the SFRTA's Tourism Development Manager, in addition to consultation with Council's Manager, Community Development.



COMMUNITY DEVELOPMENT CONTINUED

The 2015/16 financial year, saw the completion of the “Southern Flinders Grass Roots Project”. The project was made possible through \$80,000 in funding from the PIRSA Regional Development Fund across both the 2014/15 and 2015/16 financial years.

The project provided an opportunity to invest in the showcase and promote local food, wine and produce.

A strong focus during the year has been to work in conjunction with the South Australian Government’s Recreational Fishing Task Force to provide recreational fishing access at the Bundaleer Reservoir, located between Spalding, Gulnare and the Bundaleer Forest.

The South Australian Government identified several “offline” reservoirs across the state and assessed their capability for alternate usage. Following the identification process, grant funding was allocated to Council from the taskforce, for two stages of development of recreational fishing infrastructure at the Bundaleer Reservoir. Infrastructure is earmarked for completion in the 2016/17 financial year.

Swimming Pools

Swimming Pools continue to serve as a key recreational facility across the Council area. Council continues to operate three outdoor swimming pools, located at Gladstone, Jamestown and Spalding. Council employs staff to undertake activities at the pools where it remains necessary, whilst community volunteers and organisations provide assistance where required and deemed suitable. In all cases, Council ensures that all workers operate within compliance of Work, Health and Safety regulations as per the *WHS Act 2012*.

VACSWIM and school swimming programs remain a key activity at the facilities, whilst competitive swimming continues to be a popular sporting choice at Gladstone and Jamestown.

Work is nearing completion at the Jamestown Swimming Pool, where an upgrade of changing room facilities is underway. The revised facilities will be in compliance with modern standards and have been planned in a manner to best suit current and future requirements.

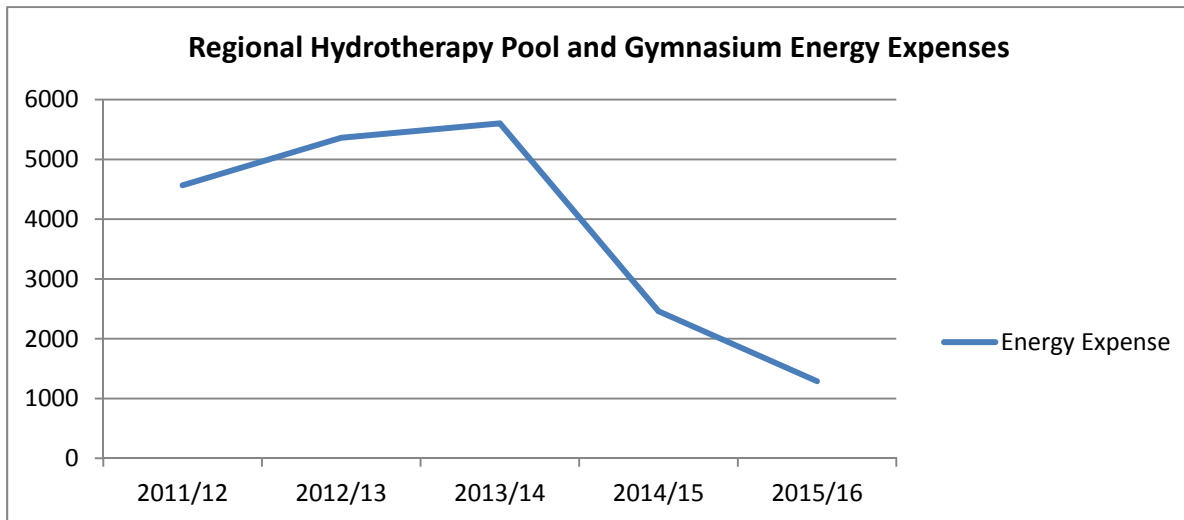


Regional Hydrotherapy Pool and Gymnasium

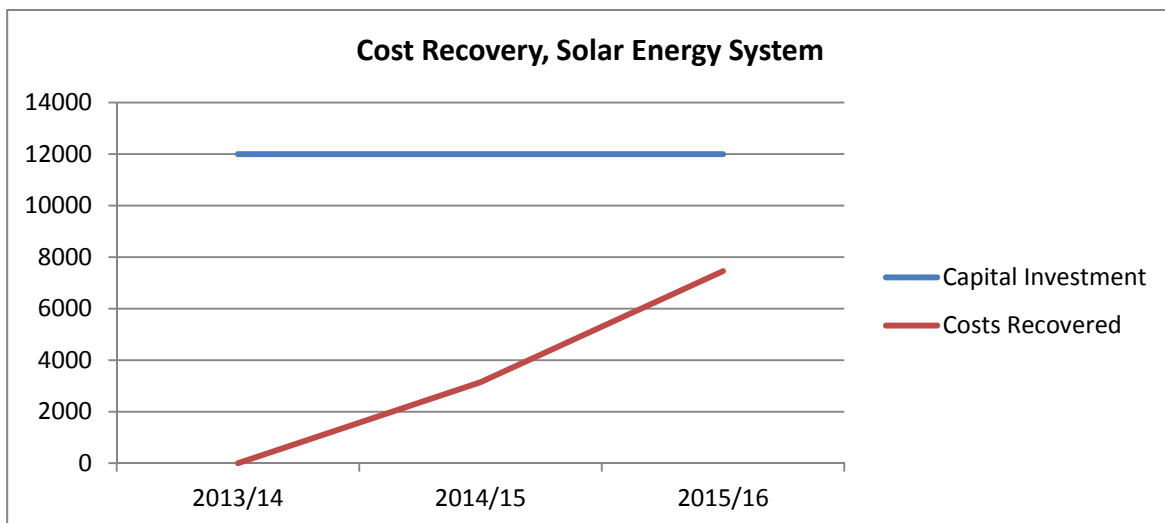
Council continues to operate the Regional Hydrotherapy Pool and Gymnasium, located in Jamestown. 2015/16 saw the first full year of operation at the facility since the introduction of solar energy panels at the building, as a means to mitigate energy costs.

In that period energy consumption costs have been reduced by over 75% from the peak expense incurred in the 2013/14 financial year.

COMMUNITY DEVELOPMENT CONTINUED



The Facility's Management Committee initially invested just over \$15,000 in the system, comprising of just over \$12,000 from its cash reserve and \$3,000 in small grant funding via Council's Community Project Grants. In two years over 60% of the capital investment has been recovered through costs savings, with the capital investment cost anticipated to be fully recovered during the 2017/18 financial year. Future savings will be able to be reinvested in to the facility.



COMMUNITY DEVELOPMENT CONTINUED

FLINDERS MOBILE LIBRARY

The Flinders Mobile Library continued to provide library services to residents of the Northern Areas Council, Mount Remarkable District Council and the Port Pirie Regional Council during 2015/16. Flinders Mobile Library service is based out of Gladstone, with the mobile library truck visiting 16 townships, 11 schools and 3 kindergartens on a fortnightly schedule.

POPULATION SERVED	2011/12	2012/13	2013/14	2014/15	2015/16
District Council of Mt Remarkable	2966	2998	2910	2849	2827
Northern Areas Council	2664	2655	2501	2478	2482
Port Pirie Regional Council	796	791	743	741	681
TOTAL	6426	6444	6154	6068	5990

While we are seeing a trend of decline in the total population served, the total items loaned have dramatically increased since the implementation of the One Card system and the numbers continue to remain high. Our total borrower numbers also remain consistent. The total population served data is gathered from the Census and provided to Flinders Mobile Library from PLS (Public Library Services); this is the data used to determine the percentage of a Council's contribution to the library each year.



Circulation Statistics

LOANS	2011/12	2012/13	2013/14	2014/15	2015/16
Total Loans	39321	40943	42327	50473	46100
Total eBook & eAudio Loans	-	110	502	493	n/a
Total Holds placed & collected	-	3134	4982	7876	n/a
Total Incoming holds from other Libraries in SA	-	1977	4027	6932	n/a
Total Outgoing holds to other Libraries in SA	-	3725	6542	6751	n/a

Collection Statistics

Collection maintenance is a constant an ongoing process, meaning the collection totals are in a constant state of flux as old items go out and new items come in. At June 30th 2016, Flinders Mobile Library had a total of 20,265 items in the collection. These items consist of books, DVD's, CD's, CD-ROM's, magazines, language kits and audio books. On average, Flinders Mobile Library stock numbers usually hovers around 20,000 items.

COLLECTION	30/06/2014	16/06/2015	30/06/2016
Items on the Flinders Mobile Library truck	6279	7055	7090
Items in the Flinders Mobile Library depot	13285	14058	13175
TOTAL items in the Flinders Mobile Library collection	19564	21113	20265

COMMUNITY DEVELOPMENT CONTINUED

Borrower Statistics

We had an increase of 82 borrowers registered directly with Flinders Mobile Library during the 2015/16 financial year; however there is an overall increase of 112 borrowers thanks to the One Card Library Management System, which means borrowers who own a library card elsewhere (e.g. Port Pirie, Port Augusta, Clare etc.) are able to access our library service without having to re-register.

Flinders Mobile Library officially had 1291 registered members at June 30 2016; however in actual fact, 1395 people access our library service in one way or another.

Of these 1291 borrowers, 664 are students who, for the majority of visits, access the Flinders Mobile Library when we visit their school during the school term. These student borrowers made up 51.43% of the total Flinders Mobile Library borrowers for 2015/16, making a fairly even split between student borrowers and all other borrowers. Flinders Mobile Library borrower numbers are in a constant state of change due to the fact that new students are always arriving as old ones are leaving. Our total number of registered borrowers usually hovers around the 1200 mark.



BORROWERS	2012/13	2013/14	2014/15	2015/16
Borrowers registered with Flinders Mobile Library	960	1118	1209	1291
Borrowers registered with another home library but also use our service	40	54	74	104
TOTAL borrowers utilising Flinders Mobile Library	1000	1172	1283	1395

BORROWERS BY COUNCIL AREA	2012/13	2013/14	2014/15	2015/16
District Council of Mt Remarkable	422	476	514	557
Northern Areas Council	374	462	503	542
Port Pirie Regional Council	125	152	159	159
Other	39	28	33	33
TOTAL	960	1118	1209	1291

COMMUNITY DEVELOPMENT CONTINUED

Below is a break-down of Flinders Mobile Library borrowers by their home towns for 2015/16. We visit the local school in each of the towns marked with an *, which is why there are more borrowers in these towns.

BORROWER BREAKDOWN BY TOWN	2013/14	2014/15	2015/16
<i>District Council of Mount Remarkable</i>			
Murray Town	8	12	11
Appila	16	14	14
Port Germein	33	33	38
Wirrabara*	54	57	61
Melrose*	77	69	75
Wilmington*	93	90	93
Booleroo Centre*	199	248	267
<i>Northern Areas Council</i>			
Gulnare	5	7	9
Yacka	23	25	27
Spalding*	41	51	60
Georgetown*	59	54	52
Laura*	149	159	159
Gladstone*	206	227	246
<i>Port Pirie Regional Council</i>			
Redhill	24	29	28
Koolunga*	48	44	47
Napperby*	76	77	78
UNDEFINED	-	13	1



ENGINEERING (INFRASTRUCTURE) SERVICES

Northern Areas Council covers an area of 3070km² and includes 2197km of roadways most of which are unsealed. 133 km of Council's total road network is sealed. Many roads included in the list are fair weather roads only, having no formally constructed pavement. The Council area annexes a number of townships, including Jamestown, Laura, Gladstone, Spalding and Georgetown in addition to a number of smaller townships. These are Yacka, Gulnare, Caltowie, Narridy, Stone Hut and Tarcowie.

Due to the high value and high proportion of road assets with their associated high maintenance needs, road maintenance activities occupy the majority of plant and labour allocations through re-sheeting, patrol grading and maintenance reseals.

Development of larger, longer transport options with associated changes in farming practice has seen an increase in loads placed on local roads throughout the area and these are also impacted to a lesser extent by through traffic. The long term impacts of the evolving transport usage on road condition and renewal is yet to be evaluated.

The year presented some staffing challenges with unplanned retirements occurring at senior staff level, leading to department structural review and recruitment processes that continue into 2016/17.

Despite the challenges, during 2015/2016 Council re-sheeted 50.22km of its road network, on all or part of the following roads:

RESHEET ON THE FOLLOWING ROADS		
Laura-Caltowie Road	Belalie East Road	Belalie North Road
Tarcowie-Peterborough Road	Beetaloo Valley Road	Tarcowie-Booloroo Road
Gladstone-Beetaloo Road	Lehman Road	Patterson Road
Watts Range Road	Caltowie-Hornsedale Road	Boucaut Road
Booborowie Road	Campbell Range Road	Springs Road
Bullyacre Road	Yarrowie Road	

All or sections of the following roads were resealed:

Jamestown		
Moyle Street	Cambridge Street	Irvine Street
Berkley Street	Oxford Street	Collins Street
Ebenezer Street	Boucaut Street	Margaret Street
Creek Street	George Street	Bute Street (southern end)
Cronin Street (aprons)	Jones Street	Cumnock Street
Arran Streets	Dunure Terrace	Dunlop Terrace
Humphris Terrace		

ENGINEERING (INFRASTRUCTURE) SERVICES CONTINUED

Spalding		
Sydney Street	Roderick Street	Margaret Street
Edwin Street	Lorna Street	Bank Street
Angus Street	Wanda Terrace	Sheila Street
Hartley Street		
Gladstone		
North Terrace	West Terrace	First Street
Washington Street	Gladstone Street (sections)	Fourth Street
Cross Street (sections)		
Laura		
Hughes Street (east side)		
Gulnare		
Hall Street	Paterson Road	Watts Range Road
Yacka		
Broughton Street	Charles Street	Hawker Street
North Terrace		
Tarcowie		
High Street		
Georgetown		
Fisher Street (from kerb to DPTI seal)		

Major projects which council's engineering staff worked on during the year included:

- Stage 1 of Laura storm water project with open drain and Rocky River access works substantially completed to enable in-ground drainage works to continue.



- Extension of road seal to OD5 to facilitate Heavy Vehicle route access.
- Laura main street streetscape works



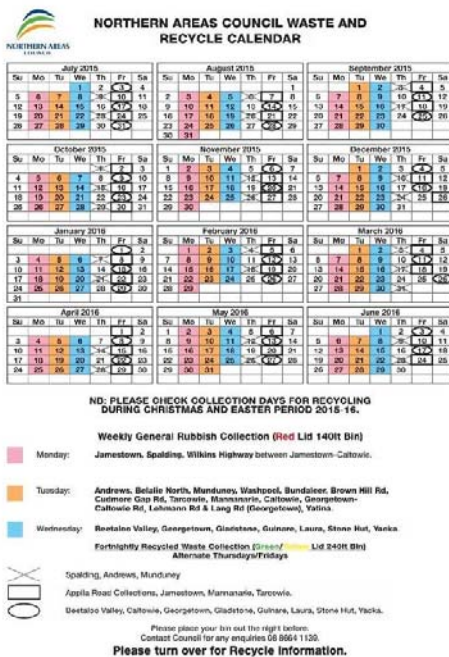
ENGINEERING (INFRASTRUCTURE) SERVICES CONTINUED

Council maintains one airstrip located at Jamestown, and three Community Waste Water Management Systems, located at Jamestown, Laura and Gladstone. A water reuse plant is located at Jamestown and a scheme has operated at Gladstone.

In line with Council's plant replacement program, 1 Tractor (second hand), 1 Stoodley Side Tipper, 2 rollers, 4 utilities and other small plant have been procured during the year.



Staff resources were allocated to support several community events in the Council area during the year, with road closures, waste management, signage, mowing etc.



Council continues to operate a weekly kerbside waste collection and fortnightly recycling service to all households within townships and on request to rural properties.

Modifications were made to the service this year to improve management of waste.



Weights of waste collected from kerbside bins for the past three years are as follows:

	2013-14	2014-15	2015-16
General Waste	988.68t	1023.02t	1007.5t
Recycling	262.16t	262.91t	252.59t
Totals	1250.84	1285.93	1260.09

The minimal movement and minor up and down fluctuation indicate a consistent use of waste services throughout the district

ENGINEERING (INFRASTRUCTURE) SERVICES CONTINUED

Asset Management is core business for this department. The practice may be described as an expression of the relationship between a community's infrastructure aspirations and its financial capabilities now and into the future. It is expressed in a collection of documents developed for the purposes of informing the development of overarching Asset Management Plans.

The development of Asset Management Plans (AMP) has been a priority for the department and despite the staffing challenges; some headway was made on these during the year. A consultant had been engaged to develop an Asset Management Plan for the CWMS systems. Officers were active in liaison with them, providing data and other information and attending sites to identify the asset holdings. The Roads Asset Management Plan is scheduled for an update in the 16/17 financial year and preparation for this included the recognition of new assets, and update of information for renewed assets.

Associated aspects of asset management included the commencement of service level development and 10 year capital works programs. These components of AMP's will provide guidance on maintenance activities by identifying the scope of maintenance for all council assets and the frequency of planned maintenance activities to maintain the assets at a condition that is consistent with community expectations. The 10 year capital works program will identify the upcoming replacement of assets to ensure the long term financial plan is achievable.

Design works were commissioned for storm water management solutions in Gladstone and preliminary designs have been developed for the Sixth St and Cross Street areas of the town.



REGULATORY SERVICES

GEORGETOWN PUBLIC TOILET FACILITIES

The Georgetown Community Development Association Inc. initiated and funded the construction of replacement public toilets at the Georgetown Playground site.

The new toilet facilities consolidated male, female and disabled toilets and comfort room into one compliant building. A coin operated Shower was included for public use.

The project cost was \$121,224.00 with additional Council contribution being the demolition of the existing buildings and preparation of the sub-base for the new building.

The co-operation of the Georgetown Community Development Association enabled the project to be completed within budget.

The Public Toilet facilities were opened on June 26th 2016.



Georgetown Toilet facilities prior to demolition



New toilet facilities at Georgetown Playground

REGULATORY SERVICES CONTINUED

JAMESTOWN SWIMMING POOL CHANGEROOMS UPGRADE

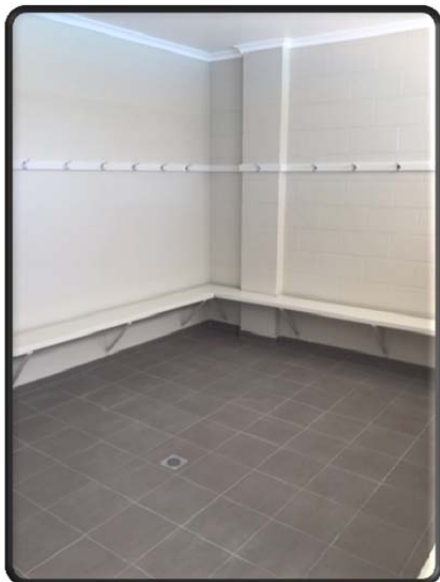
The Jamestown Swimming Pool Change-rooms will be upgraded, replacing all existing toilet and shower facilities.

The upgrade to the existing facilities replaces all showers and toilets in the male and female change-rooms and includes a compliant disabled change-room shower facility.

Council awarded the Tender for the project in January 2016 with work commencing in March 2016. The upgrade will be completed prior to the 2016-17 swimming season.



External view of changing room area.



Male Changing room

The construction cost of \$119,900 was funded by the following;

• Office for Recreation and Sport Grant	\$55,000
• Jamestown Swimming Pool Committee	\$20,000
• Loan from Council (estimate)	<u>\$50,000</u>
Total	<u>\$125,000</u>

The original building was constructed in 1965 with a floor area of approximately 1880 square feet (175 square metres). The cost of construction was £5600 (approximately \$11,000). Council has three Public Pools at Gladstone, Jamestown and Spalding allocating budget each year for pre-season servicing, general maintenance and pool operations.



Newly established "changing" cubicles in female change room

SPALDING SPORTS COMPLEX

The Spalding Sports Association commenced planning for the construction of a new multi-purpose complex at the Spalding Oval.

Plans and specifications were completed with Council calling Tenders for the project in May 2015. Council awarded the contract in September 2015 with construction commencing in November 2015.

REGULATORY SERVICES CONTINUED

The project cost was \$560,000 with funding of the project by way of Council contribution, grants, sale of property and local organization contributions;

Office of Recreation & Sport	200,000
Sale of Community Centre	70,886
Northern Areas Council 2015-16 Budget	100,000
SACA Facilities Grant	5,000
Spalding Sports Association (Football)	50,000
Spalding Tennis Club	25,000
Spalding Cricket Club	5,000
Interest accrued on grants	3,148
Total \$459,034	

A further contribution of \$32,000 was made by the Spalding Canteen Committee to the fitting out of the kitchen with all the appropriate equipment and utensils; This amount was not included in the construction cost.

The new building replaces existing canteen and female toilet facilities consolidating change rooms, canteen, function room, bar and gym into one building.

The building provides verandahs allowing for covered spectator viewing areas for football oval and netball courts.



Key handover at Spalding Sports Complex

REGULATORY SERVICES CONTINUED



View from Oval of the newly constructed Sports Complex at Spalding Oval

PIGEON NUISANCE

A number of townships in the Council area are experiencing an increase in pigeons creating considerable nuisance to building owners.

Council initiated a controlled eradication programme carried out by the Sporting Shooters Association with results showing a decrease in pigeon numbers.

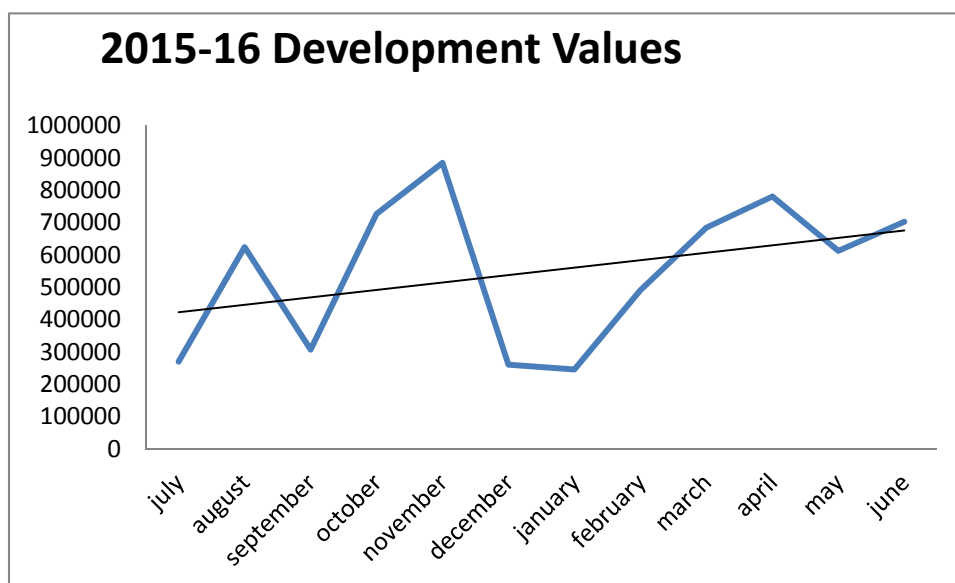
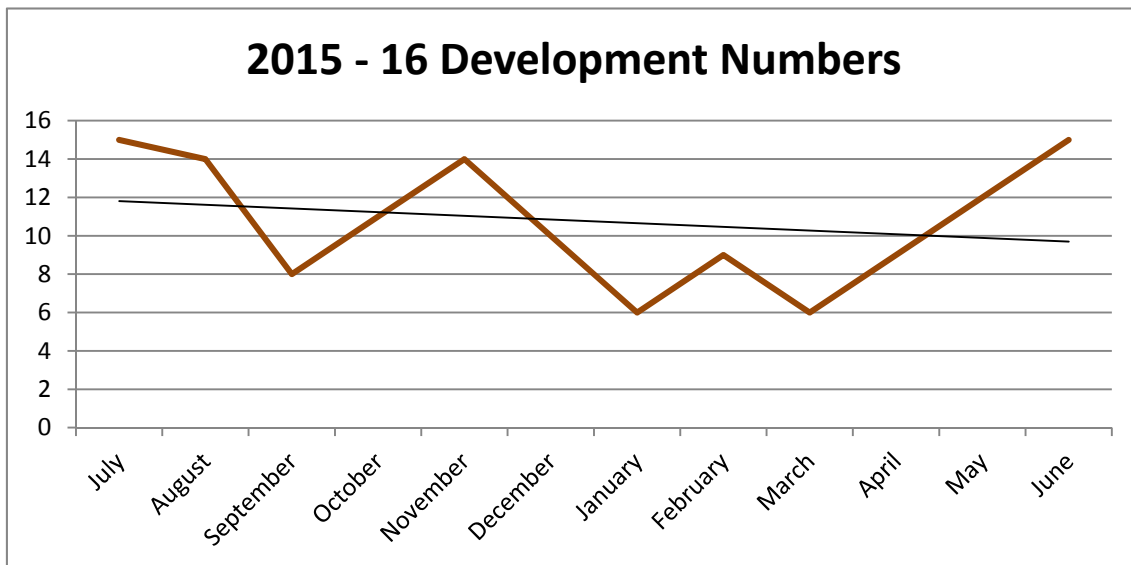
COMMUNITY SUPPORT

Council continues to work with community groups to develop community facilities with volunteer support essential for the success of these projects.

DEVELOPMENT APPLICATIONS

Council received 127 development applications during 2015-16 financial year valued at \$6,982,415.56. Applications included 12 new dwellings; 15 hay/implement sheds; 6 land divisions; 5 swimming pools; 52 domestic sheds, verandahs, carports, pergolas; 1 Motor Repair Station; 18 extensions to dwellings/sheds and 18 various.

REGULATORY SERVICES CONTINUED



COMPLIANCE STATEMENT

Access to Council Documents

The following documents are available for public inspection at the Council Office, 9 am to 5 pm Monday to Friday at 94 Ayr Street, Jamestown. Members of the public may purchase copies of these documents, charges are available on Council's website.

- Council Agenda
- Council Minutes
- Annual Financial Statements
- Assessment Book Entry
- CEO's Roll
- Development Application Register
- Register of Employees' Salaries, Wages and Benefits
- Register of Fees and Charges Levied by Council
- Statutory Appointments
- Strategic Plan

Freedom of Information

Requests for other information not included in the above listed documents are considered in accordance with Section 9 of the Freedom of Information Act, 1991. The Freedom of Information Act 1991 provides legislation and guidelines for access and provision of information to the public. Requests under the FOI Act 1991 for access to documents in the possession of Council should be accompanied by the relevant application fee and directed in writing to:

Freedom of Information Officer
Northern Areas Council
PO Box 120
Jamestown SA 5491

Forms are available at the Council Office. Applications will be responded to as soon as possible within the statutory 30 days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees. No Freedom of Information requests were received in 2015/2016.

Amendment of 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 complete a Freedom of Information Request Form as indicated above outlining the records, that person wishes to inspect.

COMPLIANCE STATEMENT CONTINUED

Community Lands

Council has compiled a register of all lands determined through public consultation that are not excluded from the definition of community land.

Pursuant to Section 197 (3) of the Local Government Act 1999, Council at its meeting on 14 December 2004, adopted Management Plans for all Council Community Lands.

Section 198 provides:

- A management plan may be amended by the adoption of a proposal for its amendment.
- Council may only adopt a proposal for amendment to, a management plan after the Council has carried out the public consultation that would be required if the proposal were for a new management plan.
- However, public consultation is not required if the amendment has no impact or no significant impact on the interests of the community.
- A council must give public notice of its adoption of a proposal for the amendment or revocation of a management plan.

No land has been excluded from Community Land definition during the 2015/16 year.

Competitive Tendering and Cost Effective Services

Council continues to strive to provide value for money with service delivery to the ratepayers of Northern Areas Council. In compliance with Section 49 of the Local Government Act 1999, Council reviewed its Tender Policy and Procedure in March 2015, (with no change) and its Sale and Disposal of Land or Other Assets Policy (with no change) and has adopted a Procurement Policy.

- Quotations, tenders and evaluation;
- Outsourcing Council functions;
- Disposal of Surplus goods, materials and Council land;
- Monetary guidelines/limits;
- Considerations such as buying local, health and safety and quality

During the past year the Council used the competitive tender processtimes

During the year Council utilised the services of contractors, due to Council not being a specialist in this area.

Auditor's Remuneration

Council's Audit Fees for the 2015/16 financial year were paid as follows:

November 2015	Dean Newbery & Partners	\$11,110
March 2016	Ian G McDonald	\$ 6,000

There were no non Audit Fees paid.

Application of Competition Principles – National Competition Policy

In accordance with the Revised Clause 7 Statement on the Application of Competition Principles to Local Government under the Competitive Principles Agreement (September 2002), Council is required to review its business activities in order to determine whether Council is involved in any "significant business activities", that should be subject to the Government Business Enterprises (Competition) Act 1996.

COMPLIANCE STATEMENT CONTINUED

Private Works

Council undertook private works during the year, on an ad hoc basis, dependant on workload, however this was not considered to be a significant activity under the Competition Principles.

There were no activities conducted by Council in Category 1 (ie business activities with an annual revenue in excess of \$2 million, or employing assets in excess of \$20million).

During the reporting period, Council did not receive any complaints regarding the application of competitive neutrality.

Procurement Policy

Council's Procurement Policy was first adopted in June 2010.

The purpose of this policy is to establish a framework of broad principles to ensure that the procurement of goods and services by Council are:

- timely
- competitive and cost effective
- of quality and fit for intended purpose
- support the efficient delivery of Council services
- are conducted transparently and ethically in accord with relevant legislation

The existence of this Policy is to provide Elected Members, Council officers, potential suppliers and buyers and the Community with a framework detailing how procurement activities will be undertaken by Council in a consistent, fair and transparent manner.

Confidentiality Provisions

Under Section 90 and 91 of the Local Government Act, the following information is provided wiuth regard to Confidential items raised at Council Meetings from 1 July 2015 to 30 June 2016.

Council held 12 Ordinary Meetings and 5 Special Meetings between 1 July 2015 and 30 June 2016. A total of 433 resolutions were made at these meetings of which 30 were considered "in confidence".

The reason for the consideration of matters "in confidence" was as follows:

- Breach of Public Health Act
- Appointment of Auditor
- Tender Evaluation – Georgetown Public Toilets
- Tender Evaluation – Spalding Sports Ground
- Tender Evaluation – Jamestown Swimming Pool Changeroom Upgrade
- Tender Evaluation – Periodic Desludging
- Plant Replacement
- Office Upgrade
- Australia Day Awards
- Tender – Reseal Quotes
- CEO Performance Management

COMPLIANCE STATEMENT CONTINUED

3 Items have been released from confidentiality during 2015/2016.

Date	Item
15 September 2015	Appointment of Auditor
16 February 2016	CEO Performance Management Panel
17 May 2016	Plant Replacement – Combi Roller Quotes

Elector Representation

An Elector Representation Review was last undertaken in 2009.

The Review outcome was as follows:

- Council will continue to have wards. There will be four wards.
- The total number of electors will be nine, as listed below:
 5. Jamestown Ward: 4 Elected Members
 6. Spalding Ward: 1 Elected Member
 7. Rocky River Ward: 3 Elected Members
 8. Yackamoорundie Ward: 1 Elected Member
- The existing Ward names of Jamestown, Spalding and Rocky River will continue to be used;
- The Georgetown Ward was renamed Yackamoорundie Ward;
- A Chairperson will be elected from within the nine Elected Members elected by the voters.

Current Representation

According to the House of Assembly Roll and the Supplementary Voters Roll, as maintained by Council, there were 4432 persons eligible to vote in Local Government elections in the Northern Areas Council. Electors - 4432 – No of Wards 4 – Quota per Member – 492.

The Northern Areas Council ward quota of 492 is comparable to Councils in South Australia of a similar size.

Name	Number Of Electors	Number of Elected Members	Representation Quota
Coorong	3896	9	432
Grant	5544	10	554
Tatiara	4524	10	452
Wakefield	4730	10	473

Council's next elector representation review is due for completion in 2017.

Registers, Codes and Policies

In accordance with the Local Government Act, 1999 Council must maintain certain Registers, Codes and Policies.

COMPLIANCE STATEMENT CONTINUED

Registers

- Register of Interest – Primary and Ordinary Returns – Council Members
- Register of Allowances and Benefits – Council Members
- Register of Remuneration, Salaries and Benefits – Employees
- Register of Primary and Ordinary Returns – Council Chief Executive Officer
- Members Allowances and Benefits

Codes

- Code of Conduct for Elected Members
- Code of Conduct for Employees
- Access to Council and Committee Meetings and Documents Code of Practice

Policies

Council is governed by a number of policies covering operational and governance areas, which are reviewed on a regular basis.

Policies		
Accounting Policy	Asset Management Policy	Caretaker Policy
Complaints Handling Procedure under Code of Conduct for Council Members	Complaints and Compliments Procedure	Complaints Policy
Complaints Procedure	Confidentiality of Council Reports Policy	Continuous Improvement Policy
Control of Election Signs for Federal, State and Local Government Elections	Correspondence Procedure	Council Induction Policy
Council Members Expenses Requiring Council Approval Policy	Debt Recovery Policy	Electronic Communication Facilities Policy
Fraud and Corruption Prevention Policy	Gifts, Benefits & Hospitality Policy	Grievance Resolution Policy and Guidelines
Hire of Public Address System Policy and Agreement	Informal Gatherings Policy	Internal Financial Control Policy
Internal Review of a Council Decision Policy and Procedure	Investment Policy	Leases, Licenses and Permits Policy
Media Protocol	Tree Management Policy	Order Making Policy
Privacy Policy	Procurement Policy	Protocol – Ombudsman’s Enquiry Policy
Provision of Council support to the Emergency Services	Prudential Management Policy	Public Consultation Policy
Records Management Policy	Records Management Procedure	Request for Service under Section 270 Procedure
Risk Management Strategy	Road and Public Place Naming	Rocky Rover District Health and Care Bus Policy

COMPLIANCE STATEMENT CONTINUED

Rubble Pit Policy	Safe Environment Policy	Sale and Disposal of Land or Other Assets Policy
Tender Policy and Procedure	Training and Development Policy for Council Members	Volunteer Policy
Whistleblower Protection		

General Policies		
Burning of Freshwater Creek (Spalding Township)	CFS Callouts and Council Plant	Fire Prevention – Roadsides
Australia Day - Participation	Caravan Park - Gladstone	Housing Trust Flats – Jamestown/Spalding Townships
KESAB/Clean Up Australia	Roadside Cultivation	Roadside Drainage
Rural Watch	Temporary Road Closures - Advertising	Tourism
Management of Town Development Boards and or Associations	Request for Reimbursement for travel costs by community groups or members of the public	Annual allocation for the management of council owned Caravan Parks
General Policies		
Canvassing of Council Members	Community Development	Committees of Council
Planning and Strategy Meeting	Professional Services	Public Relations
Training and Development Plan for Council Members	Council Development Assessment Panel – Sitting fees and Travel Expenditure	Access for the Disabled
Building Inspection Policy	Construction Industry Training Fund	Desludging of Septic Tanks
Secondhand Relocatable Dwellings	Sub Division Policy	Subdivisions creating new allotments
Development Application fee waiver for Community Organisations	Referral Fee for the installation of solar panels and rainwater tanks	Community Wastewater Management Scheme Policy
Closed Roads (sale of)	Debt Collection	Pensioner Concession (Payment Terms when a concession is removed)
Purchasing Policy	Rates	Rate fines to be applied
CWMS Service charge for Aerobic Waste Water system	Business use of Roads - Rent	Appointment of Acting CEO in the absence of the CEO
Rebate Council Rates and Lease Fees for Clubs	Annual Rental for Development Boards	Annual Donation to the Yacka Cemetery Trust
Equipment (hiring of)	Economic Incentive Development Policy	Request for Public Street Lights
Theodolite/Distance Measuring Combination Unit	Control of galahs and Little Corellas	Discretion
Emergency Call Outs	Employment/Hiring Staff	Official Functions
Private work	Training Policy - Staff	Work Experience/Community Service Order Schemes

COMPLIANCE STATEMENT CONTINUED

Stock Control signs and lights	Traffic Signs/flashing lights for special events	Truck Wheel Dust Stopping Zone
Applications for Bed and Breakfast Directional signage	Heritage Agreement – Endangered species (Spalding Ward)	Silky Oaks (Spalding Township)
Tree Maintenance	Tree Planting	Tree Removal (Footpaths)
Fire Ban Days	Plastic Chemical Containers	Wheelie Bin – Household Collection
Wheelie Bin – Prohibitive Substances	Extra Wheelie bin being placed on a township property	Garbage collection outside townships
Annual Greenwaste Collection	Rules of use of Council's Waste Deposits by the Public and Contractors	Council Plant
Grading – Construction of Maintenance	Patrol Grading	Pipes, cables, etc under roadways (including electric fence wiring)
Playground	Property Access	Underground power to properties 9installation)
Weed Spraying	Plant Replacement Policy	

Section 41 Committees

- CEO Performance Management Panel
- Ewart Oval Management Committee
- Georgetown Heritage Society
- Gladstone Swimming Pool Management Committee
- Jamestown Health and Ambulance Centre Management Committee
- Jamestown Regional Hydrotherapy Pool and Gymnasium Management Committee
- Jamestown Swimming Pool Management Committee
- Laura Memorial Civic Centre Management Committee (completed the financial year, dissolved at 30 June 2016)
- Northern Areas Community Road Safety Committee
- Northern Areas Council Audit Committee
- Northern Areas Council Finance Committee
- Southern Flinders Regional Sports Complex Management Committee
- Spalding Community Sporting Hub Committee
- Spalding Swimming Centre
- Stone Hut Development Committee
- Stone Hut Soldiers Memorial Hall Committee
- Strategic Planning and Development Policy
- Victoria Park Trust (completed the financial year, dissolved at 30 June 2016)
- Yacka Community Development Board (completed the financial year, dissolved at 30 June 2016)
- Yacka Hall Committee (completed the financial year, dissolved at 30 June 2016)
- Yacka History Group (completed the financial year, dissolved at 30 June 2016)

COMPLIANCE STATEMENT CONTINUED

Statutory Committees

- Council Development Assessment Panel
- Building Fire Safety Committee

Subsidiaries

Council is a member of 1 regional subsidiary pursuant to Section 43 of the Act.

- Central Local Government Region

The Central Local Government Region is made up of 13 Councils that meet regularly and make recommendations to the Local Government Association.

GOVERNANCE

Decision Making Structure of Council

1. Attendance by the Public

Council meetings are held at the Council Chamber, 94 Ayr Street, Jamestown at 5 pm on the third Tuesday of each month.

Following the Council Elections in November 2014, Council elected to hold their meetings at 1 pm, in lieu of 5pm, on the third Tuesday of each month.

Council's Audit Committee meet at least twice per year, and other times as appropriate.

The Development Assessment Panel meets as required. In the 2014/2015 reporting year, the Panel met on 21 April, 26 May and 11 June 2015.

The Building Fire Safety Committee hold a minimum of 2 meeting each calendar year.

Council, Committee and Panel meetings are open to the public and attendance at these meetings is encouraged.

Members of the public can raise a relevant topic or issue with Council, in the following manner:

2. Deputations

With the permission of the Committee Chair or Mayor, a member of the public can address Council or a Committee personally, or on behalf of a group of residents

3. Written Requests

Any person wishing to raise a matter with Council, should communicate in writing to the Chief Executive Officer

4. Petitions

Written petitions should be addressed to the Council on any relevant issue that is covered by Council's jurisdiction, for presentation to Council.

5. Elected Members

Members of the public can contact an Elected Member of Council to discuss any issue relevant to Council. Contact details are available on Council's website.

Closing dates are applicable for Council meetings for items to be included on Agendas. Contact Council to determine these timelines.

Agendas for meetings are placed on public display at Council's Principle Office in Jamestown and satellite offices at Gladstone and Spalding, and on Council's website, no less than three clear days prior to meetings.

Minutes for Council meetings are displayed within 5 days of the meeting date.

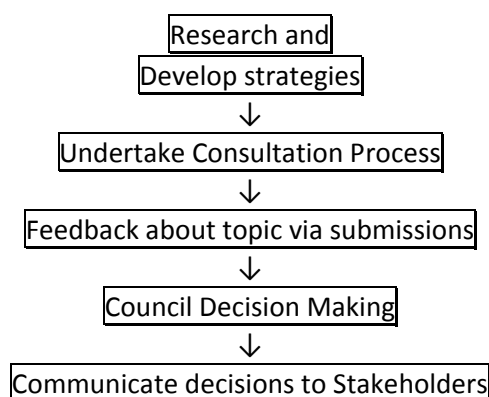
GOVERNANCE CONTINUED

Public Consultation

The Council consults with local residents on particular issues that affect their neighbourhood.

Northern Areas Council has adopted a Public Consultation Policy in accordance with Section 50 of the Local Government Act 1999. The policy is available for inspection at the Council Offices and on Council's website.

The steps taken in implementing the Consultation and Decision Making processes are outlined below:



Tender Policy and Procedure

Council's Tender Policy and Procedure has established basic principles that allow industry to have an equal opportunity to compete and participate. They aim to protect the interest of all parties and to ensure propriety and public accountability in arranging contracts within local government. Council's Tender Policy and Procedure was reviewed in December 2012, without change.

Tenders are called if:

- (1) the expected value for any one item of plant or machinery is over \$440,000 (including GST).
- (2) the expected value for any other one item of a goods or service is over \$110,000 (including GST).

The execution of projects by contract, or the supply of goods or services, are initiated by one of four basic tendering procedures.

These being:

- Open Tenders. All interested parties are invited through open public advertisement to tender on a common basis. Tenderers are required to prove they have the necessary competence, resources, quality, occupational health and safety management and financial capacity to undertake the work.
- Selected Tenders. A limited number of organisations are directly invited to tender because of their proven experience or recognised ability to undertake particular work.
- Negotiated Tenders. A firm tender is arrived at by negotiation with a single prospective organisation. The negotiations must be carried out in good faith.

GOVERNANCE CONTINUED

- Pre-registered tenders. Expressions of interest are invited for a project. Applicants are evaluated with a small number meeting the required criteria then being invited to tender.

A copy of the Tender Policy and Procedure is available on the Council website.

Internal Review of Council Decision

Council is committed to open, responsive and accountable government. This includes providing processes by which citizens adversely affected by a decision of Council can have their grievances considered.

Many issues arise during the course of the Council activities and most are initially made verbally by telephone, fact to face or in writing to a Council Officer and flow through to a customer request, or to an Elected Member.

This policy and procedure specifically addresses the manner in which request for a review of a previous decision of Council will be dealt with, and provides a fair, consistent and structured process for any party dissatisfied with a decision which has been made by Council.

Any grievances are first referred to the relevant Council staff member, and on most occasions this will result in the matter being resolved satisfactorily.

One Request to Review a Council Decision was received in the 2013/2014 year.

Complaints Policy and Procedure

The Complaints Policy and Procedure provides a framework to Council for receiving and responding to complaints from the public as a means of improving customer service in all areas of Council's operations.

This policy aims to ensure that issues which are the subject of complaints are addressed efficiently and effectively, to the satisfaction of the complainant.

Delegations

The Chief Executive Officer and Senior Officers have the authority from Council to make decisions on specified administrative and policy areas.

Strategic Plan

The 2011-2016 Strategic Plan focuses on Council's priorities, reflecting the desire to move into a sound financial position, to manage assets, to provide a high standard of equitable services across the Council area, and to support and develop staff.

The Plan has been developed through a process which involved:

- Consultation;
- Review and analysis of policies and documentation;
- Aligning with State and Regional plans;
- Workshop with Elected Members and Senior Staff;
- Assistance from an external Consultant

GOVERNANCE CONTINUED

The Plan has four goals:

Goal 1 – Financial Sustainability;

Goal 2 – Effective Management of infrastructure, assets and build environment;

Goal 3 – Deliver a high standard of service to our community on an equitable basis;

Goal 4 – Council recruits and retains highly skilled staff.

Actions have been development for each of these Goals.

The Strategic Plan was adopted by Council on 20 September 2011 and is due to be renewed in 2016.

Key External Organisation Links

Council is a member of and involved with a number of statute and operational organisations, including:

- Central Local Government Region of Councils
- Local Government Association of SA
- Local Government Finance Authority of SA
- Northern Passenger Transport Network
- Northern and Yorke Natural Resource Management Board
- Regional Development Australia Yorke and Mid North

Council Member Allowances

The Northern Areas Council is in Group 4. The Annual allowances for the Northern Areas Council Members as at 30 June 2015 were:

Councillor	\$ 9,100 per annum
Deputy Mayor	\$11,375 per annum
Mayor	\$36,400 per annum

Council Member Allowances are paid quarterly in arrears.



NORTHERN AREAS COUNCIL



FINANCIAL REPORT

for year ended 30th June 2016

NORTHERN AREAS COUNCIL

General Purpose Financial Reports for the year ended 30 June 2016

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NORTHERN AREAS COUNCIL

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.



.....
Colin Robert Byles
CHIEF EXECUTIVE OFFICER



.....
Denis Vincent Clark
MAYOR

Dated this 14th day of November 2016

NORTHERN AREAS COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
INCOME			
Rates	2	6,758,288	6,250,051
Statutory charges	2	113,441	106,320
User charges	2	135,901	133,021
Grants, subsidies and contributions	2	1,781,168	3,092,317
Investment income	2	100,422	80,020
Reimbursements	2	847,366	184,545
Other income	2	670,310	570,826
Total Income		<u>10,406,896</u>	<u>10,417,100</u>
EXPENSES			
Employee costs	3	3,379,527	3,329,277
Materials, contracts & other expenses	3	3,218,362	2,734,126
Depreciation, amortisation & impairment	3	4,370,920	4,247,412
Finance costs	3	449,448	449,768
Total Expenses		<u>11,418,257</u>	<u>10,760,583</u>
OPERATING SURPLUS / (DEFICIT)		(1,011,361)	(343,483)
Asset disposal & fair value adjustments	4	11,971	106,427
Amounts received specifically for new or upgraded assets	2	132,356	311,679
NET SURPLUS / (DEFICIT)		<u>(867,034)</u>	<u>74,623</u>
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	4,999,767	-
Total Other Comprehensive Income		<u>4,999,767</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>4,132,733</u>	<u>74,623</u>

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

NORTHERN AREAS COUNCIL

STATEMENT OF FINANCIAL POSITION as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,515,970	3,519,311
Trade & other receivables	5	918,336	482,235
Inventories	5	40,054	71,732
Total Current Assets		<u>4,474,360</u>	<u>4,073,278</u>
Non-current Assets			
Financial assets	6	502,645	549,233
Infrastructure, property, plant & equipment	7	136,128,227	131,754,657
Total Non-current Assets		<u>136,630,872</u>	<u>132,303,890</u>
Total Assets		<u>141,105,232</u>	<u>136,377,168</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	913,046	440,198
Borrowings	8	1,903,025	1,877,613
Provisions	8	1,000,764	796,325
Total Current Liabilities		<u>3,816,835</u>	<u>3,114,136</u>
Non-current Liabilities			
Borrowings	8	6,839,118	6,802,143
Provisions	8	28,108	172,451
Total Non-current Liabilities		<u>6,867,226</u>	<u>6,974,594</u>
Total Liabilities		<u>10,684,061</u>	<u>10,088,730</u>
NET ASSETS		<u>130,421,171</u>	<u>126,288,438</u>
EQUITY			
Accumulated Surplus		7,424,204	8,460,841
Asset Revaluation Reserves	9	121,849,565	116,849,798
Other Reserves	9	1,147,402	977,799
TOTAL EQUITY		<u>130,421,171</u>	<u>126,288,438</u>

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

NORTHERN AREAS COUNCIL

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

2016	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		8,460,841	116,849,798	977,799	126,288,438
Net Surplus / (Deficit) for Year		(867,034)	-	-	(867,034)
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	4,999,767	-	4,999,767
Transfers between reserves		(169,603)	-	169,603	-
Balance at end of period		7,424,204	121,849,565	1,147,402	130,421,171
2015					
Balance at end of previous reporting period		8,652,781	116,849,798	711,236	126,213,815
Net Surplus / (Deficit) for Year		74,623	-	-	74,623
Transfers between reserves		(266,563)	-	266,563	-
Balance at end of period		8,460,841	116,849,798	977,799	126,288,438

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

NORTHERN AREAS COUNCIL

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		6,747,153	6,248,361
Fees & other charges		122,453	106,320
User charges		147,906	111,341
Investment receipts		72,973	63,484
Grants utilised for operating purposes		1,914,756	3,092,317
Reimbursements		659,853	184,545
Other revenues		889,724	570,826
<u>Payments</u>			
Employee costs		(3,322,353)	(3,282,212)
Materials, contracts & other expenses		(3,341,827)	(2,800,887)
Finance payments		(403,028)	(461,622)
Net Cash provided by (or used in) Operating Activities		3,487,610	3,832,473
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		132,356	311,679
Sale of replaced assets		16,011	141,943
Sale of surplus assets		8,376	288,386
Net disposal of investment securities		16,262	9,640
Repayments of loans by community groups		80,796	53,469
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,435,111)	(3,313,768)
Expenditure on new/upgraded assets		(322,028)	(365,147)
Loans made to community groups		(50,000)	-
Net Cash provided by (or used in) Investing Activities		(3,553,338)	(2,873,798)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from borrowings		940,000	1,200,000
<u>Payments</u>			
Repayments of borrowings		(877,613)	(734,715)
Net Cash provided by (or used in) Financing Activities		62,387	465,285
Net Increase (Decrease) in cash held		(3,341)	1,423,960
Cash & cash equivalents at beginning of period	11	<u>3,519,311</u>	<u>2,095,351</u>
Cash & cash equivalents at end of period	11	<u>3,515,970</u>	<u>3,519,311</u>

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

NORTHERN AREAS COUNCIL

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

Northern Areas Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 94 Ayr Street, Jamestown, SA 5491. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

3 Income recognition

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

Northern Areas Council

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

Note 1 - Significant Accounting Policies (cont)

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

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

	Cash Payment Received	Annual Allocation	Difference	
2013/14	\$1,087,122	\$1,992,973	+ / -	-\$905,851
2014/15	\$2,751,795	\$1,817,905	+ / -	\$933,890
2015/16	\$870,464	\$1,804,354	+ / -	-\$933,890

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".

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

Northern Areas Council

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.

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

6.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

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

Northern Areas Council

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

Note 1 - Significant Accounting Policies (cont)

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).

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

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

6.7 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

Northern Areas Council

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

Note 1 - Significant Accounting Policies (cont)

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

Weighted average discount rate	3.0% (2015, 3.0%)
Weighted average settlement period	5 years (2015, 5 years)

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

10 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 18.

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.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 124	Related Party Disclosures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

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

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

Northern Areas Council

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

Note 1 - Significant Accounting Policies (cont)

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.

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.

NORTHERN AREAS COUNCIL

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

Note 2 - INCOME

	Notes	2016 \$	2015 \$
RATES REVENUES			
<u>General Rates</u>		<u>5,386,760</u>	<u>4,963,307</u>
		5,386,760	4,963,307
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		194,199	187,527
Waste collection		452,212	435,758
Community wastewater management systems		<u>726,519</u>	<u>661,969</u>
		1,372,930	1,285,254
<u>Other Charges</u>			
Penalties for late payment		32,052	29,915
Legal & other costs recovered		<u>12,748</u>	<u>14,374</u>
		44,800	44,289
Less: Discretionary rebates, remissions & write offs		<u>(46,202)</u>	<u>(42,799)</u>
		<u>6,758,288</u>	<u>6,250,051</u>
STATUTORY CHARGES			
Development Act fees		56,391	51,138
Town planning fees		15,745	16,817
Animal registration fees & fines		32,652	29,913
Sundry		<u>8,653</u>	<u>8,452</u>
		<u>113,441</u>	<u>106,320</u>
USER CHARGES			
Cemetery/crematoria fees		33,158	30,232
Waste Management		27,318	25,785
Road Rents		10,788	10,686
Hall, Parks, Gardens & equipment hire		29,864	25,384
Washdown Bay		14,428	13,433
Immunisations		-	1,205
Searches & Sundry		<u>20,345</u>	<u>26,296</u>
		<u>135,901</u>	<u>133,021</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		65,853	43,842
Banks & other		3,982	3,521
Loans to community groups		<u>30,587</u>	<u>32,657</u>
		<u>100,422</u>	<u>80,020</u>

NORTHERN AREAS COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

NOTE 2 - INCOME (continued)

	Notes	2016 \$	2015 \$
REIMBURSEMENTS			
- for roadworks		716,600	17,379
- for NRM costs		3,300	3,169
- for CFS costs		-	1,351
- other		127,466	162,646
		847,366	184,545
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		4,059	704
Section 41 Committees		468,505	402,751
Rebates received		165,880	136,252
Sundry		31,866	31,119
		670,310	570,826
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		132,356	311,679
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		870,464	2,751,795
Roads to Recovery		821,307	287,374
Library & Communications		18,483	18,613
Sundry		70,914	34,535
		1,781,168	3,092,317
		1,913,524	3,403,996
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
Commonwealth government		821,307	287,374
State government		942,856	2,751,795
Other		149,361	364,827
		1,913,524	3,403,996

NORTHERN AREAS COUNCIL

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

Note 3 - EXPENSES

	Notes	2016 \$	2015 \$
EMPLOYEE COSTS			
Salaries and Wages		2,956,813	2,926,627
Employee leave expense		368,890	401,318
Superannuation - defined contribution plan contributions	17	218,450	201,252
Superannuation - defined benefit plan contributions	17	79,164	81,212
Workers' Compensation Insurance		159,800	155,637
Less: Capitalised and distributed costs		<u>(403,590)</u>	<u>(436,769)</u>
Total Operating Employee Costs		<u>3,379,527</u>	<u>3,329,277</u>
Total Number of Employees		50.5	51.1
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		17,110	10,650
Elected members' expenses		124,550	116,762
Election expenses		1,324	19,078
Subtotal - Prescribed Expenses		<u>142,984</u>	<u>146,490</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		620,547	501,238
Energy		134,033	153,393
Insurance		422,057	407,078
Section 41 Expenses		225,870	277,882
Section 41 Expenses - Transfer to Incorporated		211,305	-
Maintenance - Infrastructure		897,319	828,301
Maintenance - Plant & Equipment		416,195	425,466
Fuel - Plant & Equipment		396,640	466,528
Legal Expenses		24,310	42,665
Levies paid to government - NRM levy		194,180	188,324
Libraries		83,557	79,997
Waste Management		646,449	637,099
Less: Capitalised and distributed costs		<u>(1,197,084)</u>	<u>(1,420,335)</u>
Subtotal - Other Materials, Contracts & Expenses		<u>3,075,378</u>	<u>2,587,636</u>
		<u>3,218,362</u>	<u>2,734,126</u>
INDIVIDUALLY SIGNIFICANT ITEMS			
Section 41 Expenses - significantly higher than usual to recognise the transfer of funds from Section 41 Committees to Incorporated Bodies.		<u>211,305</u>	<u>-</u>

NORTHERN AREAS COUNCIL

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

Note 3 - EXPENSES (cont)

	Notes	2016 \$	2015 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures - Level 2		469,713	461,118
Roads		2,892,279	2,802,084
Bridges, Cycle trails		115,424	115,128
Stormwater Drainage		78,082	75,343
Community Waste Water Management		303,036	302,940
Plant, Machinery & Equipment		490,816	471,985
Office Equipment, Furniture & Fittings		21,570	18,814
		<u>4,370,920</u>	<u>4,247,412</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		1,041	11,336
Interest on Loans		430,445	421,859
Bank Fees		17,962	16,573
		<u>449,448</u>	<u>449,768</u>

NORTHERN AREAS COUNCIL

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
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	13,011	-
Less: Carrying amount of assets sold	2,416	-
Gain (Loss) on disposal	10,595	-
 <i>Assets surplus to requirements</i>		
Proceeds from disposal	8,376	288,386
Less: Carrying amount of assets sold	7,000	181,959
Gain (Loss) on disposal	1,376	106,427
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		
	11,971	106,427

NORTHERN AREAS COUNCIL

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

Note 5 - CURRENT ASSETS

		2016	2015
CASH & EQUIVALENT ASSETS		\$	\$
Cash on Hand and at Bank	Notes	2,204,163	1,123,221
Deposits at Call		1,311,807	2,396,090
		<u>3,515,970</u>	<u>3,519,311</u>
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		294,115	282,980
Accrued Revenues		70,889	43,440
Debtors - general		381,434	107,599
GST Recoupment		83,660	-
Prepayments		40,492	-
Loans to community organisations		47,746	48,216
		<u>918,336</u>	<u>482,235</u>
 INVENTORIES			
Stores & Materials		21,205	43,383
Trading Stock		18,849	28,349
		<u>40,054</u>	<u>71,732</u>

NORTHERN AREAS COUNCIL

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

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2016	2015
		\$	\$
Receivables			
Loans to community organisations		<u>397,732</u>	<u>428,058</u>
		397,732	428,058
Other Financial Assets			
Fixed Term Deposits - Section 41 Committees		<u>104,913</u>	<u>121,175</u>
TOTAL FINANCIAL ASSETS		<u>502,645</u>	<u>549,233</u>

NORTHERN AREAS COUNCIL

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

		2015				2016			
		\$				\$			
Fair Value Level		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	2	8,310,700	-	-	8,310,700	8,303,700	-	-	8,303,700
	2	3,577,174	-	(286,311)	3,290,863	3,649,413	-	(429,897)	3,219,516
	3	17,462,873	603,827	(8,391,214)	9,675,486	17,550,225	1,247,885	(8,716,759)	10,081,351
	3	134,289,271	6,155,598	(45,800,986)	94,643,883	134,289,271	8,425,119	(48,693,265)	94,021,125
	3	8,934,053	166,595	(7,271,921)	1,828,727	8,934,053	166,595	(7,387,345)	1,713,303
	3	3,372,217	189,961	(446,759)	3,115,419	3,387,581	311,543	(524,840)	3,174,284
	3	16,466,367	-	(8,250,884)	8,215,483	17,112,679	-	(4,192,445)	12,920,234
	-	-	7,730,783	(5,126,825)	2,603,958	-	8,122,984	(5,556,524)	2,566,460
	-	-	454,659	(384,521)	70,138	-	373,823	(245,569)	128,254
		192,412,655	15,301,423	(75,959,421)	131,754,657	193,226,922	18,647,949	(75,746,644)	136,128,227
		191,389,569	13,217,869	(71,960,382)	132,647,056	192,412,655	15,301,423	(75,959,421)	131,754,657

Comparatives

This Note continues on the following pages.

NORTHERN AREAS COUNCIL

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2015	CARRYING AMOUNT MOVEMENTS DURING YEAR					2016
	\$	\$					\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals					
Land - Level 2	8,310,700	-	-	(7,000)	-	-	8,303,700
Buildings & Other Structures - Level 2	3,290,863	-	75,237	(2,415)	(144,169)	-	3,219,516
Buildings & Other Structures - Level 3	9,675,486	322,028	409,381	-	(325,544)	-	10,081,351
Roads	94,643,883	-	2,269,521	-	(2,892,279)	-	94,021,125
Bridges, Cycle trails	1,828,727	-	-	-	(115,424)	-	1,713,303
Stormwater Drainage	3,115,419	-	136,947	-	(78,082)	-	3,174,284
Community Waste Water Management	8,215,483	-	8,020	-	(303,036)	4,999,767	12,920,234
Plant, Machinery & Equipment	2,603,958	-	453,318	-	(490,816)	-	2,566,460
Office Equipment, Furniture & Fittings	70,138	-	79,686	-	(21,570)	-	128,254
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	131,754,657	322,028	3,432,110	(9,415)	(4,370,920)	4,999,767	136,128,227
<i>Comparatives</i>	132,647,056	365,147	3,171,823	(181,957)	(4,247,412)	-	131,754,657

This Note continues on the following pages.

NORTHERN AREAS COUNCIL

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.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

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

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

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

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

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

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

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

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

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$2,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000

Northern Areas Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

Note 7 – Property, Plant & Equipment (cont)

Artworks	\$5,000
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Estimated Useful Lives: Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

Land & Land Improvements

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

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

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2014 by Asset Valuation & Consulting Pty Ltd. All acquisitions made after this time are recorded at cost.

The next scheduled revaluation date will be during the 2016/17 financial year.

Infrastructure

Transportation assets were valued by Moloney Asset Management Systems at depreciated current replacement cost as at 1 July 2012, based on actual costs incurred during the reporting period ended 30 June 2013. All acquisitions made after the respective dates of valuation are recorded at cost.

The Moloney Asset Management Systems valuation included an amount of \$54,117,663 in relation to Road Formations. This is significantly higher than amount attributed to Road formations by the previous Asset Valuation & Consulting Pty Ltd valuations and is therefore was a large component of the revaluation increment.

The next scheduled revaluation date will be during the 2016/17 financial year.

Northern Areas Council

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

Note 7 – Property, Plant & Equipment (cont)

Stormwater drainage infrastructure was valued by Asset Valuation & Consulting Pty Ltd as at 1 July 2013 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2013. All acquisitions made after the respective dates of valuation are recorded at cost. The next scheduled revaluation date will be during the 2016/17 financial year.

Community wastewater management system infrastructure was valued at depreciated current replacement cost during the reporting period ended 30 June 2016 by Gayler Professional Services. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

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

NORTHERN AREAS COUNCIL

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

Note 8 - LIABILITIES

	Notes	2016		2015	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		691,288	-	261,938	-
Accrued expenses - employee entitlements		43,696	-	46,618	-
Accrued expenses - interest & other		178,062	-	131,642	-
		<u>913,046</u>	<u>-</u>	<u>440,198</u>	<u>-</u>
 BORROWINGS					
Loans		<u>1,903,025</u>	<u>6,839,118</u>	<u>1,877,613</u>	<u>6,802,143</u>
		<u>1,903,025</u>	<u>6,839,118</u>	<u>1,877,613</u>	<u>6,802,143</u>
 <i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
 PROVISIONS					
Employee entitlements (including oncosts)		<u>1,000,764</u>	<u>28,108</u>	<u>796,325</u>	<u>172,451</u>
		<u>1,000,764</u>	<u>28,108</u>	<u>796,325</u>	<u>172,451</u>

NORTHERN AREAS COUNCIL

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2015	Net Increments (Decrements)	Transfers, Impairments	30/6/2016
Notes	\$	\$	\$	\$
Land - Level 2	7,635,015	-	-	7,635,015
Buildings & Other Structures	8,338,366	-	-	8,338,366
Roads	94,405,467	-	-	94,405,467
Bridges, Cycle trails	1,637,356	-	-	1,637,356
Community Waste Water Management	2,028,795	4,999,767	-	7,028,562
Stormwater Drainage	2,804,799	-	-	2,804,799
TOTAL	116,849,798	4,999,767	-	121,849,565
<i>Comparatives</i>	<i>116,849,798</i>	<i>-</i>	<i>-</i>	<i>116,849,798</i>

OTHER RESERVES	1/7/2015	Transfers to Reserve	Transfers from Reserve	30/6/2016
Jamestown CWMS Reserve	566,624	106,990	-	673,614
Laura CWMS Reserve	263,892	38,678	-	302,570
Gladstone CWMS Reserve	147,283	23,935	-	171,218
TOTAL OTHER RESERVES	977,799	169,603	-	1,147,402
<i>Comparatives</i>	<i>711,236</i>	<i>266,563</i>	<i>-</i>	<i>977,799</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).

Jamestown CWMS Reserve

The Jamestown CWMS reserve is used to record the holding of funds for future Jamestown Community Wastewater Management System development (formally STEDS)

Laura CWMS Reserve

The Laura CWMS reserve is used to record the holding of funds for future Laura Community Wastewater Management System development (formally STEDS)

Gladstone CWMS Reserve

The Gladstone CWMS reserve is used to record the holding of funds for future Gladstone Community Wastewater Management System development (formally STEDS)

NORTHERN AREAS COUNCIL

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
CASH & FINANCIAL ASSETS	Notes	\$	\$
CWMS		<u>994,612</u>	<u>871,453</u>
		<u>994,612</u>	<u>871,453</u>

CWMS - LGFA reserve from separate rates which remain unexpended on CWMS maintenance, upgrade and replacement over the period of each individual scheme.

NORTHERN AREAS COUNCIL

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	3,515,970	3,519,311
Balances per Cash Flow Statement		<u>3,515,970</u>	<u>3,519,311</u>

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

Net Surplus (Deficit)		(867,034)	74,623
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		4,370,920	4,247,412
Net increase (decrease) in unpaid employee benefits		57,174	47,065
Grants for capital acquisitions treated as Investing Activity		(132,356)	(311,679)
Net (Gain) Loss on Disposals		(11,971)	(106,427)
		<u>3,416,733</u>	<u>3,950,994</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(436,571)	(39,906)
Net (increase) decrease in inventories		31,678	22,505
Net increase (decrease) in trade & other payables		475,770	(101,120)
Net Cash provided by (or used in) operations		<u>3,487,610</u>	<u>3,832,473</u>

(c) Financing Arrangements

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

Bank Overdrafts	150,000	150,000
Corporate Credit Cards	20,000	20,000
LGFA Cash Advance Debenture facility	2,000,000	2,000,000

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

NORTHERN AREAS COUNCIL

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)		
ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2016	2015	2016	2015	
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
ADMINISTRATION	7,728,999	8,649,399	2,017,404	1,963,913	5,711,595	6,685,486	682,498	1,424,573	5,490,323	5,389,057
PUBLIC ORDER & SAFETY	43,081	33,202	59,410	61,549	(16,329)	(28,347)	-	-	355,661	366,357
HEALTH & WELFARE	43,266	75,236	127,235	113,476	(83,969)	(38,240)	31,000	29,000	1,080,852	1,102,747
COMMUNITY AMENITIES	123,686	96,299	1,852,103	1,822,976	(1,728,417)	(1,726,677)	-	-	14,379,702	9,700,084
PROTECTION OF THE ENVIRONMENT	-	2,991	4,905	4,691	(4,905)	(1,700)	-	-	-	-
SPORT & RECREATION	216,475	169,798	1,050,577	1,121,601	(834,102)	(951,803)	40,633	20,113	14,083,389	13,645,920
MINING, MANUFACTURING & CONSTRUCTION	43,898	37,462	176,804	183,182	(132,906)	(145,720)	-	-	-	-
TRANSPORT & COMMUNICATION	1,022,367	897,338	4,349,642	4,099,555	(3,327,275)	(3,202,217)	1,009,273	680,706	99,264,141	99,945,779
ECONOMIC DEVELOPMENT	64,439	19,313	186,470	149,477	(122,031)	(130,164)	-	3,300	781,983	794,686
OTHER PURPOSES (NEC)	1,120,685	436,062	1,593,707	1,240,163	(473,022)	(804,101)	759	735	5,669,181	5,432,538
TOTALS	10,406,896	10,417,100	11,418,257	10,760,583	(1,011,361)	(343,483)	1,764,163	2,158,427	141,105,232	136,377,168

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.

NORTHERN AREAS COUNCIL

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

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.75% and 2.4% (2015: 2.0% and 3.0%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 9% (2015: 9%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable; interest is charged at fixed or variable rates between 3.75% and 6.7% (2015: 4.25% and 6.7%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

NORTHERN AREAS COUNCIL

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
Financial Assets					
Cash & Equivalents	3,515,970	-	-	3,515,970	3,515,970
Receivables	102,643	213,500	282,375	598,518	1,021,953
Other Financial Assets	104,913	-	-	104,913	104,913
Total	3,723,526	213,500	282,375	4,219,401	4,642,836
Financial Liabilities					
Payables	691,288	-	-	691,288	691,288
Current Borrowings	1,903,025	-	-	1,903,025	1,903,025
Non-Current Borrowings	-	4,009,843	4,945,377	8,955,220	6,839,118
Total	2,594,313	4,009,843	4,945,377	11,549,533	9,433,431
2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	3,519,311	-	-	3,519,311	3,519,311
Receivables	77,553	260,151	317,943	655,647	627,313
Other Financial Assets	121,175	-	-	121,175	121,175
Total	3,718,039	260,151	317,943	4,296,133	4,267,799
Financial Liabilities					
Payables	261,938	-	-	261,938	261,938
Current Borrowings	2,350,789	-	-	2,350,789	1,877,613
Non-Current Borrowings	-	4,378,407	4,276,542	8,654,949	6,802,143
Total	2,612,727	4,378,407	4,276,542	11,267,676	8,941,694

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
Other Variable Rates	4.0	1,000,000	4.25	1,000,000
Fixed Interest Rates	5.83	7,742,143	5.86	7,679,756
		<u>8,742,143</u>		<u>8,679,756</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.

NORTHERN AREAS COUNCIL

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

Note 14 - COMMITMENTS FOR EXPENDITURE

	2016	2015
	Notes	
	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	32,739	-
Plant & Equipment	94,481	-
	<u>127,220</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	<u>127,220</u>	<u>-</u>
	<u>127,220</u>	<u>-</u>

NORTHERN AREAS COUNCIL

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

<u>Operating Surplus</u>	(10.0%)	(3.0%)	(25.0%)
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio

	(10%)	(12%)	(14%)
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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

<u>Net Financial Liabilities</u>	55%	53%	77%
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

<u>Net Asset Renewals</u>	78%	75%	62%
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 is currently being used as a proxy until all I& have been completed

NORTHERN AREAS COUNCIL

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

	2016 \$	2015 \$
Income	10,406,896	10,417,100
<i>less</i> Expenses	<u>11,418,257</u>	<u>10,760,583</u>
Operating Surplus / (Deficit)	(1,011,361)	(343,483)
 <i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,435,111	3,313,768
Depreciation, Amortisation and Impairment	(4,370,920)	(4,247,412)
Proceeds from Sale of Replaced Assets	<u>(16,011)</u>	<u>(141,943)</u>
	(951,820)	(1,075,587)
 <i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	322,028	365,147
Amounts received specifically for New and Upgraded Assets	(132,356)	(311,679)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>(8,376)</u>	<u>(288,386)</u>
	181,296	(234,918)
 Net Lending / (Borrowing) for Financial Year	 <u>(240,837)</u>	 <u>967,022</u>

NORTHERN AREAS COUNCIL

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

Note 17 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 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.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, 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.

NORTHERN AREAS COUNCIL

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

Note 18 - INTERESTS IN OTHER ENTITIES

Equity accounted Council Businesses

All equity accounted Council businesses are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

Central Local Government Association

Established in 1988, this organisation is formed under Section 43 of the Local Government Act to allow membersgip Councils to approach regional issues in a collaborative manner.

	2016	2015
Central Local Government Association	\$	\$
Council's respective interests are:		
- interest in the operating result	6.67%	6.67%
- ownership share of equity	6.67%	6.67%
- the proportion of voting power	6.67%	6.67%
<u>Movements in Investment in Joint Operation</u>	<u>\$</u>	<u>\$</u>
Opening Balance	37,483	58,314
Share in Operating Result	8,238	(20,831)
Share in Equity of Joint Operation	<u>45,721</u>	<u>37,483</u>

NORTHERN AREAS COUNCIL

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 BALANCE SHEET

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 2,203 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 guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$397,732 (2015: \$428,058) 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 no notice of 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.

5. TRUST FUNDS

Council holds funds on behalf of community bodies totalling \$462,466.96. These have not been included in the financial statements.

Independent Audit Report to the Members of the Northern Areas Council

We have audited the accompanying financial report of the Northern Areas Council (Council) which comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2016.

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*) and the *Local Government Act 1999* together with the *Local Government (Financial Management) Regulations 2011*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 Board of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and the *Local Government Act 1999*.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Council as of 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with *Australian Accounting Standards* (including the *Australian Accounting Interpretations*) and the *Local Government Act 1999* together with the *Local Government (Financial Management) Regulations 2011*.



Ian G McDonald FCA
Chartered Accountant
Registered Company Auditor 16458

Signed this 15th day of November 2016 at Adelaide, South Australia

Independent Assurance Report on the Internal Controls of the Northern Areas Council

We have audited the compliance of the Northern Areas Council (Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 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* in relation to Internal Controls 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.

Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable *Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements*, issued by the *Australian Auditing and Assurance Standards Board*, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 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 and implementation 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 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

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

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 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2015 to 30 June 2016.



Ian G McDonald FCA

Chartered Accountant

Registered Company Auditor 16458

Signed 15th day of November 2016, at Adelaide, South Australia

NORTHERN AREAS COUNCIL

**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 Northern Areas Council for the year ended 30 June 2016, the Council's Auditor, Ian G McDonald, 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*.



.....
Colin Robert Byles
CHIEF EXECUTIVE OFFICER



.....
Lavonne Lea
**PRESIDING MEMBER
AUDIT COMMITTEE**

Dated this 14th day of November 2016

NORTHERN AREAS COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Northern Areas Council for the year ended 30 June 2016, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Ian G McDonald FCA

Dated this 4th day of October 2016