



# Northern Areas Council

**Annual Report 2014/2015**



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## **THE YEAR IN BRIEF**

The 2014-15 financial year was a year of change for the Northern Areas Council.

Council elections occurred in early November 2014 with 3 new councillors were elected. Councillor Sue Scarman (representing the Rocky River Ward), Councillor Jim Walden (representing the Yackamoorundie Ward) and Councillor Hank Langes (representing the Jamestown Ward) became members of the Northern Areas Council. Councillor Denis Clark was elected by councillors to become Mayor of the Northern Areas Council.

The Chief Executive Officer, Roger Crowley retired in late November 2014 after serving some 20 plus years in several positions with the District Council of Spalding and then with the amalgamated Northern Areas Council.

In February 2015 Colin Byles was appointed to the position of Chief Executive Officer for the Northern Areas Council.

In March 2015 the South Australian State Government held a Country Cabinet Meeting in the Jamestown at the Northern Areas Council Chambers. This Cabinet meeting was part of a 4 day visit by Cabinet to the Mid and Upper North councils of the District Council of Orroroo Carrieton, the District Council of Peterborough, the Regional Council of Goyder and the Northern Areas Council. The Cabinet meeting allowed the four Councils to present issues that affect the communities of the Mid and Upper North.

The opening of the floating solar plant on the community waste water lagoons at Jamestown put the Northern Areas Council on the national and international map as a renewable energy Council. This floating solar plant is the first in Australia to operate on a waste water lagoon.

The approval of the first stage of a 95 tower wind farm at Hornsdale north east of Jamestown was announced by the State Government with works to commence in early 2015. This project has the potential to provide significant economic benefits to the local community in terms of local employment, local purchases and local accommodation.

With the Northern Areas Council having wind farms, solar and waste water reuse in the council region several requests were made by organisations on how this has occurred and the benefits to the community has seen from these projects.

The Local Government Association of South Australia held their March Board meeting in Jamestown. Council used this opportunity to showcase the Council area and the activities occurring in the council. The LGA board was very impressed with the energy renewables being used throughout the council.

Council in conjunction with the Chief Executive Officer are developing a range of strategies that will improve the operations of council in the short and long term. This project will be ongoing over a number of years.

The year has been one of change in terms of personnel, with Council now about to explore the opportunities of change management within Council to gain more efficiencies and effectiveness.



**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 3070km<sup>2</sup>, 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.

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](mailto:ceo@nacouncil.sa.gov.au)  
Webpage: [www.nacouncil.sa.gov.au](http://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

<b>Total Population</b>	<b>4505</b>
<b>Total Area</b>	<b>3070km<sup>2</sup></b>
<b>Number of Rateable Properties</b>	<b>4081</b>
<b>Total Road Network</b>	<b>2330 km</b>
<b>Number of Electors</b>	<b>4451</b>
<b>Total Number of Elected Members (including Mayor)</b>	<b>9</b>
<b>Number of Staff – FTE</b>	<b>51.1</b>
<b>State Electorate</b>	<b>Stuart, Frome</b>
<b>Federal Electorate</b>	<b>Grey</b>



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

**CURRENT ELECTED MEMBERS – ELECTED NOVEMBER 2015**



**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

Northern Areas Council comprises four wards:

- Jamestown
- Rocky River
- Yackamoорundie
- Spalding

The Northern Areas Council community is represented by nine members. In November 2012 Council moved by resolution to change the name of the principal member from Chairman to Mayor.

### **Council Members - July 2014 To October 2014**

Cr. Denis Vincent Clark (Mayor)	Jamestown Ward
Cr. John Barberien (Deputy Mayor)	Rocky River Ward
Cr. Geoffrey William (Geoff) Lange	Rocky River Ward
Cr. Timothy James (Tim) Zander	Rocky River Ward
Cr. Leon Pollard	Jamestown Ward
Cr. Glanville Clifford (Glan) Moore	Jamestown Ward
Cr. Mervyn John (Merv) Robinson	Jamestown Ward
Cr. Benedict James (Ben) Browne	Spalding Ward
Cr. Jeff Burgess	Yackamoорundie Ward

### **Meeting Attendance**

4 Ordinary Council meetings, 3 Special Meetings were held between July 2014 and October 2014. Council member attendances at these meetings were as follows:

<b>ELECTED MEMBERS JULY 2014 – OCTOBER 2014</b>	<b>Number Ordinary Meetings</b>	<b>Number Ordinary Meetings Attended</b>	<b>Number Special Meetings</b>	<b>Number Special Meetings Attended</b>
Cr. Denis Clark (Mayor)	4	4	3	3
Cr. John Barberien (Deputy Mayor)	4	4	3	3
Cr. Ben Browne	4	3	3	2
Cr. Jeff Burgess	4	4	3	2
Cr. Geoff Lange	4	4	3	3
Cr. Glan Moore	4	4	3	2
Cr. Leon Pollard	4	4	3	3
Cr. Merv Robinson	4	4	3	3
Cr. Tim Zander	4	4	3	2

Following the Local Government Elections held in November 2014 the following members were elected:

### **Council Members – November 2014 To June 2015**

Cr. Denis Vincent Clark (Mayor)	Jamestown Ward
Cr. Mervyn John (Merv) Robinson (Deputy)	Jamestown Ward
Cr. Hendrikus Johannes (Hank) Langes	Jamestown Ward
Cr. Glanville Clifford (Glan) Moore	Jamestown Ward
Cr. Suzanne Vida (Sue) Scarman	Rocky River Ward
Cr. Timothy James (Tim) Zander	Rocky River Ward
Cr. Geoffrey William (Geoff) Lange	Rocky River Ward
Cr. Benedict James (Ben) Browne	Spalding Ward
Cr. Wallace James (Jim) Walden	Yackamoорundie Ward

## Council Meetings

### **Meeting Times**

Ordinary Meetings of the Northern Areas Council are held on the third Tuesday of each month commencing at 5:00pm. At the first Ordinary Meeting of Council in November 2014, the newly elected members passed a resolution to commence meetings at 1.00pm.

Council Meetings are open to the public and Council encourages Electors 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](http://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.

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

### **Meeting Attendance**

8 Ordinary Council meetings, 4 Special Meetings were held between July 2014 and June 2015. Council member attendances at these meetings were as follows:

<b>ELECTED MEMBERS NOVEMBER 2014 – JUNE 2015</b>	<b>Number Ordinary Meetings</b>	<b>Number Ordinary Meetings Attended</b>	<b>Number Special Meetings</b>	<b>Number Special Meetings Attended</b>
Cr. Denis Clark (Mayor)	8	8	4	4
Cr. Merv Robinson (Deputy Mayor)	8	8	4	4
Cr. Ben Browne	8	8	4	3
Cr. Geoff Lange	8	6	4	3
Cr. Hank Langes	8	8	4	4
Cr. Glan Moore	8	6	4	4
Cr. Sue Scarman	8	8	4	2
Cr. Jim Walden	8	8	4	3
Cr. Tim Zander	8	7	4	1

## 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.

<b>Elected Member</b>	<b>Description</b>	<b>Date</b>
Mayor Denis Clark	Elected Members Code of Conduct and Caretaker Period;	July 2014
	Mayor's Chairperson's Residential Seminar	August 2014
	Murray Darling Basin Association AGM (Tumut, NSW)	August 2014
	LGA Annual General Meeting	October 2014
	Independent Commission Against Corruption Presentation (Port Pirie)	December 2014
	Mayor's and CEO's Community Cabinet Planning Forum	March 2015
	LGA Showcase and General Meeting (Adelaide)	April 2015
	State Government Regional Summit (Whyalla)	May 2015
Cr. John Barberien	Elected Members Code of Conduct and Caretaker Period;	July 2014
Cr. Ben Browne	Elected Members Code of Conduct and Caretaker Period;	July 2014
	Independent Commission Against Corruption Presentation (Port Pirie)	March 2015
Cr. Jeff Burgess	Elected Members Code of Conduct and Caretaker Period;	July 2014
Cr. Geoff Lange	Elected Members Code of Conduct and Caretaker Period	July 2014
Cr. Glan Moore	Elected Members Code of Conduct and Caretaker Period	July 2014
Cr. Leon Pollard	Elected Members Code of Conduct and Caretaker Period	July 2014
Cr. Tim Zander	Elected Members Code of Conduct and Caretaker Period	July 2014
Cr. Merv Robinson	Elected Members Code of Conduct and Caretaker Period;	July 2014
	Independent Commission Against Corruption (Port Pirie)	December 2014
	CPOG Planning Conference	May 2015

## COUNCIL APPOINTED DELEGATES TO ORGANISATION AND COMMITTEES

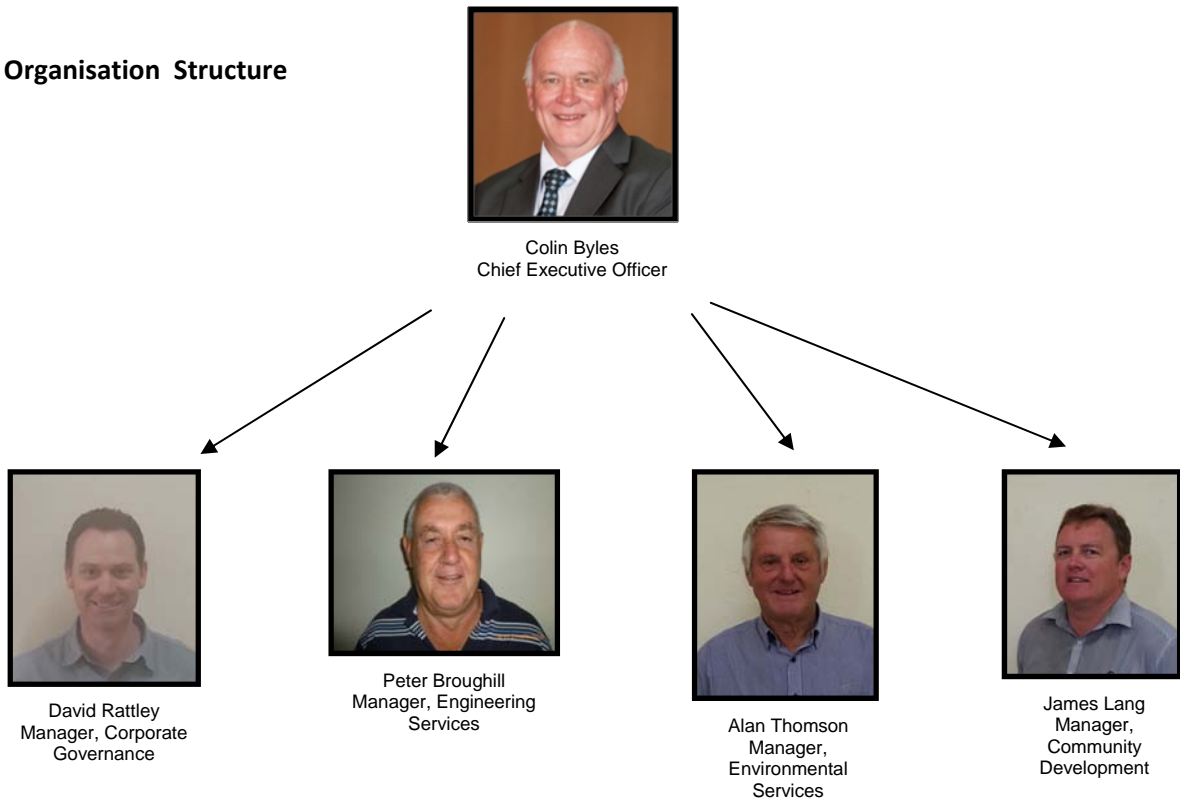
<b>Local Government Bodies</b>	
Local Government Association	<ul style="list-style-type: none"> <li>➤ Mayor</li> <li>➤ Deputy Mayor (Proxy)</li> </ul>
Local Government Finance Authority of SA	<ul style="list-style-type: none"> <li>➤ Mayor</li> <li>➤ Deputy Mayor (Proxy)</li> </ul>
<b>Regionally Appointed Delegates</b>	
Mid North Health Advisory Council	➤ Cr. Clark
Northern Passenger Transport Network	<ul style="list-style-type: none"> <li>➤ Cr. Lange</li> <li>➤ Manager Community Development</li> </ul>
Southern Flinders Better Living Group	➤ Cr. Lange
Southern Flinders Health Advisory Committee	➤ Cr. Lange
<b>Section 43 Regional Subsidiaries</b>	
Central Local Government Region	<ul style="list-style-type: none"> <li>➤ Mayor</li> <li>➤ Deputy Mayor (Proxy)</li> </ul>
<b>Central Local Government Region Committees</b>	
Central Region Transport Committee	➤ Committees are in abeyance subject to CLGR future directions findings.
Central Region Waste Management Committee	
Central Region Water Committee	
<b>Section 101A Development Act 1993</b>	
Strategic Planning and Development Policy Committee	➤ All Council Members
<b>Section 41 Committees</b>	
CEO Performance Management Panel	<ul style="list-style-type: none"> <li>➤ Mayor</li> <li>➤ Cr. Browne</li> <li>➤ Cr. Lange</li> <li>➤ Cr. Scarman</li> </ul>
Ewart Oval Management Committee	➤ Cr. Zander
Flinders Mobile Library	<ul style="list-style-type: none"> <li>➤ Cr. Lange</li> <li>➤ Judith Gill</li> <li>➤ Manager Corporate Services (Proxy)</li> </ul>
Gladstone Swimming Pool Management Committee	➤ Cr. Zander
Gulnare Memorial Institute	➤ Cr. Walden
Jamestown Health & Ambulance Centre Management Committee	<ul style="list-style-type: none"> <li>➤ Cr. Lange</li> <li>➤ Cr. Moore</li> <li>➤ Jim Moss (Community Rep)</li> <li>➤ Max Prior (Community Rep)</li> </ul>
Jamestown Regional Hydrotherapy Pool Committee	➤ Cr. Moore

Jamestown Swimming Pool Management Committee	➤Cr. Robinson
Laura Civic Centre Management Committee	➤Cr. Scarman
Mid North Be Active Field Officer Management Committee	➤Manager Community Development
Northern Areas Council Audit Committee	➤Lavonne Lea (Chair) ➤Mayor ➤Cr. Lange ➤Cr. Langes
<b>COUNCIL APPOINTED DELEGATES TO ORGANISATION AND COMMITTEES continued</b>	
<b>Section 41 Committees continued</b>	
Northern Areas Council Finance Committee	➤All Council Members
Northern Areas Community Road Safety Committee	➤Cr. Zander ➤Cr. Browne (Proxy) ➤Risk Management Officer
Northern Areas Council Works Committee	➤All Council Members
Southern Flinders Regional Sports Complex Management Committee (established August 2011)	➤Cr. Zander ➤Cr. Lange (Proxy) ➤Scott Crawford ➤John Hennessey ➤David Humphris ➤Tom Humphris
Southern Flinders Regional Tourism Authority	➤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	➤Cr. Browne ➤Cr. Walden
Yacka Hall Committee	➤Leanne Kunoth
<b>CFS</b>	
Bundaleer CFS Group	➤Cr Lange
Hallett CFS Group	➤Cr. Robinson
<b>Community Based Organisations</b>	
AGL Hallett Wind Farm Community Fund Panel	➤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"> <li>➤Cr. Langes</li> <li>➤Cr. Moore</li> <li>➤Chief Executive Officer</li> <li>➤Vivian Hector</li> </ul>
Jamestown Development Association Inc	<ul style="list-style-type: none"> <li>➤Cr. Langes</li> <li>➤Cr. Robinson</li> <li>➤Cr. Clark (Proxy)</li> <li>➤Cr. Moore (Proxy)</li> </ul>
Laura Community Development & Tourism Association Inc	<ul style="list-style-type: none"> <li>➤Cr. Scarman</li> </ul>
Spalding District Inc	<ul style="list-style-type: none"> <li>➤Spalding Ward Councillor</li> </ul>

## 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 2015 consisted of 51.1 full-time equivalent employees. 17.2 Female, 33.9 Male, none with disability and no Aboriginal or Torres Straight 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 tool box meetings, staff meetings and in a monthly newsletter.

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.

Major construction work valued at over \$250,000 (eg. Laura Street upgrade) are managed in accordance with the additional WHS legislation requirements for Construction Projects.

Appropriate Work Health and Safety training is continuing, this year concentrating on manual handling, hazardous materials, and risk management.

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.

## 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 during November 2014. Spalding, Andrews, Yacka, Gulnare, Narridy, Huddleston, Georgetown, Gladstone, Laura, Stone Hut, Caltowie, Jamestown, Tarcowie and Mannanarie.

After these inspections, 98 clean up notices were issued under section 105f of the Fire and Emergency Services Act 2005 for non compliant properties. These notices were sent early November and landowners given 14 days to comply with the notice.

## HR Policies

Section 107 (1) f 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”.

Council has implemented the following HR policies:

- Recruitment and Selection
- Performance Appraisal
- Conduct, Counselling and Discipline
- Training and Development

## Events

Council hosted a number of regional meetings during the year including Premier Weatherill’s Country Cabinet meeting to the Mid North during March 2015.



**Country Cabinet Visit – March 2015**



## **CORPORATE SERVICES**

During 2014/15 a range of administrative improvements and efficiencies have continued to be introduced to Councils operations.

iPads –Elected members use of iPads for agenda viewing to reduce the time and cost of printing hard copy agendas has continued successfully. All elected members and managers now use iPads for Council agendas (including 3 new members who commenced in November after Council elections). iPad efficiencies have also expanded to managers sending/receiving their Council emails.

Records Management –Implementation of fully computerised systems has continued to accelerate in the last 12 months with a major focus on the capture of incoming and outgoing emails by relevant staff, outstanding records items and response timeframes. Records Management has also converted to a full electronic process for all staff to improve efficiency. Staff receive continual training to improve the whole process.

Payroll improvements – timesheet practices have changed for all administrative staff. Electronic timesheets have been implemented to streamline the part of the payroll process. In addition all staff have the option to receive their payslip electronically which has created further efficiency.

Information Technology – A new phone system was ordered after extensive research and staff consultation. Once implemented the introduction of direct lines and unified communication will lead to some exciting efficiencies for staff.

Staffing – A review of customer service roles led to the introduction of an Administration Trainee position. The position commenced towards the end of the financial year and will be partly funded through an exciting State Government initiative championed by Minister Geoff Brock that will place Trainee positions in all regional Councils.

## **Section 41 Committee Solar Projects**

The Spalding Swimming Centre and Jamestown Swimming Pool have worked closely with Council to successfully undertake solar power shelter projects.

Both groups have had a 12KW system installed over the summer period which was mounted on a new shade shelter in which the panels themselves provide the shade. The expected annual power savings will mitigate rising electricity costs and provide an investment pay back period of around 3 to 4 years. As such the reduction of the committees operating costs will lead to improved financial sustainability of both facilities. The model used to fund the projects was a great community success, funding sources included the Committees via both Cash and volunteers, Council, State and AGL grants, OPAL and local service groups including Apex and Lions.



Jamestown Swimming Pool Solar Shelter Project

## **Community Waste Water Management Scheme (CWMS) Floating Solar**

Council approved the signing of a Commercial in Confidence Power Purchase Agreement (PPA) with GEITS ANZ Pty Ltd in May 2013.

Council obtained a Section 48 Prudential report regarding the proposed CWMS Floating Solar project.

The Section 48 Prudential Report was received by Council subject to the Risk Management and Mitigation Strategies being assessed and an Action Plan being prepared and presented to Council as required.

Infratech (formally GEITS) submitted a development application to Council for a phase of the CWMS Floating Solar Project. This proposal involved referrals to the appropriate State Government departments.

The prudential report also identified changes to how the project could proceed compared to the original proposals which formed the basis of the PPA. This included staging of the project due to State government regulatory requirements. This led to the preparation of a Deed of Variation to the PPA and refinement of a previously prepared draft Site Licence which have subsequently been approved by Council.



Above:  
Jamestown Floating Solar Official Opening.

**Financial Assistance Grants to Local Government**

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

For 2014/15 Council received a total of \$2,751,795 which included an advance payment of \$933,890 for 2015/16.

Federal government funding decisions had a significant impact on Council in 2014/15. This included the loss of Supplementary road funding for South Australia and paused indexation of the Financial Assistance Grants totalling approximately \$180,000 and \$54,000 respectively for the 2014/15 financial year. The impact of this funding change was equivalent to a general rate increase of approximately 5%.

**Annual Business Plan & Budget  
2014/15 Summary**

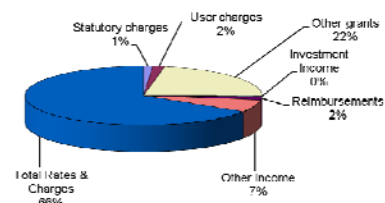
Northern Areas Council is responsible for maintaining the community’s \$140 million worth of assets which includes unsealed district roads, local roads and footpaths, stormwater drainage, land and buildings. In addition, Council provides services for the benefit of its residents such as waste management, 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 outlines 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 2014/15 the Northern Areas Council needed to raise \$9.85m of revenue (excluding Loans). Of this, \$9.5m is operating revenue which includes \$4.93m in net general rates. Good fiscal management requires Council to increase general rates by 8.0% for the average ratepayer.

**2014/15 Operating Revenue Mix**



So, for around \$3.35 per day, the average ratepayer will receive the benefits of the

following services which are proposed to be set down as part of the 2014/15 budget:

**Capital Improvement Program**

Transport

Re-sealing of existing sealed roads

\$500,000

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

Kerbing program \$51,000

Bridges \$51,500

Stormwater works at Laura \$206,000

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

Sport & Recreation

Spalding Community Sporting Hub

\$500,000 (majority grant & community funded)

Playgrounds \$27,000

Community Amenities

New toilets in Ayr St, Jamestown \$185,000 (funded via grants and asset sales)

Main St Upgrade in Laura \$404,000 (half grant funded)

Various building maintenance \$62,500

Council's 2014/15 operating budget totals \$10.34m and included some of the following major services.

- \$830,000 will be spent on domestic waste collection, street cleaning and waste transfer operations;
- \$1.3m on infrastructure maintenance; and
- \$435,000 on maintaining parks and gardens across the Council.

A number of significant factors have influenced the preparation of Council's 2014/15 Annual Business Plan. These include:

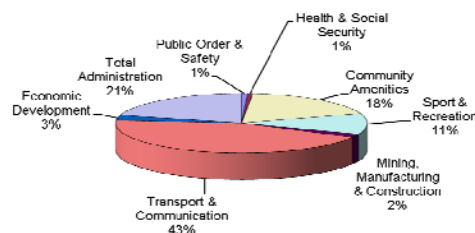
- Council to make gradual improvements towards a financially sustainable operating position;
- requirements to maintain infrastructure assets to acceptable standards including roads; footpaths, lighting, storm water drainage, street trees and plantings, open space and Council properties;
- reduction/removal 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 has been 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

**2014/15 Operating Expense Mix**



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*

How are my rates calculated?  
 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.

It is proposed to raise \$4,930,200 net general rate revenue in a total revenue budget of \$9,465,500. Council proposes to set a general rate of 0.2815 cents in the dollar for rural assessments and 0.3625 cents in the dollar for urban assessments to raise the necessary revenue.

#### Differential General Rates

Council proposes to impose differential general rates based on:

- whether the land is rural or urban,
- a general rate of 0.2815 cents in the dollar for rural assessments and 0.3625 cents in the dollar for urban assessments.
- generating \$3,100,100 being raised from rural rates and \$1,830,100 being raised from urban rates

#### Fixed Charge

Council will propose a fixed charge on rateable properties of \$320, 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, Laura and Gladstone and all properties in the Moyletown area of Jamestown. Council will recover 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 \$388.00 per occupied property unit and \$338.00 per unoccupied unit.

Council will levy a service charge for waste collection where Council currently has a waste pickup. This annual service charge will be 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 2014/15 year is \$205.00 per unit (2 bin system).

Properties exempt from General Rates are not necessarily exempt from Annual Service Charges if applicable.

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.

Property capital value assessment comes from a Government valuation adopted by the Council. An objection, query or appeal in relation to a property valuation should be made to the Valuer-General within 60 days of receiving the annual instalment rates notice.

If the objection is upheld, the Valuer-General will advise Council and rates notice will be amended.

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.

Eligible pensioners may be entitled to a concession on rates, if not currently receiving one. Application forms, which include information on the concessions, are available from the Council at the Jamestown, Gladstone and Spalding offices. They are also available from Department for Communities and Social Inclusion (DCSI) which administers the concession scheme on behalf of the State Government (Concession Hotline 1800 307 758). You must have a current Pensioner Concession Card or Dept of Veterans' Affairs (DVA) Gold Card (TP,EDA,WW) or receive an eligible Centrelink Allowance, or hold a State Senior Card or are a low income wage earner who meets DCSI low income threshold. The applicant must also be responsible for the payment of rates on the property for which they are claiming a concession. Payment of rates must not be withheld pending assessment of an application by the State Government as penalties apply to unpaid rates. A refund will be paid if Council is advised that a concession applies and the rates have already been paid.

Self-funded retirees who currently hold a State Seniors Card may be eligible for a

concession toward Council rates. In the case of couples, both must qualify, or if only one holds a State Seniors Card, the other must not be in paid employment for more than 20 hours per week. If applicants have not received a concession on their rates notice, or would like further information, please contact the Revenue SA Call Centre on 1300 366 150.

The Department for Communities and Social Inclusion may assist eligible persons receiving State and Commonwealth allowances with the payment of Council rates for their principal place of residence (remissions are not available on vacant land or rental premises).

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 will be \$1.70 on general rates and no change on the separate waste collection charge.

#### Rate Capping

Council has previously capped any increase in rates paid for all properties from the 2005-06 financial year to the 2008-09 financial year at 10%. This was replaced by a rate cap upon application of 50% from the 2009/10 financial year. Rate capping does not apply to properties where the current ratepayer was not a ratepayer for that property prior to 1<sup>st</sup> July 2013 or where a building/development approval has been granted since 1<sup>st</sup> July 2013 valued at \$20,000 or more. Applications for the rebate must be received by 31 August 2014. The removal of the 10% rate cap has resulted in a fairer redistribution of the rates burden in line with property capital values.

### Payment of rates

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

- First instalment – 1<sup>st</sup> September 2014
- Second instalment – 1<sup>st</sup> December 2014
- Third instalment – 1<sup>st</sup> March 2015
- Fourth instalment – 1<sup>st</sup> June 2015

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

Any ratepayer who may, or is likely to experience difficulty with meeting the standard payment arrangements is invited to contact the Rates Officer, to discuss alternative payment arrangements. Council treats such inquiries confidentially.

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 0.0140 cents in the \$ to recover the \$188,324 set by the Board as this district's contribution.

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

### Annual Business Plan and Budget

A full copy of the Annual Business Plan is available for inspection at no charge at the principal office 94 Ayr Street Jamestown SA 5491 or can be downloaded from Council's website at [www.nacouncil.sa.gov.au](http://www.nacouncil.sa.gov.au)

## COMMUNITY DEVELOPMENT

Council's Manager, Community Development was successful in securing the following grant funds from external sources, during the 2014/2015 financial year.

Grant	Applicant	Project
Office for Recreation and Sport	Northern Areas Council, Port Pirie Regional Council, District Council Mt Remarkable, District Council Peterborough and District Council Orroroo/Carrieton	Mid North Star Club Field Officer
Office for Recreation and Sport	Northern Areas Council, Port Pirie Regional Council, District Council Mt Remarkable, District Council Peterborough and District Council Orroroo/Carrieton	Regional Star Club conference funding
Office for Recreation and Sport	Northern Areas Council, Port Pirie Regional Council, District Council Mt Remarkable, District Council Peterborough and District Council Orroroo/Carrieton	Star Club incentive funding
Office for Recreation and Sport	Jamestown Peterborough Football and Netball Club	Jamestown Clubroom kitchen upgrade
Tennis Australia	Jamestown Lawn Tennis Club	Jamestown Tennis complex hard court upgrade
South Australian Cricket Association	Belalie Mannanarie Cricket Club	New concrete pitch at Victoria Park number two
South Australian Cricket Association	Spalding Cricket Club	Spalding Community Sporting Complex
PIRSA Regional Development Fund	Northern Areas Council	Laura Flood Mitigation Project
PIRSA Regional Development Fund	Northern Areas Council, Port Pirie Regional Council, District Council Mt Remarkable	Southern Flinders Regional Tourism Food initiatives program
Regions SA Fund My Idea	Jamestown Regional Stadium Committee	Canteen 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 a single grant round February 2015. A total of 23 applications were received with funding allocated to the following 13 groups:

<b>Successful Applicants 2014/15</b>	<b>Awarded</b>
Jamestown Development Association	\$3,000
Caltowie Memorial Hall and Progress Association	\$3,000
Spalding District Inc.	\$3,000
Laura Sporting Reserve Management Committee	\$2,624
Rocky River Historic and Arts Society	\$2,500
Gladstone Memorial Hall Management Committee	\$1,520
Spalding C.H.A.M.P.S. Group	\$1,500
Laura Folk Fair	\$1,500
Gladstone Community Development and Tourism Association	\$1,500
Spalding Swimming Centre	\$1,500
Northern Areas History Groups	\$1,229
Jamestown Visitors Centre	\$500
Jamestown Local History Group	\$247
	\$23,620

### **Community programs**

During 2014/2015 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 together with the District Council of Mount Remarkable, the District Council of Peterborough and the Rural Health Team were successful in receiving funding for five years to implement the Obesity Prevention and Lifestyle (OPAL) funding.



OPAL was previously a joint Federal, State (SA Health) and Local Government program, however the Federal Government opted to remove funding at the completion of the 2013/14 financial year. This has resulted in a revised funding model, between SA Health and Local Government. Primarily this has impacted by reducing the OPAL Support Officer's position from full time to part time and project funding for each Council has also been reduced.

Of the local funding, the Rural Health Team has also withdrawn funding, whilst the Local Government contribution remains unchanged. Local Government contributions and benefits are on a basis of District Council of Mount Remarkable (40%), Northern Areas Council (40%) and District Council of Peterborough (20%). These



percentages reflect both the respective Council's share of financial input and share of the project resources, both human and financial.

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 will implement State interventions and local initiatives to support children, families and the community to eat well and be active.

### **Mid North Starclub Field Officer**

Council continued commitment to 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 have committed funding for the program for a further 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 *be active* Field Officer has concentrated efforts towards:

#### **Coaching, Officiating & Volunteers**

- Coloured Shirt Program (beginning umpires)
- Essentials to Coaching Children Course
- Recruiting & Retaining Volunteers
- Succession Planning
  
- **Safe Supportive Environments**
  - Child Safe Officers Course
  - Child Safe Environment Workshop
  - Play By the Rules
  - Codes of Conduct
  - Inclusion
  
- **Club Management Structures and Processes**
  - Constitutions
  - Governance
  - Committee Member
  - Board Director

- Finance
- Strategic Planning
- Amalgamation
- Risk Management

### 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 Flinders Ranges is now recognised as part of the Australian National Landscapes Program.

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.

During the 2014/15 financial year, the Southern Flinders Regional Tourism Authority was successful in being allocated \$80,000 in funding through the PIRSA Regional Development Fund. The project is titled "Southern Flinders Grass Roots Project". This has helped enable the Southern Flinders Ranges to promote its local food produce and encourage visitation to the region as a result. Funding has been allocated across the 2014/15 and 2015/16 financial years.



### 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 2014/15. 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	2010/11	2011/12	2012/13	2013/14	2014/15
District Council of Mt Remarkable	2951	2966	2998	2910	2849
Northern Areas Council	2676	2664	2655	2501	2478
Port Pirie Regional Council	795	796	791	743	741
<b>TOTAL</b>	<b>6422</b>	<b>6426</b>	<b>6444</b>	<b>6154</b>	<b>6068</b>

While we are seeing a trend of decline in the total population served, the total items borrowed are dramatically increasing and our total borrower numbers 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 have increased by 8146 during 2014/15, an increase of 19.25% following an increase of 3.38% during the previous year. Should loan statistics continue in this positive trend, there is potential of loaning over 60,000 physical items by June 2016; that is an increase of 53% in comparison to when Flinders Mobile Library first adopted the One Card system in December 2012.

eBook and eAudio loans have maintained a steady level during the 2014/15 financial year. The eBook and eAudio catalogue is now intergraded with the One Card State-wide

Catalogue, meaning it is now far simpler to find and borrow digital content from the library, which we hope will result in an increase of loans.



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

### Collection Statistics

Collection maintenance is a constant and 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 30 2015, Flinders Mobile Library had a total of 21113 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 are at or near 20,000 items.

COLLECTION	30/06/2014	16/06/2015
Items on the Flinders Mobile Library truck	6279	7055
Items in the Flinders Mobile Library depot	13285	14058
<b>TOTAL</b> items in the Flinders Mobile Library collection	<b>19564</b>	<b>21113</b>

### Borrower Statistics

There was an increase of 91 borrowers registered directly with Flinders Mobile Library during the 2014/15 financial year; however there is an overall increase of 111 borrowers thanks to the One Card Library Management System. What this entails is that 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 1209 registered members at June 30 2015; however in actual fact, 1283 people access our library service in one way or another.

Of these 1209 borrowers, 580 are students who, for the majority of visits, access the Flinders Mobile Library at their school during the school term. These students made up 48% of the total Flinders Mobile Library borrowers for 2014/15, making a fairly even split between students and all other borrowers.

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

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

Below is a break-down of Flinders Mobile Library borrowers by their home towns for 2014/15. We visit the local school in each of the towns marked with an \*, which is why there are more borrowers in these towns.

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

## **NORTHERN AREAS COUNCIL YOUTH ADVISORY COMMITTEE (NACYAC)**

NACYAC provides the youth within the Northern Areas Council region, with a voice in the decision making for youth events and activities in the community. The committee is currently in a financially sustainable position and continues to generate revenue to ensure it's financial position remains sound.

NACYAC began the financial year strongly with successful events and an active committee. The committee had consisted of the same members for several years, with these members having contributed strongly to the high levels of success achieved by the committee in recent times. Several members have transitioned out of the committee as they have grown older and moved toward adulthood pursuits.

The 2014/15 financial year, saw a focus toward seeking new committee members, which has proved to be a challenging task. Removal of Core Committee funding from the South Australian Government has seen a reduction in the number of Youth Advisory Committee's in the region. This may have contributed to a lack of youth focus across the wider region which has had the impact of reducing the community focus of what can be achieved, which has affected levels of youth interest in the Northern Areas Council Youth Advisory Committee.

Despite the lower level of committee membership, it has remained highly active during the 2014/15 year, with the activities and achievements listed below.

### **NACYAC'S ACHIEVEMENTS AND EVENTS**

#### **The NACYAC Track**

This event, held at the annual Jamestown Show, continues to act as the Committee's largest fundraising activity. It is based on the Royal Adelaide Show's Yellow Brick Road. This "track" event continues to receive support and donations from the local community. The committee prepares two hundred bags and ten different stops around the show, where participants visit the various stalls to collect prizes. The 2014

Jamestown show, saw all bags sold out for the fourth consecutive year. Over one thousand dollars was raised from this event, which was then reinvested in to youth related programs and activities.

#### **Jamestown Christmas Pageant**

As part of a youth team building exercise, Committee members prepared and entered a float in the Jamestown Christmas Pageant held in December 2014. Through the participation in the pageant, the committee were able to gain promotion of what role it serves in the community, whilst encouraging new members to participate.



#### **National Youth Week**



NACYAC'S National Youth Week Event, was held on 15<sup>th</sup> April 2015 at the Gladstone High School Oval, with the theme of Colour, Dash and Dance. This event proved to be highly successful and very well conducted.



The event involved the Committee sourcing a product that was a brightly coloured non toxic powder for participants to douse onto themselves and each other. Participants worked their way through a number of challenges to test them both physically and mentally. At the completion of the event, participants were treated with a healthy lunch of baked potatoes.



The committee engaged other community groups within the Council region to support and participate in the event.



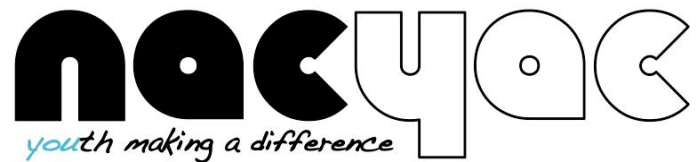
Planning occurred with the assistance from the OPAL Program. Participants commented that the busy outside activities

were extremely enjoyable and required a lot of energy. Coupled with a healthy meal, the event proved to be highly successful.

### **NACYAC Partnerships**

NACYAC continue to work in conjunction with the OPAL Program, who have provided guidance and assistance with events, whilst also seeking to incorporate healthy strategies. NACYAC are committed to providing events and activities to the youth within the region by promoting outdoor activities, positive attitudes, healthy eating and alternative ideas. A prime example is a change in catering at events with drinks now consisting of “water only” refreshments.

NACYAC continue to focus toward healthy or activity based prizes within the NACYAC Track. Support and guidance from the OPAL Program has been an invaluable addition to the committee. Progressive changes across past years, since OPAL’s involvement, have been both highly successful and significant.



## ENGINEERING SERVICES

Northern Areas Council covers an area of 3070km<sup>2</sup> and maintains 2197km of roadways, mainly open surface and unsealed. 133 km of Council's road network is sealed. This Council area covers a number of townships, the largest being Jamestown, and other major towns are Laura, Gladstone, Spalding and Georgetown, and a number of smaller townships including Yacka, Gulnare, Caltowie, Narridy, Stone Hut and Tarcowie.

Rural road maintenance has occupied the majority of plant and labour allocations through resheeting, patrol grading and maintenance reseals.

During 2014/2015, Council resheeted 61.2km of its road network, on all or part of the following roads:

Belalie North Rd, Hodby Rd, Cowin Rd, Gladstone-Beetaloo Rd, Gladstone town streets, Yarrowie Rd, Springs Rd, Beetaloo Valley Rd, Bondowie Rd, Hollywood Drive, Cloverhill Rd, Powerline Rd, Brays Rd, Cloverhill-Abbeville Rd, Gladstone-Appila Rd, Frost Rd, Smith Rd, Quarry Rd, Boundary Rd, Heaslip Hwy, Rifle Range Rd, Caltowie town streets.

### Roads resealed:

All or sections of the following roads were resealed:

**Jamestown:** Alexandra Tce; South Terrace; Arran St; Cockburn Rd Service Rd north and south, Forbes Ave, Muirkirk St, Clyde St, Reservoir Tce, Dutton St, Airport Tarmac. The Airport sealing works consisted of a newly constructed turn area.

Drainage work including installation of a new culvert was carried out at the corner of Cockburn Road and Boucaut Road. This work will divert water into the Jones Street drain.

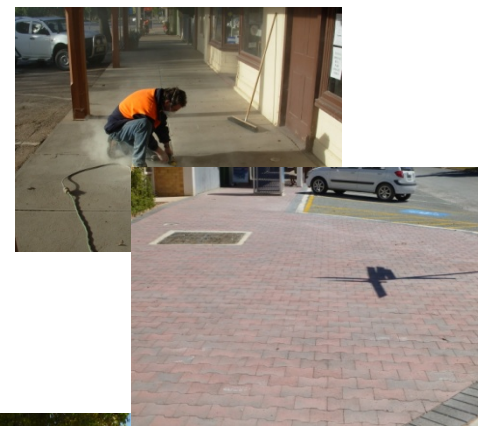
**Spalding:** Eileen St; John St; Johnson St; Mundunney St; Railway Tce.

Mundunney Street also had the shoulders widened and the seal extended to the kerb.

**Gladstone:** Bondowie St: in addition to the reseal, shoulder widening and sealing to the kerb was carried out.

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

Laura Main Street Project (Stage 1)



- Irvine Street Public Toilets (Pad and Septic tank)



Laura Main Street project consisted of new paving on the western side of Herbert Street between Hughes Street and Samuel Street including a paved outdoor eating area outside of a local cafe. The parking area was also reconstructed with new seal work and line marking and the construction of a new plinth dividing the new paving and parking area. The retention of the Kurrajong trees meant root barrier was installed as part of the construction to reduce damage to the new work.



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.



In line with Council's plant replacement program 1 x Grader, 2 x combi rollers, 1 x vibrating roller, 1x small excavator, 1 x mower and other small plant including a Wacker plate and pedestrian roller.



Staff resources were allocated to support 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.



## ENVIRONMENTAL SERVICES

Council provides a range of services, many being prescribed by various Acts and Regulations.

-  Building Code of Australia
-  Local Government Cemeteries Act
-  Development Act
-  Dog and Cat Management Act
-  Environment Protection Act
-  Food Act
-  Heritage Act

### Development and Planning

A total of 141 development applications were approved in the 2014/2015 year, with a total value of \$7.078M. This was compared to 193 applications approved in 2013/2014 with a total value of \$9.858M, and 148 approved in 2012/2013 valued at \$6.591M.



Dwellings	<b>17</b>
Additions/Renovations	<b>11</b>
Sheds/Garages/Carports	<b>54</b>
Verandah/Pergolas	<b>14</b>
Land Division	<b>7</b>
Non-complying Dwelling	<b>1</b>
Swimming Pool	<b>4</b>
Solar panel installations	<b>2</b>
Internal modifications	<b>3</b>
Demolitions	<b>4</b>
Change of Use	<b>5</b>
Telecommunications Facilities	<b>2</b>
Extensions to Sheds	<b>7</b>
Signage	<b>4</b>
Shipping Containers	<b>2</b>
Sports Complex	<b>1</b>
Caretakers' Residence/Office/Granny Flat	<b>4</b>
Relocation of Dwelling	<b>1</b>
Gymnasium	<b>1</b>
Shelters	<b>3</b>
Miscellaneous	<b>1</b>
<b>Total Number of Applications</b>	<b>141</b>
<b>Value of Development Applications</b>	<b>\$7,078,000.00</b>

## CWMS

Council operates CWMS facilities in Jamestown, Gladstone and Laura.

Floating solar project on Jamestown CWMS ponds.





### Dog and Cat Management

Council has continued to encourage and promote responsible dog ownership, through education and awareness processes, including encouragement to have dogs, and also cats, microchipped.

The majority of dog complaints are dealt within a minimum timeframe and where possible returned to their owners. Microchipped animals assist in this process as well as the registration of dogs and owners ensuring that the dogs wear the registration disc at all times. This enables dogs to be easily identified and returned to owners.

Council’s Animal Management Officer conducts regular town surveys checking for unregistered dogs. The annual survey has enabled Council to not only increase the level of dog registration but is a valuable means of educating dog owners on their legal responsibilities.

Council owned Dog Pounds in Gladstone and Jamestown were audited by the Dog and Cat Management Board. The Gladstone Dog Pound has been upgraded in accordance with the Audit recommendations. Upgrading of the Jamestown Dog Pound was commenced in 2015.

Number of dogs registered	1308
Dog registration fees collected	\$28,689.00
Reported dog attacks	0
Barking dog complaints	20
Expiation notices issued	12
Number of dogs impounded	10
Number of notices for wandering dogs	0
Number of notices for dog harassments	3

### Environmental Health

Council’s Environmental Health Officer, Alan Thomson conducted 30 health inspections

throughout the Council area in 2014/2015.

Council is aware of health education within the community and provides Food Information Kits to food businesses and community groups, and advice to organisations running events within the Council area, in terms of the food handling and preparation.



### Swimming Pools

Council owns and operates three public swimming pools located at

Jamestown, Gladstone and Spalding. These pools continue to operate with the assistance of volunteers. Council is ensuring that all volunteers are appropriately trained and with an emphasis on WH &S Act requirements applicable to volunteers.

A range of school and VACSWIM courses are run at these pools during the summer season along with competitive swimming carnivals and trainings.

Council is assisting the Jamestown Swimming Pool Management Committee with proposed change-room upgrade which will replace all existing change room facilities with new compliant sanitary facilities. Tenders were called and are being evaluated.

Council owns and operates a Hydrotherapy Pool at Jamestown.



### Building Fire Safety Committee

Pursuant to Section 71 of the Development Act, 1993, the Northern Areas Council Building Fire Safety Committee carried out inspections and provided guidance for many licensed premises and premises offering overnight accommodation.

Inspections are now being extended to include council owned facilities and a number

of businesses operating large workshops.

The Building Fire Safety Committee consists of:

Peter Harmer, Harmer LG  
Colin Paton, CFS Building Fire Safety Branch  
Alan Thomson, Manager, Environmental Services

### **Cemeteries**

Council owned and operated cemeteries are in the following townships:

- Jamestown
- Spalding
- Laura
- Georgetown
- Gulnare
- Gladstone
- Caltowie
- Tarcowie



- Narridy

Council's Manager, Environmental Services is the Curator of Cemeteries.

The Yacka cemetery is managed by the Yacka Cemetery Trust.

Council staff have responsibility for leases, burials, plaques for columbariums and placement of ashes, along with maintenance of cemetery grounds. Genealogy enquiries are dealt with at all three Council offices.

### **Council Development Assessment Panel**

The Council Development Assessment Panel (CDAP) is an independent body that has

powers delegated to it relating to planning assessment.

The role of CDAP is to consider any applications referred to it by the Planning Officer. The Planning Officer deals with the majority of the Development Applications under delegated authority.

### Membership

The Council's Development Assessment Panel consists of:

- Presiding Member: Ian Trengove
- Independent Members: Tracey Cunningham, Jo-Anne Daly, Jill Wilsdon and Rick Stephen
- Elected Members: Cr. Geoff Lange and Cr. Merv Robinson

Two Development Assessment Panel meetings were held on 21 April 2015 and 11 June 2015. Council's Development Assessment Panel consist of two Council Members and five Independent members.

### Sitting Fees

Presiding Member - \$150 per meeting,  
Independent Members and Council Members - \$100 per meeting.

Travelling Allowance – 75 cents per kilometre

## AUSTRALIA DAY AWARDS 2015

Northern Areas Council's Citizen of the Year for 2015 was awarded to Robert Stacey OAM of Jamestown, who has been a valuable community member over many years, working behind the scenes for many organisations. Mr Stacey's volunteering included Belalie Lodge in Jamestown, Regional Hydrotherapy Pool and Gymnasium, Jamestown Hospital Board and annual Jamestown Show. Mr Stacey went on to become the winner of the State's Citizen of the Year Award in 2015.

Young Citizen of the Year Award was presented to Rachel Kitto from Gladstone for her achievements in the local community of Gladstone. She has served as a key member and volunteer of a number of organisations including the Gladstone Country Fair Committee, undertaking roles including planning, procurement and the promotion of the event. She is a regular face at the Southern Flinders Discovery Centre in Gladstone, consistently offering volunteer hours to assist the Centre.

The Community Event of the Year was awarded to the 2014 South Australian Rural Women's Gathering in Jamestown.

The SA Rural Women's Gathering utilised skills and talents of many local women to present and extensive range of workshops to showcase the local community to women and their partners from across South Australia. Activities included tours of the local area, working in conjunction with local traders for further business activities and in general helping local community groups raise funds from the event.

Mayor Denis Clark presented the recipients of the 2015 Northern Areas Council Australia Day Awards at the Council's official Australia Day Breakfast function at Jamestown on 26 January 2015.



Left to Right - Rachel Kitto, Di McCarthy (representing 2014 South Australian Rural Women's Gathering in Jamestown), Robert Stacey OAM, and Mayor Denis Clark at the Australia Day Breakfast in Jamestown on 26 January 2015..

## CITIZENSHIP CEREMONY

1 citizenship ceremony was held during 2014/2015. Mayor Denis Clark presided over the Citizenship Ceremony held in Memorial Park, Jamestown on 8<sup>th</sup> April, 2015. Recipients were Julia Main and John Cutting, who both reside in Jamestown.

**L to R – John Cutting, Mayor Denis Clark, Julia Main.**



## **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
- Delegation of Legislation Register
- Development Application Register
- Development Applications by Consent
- Information Statement for Freedom of Information
- Register of Elected Members Allowances and Benefits
- Register of Employees' Salaries, Wages and Benefits
- Register of Fees and Charges Levied by Council
- Register of Public Streets and Roads
- Statutory Appointments
- Strategic Plan
- Supplementary Development Plans previously on Exhibition
- The Budget Statement

### **Policy Documents**

- General Policy Manual
- Code of Conduct for Council Members
- Code Of Practice for Access to Council Meetings and Council Documents
- Internal Review of Council Decisions Procedure
- Order Making Policy
- Public Consultation Policy
- Tender Policy & Procedure
- Code of Conduct to be observed by employees
- Purchase of Goods and Services Policy
- Privacy Policy
- Sale and Disposal of Land or Other Assets Policy

### **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.

In 2014-2015 Council received two FOI requests:

1. Request to the Northern Areas Council: for access to documents between 2009-2014 regarding re-homing, owner recovery or destruction of any animals.

Determination of the application:

After having searched both Council's manual record files and electronic record keeping system we have found no contracts, agreements, MOU's or similar documents entered into and/or in forced within or between the full financial years of 2009-2014 between the Northern Areas Council and any organization used for re-homing, owner recovery or destruction of any animals processed by the Northern Areas Council.

2. Request to the Northern Areas Council: to complete FOI Consultation Form as to whether or not to grant access to documents regarding State Black Spot Nominations and National Building Black Spot Nominations.

Determination of the Application: Council agreed to release the information as requested.

### **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.

### **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<sup>th</sup> 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.

### **Competitive Service Delivery**

During the year Council utilised the services of contractors, due to Council not being a specialist in this area, or unable to complete the works within a reasonable timeframe or at a reasonably comparable rate.

### **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.

#### 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**

Council held 12 Ordinary Meetings and 4 Special Meetings between 1 July 2014 and 30 June 2015. A total of 304 resolutions were made at these meetings of which 19 were considered “in confidence”.

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

- Land Purchase
- Resealing Tender
- Plant Purchase
- Employee Matters
- Traffic and Access Management Agreement

#### **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 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.

#### **Registers**

- Members Register of Interest
- Staff Register of Interest
- Members Allowances and Benefits
- Campaign Donations (elected Members)
- Development Application Register
- Register of Employees Wages, Salaries and Benefits
- Register of preferred contractors

#### **Codes**

- Code of Conduct for Elected Members
- Code of Practice for access to meetings and documents
- Code of Conduct for Employees

#### **Policies**

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

- Accounting Policy
- Caretaker Policy
- Complaints Policy
- Confidentiality of Council Reports Policy
- Continuous Improvement Policy
- Council Induction Policy
- Council Members Expenses Requiring Council Approval Policy
- Electronic Communication Facilities Policy
- Fraud and Corruption Prevention Policy
- Gifts, Benefits & Hospitality Policy
- Hire of Public Address System Policy



- Internal Financial Control Policy
- Internal Review of a Council Decision Policy
- Investment Policy
- Leases, Licences and Permits Policy
- Tree Management Policy
- Order Making Policy
- Road Names Selection Policy
- Privacy Policy
- Procurement Policy
- Protocol – Ombudsman Enquiry Policy
- Prudential Management Policy
- Public Consultation Policy
- Records Management Policy
- Request for Service Under Section 270 Policy
- Rocky River District Health & Care Bus Policy
- Rubble Pit Policy
- Safe Environment Policy
- Sale and Disposal of Land or Other Assets Policy
- Tender Policy
- Training and Development Policy for Council Members
- Volunteer Policy

#### **Salary Package for Senior Officers**

Council's Senior Officers are as follows:

- Chief Executive Officer
- Manager Engineering Services
- Manager Environmental Services
- Manager Corporate Services
- Manager Community Development

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.

#### **Section 41 Committees**

- CEO Performance Management Panel
- Ewart Oval Management Committee
- Flinders Mobile Library
- Georgetown Heritage Society
- Gladstone Hall Management Committee
- Gladstone Swimming Pool Management Committee
- Gulnare Memorial Institute
- 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
- Northern Areas Community Road Safety Committee
- Northern Areas Council Audit Committee
- Northern Areas Council Finance Committee
- Northern Areas Council Youth Advisory Committee
- Southern Flinders Regional Sports Complex Management Committee

- Southern Flinders Regional Tourism Authority
- Spalding Community Sporting Hub Committee
- Spalding Swimming Centre
- Stone Hut Development Committee
- Stone Hut Soldiers Memorial Hall Committee
- Strategic Planning and Development Policy
- The Mid North be active Field Officer Management Committee
- Victoria Park Trust
- Yacka Community Development Board
- Yacka Hall Committee
- Yacka History Group

### **Statutory Committees**

- Council Development Assessment Panel
- Building Fire Safety Committee

### **Staffing**

As at 30 June 2015, Council employed 51.1 full-time equivalent employees, across Council operations.

17.2	Female
33.9	Male
<hr/>	
51.1	Total

### **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.

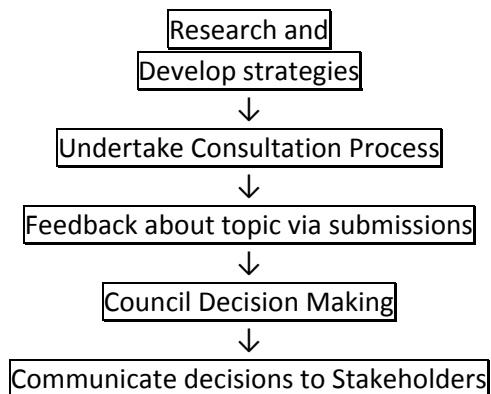
Minutes for Council meetings are displayed within 5 days of the meeting date.

### 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.
- **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

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 developed 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.

## Independence of Auditors

Council's Audit fees for the 2014/2015 financial year were \$10,650. There were no non audit fees paid.



# **NORTHERN AREAS COUNCIL**

**FINANCIAL REPORT  
for year ended 30<sup>th</sup> June 2015**

# NORTHERN AREAS COUNCIL

## General Purpose Financial Reports for the year ended 30 June 2015

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# NORTHERN AREAS COUNCIL

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

### 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 2015 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 11th Day of November 2015



**NORTHERN AREAS COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>INCOME</b>			
Rates	2	6,250,051	5,831,103
Statutory charges	2	106,320	135,870
User charges	2	133,021	137,408
Grants, subsidies and contributions	2	3,092,317	1,487,879
Investment income	2	80,020	62,466
Reimbursements	2	184,545	216,457
Other income	2	570,826	655,555
<b>Total Income</b>		<u>10,417,100</u>	<u>8,526,738</u>
<b>EXPENSES</b>			
Employee costs	3	3,329,277	3,235,811
Materials, contracts & other expenses	3	2,734,126	2,822,941
Depreciation, amortisation & impairment	3	4,247,412	4,141,161
Finance costs	3	449,768	440,420
<b>Total Expenses</b>		<u>10,760,583</u>	<u>10,640,333</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(343,483)</b>	<b>(2,113,595)</b>
Asset disposal & fair value adjustments	4	106,427	(7,903)
Amounts received specifically for new or upgraded assets	2	311,679	492,845
<b>NET SURPLUS / (DEFICIT)</b>		<u>74,623</u>	<u>(1,628,653)</u>
transferred to Equity Statement			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	(3,491,521)
<b>Total Other Comprehensive Income</b>		-	<u>(3,491,521)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>74,623</u>	<u>(5,120,174)</u>

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

## NORTHERN AREAS COUNCIL

### STATEMENT OF FINANCIAL POSITION as at 30 June 2015

ASSETS	Notes	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	3,519,311	2,095,351
Trade & other receivables	5	482,235	447,389
Inventories	5	<u>71,732</u>	<u>94,237</u>
<b>Total Current Assets</b>		<b><u>4,073,278</u></b>	<b><u>2,636,977</u></b>
<b>Non-current Assets</b>			
Financial assets	6	549,233	607,282
Infrastructure, property, plant & equipment	7	<u>131,754,657</u>	<u>132,647,056</u>
<b>Total Non-current Assets</b>		<b><u>132,303,890</u></b>	<b><u>133,254,338</u></b>
<b>Total Assets</b>		<b><u>136,377,168</u></b>	<b><u>135,891,315</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	440,198	537,000
Borrowings	8	1,877,613	1,734,714
Provisions	8	<u>796,325</u>	<u>684,871</u>
<b>Total Current Liabilities</b>		<b><u>3,114,136</u></b>	<b><u>2,956,585</u></b>
<b>Non-current Liabilities</b>			
Borrowings	8	6,802,143	6,479,757
Provisions	8	<u>172,451</u>	<u>241,158</u>
<b>Total Non-current Liabilities</b>		<b><u>6,974,594</u></b>	<b><u>6,720,915</u></b>
<b>Total Liabilities</b>		<b><u>10,088,730</u></b>	<b><u>9,677,500</u></b>
<b>NET ASSETS</b>		<b><u>126,288,438</u></b>	<b><u>126,213,815</u></b>
<b>EQUITY</b>			
Accumulated Surplus		8,460,841	8,652,781
Asset Revaluation Reserves	9	116,849,798	116,849,798
Other Reserves	9	<u>977,799</u>	<u>711,236</u>
<b>TOTAL EQUITY</b>		<b><u>126,288,438</u></b>	<b><u>126,213,815</u></b>

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 2015

2015	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		8,652,781	116,849,798	711,236	126,213,815
<b>Net Surplus / (Deficit) for Year</b>		<u>74,623</u>	-	-	<u>74,623</u>
Transfers between reserves		<u>(266,563)</u>	-	<u>266,563</u>	-
<b>Balance at end of period</b>		<u>8,460,841</u>	<u>116,849,798</u>	<u>977,799</u>	<u>126,288,438</u>
<b>2014</b>					
Balance at end of previous reporting period		10,326,454	120,341,319	666,216	131,333,989
<b>Net Surplus / (Deficit) for Year</b>		<u>(1,628,653)</u>	-	-	<u>(1,628,653)</u>
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment		-	(3,491,521)	-	(3,491,521)
Transfers between reserves		<u>(45,020)</u>	-	<u>45,020</u>	-
<b>Balance at end of period</b>		<u>8,652,781</u>	<u>116,849,798</u>	<u>711,236</u>	<u>126,213,815</u>

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 2015

		2015	2014
	Notes	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other		6,248,361	5,801,578
Fees & other charges		106,320	146,663
User charges		111,341	149,644
Investment receipts		63,484	64,507
Grants utilised for operating purposes		3,092,317	1,599,470
Reimbursements		184,545	238,103
Other revenues		570,826	1,746,978
<u>Payments</u>			
Employee costs		(3,282,212)	(3,133,221)
Materials, contracts & other expenses		(2,800,887)	(3,876,558)
Finance payments		(461,622)	(447,365)
<b>Net Cash provided by (or used in) Operating Activities</b>	11(b)	<b>3,832,473</b>	<b>2,289,799</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		311,679	492,845
Sale of replaced assets		141,943	14,537
Sale of surplus assets		288,386	12,727
Net disposal of investment securities		9,640	23,669
Sale of real estate developments		-	62,423
Repayments of loans by community groups		53,469	51,026
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,313,768)	(2,582,957)
Expenditure on new/upgraded assets		(365,147)	(238,784)
Loans made to community groups		-	(275,000)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(2,873,798)</b>	<b>(2,439,514)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from borrowings		1,200,000	1,225,000
<u>Payments</u>			
Repayments of borrowings		(734,715)	(1,117,721)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>465,285</b>	<b>107,279</b>
<b>Net Increase (Decrease) in cash held</b>		<b>1,423,960</b>	<b>(42,436)</b>
Cash & cash equivalents at beginning of period	11	<u>2,095,351</u>	<u>2,137,787</u>
<b>Cash &amp; cash equivalents at end of period</b>	11	<b><u>3,519,311</u></b>	<b><u>2,095,351</u></b>

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 2015

### 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* dated 17 November 2015.

##### 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 2015**

#### **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 Federal Government has paid amounts of untied Financial Assistance Grants, which are recognised on receipt, in advance of the year of allocation. For the 2013-2014 Financial Year, no advance payments were received. For the 2014-2015 Financial Year, two quarters of the 2015-2016 allocation, amounting to \$933,890, was paid in advance.

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.

#### **5.1 Other Real Estate held for resale**

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

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

## Northern Areas Council

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### 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.

##### 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).

## Northern Areas Council

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

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

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

#### 6.7 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.

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% (2014, 3.0%)
Weighted average settlement period	5 years (2014, 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.



## Northern Areas Council

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

##### 9.2 Superannuation

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

##### 10 Leases

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

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

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

##### 11 Joint Ventures and Associated Entities

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

##### 12 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.

##### 13 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 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 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.

(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 2015

#### **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.

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 2 - INCOME

	Notes	2015 \$	2014 \$
<b>RATES REVENUES</b>			
<u>General Rates</u>		<u>4,963,307</u>	<u>4,579,464</u>
		<b>4,963,307</b>	<b>4,579,464</b>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		187,527	182,446
Waste collection		435,758	426,371
Community wastewater management systems		<u>661,969</u>	<u>635,976</u>
		<b>1,285,254</b>	<b>1,244,793</b>
<u>Other Charges</u>			
Penalties for late payment		29,915	29,957
Legal & other costs recovered		<u>14,374</u>	<u>15,121</u>
		<b>44,289</b>	<b>45,078</b>
Less: Discretionary rebates, remissions & write offs		<u>(42,799)</u>	<u>(38,232)</u>
		<b><u>6,250,051</u></b>	<b><u>5,831,103</u></b>
<b>STATUTORY CHARGES</b>			
Development Act fees		51,138	63,220
Town planning fees		16,817	23,666
Animal registration fees & fines		29,913	32,794
Sundry		<u>8,452</u>	<u>16,190</u>
		<b><u>106,320</u></b>	<b><u>135,870</u></b>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		30,232	31,843
Waste Management		25,785	24,200
Road Rents		10,686	8,304
Halls, Parks, Gardens & equipment hire		25,384	23,204
Washdown Bay		13,433	12,333
Immunisations		1,205	6,534
Searches & Sundry		<u>26,296</u>	<u>30,990</u>
		<b><u>133,021</u></b>	<b><u>137,408</u></b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		43,842	30,629
Banks & other		3,521	3,402
Loans to community groups		<u>32,657</u>	<u>28,435</u>
		<b><u>80,020</u></b>	<b><u>62,466</u></b>

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### NOTE 2 - INCOME (continued)

	Notes	2015 \$	2014 \$
<b>REIMBURSEMENTS</b>			
- for roadworks		17,379	18,717
- for NRM costs		3,169	3,124
- for CFS costs		1,351	93,087
- other		<u>162,646</u>	<u>101,529</u>
		<u><b>184,545</b></u>	<u><b>216,457</b></u>
<b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		704	40,703
Section 41 Committees		402,751	459,993
Rebates received		136,252	142,684
Sundry		<u>31,119</u>	<u>12,175</u>
		<u><b>570,826</b></u>	<u><b>655,555</b></u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		311,679	492,845
Advance Grant payment		933,890	-
Other grants, subsidies and contributions		<u>2,158,427</u>	<u>1,487,879</u>
		<u><b>3,403,996</b></u>	<u><b>1,980,724</b></u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
<b>Sources of grants</b>			
Commonwealth government		295,660	295,660
State government		1,857,253	1,166,803
Other		<u>1,251,083</u>	<u>518,261</u>
		<u><b>3,403,996</b></u>	<u><b>1,980,724</b></u>
<b>Individually Significant Item</b>			
Although it is possible to have an <i>individually significant item</i> in relation to revenue, the wording previously included in relation to FAGs grants is superfluous if disclosure is made in Note 1.		933,890	-
Any other <i>individually significant item</i> in relation to revenue must be fully described.			

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 3 - EXPENSES

	Notes	2015 \$	2014 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		2,926,627	2,955,671
Employee leave expense		401,318	284,611
Superannuation - defined contribution plan contributions	18	282,464	266,069
Workers' Compensation Insurance		155,637	148,134
Less: Capitalised and distributed costs		<u>(436,769)</u>	<u>(418,674)</u>
<b>Total Operating Employee Costs</b>		<b><u>3,329,277</u></b>	<b><u>3,235,811</u></b>
<b>Total Number of Employees</b>		<b>51.1</b>	<b>50.2</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		10,650	10,250
Elected members' expenses		116,762	120,938
Election expenses		19,078	-
Subtotal - Prescribed Expenses		<u>146,490</u>	<u>131,188</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		501,238	349,396
Energy		153,393	169,931
Insurance		407,078	390,828
Maintenance - Infrastructure		828,301	804,176
Maintenance - Plant & Equipment		425,466	466,606
Fuel - Plant & Equipment		466,528	496,942
Legal Expenses		42,665	23,010
Levies paid to government - NRM levy		188,324	182,343
Libraries		79,997	78,268
Waste Management		637,099	587,018
Less: Capitalised and distributed costs		<u>(1,142,453)</u>	<u>(856,765)</u>
Subtotal - Other Materials, Contracts & Expenses		<u>2,587,636</u>	<u>2,691,753</u>
		<b><u>2,734,126</u></b>	<b><u>2,822,941</u></b>

## NORTHERN AREAS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 3 - EXPENSES (cont)

	Notes	2015 \$	2014 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures - Level 2		461,118	474,902
Roads		2,802,084	2,697,441
Bridges, Cycle trails		115,128	113,382
Stormwater Drainage		75,343	71,729
Community Waste Water Management		302,940	302,095
Plant, Machinery & Equipment		471,985	461,510
Office Equipment, Furniture & Fittings		18,814	20,102
		<u>4,247,412</u>	<u>4,141,161</u>
<b>FINANCE COSTS</b>			
Interest on overdraft and short-term drawdown		11,336	9,113
Interest on Loans		421,859	415,259
Bank Fees		16,573	16,048
		<u>449,768</u>	<u>440,420</u>

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

	2015	2014
Notes	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets surplus to requirements</i>		
Proceeds from disposal	288,386	12,727
Less: Carrying amount of assets sold	181,959	11,593
<b>Gain (Loss) on disposal</b>	<b>106,427</b>	<b>1,134</b>
 <b>REAL ESTATE DEVELOPMENT ASSETS</b>		
Proceeds from disposal	-	62,423
Less: Carrying amount of assets sold	-	71,460
<b>Gain (Loss) on disposal</b>	<b>-</b>	<b>(9,037)</b>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		
	<b>106,427</b>	<b>(7,903)</b>

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 5 - CURRENT ASSETS

		2015	2014
<b>CASH &amp; EQUIVALENT ASSETS</b>		<b>\$</b>	<b>\$</b>
Cash on Hand and at Bank	Notes	1,123,221	793,289
Deposits at Call		<u>2,396,090</u>	<u>1,302,062</u>
		<u><b>3,519,311</b></u>	<u><b>2,095,351</b></u>
 <b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - General & Other		282,980	281,290
Rates postponed for State Seniors		-	-
Accrued Revenues		43,440	26,904
Debtors - general		107,599	85,919
Loans to community organisations		<u>48,216</u>	<u>53,276</u>
		<u><b>482,235</b></u>	<u><b>447,389</b></u>
 <b>INVENTORIES</b>			
Stores & Materials		43,383	48,571
Trading Stock		<u>28,349</u>	<u>45,666</u>
		<u><b>71,732</b></u>	<u><b>94,237</b></u>



# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 6 - NON-CURRENT ASSETS

<b>FINANCIAL ASSETS</b>	Notes	2015 \$	2014 \$
<b>Receivables</b>			
Loans to community organisations		<u>428,058</u>	<u>476,467</u>
		<b>428,058</b>	<b>476,467</b>
<b>Other Financial Assets</b>			
Fixed Term Deposits - Section 41 Committees		<u>121,175</u>	<u>130,815</u>
<b>TOTAL FINANCIAL ASSETS</b>		<u><b>549,233</b></u>	<u><b>607,282</b></u>

## NORTHERN AREAS COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

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

		2014 \$				2015 \$			
Fair Value Level		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	2	8,330,700	-	-	8,330,700	<b>8,310,700</b>	-	-	<b>8,310,700</b>
	2	3,611,000	97,384	(158,130)	3,550,254	<b>3,577,174</b>	-	<b>(286,311)</b>	<b>3,290,863</b>
	3	17,385,300	380,080	(8,130,620)	9,634,760	<b>17,462,873</b>	<b>603,827</b>	<b>(8,391,214)</b>	<b>9,675,486</b>
	3	134,289,271	3,950,076	(42,998,902)	95,240,445	<b>134,289,271</b>	<b>6,155,598</b>	<b>(45,800,986)</b>	<b>94,643,883</b>
	3	8,799,182	201,829	(7,156,794)	1,844,217	<b>8,934,053</b>	<b>166,595</b>	<b>(7,271,921)</b>	<b>1,828,727</b>
	3	2,550,000	933,296	(371,415)	3,111,881	<b>3,372,217</b>	<b>189,961</b>	<b>(446,759)</b>	<b>3,115,419</b>
	3	16,424,116	-	(7,947,945)	8,476,171	<b>16,466,367</b>	-	<b>(8,250,884)</b>	<b>8,215,483</b>
	-	-	7,213,189	(4,830,869)	2,382,320	-	<b>7,730,783</b>	<b>(5,126,825)</b>	<b>2,603,958</b>
	-	-	442,015	(365,707)	76,308	-	<b>454,659</b>	<b>(384,521)</b>	<b>70,138</b>
		191,389,569	13,217,869	(71,960,382)	132,647,056	<b>192,412,655</b>	<b>15,301,423</b>	<b>(75,959,421)</b>	<b>131,754,657</b>
		<b>202,792,411</b>	<b>13,947,019</b>	<b>(79,255,303)</b>	<b>137,484,127</b>	<b>191,389,569</b>	<b>13,217,869</b>	<b>(71,960,382)</b>	<b>132,647,056</b>

**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 2015

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

	2014	CARRYING AMOUNT MOVEMENTS DURING YEAR							2015	
	\$	\$							\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In				Out			
Land - Level 2	8,330,700	-	-	(20,000)	-	-	-	-	-	8,310,700
Buildings & Other Structures - Level 2	3,550,254	-	23,089	(139,558)	(142,924)	-	-	-	-	3,290,863
Buildings & Other Structures - Level 3	9,634,760	365,147	16,173	(22,400)	(318,194)	-	-	-	-	9,675,486
Roads	95,240,445	-	2,205,522	-	(2,802,084)	-	-	-	-	94,643,883
Bridges, Cycle trails	1,844,217	-	99,639	-	(115,128)	-	-	-	-	1,828,727
Stormwater Drainage	3,111,881	-	78,881	-	(75,343)	-	-	-	-	3,115,419
Community Waste Water Management	8,476,171	-	42,252	-	(302,940)	-	-	-	-	8,215,483
Plant, Machinery & Equipment	2,382,320	-	693,623	-	(471,985)	-	-	-	-	2,603,958
Office Equipment, Furniture & Fittings	76,308	-	12,644	-	(18,814)	-	-	-	-	70,138
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>132,647,056</b>	<b>365,147</b>	<b>3,171,823</b>	<b>(181,958)</b>	<b>(4,247,412)</b>	-	-	-	-	<b>131,754,657</b>
<i>Comparatives</i>	<b>137,484,127</b>	<b>238,784</b>	<b>2,568,420</b>	<b>(11,593)</b>	<b>(4,141,161)</b>	-	-	-	<b>(3,491,521)</b>	<b>132,647,056</b>

*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 2015

### 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 2014

#### 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

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 periods 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 2015/16 financial year.

## **Northern Areas Council**

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

#### **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 2014 by Asset Valuation & Consulting Pty Ltd. All acquisitions made after the respective dates of valuation are recorded at cost. The next scheduled revaluation date will be during the 2015/16 financial year.

#### **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 2015

### Note 8 - LIABILITIES

		2015		2014	
		\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	Notes	Current	Non-current	Current	Non-current
Goods & Services		261,938	-	351,204	-
Accrued expenses - employee entitlements		46,618	-	42,300	-
Accrued expenses - interest & other		131,642	-	143,496	-
		440,198	-	537,000	-
<b>BORROWINGS</b>					
Loans		1,877,613	6,802,143	1,734,714	6,479,757
		1,877,613	6,802,143	1,734,714	6,479,757
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		796,325	172,451	684,871	241,158
		796,325	172,451	684,871	241,158

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2014	Net Increments (Decrements)	Transfers, Impairments	30/6/2015
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
Stormwater Drainage	2,804,799	-	-	2,804,799
Community Waste Water Management	2,028,795	-	-	2,028,795
<b>TOTAL</b>	<b>116,849,798</b>			<b>116,849,798</b>
<i>Comparatives</i>	<i>120,341,319</i>	<i>(3,491,521)</i>	-	<i>116,849,798</i>

OTHER RESERVES	1/7/2014	Transfers to Reserve	Transfers from Reserve	30/6/2015
Jamestown CWMS Reserve	503,323	63,301	-	566,624
Laura CWMS Reserve	207,913	55,979	-	263,892
Gladstone CWMS Reserve	-	147,283	-	147,283
<b>TOTAL OTHER RESERVES</b>	<b>711,236</b>	<b>266,563</b>		<b>977,799</b>
<i>Comparatives</i>	<i>666,216</i>	<i>45,020</i>	-	<i>711,236</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 2015

### 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.

		2015	2014
<b>CASH &amp; FINANCIAL ASSETS</b>	Notes	\$	\$
CWMS		<u>871,453</u>	<u>566,969</u>
		<u>871,453</u>	<u>566,969</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 2015

### 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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2015 \$	2014 \$
Total cash & equivalent assets	5	<b>3,519,311</b>	2,095,351
Balances per Cash Flow Statement		<u><b>3,519,311</b></u>	<u>2,095,351</u>

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

Net Surplus (Deficit)		<b>74,623</b>	(1,628,653)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		<b>4,247,412</b>	4,141,161
Net increase (decrease) in unpaid employee benefits		<b>47,065</b>	102,590
Grants for capital acquisitions treated as Investing Activity		<b>(311,679)</b>	(492,845)
Net (Gain) Loss on Disposals		<b>(106,427)</b>	7,903
		<u><b>3,950,994</b></u>	<u>2,130,156</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		<b>(39,906)</b>	(27,271)
Net (increase) decrease in inventories		<b>22,505</b>	95,451
Net increase (decrease) in trade & other payables		<b>(101,120)</b>	91,462
<b>Net Cash provided by (or used in) operations</b>		<u><b>3,832,473</b></u>	<u>2,289,798</u>

**(c) Financing Arrangements**

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

Bank Overdrafts	<b>150,000</b>	150,000
Corporate Credit Cards	<b>20,000</b>	20,000
LGFA Cash Advance Debenture facility	<b>2,000,000</b>	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 2015

### 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	2015	2014	2015	2014	
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
ADMINISTRATION	8,649,399	6,843,439	1,963,913	1,856,747	6,685,486	4,986,692	1,424,573	749,710	5,389,057	4,055,834
PUBLIC ORDER & SAFETY	33,202	43,160	61,549	73,532	(28,347)	(30,372)	-	-	366,357	377,053
HEALTH & WELFARE	75,236	159,715	113,476	150,922	(38,240)	8,793	29,000	69,000	1,102,747	1,124,641
COMMUNITY AMENITIES	96,299	96,463	1,822,976	1,630,104	(1,726,677)	(1,533,641)	-	5,000	9,700,084	9,804,997
PROTECTION OF THE ENVIRONMENT	2,991	2,962	4,691	4,275	(1,700)	(1,313)	-	-	-	-
SPORT & RECREATION	169,798	212,668	1,121,601	1,153,658	(951,803)	(940,990)	20,113	23,478	13,645,920	13,878,025
MINING, MANUFACTURING & CONSTRUCTION	37,462	52,664	183,182	177,706	(145,720)	(125,042)	-	-	-	-
TRANSPORT & COMMUNICATION	897,338	645,663	4,099,555	4,070,202	(3,202,217)	(3,424,539)	680,706	607,656	99,945,779	100,560,338
ECONOMIC DEVELOPMENT	19,313	22,164	149,477	139,906	(130,164)	(117,742)	3,300	6,900	794,686	781,622
OTHER PURPOSES (NEC)	436,062	447,840	1,240,163	1,383,281	(804,101)	(935,441)	735	719	5,432,538	5,308,805
<b>TOTALS</b>	<b>10,417,100</b>	8,526,738	<b>10,760,583</b>	10,640,333	<b>(343,483)</b>	(2,113,595)	<b>2,158,427</b>	1,462,463	<b>136,377,168</b>	135,891,315

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 2015

### Note 13 - FINANCIAL INSTRUMENTS

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

#### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 2.0% and 3.0% (2014: 2.5% and 2.75%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges (including legals &amp; penalties for late payment)</b> Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 9% (2014: 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><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Receivables - Retirement Home Contributions</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Retirement Home Contributions</b>	<p><b>Accounting Policy:</b> To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p><b>Terms &amp; conditions:</b> Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p><b>Carrying amount:</b> approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable; interest is charged at fixed or variable rates between 4.25% and 6.7% (2014: 4.75% and 6.7%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 13 (cont) - FINANCIAL INSTRUMENTS

#### Liquidity Analysis

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
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
<b>Total</b>	<b>3,718,039</b>	<b>260,151</b>	<b>317,943</b>	<b>4,296,133</b>	<b>4,267,799</b>
<b>Financial Liabilities</b>					
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
<b>Total</b>	<b>2,612,727</b>	<b>4,378,407</b>	<b>4,276,542</b>	<b>11,267,676</b>	<b>8,941,694</b>
<b>2014</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	2,095,351	-	-	2,095,351	2,095,351
Receivables	88,666	273,840	379,268	741,774	642,566
Other Financial Assets	130,815	-	-	130,815	130,815
<b>Total</b>	<b>2,314,832</b>	<b>273,840</b>	<b>379,268</b>	<b>2,967,940</b>	<b>2,868,732</b>
<b>Financial Liabilities</b>					
Payables	351,204	-	-	351,204	351,204
Current Borrowings	2,212,390	-	-	2,212,390	1,734,714
Non-Current Borrowings	-	4,035,735	4,891,779	8,927,514	6,479,757
<b>Total</b>	<b>2,563,594</b>	<b>4,035,735</b>	<b>4,891,779</b>	<b>11,491,108</b>	<b>8,565,675</b>

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

	30 June 2015		30 June 2014	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Other Variable Rates	4.25	1,000,000	4.75	1,000,000
Fixed Interest Rates	5.86	7,679,756	6.12	7,214,471
		<b>8,679,756</b>		<b>8,214,471</b>

#### 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 2015

### Note 14 - COMMITMENTS FOR EXPENDITURE

	2015	2014
	Notes	
	\$	\$
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	-	-
Roads & Footpaths	-	-
Plant & Equipment	-	-
	-	-
These expenditures are payable:		
Not later than one year	-	-
	-	-

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### Note 15 - FINANCIAL INDICATORS

2015                      2014                      2013

These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

**Operating Surplus Ratio**

<u>Operating Surplus</u>	(6%)	(37%)	(27%)
Rates - general & other less NRM levy			

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

**Adjusted Operating Surplus Ratio**

	(21%)	(21%)	(28%)
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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>	53%	77%	69%
Total Operating Revenue			

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

**Asset Sustainability Ratio**

<u>Net Asset Renewals</u>	75%	62%	66%
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 the I&AMP has been completed*

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### 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

	2015 \$	2014 \$
Income	10,417,100	8,526,738
<i>less</i> Expenses	<u>10,760,583</u>	<u>10,640,333</u>
<b>Operating Surplus / (Deficit)</b>	<b>(343,483)</b>	<b>(2,113,595)</b>
 <i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	3,313,768	2,582,957
Depreciation, Amortisation and Impairment	<b>(4,247,412)</b>	(4,141,161)
Proceeds from Sale of Replaced Assets	<u>(141,943)</u>	<u>(14,537)</u>
	<b>(1,075,587)</b>	<b>(1,572,741)</b>
 <i>less</i> <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	365,147	238,784
Amounts received specifically for New and Upgraded Assets	<b>(311,679)</b>	(492,845)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<b>(288,386)</b>	(75,150)
	<u><b>(234,918)</b></u>	<u><b>(329,211)</b></u>
 <b>Net Lending / (Borrowing) for Financial Year</b>	 <b><u>967,022</u></b>	 <b><u>(211,643)</u></b>



# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### 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 2014/15; 9.25% in 2013/14). 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 2013/14) 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 2015

### 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 1998, this organisation is formed under Section 43 of the Local Government Act to allow membership Councils to approach regional issues in a collaborative manner.

	2015	2014
<b>Central Local Government Association</b>	\$	\$
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>	\$	\$
Opening Balance	58,314	41,987
Share in Operating Result	(20,831)	16,327
<b>Share in Equity of Joint Operation</b>	<u>37,483</u>	<u>58,314</u>

# NORTHERN AREAS COUNCIL

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

### 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 \$428,058 (2014: \$476,467) 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. "CARBON" TAX

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NORTHERN AREAS COUNCIL

We have audited the accompanying financial report of the Northern Area Council, which comprises the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements statement.

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

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

### Auditor's Responsibility

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

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

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

### Independence

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

### Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Northern Areas Council as of 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards (including Australian Accounting Interpretations).

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



**JIM KEOGH**  
**PARTNER**

Signed on the 16<sup>th</sup> day of November 2015,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

# NORTHERN AREAS COUNCIL

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

### 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 2015, the Council's Auditor, Dean Newbery & Partners, Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Colin Robert Byles  
CHIEF EXECUTIVE OFFICER



Lavonne Lea  
PRESIDING MEMBER  
AUDIT COMMITTEE

Dated this 9th day of November 2015

## Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Northern Areas Council for the year ended 30 June 2015, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



**JIM KEOGH**

**Partner**

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

**Dated this 16<sup>th</sup> day of November 2015**