

A scenic landscape photograph serves as the background for the report cover. In the foreground, a rustic wooden fence with wire mesh runs diagonally from the bottom left towards the center. The ground is covered in dry, light-brown grass. Beyond the fence, there are lush green fields, some of which are yellow, possibly due to wildflowers or crops. In the distance, there are rolling hills and a small cluster of buildings under a cloudy sky. The text is overlaid on the upper half of the image.

NORTHERN AREAS COUNCIL ANNUAL REPORT 2016-17

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THE YEAR IN BRIEF

It is with great pleasure we present the 2016/17 Annual Report for the Northern Areas Council, highlighting the many achievements Council has made during the year.

The Elected Member Team changed during the year with Councillor Hank Langes becoming Deputy Mayor replacing Councillor Merv Robinson in November 2016; Councillor Tim Zander resigned in November 2016. A Supplementary Election was held and Kathy Webb was elected to Council in March 2017.

Elected members are now into the third year of a 4 year term and now have a good understanding of how council works, legislative requirements and feel for how to engage the community.

Elected Members continued to attend training courses to enhance their knowledge to enable them to make considered decisions on a range of topics in the Local Government arena. These training courses included LGA Conference and General Meeting, Roads and Works Conference, Council Members Forum, South Australian Tourism Commission Local Government Tourism Forum and Mayor's Chairpersons Residential Seminar.



The year has been challenging as a result of heavy rains and numerous storms impacting on council operations and capital works. These types of events do occur yearly in parts of our Council area but this year the whole of the council area was affected by the rains and storms causing immense stress on Council resources. As a result general maintenance activities were replaced with major repair works.

Council conducted a number of community forums during the year to give the community information about the operations of Council and to receive information, feedback about the services council are delivering and expected to deliver. These forums I considered to be of exceptional value to Council with the forums being conducted in a manner that allowed good conversations to occur. The message coming through in these forums was that Council needed to get on top of a lot of outstanding maintenance issues.

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

To enable Council to be more proactive in construction and maintenance issues the Operational Services department was restructured to recognise the technical needs of infrastructure construction, maintenance and delivery and the range of skills needed to develop and deliver

THE YEAR IN BRIEF CONTINUED

appropriate information to employees and contractors in a timely and consistent way. The year has been one of renovation of process and the establishment of foundational and strategic direction to guide service delivery into the future and management of levels of service for all asset classes.

Council has been developing Asset Management Plans for all the Asset categories of council. This project is now almost complete and will form the major information source for our ongoing capital works programs. The data from these plans will create the dollars required to feed into the Long Term Financial Plan.

The Long Term Financial Plan has been significantly revised in the last 12 months to ensure all available data that is available from a number of sources is used in formulating this plan. The Long Term Financial Plan objectives from the past few years are still in place, which allow for higher than Consumer Price Index rate rises to address the backlog in infrastructure upgrades, only now we have more accurate data in developing the forward years in the plan.

The further development and understanding of Financial Sustainability ratios has led to elected members having a greater understanding of the financial position of Council and the need to have a high rates income for a period of time.

One of the most pleasing aspects of Local Government is the ability to give back to Volunteers and Community Organisations. Council runs our own Community Grant Funds program as well running grant fund programs on behalf of AGL and Neoen who have constructed Windfarms in our Council region. This year we again saw almost \$100,000 allocated to Community organisations from these funding programs.



THE YEAR IN BRIEF CONTINUED

The Elector Representation Review final documentation has been submitted to the Electoral Commissioner of South Australia for approval. The expectation is that the review will be approved by December 2017. The main features of the review (subject to approval) are that Council will retain wards, two of the wards will be renamed, Jamestown ward will become Belalie, Spalding Ward will become Broughton, the ward boundaries will be adjusted to allow council to meet the government legislation of a 10% tolerance between ward elector numbers, the principal member of council will be called a Mayor, and the number of elected members will remain at nine. The Mayor will be elected from amongst the elected members.

Council is under continuous review to ensure we are delivering council services in the most efficient and effective manner. To date we believe that efficiencies have been achieved and service delivery has improved, however the challenge is for elected members and staff is to continue to explore opportunities to increase our efficiencies and deliver the most cost effective solutions for our council services.



Mayor Denis Clark



CEO Colin Byles

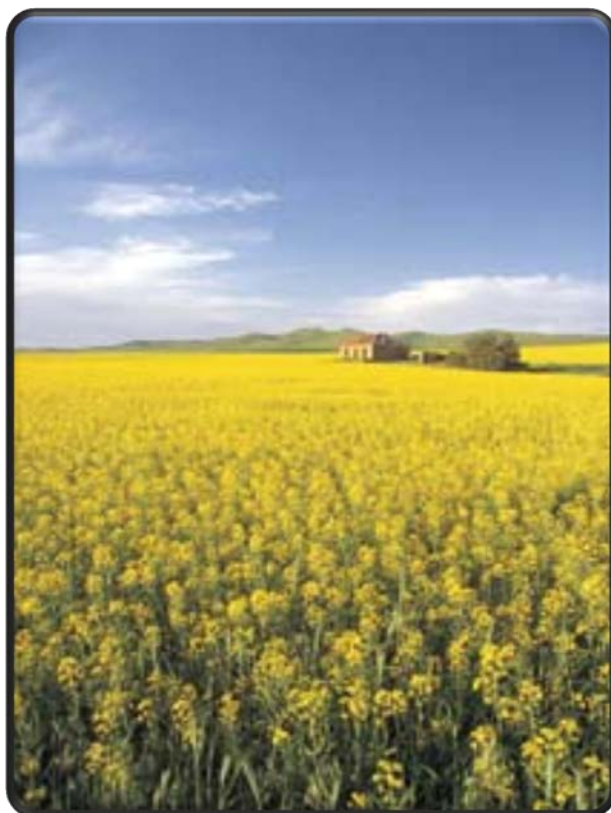
COUNCIL PROFILE

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 Ngadjuri Aboriginal people. The Council area is divided into four Wards: Jamestown (4 Elected Members), Rocky River (3 Elected Members), Yackamoorundie (1 Elected Member) and Spalding (1 Elected Member). The Council covers an area of 3070km², and has a total of 2,197km of roads of which 133km are sealed.

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

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

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



COUNCIL PROFILE CONTINUED



The economy remains firmly based in broadacre farming, with the Jamestown Saleyards one of the few remaining regional livestock sales facilities. Recent windfarm development has made a strong contribution to the economy and has brought new families into the district. The 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 Updated

Principal Office:

94 Ayr Street, JAMESTOWN SA 5491

Monday to Friday 9am – 5pm

Telephone 8664 1139

Fax 8664 1085

Email: admin@nacouncil.sa.gov.au

Webpage: www.nacouncil.sa.gov.au

Branch Offices:

14 Fifth Street

GLADSTONE SA 5473

Monday to Friday, 9am-5pm

Telephone: 8662 2018

Main Street

SPALDING SA 5454

Tuesdays 10 am – 2.30 pm

Thursdays 9am-5pm

Telephone: 8845 2017



Total Population	4540
Total Area	3070km²
Number of Rateable Properties	4171
Total Road Network	2330 km
Number of Electors	3445
Total Number of Elected Members (including Mayor)	9
Number of Staff – FTE	53
State Electorate	Stuart, Frome
Federal Electorate	Grey

STRATEGIC STATEMENT

About the Strategic Plan

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

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



Building on our Strengths

Our strengths provide a strong basis for a sound future:

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

Our Vision

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

Key Goals

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

ELECTED MEMBER INFORMATION



Mayor Denis Clark
(Jamestown Ward)



Deputy Mayor Merv Robinson
Nov 14 - Nov 16
(Jamestown Ward)



Deputy Mayor Hank Langes
Nov 16 -
(Jamestown Ward)



Cr. Glan Moore
(Jamestown Ward)



Cr. Ben Browne
(Spalding Ward)



Cr. Jim Walden
(Yackamoорundie Ward)



Cr. Sue Scarman
(Rocky River Ward)



Cr Geoff Lange
(Rocky River Ward)



Cr. Tim Zander
Nov 14 – Nov 16
(Rocky River Ward)



Cr. Kathy Webb
Mar 17 -
(Rocky River Ward)

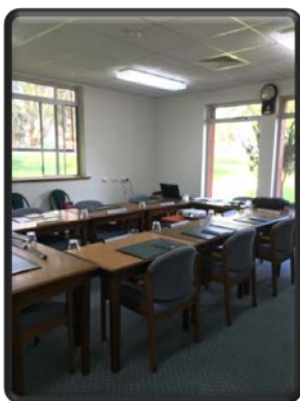
ELECTED MEMBER INFORMATION CONTINUED

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

The Northern Areas Council community is represented by nine members.

Northern Areas Council comprises four wards:

- Jamestown
- Rocky River
- Yackamoorundie
- Spalding



Meeting Times

Ordinary Meetings of the Northern Areas Council are held on the third Tuesday of each month commencing at 2:00pm

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

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

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

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

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

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

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



ELECTED MEMBER INFORMATION CONTINUED

Council Members Attendance

ELECTED MEMBERS JULY 2016 – JUNE 2017	Number Ordinary Meetings	Number Ordinary Meetings Attended	Number Special Meetings	Number Special Meetings Attended
Cr. Denis Clark (Mayor)	12	12	2	2
Cr. Merv Robinson (Deputy Mayor Jul 16 – Nov 16)	12	12	2	2
Cr. Ben Browne	12	11	2	2
Cr. Geoff Lange	12	11	2	2
Cr. Hank Langes (Deputy Mayor Dec 16 – Jun 17)	12	12	2	2
Cr. Glan Moore	12	11	2	2
Cr. Sue Scarman	12	12	2	2
Cr Jim Walden	12	12	2	2
Cr. Tim Zander (Jul 16 – Nov 16)	12	5	2	0
Cr Kathy Webb (Mar 17 – Jun 17)	12	4	2	1

Council Allowances

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

This table has been updated.

Council Members Allowances (per annum)	
Mayor	\$37,264
Deputy Mayor	\$11,645
Council Members	\$9,316

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

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

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

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

Council resolved that its Allowances be paid quarterly in arrears.

ELECTED MEMBER INFORMATION CONTINUED

Elected Member Training/Conferences

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

Elected Members have attended the following during the year:

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

Elector Representation

An Elector Representation Review was commenced in June 2016 and the review was concluded in February 2017. The report has been sent to the Electoral Commissioner for approval.

The Review outcome was as follows:

- Council will continue to have wards. There will be four wards. Two of the wards have changed names
Jamestown → Belalie
Spalding → Broughton
- The total number of electors will be nine, as listed below:
 1. Belalie Ward: 4 Elected Members
 2. Broughton Ward: 1 Elected Member
 3. Rocky River Ward: 3 Elected Members
 4. Yackamoorundie Ward: 1 Elected Member
- A Mayor 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 3440 persons eligible to vote in Local Government elections in the Northern Areas Council. Electors - 3440 – No of Wards 4 – Quota per Member – 382.

The Northern Areas Council ward quota of 382 is comparable to Councils in South Australia of a similar size.

Name	Number Of Electors	Number of Elected Members	Representation Quota
Coorong	3804	9	423
Kangaroo Island	3429	9	381
Goyder	3074	7	439
Yankalilla	4167	9	463

ELECTED MEMBER INFORMATION CONTINUED

Council Appointed Delegates to Organisation and Committees

Local Government Bodies	
Local Government Association	<div>➤ Mayor</div> <div>➤ Deputy Mayor (Proxy)</div>
Local Government Finance Authority of SA	<div>➤ Mayor</div> <div>➤ Deputy Mayor (Proxy)</div>
Regionally Appointed Delegates	
Mid North Health Advisory Council	<div>➤ Cr. Clark</div>
Northern Passenger Transport Network	<div>➤ Cr. Lange</div> <div>➤ Manager Community Development</div>
Southern Flinders Better Living Group	<div>➤ Cr. Lange</div>
Southern Flinders Health Advisory Committee	<div>➤ Cr. Lange</div>
Section 43 Regional Subsidiaries	
Central Local Government Region/LEGATUS	<div>➤ Mayor</div> <div>➤ Deputy Mayor (Proxy)</div>
Central Local Government Region Committees	
Central Region Transport Committee	<div>➤ Committees are in abeyance subject to CLGR future directions findings.</div>
Central Region Waste Management Committee	
Central Region Water Committee	
Section 101A Development Act 1993	
Strategic Planning and Development Policy Committee	<div>➤ All Council Members</div>
Section 41 Committees	
CEO Performance Management Panel	<div>➤ Mayor</div> <div>➤ Cr. Browne</div> <div>➤ Cr. Lange</div> <div>➤ Cr. Scarman</div>
Ewart Oval Management Committee	<div>➤ Cr. Zander/ Cr. Webb</div>
Flinders Mobile Library	<div>➤ Cr. Lange</div> <div>➤ Judith Gill</div> <div>➤ Manager Corporate Services (Proxy)</div>
Gladstone Swimming Pool Management Committee	<div>➤ Cr. Zander/ Cr. Webb</div>
Gulnare Memorial Institute	<div>➤ Cr. Walden</div>

ELECTED MEMBER INFORMATION CONTINUED

Jamestown Health & Ambulance Centre Management Committee	➤ Cr. Lange
	➤ Cr. Moore ➤ Jim Moss (Community Rep) ➤ Max Prior (Community Rep)
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
Section 41 Committees continued	
Northern Areas Council Finance Committee	➤ All Council Members
Northern Areas Community Road Safety Committee	➤ Cr. Zander / Cr. Webb ➤ 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. Webb ➤ Cr. Lange (Proxy) ➤ Scott Crawford ➤ John Hennessey ➤ David Humphris ➤ Tom Humphris
Spalding Swimming Pool Management Committee	➤ Spalding Ward Councillor
Stone Hut Soldiers Memorial Hall Committee	➤ Cr. Scarman
Victoria Park Jamestown Management Committee	➤ Cr. Moore
Yacka Community Development Board	➤ Cr. Browne
	➤ Cr. Walden
Yacka Hall Committee	➤ Leanne Kunoith
CFS	
Bundaleer CFS Group	➤ Cr Lange
Hallett CFS Group	➤ Cr. Robinson

ELECTED MEMBER INFORMATION CONTINUED

Community Based Organisations	
AGL Hallett Wind Farm Community Fund Panel	<ul style="list-style-type: none"> ➤ Cr. Moore ➤ Manager of Community Development
Gladstone Community Development & Tourism Association Inc	<ul style="list-style-type: none"> ➤ Cr. Zander / Cr. Webb
Georgetown Community Development Association Inc	<ul style="list-style-type: none"> ➤ Yackamoorundie Ward Councillor
Jamestown Community Library	<ul style="list-style-type: none"> ➤ Cr. Langes ➤ Cr. Moore ➤ Chief Executive Officer ➤ Vivian Hector
Jamestown Development Association Inc	<ul style="list-style-type: none"> ➤ Cr. Langes ➤ Cr. Robinson ➤ Cr. Clark (Proxy) ➤ Cr. Moore (Proxy)
Laura Community Development & Tourism Association Inc	<ul style="list-style-type: none"> ➤ Cr. Scarman
Spalding District Inc	<ul style="list-style-type: none"> ➤ Spalding Ward Councillor

AUSTRALIA DAY AWARDS 2017

Northern Areas Council's Citizen of the Year for 2017 was awarded to Glenn Hammatt of Spalding for his many years of involvement and volunteering in the local community. Glenn has served on the Jamestown Hospital Board since 1969 (and its various incarnations) a total of 47 years. During this time he served as Chairman for 5 years, Deputy Chairman for 2 years, Chairman of Finance for 2 years. When the boards changed he became an inaugural member of the Mid North Regional Health Service including Chairman for 5 years and Deputy Chairman for 2 years. And the final change in 2008 Glenn continued to serve as Chairman and time as Deputy Chairman. Glenn did not seek re-election in 2016.

Glenn is also a volunteer for the Jamestown SA Ambulance commencing in 2007 and continues to be. He has also served on the Jamestown District Ambulance Committee for 2 years including holding the position of secretary.



Young Citizen of the Year was Awarded to Damien (Winky) Hunt. Damien has been a valued member of the Jamestown Apex Club, Jamestown Lawn Tennis Club and Jamestown Golf Club. Damien volunteered to take on the organising of the annual Jamestown Christmas Pageant when the other organisers were struggling to keep it going. This event has once again become an important event in the area attracting many people to the town. The children especially have large smiles on their faces when Father Christmas arrives and they line up to see him in the Magic Cave. The Ram 'n ' Ewe Ball has become an important part of the younger people's calendar as a place they can come and have fun with people who travel from all over the state. The event regularly attracts over 400 people and Damien has worked hard in organising the food, entertainment and music for this event and making sure all these people have a great time.



AUSTRALIA DAY AWARDS 2017 CONTINUED



The Community Event of the Year was awarded to 10th Anniversary Ram n Ewe Ball. An event that was started to bring young people together.

The Awards were presented by Mayor Denis Clark and the Council's 2017 Australia Day Breakfast at the Jamestown Memorial Park lawns on day 26 January 2017.

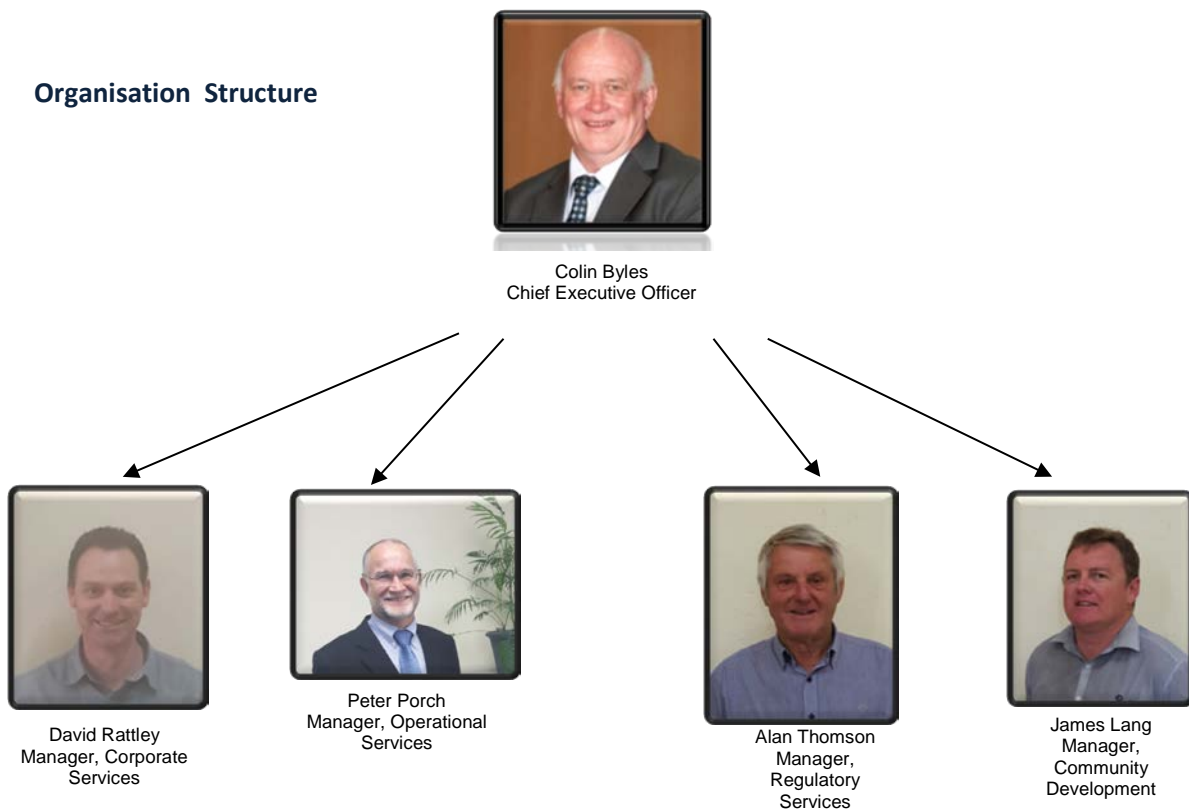
CITIZENSHIP CEREMONY



Mayor Denis Clark presided over a Citizenship Ceremony in February 2017 held at the Jamestown Administration Centre for Joanna Arceo from Jamestown.

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 2017 consisted of 52 full-time equivalent employees. The head count equated to 68 people being 26 Female and 42 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 Workgroup meetings (including toolbox meetings), emails, noticeboards, Health & Safety Representatives.

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

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

CEO UNIT CONTINUED

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 Caltowie, Georgetown, Gladstone, Gulnare, Jamestown, Laura, Spalding and Yacka.

One hundred and ninety (190) hazard reduction (Section 105F) notices were issued to property owners. The majority of the property owners complied with the requested fire hazard reduction work, including sixteen (16) property owners who negotiated an extension of time to enable them to carry out the required work.

Hazard reduction notices were posted to:

1. 134 of the 190 property owners (71%) requesting only that the vegetation on the property be mowed/ slashed or removed from the land;
2. 22 of the 190 property owners (12%) requesting only that work be carried out on trees; and
3. 11 of the 190 property owners (6%) requesting that work be carried out on trees and that the vegetation on the property be mowed/ slashed or removed from the land.

A Council contractor was engaged to carry out fire hazard reduction work at twelve (12) of the 190 properties due to the property owners not carrying out the requirements of the Section 105F notice. The cost of engaging the contractor to carry out the work was then passed on to the property owner (this was done in accordance with the FESA legislation). Northern Areas Council did not add on an administration fee.

Additional fire prevention information:

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

1. Active membership within the Flinders Mid North Yorke Bushfire Management Committee (FMNY BMC), and participation in the review and update of the FMNY Area Bushfire Management Plan;
2. Weekly observations of roadside grasses for curing (generally from September to December) and greening (generally from February to May);
3. The slashing of roadside grasses in key areas, including, where possible, the perimeter of townships.
4. Review of township properties from the beginning of August to the end of April for potential bushfire/ grassfire hazards;
5. The issuing and follow up of hazard reduction (Section 105F) notices to property owners (generally from mid-August to the end of April); and

CEO UNIT CONTINUED

6. The issuing of Schedule 9 Permits during the Fire Danger Season (cannot be issued for Total Fire Ban Days)

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”.



HUMAN RESOURCES

Salary Package for Senior Officers

As at 30 June 2017, the Senior Management Team consisted of the Chief Executive Officer and 4 Department Managers. The Executive Team were paid remuneration packages in the range of \$88,500 to \$182,000.

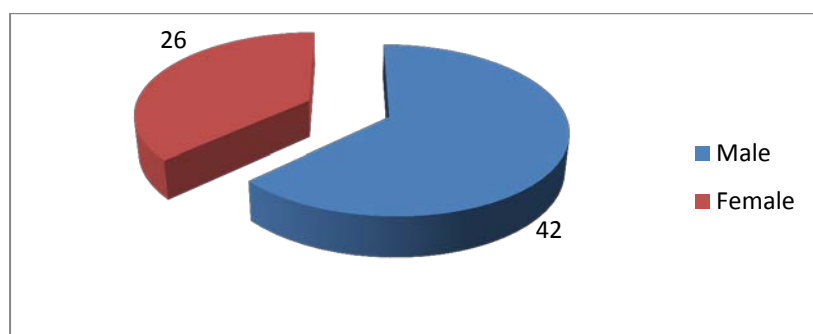
These packages included:

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



Council employed a total workforce of 68 people which was equivalent to 52 full time employees as at 30 June 2017.

Staff according to Gender to update



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

Human Resources

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



CORPORATE SERVICES

During 2016/17 a range of financial and administrative improvements and efficiencies have continued to be introduced to Councils operations.

Electronic Rate Notices

In the previous year Council introduced a new option for ratepayers to receive notices by email. Council's rate notice printer, Forms Express, has set up an application called "Formsport". In each quarters rate notice a flyer was included with instructions on how to register for the email service. By year end take up of the service has continued to grow to 193 assessments or 4% with this expected to keep growing as more people realise the benefits in receiving electronic billing (June 2016 was 93 assessments). Savings in postage of notices will also grow as take up increases.

Budget Reviews

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

Managers were required to each review their areas of expertise and accordingly submit budget review recommendations. The mid year budget review dated 31st January was presented to the February Council meeting held at Spalding on Tuesday 21st. Greater focus was given to year to date performance against the Key Financial Sustainability Indicators with a PowerPoint presentation provided to highlight these. The short turnaround from end of January to adoption of the review at the February Council Meeting was enabled due to managers being more in control of their budgets on a monthly basis.

Long Term Financial Plan Review

A review was conducted of the Long Term Financial Plan which was originally set in March 2016. It was presented to the February 2017 Council meeting at Spalding and focused on reviewing target Financial Sustainability Indicators. In addition there was an increased focus on forecast Capital spending in order to improve years 2-10 of the Asset Sustainability Ratio.

The adopted Ratio Targets were as follows;

Operating Surplus Ratio Between 0 % and 10 %

Net Financial Liabilities Ratio Between 0 % and 50 %

Asset Sustainability Ratio Between 95% and 105%

Roads to Recovery

In 2016/17 the federal government provided the second instalment of one-off fuel excise amounts to all Councils Roads to Recovery programme allocations. For Northern Areas Council the allocation

CORPORATE SERVICES CONTINUED

available was \$661,607. Council considered the best use of these funds while receiving the Draft 2016/17 Budget for adoption. As a result it was decided the extra funding would be used to boost the re-seal programme in line with road re-seals that were due in the Infrastructure Asset Management Plan. During the year a revised plan allowed a portion of these funds to be re-allocated to important road signage. A small portion of the allocation will now be claimed in the 2017/18 financial year.

Audit Committee

The Audit Committee held 3 meetings in the 2016/17 financial year (the 3rd meeting in June being a merger of the 3rd and 4th scheduled meetings). Meeting content was in accordance with the adopted Model Work program for the financial year.

The 2015/16 year was the first year that a scheduled Work Program was put into place. The Work Program set the items for the year to be considered and which meeting they were expected to occur. The quantity of matters being considered by the committee was considerably greater than previous years.

During the year the Committee received a report which addressed its performance over the previous financial year. It was noted that 58% of actions were carried out by year end, with a further 17% since completed at the time of receiving the report.

At the November meeting the Auditors Ian McDonald and Nancy Tran addressed the meeting and discussed the completed 2015/16 financial results as well as other audit matters. This was following the conclusion of the first year of a 5 year audit term.

2017/18 Budget Process

Continuation of improved budget timelines allowed Council to hold 2 budget workshops in April and May thus allowing more Councillor input into the process than previous years. Workshops were again focused at the Strategic level (especially around Financial Sustainability Indicators).

Management input into Capital budgets was required by the end of February and Operating budgets by 18th March. Considerable effort was made to provide budget detail at a lower level for management purposes. As such budgets for 2017/18 have been loaded into Councils Synergy financial system at both Job and 'IE' code levels. This allows management to monitor budgets more accurately by type of expense. E.g. water in a park or electricity at the depot

The Annual Business Plan consultation period culminated with a public meeting on Wednesday 7th June with 9 members of the public in attendance (the highest public attendance by far since 2011)

CORPORATE SERVICES CONTINUED

The final budget adoption was again held in June at the Council Meeting in Yacka on the 20th. Earlier than traditional adoption has allowed for more time to complete the rates raising and distribution process.

Financial Assistance Grants to Local Government

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

During 2016/17 Council received a total of \$2,702,602 (this included an amount of \$918,550 relating to 2017/18 which was received as an advance payment in June 2017 and reported in the 2016/17 financial statements).

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

For 2016/17 continuation of paused indexation has led to a compound effect totalling \$162,000 in addition to the \$180,000 loss of supplementary road funding. The impact of the continuation of this funding change was equivalent to a general rate increase of approximately 6.3%.

Yearly Investment Review

Through the use of a variety of investment products, Council has achieved a high quality, low risk investment portfolio by obtaining investment return rates which deliver the best value within investment guidelines.

During the 2016/17 financial year the official cash rate fell once. In July 2016, the cash rate was 1.75%. In August 2016, the Reserve Bank of Australia (RBA) dropped the cash rate by 0.25% to 1.50%, where it remained until the end of June 2017.

Investment earnings ranged from 1.50% to 2.15% on funds invested during the period (excluding the LGFA bonus rate). The total interest income from financial institutions for the year was \$64,739, which was 7% below the previous year's interest income of \$69,835, as a result of a slightly lower interest rate in the 2016/17 financial year.

The table below provides Council's investment portfolio performance for the year ended 30 June 2017 compared to the official cash rate and the bank bill swap rate.

CORPORATE SERVICES CONTINUED

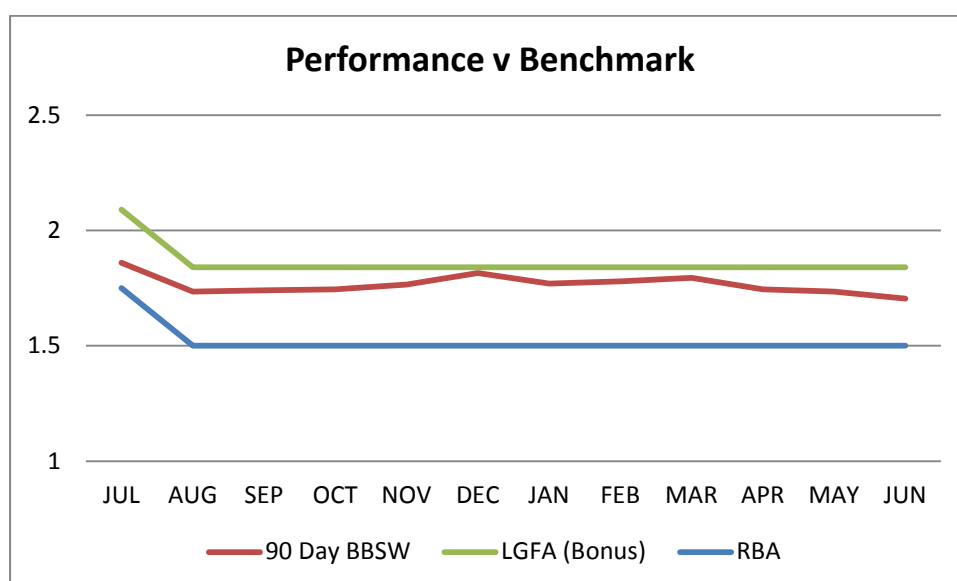
Financial Institution	Average Holding	Average Return
Local Government Finance Authority Cash deposit	2,811,450	1.86%
Total Average Investments	2,811,450	1.86%
NAB Council Operating Account	394,992	1.52%
90 Day Bank Bill Swap Rate		1.77%
Official Cash Rate		1.52%

**** LGFA average return factors in a yearly bonus percentage of 0.34%.**

Note: The 90 Day BBSW as at 30 June 2017 was 1.71% and the RBA cash rate was 1.50%.

On average, Council investments provided greater returns than both the 90 day bank bill swap rate and the official cash rate.

The following graph provides a comparison of Council's average investment interest rates with the LGFA (including bonus percentage) compared to the BBSW and the official Reserve Bank of Australia interest rates for the previous financial year.



CORPORATE SERVICES CONTINUED

2016-17 Annual Business Plan Summary

The Annual Business Plan sets out the Council's proposed services, programs and projects for 2016-17. It aims to maintain efficient services for the community and continue progress towards the longer term objectives for the district as set out in the Strategic Management Plan adopted by the Council on 20th September 2011. Specific objectives for the year are proposed consistent with the Council's Long-term Financial and Asset Management Plans to ensure the long-term sustainability of the Council's financial performance and position.

Council relies heavily on rates and grant revenue as primary sources of income. The following table provides a summary of the Budgeted Operating Income and Expenditure for the 2016-17 year.

Operating Income	\$m	Operating Expenses	\$m
Rates	\$7.28	Employee costs	\$3.13
User/Statutory charges	\$0.28	Materials, Contract, Other	\$2.86
Grants	\$2.87	Finance costs	\$0.49
Other income	\$0.84	Depreciation	\$4.38
Total	\$11.27	Total	\$10.86

A full copy of the Annual Business Plan is available at www.nacouncil.sa.gov.au



Mayor Denis Clark

Project Priorities for the Year

In 2016-17 Council will undertake major Capital Works in line with Council's Asset Management Plans to ensure the longevity of existing assets.

Council is proposing capital expenditure of \$5.6 million of which \$0.6 million is allocated for new assets and the remaining \$5.0 million for renewal and upgrade of existing assets.

CORPORATE SERVICES CONTINUED

Transport

- Re-sealing of existing Sealed roads \$1,120,000;
- Unsealed road re-sheeting \$1,434,000;
- Kerbing program \$77,200;
- Bridges \$51,500;
- Footpaths \$100,100;
- Stormwater works at Laura (Stage 2) \$400,000 (\$124,000 grant funded);
- Net Plant replacement - Loans of \$960,000 (\$260,000 carried forward);
- Drainage (Survey, Design & Construction) \$306,000;



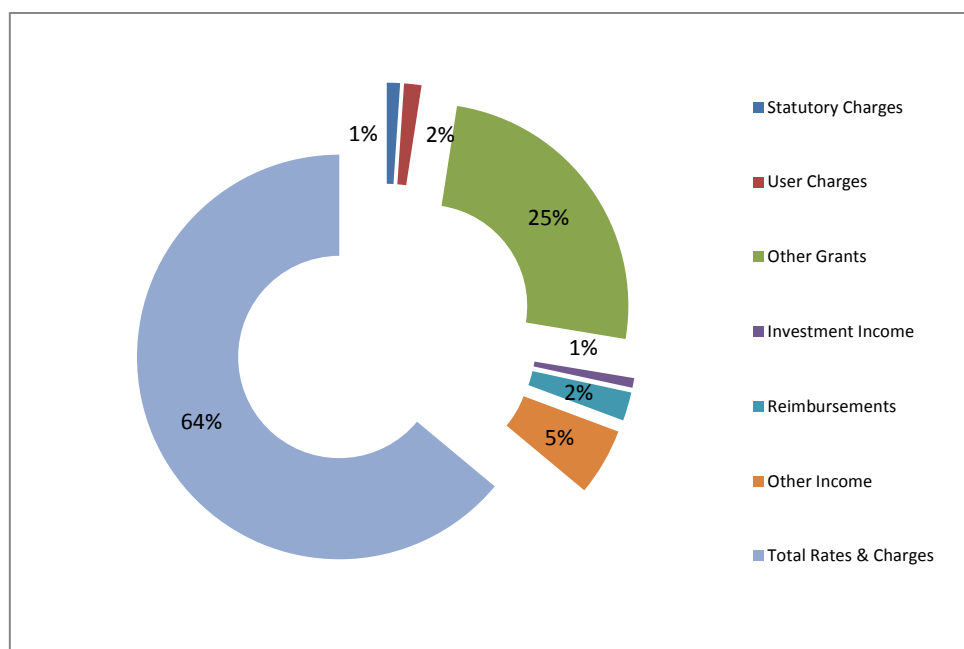
Sport & Recreation

- Playgrounds \$27,000.

Community Amenities

- Jamestown CWMS- pond lining \$200,000;
- Various building upgrades \$107,000.
- Laura Streetscape Upgrade \$225,000 (part E -subject to grant funding).

2016/17 Operating Revenue Mix



Significant Influences and Priorities

A number of significant factors have influenced the preparation of the Council's 2016-17 Annual Business Plan. These include:

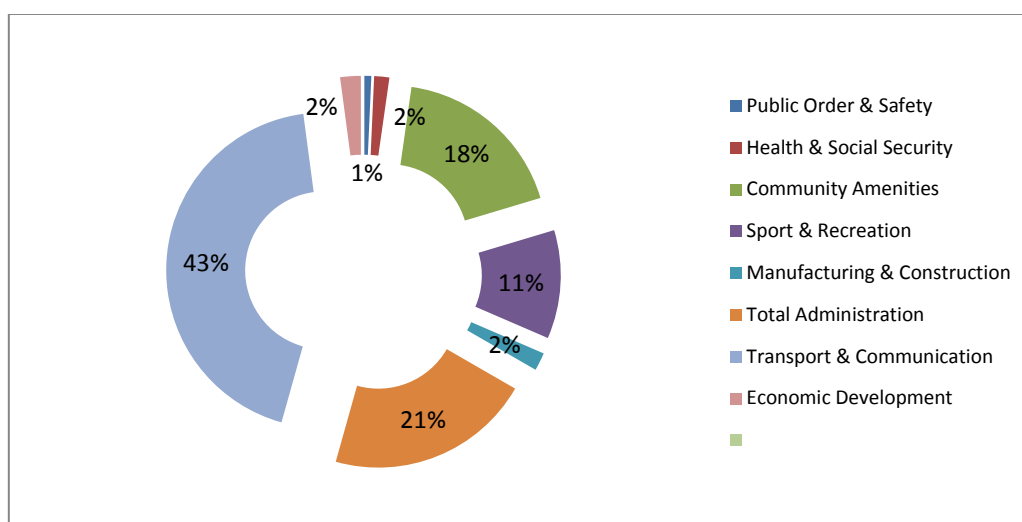
CORPORATE SERVICES CONTINUED

- Local Government Cost Index increases on relevant goods and services of 0.9% for the year;
- Council to make gradual improvements towards a financially sustainable operating position;
- Requirements to maintain and improve infrastructure assets to acceptable standards including roads, footpaths, lighting, stormwater drainage, street trees and plantings, open space and Council properties;
- Service and infrastructure needs for a changing population;
- Commitments to continuing projects and partnership initiatives over more than one year.
- Reduction/removal of State/Commonwealth grant funding for services deemed to continue;
- New fees/changes imposed by other governments e.g Waste Levy, NRM Levy;
- Removal of Commonwealth Supplementary road funding for South Australia.

In response to these factors, and to minimise the burden on ratepayers, 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);
- Total operating expenses to be held within 1.0% of the current year's level;
- 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;
- Continuing to pursue shared service opportunities with governmental agencies, other local government authorities and private enterprise;
- Improving Asset Management practices.

2016/17 Operating Expense Mix



Reflecting on 2015-16

Highlights of the goals and outcomes achieved by Council during the 2015-16 financial year include:

CORPORATE SERVICES CONTINUED

Building Maintenance Program

Including the upgrade of the Spalding Hall air-conditioning and Jamestown Hall heating.

Events

Council continues to support a range of significant events in its communities including the Laura Folk Fair, Spalding Rodeo, Jamestown Fly-In, Jamestown Show and Races and Gladstone Country Fair.

Other Operations

Maintenance of roads and associated infrastructure including patrol grading, road patching and footpath/kerb repairs in the range of \$1.3M per annum.

Parks and garden Maintenance of approx. \$400K per annum.

Waste management, including Transfer Station operations and kerbside waste and recycling collection of approx. \$800K per annum.

\$1M Re-sealing 7.8kms of various town roads



A capital works program of \$4.7m, including \$4.1m for the replacement and renewal of existing assets and \$0.6m for new and upgraded assets

Major projects were:

- Re-sheeting approx. 60kms of unsealed roads to the value of \$1.3M
- Town Re-sealing works to the value of \$1M
- Spalding Community Sporting Hub Construction
- Georgetown Public Toilet Construction
- Jamestown Swimming Pool Changeroom Upgrade
- Commencement of the Laura Flood Mitigation Project (\$1M over 3 years)
- Laura Main Street Footpath Upgrade (part D)
- Major plant replacement program, Net \$440K

CORPORATE SERVICES CONTINUED

What it means for rates in 2016-17

How does Council determine the rates payable?

Council adopts the capital values (as provided by the State Valuation Office) on all properties in the Council District. Council determines what revenue is required for Council operations in the district for each financial year in the form of the Annual Business Plan & Budget. The rate in the dollar and the fixed charge are then declared by Council for all properties in the area.

For example: A property has a capital value of \$200,000 and Council declares a rate in the dollar of 0.4335 cents. That property will pay $\$200,000 \times 0.4335 \text{ cents} = \$867.00 + \$360.00$ fixed charge for total of \$1,227.00

In 2015-16 Council's general rate revenue was \$5,341,000. It is budgeted that in the 2016-17 financial year an 8.0% average general rate increase apply to existing rateable properties. New assessments will also add additional rate revenue of 0.5% bringing the gross expected rate income to \$5,809,100.

Overview

In setting its rates for the 2016/2017 financial year Council considered the following:

- The current economic climate and relevant factors such as inflation and interest rates;
- The specific issues faced by our community, including the effects of the drought and the previous impact of poor seasons for the farming community;
- The need to continue to replace and upgrade infrastructure and other assets including both plant and machinery and the road network;
- The objective of attracting and continuing to attract and support business activity to generate economic development;
- Council's Strategic Management Plan and the meeting of its objectives;
- The Budget for the 2016/2017 Financial Year and the Long Term Financial Plans;
- Householders, businesses and farmers;
- Employed, unemployed & pensioners;
- The broad principal of achieving equity in the distribution of rates;
- Minimising the level of general rates required by levying user pays fees and charges for goods and services where possible;
- Setting fees and charges to recover the full cost of operating or providing the services of goods, with provision for concessions to those members of the community unable to readily meet the full cost;
- Taking into account increases on Council valuations by the State Valuation Office;
- Council's membership of Regional Development Australia which in turn supports small businesses in the Council area;
- Promoting Single Farm Enterprise benefit which has reduced the rate burden on primary production businesses.

Council conducts public consultation on a broad range of issues as required by its Public Consultation Policy. The draft Annual Business Plan will be available to all ratepayers and community members who will have the opportunity to provide written feedback and comments prior to adoption. Council will hold a one hour public meeting in early June 2016 for personal submissions.

CORPORATE SERVICES CONTINUED

Method Used To Value Land

Council may adopt one of three valuation methodologies to value properties in its area. They are:

- Capital Value – the value of the land and all improvements on the land;
-
- Site Value – the value of the land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding the value of buildings and other improvements;
- Annual Value – a valuation of the rental potential of the property.

Council has decided to continue to use capital value as the basis for valuing land within its Council area. Council considers that this method provides the fairest method of distributing the rate burden across all ratepayers when applying the equity test of taxation.

Adoption of Valuations

Council will adopt the valuations made by the State Valuation Office as provided to the Council in May 2016.

A ratepayer may object to the Valuer-General in writing, within 60 days of receiving the notice of the valuation at the following address.

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

Council has no role in this process. It is also important to note that the lodgement of an objection does not change the due date or amount for payment of rates.

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 \$5,809,100 net general rate revenue in a total revenue budget of \$11,274,407. Council proposes to set a general rate of 0.3251 cents in the dollar for rural assessments and 0.4335 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;
- General rate of 0.3251 cents in the dollar for rural assessments and 0.4335 cents in the dollar for urban assessments;
- Generating \$3,597,500 being raised from rural rates and \$2,211,800 being raised from urban rates.

CORPORATE SERVICES CONTINUED

Fixed Charge

Council proposes to impose a fixed charge on rateable properties of \$360, 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 Community Wastewater Management System (CWMS) to most properties in Jamestown, Laura, Gladstone and 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 and septic tank de-sludge on a 4-yearly cycle) through the imposition of an annual service charge of \$442.00 per occupied property unit and \$358.00 per unoccupied unit.

Any surplus of revenue over expense is kept in a dedicated reserve account for future replacement or upgrades of respective schemes.

Council provides waste collection services to townships within the Council area. 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 2016/17 year is \$210.00 per unit (2 bin system). Increases in recent years are as a result of recycling commencement and new EPA requirements affecting how Council disposes of waste collected.

Some rural properties voluntarily participate in the service and are invoiced through Council's debtor system.

Please note that properties exempt from General Rates are not necessarily exempt from Annual Service Charges if applicable.

State Government Concessions

These concessions were formerly available to the holders of pensioner concession cards, veterans, low-income earners, unemployed, students, and self-funded retirees.

These concessions were all abolished by the State Government with effect from 30 June 2015. From 1 July 2015, the State Government has elected to replace these concessions with a single "cost-of-living payment" provided directly to those entitled. This payment may be used for any purpose, including offsetting Council rates. Note that not all former recipients of rates concessions will be

CORPORATE SERVICES CONTINUED

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

The separate concession entitlements for Council Community Wastewater Management Systems (CWMS) remain unchanged.

Postponement of Rates for State Seniors Card Holders

Section 182A of the Local Government Act 1999 provides for the option for State Seniors Card Holders to postpone part of the rates on a long term basis. A deferred amount is subject to a monthly interest charge with the accrued debt being payable on the disposal or sale of the property. Applications are subject to the same conditions as deferral or postponement of rates.

For further information and details please contact the Rates Officer, at Northern Areas Council:
PO Box 120 Jamestown SA 5491 or 8664 1139.

Rate Capping

Council provides a rate cap upon application of 50% for the 2016/17 financial year. Rate capping does not apply to properties where the current ratepayer was not a ratepayer for that property prior to 1st July 2015 or where a building/development approval has been granted since 1st July 2015 valued at \$20,000 or more. Applications for the rebate must be received by 31 August 2016.

Payment of Rates

The Council has decided that the payment of rates will be by quarterly billing, due on the 2nd September 2016, 2nd December 2016, 3rd March 2017 and 2nd June 2017.

Difficulty in paying Rates

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.

Late Payment of Rates

The Local Government Act provides that Councils impose a penalty of a 2% fine on any payment for rates, whether due by instalment or otherwise that are unpaid after the due date. A payment that continues to be in arrears is then charged penalty interest at an interest rate, set each year according to a formula in the Act, for each month it continues to be late. Penalty fines allow the Council to recover some of the administration costs that arise because rates were not received by the due date.

Remission and Postponement of Rates

Section 182 of the Local Government Act, permits a Council, on the application of the ratepayer, to partially or wholly remit rates or to postpone rates, on the basis of hardship. Where a ratepayer is suffering hardship in paying rates he/she is invited to contact the Rates Officer to discuss the matter.

CORPORATE SERVICES CONTINUED

A ratepayer will be required to submit evidence of the hardship being suffered to benefit from the application of Section 182. Council treats such inquiries confidentially.

Rebate of Rates

The Local Government Act 1999, requires Councils to rebate the rates payable on some land. This includes a 100% rebate for hospitals, health centres, churches and cemeteries. A minimum rebate of 75% is applied for land used predominantly for educational purposes (subject to some qualifications).

Applications for any other discretionary rebates should be in writing to the Manager Corporate Services, detailing the basis for applying for the rebate. Council will consider each application on merit.

Sale of Land for Non-Payment of Rates

Section 184 of the Local Government Act, provides that a Council may sell any property where the rates have been in arrears for three years or more. The 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 Resource Management (NRM) (State Government) Levy

The Natural Resources Management Act 2004 requires Council to raise a levy on behalf of the Northern & Yorke Natural Resources Management Board. This levy is shown separately on the rates notice.

Council does not retain this revenue, nor determine how the revenue is spent. Council is required to raise \$240,900 in 2016/17, being an increase of \$46,720 or 24%.

Council will recover this amount by applying a Levy of 0.01748 cents in the \$ against the capital value of every property in the area.

Any queries relating to the NRM Levy should be directed to:

Northern & Yorke NRM Board
Unit 2, 17 Lenard St, Clare SA 5453
Phone: (08) 8841 3400
Email: DEWNR.nynrmboard@sa.gov.au

Rating Zones

All land zoned "Primary Production", "Rural Landscape Protection" and "Forestry" in Council's Development Plan consolidated 17th January 2013 will constitute the "rural" rating zone. All other land not zoned "Primary Production", "Rural Landscape Protection" and "Forestry" will be zoned "urban" for rating purposes.

COMMUNITY DEVELOPMENT

Council was successful in securing the following grant funds from external sources, during the 2016/2017 financial year.

Grant	Applicant	Project
ANZAC Day Commemoration Fund	Jamestown R & SL Sub Branch	Restoration of Belalie North War Monument Gates
Federal Stronger Communities Program	Jamestown Peterborough Football and Netball Club Inc.	Jamestown Peterborough Football and Netball Club
Office for Recreation and Sport Active Club Program	Brinkworth Spalding Redhill Football Club	Programs and Equipment
Office for Recreation and Sport Active Club Program	Jamestown Kinder Gymnastics	Programs and Equipment
Cricket Australia Facilities Fund	Spalding Cricket Club	Spalding Community Sporting Complex
Cricket Australia Facilities Fund	Jamestown Junior Cricket Club	Cricket Shelter at Victoria Park
SACA Facilities Fund	Jamestown Junior Cricket Club	Cricket Shelter at Victoria Park
Place for People Program	Northern Areas Council	Laura Streetscape Upgrade – Herbert Street East

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.



COMMUNITY DEVELOPMENT CONTINUED

The allocation of funds from the Community Projects Budget was distributed over a single round in November, with \$20,000 available. A total of 14 applications were received of which 11 were successful, the projects being:

Successful Applicants 2016/17	Awarded
Jamestown RSL	\$3,000
Gladstone Ex Service Personnel	\$2,900
Laura Memorial Civic Centre	\$1,830
Caltowie Memorial Hall and Progress Association	\$1,830
Gladstone Memorial Hall Management Committee	\$1,830
Laura Folk Fair	\$1,830
Jamestown Hydrotherapy Pool and Gymnasium Management Committee	\$1,750
Gladstone History Group	\$1,730
Jamestown Development Association	\$1,730
Rocky River Historic and Art Society	\$920

AGL Hallett Wind Farm Community Fund

Whilst there was a continuation of the AGL Hallett Wind Farm Community Fund, which saw an allocation of \$25,000 distributed to groups across the Council area. Applications were received from 20 community groups, of which 14 were successful in their applications.



Successful Applicants 2016/17	Awarded
Caltowie Memorial Hall and Progress Association	\$3,000
Jamestown Development Association	\$3,000
Jamestown Mural Festival	\$2,000
Jamestown Swimming Pool	\$2,500
Laura Memorial Civic Centre	\$2,500
Jamestown R & SL Sub Branch	\$2,500
Spalding District	\$2,000
Gladstone Ex Service Personnel Group	\$1,250
Gladstone Hall Management Committee	\$1,250
Jamestown Hydrotherapy Pool and Gymnasium	\$1000
Jamestown Junior Cricket Club	\$1000
Jamestown Lawn Tennis Club	\$1000
Spalding Sports Association	\$1000
Spalding Swimming Pool	\$1000

COMMUNITY DEVELOPMENT CONTINUED

Neoen Energy Hornsdale Wind Farm Community Fund

2014/15 also saw the expansion of the Neoen Energy Hornsdale Wind Farm Community Fund, offering \$80,000 for community organisations within the Council area.

A total of 34 different community groups sought funding, of which 39 were successful in the 2016/17 round. Successful project were:

Successful Applicants 2016/17	Awarded
Caltowie Memorial Hall and Progress Association	\$5,000
Jamestown Development Association	\$5,000
Spalding Hotel Social Club Inc	\$5,000
Belalie Arts Society	\$4,000
Gladstone Swimming Pool Management Committee	\$4,000
Jamestown Racing Club	\$4,000
Laura Community Development and Tourism Association	\$4,000
Rocky River Historic and Art Society	\$4,000
Victoria Park Jamestown Management Committee	\$3,850
Jamestown Regional Sports Stadium	\$3,700
Ewart Oval	\$3,000
Gladstone Ex Service Personnel Group	\$3,000
Gladstone History Group	\$3,000
Jamestown Table Tennis Association	\$3,000
RSL and Combined Services Clubs Jamestown	\$3,000
Caltowie Bowling Club	\$2,500
Spalding Sports Association	\$2,500
Jamestown Agricultural, Floricultural and Horticultural Society	\$2,000
Jamestown Junior Cricket Club	\$2,000
Jamestown Lawn Tennis Club	\$2,000
Spalding Cricket Club	\$2,000
Jamestown and District Men's Shed	\$1,800
Jamestown Probus Club	\$1,500
Laura Events	\$1,200
Laura Folk Fair	\$1,200
Jamestown Bowling Club	\$1,000
Jamestown R & SL Sub Branch	\$1,000
Sing Australia	\$1,000
Jamestown Hydrotherapy Pool	\$750

In total 59 different grants were awarded across the three funds, from a total of 78 applications, delivering \$125,000 to not for profit organisations across the Council area.

COMMUNITY DEVELOPMENT CONTINUED

Community programs

During 2016/2017 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

The OPAL program was concluded at the end of September 2016, following its five years of operation. Council was a joint project partner with the District Council of Mount Remarkable, the District Council of Peterborough in the five years implementation of the Obesity Prevention and Lifestyle (OPAL) funding.

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

Following the withdrawal of funding from the Federal Government during the 2013/14 financial year, a revised funding model remained in operation until the project's completion.

OPAL served as 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.

Significant data has been collated by SA Health across the five year period from within the local area, whilst healthy initiatives have been established in conjunction with local school and community organisations.



Mid North Starclub Field Officer

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

The Office for Recreation and Sport had previously committed funding for the program for three years, for the 2015/16, 2016/17 and 2017/18 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.

COMMUNITY DEVELOPMENT CONTINUED

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

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

Marie-Therese Smith resigned from the position of Mid North Star Club Field Officer, completing here time on the role during October 2016, to take up a position at Tennis SA. Rhys Millington then commenced in the role in February 2017, having previously been employed as the Special Events coordinator at the Port Pirie Regional Council.

Specific training was held for local community sporting organisations in the areas of:

- Child Safe
- Essentials for Coaching Children
- Responsible Service of Alcohol
- Club Governance and Constitutions
- Committee Induction
- Grant Writing



Across the financial year, two organisations from within the Northern Areas Council were successful in achieving grant funding through the Active Club Programs and Equipment Fund.

The construction of the Canteen project at the Jamestown Regional Sports Stadium was officially opened by the Hon. Geoff Brock, Minister for Regional Development on Saturday the 3rd of June 2017.

The project valued at \$91,500 was made possible through grant funding of \$20,000 achieved from Regions SA, via the fund my idea project.

Council contributed earth works in kind to the value of \$2,600 and a cash amount of \$11,500 from the sale of land assets within the Jamestown Ward, with the remaining contributions provided by the various sporting organisations that utilise the facility of a regular basis.



Tourism

Following the completion of the Regions SA Regional Development Fund, the Southern Flinders Regional Tourism Authority (SFRTA) ceased to continue as a shared partnership between the South Australian Government, Regional Development Australia, Northern Areas Council, District Council of Mount Remarkable and the Port Pirie Regional Council.

Council continues to assist local community organisations with regard to seeking grant funding, whilst tourism operators have worked more closely with Regional Development Australia and its economic development division. Tourism operators across the region have remained active ad

COMMUNITY DEVELOPMENT CONTINUED

continue to work collaboratively through their operators organisation “Southern Flinders Tourism and Tastes”.

Infrastructure development continued at the Bundaleer Reservoir, with Council commencing in the establishment of specific assets for the benefit of recreational fishers. The project timeline was revised during the year as a result of significant weather implications, however recreational fishing is earmarked to commence in the early part of the 2017/18 financial year.

Swimming Pools



Council in conjunction with funding partners, the Jamestown Amateur Swimming Club and the South Australian Government through the Office for Recreation and Sport Officially opened new changing room facilities on Sunday the 19th of February 2017, just over 90 years since the facility was originally opened back in 1927.

The project was overseen by Council and valued at \$120,000, with \$55,000 in funding provided by the Office for Recreation and Sport, \$75,000 from the Jamestown Amateur Swimming Club, comprising of \$25,000 in cash contribution and a loan of \$50,000 from Council.

The facility offers modern changing room facilities, with the addition of improved service for mobility impaired patrons.

Further to Council's adoption of its building and asset management plan, Council engaged Statewide Pool Services to undertake a

detailed plan for Council's three swimming pools and Gladstone, Jamestown and Spalding to provide an operational level asset management plan. The operational level plan will provide Council with a highly detailed plan, which can be integrated in to Council's budget and long term financial plan, whilst also providing guidance as to the most economical time to upgrade various infrastructure items.

Council also engaged the services of Royal Life Saving South Australia to conduct an audit of the statutory measures at each of the pools to ensure compliance with the appropriate regulations.



Swimming Pools continue to serve as a key recreational facility across the Council area. Council continues to operate three outdoor swimming pools, located at Gladstone, Jamestown and Spalding.

Council employs staff to undertake activities at the pools where it remains necessary, whilst community volunteers and organisations provide assistance where required and deemed suitable. In all cases, Council ensures that all workers operate within compliance of Work, Health and Safety

regulations as per the *WHS Act 2012*.

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

COMMUNITY DEVELOPMENT CONTINUED

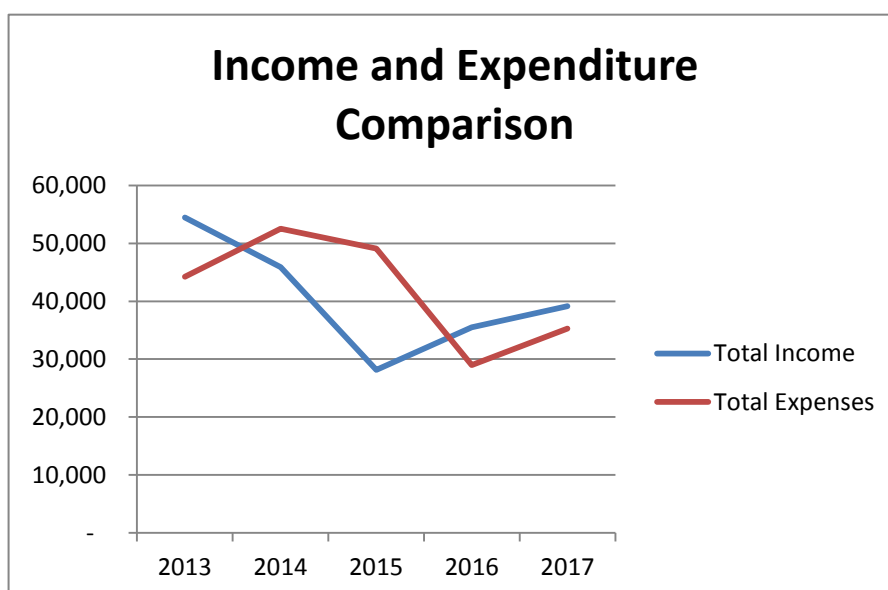
Regional Hydrotherapy Pool and Gymnasium

Council continues to operate the Regional Hydrotherapy Pool and Gymnasium, located in Jamestown. The facility offers both a hydrotherapy pool rehabilitation facility and a gymnasium.

The facility continues to serve the wider region and enable people to access such a facility locally, as opposed to travelling to Adelaide.

Council continued to review the operations at the facility, as a means of ensuring its sustainability.

Following significant maintenance, revenue has steadily increased since 2015/16, whilst the provision of a solar energy system, has enabled significant energy expenses to be mitigated.



INFRASTRUCTURE SERVICES

Councils Infrastructure Services Department provides a range of services, construction and maintenance to service the built assets of council. Assets of council are represented below in the table showing the value for each asset class and the percentage of the total asset holding for each class.

Asset Class	Asset Values	% of total Assets
Public Open Space (including cemeteries)	\$3,900,000	2%
Plant Vehicles and Equipment	\$8,122,984	5%
Storm water	\$12,000,000	8%
Buildings	\$21,196,000	13%
CWMS	\$17,110,000	11%
Bridges	\$9,800,000	6%
Roads and associated infrastructure	\$85,889,000	54%
Total Value	\$158,017,984	100%

Included in the services not otherwise represented by an asset class and carried out by the Infrastructure Services Department are waste and cleaning services.

The Infrastructure Services Department of Council experienced a challenging year as a result of heavy rains and numerous storms. These events impacted council operations and capital works primarily because of their scope. Events that might normally impact an isolated section of the council area impacted the entire state and our district from one end to the other.

In spite of the weather a great deal has been achieved during 2016-17 both on the ground in construction and maintenance and in the development of strategic plans which will be used to direct the activities of the Department into the future.

Through the numerous community forums held throughout the year a message coming through clearly to management is that maintenance works occurring in recent years have been less regular than the expectation of most people. Generally people have a higher expectation of the level of service council should provide in a range of areas. Also, that there is a backlog of promised works that have never been delivered.

Key challenges for this department are to formalise a range of work activities to provide greater certainty of service and establish systems for ensuring works promised are scheduled and delivered in an ordered way.

The department has undergone some structural change with positions to recognise the technical needs of infrastructure construction, maintenance and delivery and the range of skills needed to develop and deliver appropriate information to employees and contractors in a timely and consistent way. The year has been one of renovation of process and establishment of foundational and strategic direction to guide service delivery into the future and management of levels of service for all asset classes.

INFRASTRUCTURE SERVICES CONTINUED

In amongst the constructive feedback from the public are many incidents of expressions of thanks from residents and visitors passing through who are seeing good things being done by council staff and expressing their appreciation and thanks for those good outcomes.

STRATEGIC ACTIONS

In conformance with Council's strategic plan, the Infrastructure services Department has commenced or delivered a number of initiatives through the year in conjunction with the delivery of core services.

STRATEGIC REFERENCE:	
Goal 1	Financial Sustainability
Outcome 1.2	Prudent and effective financial management
Action 2.2.4	Identify and implement efficiency gains across Council operations.

KERBSIDE WASTE COLLECTION

Council conducts a kerbside waste collection service for general waste and recyclables. In reviewing the collection methodology and disposal cost structures of kerbside waste and recycling this year council was able to identify savings in the delivery of the service. As a result the service was awarded to Clare Valley Waste who took over the service in December.

This initiative has resulted in a one off rebate to ratepayers who are levied for this service as a component of their rates notice in 2017-18. The savings realised in the service will continue to provide a reduced fee for service year on year through this initiative.

Goal 2	Effective management of infrastructure, assets and built environment
Outcome 2.1	Roads (including footpaths and kerbing) repair program continues at an achievable level
Action 2.1.1	Review the road network and determine maintenance standards of all roads.

ROAD NETWORK

Through feedback from the public issues with the Appila Road Slip-lane just south of Boundary Road in Jamestown were identified and raised with Department of Planning, Transport and Infrastructure (DPTI). These related to the use of the road for overnight parking and the impact of that on businesses and residents. Health and sanitation issues resulting from the lack of amenity and sheer volume of vehicles on occasion had made the unauthorised arrangement unworkable. Through negotiation with officers at DPTI a solution was developed for the use of the saleyards parking area on Murchland Drive where there are public amenities and ample space. The slip road is now sign posted as a no parking zone and the road formation is being formalised and reduced in width.

INFRASTRUCTURE SERVICES CONTINUED

PUBLIC OPEN SPACE

The community in Gladstone and the surrounding area raised awareness about the condition of Tresylva Park, an underutilised public open space in the Gladstone town-ship. Council is now working with the community to develop a Master Plan for Tresylva Park that has broad community support and enables the development of budgets for the establishment and ongoing maintenance of features within the park, which can then be considered in future capital and operating budgets. A working group has been established and the master plan development is well under way. Once the draft is completed it will be presented to council for consideration to adopt.



STORM DAMAGE

In September, October and December there were significant storm events of rain and wind. The Bureau of Meteorology statistics for Jamestown indicated 174.8mm of rain fell in September which is the highest volume since the commencement of readings at the location in 1952. October rainfall was 140.4mm, also a higher than average reading. Mean rainfall for September is 52.7mm and October 42.9mm.

Strong winds were recorded across the area with what is referred to as “mini-cyclones” touching down at various locations wreaking narrow but explosive trails of destruction. Winds in neighboring regions contributed to a 24 hour power outage which impacted the entire state from about 4.00pm on Thursday the 28th September.

Impacts on council assets included flood damage to roads and associated infrastructure, fallen trees and CWMS overflows.

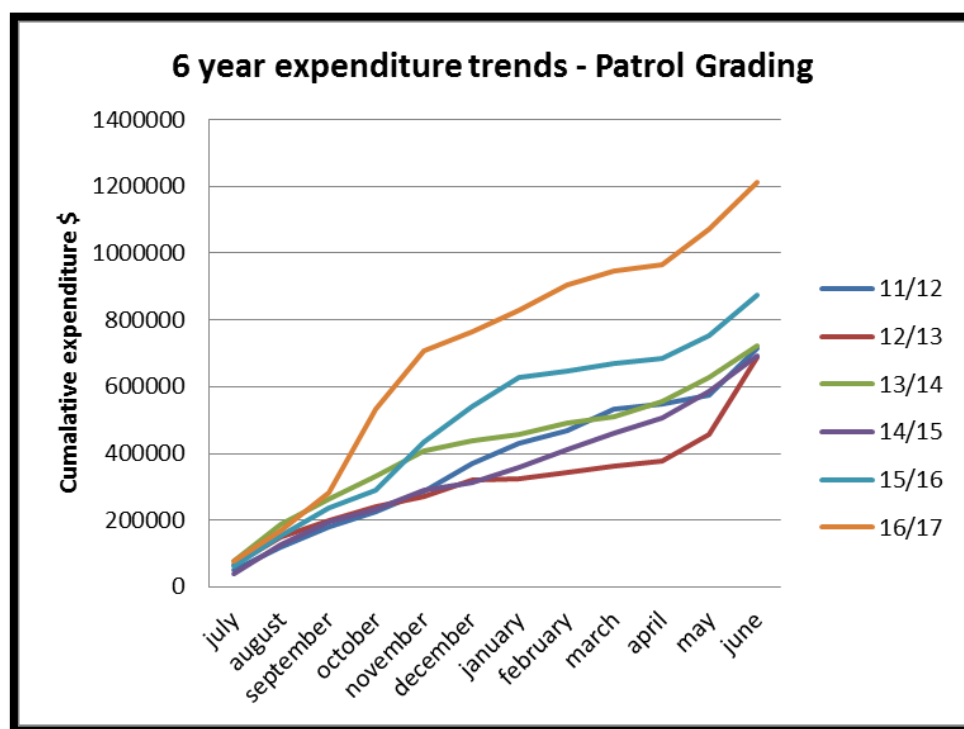
Weather forecasts from the end of September were continually dire and while the area experienced ongoing rain and wind, the impacts were not as great here as in other lower lying regions of South Australia.



Officer response included a broad assessment of roads to gain a view of the overall damage and to establish priorities for remedial works to attend to the highest risks to road users. In assessing risks, consideration was also made of bus routes and high use roads. Ongoing assessment continued as additional showers impacted localized areas and rework was required in some places.

INFRASTRUCTURE SERVICES CONTINUED

The storms had the greatest budgetary impact on the unsealed road network as the graph below shows. Many complaints relating to road condition were received from the public this year following the rain events and as can be seen by the diversion of funds from other activities to road maintenance grading, council made substantial efforts to repair the maintenance damage to the 1,300 kilometres of sheeted (capped) roads in the 2,130 km Northern Areas Council road system.



The graph shows the expenditure on road grading each year from 2011-12 to 2016-17. The average annual cost of maintenance grading is about \$770,000 while the response to the storm damage last year required funds to be diverted from other maintenance projects to attend to the roads. The cost of maintenance grading in 2016-17 was just over \$1,200,000 and has mostly restored the assets to pre-storm condition.

The impact of diverting funds to additional road grading is that other programs have their funds reduced to manage the budget within the constraints of the financial plan. Diverting labour, material and plant resources to one activity of council has impacts on other areas and activities like bridge maintenance, culvert clearing, sealed road maintenance as examples which have experienced reduced maintenance attention to offset the additional funds put into the maintenance grading effort.

STORMWATER

The Laura stormwater project recommenced and has seen the works tendered come to practical completion. It is anticipated this project will make a significant difference to the impact of most rainfall events within Laura as stormwater flows from the north of the town are diverted into the Rocky River before they reach the town centre.



INFRASTRUCTURE SERVICES CONTINUED

Additional works are still required in Victoria Street and West Terrace and elsewhere to resolve the multitude of stormwater issues within Laura and across the council district and these works will continue in planning and delivery.

STRATEGIC REFERENCE:		
Goal	2	Effective management of infrastructure, assets and built environment Prudent and effective financial management
Outcome	2.1	Road (including footpaths and kerbing) repair program continues at an achievable level.
Action	2.1.2	Develop a road renewal/maintenance plan under an Asset Management Plan (2012)

SEALING UNSEALED STREETS

Council made a determination to allocate funds over the next 5 years to seal key unsealed township streets throughout the council district. This strategic decision resulted in an allocation in the 2017-18 year capital program to commence the program.

ROAD SIGNAGE

In 2014 a report was developed following a road signage audit identified the absence of many hundreds of road signs throughout the road network. Following a report to council, funds were allocated to a program of installing the regulatory signage across the district and this program is now well underway.

STRATEGIC REFERENCE:		
Goal	2	Effective management of infrastructure, assets and built environment Prudent and effective financial management
Outcome	2.2	All non-road assets owned by Council (e.g. buildings and recreational facilities) are used effectively by the community
Action	2.2.4	Generate an asset management plan for retained assets

ASSET MANAGEMENT

As a high priority council has been promoting the development of Asset Management Plans. These strategic documents provide high level information that informs the future funding needs of the asset class for which they have been developed.

In accord with Section 122 of the Local Government Act 1999 Council is required to develop and adopt strategic plans. Asset Management Plans (AMP) are considered to constitute a core component of the set of strategic plans that meet this statutory requirement.

The goal of infrastructure management is to meet a required level of service, in the most cost effective manner, through the management of assets for present and future customers.

INFRASTRUCTURE SERVICES CONTINUED

Where asset data held by Council is complete enough, AMP provide a comprehensive assessment of the overall current state of the asset class with financial projections which inform future upgrade, replacement and maintenance budgets and council's 10 year financial strategy.

Progress to implement a suite of asset management plans in 2016-17 is shown in the table below:

Asset Class	Progress against tasks
Public Open Space (including cemeteries)	74%
Plant Vehicles and Equipment	100%
Storm water	100%
Buildings	99%
CWMS	100%
Bridges	100%
Roads and associated infrastructure (including signs)	100%
Governance	100%
Overall Progress	96%

Council adopted an Asset Management Policy to inform the ongoing development of the asset management program as part of the governance review associated with the asset management plan implementation program.

This year council adopted the first version of a CWMS Asset Management Plan as a tool to provide direction to council staff in developing future capital programs and operational maintenance activities and budgets. This identified that operational maintenance costs were too low and specific programs have been implemented to address the system deficiencies. It also identified that depreciation was too high allowing for an offset of some of the additional maintenance expenditure.

In addition it was identified that capital funds attributed to Jamestown Effluent Pond lining could be better directed to irrigation projects which would disperse rather than collect treated water. Plans have been developed as a result for a further irrigation scheme and staff are working with the EPA and DHA to obtain the relevant approvals for this project to be tendered and constructed.

Council adopted a second revision Roads Asset Management Plan. This revision identified that the allocation for reseal renewal is too high at present and the re-sheet value has been too low. This has resulted in revised values in the 2017-18 capital program and ongoing monitoring of road condition.

A Plant Vehicles and Equipment Asset Management Plan was developed as a first version and adopted by council. This identifies budget challenges with major plant replacement, in the bulldozer and crusher, which will require council staff to review the use of these items and the methodology for raising rubble.

A first version Storm Water Asset Management Plan was developed and adopted. This identifies a lack of asset knowledge relating to storm water assets. The improvement plan, which is an integral part of each asset management plan, identifies a range of actions required to improve asset knowledge in this asset class and these actions form departmental strategic actions for future years.

INFRASTRUCTURE SERVICES CONTINUED

A first version Bridges Asset Management Plan was developed and adopted. Based on information provided in the 2010 consultants report on bridge asset condition, the plan identifies shortfalls in future funding for bridge renewal over a twenty year period. The impact of this will be assessed in future reviews of council's 10 year financial plan.

CAPITAL PROGRAM

Despite the challenges with weather the Capital program was substantially delivered. Capital tasks showed progress against program at 95% to the end of June. Works incomplete have carry-forward values identified and generally relate to design and statutory approval delays preventing completion.

CONSULTATION

Council requested a consultation with stakeholders and the community on a proposal to allow B Double truck combinations to access Vohr St from the bridge to the Viteria entry. Further consultation is to occur on this item before a decision can be recommended to DPTI who is the road owner.

PARKING

A plan for delineation of parking in Ayr St Jamestown was developed and implemented to address the incidences of traffic pulling the wrong way into oncoming traffic in Ayr St. The plan also facilitates bus and large vehicle parking and provides for two additional disabled parking spaces.

PLANT

Council continued with the plant replacement program with key purchases this year including the replacement of a Prime Mover, a Loader and a Grader. The right plant replaced at appropriate intervals provides more surety in provision of services with reduced break-down and associated down time achieving more in terms of service for the same cost. Council staff reviews the needs of plant replacement and considers the best way for delivering its range of services. For example, due to the change over to a contracted service, council did not have to replace the kerbside waste collection truck as had been scheduled to do.

STRATEGIC REFERENCE:		
Goal	2	Effective management of infrastructure, assets and built environment
Outcome	2.2	All non-road assets owned by council (e.g. buildings and recreational facilities) are used effectively by the community
Action	2.2.1	Audit council assets and use of assets

INFRASTRUCTURE SERVICES CONTINUED

BRIDGE CLOSURE

In 2010 council commissioned a report on the condition of all bridges in the council district. The report identified a range of actions required to maximise the useful lives of bridge assets however one bridge was identified as close to the end of its service life. With no



maintenance conducted on the bridge in the intervening years, the report's recommendation to close the bridge to vehicular traffic was actioned.

Council recommended to the Commissioner of Highways to close Parking Bay Bridge to vehicular traffic and make Edward Lunn Drive a "No Through Road". This has now occurred.

STRATEGIC REFERENCE:	
Goal 3 Outcome 3.1	Deliver a high standard of service to our community on an equitable basis. Council aspires to meet community expectations regarding equitable development, management and maintenance of community services.

STREET NAMING

Local historians identified anomalies in the naming of two streets in Laura and council considered and approved a request to change the names of Whyte St and James Street to White Street and Jared Street respectively. This has now been carried out.

STRATEGIC REFERENCE:	
Goal 3 Outcome 3.3 Action 3.3.2	Deliver a high standard of service to our community on an equitable basis Planning processes encourage appropriate development and provide timely responses Monitor and facilitate opportunities for commercial and industrial growth

STORMWATER STRATEGY

Throughout the rainfall events there were many property owners impacted by the rainfall and subsequent flooding. Land owners reported frustration with progress to address the long standing

INFRASTRUCTURE SERVICES CONTINUED

issues which resulted in a review of current plans to address storm water management challenges. It was proposed and adopted by Council to develop a stormwater strategy for Jamestown, Gulnare,

Georgetown and Narridy, to mitigate the risks of flooding and direct funding for future stormwater infrastructure in a planned way; and commit to making an adequate allowance in the 17/18 capital budget for the commissioning of this study. Development of a scope for the study continued through 2016-17 in conjunction with DPTI.

STRATEGIC REFERENCE:		
Goal	3	Deliver a high standard of service to our community on an equitable basis. Support Regional Partnerships.
Outcome	3.4	Monitor, participate in, and where appropriate facilitate regional partnerships to achieve Council and Community goals.

ROAD USE

Council continues to work with DPTI as an integral part of the road network within the district. Through the National Heavy Vehicle Regulator requests come to council as the road manager to consider permitting various vehicle combinations on particular roads. Council has approved access to particular roads for operators and implemented trials as considered appropriate to endeavour to meet the needs of road users generally and individual businesses that are important to the economic health of the council district.

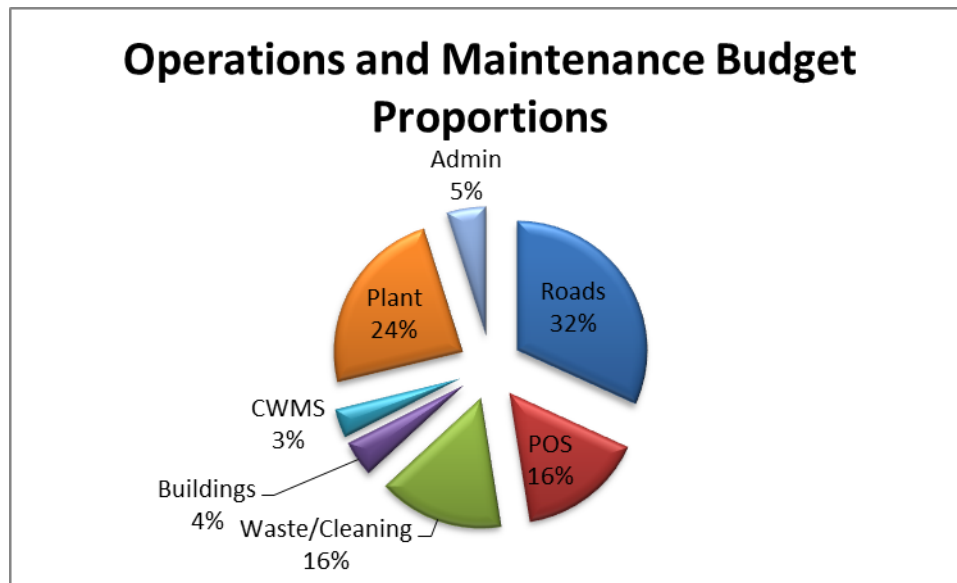
BUDGET

Councils operations and maintenance budget is split across the activities of the asset groups and includes costs for labour, materials and contracts associated with carrying out the day to day services and maintenance across the council region.

Plant costs are largely recouped through internal plant hire as equipment used in operational (and capital) activities is charged to the service the plant is providing. There is a perception that because council own graders for example, there is no cost involved in running them for more hours each year. This is not the case as the cost of owning and operating a grader is recovered in delivering the service of road grading.

The hours the machine is used is charged to the budget account for the activity. That may be a re-sheeting expense account or a maintenance account. As shown previously in the chart showing the cost of maintenance grading for 2016-17 and the impact of the flooding events, the cost of grading escalated at the expense of other operational activities. If we put more costs in one activity, they must come from another and other assets and the services they provide fail as a result.

INFRASTRUCTURE SERVICES CONTINUED



In the chart above, POS is the acronym for Public Open Space which includes all mown and maintained areas; Roads includes storm water and bridges; Admin incorporates WHS, protective clothing and supervision and training costs, Plant includes vehicles and equipment.

REGULATORY SERVICES

BUILDING ASSESSMENT

Council received 124 development applications during the 2016/17 year. Following assessment against the relevant provisions of the Building Code of Australia and Australian Standards building rules consent was issued by either council staff or a Private Certifier engaged by the applicant.

Where necessary, Council staff carries out pre application discussions with applicants to assist with the information required to accompany a development application to Council. Council encourages applicants considering any building work to contact council staff for information regarding building work that requires development approval. This pro active approach assists applicants understand the information required for development applications within the respective zones to be provided with the application.

Applicants have the option of using council or a private certifier to assess an application and issue building rules consent.

Council's Building Inspection Policy requires that inspections of 30% of all development approvals issued (domestic sheds & commercial) and 100% of swimming pools must be carried out.

Inspections carried out last year related to swimming pools, under floor waste drainage, footings, wall and roof framing, wet area waterproofing.

Shipping containers in town areas on residential allotments are a concern for council. Whilst shipping containers are a cheaper alternative to a conventional outbuilding for storage they can detract from the street scape. Shipping containers proposed for use in town areas do require council approval. Council has approved shipping containers in some locations depending on a number of site elements. Property owners considering using a shipping container should contact council for information regarding their use.

BUILDING FIRE SAFETY COMMITTEE

Section 71 of the Development Act requires Council to establish a Building Fire Safety Committee.

Council's building fire safety committee has the legal responsibility to ensure that fire safety in council owned buildings, industrial buildings and buildings that provide accommodation comply with relevant fire safety standards applicable to the classification and use of the building.

Buildings that do not comply must be upgraded, and maintained to comply with the relevant safety standards.

In most cases the upgrading can be staged with the priority being the safe evacuation from the building in the event of an emergency and the safety of the occupants. Council's Building Fire Safety Committee consists of a consulting engineer, representatives from the CFS Building Fire Safety Unit and a Council staff member.

Applications for residential development in high bush fire zones are referred to the CFS Building Fire Safety Unit for an assessment and report that specifies additional standards of fire protection for the dwelling in the bush fire zone.

REGULATORY SERVICES CONTINUED

ASBESTOS REGISTER

Work Health and Safety Regulations require Council to maintain an Asbestos Register for all Council owned buildings. Asbestos based material is classified as a hazardous material and must be recorded in the asbestos register for each building. Council's asbestos register has been developed by consultants, who inspected 60 council owned buildings. Potential Asbestos Containing Material

(ACM) was tested where necessary, with all information relating to ACM recorded in a register for each building. Warning and identification labels will be affixed to the asbestos material in each building.

The asbestos register records the location of asbestos within the building, the type of asbestos material, its condition, control measures and any necessary action eg monitor.

The register must be kept for 40 years, updated if any building alterations are carried out, and must be made available to any tenant of the building, any contractor, volunteer engaged to carry out any work in the building that will involve working with or exposure to the ACM.

Management committees for buildings containing asbestos will be provided with a copy of the register and advised of their responsibility to ensure that prior to any work being carried out on the building that trades people and volunteers are advised of asbestos material and view the registers prior to any work commencing.

Council provides information to property owners with asbestos enquiries.

COMPLAINTS

The majority of complaints received involve the condition and unsightly appearance of premises, buildings and vacant allotments in town areas. Car bodies, vehicle parts, loose and scrap metal and refuse on residential allotments in town areas continue to be the main source of complaints received by council.

These items are unsightly and have the potential to harbour vermin or snakes and increase the fire hazard, as controlling the grass and flammable under-growth is difficult on these allotments.

Unsightly premises detract from the appearance of the area and street scape and do create neighbourly disputes.

In following up these complaints Council encourages the cooperation of the land owner with untidy and unsightly premises before considering any action.

Allowing car bodies, vehicle parts etc. to be stored on site represents a change of land use, which must have Council approval. The Local Nuisance and Litter control Act provides Council with the legislation to enforce owners to clean up unsightly premises.

DOG CONTROL

1290 dogs were registered in the 2016-17 financial year with \$29,541.00 in registration fees received.

REGULATORY SERVICES CONTINUED

During 2016-17, 79 complaints were received and investigated by Council's Animal Management Officer with 15 expiation notices issued relating to 24 harassment, attacking, excessive barking, wandering dog or unregistered dog infringements.

30 dogs were returned to owners without impoundment, with 24 dogs impounded and 20 of those returned to owners with the remainder rehomed through various avenues.

8 reports of harassment to animals and 1 of harassment to humans were investigated along with 1 attack on a human and 2 reports of animal attack. The attack incidents were entered into the Dog and Cat Management Board's Dog Incident Management System available on the DCMB website.

These entries allow any attacks to be included in a state-wide database that will enable identification of possible dangerous dogs which may require a dangerous dog order placed on them.

Residents who are troubled by wandering or excessive numbers of cats on their properties can access cat cages by contacting Council administration offices or Animal Management Officer, Garry Harris. A \$20 refundable deposit is required.

Council has a good relationship with RSPCA who are available to help with animal related incidents that Council are unable to resolve often due to legal restraints. The RSPCA has been called on during the 2016-17 year to investigate a number of complaints most of which were resolved satisfactorily.

WASTE CONTROL SYSTEMS

Council approved 15 waste control systems in 2016/2017. The installation or alteration of a waste control system (septic tank, grease arrestors, aerobic waste water systems, septic tanks and connections to the CWMS) must have Council approval.

Information regarding the installation of waste control systems is available from the council office.

COMMUNITY WASTE WATER MANAGEMENT SYSTEMS

All waste disposal systems connected to the CWMS in Gladstone, Jamestown and Laura are required to have sludge removed every four years.

Council's contractor is desludging waste disposal systems in each town and the desludging programme should be completed by the end of 2018.

Further information regarding the desludging programme is available from the council office.

STRATEGY GRAVITY MAIN FLUSHING

CWMS gravity mains in Gladstone, Jamestown and Laura are being flushed using a high pressure system which removes all accumulated sludge from the pipe and thoroughly cleans the barrel of the pipe. The contract to flush the drains will occur over two financial years and should be completed by the end of 2018.

REGULATORY SERVICES CONTINUED

PEST CONTROL

There has been an increase in the number of pigeons and corellas in town areas. The increased numbers has resulted in birds congregating on buildings and trees in the towns causing damage to the trees and creating a nuisance for communities and residences. Council has engaged the Sporting Shooters Association from Port Pirie to carry out controlled, authorised bird culling in town areas.

COMMUNITY PROJECTS

Council assisted with community initiated projects for the Big Shed Committee Jamestown, Gulnare Community Development Board and the Jamestown Football Club. The Big Shed Committee erected a canteen at the Big Shed which provides for food and drinks for sporting events and functions held at the Big Shed.

Council allocated \$40,000 for the construction of replacement male and female toilets at the Gulnare oval and a disabled public toilet at the Gulnare Town Hall. The Gulnare Community Development Board contributed the balance of funds to complete the project.

The original toilets at the Oval were constructed in 1956. The replacement toilets provide compliant male and female toilets for oval and community use.

The Jamestown Football Club constructed a commercial kitchen extension to the club rooms at Victoria Park. The new kitchen facility is a compliant commercial kitchen.

FOOD NOTIFICATION

Food shops, sporting organisations, volunteer groups and home cooked food prepared for sale are required to submit a notification form to council with details of the food prepared; name and address of the property and compliant labelling.

REGIONAL HEALTH PLAN

The SA Public Health Act requires council to prepare a Regional Public Health Plan. Council joined with Goyder Regional Council and the Clare and Gilbert Valley Council to prepare the plan.

The regional health plans must be reviewed every five years.

COMPLIANCE STATEMENT

Access to Council Documents

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

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

Freedom of Information

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

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

Forms are available at the Council Office. Applications will be responded to as soon as possible within the statutory 30 days of Council receiving the properly completed Freedom of Information Request Form, together with the application and search fees. No Freedom of Information requests were received in 2016/2017.

Amendment of Council Records

A Member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Local Government Act 1999. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date. To gain access to these Council records, a member of the public must complete a Freedom of Information Request Form as indicated above outlining the records, that person wishes to inspect.

COMPLIANCE STATEMENT CONTINUED

Community Lands

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

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

Section 198 provides:

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

No land has been excluded from Community Land definition during the 2016/17 year.

Competitive Tendering and Cost Effective Services

Council continues to strive to provide value for money with service delivery to the ratepayers of Northern Areas Council.

During the past year the Council used the competitive tender process 7 times

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

Auditor's Remuneration

Council's Audit Fees for the 2016/17 financial year were paid as follows:

Ian G McDonald	\$ 12,000
----------------	-----------

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 \$20 million).

COMPLIANCE STATEMENT CONTINUED

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

Procurement Policy

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

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

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

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

Confidentiality Provisions

Under Section 90 and 91 of the Local Government Act, the following information is provided with regard to Confidential Items raised at Council Meetings from 1 July 2016 to 30 June 2017.

Council held 12 Ordinary Meetings and 2 Special Meetings between 1 July 2016 and 30 June 2017. A total of 286 resolutions were made at these meetings of which 12 were considered "in confidence".

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

- Tender Evaluation – Kerbside Collection of Waste and Recyclables
- CEO Performance Management
- Tender Evaluation – Diesel Supply
- Staff Matter
- Rates Matter
- Tender Evaluation – Construction of Canteen Facility at the Upper North Regional Sports Stadium
- Tender Evaluation – Bituminous Surfacing
- Australia Day Awards
- Tender Evaluation – Laura Storm Water Drain Construction
- Tender Evaluation - Loader
- Tender Evaluation - Grader

No items have been released from confidentiality during 2016/2017.

COMPLIANCE STATEMENT CONTINUED

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. Two of the wards have changed names
Jamestown → Belalie
Spalding → Broughton
- The total number of electors will be nine, as listed below:
 5. Belalie Ward: 4 Elected Members
 6. Broughton Ward: 1 Elected Member
 7. Rocky River Ward: 3 Elected Members
 8. Yackamoorundie Ward: 1 Elected Member

A Mayor 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 - 3445 – No of Wards 4 – Quota per Member – 383.

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	3804	9	422
Kangaroo Island	3429	9	381
Goyder	3074	7	439
Yankalilla	4167	9	463

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

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

COMPLIANCE STATEMENT CONTINUED

Codes

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

Policies

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

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

COMPLIANCE STATEMENT CONTINUED

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

COMPLIANCE STATEMENT CONTINUED

		Collection
Wheelie Bin – Prohibitive Substances	Extra Wheelie bin being placed on a township property	Garbage collection outside townships
Annual Greenwaste Collection	Rules of use of Council's Waste Deposits by the Public and Contractors	Council Plant
Grading – Construction of Maintenance	Patrol Grading	Pipes, cables, etc under roadways (including electric fence wiring)
Playground	Property Access	Underground power to properties 9installation)
Weed Spraying	Plant Replacement Policy	

Section 41 Committees Updated

- CEO Performance Management Panel
- Ewart Oval Management Committee
- Flinders Mobile Library Committee (1 July 2016)
- Georgetown Heritage Society
- Gladstone Swimming Pool Management Committee
- Jamestown Health and Ambulance Centre Management Committee
- Jamestown Regional Hydrotherapy Pool and Gymnasium Management Committee
- Jamestown Swimming Pool Management Committee (dissolved 13 December 2016)
- Northern Areas Community Road Safety Committee
- Northern Areas Council Audit Committee
- Northern Areas Council Finance Committee
- Southern Flinders Regional Sports Complex Management Committee
- Spalding Community Sporting Hub Committee (dissolved 2 March 2017)
- Spalding Swimming Centre
- Stone Hut Development Committee
- Stone Hut Soldiers Memorial Hall Committee
- Strategic Planning and Development Policy

COMPLIANCE STATEMENT CONTINUED

Statutory Committees

- Council Development Assessment Panel
- Building Fire Safety Committee

Subsidiaries

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

- Central Local Government Region name changed to LEGATUS in September 2016.

The Central Local Government Region is made up of 15 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 2 pm 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 2016/2017 reporting year, the Panel did not meet.

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

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

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

2. Deputations

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

3. Written Requests

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

4. Petitions

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

5. Elected Members

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

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

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

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

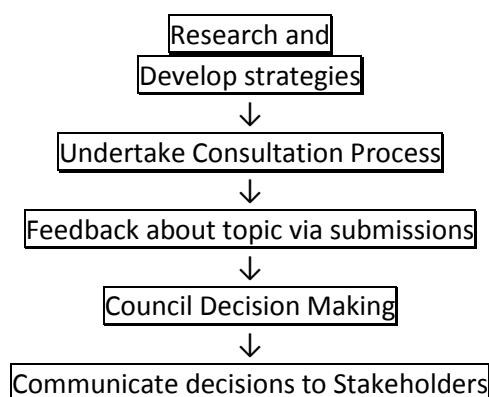
GOVERNANCE CONTINUED

Public Consultation

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

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

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



Tender Policy and Procedure

Council's Tender Policy and Procedure has established basic principles that allow industry to have an equal opportunity to compete and participate. They aim to protect the interest of all parties and to ensure propriety and public accountability in arranging contracts within local government. Council's Tender Policy and Procedure was reviewed in September 2016, and renamed the policy to Procurement Policy

Tenders are called if:

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

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

These being:

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

GOVERNANCE CONTINUED

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

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

Internal Review of Council Decision

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

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

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

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

No requests were received to review a Council Decision in the 2016/2017 year.

Complaints Policy and Procedure

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

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

Delegations

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

Strategic Plan

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

The Plan has been developed through a process which involved:

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

GOVERNANCE CONTINUED

The Plan has four goals:

Goal 1 – Financial Sustainability;

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

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

Goal 4 – Council recruits and retains highly skilled staff.

Actions have been development for each of these Goals.

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 renamed LEGATUS in September 2016
- 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 2017 were:

Councillor	\$ 9,316 per annum
Deputy Mayor	\$11,645 per annum
Mayor	\$37,264 per annum

Council Member Allowances are paid quarterly in arrears.

Northern Areas Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017



Northern Areas Council

General Purpose Financial Statements for the year ended 30 June 2017

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Northern Areas Council

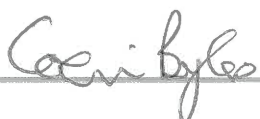
General Purpose Financial Statements for the year ended 30 June 2017

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 2017 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

Date: 16 October 2017

Northern Areas Council

Statement of Comprehensive Income for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Income			
Rates Revenues	2a	7,293	6,758
Statutory Charges	2b	118	114
User Charges	2c	136	136
Grants, Subsidies and Contributions	2g	3,853	1,781
Investment Income	2d	90	101
Reimbursements	2e	383	847
Other Income	2f	504	670
Total Income		12,379	10,407
Expenses			
Employee Costs	3a	3,454	3,380
Materials, Contracts & Other Expenses	3b	3,073	3,218
Depreciation, Amortisation & Impairment	3c	4,529	4,371
Finance Costs	3d	432	449
Total Expenses		11,488	11,418
Operating Surplus / (Deficit)		891	(1,011)
Asset Disposal & Fair Value Adjustments	4	15	12
Amounts Received Specifically for New or Upgraded Assets	2g	820	132
Net Surplus / (Deficit) ¹		1,726	(867)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	30,117	5,000
<i>Amounts which will be reclassified subsequently to operating result</i>			
Nil			
Total Other Comprehensive Income		30,117	5,000
Total Comprehensive Income		31,843	4,133

¹ Transferred to Equity Statement

Northern Areas Council

Statement of Financial Position

as at 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	5,097	3,516
Trade & Other Receivables	5b	1,273	918
Inventories	5c	58	40
Total Current Assets		6,428	4,474
Non-Current Assets			
Financial Assets	6	471	503
Infrastructure, Property, Plant & Equipment	7a	165,671	136,128
Total Non-Current Assets		166,142	136,631
TOTAL ASSETS		172,570	141,105
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	786	913
Borrowings	8b	1,928	1,903
Provisions	8c	981	1,001
Total Current Liabilities		3,695	3,817
Non-Current Liabilities			
Borrowings	8b	6,557	6,839
Provisions	8c	54	28
Total Non-Current Liabilities		6,611	6,867
TOTAL LIABILITIES		10,306	10,684
Net Assets		162,264	130,421
EQUITY			
Accumulated Surplus		9,109	7,424
Asset Revaluation Reserves	9a	151,967	121,850
Other Reserves	9b	1,188	1,147
Total Council Equity		162,264	130,421

Northern Areas Council

Statement of Changes in Equity for the year ended 30 June 2017

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2017					
Balance at the end of previous reporting period		7,424	121,850	1,147	130,421
a. Net Surplus / (Deficit) for Year		1,726	-	-	1,726
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	30,117	-	30,117
Other Comprehensive Income		-	30,117	-	30,117
Total Comprehensive Income		1,726	30,117	-	31,843
c. Transfers between Reserves		(41)	-	41	-
Balance at the end of period		9,109	151,967	1,188	162,264
2016					
Balance at the end of previous reporting period		8,461	116,850	977	126,288
a. Net Surplus / (Deficit) for Year		(867)	-	-	(867)
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	5,000	-	5,000
Other Comprehensive Income		-	5,000	-	5,000
Total Comprehensive Income		(867)	5,000	-	4,133
c. Transfers between Reserves		(170)	-	170	-
Balance at the end of period		7,424	121,850	1,147	130,421

Northern Areas Council

Statement of Cash Flows

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		7,250	6,747
Statutory Charges		129	122
User Charges		148	148
Grants, Subsidies and Contributions (operating purpose)		3,867	1,915
Investment Receipts		90	73
Reimbursements		417	660
Other Receipts		708	890
<u>Payments</u>			
Payments to Employees		(3,481)	(3,322)
Payments for Materials, Contracts & Other Expenses		(3,813)	(3,342)
Finance Payments		(369)	(403)
Net Cash provided by (or used in) Operating Activities	11b	4,946	3,488
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		820	132
Sale of Replaced Assets		92	16
Sale of Surplus Assets		35	8
Net Disposal of Investment Securities		-	16
Repayments of Loans by Community Groups		59	81
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(3,230)	(3,435)
Expenditure on New/Upgraded Assets		(837)	(322)
Net Purchase of Investment Securities		1	-
Loans Made to Community Groups		(50)	(50)
Net Cash provided by (or used in) Investing Activities		(3,108)	(3,554)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		646	940
<u>Payments</u>			
Repayments of Borrowings		(903)	(877)
Net Cash provided by (or used in) Financing Activities		(257)	63
Net Increase (Decrease) in Cash Held		1,581	(3)
plus: Cash & Cash Equivalents at beginning of period	11	3,516	3,519
Cash & Cash Equivalents at end of period	11	5,097	3,516
Additional Information:			
plus: Investments on hand - end of year	5a	104	105
Total Cash, Cash Equivalents & Investments		5,201	3,621

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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n/a - not applicable

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention 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.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

Northern Areas Council is incorporated under the South Australian *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.

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

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

	Cash Payment Received	Annual Allocation	Difference
2014/15	\$2,751,795	\$1,817,905	+ \$933,890
2015/16	\$870,464	\$1,804,354	- \$933,890
2016/17	\$2,702,602	\$1,784,052	+ \$918,550

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

compared to those that would have been reported had the grants been paid in the year to which they were allocated.

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

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.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for

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

6.2 Materiality

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

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
Artworks	\$5,000

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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	

6.5 Impairment

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, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying

amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

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

6.6 Borrowing Costs

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

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

8 Borrowings

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

accrued over the period to which it relates, and is recorded as part of "Payables".

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 avg. discount rate	2.20% (2016, 1.74%)
Weighted avg. settlement period	9.3 years (2016, 8.77 years)

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

9.2 Superannuation

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

10 Equity Accounted Council Businesses

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.

11 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

12 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Northern Areas Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

Effective for annual reporting periods beginning on or after 1 January 2017

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 13 February 2017

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

Effective for annual reporting periods beginning on or after 13 December 2017

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*

- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)AASB 1057 Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Nor-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

13 Comparative Figures

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

14 Disclaimer

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

Northern Areas Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income

\$ '000	Notes	2017	2016
(a). Rates Revenues			
General Rates			
General Rates		5,871	5,387
Total General Rates		5,871	5,387
Other Rates (Including Service Charges)			
Natural Resource Management Levy		241	194
Waste Collection		457	452
Community Wastewater Management Systems		749	726
Total Other Rates		1,447	1,372
Other Charges			
Penalties for Late Payment		34	32
Legal & Other Costs Recovered		6	13
Total Other Charges		40	45
Less: Discretionary Rebates, Remissions & Write Offs		(65)	(46)
Total Rates Revenues		7,293	6,758
(b). Statutory Charges			
Development Act Fees		53	56
Town Planning Fees		17	16
Animal Registration Fees & Fines		32	33
Sundry		16	9
Total Statutory Charges		118	114
(c). User Charges			
Cemetery/Crematoria Fees		30	33
Hall & Equipment Hire		28	30
Sundry		23	20
Waste Management		34	27
Road Rents		11	11
Washdown Bay		10	15
Total User Charges		136	136

Northern Areas Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		61	66
- Banks & Other		4	4
- Loans to Community Groups		25	31
Total Investment Income		90	101
(e). Reimbursements			
Roadworks		225	717
NRM costs		17	3
Other		141	127
Total Reimbursements		383	847
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		1	4
Rebates Received		175	166
Sundry		24	32
Section 41 Committees		304	468
Total Other Income		504	670
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		820	132
Untied - Financial Assistance Grant		2,703	870
Roads to Recovery		992	821
Library and Communications		19	19
Sundry		139	71
Total Grants, Subsidies, Contributions		4,673	1,913
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		992	821
State Government		3,118	943
Other		563	149
Total		4,673	1,913

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 3. Expenses

\$ '000	Notes	2017	2016
(a). Employee Costs			
Salaries and Wages		3,007	2,957
Employee Leave Expense		392	369
Superannuation - Defined Contribution Plan Contributions	18	235	218
Superannuation - Defined Benefit Plan Contributions	18	75	79
Workers' Compensation Insurance		159	160
Less: Capitalised and Distributed Costs		(414)	(403)
Total Operating Employee Costs		3,454	3,380
Total Number of Employees (full time equivalent at end of reporting period)		52	50.5
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		12	17
Bad and Doubtful Debts		8	-
Elected Members' Expenses		117	125
Election Expenses		10	1
Subtotal - Prescribed Expenses		147	143
(ii) Other Materials, Contracts and Expenses			
Contractors		615	621
Energy		129	134
Legal Expenses		16	24
Levies Paid to Government - NRM levy		241	194
Insurance		405	422
Maintenance - Infrastructure		1,091	897
Maintenance - Plant & Equipment		360	416
Fuel - Plant & Equipment		376	397
Libraries		84	84
Waste Management		514	646
Section 41 Expenses		113	226
Section 41 Expenses - Transfer to Incorporated		36	211
Less: Capitalised and Distributed Costs		(1,054)	(1,197)
Subtotal - Other Material, Contracts & Expenses		2,926	3,075
Total Materials, Contracts and Other Expenses		3,073	3,218
(iii) Individually significant items			
Section 41 Expenses ⁽¹⁾		36	211

(1) Significantly higher than usual to recognise the transfer of funds from Section 41 Committees to Incorporated Bodies.

Northern Areas Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		444	470
Infrastructure			
- Stormwater Drainage		81	78
- CWMS		281	303
- Roads		3,081	2,892
- Bridges		94	115
Plant & Equipment		519	491
Furniture & Fittings		29	22
Subtotal		4,529	4,371
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		4,529	4,371
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		-	1
Interest on Loans		413	430
Bank Fees		19	18
Total Finance Costs		432	449

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		92	13
Less: Carrying Amount of Assets Sold		(92)	(2)
Gain (Loss) on Disposal		-	11
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		35	8
Less: Carrying Amount of Assets Sold		(20)	(7)
Gain (Loss) on Disposal		15	1
Net Gain (Loss) on Disposal or Revaluation of Assets		15	12

Northern Areas Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 5. Current Assets

\$ '000	Notes	2017	2016
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		2,696	2,204
Deposits at Call		2,401	1,312
Total Cash & Cash Equivalents		5,097	3,516
(b). Trade & Other Receivables			
Rates - General & Other		337	294
Accrued Revenues		28	71
Debtors - General		728	381
GST Recoupment		110	84
Prepayments		-	40
Loans to Community Organisations		70	48
Total Trade & Other Receivables		1,273	918
(c). Inventories			
Stores & Materials		39	21
Trading Stock		19	19
Total Inventories		58	40

Note 6. Non-Current Assets

Financial Assets

Receivables

Loans to Community Organisations	367	398
Total Receivables	367	398

Other Financial Assets (Investments)

Fixed term Deposits - Section 41 Committees	104	105
Total Other Financial Assets (Investments)	104	105

Total Financial Assets	471	503
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Northern Areas Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 7a (i). Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2016					Asset Movements during the Reporting Period					as at 30/6/2017				
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals						Dep'n	Impairment	
Land - Other	2	8,304	-	-	-	8,304	-	-	-	-	50	8,354	-	-	-	8,354
Buildings & Other Structures	2	3,650	-	430	-	3,220	-	7	-	(83)	2,043	2,079	7	83	-	2,003
Buildings & Other Structures Infrastructure	3	17,550	1,248	8,718	-	10,080	169	366	-	(361)	-	25,748	535	12,851	-	13,432
- Stormwater Drainage	3	3,387	311	525	-	3,173	635	-	-	(81)	-	3,699	635	606	-	3,728
- CWMS	3	17,113	-	4,193	-	12,920	34	73	-	(281)	-	17,113	107	4,471	-	12,749
- Roads	3	134,289	8,425	48,693	-	94,021	-	1,927	-	(3,081)	26,450	149,370	1,927	31,860	-	119,437
- Bridges	3	8,934	167	7,387	-	1,714	-	4	-	(94)	1,574	9,423	4	6,379	-	3,048
Plant & Equipment		-	8,123	5,556	-	2,567	-	833	(114)	(519)	-	-	8,190	5,388	-	2,802
Furniture & Fittings		-	374	245	-	129	-	21	-	(29)	-	-	394	276	-	118
Total Infrastructure, Property, Plant & Equipment		193,227	18,648	75,747	-	136,128	838	3,231	(114)	(4,529)	30,117	215,786	11,799	61,914	-	165,671
Comparatives		192,413	15,302	75,960	-	131,755	322	3,432	(9)	(4,371)	5,000	193,227	18,648	75,747	-	136,128

Note 7a (ii). Investment Property

Nil

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

\$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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.

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

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

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

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

\$ '000

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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

Highest and best use

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

Transition to AASB 13 - Fair Value Measurement

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

Land & Land Improvements

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

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

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

Land & land Improvements were revalued as at 1 July 2016 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 2020/21 financial year.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2016 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 2020/21 financial year.

Infrastructure

Transportation assets were valued by Moloney Asset Management Systems at depreciated current replacement cost as at 1 July 2016, based on actual costs incurred during the reporting period ended 30 June 2017. All acquisitions made after the respective dates of valuation are recorded at cost.

The next scheduled revaluation date will be during the 2020/21 financial year.

Northern Areas Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

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

\$ '000

Valuation of Assets (continued)

Infrastructure (continued)

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 2017/18 financial year.

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

Bridges were revalued as at 1 July 2016 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 2020/21 financial year.

Plant & 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.

Note 8. Liabilities

\$ '000	Notes	2017	2017	2016	2016
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		514	-	691	-
Accrued Expenses - Employee Entitlements		25	-	44	-
Accrued Expenses - Finance Costs		63	-	-	-
Accrued Expenses - Other		184	-	178	-
Total Trade and Other Payables		786	-	913	-
(b). Borrowings					
Loans		1,928	6,557	1,903	6,839
Total Borrowings		1,928	6,557	1,903	6,839

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

Northern Areas Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 8. Liabilities (continued)

\$ '000	Notes	2017 Current	2017 Non Current	2016 Current	2016 Non Current
(c). Provisions					
Employee Entitlements (including oncosts)		981	54	1,001	28
Total Provisions		981	54	1,001	28

Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(a). Asset Revaluation Reserve					
Land - Other	7,635	50	-	-	7,685
Buildings & Other Structures	8,338	2,043	-	-	10,381
Infrastructure					
- Stormwater Drainage	2,805	-	-	-	2,805
- CWMS	7,029	-	-	-	7,029
- Roads	94,406	26,450	-	-	120,856
- Bridges	1,637	1,574	-	-	3,211
Total Asset Revaluation Reserve	121,850	30,117	-	-	151,967
Comparatives	116,850	5,000	-	-	121,850

\$ '000	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2017
(b). Other Reserves					
Jamestown CWMS Reserve	674	54	-	-	728
Laura CWMS Reserve	302	-	(7)	-	295
Gladstone CWMS Reserve	171	-	(6)	-	165
Total Other Reserves	1,147	54	(13)	-	1,188
Comparatives	977	170	-	-	1,147

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 9. Reserves (continued)

\$ '000

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

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).

Note 10. Assets Subject to Restrictions

\$ '000

Notes

2017

2016

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.

Cash & Financial Assets

Unexpended amounts received from Federal Government

CWMS

1,182

995

Total Cash & Financial Assets

1,182

995

Total Assets Subject to Externally Imposed Restrictions

1,182

995

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2017	2016
(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 Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	5,097	3,516
Less: Short-Term Borrowings	8	-	-
Balances per Statement of Cash Flows		5,097	3,516

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

Net Surplus/(Deficit)		1,726	(867)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		4,529	4,371
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(820)	(132)
Net (Gain) Loss on Disposals		(15)	(12)
		5,418	3,360
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(333)	(437)
Net (Increase)/Decrease in Inventories		(18)	32
Net Increase/(Decrease) in Trade & Other Payables		(127)	476
Net Increase/(Decrease) in Unpaid Employee Benefits		6	57
Net Cash provided by (or used in) operations		4,946	3,488

(c). Financing Arrangements

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

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

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 2017

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
\$ '000										
Business Undertakings	-	-	-	-	-	-	-	-	76	-
Economic Development	114	65	209	186	(95)	(121)	80	-	746	782
Protection of the Environment	5	-	5	5	-	(5)	-	-	-	-
Sport & Recreation	196	216	1,176	1,051	(980)	(835)	23	41	15,269	14,083
Transport & Communication	1,413	1,022	4,892	4,350	(3,479)	(3,328)	1,632	1,009	126,711	99,264
Other Purposes	505	1,121	892	1,594	(387)	(473)	-	1	6,015	5,669
Mining, Manufacturing & Construction	41	44	173	177	(132)	(133)	-	-	-	-
Community Amenities	324	124	1,881	1,852	(1,557)	(1,728)	-	-	13,912	14,380
Health & Welfare	53	43	85	127	(32)	(84)	5	31	1,106	1,081
Public Order & Safety	44	43	50	59	(6)	(16)	-	-	294	356
Administration	9,684	7,729	2,125	2,017	7,559	5,712	2,113	682	8,441	5,490
Total Functions/Activities	12,379	10,407	11,488	11,418	891	(1,011)	3,853	1,764	172,570	141,105

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

ECONOMIC DEVELOPMENT

Regional Development, Support to Local Businesses, Tourism, Caravan Parks, Community Grants and Other Economic Development.

PROTECTION OF THE ENVIRONMENT

Agricultural Services and Other Environment.

SPORT AND RECREATION

Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor, and Other Recreation.

TRANSPORT AND COMMUNICATION

Aerodrome, Bridges, Community Bus, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Stormwater and Drainage, Traffic Management, LGGC – roads (formula funded), and Other Transport.

OTHER PURPOSES

Depots, Plant Maintenance & Operating, Minor Plant, Work Health & Safety, Training, Loan Interest, Weed Spraying, Vandalism.

MINING, MANUFACTURING & CONSTRUCTION

Building Control, Clean Air/Pollution Control, Litter Control, Health Inspections

COMMUNITY AMENITIES

Town Planning, Waste/Recycling Collection and Disposal, Green Waste, Transfer Stations, Other Waste Management, Street Cleaning, Street Lighting, Cemeteries/Crematoria, Public Conveniences, Street Cleaning, Community Waste Water Management Systems (CWMS).

HEALTH & WELFARE

Northern Passenger Transport Scheme, Health Centres, Youth programs, Aged Homes support, Community support programs

PUBLIC ORDER & SAFETY

Dog Control, Fire Prevention, Emergency Services Levy

COUNCIL ADMINISTRATION

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, Natural Resource Management Levy, LGGC – General Purpose, and Separate and Special Rates.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 1.50% and 2.15% (2016: 1.75% and 2.40%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 9% (2016: 9%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Receivables

Retirement Home Contributions

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Liabilities

Retirement Home Contributions

Accounting Policy:

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms & Conditions:

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying Amount:

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 3.75% and 6.70% (2016: 3.75% and 6.70%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

Northern Areas Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2017					
Financial Assets					
Cash & Equivalents	5,097	-	-	5,097	5,097
Receivables	106	296	174	576	1,303
Other Financial Assets	104	-	-	104	104
Total Financial Assets	5,307	296	174	5,777	6,504

Financial Liabilities

Payables	516	-	-	516	514
Current Borrowings	2,570	-	-	2,570	1,928
Non-Current Borrowings	-	4,639	1,943	6,582	6,557
Total Financial Liabilities	3,086	4,639	1,943	9,668	8,999

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2016					
Financial Assets					
Cash & Equivalents	3,516	-	-	3,516	3,516
Receivables	103	214	282	599	1,022
Other Financial Assets	105	-	-	105	105
Total Financial Assets	3,724	214	282	4,220	4,643

Financial Liabilities

Payables	691	-	-	691	691
Current Borrowings	1,903	-	-	1,903	1,903
Non-Current Borrowings	-	4,010	4,945	8,955	6,839
Total Financial Liabilities	2,594	4,010	4,945	11,549	9,433

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	3.75%	1,000	4.00%	1,000
Fixed Interest Rates	5.65%	7,485	5.83%	7,742
		8,485		8,742

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

Note 14. Commitments for Expenditure

\$ '000

Notes

2017

2016

Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Buildings	33	33
Infrastructure	55	-
Plant & Equipment	346	94
	434	127

These expenditures are payable:

Not later than one year	434	127
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	434	127

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2017	2017	2016	2015

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	891			
Total Operating Revenue	12,379	7%	(10%)	(3%)

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

1a. Adjusted Operating Surplus Ratio

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

(28)				
12,379	(0%)	(1%)	(12%)	

2. Net Financial Liabilities Ratio

Net Financial Liabilities	3,465			
Total Operating Revenue	12,379	28%	55%	53%

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.

3. Asset Sustainability Ratio

Net Asset Renewals	3,138			
Infrastructure & Asset Management Plan required expenditure	4,529	69%	78%	75%

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 15. Financial Indicators - Graphs (continued)

<div><div>1. Operating Surplus Ratio</div><div><div>Ratio %</div><div><div><div><div>2014</div><div>-25%</div></div><div><div>2015</div><div>-3%</div></div><div><div>2016</div><div>-10%</div></div><div><div>2017</div><div>7%</div></div></div></div></div></div>	<div><div>Purpose of Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the operating revenue varies from operating expenditure</div></div></div>	<div><div>Commentary on 2016/17 Result</div><div><div>2016/17 Ratio7%</div></div><div><div>Council's Target range is 0-10%. This was adopted by Council in February 2017 as part of reviewing the Long Term Financial Plan (LTFP).</div></div></div>
<div><div>1a. Adjusted Operating Surplus Ratio</div><div><div>Ratio %</div><div><div><div><div>2014</div><div>-14%</div></div><div><div>2015</div><div>-12%</div></div><div><div>2016</div><div>-1%</div></div><div><div>2017</div><div>0%</div></div></div></div></div></div>	<div><div>Purpose of Adjusted Operating Surplus Ratio</div><div><div>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</div></div></div>	<div><div>Commentary on 2016/17 Result</div><div><div>2016/17 Ratio0%</div></div><div><div>A breakeven position was budgeted to occur in the 2016/17 Budget. The continued improving trend will see the Operating Surplus Ratio exceed the target range by 2021/22.</div></div></div>
<div><div>2. Net Financial Liabilities Ratio</div><div><div>Ratio %</div><div><div><div><div>2014</div><div>77%</div></div><div><div>2015</div><div>53%</div></div><div><div>2016</div><div>55%</div></div><div><div>2017</div><div>28%</div></div></div></div></div></div>	<div><div>Purpose of Net Financial Liabilities Ratio</div><div><div>This indicator shows the significance of the net amount owed to others, compared to operating revenue</div></div></div>	<div><div>Commentary on 2016/17 Result</div><div><div>2016/17 Ratio28%</div></div><div><div>Council's Net Financial Liabilities as a proportion of Council's annual operating income has peaked and is expected to reduce over the remaining life of the LTFP as our cash position improves. Council's Target range is 0-50%</div></div></div>
<div><div>3. Asset Sustainability Ratio</div><div><div>Ratio %</div><div><div><div><div>2014</div><div>62%</div></div><div><div>2015</div><div>75%</div></div><div><div>2016</div><div>78%</div></div><div><div>2017</div><div>69%</div></div></div></div></div></div>	<div><div>Purpose of Asset Sustainability Ratio</div><div><div>This indicator aims to determine if assets are being renewed and replaced in an optimal way</div></div></div>	<div><div>Commentary on 2016/17 Result</div><div><div>2016/17 Ratio69%</div></div><div><div>Budget Review 3 Forecast was 92% but included a significant project which has now been classified as new expenditure in this report. Other projects carried forward are reflected in a higher cash balance in the Net Financial Liabilities Ratio.</div></div><div><div>Budgeted renewal of existing assets over the life of the current LTFP averages 93% which is just below Council's target range of 95-105%</div></div></div>

Northern Areas Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	12,379	10,407
less Expenses	(11,488)	(11,418)
Operating Surplus / (Deficit)	891	(1,011)
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	3,230	3,435
less Depreciation, Amortisation and Impairment	(4,529)	(4,371)
less Proceeds from Sale of Replaced Assets	(92)	(16)
Subtotal	(1,391)	(952)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	837	322
less Amounts Received Specifically for New and Upgraded Assets	(820)	(132)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	(35)	(8)
Subtotal	(18)	182
Net Lending / (Borrowing) for Financial Year	2,300	(241)

Note 17. Operating Leases

Council does not have any Operating Leases

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 18. Superannuation

\$ '000

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 2016/17; 9.50% in 2015/16). 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 2015/16) 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 2017

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Joint Ventures	2	8	-	-
Total	2	8	-	-

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Central Local Government Association		48	46
Total Carrying Amounts - Joint Ventures & Associates		48	46

Central Local Government Association

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

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Central Local Government Association	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%

(c) Movement in Investment in Joint Venture or Associate

	Central Local Government Association	
	2017	2016
Opening Balance	46	38
Share in Operating Result	2	8
Council's Equity Share in the Joint Venture or Associate	48	46

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

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 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 deductible "insurance excesses", the amount of which varies according to the class of insurance.

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$367,215 (2016: \$397,732) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

5. TRUST FUNDS

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2017, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is dd/mm/yy.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

Note 23. Related Party Transactions

\$ '000

2017

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 14 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	663
Long-Term Benefits	7
Total	670

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Planning and Building Application Fees	1
Total	1

Northern Areas Council Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of the Northern Areas Council, for the year ended 30 June 2017.

Opinion

In our opinion, the financial statements of the Council are properly drawn up:

- a) to present fairly the financial position of the Council as at the 30 June 2017 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the council to meet the requirements of the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011 and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



Ian G McDonald FCA
Registered Company Auditor 16458

Signed 17th day of October 2017 at Grange, South Australia

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

We have audited the compliance of the Northern Areas Council with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 have been conducted properly and in accordance with law.

Opinion

In our opinion, the Council has complied, in all material respects, with *Section 125* of the *Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2016 to 30 June 2017.

Basis for Opinion

For the audit of the Council we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129* of the *Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Inherent Limitations

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

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125* of the *Local Government Act 1999* in relation to Internal Controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 125* of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable *Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements*, issued by the *Australian Auditing and Assurance Standards Board*, in order to state whether, in all material respects, the Council has complied with *Section 125* of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. *ASAE 3100* also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of controls on a sample basis based on the assessed risks.

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



Ian G McDonald FCA
Chartered Accountant
Registered Company Auditor 16458

Signed 17th day of October 2017 at Grange, South Australia

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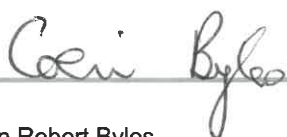
Northern Areas Council

General Purpose Financial Statements for the year ended 30 June 2017

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 2017, the Council's Auditor, Ian G McDonald has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Colin Robert Byles
CHIEF EXECUTIVE OFFICER



Lavonne Lea
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 16 October 2017

NORTHERN AREAS COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Northern Areas Council for the year ended 30 June 2017, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Ian G McDonald FCA

Dated this 22nd day of September 2017