



**UNEARTH
WHYALLA**

THE CORPORATION OF
THE CITY OF WHYALLA

2016/17

ANNUAL REPORT

INDEX

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MAYOR'S REPORT

What a difference a year makes.

When I wrote my report last year, it was a very difficult time with real some challenges for the City of Whyalla. The Arrium situation had caused a downturn in the economy, and uncertainty and loss of confidence in the community.

However the tide has turned, and I believe we can now look forward to a wonderful future in Whyalla.

Our world has certainly changed and will continue to change in the next few years. We have learned a lot of lessons from these difficult times and I am confident we will put these to use, and all work together and strive to become the vibrant, buzzing community we were in the seventies and eighties. This was the time when we had almost full employment, people were earning well and we had almost an arrogance about our city, knowing we were prosperous, and moving ahead at a great pace.

The latest change of course came with the sale of Arrium to GFG Alliance, the Gupta family Group. This is a respected company throughout the world and particularly in the UK, where communities have been transformed after their acquisition.

I am confident the same will happen here, the company will flourish, the economy will diversify, and whole new opportunities will develop enabling our young people to have a world class education and careers, keeping them in our city.

Mr Sanjeev Gupta's obvious interest in not just his company but our city, augers well for us. His frequent visits and involvement including taking part in the celebrations after the sale process, and his attendance and participation in the Whyalla Pageant and Fair, showed us a very positive sign for the future, with a real human touch seeing his wife and children here.

Whyalla Council has had a busy year. The appointment of our new CEO Mr Chris Cowley brought new enthusiasm into the council, and other staff changes while still happening, can only be good for the city. Along with our very dedicated, hardworking and competent long term staff we are moving into our new future with lots of plans to make our city a better place to live, work in and raise a family.

Visitors to the city are amazed at the new work happening around the city, and love our foreshore and dolphins. The cuttlefish are still an incredible drawcard both nationally and internationally.

For a city in the desert, we are really working hard on planting the right vegetation and making our parks and gardens, our road ways, and our entries and exits look professional and smart.

We have a huge range of projects in hand including the Wetlands, Wilson and Civic Park.

The jetty closure has been tough but in the end we will have a facility that we can be proud of.

It is exciting to see new industries such as the solar power plant emerging.

At this point I think we need to say a big thankyou as a city to all those who have stood by us in the last 18 months. These include Korda Mentha without whom I don't think we would have had the results we have, and the State Government who have been extremely supportive of us as a city, and

during the sale process. The Federal Government have kept a close watch on us and have supported us where necessary.

New announcements for the city such as the proposal by The State Government for a brand new, top of the range High School, is encouraging. It shows a belief that Whyalla has a grand future ahead of us.

We are working very closely with Pt Augusta and Pt Pirie as part of the Spencer Gulf Cities Association and the recent SEGRA Conference showed us all what we can achieve by working together as a region. We were seen as an enviable example in regional cooperation by participants at the Conference who were from all over Australia.

Our new Strategic Plan which can be found on our website highlights the direction we are heading as a city, and maps out the plans and aspirations for future economic and social development in Whyalla. I encourage all to have a look.

We are not of the woodwork yet and it still will be tough for a while, but I look forward to the next couple of years, which I think will be the greatest in our history, and know that working together as the great community we are, we can become a showcase for South Australia.

Whyalla Mayor Lyn Breuer

CHIEF EXECUTIVE OFFICER'S REPORT

In opening I would like to take this opportunity to thank the Council and residents for warmly welcoming me to the City of Whyalla.

I arrived in the city against a backdrop of hard economic times. I am privileged to be a part of community which has remained positive and confident in its ability to deliver improvements as part of its endeavours to enhance the total quality of life in the city for its residents.

Over the past twelve months, Council has continued to make a number of important decisions to support our community. As a group, councillors and management have been resolute in their determination to ensure the city continues to maintain its strength in the region.

We are working soundly to drive social and economic transformation and diversification in the city and enabling Whyalla to be a diverse and sustainable economy, well respected and recognised as a community of strength.

It is important there are structures in place to support effective partnership between the State Government and local government. Whyalla, currently is working collaboratively with the State Government and enjoys a strong and productive working relationship which creates good networks, goodwill and outcomes as a result and will facilitate intergovernmental cooperation leading to positive outcomes for Whyalla.

It is Council's number one priority in its current Strategic Plan to diversify Whyalla's economy to ensure job creation. Council's Business Support and Incentive program was developed to attract new business to the city and assists local business in their expansion and growth. This program reinforces Whyalla's position as a pro-business city.

As a tourist destination, Whyalla delivers many unique experiences. As a city it represents South Australia's foremost combination of industrial and nature based experiences. With amazing beaches, vivid scenery, small city charm, distinctive mystic outback landscapes and year round things to do, Whyalla offers discovery, unique Australian wonders and absolute contrast in nature based and industrial activities. Council is working collectively with local and State entities to ensure that the city is seen as a place to visit and enjoy.

Council has worked diligently to beautify its surrounds with the continuing upgrade of the Whyalla Wetlands; the Whyalla Foreshore; multiple parks and playgrounds, including the popular upgrade of Wilson Park and further revegetation of medians and traffic treatments, to mention a few.

The Whyalla Jetty upgrade will commence in the New Year and the completed project will provide the community with a modern 'state of the art' structure to be enjoyed by all of community and tourists alike.

In closing, I congratulate the Council's staff on their continued commitment to the delivery of services for and on behalf of the community.

Our responsibility to our residents and business is not one we take lightly. We will work ardently with our community to create opportunities in order to improve their lives, for today, tomorrow and beyond.

Chris Cowley

Chief Executive Officer, City of Whyalla

CORE ELEMENTS

OUR GOAL

Unearth a bright future for Whyalla.

OUR VISION

Whyalla will be a vibrant, attractive city offering the community a diverse range of sustainable economic, social, environmental and cultural opportunities.

OUR VALUES

Integrity

Transparency

Accountability

Respect

Commitment to community

Good governance

Innovation

Fairness and equity

Safety

OUTCOMES

Confident, engaged and proud community

Integrated education and training opportunities

Attractive city

Diverse economy

Integrated health, disability and aged care services

CITY PROFILE

Whyalla is a city of contrasts – from green parks and gardens to massive industrial operations, new housing estates to well established historic neighbourhoods, and from the traditional corner store to multimillion- dollar shopping centres. On the western shore of Upper Spencer Gulf, approximately 385 kilometres northwest of Adelaide by road and 40 minutes by air, Whyalla averages 300 days of sunshine every year and has an annual rainfall of around 270 millimetres. Its urban boundaries comprise 41.5 square kilometres within a total local government area of approximately 1000 square kilometres.

The Corporation of the City of Whyalla has one of the most diverse operations of any local government.

It operates an airport, state-of-the-art public library, child care centre, cemetery and crematorium, visitor information centre, maritime museum, lighthouse, waste landfill site, marina and boat ramps.

The council also owns the city's leisure centre and is responsible for all major development including the foreshore, wetlands, water saving and harvesting initiatives, public works, and innovative environmental projects.

Whyalla's major industries include the steelworks producing a range of products including rail line and steel sleepers, Santos producing crude oil and LPG, industrial fabrication companies, national contractors to heavy engineering industries, commercial salt production as well as tourism and major events.

ANNUAL BUSINESS PLAN

Whyalla City Councils' Annual Business Plan sets out the Councils' proposed services, programs and projects for 2016/17. It aims to maintain efficient services for the community and continued progress towards the longer term objectives for the Whyalla City Council as set out in the Strategic Plan adopted in June 2017.

The Annual Business Plan is the Councils' key management document reflecting the work that the Council needs to undertake over the next year to meet its Strategic Plan goals and objectives within the constraints of the revised Ten Year Financial Plan.

The Councils' 2016/17 annual budget was premised on its Strategic Planning priorities and aims to ensure financial sustainability objectives.

STRATEGIC DOCUMENTS AND PROGRAMS

Strategic Plan

In accordance with Chapter 8 Section 122 of the Local Government Act 1999 (Strategic Management Plans), the Council reviewed and adopted its Strategic Plan in June 2017. This plan sets out the long-term aspirations of the Council (i.e. where do we want to be in the future) and how the Council intends to achieve the vision within the period of the plan. Key objectives/outcomes are detailed along with those strategies necessary to achieve the outcome of each objective.

Ten Year Long Term Financial Plan

This plan balances the level of funding required to achieve the city's outcomes and is premised on an annual rate increase in 2016/17 of 1.9% then 2% for the life of the plan. This document along with the Strategic Plan became the basis for the preparation of the Annual Business Plan and Budget for 2016/17.

This plan was updated to meet the Local Government Act 1999 and Financial Regulations requirements. A major component of the plan is the current focus on maintaining and delivering services in a financial sustainable way, accrual accounting and the effective management of Councils' assets.

The Long Term Financial Plan is intended to be a guide to predicted results for a 10 year period based on a range of assumptions about future performance. Where there is a change between past assumptions and subsequent realities, there will be a degree of variance between results and the output of the plan. Due to the revision of and changes to the Infrastructure Asset Management Plans of the Council, the Long Term Financial Plan has also undergone extensive review to ensure that the output of the plan represents our best estimate of future realities. Each budget year should form the base year for the next ten year cycle.

Councils' Annual Budget

The Councils' annual budget is formulated to address the following key objectives from the Strategic Plan:

- *Council's operations are efficient and support an active engaged community*
- *Infrastructure is appropriately planned, maintained and managed;*
- *Council will be recognised for being financially responsible; and*
- *Council strives to create a diversified sustainable economy.*

The budget has been developed in conjunction with the Councils' Ten Year Financial and Annual Business Plan documents. This budget has been developed in light of financial information available at the time of drafting, the range of services required under legislation and that level of service desired by the community, all with a view to long-term financial sustainability.

Capital Improvement Program: The Council has developed a capital improvement program to ensure that Councils' assets are protected, developed and maintained in a timely fashion and in accordance with the Infrastructure Asset Management Plan.

Annual Business Plan: Documents the actions required by each service area of the Council to ensure that the desired outcomes of the Strategic Plan can be achieved. Our progress toward achievement of the desired outcomes is monitored.

Asset Management Plans: In accordance with Chapter 8 Section 122 of the Local Government Act 1999 (Strategic Management Plans), the Council is required to adopt plans for each of its classes of assets, detailing maintenance and renewal requirements for the next 10 years.

Key Financial Indicators: In accordance with Section 122 of the Local Government (Financial Management and Rating) Amendment Act 2005, the Council is required to introduce measures to assess its performance over the financial year.

SIGNIFICANT INFLUENCES AND PRIORITIES

- Uncertainty about the future of Arrium/OneSteel and the impact of closure or significant business restructure.
- Federal Government freeze on Financial Assistance Grants;
- Federal Government withdrawal of South Australian supplementary road funding;
- Uncertain economic conditions related to closure or business restructure of Arrium/OneSteel, including business closures and rising unemployment
- Social issues including aging population, youth disengagement, withdrawal of government services
- Reduction in or withdrawal of Government funding and subsidies in relation to services that Council will continue to provide including Regional Tourism, Remote Area Subsidy for Child Care services, reductions in Sport and Recreation position funding; and
- Fees and charges levied by other levels of Government but collected by Local Government (NRM Levy).
- Requirements to maintain and renew infrastructure assets to acceptable standards including roads, footpaths, lighting, storm water drainage, recreational open space, street trees and plantings, public facilities and operational properties as highlighted in the reviewed Asset Management Plans;

- Service programs and infrastructure needs for a changing population;
- Commitments to continuing OPAL projects and partnership initiatives over the next 12 months;
- Maintaining the range and levels of services, including the cost of maintaining recently redeveloped reserves and Councils commitment to developing an Aged Friendly city.

The Annual Business Plan was prepared on the basis that for an average residential property the rate increase will be 1.9%.

PRIORITIES FOR 2016/17

- To undertake a capital works program plus brought forward projects of \$9,069,936 including \$5,448,885 for the replacement/renewal of existing assets and \$3,621,051 for new and upgraded assets. The program has a two-fold focus, firstly to address as far as practical, the asset renewal requirements as indicated in the AMPs and secondly to ensure that the Council continues to upgrade assets to a standard consistent with community expectations, and includes:
 - Commencement of a 5 year plant renewal and replacement strategy to ensure maximum benefit at least cost and risk to community and Council staff;
 - Renewal and upgrades of major infrastructure including road, footpath, street signs, storm-water and marine structures;
 - Implementation of recommendations of landscape upgrade works from the landscape Architectural Consultants, Oxigen and the Changing Place report titled Enhancing Opportunities for Whyalla Cemetery; and
 - Upgrading of Council buildings and facilities aimed at improving liveability and quality of life.

KEY SERVICE AREAS

All Councils provide a range of services that address basic responsibilities under the Local Government Act and other relevant legislation and those services that are provided in response to changing community needs.

Whyalla City Council has eight key service areas. These include:

- **Environmental Services:** including kerbside collections, management of waste landfill site at Mount Laura, clean-up of illegal dumping, street cleaning, and management and protection of local environments.
- **Planning and Development Services:** including economic development, strategic policy and projects; development assessment and compliance.
- **Regulatory Activities:** including environmental health services, traffic and parking control and dog and cat management.
- **Community Service Activities:** Cemetery and cremations, Whyalla public library services, child care centre, community development, visitor information centre and airport services.
- **Community Recreation and Leisure Activities:** public facilities and sport and recreation facilities, including public parks, open space recreation areas, leisure centre; and marinas, jetties, boat ramps and swimming enclosure.

- **Assets and Engineering Services:** design and project management, road maintenance and other infrastructure assets including the following: roads, footpaths, streetscape, street furniture and stormwater assets.
- **Governance:** Executive office including elected members support and local government relations.
- **Corporate Services:** community management and customer service, marketing and strategic events, human resources, corporate and financial management, information services, procurement and media and communications.

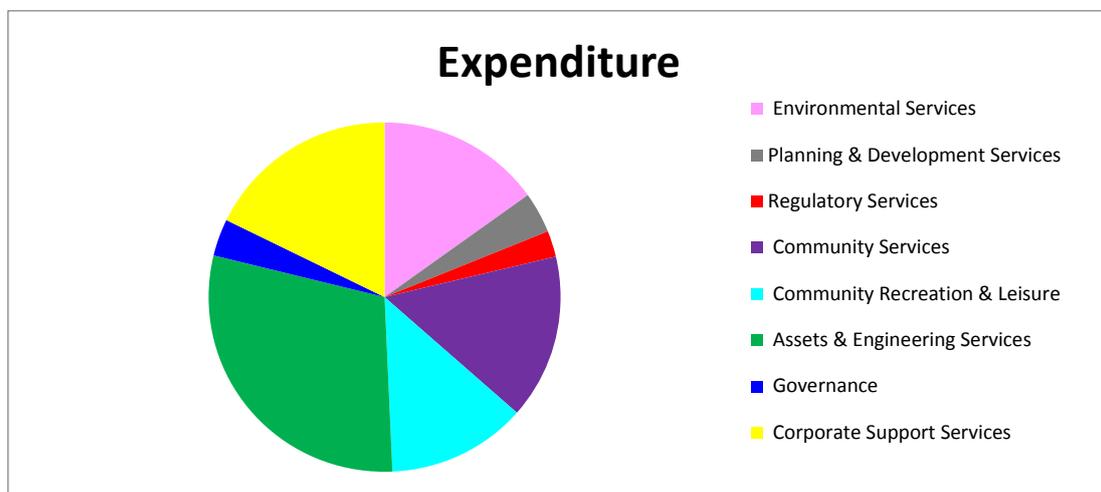
The Council also provides for the operation of a number of facilities on a “fee for service” basis. These services and facilities provide important community benefits while generating revenue. Where possible, the Council aims to set fees for these services on at least a cost recovery basis these include:

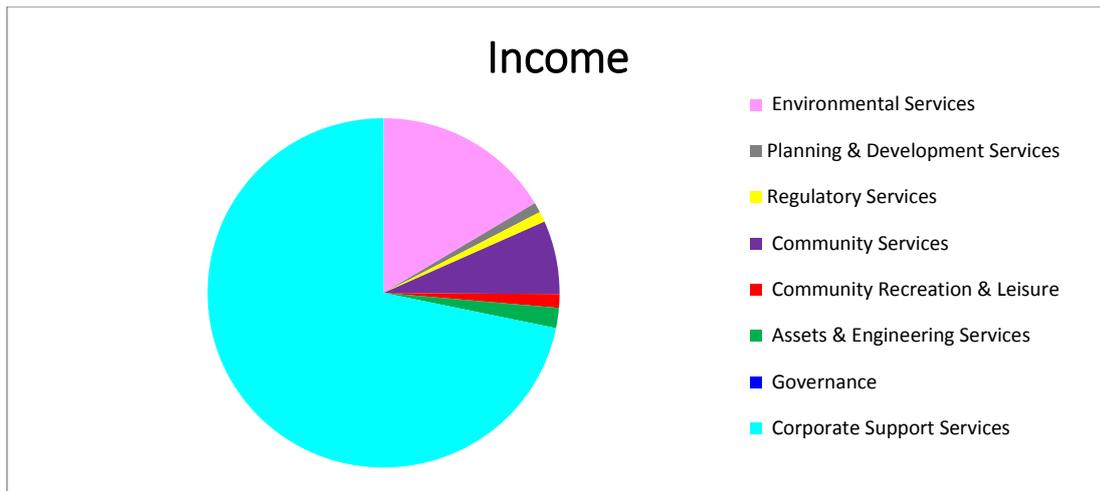
- Child Care Centre
- Marinas and mooring facilities
- Airport
- Mount Laura Waste and Resource Recovery Centre
- Cemetery

Whyalla City Council does not expect any change to the service delivery mix for the coming year.

SERVICE PROFILE ADOPTED BUDGET FOR 2016/17

Service Program	Expenditure	Income	Surplus/(Deficit)
Environmental Services	\$ 4,472,739	\$4,934,111	\$461,372
Planning & Development Services	1,122,133	278,450	(843,683)
Regulatory Services	718,711	289,250	(429,461)
Community Services	4,513,574	2,037,521	(2,476,053)
Community Recreation & Leisure	3,795,031	380,524	(3,414,507)
Assets & Engineering Services	8,763,618	558,118	(8,205,500)
Governance	1,015,903	2,700	(1,013,203)
Corporate Support Services	5,262,537	21,548,861	16,286,324
TOTAL	\$29,664,246	\$30,029,535	\$365,289





PROJECT PRIORITIES

Specific Council projects for the coming year include:

- **Community Events:** Christmas pageant support, Graeme Jose Awards, Youth Week, Volunteer Week, Naidoc Week, Christmas Carols, Art prize, Anzac Day
- **Community Development & Engagement:** Bush Medicine & Indigenous Development, Support Community Clubs and Groups, Community Assistance, Community Grants, Community Development Programs and Community Art Projects.
- **Community Wellbeing Programs:** Support for HACC, Star Club Activities, Youth Council, YAK shack and other Youth Programs, “Aged Friendly Cities” implementation initiatives. Support for Foodbank, Smith Family and Reserve cadet groups
- **Provision of Community Services:** Child Care Centre, Whyalla Public Library, Whyalla Health & Leisure Centre and Cemetery & Crematorium services
- To develop and implement annual maintenance programs, that reflects maintenance and risk priorities and delivers the desired level of service.
- To undertake an Asset Renewal and upgrade program consistent with the desired level of service and in accordance with Asset Management plan requirements.
- To manage and protect our built and natural landscapes to ensure environments are protected and enhanced for community benefit. (Foreshore and other Coastal)
- To provide an environmentally sustainable and cost effective waste management service.
- Manage and maintain our public spaces in order to provide passive and active recreation opportunities for the enjoyment of our citizens and visitors.
- Manage and maintain our road, footpath, kerb, storm-water and building assets to an acceptable asset condition consistent with the community’s expectations.
- Undertake a comprehensive assessment of stormwater management throughout the City by development of a stormwater management plan, stormwater harvesting investigation and re-use opportunities and implementation of specific localised flood mitigation measures.
- Manage and maintain our marine structures effectively in relation to potential threats from severe storm events.

- Manage our airport as a key regional transport asset that can contribute to future economic growth.
- Review Long Term Financial Plan, Asset Management Plans and Budgets in accordance with LG Act requirements and provide reporting internally to relevant officer, to the elected body and to external parties, to ensure sustainability objectives and reporting requirements are met.
- Complete the framework for project management including links to Procurement, Due Diligence and WHS tools and templates to provide adequate control that ensures projects are managed in accordance with Budget and project outcomes match the stated objectives.
- Develop a well-defined governance framework complete with document maps, policy & procedure review and reporting schedule and a monitoring and reporting regime, to ensure that Council operates in accordance with Local Government Act and other relevant legislation.
- Review the Strategic Risk Profile to ensure that risks are identified, are reflective of the changing environment and that mitigation measures enable council to adapt and respond to external shocks and manage and control risks.
- Review employee management systems to support employee development that links to their roles in the achievement of council strategies to ensure that Council provides best practice systems and encourages the development of employee skills for the benefit of council and the community.
- Develop and maintain systems that assist in the achievement of compliance with Performance Standards for self-insurers, including regular reporting and monitoring by the EMT to ensure that WHS becomes part of the Culture at Whyalla Council.
- Prepare and distribute a business prospectus that showcases Whyalla's attributes for new and expanding business and development potential.
- Leveraging off Councils' recently endorsed Business Incentive and Support Program we will prepare and distribute a business prospectus that showcases Whyalla's attributes for new and expanding business and the opportunities and potential this region offers.
- Council will continue to facilitate employment generating activities and uses to the Whyalla Industrial Estate and our commercial zone precincts.
- Advocate for unlocking the potential of under-utilised crown land adjacent to the Whyalla Foreshore for development. In addition continue investigations to facilitate the development of the Marina through an appropriate development delivery model as a recreational, fishing, commercial and residential area that is a showcase for Whyalla.
- With the imminent completion of the Northern Coastline Master plan enable and facilitate the implementation of study recommendations to expand the regions appeal to locals and visitors alike.
- Council will continue to work towards the diversification of our local economy by facilitating an environment that encourages investment and enables tourism businesses to thrive and prosper. We will support the development of industry infrastructure, growth capacity and sustainability to ensure industry viability.
- Working with local stakeholders' council aims to increase destination awareness and improve the visitor experience and enable the development of new and diverse tourism products in Whyalla.

OUR STRATEGIC DIRECTIONS

The strategic management plan identifies key issues facing Whyalla City Council and presents specific long-term goals and five-year outcomes that will address these challenges. It also provides a platform from which Council can collaborate with its communities and other partners to identify and work towards common outcomes.

The focus of this document is on the priorities of the organisation as a whole and how Council performs its role as a leader of a diverse community. The Council will pursue the goals and objectives within the strategic plan in a variety of ways:

- Directly, as the relevant authority on planning matters and the provider of municipal services in the City of Whyalla local government area
- Collaboratively, through partnerships
- Indirectly, as an advocate for the city's interests

As a guiding document, the directions outlined in the plan are implemented through the Councils' Ten-Year-Long-Term Financial and Asset Management Plans and Annual Budget and Business planning processes.

Council has identified the following top ten priorities upon which to focus:

1. Responsible financial management
2. Improvement of Whyalla's quality of life
3. Support for a diversified and sustainable economy
4. Provision of necessary economic, social and physical infrastructure
5. Provision of customer-focused services
6. Promotion of environmental sustainability
7. Ensuring integrated, sustainable land management
8. Community safety
9. Improvement of the city's waste management
10. Facilitation of improvements to the city's health and aged care services

MEASURING OUR PERFORMANCE

Objective	Description	Actions	Performance Outcome
Our Places: Our natural and built environment supports the economic, social and physical need of the city.	To create a city that is attractive and showcases our natural and built assets.	Upgrade the entrances to Whyalla to create an inviting, modern, visual impression for visitors arriving in the city.	Completed by 30 June 2018.
Our Places: Our natural and built environment supports the economic, social and physical need of the city.	To create a city that is attractive and showcases our natural and built assets.	Complete Signage Masterplan for Whyalla.	Completed by 30 June 2018.
Our Places: Our natural and built environment supports the economic, social and physical need of the city.	To protect our natural environment, minimise our ecological footprint and the impact of environmental issues on the City.	In partnership with EPNRM, actively promote, rehabilitate and conserve our natural environment and coastal areas.	Ongoing
Our People: to embed a range of services and facilities which promote a safe and engaged community, which is healthy, culturally and socially rich.	Unearth community pride within the city.	Regularly inform the community of council activities, decisions and actions. Promote positive stories, positive image. Articulate the positive approach the city takes. Social media, real time posts.	Updates via newsletters, Facebook and council website.
Our People: to embed a range of services and facilities which promote a safe and engaged community, which is healthy, culturally and socially rich.	To create a vibrant, diverse, actively engaged community with a sense of belonging.	Encourage the participation of our youth in our city by providing opportunities for leadership, social, community and economic participation.	Continue youth council, youth week events and ongoing support for youth activities.
Our People: to embed a range of services and facilities which promote a safe and engaged community, which is healthy, culturally and socially rich.	To improve the safety, health & wellbeing of our community.	Focus on the next stage of Living Well Aged and Disability Care Masterplan, with the goal of becoming recognised as the world's first Disability Friendly City .	Implement Aged and Disability Masterplan

Objective	Description	Actions	Performance Outcome
Our Image: Whyalla is well respected and recognised as a community of strength whose people have a bright, positive and sustainable future.	Instil community pride.	Continue to promote Rebranding of Whyalla as per plan.	Ongoing
Our Image: Whyalla is well respected and recognised as a community of strength whose people have a bright, positive and sustainable future.	To create an attractive city for the community, visitors and potential investors.	Complete median strategy.	Ongoing
Our Image: Whyalla is well respected and recognised as a community of strength whose people have a bright, positive and sustainable future.	To create an attractive city for the community, visitors and potential investors.	Complete Mayor Keith Wilson Park upgrade.	Completed by 30 June 2018.
Our Future: We celebrate a culture of opportunity with a local and regional focus.	To create a diversified, sustainable and economically competitive city that leverages the economic potential of Eyre Peninsula and the Upper Spencer Gulf Region (USG).	Expand the visitor experience through the development of new and diverse tourism products in line with the Northern Coastline Masterplan.	Ongoing
Our Future: We celebrate a culture of opportunity with a local and regional focus.	To create a diversified, sustainable and economically competitive city that leverages the economic potential of Eyre Peninsula and the Upper Spencer Gulf Region (USG).	Focus on increasing Whyalla City Council participation and collaboration with Regional Development Australia Whyalla and Eyre Peninsula. (RDAWEP), Spencer Gulf Cities, to ensure we generate more outcomes for Whyalla.	Ongoing
Our Future: We celebrate a culture of opportunity with a local and regional focus.	To create a diversified, sustainable and economically competitive city that leverages the economic potential of Eyre Peninsula and the Upper Spencer Gulf Region (USG).	Seek to grow the economic benefit of increased defence activity in the region.	Ongoing

PAYMENTS

PAYMENTS TO AUDITOR

In the 2016/17 period, a total of \$15,000 was paid to the City of Whyalla's auditors for work performed during the year.

DEVELOPMENT ASSESSMENT PANEL

A total of \$240 was paid to the Development Assessment Panel, which consisted of an independent chair, who received \$80, and two independent members who received \$80 each.

AUDIT COMMITTEE

A total of \$3,700 was paid to the audit committee, consisting of an independent chair, who received \$3,000, and one independent member, who received \$700.

OTHER COMMITTEES

Building and Fire Safety Committee – A total of \$2,718 was paid to one independent member for meetings attended during the year.

A GLIMPSE INTO 2017/18

Whyalla City Council has adopted a recurrent budget deficit of \$1,675,564 for the current 2017/18 financial year. After removing the effects of the Advance Financial Assistance Grants payments received in June 2017 the result is an underlying surplus of \$501,167.

This includes a **0 percent** general rate income.

MAJOR FEATURES OF THE BUDGET STRATEGY:

- ❖ **Rate revenue available for capital works in order to commit the amount required to maintain the city's existing infrastructure.**

The 2017/18 budget allocates 22.6 per cent or \$8,655,660 for capital expenditure compared with 23.4 per cent during 2016/17.

The inquiry into financial sustainability identified the infrastructure gap (backlog) as a major issue for most South Australian Councils.

Councils have not been allocating enough funds to capital expenditure in order to maintain existing assets.

The Councils' annual capital financial performance is sustainable if capital expenditure on the renewal or replacement of existing assets approximates the level of expenditure as detailed in the Councils' Asset Management plans.

Any shortfall of such capital expenditure would see future ratepayers being left with an excessive burden when it comes to replacing or renewing the Councils' non-financial assets.

- ❖ **To achieve annual surplus between 2.5 per cent and 7.5 per cent**
Budgeted underlying surplus is within the target range.
- ❖ **To maintain net financial liabilities ratio of between 0 per cent and 50 per cent**
Budgeted level is 34.8 per cent and is within the target range.
- ❖ **To renew and replace infrastructure at between 90 and 110 per cent of amount set out in the Asset Management Plan.**
Budgeted renewal and replacements for 2017/18 is 91 per cent.

The key principles contained in the Councils' adopted Ten Year Long Term Financial Plan have been incorporated into this year's budget.

Some of these main themes are:

- That our annual expenses on rehabilitation/replacement of existing assets should at least equal total annual depreciation;
- Rate income and expense reductions will be used to work towards an operating surplus; and
- Reserve funds are used to fund capital works in the first instance, loan funds will be used in the second instance, thus reducing interest costs.

Consistent with the City of Whyalla's' commitment to community information and consultation, a budget forum was conducted during June in order for the public to comment. The community consultation session has now become an annual event enabling the community to air their views in regards to the proposed financial budget.

BUDGET SUMMARY

A prioritised continuous improvement framework has been established as part of a flexible and ongoing review process.

This will be a challenging process and require a total commitment to ensure success.

The outcome will consolidate the position of the City of Whyalla as a pro-active, forward focused Council, which provides relevant and cost effective services to the community.

The Council will:

- Revise the ten-year forward financial plan
- Revise the ten year asset management plans
- Review strategic planning priorities (identify the Councils' core and non-core activities)
- Review the information technology needs and develop a digital strategy for the city

- Continue to implement a corporate governance program
- Identify future property development opportunities
- Review the Councils' financial progress in light of the inquiry into the sustainability of local government
- Look at entrepreneurial opportunities and how marketing might improve the viability of various operations
- Undertake an annual project planning timeline
- Revise the corporate management plan
- Revise departmental business plans
- Implement new legislative requirements in relation to the Council budget and rating systems
- Continue to implement the Councils' waste management strategy

BUDGETED OPERATING STATEMENT 2017/18

Service Program	Expenditure	Income	Surplus/(Deficit)
Environmental Services	\$ 4,086,947	\$ 4,646,060	\$ 559,113
Planning & Development Services	\$ 1,213,894	\$ 151,500	\$ (1,062,394)
Regulatory Services	\$ 737,388	\$ 297,740	\$ (439,648)
Community Services	\$ 4,653,067	\$ 2,128,532	\$ (2,524,535)
Community Recreation & Leisure	\$ 3,829,829	\$ 364,707	\$ (3,465,122)
Assets & Engineering Services	\$ 8,747,437	\$ 801,791	\$ (7,945,646)
Governance	\$ 905,801	\$ 2,400	\$ (903,401)
Corporate Support Services	\$ 5,505,715	\$ 19,611,784	\$ 14,106,069
TOTAL DEFICIT	\$ 29,680,078	\$ 28,004,514	\$ (1,675,564)
UNDERLYING SURPLUS	\$ 29,680,078	\$ 30,181,745	\$ 501,667

IMPACT ON THE COUNCILS' FINANCIAL POSITION

The Council budgets include a high-level summary of both operating and capital investment activities prepared on a uniform and consistent basis.

The primary objective of this arrangement is to ensure that the Councils provide a common 'core' of financial information, to enable more meaningful comparisons of each Councils' finances.

Long-term financial plans and annual financial statements are summarised on the same basis.

The table below summarises the City of Whyalla's finances using the uniform approach.

Year Ended June 30	ADOPTED BUDGET 2016/2017	REVISED BUDGET 2016/2017	AUDITED ACTUAL 2016/2017	DRAFT BUDGET 2017/2018
Income	\$30,029,535	\$29,822,273	\$32,680,973	\$28,004,514
Less: Expenses	29,664,246	29,555,664	29,507,875	29,680,078
Operating surplus/(deficit) before capital amounts	\$365,289	\$266,609	\$3,173,098	\$(1,675,564)
Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	\$5,448,885	\$5,870,710	\$3,710,749	\$5,619,160
less Depreciation, Amortisation and Impairment	6,785,215	6,826,328	6,812,948	7,103,656
less Proceeds from Sale of Replaced Assets	49,000	57,297	12,478	110,755
	\$(1,385,330)	\$(1,012,915)	\$(3,114,677)	\$(1,595,251)
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	\$3,621,051	\$3,150,794	\$1,945,131	\$3,036,500
less Amounts received specifically for New and Upgraded Assets	1,886,415	1,734,870	1,117,963	491,500
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	-	-	92,624	-
	\$1,734,636	\$1,415,924	\$734,544	\$2,545,000
Net Lending / (Borrowing) for Financial Year	\$ 15,983	\$(136,400)	\$5,553,231	\$(2,625,313)

FINANCIAL SUSTAINABILITY INDICATORS

KEY PERFORMANCE INDICATORS	TARGET	ADOPTED	PROJECTED	ACTUAL	16-17	DRAFT	17-18
		BUDGET	BUDGET		TARGET	BUDGET	TARGET
		2016/17	2016/17	2016/17	ACHIEVED	2017/18	ACHIEVED
					Yes/No		Yes/No
Operating Surplus / (Deficit)	Deficit	\$365,289	\$266,609	\$3,173,098	Yes	\$(1,675,564)	No
Operating Surplus Ratio - %	2.5% to 7.5%	2%	1%	10%	Yes	(8%)	No
Net Financial Liabilities Ratio - %	0% to 50%	39.20%	31.40%	11.00%	Yes	34.80%	Yes
Asset Sustainability Ratio - %	90% to 110%	114.00%	122.30%	50.00%	No	91.00%	Yes
Underlying Operating Surplus/(Deficit)	Surplus	\$365,289	266,609	\$935,371	Yes	\$501,667	Yes
Underlying Operating Surplus Ratio - %	2.5% to 7.5%	2%	1%	3%	Yes	3%	Yes

HUMAN RESOURCES

EMPLOYEE RELATIONS

The 2016/17 year is the final year of Council's three year Enterprise Agreement with flexibility and multi-skilling provisions continuing to operate to ensure the Council's operational and services capabilities were maintained. Negotiation has been undertaken with respective stakeholders and continue at this point.

The Council's Joint Consultative Committee (JCC – consisting of management, union and workplace representatives) ceased its function with the onset of negotiations. Resumption of the JCC Committee will be instigated upon finalisation of the Agreement negotiations including the role of monitoring / assessing the Agreement's implementation and effectiveness. This integrated approach works well for the Council in promoting an environment of trust and mutual respect amongst the workforce.

LABOUR MARKET FLUCTUATION

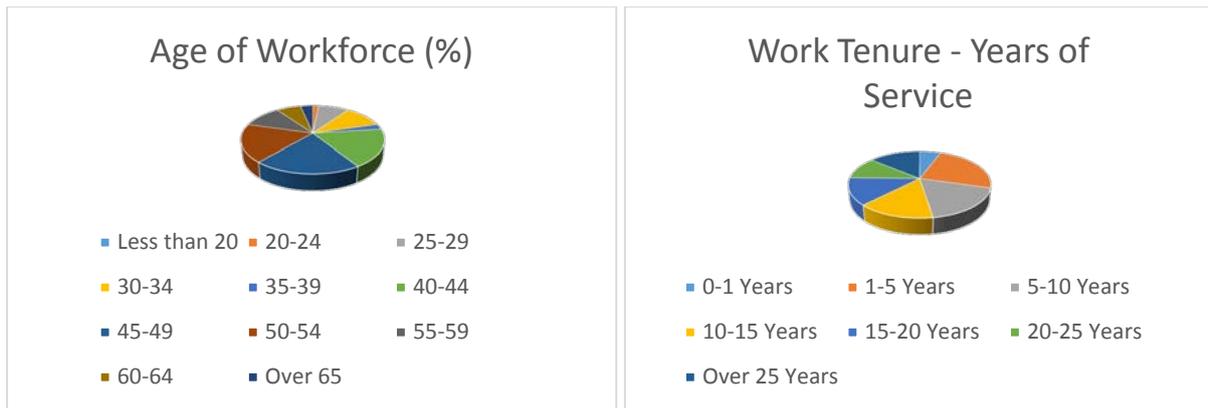
Employee numbers at June 30, 2017 inclusive of full time, part time, limited tenure and approved vacant positions is 124 (full time equivalent hours of 108) with an annual employee turnover rate for 2016/17 of 8.2 percent, including unplanned and genuine retirement, well within target expectations.

Corresponding employee numbers at June 30, 2016 were 124 (full time equivalent hours of 114.2).

Two trainees continue to be engaged through Career Employment Group and are working full time hours with the Council.

The City of Whyalla's workforce average age remains in the forty-five (45) category. Average length of service for employees at the Council (workforce tenure) is 12.96 years.

At June 30, 2017 the City of Whyalla's gender balance for male and female employees was 40.2 percent and 59.8 percent respectively with a 66.7 percent/33.3 percent split for employees with management responsibilities.



EQUAL OPPORTUNITY AND FAIR TREATMENT

The Council continues with its awareness of its legislative and ethical responsibilities in regard to its mandate to protect its employees and ensure equitable treatment for the diverse members of its community.

DEVELOPMENT PROGRAMS

The City of Whyalla continues to be a ‘learning organisation’, and to this end, has continued to commit expenditure for targeted training, development and educational activities.

These learning areas of an organisation such as the Council are being linked increasingly to the strategic goals, outcomes and business strategies required whilst recognising that professional development is an important tool in retaining talented employees.

The amount expended on training, development and education for the period is targeted at 1.5 percent of the Council’s annual payroll, and represents a key investment by the organisation in its people.

Formal courses of study leading to tertiary qualifications or to recognition of vocational training undertaken by employees as approved students included:

- Associate Degree in Spatial Science
- Certificate III in Arboriculture
- Certificate III in Business Administration
- Certificate III in Civil Construction
- Certificate III in Tourism
- Certificate IV in Civil Construction
- Certificate IV in Work Health and Safety
- CPA

- Diploma in Local Government (Planning)
- Diploma of Events
- Diploma of Youth

Employee training to address WHS requirements undertaken during 2016/17 included:

- Ongoing training sessions on Council's suite of WHS policies and procedures
- Various Plant and Machinery competency assessments, inductions and reviews
- Elevated Work Platform Training
- Emergency Planning Training
- Fire Prevention Officer Course
- Hearing Protection Education
- HSR Level 1
- HSR Level 2
- Human Factors and Incident Investigations
- Interactive Court Simulations
- Internal Audit
- Manual Handling
- Performance Standards for Self Insurers
- Provide CPR
- Provide First Aid
- Re-elected HSR Annual Refresher
- Return to Work Manager/Supervisors
- Return to Work Training for Internal Claims and Rehabilitation Coordinators
- Risk Assessment / Hazard Awareness
- Warden and Building Evacuation
- WHS Committee training
- Work Zone Traffic Management
- Youth Mental Health First Aid

Other training and development attended by employees during 2016/17 included:

- Accredited Playground Safety Course
- AIBS Professional Development
- Airport Radio Operators Course
- Annual Financial Statements training
- Authorised Persons Association Professional Development Seminar
- Autism / Asperger's Seminar
- Bluecloud Acquisitions training
- Building Surveying Support
- Bullying and Harassment
- Code of Conduct
- Commonwealth Grants and Funding
- Conflict Resolution
- Cultural Competence
- Customer Service Workshop
- Digital Strategy Workshop
- Dog and Cat Management Act training update
- Dog Behaviour Workshop

- Emotional Intelligence
- Excel – Basic, Intermediate and Advanced
- Exploring Behaviours, Interactions and Reactions
- How to do Literacy and Numeracy Authentically
- Irrigation System training
- IT Vision / Synergy End of Year training (Rates, Payroll, Procurement, Debtors and Creditors)
- Juice IT
- Leadership Development Program
- Learning Stories, Unpacking the Myths
- Local Nuisance and Litter Control Act 2016
- MapInfo training
- Meaningful Observations: Notice, Recognise, Respond training
- MIG Welding course
- MS Project
- National Heavy Vehicle Regulator Activation Session
- Native Vegetation Assessment Consultant Accreditation
- OPAL Professional Development
- Outdoor Play
- Planning Reform Seminar
- Planning Reform Update
- Playbased Learning and Intentional Teaching
- PLS/LMS training
- Re-imagining Outdoor Spaces and Curriculum
- Resilience training
- SA Record Keeping Metadata Standard Workshop
- Social Media in the Workplace
- Spatial Systems and Services Collaboration Forum
- Towards Water Sensitive Design
- Unity (website) training
- VMWare vSphere: Install, Configure and Manage
- Volunteer Management 101: Basics
- Whats right for Babies and Toddlers – planning for birth to 3 year olds

Professional conferences attended during 2016/17 included:

- Australian Airports Association National Conference
- Cemeteries and Crematoria Association of SA AGM and Information Day
- ConQuest Solutions Users Conference
- Environmental Health Conference
- Future of Public Sector Digitalisation Conference
- Local Government Conference
- Nature Play Conference
- Revenue Professionals SA Annual Conference
- Roads and Works Conference
- SA AIBS Chapter Conference
- SA Visitor Information Centre Conference
- Treenet Symposium
- Women’s Conference: Stand out from the Crowd

HEALTH PROGRAM

Participation in the employee health program in 2016/17 included:

- 95 employees participated in the Healthy Lifestyle Program which included:
 - 51 employees receiving Skin Cancer checks
 - 29 undertaking health assessments
 - 15 attending healthy lifestyle program launch
- 79 employees participated in the Flu Vaccination Program
- 1 employee was provided with Hepatitis A and/or B vaccines

RISK AND WHS MANAGEMENT

The City of Whyalla is strongly committed to and continues on its journey of 'zero harm to people and plant'.

During 2016/17, the Council's WHS System continues to align to the Local Government Association Workers' Compensation Scheme 'One System Program', ensuring compliance to the LG Association's Exempt Employer Licence and associated performance standards. Whyalla Council representative employees worked closely with Return to Work SA representatives in preparation for a possible system audit. Although Whyalla Council was not selected, working closely with Return to Work SA provided Council with the opportunity to ensure its systems were aligned to their legislative requirements.

The above efforts endeavour to align the City of Whyalla's risk management efforts to date with the standard requirements for ISO 31000: Risk Management – Principles and Guidelines.

INFRASTRUCTURE AND PLANNING

Whyalla City Plaza

Installation of the street furniture

KESAB Award 'Appearance, Amenities and Facilities' 2016 Highly Commended for the Whyalla City Plaza Parklets.

Foreshore Sand Bagging and Sand Replenishment Project

The Whyalla Foreshore Sand Replenishment Program is an initiative of the Whyalla City Council, and is supported by the Coastal Protection Board of South Australia. Best practice initiatives to maintain Whyalla's beach side assets long term, it is proposed to annually relocate a quantity of offshore sand on to the whyalla Fore shore beach against the sea wall. Approximately 5000m³ of sand and seaweed was placed against the sea wall to reduce the risk of sand erosion from tidal movements and other environmental factors.

The placement of approximately 300 sandbags were placed along sections of the sea wall where sand regularly erodes, these bags will accomplish two things, they will lock the sand up so it cannot be washed away as it has done in previous years and they have significantly reduced the risk of a fall from the board walk, bringing the fall height below 1 meter which is with in Australian Standards. The two layers of sand bags were covered with a mix of seaweed and sand, this was carried out using sand and seaweed from the area adjacent the breakwater of the marina. This mix was track rolled to compact it making the new frontal dune more robust against the tides and winds.

Project Deliverables:

- Reduce the sand erosion happening so quickly from against the Seawall
- Reduce the Risk of a fall from the Boardwalk

To be undertaken in 2016/17 balustrade placement along areas such as in front of the Beach Café used the remaining funds from this budget.



Before Sand Bagging and Sand Replenishment



During



Completion of the Project

Stormwater

Stormwater has been an ongoing issue that has had a major impact on residents throughout Whyalla.

Significant rain events have highlighted the deficiencies in the current infrastructure within Whyalla, 2015/16 saw the commencement of the Stormwater Management Plan (SMP), Tonkin Consulting were appointed to undertake a detailed analysis of the existing infrastructure, floodplain modelling and options for mitigation measures.

The SMP will be undertaken throughout the 2016/17 and part of the 2017/18 financial years and will include extensive public engagement to finalise the management plan. The Stormwater Management Plan is being undertaken with assistance from the Stormwater Management Authority who will provide technical advice throughout the life of the project.

Tonkin is expected to submit the Hydrology summary paper in August 2017, this will be reviewed and if accepted by Council's Engineering Department, Eyre Peninsula Natural Resources Management Board, and the Stormwater Management Authority. The next step will be to produce preliminary flood plain maps to Council's Engineering Department, these are to be checked against on ground knowledge of known flood issues for verification of the modelling.

It is anticipated that Council will undertake extensive community engagement in February 2018, pending an updated schedule.

Wetlands

- **Toilet Upgrade**
The current toilet block was given a facelift which included the installation of a tiled floor, mini orb graffiti resistant wall panels, new fittings were installed such as hand basins and toilet seats. Works also included the exterior of the building, these works focused on bird proofing the toilets, the damaged doors and exterior wall panels were replaced and the door fittings treated with a rust inhibitor.
- **Bridge and Asphalt Walking Track**
Council installed a bridge from the Carpark area of the Jim Pollock Whyalla Wetlands to the central grassed area, making it easier for the community to access the amenities at the Wetlands.

The asphalt pathway was installed and line marked to form two lanes running clockwise and anti-clockwise.



Bridge and Pathway prior to the linemarking

- Re-naming of 'The Whyalla Wetlands' to 'The Jim Pollock Whyalla Wetlands' – which was advertised in the Gazette in May 2017

Whyalla Health and Leisure Centre Upgrades

Roofing - May 2017

Sports Hall

Windows and Lighting replacement

Wilson Park Upgrade

Works have commenced on the upgrade of Wilson Park with the installation of Playground Equipment, the asphaltting of the sports court area in preparation for an acrylic top coat installation, these works will be finalised in 2017/18.

Additional Highlights

- Geddes Street and Parfitt Street Playground Upgrades
Including the installation of Safety Fences at McGee, Loring Geddes Streets, and Tyler Crescent Playgrounds
- Point Lowly Solar Lighting
- Median Strip Landscaping
Bradford Street/Nicolson Avenue Intersection, Norrie/ Nicolson Avenue Intersection
- National Tree Day approximately 800 trees were planted as part of the National Tree Day initiative
-

Waste Management

Council engaged Cleanaway in 2014 as its residential waste collection and disposal contractor and moved to the nationally recognised best practice of a 3 bin system. For the life of this contract, Council is funding a community waste education program. The program has seen a number of activities over the past two years including public presentations in the community and in kindergartens and primary schools, a pageant float, festival and show stands (with the trucks on display for the public to see and climb inside the cab), the publication and distribution of a detailed waste booklet and calendar and promotion of the concept "all food scraps are good to go" in household green-lidded bins.

Whyalla's shift to accept food waste in the green-lidded or organics bin has come about because material collected from these bins is no longer managed by Council and the associated contamination can be removed through the commercial composting process.

Diversion of food scraps from landfill is important because:

- the resulting compost adds valuable carbon, reduces water loss and provides nutrient replenishment to soils ,
- an estimated 6.8 million tonnes of carbon dioxide was released as a result of sending organic waste to Australian landfills in 2011 ,

- the organic waste stream attracts no EPA levy and the waste levy for material going to landfill will incrementally increase to 2020 and likely beyond that too and
- the Mount Laura landfill is near capacity .

In 2011, Council undertook a food waste trial which offered all households in Whyalla the opportunity to collect a benchtop kitchen caddy and a supply of compostable bags at no cost. Whilst the trial was successful in one sense, in that over 800 households chose to participate and most of these embraced the campaign, it was neither continued nor rolled out to all residents because of the increased rate of contamination in Council’s organics collection. The contamination was unmanageable without an expensive contamination removal process. As a result Council informed all participants that they could no longer place food scraps into the green-lidded kerbside bin. In 2015, Whyalla Council stopped managing the organics material itself and instead it is transported to a commercial composting facility. This allowed the “all food scraps are good to go” campaign to begin. To date the campaign has involved a pageant float with the distribution of instructional leaflets, a staffed display in Westland Shopping Centre over two days and the education of hundreds of Whyalla’s Primary School aged students who each took home a letter with correct organics disposal information.

16/17 Bin Participation Report - Cleanaway

	Tonnages			TOTAL	Participation Rates	
	GENERAL	RECYCLABLES	ORGANICS		Recyclables %	Greens %
Jul-16	38987	17405	8636	65028	78.02	38.71
Aug-16	40817	17695	9336	67848	79.32	41.85
Sep-16	39231	15916	9576	64723	71.35	42.93
Oct-16	37324	15677	9827	62828	70.28	44.05
Nov-16	39172	17818	10029	67019	79.87	44.96
Dec-16	38634	17300	8668	64602	77.55	38.86
Jan-17	40397	18311	11443	70151	82.08	51.30
Feb-17	36764	15638	10097	62499	70.10	45.26
Mar-17	41093	14548	10411	66052	65.21	46.67
Apr-17	35813	15219	8611	59643	68.22	38.60
May-17	41259	18091	9255	68605	81.10	41.49
Jun-17	39202	16926	7634	63762	75.87	34.22
					74.91	

	Tonnages			TOTAL
	GENERAL	RECYCLABLES	ORGANICS	
Jul-16	386	119	139	505
Aug-16	418	133	179	730
Sep-16	407	128	195	730
Oct-16	396	130	191	716.6
Nov-16	383	135	161	679
Dec-16	391	142	147	680
Jan-17	417	145	188	750
Feb-17	369	117	196	682
Mar-17	403	130	167	699.6
Apr-17	340	88	129	556.8

May-17	396	142	170	708.4
Jun-17	369	125	128	621.9

4674.9 1533.6 1989.8

Waste collected annually 16/17 within Council boundary (both kerbside and drop off at WRRC)

Description	Tonnage
General waste	13,355
Recycling	5,771
Green organic recycling	5,235
E-waste	49,000
Hard waste	50,000
Hazardous waste	0
TOTAL tonnage of waste collected annually	123,361



Geddes Street Playground



Parfitt Street Playground



Parfitt Street Playground



Wilson Park Playground



New Concrete Pathway at Wilson Park

ROADS AND FOOTPATHS

ROADS, FOOTPATHS, KERBS AND MORE FOR 2016/17

SEALED ROADS

The City of Whyalla invested more than \$2.5 million in Whyalla's sealed road network in the 2016/17 financial year.

The treatment options were made up of a balance of asphalt and spray seal works with the biggest single investment being Viscount Slim Avenue.

Council also concentrated on having an impact on local streets with the widespread use of spray seals.

Council invested in 26.5 kilometres of seal renewal.

Work will be ongoing in the 2017/18 financial year to continue to work away at a backlog of road assets to improve the quality of Whyalla's road network for all users.

STREETS SECTIONS IN THE 2016/7 PROGRAM INCLUDED:

- Anesbury Street
- Angwin Street
- Ayliffe Street
- Barter Street
- Berkshire Road
- Bowden Street
- Brealey Street
- Carlson Street
- Cartledge Avenue
- Chandler
- Covino Road
- Cruikshank Avenue
- Cudmore Terrace
- Donaldson Terrace
- Dunstone Street
- Duffy Street
- Field Street
- Gallagher Street
- Gay Street
- Gebhart Street
- Gulf View Drive
- Hawke Street
- Haliday Street
- Head Street
- Heading Street
- Ian Street
- Jeffries Street
- Landrace Road
- Lockhart Street
- Marion Street
- McBryde Terrace
- McIntosh Street
- McKenzie Street
- McRostie Close
- Miller Street
- Murn Crescent
- Nelligan Street
- Rudall Avenue
- Reine Crescent
- Roberts Terrace
- Rosemary Street
- Saddleback Road
- Schultz Avenue
- Sharp Street
- Tamworth Road
- Toal Street
- Tully Street
- Viscount Slim Avenue
- Walsh Street
- Ward Street
- Wright Street
- Zeven Street

UNSEALED ROADS:

Over \$200,000.00 was spent on the unsealed roads program in 2016/17. Several unsealed roads within Whyalla's council district were regraded this financial year, to allow safer travel to remote areas.

- Cowleds Landing Road
- Cuttlefish Drive
- Fitzgerald Bay Road
- Gulf View Drive
- Murninnie Road

NEW FOOTPATHS/KERBING

More than \$95,000 was spent installing and upgrading 980 metres of Kerbing and 550 metres of existing asphalt and concrete footpaths, invert and shared paths throughout Whyalla, including:

- Birt Street
- McBryde Terrace
- Barter Street
- Duffy Street
- Ward Street
- Playford Avenue
- Jackson Avenue
- Ayliffe Street
- Halliday Street
- Grundel Street
- Rudall Avenue
- Noble Street

TO BE UNDERTAKEN IN 2017/18:

Footpath priorities identified as being most urgent for installation or upgrade for 2017/18 include:

- Milsom Street
- Peters Street
- Brealey Street
- Wood Terrace
- Ekblom Street
- Ocean Eyre Estate

WHYALLA CHILD CARE CENTRE

Highlights for the year

- Whyalla Child Care Centre underwent a Food Safety Audit by an Independent National Food Safety Auditor
- The air conditioning was replaced on the Western side of the building
- A central power point was installed in the kitchen
- Held some fundraising events during the year, and participated in community events such as the Whyalla show
- We celebrated 40 years of operation with an open day.
- Discussions were held on the building itself with possible renovations being looked at
- Whyalla Child Care Centre's Sun Smart accreditation was renewed through the Cancer Council. The Centre has been a Sun Smart Centre for 10 years.
- Staff attended training in Adelaide (and trainers came to Whyalla) under the Long Day Care Professional Development training grant
- The Centre implemented a Facebook page

Plans for 2017/2018

- The new Child Care system starting July 2018. This will replace the current system of families claiming Child Care Benefit and/or Child Care Rebate.
- The introduction of some changes to the Education and Early Childhood Services Regulation beginning October 1st. These changes relate to the operation of the Centre and includes changes to the application of Certified Supervisors and Nominated Supervisors and how the Centre notifies the regulatory authority of any incidents or complaints.
- The introduction of the new National Quality Framework

FREEDOM OF INFORMATION

Whyalla City Council produces an Information Statement annually in accordance with Section 9 (1a) of the FOI Act. Copies of the Information Statement are available at the Council Office, Whyalla Public Library and Council's web site. Included within the statement is a list of all Council Committees and documents which is accessible to the community as required by the relevant legislation.

The information included within the Information Statement is contained within the '*Council and Corporate Governance*' section of the Annual Report.

Requests for other information not included under the heading of 'Access to Council documents' will be considered in accordance with the Freedom of Information Act. A fee of \$34.25 must be forwarded with a completed application in writing, unless the applicant is exempt from payment.

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 fee and any search fees. Council's Freedom of Information Officer will advise the applicant of any additional charges as defined under Section 53 (Fees and Charges) of the Freedom of Information Act, Regulations.

Requests under the Freedom of Information Act during 2016/2017:

Two requests were received in the last financial year, this compares to two in 2015/16, four in the 2014/2015 year, six in 2013/2014 and three in 2012/2013.

One of the requests related to rates whilst the other concerned legal expenses.

PUBLIC AND ENVIRONMENT HEALTH

Food Safety

Council's authorised officers conduct regular inspections of food premises within the Whyalla area to assess compliance with the Food Act and Food Safety Standards. In 2016/17 there were a total of 158 food businesses within Whyalla. Inspections are conducted according to a risk classification system that considers the types of foods being handled and prepared by the business and processing methods. Council received 11 complaints relating to issues of the sale of unsafe food, inappropriate garbage storage, reuse of single use items, foreign matter in food, cleanliness and alleged food poisoning.

Food safety newsletters are developed and distributed twice a year highlighting key issues and how to addresses them. Businesses report that they find these useful as a training tool for staff.

Council continued with the partnership with TAFE SA to deliver food safety short courses that provide participants with a nationally recognised statement of attainment, during this reporting period one session was held. Council's Environmental Health Officer also delivers basic food handling sessions and ran three sessions for organisations with volunteers.

In September 2016 the whole of Whyalla was without power for over 24 hours, to ensure the safety of food being sold by food businesses that remained open for trading during this period inspections of these businesses were undertaken to ensure that no potentially hazardous food was being sold out of temperature control.

Immunisation

Council runs the school based immunisation program in Whyalla delivering vaccines to year 8 students that protect against Hepatitis B, Human Papilloma Virus, Tetanus, Diphtheria and Pertussis. The immunisation team administered 1,389 vaccines as part of the 2016/17 program.

Whyalla City Council is taking part in the state-wide Meningococcal B herd immunity study that is being offered to all students enrolled in years 10, 11 and 12 in 2017. Three of Whyalla's high schools are participating in the program with approximately 400 students consented to take part. The study consists of throat swabs, questionnaires and vaccinating the students against Meningococcal B.

Public Health

During the period 1 July 2016 – 30 June 2017 Whyalla Council:

- Received four onsite wastewater applications, three alterations to systems and one new system
- Had nine high risk manufactured water system registration renewals
- Conducted 14 inspections of hairdressers and skin penetrations businesses.
- Received approximately 105 health complaints pertaining to matters including air pollution, asbestos, property amenity, mould, keeping of animals, pests, waste control, noise and notifiable diseases. This does not include the general enquiries received relating to matters such as immunisations, food safety, etc
- Was notified of one clandestine drug laboratory – these constitute a public health risk under the Public Health Act.
- Received notification of 221 notifiable conditions in Whyalla pertaining to diseases such as Whooping Cough, Chickenpox, Influenza, Salmonella and Campylobacter.

Council continues to consider public health and wellbeing in all of its service delivery and is guided by the 15 Whyalla public health priorities identified in the Whyalla Public Health Plan. The plan acknowledges Council's role in each of the priorities whether it be as a provider, facilitator or advocate.

1. Greater access to services and amenities for people with vulnerabilities (older people, people with disabilities, children in disadvantaged households and people who are socially isolated).
2. Access to health services, including mental health, for the whole community.
3. Measures to address domestic and family violence.
4. Employment opportunities.
5. Higher education and training opportunities.
6. Opportunities for physical activity and social interaction.
7. Promote healthy eating.
8. Action on alcohol, tobacco and other drugs.
9. Measures to protect people during heat events.
10. Water conservation and reuse.
11. Sea level rise and onsite wastewater management systems.
12. Measures to ensure air quality.
13. Maintain immunisation levels.
14. Responses to public safety.
15. Maintain traditional public health practices.

Regulatory Services

Animal Management – Dogs

	FY 2016/17	FY 2015/16	FY 2014/15
Total dogs registered	4689	4918	4696
Dogs impounded	332	418	520
Dogs returned to owner	216	296	376
Dogs Rehomed	45	73	94

The number of dogs impounded has continued in a decreasing trend over the three reporting periods from 1 July 2014.

Animal Management – Cats

	FY 2016/17	FY 2015/16	FY 2014/15
Total cats registered	1128	1072	1109
Cats impounded	296	169	93
Cats returned to owner	21	22	15
Cats Rehomed	89	42	26

The number of cats impounded is trending in the opposite direction to dog impound numbers and has significantly increased over the three reporting periods from 1 July 2014.

Whyalla Council is one of only a handful of Councils in South Australia that require cats to be registered, this allows Council to identify the owner of lost or stray cats easily so that they can be returned home to their owners. Majority of the cats impounded by Council are not registered or microchipped and are either not owned or semi-owned and not claimed by anyone. The registration fee for cats is significantly less than for dogs and the microchip number forms part of the registration.

During the period 1 July 2016 – 30 June 2017 the animal management staff received:

- 15 reports of dogs harassing humans or animals
- 45 reports of dog attacks on humans or animals
- 48 official complaints pertaining to dogs wandering at large
- 45 official barking dog complaints, and
- Issued 179 expiation notices relating to dog and cat offences

A door knocking program for unregistered dogs and cats ran for approximately 3 months and resulted in an additional 268 dogs and 86 cats that were either not registered or had not renewed their registration from the previous registration period.

A discounted microchipping day was held in July 2016, this provides residents with the opportunity to have their pet microchipped by a qualified vet at a discounted rate making it more affordable and accessible.

Legislation Compliance

Council's Compliance Officers deal with a range of issues and are responsible for the administration of a multitude of various pieces of legislation. The main functions include parking patrols to secure compliance with the Australian Road Rules and associated regulations; illegal dumping, nuisance matters such as noise, unsightly conditions, odour and burning.

Officers utilise covert surveillance cameras in known dumping areas to catch those illegally dumping in the act, this enables us to secure compliance with the legislation and also recoup some of the cost associated with the clean-up of illegal dumping. Council spends in excess of \$50,000 a year cleaning up after illegal dumpers.

During the period 1 July 2016 – 30 June 2017 compliance staff dealt with approximately:

- 500 parking complaints and enquiries
- 20 complaints relating to burning
- 45 complaints regarding abandoned vehicles
- 90 complaints relating to illegal dumping, and
- Issued 472 expiations relating to parking, illegal dumping, by-laws and abandoned vehicles

Moving Forward

2017/18 is going to be an exciting year for the regulatory services team with the year transitioning into the final phase of the implementation of the Dog and Cat Management Act which will include the requirements for all dogs and cats to be microchipped, all new generations of dogs and cats will be required to be desexed and tighter restrictions on breeding and sale of dogs and cats.

To facilitate the implementation of requirements Council will be reviewing and updating the Animal Management Plan and undertaking extensive consultation to ensure that the plan is relevant to needs of the community.

Council will hold a number of heavily discounted microchipping days leading into the 1 July 2018 and will research ways of offering a program for subsidised desexing. Signage pertaining to animal management requirements will be upgraded in public open spaces and we will be increasing our education programs on responsible pet ownership.

VISITOR SERVICES AND TOURISM

The council has been working to streamline and reform tourism operations and is committed to delivering excellence in visitor services.

The council's goals are to realise Whyalla's full tourism potential, growing the visitor economy, driving jobs creation and to support the delivery of economic prosperity and diversity for Whyalla. The council's focus and commitment to developing and supporting its tourism offering, working with tourism operators and stakeholders resulted in new multi-channel media attention and coverage delivered through the South Australian Tourism Commission (SATC), new events such as the Australian National Drag Racing Association Summit Racing Equipment Sportsman Series and collaborative marketing activities such as a promotional film project, advertising, regional famils and representing Whyalla at regional events such as the Adelaide Caravan and Camping Show.

Whyalla Visitor Information Centre

The Visitor Information Centre (VIC) remains fully accredited under the Australian Tourism Accreditation Program (ATAP) which qualifies it to use the yellow 'i' through the South Australian Tourism Industry Council (SATIC). SATIC supports enforcing the code of conduct amongst accredited visitor information centres and supporting marketing and professional development across its membership including running an annual conference.

The Team Leader Visitor Services represents the Whyalla City Council in several tourism focused committees:

- Active Member of the South Australia Accredited Visitor Information Centre Managers Network (SA AVIC)
- Whyalla Tourism Focus Group member
- RDAWEP/LGA Tourism Network representation





The VIC is part of a network of 42 statewide visitor centres that continue to exert a positive influence on visitation by disseminating information, assisting visitors and influencing visitor choices to extend stays and spend within Whyalla and the region.

SATC works with the VIC to encourage discussion, research and analysis related to the ways that consumer behaviour impacts the services provided by the VICs. This encompasses not only how visitors access and process information before they arrive, but also as they travel around the state. This research also incorporates the scope and provision of requisite infrastructure, information gathering and storage, and future media delivery channels.

Visitor data collected through the VIC does not represent overall tourism visitation numbers to Whyalla. Returning tourists to Whyalla may not visit the VIC after their initial trips such as contractors, fishermen, annual dive groups and visiting Friends and Relatives.

The use of digital tourism information is increasing and Council has responded to this demand with the development of a dedicated tourism website and Facebook page. These have increased promotion of the city and provided additional statistical data, which enables us to better measure the effectiveness of marketing and promotional campaigns as they are implemented.



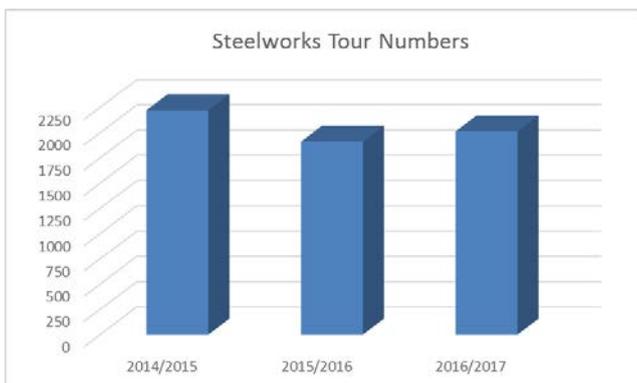
Visitor numbers through the Whyalla Visitor Centre have increased 5% from the 2015/2016 financial year

The visitor centre made over 380 accommodation referrals to local accommodation operators, encouraging longer nights stays and promoting Whyalla’s best assets.

Over 1350 travelling visitors made use of the Point Lowly Camping area staying an average of 1.67 days in our local area, spending valuable tourist dollars across our city.

Tours

The City of Whyalla, through the Visitor Centre delivers public Steelworks Tours (3 tours each week) and guided tours of the HMAS Whyalla War Ship (2 tours daily, 7-days a week).



Steelworks tour numbers have increased 5% from the 2015/2016 financial year



Museum visitation has increased 10% from the 2015/2016 financial year

Whyalla Maritime Museum

Events/Activities held:

Maritime Museum Open Day May 2017 – Celebrating the 76th Anniversary of the Launching of the HMAS Whyalla

Themed School Holiday Programs x 4:
Cuttlefish Olympics (July 2016), X-Marks the Spot (Oct 2016), Aussie Animal Adventure (Dec/Jan 2017), Trains on the Track (April 2017)

Traveling Exhibitions hosted: Shackleton:
Escape from Antarctica (Australian National Maritime Museum, Sydney) May – June 2017

The Art of Cuttlefish – Schools Art Competition (6 local schools represented over 80 entries received) June 2016

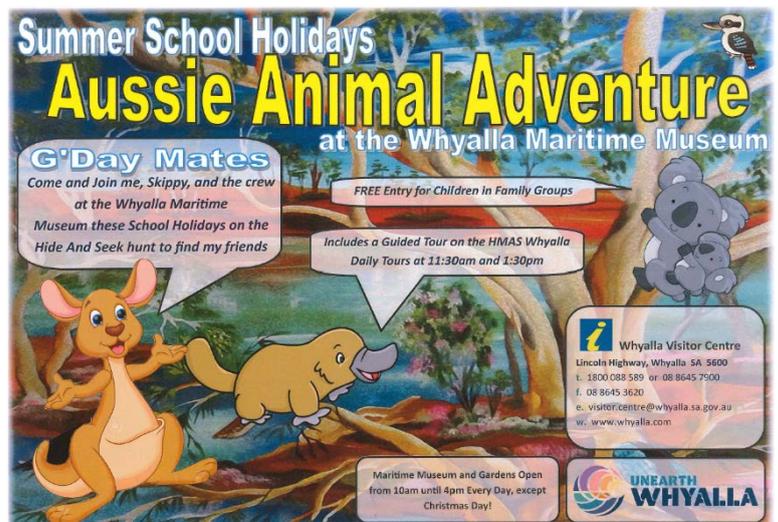
13 School Tours conducted through the Maritime Museum

19 Private Coach Group Tours conducted through the Maritime Museum

5 Weddings were held in the Museum Gardens

Ongoing development of the Museum Education Program tailored for schools / teachers R-7 & Year 10 (ANMM Funded project)

MOSAIC cataloguing project (on hold) due to expertise of Historical Research required for database inclusion.



HMAS WHYALLA

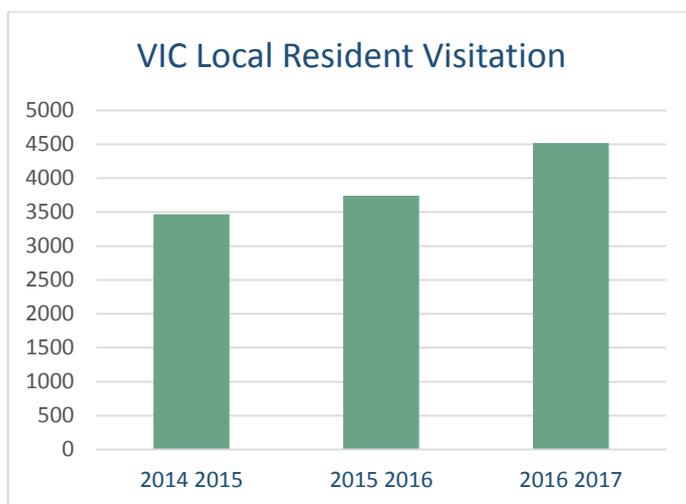
The 2017/18 financial year will see planned upgrades and improvements to displays onboard the ship to enhance the visitor experience.

Tourism Marketing Activity

Marketing, media and public relations activities have included:

TVC's – Whyalla / Museum – 30sec TV Adverts focusing on the Maritime Museum and school holiday fun (local and regional coverage). Adelaide marketing of Whyalla as a weekend destination drive / fly markets.

Local Marketing campaigns through the Museum Open Day and 4 Themed School Holiday programs/children's activities, increasing the exposure to the local community and the ever growing Visiting Friends and Relative Market (VFR).



Local visitation has increase 21% to the Maritime Museum, due to targeted local marketing

Promotion of the Museum Ambassadors card to locals for repeat visitation, encouraging them to bring in visiting friends and relatives when in town.

Distribution Network / DL Brochure Adelaide and Region (Maritime Museum & Steelworks Tours)

SATC Feature – Monthly newsletter article re visitors to Whyalla

Travel Auction Vouchers – in conjunction with Sundowner Cabin Park. Promotion of the Maritime Museum (x 50)

Development and Launch of a dedicated Whyalla Tourism Website (Jaba) www.whyalla.com

Increased Facebook use for rebranding 'Whyalla Tourism'

Increased listings with Australian Tourism Data Warehouse (ATDW) Accommodation operators, events, tours and activities

Online bookings for the Point Lowly Lighthouse Cottages, Launched Dec 2016

Increased local marketing: Maritime Museum Open Day, traveling exhibitions, school holiday programs & events

Extensive Schools Marketing of the region and activities/attractions to local, regional and Adelaide metropolitan Schools. Focus on camp excursions and accommodation options at the council owned Point Lowly Lighthouse Cottages.

REX In-Flight Magazine Whyalla Feature

Caravanning Australia Whyalla Feature

Regional Visitor Guide Advertisements – Eyre Peninsula / Flinders Ranges & Outback / Pt Augusta

DIVE LOG – Cuttlefish Aggregation & promotion of the Point Lowly Lighthouse Cottages as a group accommodation option.

TV interview & Dive experience: The Living Room with Dr Chris Brown, Cuttlefish experience. Local Southern Cross News stories

Whyalla Street Map Update – Feb 2017, 2500 printed

Whyalla Calendar of Events – Monthly publication by the Whyalla VIC

Whyalla Visitor Guide – New update and branding eta Nov 2017

Over 500 Whyalla information packs were provided to various community organisations and event hosts to promote Whyalla attractions and assist visitors to enjoy their stay in Whyalla.

Tourism Events

Events contribute to Whyalla' s culturally vibrant brand and often provide a trigger for visitation.

The City of Whyalla supported a number of tourism events including the Unearth Festival (Easter, April 2017), in-conjunction with the Adelaide Fringe.

Council supports many local sporting & community events. Including the State Junior Soccer Tournament, Junior Hockey Country Championships, Regional Basketball Competition.

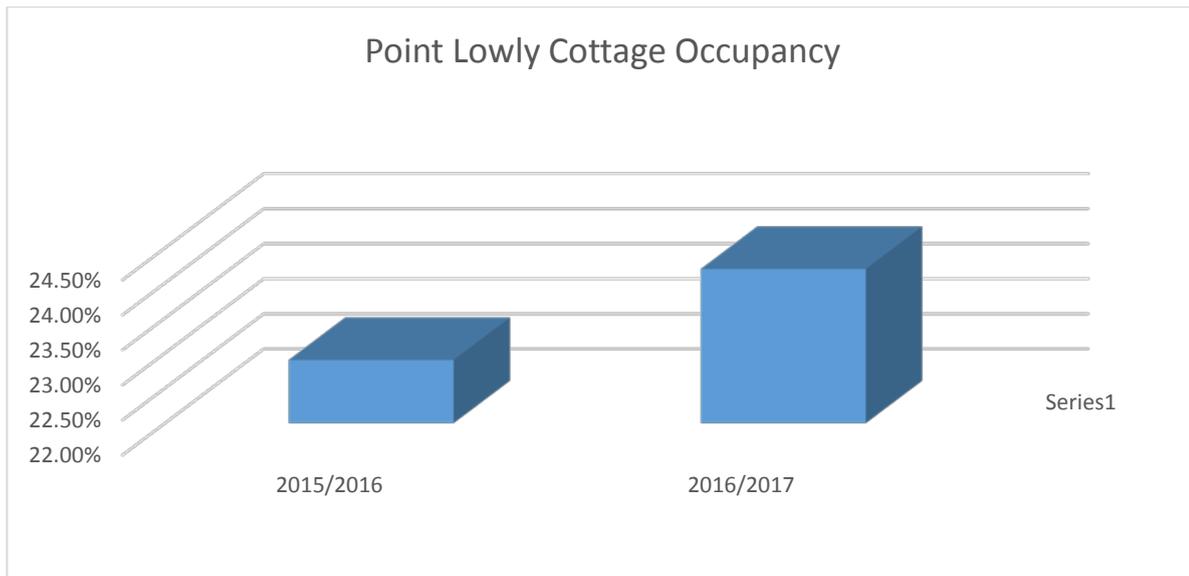
A draft Tourism Events strategy has been developed and a business plan to deliver a new iconic cuttlefish/coastal tourism event for Whyalla in 2018 that has attracted sponsorship and support from the South Australian Tourism Commission.

Point Lowly Lighthouse Cottages

The City of Whyalla has been responsible for the operation of the Point Lowly Lighthouse Cottages since mid-January 2015 after 35 years of valued volunteer care by the Uniting Church.

Bookings to stay in the cottages are facilitated through the Visitor Information Centre. Online bookings and an improved pricing structure were implemented 1st July 2017.





Point Lowly Light House Cottages occupancy has increased 6% from the 2015/2016 financial year

Numerous works have been undertaken to improve the presentation of the exterior and interior of the cottages, including replacement of selected furniture, ceiling fans and ovens in both kitchens. The exterior heritage fences have been restored and painted, floor coverings replaced and interior painting completed.

Cottages Marketing:

Schools Marketing Campaign (Local, Regional and Adelaide Metro)

South Australian Accommodation Guide

Dive Log Feature – Cuttlefish Experience & Cottages Accommodation

Facebook paid posts

Repeat Bookings

Word of Mouth

Rebranding

During the reporting period Whyalla City Council underwent an extensive rebranding process to better market Whyalla and what it has to offer the tourism and business sectors.

ARTS AND CULTURE

Whyalla City Council in partnership with Country Arts South Australia appointed to this role at the end of January 2017. This is an exciting development for the council to invest in the artistic and cultural life of our city.

In 2017 the Arts and Cultural Facilitator has

- Assisted local artists and organisations to access funding through the Government of South Australia's regional arts fund. We have gone from two funded projects in 2016 to three funded projects and another three grant applications still under consideration for this year. As well as other grants that have been submitted and awaiting outcomes.
- Assisted in the mounting of the biannual Whyalla Art Prize including advertising, creating the catalogue and signage, hanging the works and coordinating return shipping.
- Worked with the Middleback Arts Centre, Adelaide Film Festival and two local artists to curate a Film Festival in Whyalla.
- Facilitated visiting artists community engagement including Tutti Arts, Access2Arts, photographers and video artists for the Zest Fest, Country Arts Funded Snake Sessions, State Theatre Company SA
- Worked with the events team on UneARTh, Christmas Pageant Fair and other place making events.
- Supported and collaborated with local organisations on projects including painting artwork on the YAC Shack, the bike path public art project, Area53 by D'faces, COMET, Science Week exhibition by Samaritan College, holiday workshops, Dance Extend at the Middleback Arts Centre, Curating an exhibition and display 'make/believe' about creative play.
- Supporting the film makers for the creation of the Barngarla 'Welcome to Country Film'.
- Begun planning the performer program for UneARTh 2018 including local acts, artist's events and liaison with fringe to bring another event to the City of Whyalla.
- Attended several events around the state within Country Arts to extend our arts network, including the National Youth Arts Forum in Adelaide, Regional Arts meetings in Port Lincoln and Streaky Bay, and attendance at Tarnanthi Festival.

PLANNING AND DEVELOPMENT

Development

Development assessment activity was effectively halved from its solid performance of 2015/16 financial year, with the total value of approvals in 2016/17 falling to \$7.529 million compared with the previous year's figure of \$14.532 million. This was only a modest fraction of the median value of \$40.77 million for the previous decade.

The fall in activity reflected the concern felt throughout the Whyalla community over the long-term future of Arrium as the major employer and contractor of services following the company's decision to enter voluntary administration. The dedicated and shrewd management of Arrium's operations by administrators KordaMentha saw community confidence slowly rebuild in anticipation of a genuinely optimal solution for the company and the city.

Overall residential development fell sharply; only 4 new dwellings were granted development approval, compared with 30 in the previous year. Dwelling addition approvals were less affected by the Arrium difficulties with 30 applications approved, down from the previous year's figure of 47.

Industrial development continued to remain extremely subdued in Whyalla, with only one application approved; however, this was at least a slight improvement over the 2015/16 period in which no industrial development was approved at all.

On a brighter note, commercial development showed steady improvement totalling \$4.28 million compared with the previous financial year at \$3.27 million. The most significant development granted development approval was for construction of a new composite integrated service station / shop at McCritchie Crescent to replace an existing service station.

Council continued to monitor and manage enforcement duties, with all matters satisfactorily resolved without the need for legal proceedings.

Industrial Estate

THE Whyalla Industrial Estate was completed by Council in 2009 to take advantage of Whyalla's role as the major industrial centre strategically positioned to serve the mining and energy sectors within the Northern and Eyre Peninsula regions. The progressive sale and development of land within the estate since then slowed dramatically from the initial flurry of activity, in large part due to a reduction in scale and pace of BHP's proposed expansion of its mining operations at Roxby Downs. A total of 13 allotments of the original 34 have been sold while a further 4 lots are under medium-long lease agreements to private businesses.

Acknowledging the difficulties of the Arrium group, the level of confidence of future prospects for development suffered but over the year is cautiously optimistic. The estate remains ideally located to provide industrial land parcels for mining services-related activities and those associated with manufacturing and resource processing into the future.

Renewable energy projects

During the year, two proponents entered lease-based arrangements with Council aimed at securing extensive areas of land within the Industrial zone for renewable energy projects. The first of these, lessee SSE Australia Whyalla Solar Pty Ltd received development approval to establish the first stage of its PV solar farm at the western end of the industrial Estate, and following its formal turning of the first sod, embarked on construction of its initial stage. A second proponent Adani Infrastructure Pty Ltd of a larger scale 150 Megawatt solar PV plant has entered an agreement for a leasehold arrangement north of the Industrial Estate and lodged a application seeking planning consent as a major development project under Crown sponsorship for an electrical infrastructure development.

These projects represent tangible outcomes of Council's long-avowed support for encouraging renewable energy development within the city. They follow in the footsteps of Council's decision to create a discrete leasehold parcel at the northern end of the estate for start-up microalgal producer Muradel in its renewable energy and health care product development.

Planning

A Development Plan Amendment (DPA) reviewing the most effective development opportunities at and around the airport site was finalised and endorsed by Council, and authorised by the Minister in September 2016. The DPA is now incorporated in the Whyalla Development Plan. The revised development guidelines include new policies based on the Whyalla Airport Master Plan, and a reconfigured and smaller Commercial Zone allowing for bulky goods outlets and providing for better connection to the Lincoln Highway. Revised policies also introduce increased density in the south-east portion of the Rural Living Zone by allowing for dwellings on lots of 1 hectare or more on land south-east of Mullaquana Road.

Council also finalised the Residential and Industrial Variations DPA to introduce improved local policy detail to guide residential development, including provisions specific to a discrete strip of residentially-zoned foreshore land west of Roberts Terrace. This amendment also laid down more comprehensive provisions governing the Industrial Zone. industrial land. Council's City Strategy and Policy Committee endorsed the draft plan which was accepted by the Minister and subsequently consolidated into the Whyalla Development Plan in June.

Foreshore master plan

Council has progressing development of a master plan for the coastal strip of land from the Whyalla marina to the caravan park. The plan is intended to represent a strategic view for taking full advantage of the value of this area to Whyalla as the city's pre-eminent recreational and cultural community space and its considerable potential for encouraging food- and tourist-related activities on the edge of the coast. The master plan aims at revitalisation of the Whyalla Marina with such initiatives and potential pedestrian and vehicular connections and offers a land division structure for residentially zoned land at its southern end.

YOUTH ADVISORY COMMITTEE

The Whyalla Youth Advisory Committee is in its 2nd year of operation with 13 members, with 2017 seeing the election of the Youth Mayor (Ethan Klobucar) & Deputy (Alex Giumelli).

In 2017 the YAC & Youth Development Officer ran the following events and programs:

- The UneARTh Festival Rainbow Run which 1230 people attended
- National Youth Week - Fair Go
- Music Mentor Program (in conjunction with Whyalla Music Association)
- School Holiday Programs
- Movies @ the Middleback Arts Centre
- Art in the Park
- Stuart High Stobie Pole Project

The YAC were successful in gaining funding through the Stronger Communities Program to purchase a funky retro caravan & 6 metre inflatable outdoor cinema system to use as a youth engagement & entertainment tool, summer 2017 will see this program kick in with a program called Pictures in your Park, taking movies to all parks in Whyalla.

Four senior members of the Youth Advisory Committee attended the Youth Parliament Program, one junior member attended Junior Parliament, both programs are apolitical programs that empower young people to be advocates for their community by building on their personal development & leadership skills.

COMMUNITY EVENTS

The City of Whyalla unearthed a signature event in 2017 with the first UneARTh Festival at Ada Ryan Gardens.

A collaboration between the City of Whyalla and the Adelaide Fringe Festival this event over two days during Easter attracted more than 10,000 people and gained widespread praise from those that attended.

It was a mixture of arts, music, performances and stalls that made a real connection with the community and many from outside the region that travelled to Whyalla for the event.

The event was recognised in December with the People's Choice Award at the Arts South Australia Ruby Awards. This was a remarkable effort with uneARTh gaining 205 votes out of 1700 cast from throughout the state to be voted the people's most popular event.

Other events during the 2017 year included:

The **Australia Day Awards** ceremony. This was, for the first time, held as a separate event the day before Australia Day for award winners. On Australia Day a fair was held at the foreshore which attracted more than 2000 people.

The **Summer Markets** were held from October through to February. These markets were held at different locations with great success attracting good crowds and a good response from stall holders and those attending.

The **Whyalla Light the Night** march was incorporated into the October Summer Markets. It attracted about 50 marchers and raised more than \$5000 for research into blood cancer.

The **2016 Whyalla Christmas Pageant** was another success. It attracted nearly 50 floats and more than 40 markets for the after pageant fair at Ada Ryan Gardens.

Looking forward

The 2017 Global Maintenance and Trade Expo will be hosted by the City of Whyalla and held at the Middleback Arts Centre.

The 2018 Whyalla uneARTh Festival will be building on the enormous success of the inaugural event. The recognition this festival has gained has resulted in a surge of interest from performers, stall holders and the public. It promises to be even bigger and better as we build on the positives and expand even further.

The 2018 Australia will again follow last year's change of format with the awards given out on the day before Australia Day and fair held on the foreshore on January 26.

WHYALLA PUBLIC LIBRARY

Highlights

- Another fantastic year for our children's services, Chris and Ali read to over 5000 kids over the last financial year. This included babies and toddlers at our gigglepot and story time sessions, kindergarten kids from Gamidadi Manoo and class visits from Fisk Street, Hincks Avenue, Samaritan, Sunrise and Stuart High school. Our school holiday activities were also very popular.
- A large number of local groups continue to use our community spaces. Pink Spirits, GROW, My Time, Meals on Wheels, Whyalla Community brass Band, Probus, Ethnik Link Services, Telecross, Whyalla Photographic group, Whyalla writers group, Phillipino Cultural Association, Whyalla Photography group, Whyalla Astronomy group.
- We updated the spine labeling system on all our Adult fiction books. Moving from our old very outdated coloured dot system to a modern genre icon system will help borrowers find exactly the type of book they want to read.
- We said goodbye to Lynette Steele who retired after 40 years' service with council. Her knowledge and experience within the library will be missed. While she has retired from library work she has continued as a volunteer to deliver to our home bound borrowers.
- We made changes to how our home library service is run, we have streamlined the deliveries and gone from a fortnightly delivery to a monthly delivery. This will give staff a longer time frame to select items for our home bound/nursing home borrowers.
- The library was a collection point for "Essentials for Women" and "Trisha's Christmas Hampers". The Whyalla Community have been very generous to both programs and we look forward to being involved with them both next year.

Plans for 2017/2018

- We are looking forward to being part of a Public Libraries and Telstra program called "Tech Savvy seniors" which will see us running training sessions for over 55's who want to use smart phone, tablets, ebooks, social media etc.
- Staff will also be participating in a program called "eSmart libraries" which will teach us about how to deal with community issues such as on-line bullying and scams.

STARCLUB

PROMOTING AN ACTIVE LIFESTYLE (STARCLUB)

The position of STARCLUB field officer is currently funded by the Office for Recreation and Sport for three years to develop the importance and value that sport plays in local communities, while also educating and supporting local sporting organisations to ensure their continued future.

RE-ENERGISING THE BENNETT OVAL PRECINCT

In February 2016, a community meeting was held to discuss the Bennett Oval Master Plan. Local sporting groups attended to listen to the process that would be undertaken and to also discuss what they would like to see in the precinct. Community consultation was undertaken after the community meeting with the information gathered forming the basis of the Masterplan. Drawings will also be created to give residents a visual of what the precinct could look like.

2017 SOUTH AUSTRALIAN JUNIOR SOCCER ASSOCIATION COUNTRY CHAMPIONSHIPS.

On the June long weekend Whyalla hosted the 2017 South Australian Junior Soccer Championships. This was the first time the event has been held in Whyalla for over 15 years and attracted 47 teams, representing 12 Associations from all over the state as well as from the Sunraysia region in Victoria (Mildura). Ages of participants ranged from u/12's right through the u/16 level. 2500 to 3000 people converged to Whyalla for the weekend with all accommodation in the city booked for the whole 3 days. The event was a success with all profits going to the Whyalla Junior Soccer Association.

HIGHLIGHTS OF THE YEAR

- Continuing to work with local sporting associations and clubs to assist business improvement strategies, supporting applications for grants and supporting facility development.
- Liaising with a number of local clubs on their infrastructure and long-term future plans.
- Promoting the STARCLUB message and events through local media including radio and television.
- Promoting programs such as Good Sports and Play by the Rules to all sporting clubs in Whyalla.
- Conducting a number of free training sessions for clubs and associations including: Child Safe Officers', Essentials to Coaching Children, Sideline Help and Basic Taping, New Horizons workshop and Emotional Resilience.
- providing support to clubs and associations with grant information and support letters.

PLANS FOR 2017/18

- Continue to undertake a review of the Bennett Oval facility with the assistance of Whyalla Football League and Whyalla Cricket Association. Other sports are also being considered for this site.
- Continue to offer training opportunities for clubs and associations.
- Continuing to promote STARCLUB as an effective community tool.
- Continue to promote the council's sport and recreation small grants program.
- Continue to promote grants and other programs offered by the Office for Recreation and Sport.



WHYALLA

**THE CORPORATION OF THE CITY OF
WHYALLA**

**GENERAL PURPOSE FINANCIAL REPORTS
FOR THE YEAR ENDING 30 JUNE 2017**

THE CORPORATION OF THE CITY OF WHYALLA

General Purpose Financial Reports for the year ended 30 June 2017

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THE CORPORATION OF THE CITY OF WHYALLA

ANNUAL 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 Councils' 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 Councils' financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Councils' accounting and other records.



.....
Christopher Cowley
CHIEF EXECUTIVE OFFICER



.....
Lynette Breuer
MAYOR

Date: 18 September 2017

THE CORPORATION OF THE CITY OF WHYALLA

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
INCOME			
Rates	2	19,863,456	19,305,427
Statutory charges	2	312,930	337,425
User charges	2	3,699,651	3,977,266
Grants, subsidies and contributions	2	7,557,882	3,232,487
Investment income	2	34,197	33,612
Reimbursements	2	93,128	85,518
Other income	2	<u>1,119,729</u>	<u>1,265,165</u>
Total Income		<u>32,680,973</u>	<u>28,236,900</u>
EXPENSES			
Employee costs	3	9,757,286	9,705,560
Materials, contracts & other expenses	3	12,718,755	11,975,463
Depreciation, amortisation & impairment	3	6,812,948	6,749,955
Finance costs	3	<u>218,886</u>	<u>265,119</u>
Total Expenses		<u>29,507,875</u>	<u>28,696,097</u>
OPERATING SURPLUS / (DEFICIT)		3,173,098	(459,197)
Asset disposal & fair value adjustments	4	(624,661)	(114,041)
Amounts received specifically for new or upgraded assets	2	<u>1,117,963</u>	<u>85,000</u>
NET SURPLUS / (DEFICIT)		3,666,400	(488,238)
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	(1,950,608)	(6,759,639)
TOTAL COMPREHENSIVE INCOME		<u>1,715,792</u>	<u>(7,247,877)</u>

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

THE CORPORATION OF THE CITY OF WHYALLA

STATEMENT OF FINANCIAL POSITION

as at 30 June
2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	5,073,041	703,376
Trade & other receivables	5	3,437,627	3,000,140
Inventories	5	<u>158,328</u>	<u>298,139</u>
Total Current Assets		<u>8,668,996</u>	<u>4,001,655</u>
Non-current Assets			
Financial assets	6	5,405	10,465
Infrastructure, property, plant & equipment	7	234,446,078	238,120,380
Other non-current assets	6	<u>3,381,243</u>	<u>3,544,380</u>
Total Non-current Assets		<u>237,832,726</u>	<u>241,675,225</u>
Total Assets		<u>246,501,722</u>	<u>245,676,880</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,696,771	1,666,152
Borrowings	8	6,268,853	7,112,763
Provisions	8	<u>2,657,656</u>	<u>2,268,064</u>
Total Current Liabilities		<u>10,623,280</u>	<u>11,046,979</u>
Non-current Liabilities			
Trade & Other Payables	8	-	-
Borrowings	8	125,273	244,126
Provisions	8	<u>1,301,277</u>	<u>1,649,675</u>
Total Non-current Liabilities		<u>1,426,550</u>	<u>1,893,801</u>
Total Liabilities		<u>12,049,830</u>	<u>12,940,780</u>
NET ASSETS		<u>234,451,892</u>	<u>232,736,100</u>
EQUITY			
Accumulated Surplus		35,982,561	32,693,019
Asset Revaluation Reserves	9	197,172,880	199,123,488
Other Reserves	9	<u>1,296,451</u>	<u>919,593</u>
TOTAL EQUITY		<u>234,451,892</u>	<u>232,736,100</u>

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

THE CORPORATION OF THE CITY OF WHYALLA

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Notes	Accumulated Surplus	Asset Revaluation Reserve	Available for sale Financial Assets	Other Reserves	TOTAL EQUITY
2017		\$	\$	\$	\$	\$
Balance at end of previous reporting period		32,693,019	199,123,488	-	919,593	232,736,100
Restated opening balance		32,693,019	199,123,488	-	919,593	232,736,100
Net Surplus / (Deficit) for Year		3,666,400	-	-	-	3,666,400
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment		-	(1,950,608)	-	-	(1,950,608)
Transfers between reserves		(376,858)	-	-	376,858	-
Balance at end of period		35,982,561	197,172,880	-	1,296,451	234,451,892
2016						
Balance at end of previous reporting period		32,834,835	205,883,127	-	1,266,015	239,983,977
Restated opening balance		32,834,835	205,883,127	-	1,266,015	239,983,977
Net Surplus / (Deficit) for Year		(488,238)	-	-	-	(488,238)
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	(6,759,639)	-	-	(6,759,639)
Transfers between reserves		346,422	-	-	(346,422)	-
Balance at end of period		32,693,019	199,123,488	-	919,593	232,736,100

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

THE CORPORATION OF THE CITY OF WHYALLA

STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates - general & other		19,584,334	18,982,310
Fees & other charges		337,777	364,232
User charges		3,846,849	4,823,816
Investment receipts		95,250	71,711
Grants utilised for operating purposes		7,706,828	3,414,353
Reimbursements		102,441	94,070
Other revenues		3,204,527	3,663,294
Payments			
Employee costs		(9,909,022)	(9,790,230)
Materials, contracts & other expenses		(14,957,118)	(15,556,998)
Finance payments		(251,361)	(271,704)
Net Cash provided by (or used in) Operating Activities		9,760,505	5,794,854
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		1,117,963	85,000
Sale of replaced assets		12,478	74,556
Sale of surplus assets		92,624	1,053
Sale of real estate developments		-	-
Repayments of loans by community groups		4,738	4,437
Payments			
Expenditure on renewal/replacement of assets		(3,710,749)	(5,126,510)
Expenditure on new/upgraded assets		(1,945,131)	(575,618)
Net Cash provided by (or used in) Investing Activities		(4,428,077)	(5,537,082)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings		-	-
Payments			
Repayments of borrowings		(962,763)	(206,985)
Net Cash provided by (or used in) Financing Activities		(962,763)	(206,985)
Net Increase (Decrease) in cash held		4,369,665	50,787
Cash & cash equivalents at beginning of period	11	703,376	652,589
Cash & cash equivalents at end of period	11	5,073,041	703,376

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

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 1 July 2013.

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 Councils' accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

2 *The Local Government Reporting Entity*

The Corporation of the City of Whyalla is incorporated under the SA Local Government Act 1999 and has its principal place of business at Darling Terrace Whyalla SA 5600. These financial statements include the Councils' 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.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 Councils' 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	\$6,481,925	\$4,314,749	+	\$2,167,176
2015/16	\$2,119,673	\$4,286,849	-	\$2,167,176
2016/17	\$6,408,936	\$4,231,705	+	\$2,177,231

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

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

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

3.1 Construction Contracts

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

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Councils' 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.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

5 Inventories

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

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

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

5.2 Other Real Estate held for resale

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

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

6.2 Initial Recognition

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

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

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

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

6.3 Materiality

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

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

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

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value 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 assessed for impairment.

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 assets' carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows 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.

6.7 Borrowing Costs

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

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted average discount rate	2.09% (2016, 1.7%)
Weighted average settlement period	7 years (2016, 7 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, but has recognised amounts accrued in the past as part of an enterprise bargaining incentive aimed at reducing work absences.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation and other schemes. The Local Government Superannuation 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 Councils' involvement with the schemes are reported in Note 18.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (Contd.)

10 Leases

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

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

11 Joint Ventures and Associated Entities

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Councils' interests in cooperative arrangements are not material.

12 GST Implications

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

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

13 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 17	Leases
AASB 1058	Income of Not-for-Profit Entities

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

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

Council is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

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

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Councils' intention to adopt this Standard early.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 2 - INCOME

	Notes	2017 \$	2016 \$
RATES REVENUES			
<u>General Rates</u>		15,747,328	15,509,157
Less: Mandatory rebates		(159,314)	(164,381)
Less: Discretionary rebates, remissions & write offs		<u>(91,281)</u>	<u>(87,017)</u>
		15,496,733	15,257,759
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		915,428	734,641
Waste collection		<u>3,593,681</u>	<u>3,509,694</u>
		4,509,109	4,244,335
<u>Other Charges</u>			
Penalties for late payment		<u>139,210</u>	<u>118,969</u>
		139,210	118,969
Less: Discretionary rebates, remissions & write offs		<u>(281,596)</u>	<u>(315,636)</u>
		<u>19,863,456</u>	<u>19,305,427</u>
STATUTORY CHARGES			
Development Act fees		21,583	38,906
Town planning fees		33,513	48,271
Health & Septic Tank Inspection fees		860	876
Animal registration fees & fines		187,916	196,235
Parking fines / expiation fees		28,742	34,536
Other licences, fees, & fines		<u>40,316</u>	<u>18,601</u>
		<u>312,930</u>	<u>337,425</u>
USER CHARGES			
Cemetery/crematoria fees		294,756	338,925
Airport charges		719,343	821,494
Marina fees		105,060	109,127
Child care centre		321,513	309,624
Hall & equipment hire		272,755	248,495
Waste fees		1,464,679	1,517,124
Sales - general		150,335	273,614
Subsidies received on behalf of users		265,250	258,250
Sundry		<u>105,960</u>	<u>100,613</u>
		<u>3,699,651</u>	<u>3,977,266</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		19,239	15,208
Banks & other		13,924	17,068
Loans to community groups		<u>1,034</u>	<u>1,336</u>
		<u>34,197</u>	<u>33,612</u>

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

NOTE 2 - INCOME (continued)

	2017	2016
	Notes \$	\$
REIMBURSEMENTS		
- for roadworks	6,000	6,000
- for private works	913	7,095
- by joint undertakings	<u>86,215</u>	<u>72,423</u>
	93,128	85,518
OTHER INCOME		
Insurance & other recoupments - infrastructure, property, plant & equipment	82,706	134,083
Management other income	70,171	67,125
Finance debt collection	88,480	90,119
Quarry income	36,971	38,720
Rebates received	736,141	702,348
Sundry	<u>105,260</u>	<u>232,770</u>
	1,119,729	1,265,165
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts received specifically for new or upgraded assets	1,117,963	85,000
Other grants, subsidies and contributions		
Untied - Financial Assistance Grant	6,408,936	2,119,673
Roads to Recovery	652,925	807,608
Library & Communications	151,338	142,216
Sundry	<u>344,683</u>	<u>162,990</u>
	7,557,882	3,232,487
	8,675,845	3,317,487
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
Commonwealth government	228,497	8,545
State government	8,366,057	2,381,450
Other	<u>81,291</u>	<u>927,492</u>
	8,675,845	3,317,487

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

NOTE 2 - INCOME (continued)

	2017	2016
	Notes	
	\$	\$
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	919,593	1,266,016
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Roads Infrastructure</i>	(361,778)	(308,809)
<i>Heritage & Cultural Services</i>	(192,952)	(457,039)
<i>Subtotal</i>	(554,730)	(765,848)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Roads Infrastructure</i>	218,723	306,451
<i>Heritage & Cultural Services</i>	712,865	112,974
<i>Subtotal</i>	931,588	419,425
<i>Unexpended at the close of this reporting period</i>	1,296,451	919,593
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	376,858	(346,423)

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 3 - EXPENSES

	Notes	2017 \$	2016 \$
EMPLOYEE COSTS			
Salaries and Wages		7,445,656	7,096,633
Employee leave expense		1,156,192	1,412,544
Superannuation - defined contribution plan contributions	18	439,393	446,033
Superannuation - defined benefit plan contributions	18	358,798	342,489
Workers' Compensation Insurance		415,355	480,463
Less: Capitalised and distributed costs		(58,108)	(72,602)
Total Operating Employee Costs		9,757,286	9,705,560
Total Number of Employees		115	120
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		15,000	24,500
Bad and Doubtful Debts		87,766	20,838
Elected members' expenses		270,746	274,497
Election expenses		48,551	5,931
Subtotal - Prescribed Expenses		422,063	325,766
<u>Other Materials, Contracts & Expenses</u>			
Contractors		2,048,799	2,371,233
Energy		934,470	884,226
Insurance		352,475	358,250
Maintenance		915,559	418,558
Legal Expenses		124,884	53,674
Levies paid to government - NRM levy		914,965	734,198
Parts, accessories & consumables		2,545,820	2,468,089
Professional services		2,953,106	2,703,003
Sundry		1,506,614	1,658,466
Subtotal - Other Materials, Contracts & Expenses		12,296,692	11,649,697
		12,718,755	11,975,463

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 3 - EXPENSES (cont.)

	Notes	2017 \$	2016 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Land Improvements		446,722	397,937
Irrigation Systems		84,663	75,365
Buildings Level 2		95,696	106,151
Buildings Level 3		945,473	904,913
Playgrounds		113,643	99,972
Street Furniture		74,973	77,107
Roads & Footpaths		3,093,809	3,362,179
Runway Assets		159,377	150,862
Stormwater drainage		374,168	374,932
Plant & Equipment		443,339	391,145
Furniture & Fittings		211,871	192,291
Landfill assets		677,180	443,080
Other Assets		<u>162,481</u>	<u>216,029</u>
		6,883,395	6,791,963
Less: Capitalised and distributed costs		<u>(70,447)</u>	<u>(42,008)</u>
		<u>6,812,948</u>	<u>6,749,955</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		201,413	241,059
Interest on Loans		<u>17,473</u>	<u>24,060</u>
		<u>218,886</u>	<u>265,119</u>

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2017	2016
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	46,118	74,555
Less: Carrying amount of assets sold	<u>19,269</u>	<u>189,107</u>
Gain (Loss) on disposal	<u>26,849</u>	<u>(114,552)</u>
<i>Assets surplus to requirements</i>		
Proceeds from disposal	92,624	1,053
Less: Carrying amount of assets sold	<u>744,134</u>	<u>542</u>
Gain (Loss) on disposal	<u>(651,510)</u>	<u>511</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(624,661)</u>	<u>(114,041)</u>

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 5 - CURRENT ASSETS

	2017	2016
	Notes	
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	4,096,575	104,492
Short Term Deposits & Bills, etc.	<u>976,466</u>	<u>598,884</u>
	5,073,041	703,376
TRADE & OTHER RECEIVABLES		
Rates - General & Other	1,613,317	1,335,071
Rates postponed for State Seniors	8,943	8,067
Accrued Revenues	35,129	96,182
Debtors - general	1,585,128	1,359,778
GST Recoupment	229,629	167,158
Prepayments	93,426	72,584
Loans to community organisations	5,061	4,739
Sundry	<u>12,347</u>	<u>14,147</u>
Total	3,582,980	3,057,726
Less: Allowance for Doubtful Debts	<u>145,353</u>	<u>57,586</u>
	3,437,627	3,000,140
INVENTORIES		
Stores & Materials	139,709	267,469
Trading Stock	<u>18,619</u>	<u>30,670</u>
	158,328	298,139

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 6 - NON-CURRENT ASSETS

	2017	2016
	Notes	
	\$	\$
FINANCIAL ASSETS		
Receivables		
Loans to community organisations	<u>5,405</u>	<u>10,465</u>
TOTAL FINANCIAL ASSETS	<u>5,405</u>	<u>10,465</u>
OTHER NON-CURRENT ASSETS		
Inventories		
Real Estate Developments	<u>3,153,747</u>	<u>3,153,747</u>
	3,153,747	3,153,747
Capital Works-in-Progress	<u>227,496</u>	<u>390,633</u>
	3,381,243	<u>3,544,380</u>
Real Estate Developments - Current & Non-Current		
<i>(Valued at the lower of cost and net realisable value)</i>		
Industrial & Commercial	<u>3,153,747</u>	<u>3,153,747</u>
Total Real Estate for Resale	<u>3,153,747</u>	<u>3,153,747</u>
<i>Represented by:</i>		
Acquisition Costs	561,136	561,136
Development Costs	2,414,163	2,414,163
Finance Costs	<u>178,448</u>	<u>178,448</u>
Total Real Estate for Resale	<u>3,153,747</u>	<u>3,153,747</u>
Apportionment of Real Estate Developments		
Current Assets	-	-
Non-Current Assets	<u>3,153,747</u>	<u>3,153,747</u>
	3,153,747	3,153,747

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2016 \$				2017 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land Level 2	2	1,033,433	447,084	-	1,480,517	1,033,433	447,084	-	1,480,517
Land Level 3	3	29,532,800	-	-	29,532,800	29,532,800	-	-	29,532,800
Land Improvements	3	13,332,204	3,020,286	(4,894,455)	11,458,035	11,330,182	4,634,891	(5,341,177)	10,623,896
Irrigation Systems		-	8,699,320	(553,494)	8,145,826	-	8,755,106	(638,157)	8,116,949
Buildings Level 2	2	5,901,225	73,821	(315,107)	5,659,939	5,901,225	83,198	(410,803)	5,573,620
Buildings Level 3	3	54,033,066	1,541,148	(36,056,109)	19,518,105	54,033,066	2,062,522	(36,967,942)	19,127,646
Playgrounds		1,707,840	152,313	(982,802)	877,351	1,707,840	371,462	(1,096,445)	982,857
Street Furniture		920,343	1,079,138	(690,597)	1,308,884	920,343	1,116,871	(765,570)	1,271,644
Roads & Footpaths	3	222,782,098	4,959,713	(101,491,956)	126,249,855	216,530,509	5,723,497	(96,707,490)	125,546,516
Runway Assets	3	9,319,371	35,311	(3,823,710)	5,530,972	9,319,371	35,311	(3,983,087)	5,371,595
Stormwater drainage	3	34,755,296	549,573	(13,896,387)	21,408,482	34,755,296	549,573	(14,270,555)	21,034,314
Plant & Equipment		-	5,728,270	(3,115,408)	2,612,862	-	5,715,415	(3,267,739)	2,447,676
Furniture & Fittings		-	4,071,024	(2,511,261)	1,559,763	-	4,131,879	(2,685,004)	1,446,875
Landfill assets		576,766	4,833,871	(3,444,315)	1,966,322	576,766	5,057,116	(4,461,106)	1,172,776
Other Assets		-	3,910,455	(3,099,788)	810,667	-	3,978,666	(3,262,269)	716,397
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		373,894,442	39,101,327	(174,875,389)	238,120,380	365,640,831	42,662,591	(173,857,344)	234,446,078
	<i>Comparatives</i>	382,239,627	34,257,191	(169,988,689)	246,508,129	373,894,442	39,101,327	(174,875,389)	238,120,380

This Note continues on the following pages.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016	CARRYING AMOUNT MOVEMENTS DURING YEAR							2017	
	\$	\$							\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals	In				Out			
Land Level 2	1,480,517	-	-	-	-	-	-	-	-	1,480,517
Land Level 3	29,532,800	-	-	-	-	-	-	-	-	29,532,800
Land Improvements	11,458,035	1,069,840	544,765	-	(446,722)	-	-	-	(2,002,022)	10,623,896
Irrigation Systems	8,145,826	-	55,786	-	(84,663)	-	-	-	-	8,116,949
Buildings Level 2	5,659,939	8,927	450	-	(95,696)	-	-	-	-	5,573,620
Buildings Level 3	19,518,105	166,585	443,600	(55,171)	(945,473)	-	-	-	-	19,127,646
Playgrounds	877,351	-	219,149	-	(113,643)	-	-	-	-	982,857
Street Furniture	1,308,884	37,733	-	-	(74,973)	-	-	-	-	1,271,644
Roads & Footpaths	126,249,855	296,965	2,674,817	(632,727)	(3,093,809)	-	-	51,415	-	125,546,516
Runway Assets	5,530,972	-	-	-	(159,377)	-	-	-	-	5,371,595
Stormwater drainage	21,408,482	-	-	-	(374,168)	-	-	-	-	21,034,314
Plant & Equipment	2,612,862	-	315,781	(37,628)	(443,339)	-	-	-	-	2,447,676
Furniture & Fittings	1,559,763	75,169	28,050	(4,236)	(211,871)	-	-	-	-	1,446,875
Landfill assets	1,966,322	223,245	-	-	(677,180)	-	-	(339,611)	-	1,172,776
Other Assets	810,667	68,211	-	-	(162,481)	-	-	-	-	716,397
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	238,120,380	1,946,675	4,282,398	(729,762)	(6,883,395)	-	-	(339,611)	(1,950,607)	234,446,078
<i>Comparatives</i>	246,508,129	494,032	4,859,471	(189,650)	(6,791,963)	-	-	-	(6,759,639)	238,120,380

This Note continues on the following pages.

THE CORPORATION OF THE CITY OF WHYALLA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

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

Valuation of Assets

General Valuation Principles

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

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

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

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

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

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

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

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

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

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

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

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

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

Office furniture & equipment	\$2,000
Other plant & equipment	\$5,000
Buildings - new construction/extensions	\$10,000

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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

Park & playground furniture & equipment	\$5,000
Road construction & reconstruction	\$10,000
Paving & footpaths, kerb & gutter	\$5,000
Drains & culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines & household connections	\$5,000
Artworks	\$5,000

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

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equipment	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
Buildings – Roofing	40 to 60 years
Park Structures – Masonry	50 to 100 years
Park Structures – Other Construction	20 to 40 years
Playground Equipment	5 to 20 years
Benches, Seats, etc.	10 to 20 years

Transport Infrastructure

Sealed Roads – Surface	15 to 30 years
Sealed Roads – Pavement	65 to 100 years
Unsealed Roads	10 to 20 years
Paving & Footpaths, Kerb & Gutter	25 to 65 years

Stormwater Infrastructure

Drains	70 to 100 years
Culverts	70 to 100 years
Flood Control Structures	70 to 100 years
Dams and Reservoirs	70 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years

Other Assets

Library Books	10 to 15 years
Artworks	indefinite

Land & Land Improvements

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

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

Councils' land and land improvement assets were independently valued by Opteon Pty Ltd and Tonkin Consulting as at 30 June 2014. An internal desktop revaluation was performed as at 30 June 2016.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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

Level 3 classified land and land improvements assets relate to properties where there is an inability or restriction on Council to sell this asset in the open market.

All acquisitions made after the respective dates of valuation are recorded at cost.

Buildings

The asset class of buildings was revalued by Tonkin Consulting and Opteon Pty Ltd as at 30 June 2014. An internal desktop revaluation was performed as at 30 June 2016.

Buildings have been disclosed as either Fair Value hierarchy Level 2 valuations or as Fair Value hierarchy Level 3 valuations, in accordance with AASB 13 Fair Value Measurement.

Building valuations, disclosed as Level 2, 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.

Building valuations, disclosed as Level 3 have been determined to have no known market for these assets and they are valued at depreciated current replacement cost. This method involves the determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate. This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

All acquisitions made after the respective dates of valuation are recorded at cost.

Roads, Footpaths and Runways

Transportation assets were valued by Tonkin Consulting at depreciated current replacement cost during the reporting period ended 30 June 2014. A desktop revaluation was performed by Tonkin Consulting within Conquest, Councils' Asset Management System, at as 1 July 2016 to reflect long life assets in pavement, surface, kerb and footpath assets. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater Drainage

Stormwater drainage infrastructure was valued by Council officers as at 30 June 2017 at depreciated current replacement cost, 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.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

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

Investment Property

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing but not anxious parties in an arms length transaction, based on current prices in an active market for similar parties in the same location and subject to similar leases.

Investment properties were revalued as at 30 June 2014 by Tonkin Consulting and Opteon Pty Ltd. An internal desktop revaluation was performed as at 30 June 2016

Most investment properties are leased to tenants under long term operating leases with rentals payable monthly (Note 17). Contractual obligations relating to the properties are disclosed in Note 14.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 8 - LIABILITIES

	Notes	2017		2016	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		1,388,476	-	1,337,114	-
Payments received in advance		67,313	-	66,530	-
Accrued expenses - employee entitlements		144,841	-	132,604	-
Accrued expenses - other		54,889	-	91,758	-
Deposits, Retentions & Bonds		29,657	-	27,969	-
Other		11,595	-	10,177	-
		<u>1,696,771</u>	<u>-</u>	<u>1,666,152</u>	<u>-</u>

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.

BORROWINGS

Short term draw down facility	-	-	-	-
Loans	<u>6,268,853</u>	<u>125,273</u>	<u>7,112,763</u>	<u>244,126</u>
	<u>6,268,853</u>	<u>125,273</u>	<u>7,112,763</u>	<u>244,126</u>

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

PROVISIONS

Employee entitlements (including oncosts)	2,091,303	49,182	2,268,064	36,394
Future Jetty Expense Provision	566,353	-	-	-
Landfill Capping and Closure Provision	-	<u>1,252,095</u>	-	<u>1,613,281</u>
	<u>2,657,656</u>	<u>1,301,277</u>	<u>2,268,064</u>	<u>1,649,675</u>

During the 2016/17 financial year the value of the Whyalla jetty has been written down to depreciated cost. A provision has been established based upon estimated costs for the demolition of the existing jetty. These costs are expected to be expended during the 2017/18 financial year.

Movements in Provisions - 2017 year only (current & non-current)	Opening Balance	Additional amounts Recognised / (Derecognised)	Payments	Closing Balance
Cell 2 Capping	734,911	(339,611)	-	395,300
Post Closure Provision	408,022	(1,543)	-	406,479
Closing Balance	<u>1,613,281</u>	<u>(341,154)</u>	<u>(20,032)</u>	<u>1,252,095</u>

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2016	Net Increments (Decrements)	Transfers, Impairments	30/6/2017
Notes	\$	\$	\$	\$
Land Level 2	1,013,433	-	-	1,013,433
Land Level 3	15,911,129	-	-	15,911,129
Land Improvements	3,588,972	(2,002,023)	-	1,586,949
Buildings Level 2	2,758,929	-	-	2,758,929
Buildings Level 3	12,159,072	-	-	12,159,072
Playgrounds	984,250	-	-	984,250
Street Furniture	1,168,279	-	-	1,168,279
Roads & Footpaths	134,298,335	51,415	-	134,349,750
Runway Assets	10,083,417	-	-	10,083,417
Stormwater drainage	17,157,672	-	-	17,157,672
TOTAL	199,123,488	(1,950,608)		197,172,880
<i>Comparatives</i>	<i>205,883,127</i>	<i>(6,759,639)</i>		<i>199,123,488</i>

OTHER RESERVES	1/7/2016	Transfers to Reserve	Transfers from Reserve	30/6/2017
Committed Funds Reserve	<u>919,593</u>	<u>(554,729)</u>	<u>931,587</u>	1,296,451
TOTAL OTHER RESERVES	919,593	(554,729)	931,587	1,296,451
<i>Comparatives</i>	<i>1,266,015</i>	<i>(765,848)</i>	<i>419,426</i>	<i>919,593</i>

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

Committed Funds Reserve

The committed funds reserve is used to record amounts committed for brought forward projects, unexpended grant funds and developer contributions.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

	2017	2016
	Notes	
CASH & FINANCIAL ASSETS	\$	\$
Unexpended amounts received from Federal Government	16,171	48,335
Unexpended amounts received from State Government	702,193	468,862
Unexpended amounts received from Developers	578,088	402,396
	<u>1,296,452</u>	<u>919,593</u>

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$	2016 \$
Total cash & equivalent assets	5	5,073,041	703,376
Less: Short-term borrowings	8	-	-
Balances per Cash Flow Statement		<u>5,073,041</u>	<u>703,376</u>

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

Net Surplus (Deficit)	3,666,400	(488,238)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	6,812,948	6,749,955
Net increase (decrease) in unpaid employee benefits	(151,736)	(84,670)
Change in allowances for under-recovery	87,767	15,854
Grants for capital acquisitions treated as Investing Activity	(1,117,963)	(85,000)
Net (Gain) Loss on Disposals	<u>624,661</u>	<u>114,041</u>
	9,922,077	6,221,942
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(524,932)	87,764
Net (increase) decrease in inventories	139,811	(142,241)
Net increase (decrease) in trade & other payables	18,382	(314,908)
Net increase (decrease) in other provisions	<u>205,167</u>	<u>(57,703)</u>
Net Cash provided by (or used in) operations	<u>9,760,505</u>	<u>5,794,854</u>

(c) Financing Arrangements

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

Bank Overdrafts	250,000	250,000
Corporate Credit Cards	36,000	36,000
LGFA Cash Advance Debenture facility	12,000,000	12,000,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 12 - FUNCTIONS

	INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL				
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Council Administration	26,825,348	22,543,579	5,677,640	5,436,114	21,147,708	17,107,465	5,858,688	1,982,808	43,403,622	39,696,570
Public Order & Safety	197,336	207,016	282,207	306,163	(84,871)	(99,147)	-	-	-	-
Health	71,324	42,253	256,217	257,393	(184,893)	(215,140)	27,884	12,372	-	-
Social Security & Welfare	714,652	654,658	1,643,292	1,382,324	(928,640)	(727,666)	124,878	84,929	-	-
Housing & Community	1,997,470	2,047,487	6,881,000	6,328,601	(4,883,530)	(4,281,114)	100,000	-	69,307,959	70,545,143
Environment	77,615	74,924	506,862	501,019	(429,247)	(426,095)	35,000	35,000	1,172,776	1,966,322
Sport & Recreation	397,537	359,976	4,479,339	4,449,326	(4,081,802)	(4,089,350)	1,174,046	146,216	1,699,254	1,688,018
Agriculture	-	-	64,787	75,504	(64,787)	(75,504)	-	-	-	-
Mining & Manufacturing	73,176	97,609	490,281	504,544	(417,105)	(406,934)	-	-	-	-
Transport & Communications	2,100,208	1,949,800	6,658,842	6,319,246	(4,558,634)	(4,369,446)	1,355,349	1,051,617	130,918,111	131,780,827
Economic Affairs	153,400	181,759	714,706	706,365	(561,306)	(524,606)	-	4,545	-	-
Other Purposes	72,907	77,839	1,852,702	2,429,498	(1,779,795)	(2,351,658)	-	-	-	-
TOTALS	32,680,973	28,236,900	29,507,875	28,696,097	3,173,098	(459,197)	8,675,845	3,317,487	246,501,722	245,676,880

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.

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THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 12 (cont.) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Council Administration

Governance, Administration, 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, LGGC – General Purpose, and Separate and Special Rates.

Public Order & Safety

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control, Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

Health

Health, Immunisation, Preventive Health Services and Other Health Services.

Social Security & Welfare

Community Support, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centre, Children and Youth Services, Community Assistance, Family and Neighbourhood Support and Other Community Support.

Housing & Community Amenities

Community Amenities, Bus Shelters, Cemeteries/Crematoria, Public Conveniences, Car Parking – non-fee-paying, and Other Community Amenities, Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums, and Other Cultural Services.

Environment

Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy and Other Environment.

Sport & Recreation

Jetties, Other Marine Facilities, Parks and Gardens, Marinas & Boat Harbours, Sports Facilities – Indoor, Sports and Recreation Halls, Indoor Swimming Centre, Outdoor Recreation and Sporting Facilities.

Agriculture

Pest Eradication Services.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 12 (cont.) - COMPONENTS OF FUNCTIONS

Mining & Manufacture

Gravel Pits/Quarries, Development of Land for Resale and Private Works.

Transport & Communication

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

Economic Affairs

Employment Creation Programs, Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

Other Purposes

Infrastructure Support Services.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017 Note 13 – FINANCIAL

INSTRUMENTS

Note: The above summary of contribution plans represents the total of Councils' individual contribution plans.

Individual plan details are shown below.

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

Accounting Policies –	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.
Bank, Deposits at Call, Short Term Deposits	Terms & conditions: Deposits are returning fixed interest rates between 2.00% and 2.70% (2016: 2.35% and 3.00%). Short term deposits have an average maturity of 91 days and an average interest rates of 2.46% (2016: 92 days, 2.72%).
Recognised Financial Instruments	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 2.00% (2016: 2.00%) Although 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. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Councils' boundaries.
	Carrying amount: approximates fair value (after deduction of any allowance).
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.
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.
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 when due; interest is charged at fixed and variable rates between 3.75% and 5.33% (2016: 4.00% and 5.33%)
	Carrying amount: approximates fair value.
Liabilities - Finance Leases	Accounting Policy: accounted for in accordance with AASB 117.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 13 (cont.) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total	
				Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	5,073,041	-	-	5,073,041	5,073,041
Receivables	1,955,659	-	-	1,955,659	1,966,125
Other Financial Assets	5,773	5,772	-	11,545	-
Total	7,034,473	5,772	-	7,040,245	7,039,166
Financial Liabilities					
Payables	1,497,041	-	-	1,497,041	1,497,041
Current Borrowings	6,280,302	-	-	6,280,302	6,268,853
Non-Current Borrowings	-	130,303	-	130,303	125,273
Total	7,777,343	130,303	-	7,907,646	7,891,167
2016					
	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	703,376	-	-	703,376	703,376
Receivables	1,709,849	-	-	1,709,849	1,725,053
Other Financial Assets	5,773	11,545	-	17,318	-
Total	2,418,998	11,545	-	2,430,543	2,428,429
Financial Liabilities					
Payables	1,441,790	-	-	1,441,790	1,441,790
Current Borrowings	7,130,302	-	-	7,130,302	7,112,763
Non-Current Borrowings	-	260,605	-	260,605	244,126
Total	8,572,092	260,605	-	8,832,697	8,798,679

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	8.13%	-	8.43	-
Other Variable Rates	3.77%	6,150,000	4.21	7,000,000
Fixed Interest Rates	5.33	244,126	5.33	356,889
		6,394,126		7,356,889

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 13 (cont.) - FINANCIAL INSTRUMENTS

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. The majority of 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 Councils 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 Councils' 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

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 14 - COMMITMENTS FOR EXPENDITURE

	2017	2016
	Notes	
	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land Improvements	31,818	102,920
Buildings	248,127	88,695
Roads & Footpaths	-	59,661
Plant & Equipment	-	<u>173,616</u>
	<u>279,945</u>	<u>424,892</u>
These expenditures are payable:		
Not later than one year	279,945	424,892
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>279,945</u>	<u>424,892</u>

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 15 - FINANCIAL INDICATORS

	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. Detailed methods of calculation are set out in the SA Model Statements.

The Information Paper was revised in May 2015 and the financial indicators for previous years have been re-calculated in accordance with the revised formulas.

Operating Surplus Ratio

Operating Surplus	10.0%	(2.0%)	5.0%
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio

	3.0%	6.0%	(2.0%)
--	------	------	--------

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

Net Financial Liabilities Ratio

Net Financial Liabilities	11%	33%	31%
Total Operating Revenue			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Sustainability Ratio

Net Asset Renewals	50%	59%	85%
Infrastructure & Asset Management Plan required expenditure			

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

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Councils' finances.

	2017	2016
	\$	\$
Income	32,680,973	28,236,900
less Expenses	<u>29,507,875</u>	<u>28,696,097</u>
Operating Surplus / (Deficit)	3,173,098	(459,197)
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,710,749	5,126,510
Depreciation, Amortisation and Impairment	(6,812,948)	(6,749,955)
Proceeds from Sale of Replaced Assets	<u>(12,478)</u>	<u>(74,556)</u>
	(3,114,677)	(1,698,001)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	1,945,131	575,618
Amounts received specifically for New and Upgraded Assets	(1,117,963)	(85,000)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	<u>(92,624)</u>	<u>(1,053)</u>
	<u>734,544</u>	<u>489,565</u>
Net Lending / (Borrowing) for Financial Year	<u>5,553,231</u>	<u>749,239</u>

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

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

Investment Property

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

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

	2017	2016
	\$	\$
Not later than one year	153,906	103,803
Later than one year and not later than 5 years	157,165	167,915
Later than 5 years	-	-
	<u>311,071</u>	<u>271,718</u>

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 18 – SUPERANNUATION

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

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 Councils' 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.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 19 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 350 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$10,466 (2016: \$15,204) at reporting date.

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

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 19 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

4. LEGAL EXPENSES

Council is responsible for the operations of the Mount Laura and, previously, the Newton Street landfill sites. The cost of Councils' obligations in relation to the Mount Laura site has been included in Note 8. The Newton Street site is monitored and costs are expensed on an annual basis. Requirements for future restorations have not been identified as at 30 June 2017. If applicable, once identified, the amount will be included and amortised on an annual basis.

5. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised.

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 20 - EVENTS OCCURRING AFTER REPORTING DATE

There are no events occurring after balance date that impact on the contents of these statements

THE CORPORATION OF THE CITY OF WHYALLA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

Note 21 - RELATED PARTY DISCLOSURES

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, 23 persons were paid the following total compensation:

	2017 \$
Salaries, allowances & other short term benefits	1,535,779
Post-employment benefits	-
Long term benefits	32,779
Termination benefits	-
TOTAL	1,568,558

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

	2017 \$
Contributions for fringe benefits tax purposes	76
Planning and building applications fees	-
Rentals for Council property	-
TOTAL	76

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Purchases from two of these individual businesses exceeded \$5,000 during the year.

Three close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the *Local Government Act 1999*.

No key management personnel or close family members (including related parties) lodged any planning and building applications during the year.

THE CORPORATION OF THE CITY OF WHYALLA

ANNUAL 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 The Corporation of the City of Whyalla for the year ended 30 June 2017, the Council's Auditor, Ian G McDonald FCA, 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*.



.....
Christopher Cowley
CHIEF EXECUTIVE OFFICER



.....
Stephen Coates
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 18 September 2017

The Corporation of the City of Whyalla

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 Corporation of the City of Whyalla 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

Date 17 September 2017

Independent Assurance Report on the Internal Controls of The Corporation of the City of Whyalla

We have audited the compliance of The Corporation of the City of Whyalla (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 at Grange this 11th day of October 2017

Ian G McDonald FCA



The Corporation of the City of Whyalla Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of The Corporation of the City of Whyalla (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.

A handwritten signature in blue ink that reads "Ian G McDonald". The signature is written in a cursive, flowing style.

Ian G McDonald FCA
Registered Company Auditor 16458

Signed at Grange this 11th day of October 2017



Eyre Peninsula Local Government Association

EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

**FINANCIAL ACCOUNTS
FOR THE YEAR ENDED
30TH JUNE 2017**

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EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30TH JUNE, 2017

		2017	2016
	NOTE	\$	\$
<u>INCOME</u>			
Grants Received	2	205,847	53,273
Interest Received		7,784	8,412
Project Income - EP Councils	3	6,250	97,969
Membership Fees	4	167,301	157,587
Reimbursable Expenses		-	3,988
Sundry Income		-	2,000
		<u>387,182</u>	<u>323,229</u>
<u>TOTAL INCOME</u>			
<u>EXPENDITURE</u>			
Administration		9,111	9,420
Advertising & Promotion		51	1,055
Audit Fees		1,400	1,300
Bank Charges & Taxes		109	443
Computer Expenses		1,273	886
Employee Expenses		136,037	139,787
Insurance		5,773	5,676
Legal Costs		2,818	4,619
Meeting Expenses		5,574	5,300
President's Expenses		2,250	2,250
Project Expenditure	5	171,906	117,074
Secretarial Services		18,000	17,462
Sundry Expenses		-	1,718
Telephone		1,258	784
Travel & Accommodation		14,785	13,381
		<u>370,345</u>	<u>321,155</u>
<u>TOTAL EXPENDITURE</u>			
<u>NET SURPLUS/(DEFICIT)</u>			
		<u>\$ 16,837</u>	<u>\$ 2,074</u>



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 30TH JUNE, 2017

	2017	2016
	NOTE	
	\$	\$
Net Surplus/(Deficit)	16,837	2,074
Extraordinary Items	-	-
<u>TOTAL NET SURPLUS/(DEFICIT)</u>	16,837	2,074
Surplus Funds at July 1	<u>209,408</u>	<u>207,334</u>
SURPLUS/(DEFICIT)	<u>226,245</u>	<u>209,408</u>
<u>ACCUMULATED SURPLUS/(DEFICIT)</u> <u>AT 30TH JUNE, 2017</u>	\$ <u>226,245</u>	\$ <u>209,408</u>



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2017

	2017	2016
NOTE	\$	\$
<u>EQUITY</u>		
Accumulated Surplus	\$ 226,245	\$ 209,408
REPRESENTED BY		
<u>CURRENT ASSETS</u>		
Cash at Bank	6 341,649	268,403
Debtors	-	11,000
Income Accrued	1,845	1,814
GST Receivable	6,645	2,332
Prepayments	1,959	-
<u>TOTAL ASSETS</u>	352,098	283,549
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	7 3,755	3,709
Creditors	3,784	4,661
Unspent Project Funds	8 92,210	42,130
Provision for Holiday Pay	6,831	7,611
Prov'n for Long Service Leave	9 19,273	16,030
	125,853	74,141
<u>NET ASSETS</u>	\$ 226,245	\$ 209,408



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

	2017	2016
	\$	\$

NOTE 2 - Grants Received

LGA of SA - Outreach Service	50,000	-
LGA of SA - Regional Capacity	155,847	38,726
LGA of SA - CWMS Users Group	-	4,547
LGA of SA - Mining Taskforce	-	10,000
	\$ 205,847	\$ 53,273

NOTE 3 - Project Income - EP Councils

CWMS Users Group	-	15,000
Emergency Management Planning	6,250	6,875
Tourism Subscriptions	-	76,094
	\$ 6,250	\$ 97,969



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2017

	2017	2016
	\$	\$
<u>NOTE 4 - Membership Fees</u>		
District Council of Ceduna	13,355	12,491
District Council of Cleve	11,769	11,108
District Council of Elliston	10,397	9,583
District Council of Franklin Harbour	10,531	9,748
District Council of Kimba	10,425	9,613
Wudinna District Council	10,579	9,732
District Council of Lower Eyre Peninsula	16,016	15,547
District Council of Streaky Bay	12,141	11,443
District Council of Tumby Bay	12,469	11,739
City of Whyalla	33,863	32,197
City of Port Lincoln	25,756	24,386
	<u>\$ 167,301</u>	<u>\$ 157,587</u>
<u>NOTE 5 - Project Expenditure</u>		
Unspent Funds at 1 July	(42,129)	(94,084)
Climate Change Sector Agreement	-	12,500
Committee & Working Group Mtg	6,223	5,410
CWMS Users Group	-	6,435
Emergency Management Planning	337	8,316
EP Integrated Climate Change Agreement Program	24,701	299
Mining Taskforce	40,446	25,959
Regional Native Vegetation Management Plan	50,000	-
Regional Roads Strategy	-	34,015
Shared Services EBACC Project	119	-
Tourism Subscriptions	-	76,094
Unspent Funds at 30 June	92,210	42,130
	<u>\$ 171,907</u>	<u>\$ 117,074</u>



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017

	2017	2016
	\$	\$
<u>NOTE 6 - Cash at Bank</u>		
BankSA Society Cheque Account	51,734	36,167
Bendigo Bank Term Deposit	155,369	151,518
LGFA	125,482	71,855
LGFA - Cores EP	9,064	8,863
	<u>\$ 341,649</u>	<u>\$ 268,403</u>
<u>NOTE 7 - Sundry Creditors</u>		
PAYG Withheld	2,552	2,524
Superannuation	1,203	1,185
	<u>\$ 3,755</u>	<u>\$ 3,709</u>
<u>NOTE 8 - Unspent Project Funds</u>		
Regional Capacity Building	62,081	-
Cores - EP	9,064	8,863
EP Integrated Climate Change Agreement Program	12,500	24,702
CWMS Group	8,565	8,565
	<u>\$ 92,210</u>	<u>\$ 42,130</u>
<u>NOTE 9 - Prov'n for Long Service Leave</u>		
District Council of Tumby Bay	6,562	6,562
Eyre Peninsula Local Govt. Association	12,711	9,468
	<u>\$ 19,273</u>	<u>\$ 16,030</u>



EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION

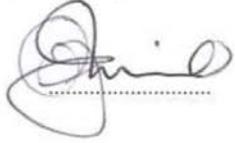
BOARD CERTIFICATE

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

The Board of the association declares that:

- 1 the financial statements and notes present fairly the association's financial position as at 30th June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 in the Board's opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

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

signed  

position President EXECUTIVE OFFICER

Dated this 12 day of September 2017



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

4 Tairaman Terrace, PO Box 2160
Port Lincoln, SA 5606
Telephone: (08) 8682 1899
Facsimile: (08) 8682 1408
Email: gpk@gpk.com.au
ABN 64 945 523 972
ACN 007 909 382

To the members of Eyre Peninsula Local Government Association,

Report on the financial report

We have audited the accompanying financial reports, being a special purpose financial report, of Eyre Peninsula Local Government Association, for the year ended 30th June 2017.

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

The members of the Board are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the Local Government Act 1999 and are appropriate to meet the needs of the members. The Board's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

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Eyre Peninsula Local Government Association

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

Auditor's opinion

In our opinion the financial report of the Eyre Peninsula Local Government Association presents fairly the operations and financial position of the association for the year ended 30th June 2017.

Gill Penfold Kelly Pty Ltd



Gregory S Nicholls
9th August 2017
4 Tasman Terrace, Port Lincoln SA 5606

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