

# District Council of Cooper Pedy



*“Opal Capital of the World”*

## Annual Report 2013/14

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# Message from the CEO

It is with pleasure that I present my third annual report in regards to the activities that have occurred in the District of Coober Pedy for the 2013/14 financial year.

Regional Development Australia Far North is facilitating the Industry Alliance Group between the mining companies and Council. The group will work together to identify opportunities for long term sustainable outcomes for the Coober Pedy community including a project proposal for securing the wealth and wellbeing of Coober Pedy. Funds are currently being sourced to facilitate this project during the 2014/15 budget. It is disappointing that the IMX Cairn Hill mine has closed due to economic reasons with some job losses to the community.

It has been identified that the airport runway width of some 18 meters wide does not meet CASA requirements in relation to REX airlines regional passenger service - Saab 340 aircraft – usage on narrow runways. Council is currently trying to source funding from both the Federal and State governments to have the current runway widened to some 30 meters.

Recorded tourism visitation numbers to Coober Pedy via the visitor centre have increased over the past 12 month period from 23,282 in 2012/13 to 27,853 in 2013/14 being an increase of 19.6%. Work with the RDA Far North is continuing with the facilitation of the Regional Tourism Service Delivery Plan including some forward planning. Council is working the RDA to reach a finalised funding agreement in regards to their employment of a regional Tourism Officer. Council's Centenary Committee and Special Events Officer are working hard to plan and facilitate the Coober Pedy centenary which will be held during 2015. Council has also facilitated a new Tourism and Events Committee which is currently putting together a tourism plan. Events held in Coober Pedy during 2014 included the Coober Pedy Annual Race Meeting, Coober Pedy Opal Festival, the Great Breakaways Bolt and the Coober Pedy Gem Trade Show.

Council in conjunction with the Coober Pedy Retail Business and Tourism Association ran a campaign aimed at bringing electricity prices back to parity during the recent State election. It is pleasing to note that the campaign was extremely successful with business tariffs coming back to parity from the 1<sup>st</sup> July 2014. Council is now currently exploring options with Energy Development Ltd (EDL -Council's contracted energy generator) options for the installation of solar and wind power for a hybrid power station at Coober

Pedy. EDL has recently been successful in obtaining a funding commitment from ARENA in the amount of \$18.5m towards the production of a hybrid power station.

The Council's road sealing and resealing program has been ongoing during the last 12 month period. However storm activity including heavy rain during April caused significant damage to Council's roads and the Fitzgerald Dam quarry. Repair work has been carried out on the road network however Council is now waiting to access funding from the government disaster fund to complete road repairs and to get the quarry working again.

Council adopted a review of its Alcohol Management Plan 2000 during January 2013 and adopted a new plan AMP 2013/18 later in the year. The community over the past summer periods experienced many anti-social behaviour issues due to the consumption of alcohol within the township area. As a result Council has been proactive in working with the Liquor and Gambling Commissioner and the community to put in place strategies to try and address problems resulting from the consumption of liquor. This has included the implementation of new liquor licensing conditions in regards to take-away alcohol which commenced from September 2013. The result of the new conditions has been outstanding with statistics showing a huge improvement in resultant cases with SAPOL, hospital and the ambulance services. Council has now employed a program facilitator for a 12 month period to facilitate the 80 strategies contained within the Alcohol Management Plan.

I wish to thank the Mayor, Elected Members and staff for their commitment and robust work during the past 12 months which will help shape a great future for the Coober Pedy community.

# About Coober Pedy

Coober Pedy is an opal mining town located in the harsh Outback of South Australia, some 850 kilometres north of Adelaide and 680 kilometres south of Alice Springs. Coober Pedy is recognised as the largest producer of opal in the world with an estimated 70% of the world's precious opal being mined in the opal fields of the area.

The Coober Pedy Precious Stones Field, from which the opal is mined, covers an area of 4,954 square kilometres of which it is estimated that approximately 10% of the total area has been worked.

Although opal had been discovered elsewhere in Australia around the late 1800's and early 1900's, it was first discovered in this area by Willie Hutchinson, aged 15 years, in February 1915.

Following this discovery settlement began and subsequently developed into the modern town of Coober Pedy. After World War 1, returning soldiers started to drift here and introduced the unusual and unique method of living underground in "dugouts", as many had done in the trenches of France.

Whilst living conditions were harsh with water and provisions being carted great distances, today the town water supply comes from an underground source 24 kilometres north of town. The water is pumped through an underground pipeline to the water works where it is treated by reverse osmosis. The quality is excellent and people should hold no fears about drinking it.

In 1980, with a population of over 3,000 people and an ever increasing reliance on the Coober Pedy Progress and Miners Association Inc., a formal approach was made to the Minister of Local Government to establish a Select Committee to investigate the provision of Local Government in Coober Pedy. The outcome of the report submitted by the Select Committee was the creation of the Coober Pedy Act of 1981. The Act is tailored to the needs of a unique, isolated outback town experiencing problems of administration that are not normally encountered in other long-established Local Government areas. The first Council election was held in January 1987. The introduction of Local Government in Coober Pedy at first caused considerable controversy in the town, but people understood that the more formal town administration established facilities that could not, in the past, have been provided.

Today with a population of approximately 3,000, Coober Pedy has one of the most multicultural communities in Australia with an estimated 45 nationalities.

The Stuart Highway was completed in 1987 and now allows a comfortable yet lengthy drive through Central Australia. Coober Pedy is serviced daily by coach services and 6 days a week with Regional Express Airlines. Tourism and mining are the driving economic forces in the town.

The census 2011 data shows that we have 38.1% of the population of Coober Pedy were not born in Australia. It also shows that 47.5% of the population have at least 1 parent born overseas. 32.4% of the population have more than one language spoken in the household.

# Elected Members Details

As at 30<sup>th</sup> June 2014  
COUNCIL ELECTED MEMBERS



**Mayor Steve Baines**  
Ph: 0418 890 710



**Deputy Mayor  
Michael Maylin**  
Ph: 0417 803 542



**Councillor  
Paul Athanasiadis**  
Ph: 0407 725 781



**Councillor  
Rose Berry**  
Ph: 0408 913 501



**Councillor  
Dave Bowman**  
Ph: 0417 813 787



**Councillor  
Carmelo Crisa**  
Ph: 0408 890 280



**Councillor  
Boro Rapaic**  
Ph: 0408 845 770



**Councillor  
Steve Staines**  
Ph: 0407 897 808



**Councillor  
Robin Walker**  
Ph: 0458 165 793

## Normal Monthly Council Meeting Attendance Record

NAME	TOTAL MEETINGS	ATTENDANCE
Mayor S Baines	12	11
Cr M Maylin	12	9
Cr D Bowman	12	9
Cr C Crisa	12	7
Cr S Staines	12	10
Cr P Athanasiadis	12	10
Cr B Rapaic	12	11
Cr R Berry	12	11
Cr R Walker	10	9

## Special Council Meeting Attendance Record

NAME	TOTAL MEETINGS	ATTENDANCE
Mayor S Baines	12	12
Cr M Maylin	12	8
Cr D Bowman	12	8
Cr C Crisa	12	7
Cr S Staines	12	8
Cr P Athanasiadis	12	7
Cr B Rapaic	12	11
Cr R Berry	12	11
Cr R Walker	10	5

## **Elector Member Representation**

The District Council of Coober Pedy elector representation is that of a Mayor and Eight (8) Elected Members. The Nine Elected Members represent an average of 123 residents. The Coober Pedy area is classified as Urban Regional Small in regards to representation quotas, which makes it impossible to compare the average representation quota with Councils of a similar size and type.

The process for elector representation reviews

Section 12 of the Local Government Act 1999 sets out the process that the Council is required to follow when undertaking a review to determine whether a change of arrangements in respect of elector representation, including ward boundaries and the composition of Council, will result in the electors being more adequately and fairly represented. This process provides that electors must have the opportunity to make submissions to a review via the following key stages:-

The commencement of a review is triggered by the release of an options paper that outlines the representation structures available to Council. A public notice must be placed in a newspaper circulating generally throughout the State, with a copy of the notice published in the local newspaper inviting written submissions. A minimum period of six weeks must be allowed for submissions. Persons who provide written submissions in response to the notice must be given the opportunity to be heard in respect to that submission, personally or by a representative before the Council or a Council committee.

On completion of the review the Council must prepare a report on the public consultation undertaken any proposal that the Council considers should be carried into effect. A second public notice must then be made advising of the report inviting written submissions and allowing a minimum of three weeks for public submissions. Persons who provide submissions must be given the opportunity to be heard in respect to their submission. A final report is then to be compiled including a summary of amendments resulting from any considerations in respect of the public consultation process and the report submitted to the Electoral Commissioner for certification. The Electoral Commissioner must determine whether all the requirements have been satisfied. If the requirements have not been satisfied then they must be refer the matter back to Council for appropriate action.

The Act requires that a Council must do a review at least once in every eight years. Council last undertook an elector representation review during 2009

and the next review must be undertaken between October 2016 and October 2017.

### **Elected Member Training**

Council has a Training and Development for Elected Members Policy and, as part of the policy, Council is to provide a segment regarding the operation of this Policy, including attendances by Members and expenditure allocated and used for training of Council Members.

### **Code of Conduct Training – September 2013**

### **Allowance paid to Elected Members**

Elected Members receive an annual allowance and as at the 30<sup>th</sup> June 2014 were:-

Mayor                      \$22,136  
Payable monthly in advance

Deputy Mayor        \$6,918  
Payable monthly in arrears

Elected Member    \$5,534  
Payable monthly in arrears

The Mayor has access to a motor vehicle and mobile phone to assist him to carry out his duties and responsibilities as Mayor of the Council. Council maintains a register of Elected Member allowances and benefits paid to Elected Members.

These allowances are set by the Remuneration Tribunal which is an independent body to Council.

### **Allowances paid to committees**

There are external members of Council's Audit Committee, Centenary Committee and Airport Advisory and Security Committee who are not paid a fee to attend meetings. Staff on Council committees are not paid any additional allowances for attending meetings.

Council's Development Assessment Committee is exempt from having any external representation and there are no additional allowances paid to the Member for attending meeting.

# Strategic Management & Business Plan achievements

Councils are required to have strategic plans, which are essentially like road maps. They tell us where we are now, where we want to go and how Council measures its progress.

The District Council of Coober Pedy Strategic Plan 2013 - 2018 contains five essential goals with a list of performance indicators.

Council also has an annual business plan that is used to determine services, programs and projects that it will deliver to the community during the financial year.

As part of its strategic plans Council is also required to develop and implement long term financial and asset management plans which are then linked to the annual business plan.

The Coober Pedy Council does provide two very unique services for its community which are electricity and water supply.

During the 2013-2014 financial year Council reviewed its suite of strategic management plans and developed a Strategic Plan 2013/14-2017/18, plus long term financial and asset management plans.

Program/project	Details	Cost
Swimming Pool - Goal 2 (Improve the social wellbeing of Coober Pedy)	Paint the swimming pool	Completed in 2013/14 year
Street Sealing - Goal 5 (Sustain local government services)	To apply a new seal to the following streets:- Hospital Road Shaw Place German Hill Road	2013/14 Exp \$245,335
Street Kerbing - Goal 5 (Sustain local government services)	Lay kerbing in the following Streets:- Cameron Drive Paxton Road	2013/14 Exp \$13,675
Street Paving	Lay paving in Hutchison	2013/14 Exp \$42,000

- Goal 3 (Continue to upgrade the main street)	Street	
Plant and Machinery - Goal 5 (Sustain local government services)	Purchase new garbage truck, Lawn Tractor	2013/14 Exp \$386,790
Retail Water Supply - Goal 2 (Improve the social wellbeing of Coober Pedy) and Goal 5 (Sustain local government services)	Purchase:- New Air Conditioners for Bore, RO1 and RO2 plants	2012/13 Exp \$13,541
Waste Water Treatment - Goal 5 (Sustain local government services)	Purchase:- New Dump Point	2013/14 Exp \$7,878, completed 2014/15
Retail Electricity Supply - Goal 5 (Sustain local government services)	Transformer replacement Distribution ute	Completed purchase, installation 2014/15
Community Grants - Goal 2 (Improve the social well being of Coober Pedy)	Community Grants were allocated to various community groups in Coober Pedy	2013/14 Exp \$28,550
Opal Festival - Goal 2 (Improve the social well being of Coober	Allocation to the Opal Festival held during Easter 2014	2013/14 Exp \$27,652

## **Council Services and Activities**

Abandoned Vehicles

Aerodrome

Building Applications & Approvals

By-laws

Cemetery

Children's Services and Support

Community Centre

Community Leadership & Advocacy

Community Waste Water Management

Control of Public Nuisances

Community Groups Support

Dog & Cat Management

Economic Development & Business Support

Environmental Services

Electricity Supply

Festivals & Events

Food & Health Inspections

Footpaths

Fire Hydrant Systems  
Free Internet in Tourist Information Centre  
Fire Hazards

Graffiti Control

Library Support  
Local Roads  
Litter Bins

On Street Parking  
Oval Maintenance  
Orchard Maintenance  
Parking Regulations & Infringements  
Parks & Reserves  
Planning Applications & Zoning  
Playground Maintenance  
Public Swimming Pool Support  
Public Toilet Maintenance

Quarry Products

Recreation & Sport Facility

Skate Park  
Stormwater Drainage  
Street Cleaning  
Street Lighting  
Street Signs  
Street Trees

Tourism & Information Centre  
Traffic Control

Water Supply  
Waste Management  
Weed Control

Youth Support

## **Risk management summary**

The District Council of Coober Pedy is committed to high standards of governance and accountability. Council manages risks through its Risk Management Policy and Framework in accordance with the relevant standards.

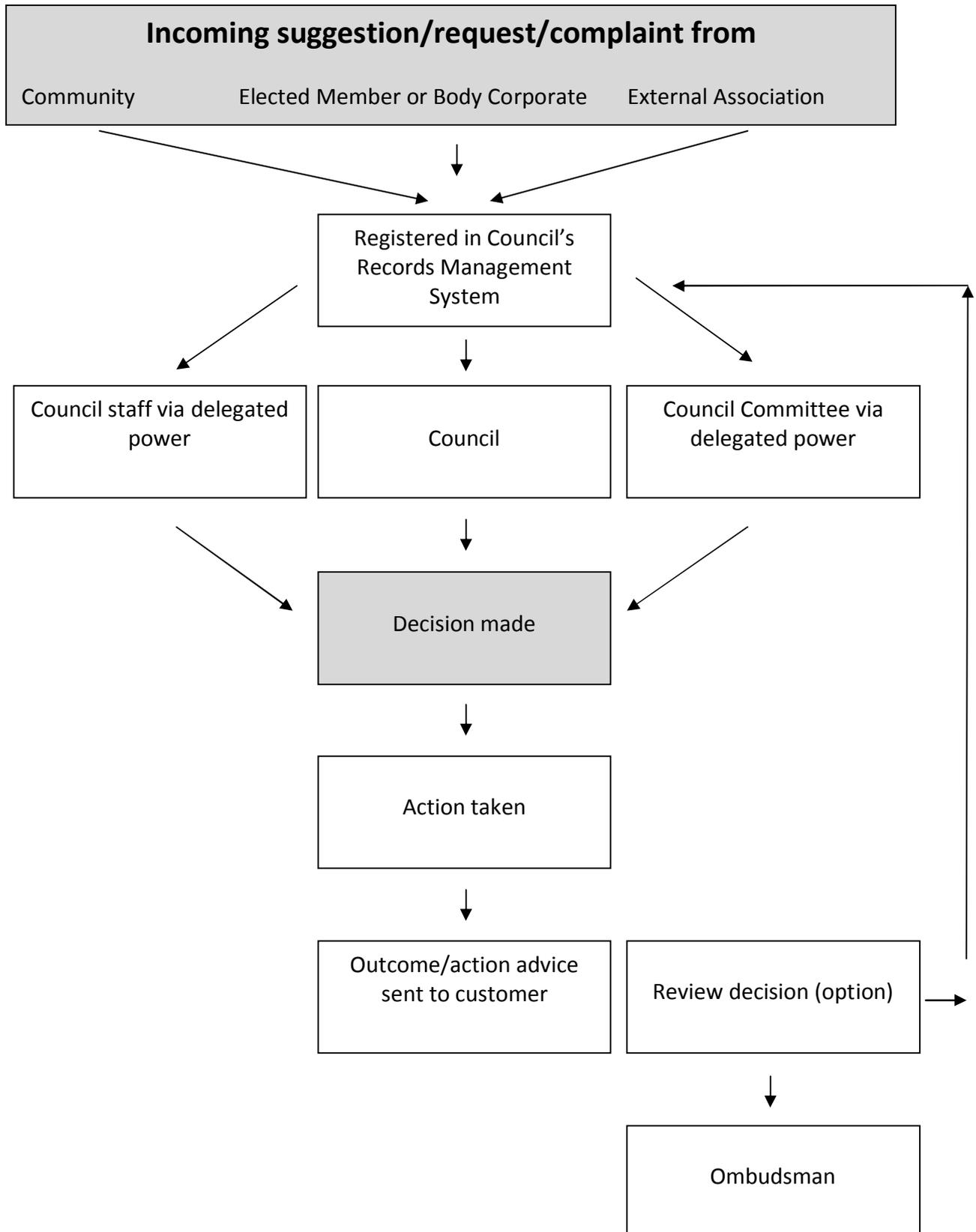
This ensures that risks and internal controls are identified, assessed and properly managed and reported on. These processes ensure that the Council is able to achieve Strategic Plan outcomes and various legislative responsibilities.

Council's Risk Management Framework enables ongoing risk assessments of projects, contracts, events and departmental responsibilities. Risks identified are then managed and mitigated through inclusion of various work plans and programs of Council for implementation. Each year the Local Government Association Mutual Liability Scheme (LGAMLS) carries out an annual review of risk for all member Councils in South Australia. This review is one of a kind in that it is the only independent review of local government risk management benchmarked across the state.

The results of the 2013-2014 Risk Management Review had an overall result of 85.4%. Good risk management processes are recognised and rewarded by financial bonuses from the LGAMLS on an annual basis.

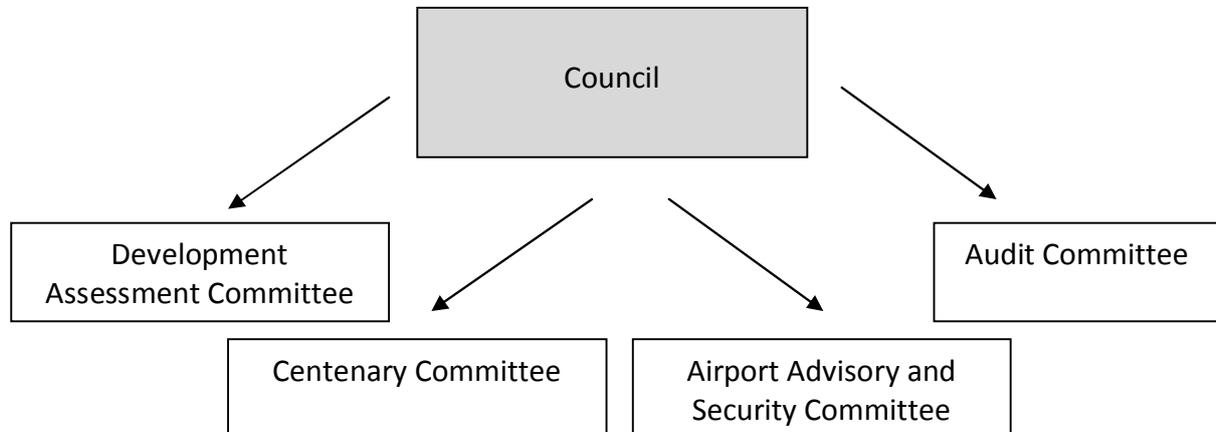
Councils Audit Committee assists Council in discharging its responsibilities and reports to Council. The Audit Committee provides advice and recommendations on matters relevant to its Terms of Reference. These matters may relate to financial reporting, internal control and risk management, internal and external audit.

# Decision making structure of Council



# Council & Committee Structure

Council has 6 committees established under Section 41 of the Local Government Act.



## Council

Meeting time: 7pm on the third Tuesday  
Terms of reference: The Council considers reports from the Mayor, committees, CEO and Council Members, petitions, questions, motions on notice or without notice, and statutory business

Membership: The Mayor and all Councillors

## **Audit Committee**

Meeting time: 5pm every three months

Terms of reference: Reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and proposing, and reviewing, the exercise of powers under section 130A; and if the council has exempted a subsidiary from the requirement to have an audit committee, the functions that would, apart from the exemption, have been performed by the subsidiary's audit committee; and liaising with the council's auditor; and reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

Membership: Mayor Steve Baines (Chairperson)  
Cr Rose Berry  
Cr Carmelo Crisa  
Mr Kevin Woon  
Mr Peter Lane

## **Development Assessment Committee**

Meeting time: When required

Terms of reference: Charged with responsibility for all matters arising under Part 4 of the Development Act 1993 and Development Regulations 2008 in Accordance with delegations conferred by Council

Membership: Mayor Steve Baines (Chairperson)  
Cr Boro Rapaic  
Cr Dave Bowman  
Deputy Mayor Mike Maylin  
Cr Paul Athanasiadis

### **Centenary Committee**

Meeting time: When required  
Terms of Reference: To facilitate the 2015 centenary celebrations

Membership: Cr Rose Berry  
Cr Steve Staines  
CEO Phil Cameron  
SEO Clair Alford  
Tourism Officer Desrey Jones  
Historical Society Jenny Davison & Judy Underwood  
CPRBTA Yanni Athanasiadis  
OTWP Robert Coro  
RDAFN Ben Boothby  
Community reps Sue Britt, Kevin Woon

### **Airport Advisory and Security Committee**

Meeting time: Twice a year  
Terms of reference: Consult with stakeholder in regards to the operation of the Coober Pedy Airport and prepare and implement the Transport security Program

Membership: Mayor Steve Baines  
Cr Dave Bowman  
CEO Phil Cameron  
Works Manager Jan Van Der Merwe  
Airport Reporting Officer James Michie  
REX Nick Styles  
Shell Co Mark Harrison  
Office Transport Security – Observer  
SAPOL – Observer

### **Tourism and Events Committee**

Meeting time: Monthly or when required  
Terms of Reference: To provide guidance to Council on tourism and events.

Membership: Cr Rose Berry  
Cr Steve Staines  
SEO Clair Alford  
Tourism Officer Desrey Jones  
CPRBTA Yanni Athanasiadis  
OTWP Robert Coro  
RDAFN Ben Boothby

## **Underground Construction Committee**

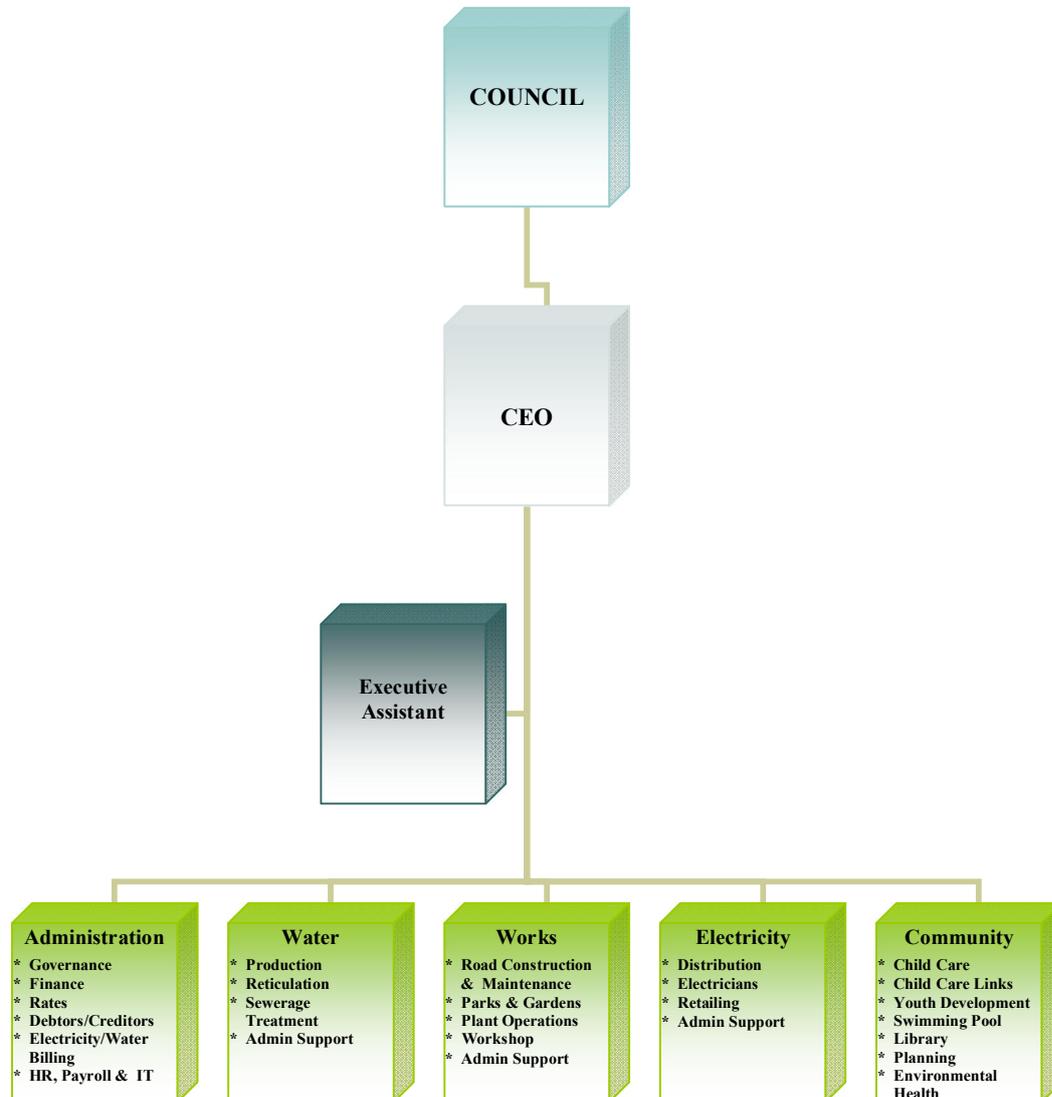
Meeting time: Annually or when required

Terms of Reference: To manage and administer the assessment of the construction of underground dwellings pursuant to Clause 1.2.2 (a)(iii)(a) of the Building Code of Australia

Membership: Cr Boro Rapaic  
Cr Dave Bowman  
Paul Reynolds  
Brian Underwood  
Alex Avakian  
Andy Sheils

# Workplace profile

## Organisation structure



## Total number of staff employed

Functions	Full-time	Casual	Part-time	Total
Governance	2	0	0	2
Finance & Administration	7	0	1	8
Tourism	2	0	1	3
Works	16	1	1	18
Water Supply	5	0	1	6
Electricity Supply	8	0	0	8
Library	0	0	1	1
Pool	1	4	0	5
Childcare	3	3	3	9
Childcare Links	1	5	0	6
Youth Officer	1	4	0	5
<b>Total</b>	<b>46</b>	<b>17</b>	<b>8</b>	<b>71</b>

## **Remuneration of senior executives**

As at 30 June 2014, the Senior Executive Leadership Team consisted of the Chief Executive Officer, Finance and Administration Manager, Works Manager, Water Supply Manager and Distribution Supervisor. Total remuneration packages in the range of \$192,599 - \$92,452 inclusive of 9.5% Superannuation contributions, private use of a motor vehicle and housing rental subsidy was applicable to the senior management team. Other benefits made available included the option to salary sacrifice superannuation contributions from the total remuneration packages.

## **Fair treatment and equal opportunity**

The District Council of Coober Pedy is committed to a work environment that is fair and equal, and free from bullying and harassment.

The goals of Council's Equal opportunity Program are to:

- Ensure that all staff or potential employees receive fair and equitable treatment.
- Engage or promote staff on a proper assessment of merit without discriminatory bias based on sex, sexuality, marital status, pregnancy, race, physical impairment, intellectual impairment or age.
- Involve and consult with staff on work practices and workplace change.
- Employ staff with skills best suited to the provision of Local Government services to the community.
- Give all staff equal access to training.
- Involve and consult with staff on work practices and workplace change.

## **Organisational development**

The District Council of Coober Pedy is committed to developing a high performing and values-based culture which includes the investment of employee training. Productivity can be increased by:

- Increasing the skills of employees
- Creating a safer workplace
- Quickly and efficiently preparing employees to use technology and deal with workplace changes.
- Increasing employee moral.

During 2013-2014 the following expenditure was incurred in staff training:

Administration	\$ 4,451
Electricity	\$32,167
Works	\$31,427
Water	\$ 7,254
Tourism	\$ 2,452
Swimming Pool	\$ 5,968
Child care Links	\$ 1,159
Child Care	\$ 6,725
Youth Officer	\$ 4,671
Total	\$96,274

## **Health and Safety**

During 2013-2014 Council staff progressed a number of programs and initiatives associated with implementation of the Health and Safety Management System (HSMS) known as “One System”.

Council has a WHS Committee which meets on a 3 monthly basis. The committee confers on many subjects including accident & incident reports, hazard inspections, training, policies & procedures, one system and risk management.

Training has been held in the following areas:

- Senior first aid
- WHS Committee
- Dogger & Riggers
- High Voltage Switching
- Weighbridge operators course
- Confined spaces and BA
- Working at Heights

During 2013-2014 Council participated in the LGA Workers Compensation Scheme “Essential Safety Platform” program which is designed to allow Council to focus on developing the underpinning knowledge and system required to successfully implement the “One System” documents and processes locally.

# Community land and Council facilities

Community Land Management Plans have been completed during 2004 in accordance with the requirements under the Local Government Act 1999 and Council continues to update those plans.

Council has some 22 Community Land Management Plans which can be viewed at the Council office located in Hutchison Street Coober Pedy.

No additional Community Land Management Plans were created during 2013-2014.

Council owns 85 buildings to the insurance value of \$34,872,000.

Council has in place a licence arrangements with the Coober Pedy Football club Inc for the use of the Oz Minerals Oval and change room facility and the Coober Pedy Regional Sports and Recreation Association Inc.

Council allocated funds through the annual budget process for the purpose of providing planned and unplanned maintenance for its buildings and oval.

# Council registers, codes, policies, and administrative documents

The following documents are required to be kept under the Local Government Act or Local Government (Elections) Act

## List of registers required to be kept

- Register of Allowances and Benefits
- Register of By-laws and Certified Copies
- Register of Community Land
- Register of Delegations
- Register of Interests (Council Members)
- Register of Interests (Staff)
- Register of Public Roads
- Register of Remuneration, Salaries & Benefits
- Register of Fees and Charges
- Register of Community Management Plans

## List of Codes required to be kept

- Code of Conduct (Council Member)
- Code of Conduct (Staff)
- Code of Practice – Access to Council Meeting & Documents
- Code of Practice for Council & Committee Meeting Procedures

## **Documents available for inspection**

The documents identified in the following schedules are available for public inspection at the Council Office in Hutchison Street. Members of the public may purchase copies of those documents by payment of the fees set out in the Fees and Charges Register.

Many of the documents are also available for viewing on Council's website [www.cooberpedy.sa.gov.au](http://www.cooberpedy.sa.gov.au)

## **District Council of Coober Pedy Policies & Codes of Practice**

- Caretaker
- Control of Election Signs
- Council Induction
- Council Member Access to Information
- Council Member Conduct Complaint Handling
- Council Members Training & Development
- Customer Complaints
- Disposal of land & Assets
- Elected Members Allowances & Support
- Employee Code of Conduct
- Employee Code of Conduct – dealing with complaints
- Flag Flying
- Fraud & Corruption Prevention
- Grievance & Disciplinary
- Hardship Policy for Residential Water Customers

- Internal Review of Councils Decisions
- Making of Orders
- Private Works
- Procurement
- Prudential Management
- Public Consultation
- Risk Management Policy & Framework
- Risk Management Plan
- Social Media
- Statutory Code of Practice – Meetings
- Street Naming
- Supplementary Election Policy
- Wastewater Treatment & Disposal
- Water leakage allowance
- Whistleblowers Protection policy
- Workplace Relations

**Other public documents available Inc:**

- Annual Business Plans
- Annual Reports
- Assessment Book & Property Records
- Building Application Register
- Council Meeting Agenda

- Council Minutes
- Council Budget
- Development Plan
- Long Term Financial Plan
- Long Term Asset Management Plan
- Planning Application Register
- Procedure for Internal Review of Council Decisions
- Strategic Plan 2013/14-2017/18

In some instances privacy requirements may prevent the release of some information.

# Freedom of information applications

The following table is a summary of the FOI requests received and addressed by Council.

## Access

	Number
Applications processed	1
Applications determined	1
Full release	1
Partial release	0
Refused access	0
Application for internal review	0
Application for external review	0

# Competitive tendering arrangements

In accordance with the National Competition Policy (Clause 7 Statement) requirements, Council reports as follows:

Whilst Council was engaged in numerous activities for the provision of goods and services to the public for the 2013-2014 financial year, it is concluded at this time that none of these were considered 'significant'.

That, in relation to the implemented complaints procedure in regard to National Competition Policy, Council did not receive any complaints, nor does it have any complaints pending.

## **Procurement Policy**

Council has a Procurement Policy which has been developed for the purchase of goods and services, contracting out of services and for competitive tendering arrangements.

No contracts have been competitively tendered in accordance with Council's purchasing policy during 2013-2014.

All tenders are evaluated in a fair, equitable and clear manner using a criteria system to determine the quality of the tender and the capability of meeting specification and performance requirements.

# Confidentiality provisions

Council and Council committees may have discussions in camera that exclude the public. The provisions of the Local Government Act 1999, section 90(3) (a) to (n) sets out the circumstances when this may occur and the following is a summary of the number of occasions that the provisions listed in Section 90 (excluding the public during debate) or section 91 (documents to be kept confidential for a period of time) were used during the 2013-2014 financial year.

Council/Committee	Subject matter inc Section 90 (3) ref	No of occasions moved into camera section 90	No of occasions with retention on reports minutes Section 91 (7)
Council	Renewable Hybrid Project – Arena Funding	1	1 Not to be released for 18 months or such lesser period determined by the CEO
Totals		1	1

Note:- of the 1 Section 91(7) the Renewable Hybrid Project – Arena Funding is to remain in confidence for 18 months (from May 2014) or such lesser period as may be determined by the CEO.

## Explanation of 90(3) sub-section (a) to (n) references

*(a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);*

*(b) information the disclosure of which—*

*(i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*

*(ii) would, on balance, be contrary to the public interest;*

*(c) information the disclosure of which would reveal a trade secret;*

*(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—*

*(i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*

*(ii) would, on balance, be contrary to the public interest;*

- (e) matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person;*
- (f) information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial;*
- (g) matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty;*
- (h) legal advice;*
- (i) information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council;*
- (j) information the disclosure of which—*
  - (i) would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and*
  - (ii) would, on balance, be contrary to the public interest;*
- (k) tenders for the supply of goods, the provision of services or the carrying out of works;*
- (m) information relating to a proposed amendment to a Development Plan under the Development Act 1993 before a Development Plan Amendment proposal relating to the amendment is released for public consultation under that Act;*
- (n) information relevant to the review of a determination of a council under the Freedom of Information Act 1991.*

## **Report on internal reviews of Council decisions – S270**

Council has an Internal Review of Council Decisions Policy pursuant to Section 270 of the Local Government Act 1999. It is a requirement for information relating to requests for reviews under this policy to be reported in Council's Annual Report each year.

Council received no applications during the 2013-2014 financial year that requested a review.

# **Financial Summary**

## Financial Sustainability Ratios

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Operating Surplus Ratio		29%	(31%)

This ratio expresses the operating surplus as a percentage of general and other rates

Net Financial Liabilities	25%	15%	11%
---------------------------	-----	-----	-----

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

Asset Sustainability Ratio	86%	180%	40%
----------------------------	-----	------	-----

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

## Uniform Presentation of Finances

	\$'000	\$'000	\$'000
	<b>2014</b>	<b>2013</b>	<b>2012</b>
Income	14,913	16,148	14,410
Expenses	15,988	15,667	14,917
<b>Operating Surplus/(Deficit)</b>	<b>(1,075)</b>	<b>481</b>	<b>(507)</b>
Capital Exp on Renewal or Replace	1,228	2,390	529
Less Depreciation	1,392	1,328	1,329
Less Sale of Assets	24	0	0
<b>Net Outlay on Existing Assets</b>	<b>188</b>	<b>1,062</b>	<b>(800)</b>
Capital Exp on New or Upgraded	161	0	1,293
Less Amount received for New or Upgraded	44	50	0
<b>Net Outlay on New or Upgraded Assets</b>	<b>117</b>	<b>50</b>	<b>1,293</b>
<b>Net Lending for Financial Year</b>	<b>(1,004)</b>	<b>(531)</b>	<b>(1,000)</b>

## Review conducted on Councils assets

Council did not review its assets in the 2013/14 financial year.

## Auditor remuneration amount for 2013/14 Financial Year

- \$10,000

**District Council of Coober Pedy**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2014**

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District Council of Coober Pedy

Annual Financial Statements  
for the Year Ended 30 June 2014

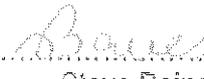
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2014 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



.....  
Phil Cameron  
CHIEF EXECUTIVE OFFICER



.....  
Steve Baines  
MAYOR/COUNCILLOR

Date:

14/11/2014

## District Council of Coober Pedy

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
<b>INCOME</b>			
Rates	2	1,778	1,667
Statutory charges	2	18	26
User charges	2	7,380	7,130
Grants, subsidies and contributions	2	5,260	7,058
Investment income	2	21	4
Reimbursements	2	123	99
Other income	2	333	163
<b>Total Income</b>		<u>14,913</u>	<u>16,148</u>
<b>EXPENSES</b>			
Employee costs	3	4,795	4,114
Materials, contracts & other expenses	3	9,589	9,980
Depreciation, amortisation & impairment	3	1,392	1,328
Finance costs	3	212	245
<b>Total Expenses</b>		<u>15,988</u>	<u>15,667</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(1,075)</b>	481
Asset disposal & fair value adjustments	4	5	-
Amounts received specifically for new or upgraded assets	2	44	50
<b>NET SURPLUS / (DEFICIT)</b>		<u>(1,026)</u>	<u>531</u>
transferred to Equity Statement			531
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(1,026)</u>	<u>531</u>

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

## District Council of Coober Pedy

### STATEMENT OF FINANCIAL POSITION as at 30 June 2014

ASSETS	Notes	2014 \$'000	2013 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	5	1,265	1,721
Trade & other receivables	5	2,047	1,837
Inventories	5	1,385	1,075
		4,697	4,634
<b>Total Current Assets</b>		4,697	4,634
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	7	28,947	28,969
<b>Total Non-current Assets</b>		28,947	28,969
<b>Total Assets</b>		33,644	33,603
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	1,995	1,495
Borrowings	8	3,908	3,497
Provisions	8	442	153
		6,345	5,145
<b>Total Current Liabilities</b>		6,345	5,145
<b>Non-current Liabilities</b>			
Borrowings	8	543	735
Provisions	8	178	120
<b>Total Non-current Liabilities</b>		721	855
<b>Total Liabilities</b>		7,066	6,000
<b>NET ASSETS</b>		26,578	27,603
<b>EQUITY</b>			
Accumulated Surplus		13,594	14,620
Asset Revaluation Reserves	9	12,959	12,959
Other Reserves	9	25	25
<b>TOTAL EQUITY</b>		26,578	27,604

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

## District Council of Coober Pedy

### STATEMENT OF CASH FLOWS for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Rates - general & other		1,747	1,663
Fees & other charges		19	28
User charges		7,583	7,929
Investment receipts		22	3
Grants utilised for operating purposes		5,035	7,088
Reimbursements		123	109
Other revenues		940	664
<u>Payments</u>			
Employee costs		(4,680)	(4,109)
Materials, contracts & other expenses		(9,993)	(13,398)
Finance payments		(209)	3
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>587</b>	<b>(19)</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		44	-
Sale of replaced assets		24	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(1,228)	(2,391)
Expenditure on new/upgraded assets		(161)	-
Loans made to community groups		(13)	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,334)</b>	<b>(2,391)</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from borrowings		-	3,165
Proceeds from aged care facility deposits		72	-
<u>Payments</u>			
Repayments of borrowings		219	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>291</b>	<b>3,165</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(456)</b>	<b>755</b>
 Cash & cash equivalents at beginning of period	 11	 <b>1,721</b>	 966
Cash & cash equivalents at end of period	11	<b>1,265</b>	1,721

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

## District Council of Coober Pedy

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
<b>2014</b>					
Balance at end of previous reporting period		14,620	12,959	25	27,604
<b>Net Surplus / (Deficit) for Year</b>		<u>(1,026)</u>	-	-	<u>(1,026)</u>
<b>Balance at end of period</b>		<u>13,594</u>	<u>12,959</u>	<u>25</u>	<u>26,578</u>
<b>2013</b>					
Balance at end of previous reporting period		14,101	12,962	25	27,088
Adjustment to give effect to changed accounting policies		(12)	(3)	-	(15)
Restated opening balance		<u>14,089</u>	<u>12,959</u>	<u>25</u>	<u>27,073</u>
<b>Net Surplus / (Deficit) for Year</b>		<u>531</u>			<u>531</u>
<b>Balance at end of period</b>		<u>14,620</u>	<u>12,959</u>	<u>25</u>	<u>27,604</u>

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

# District Council of Coober Pedy

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

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### **1 Basis of Preparation**

##### **1.1 Compliance with Australian Accounting Standards**

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

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

##### **1.2 Historical Cost Convention**

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

##### **1.3 Critical Accounting Estimates**

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

##### **1.4 Rounding**

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

#### **2 The Local Government Reporting Entity**

District Council of Coober Pedy is incorporated under the SA Local Government Act 1999 and has its principal place of business at lot 773 Hutchison Street, Coober Pedy. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

#### **3 Income recognition**

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

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

## District Council of Coober Pedy

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

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

##### 4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

##### 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 Initial Recognition

All assets are initially recognised at cost.

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.

## District Council of Coober Pedy

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

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

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

#### 6.2 Materiality

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

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

#### 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. 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.

#### 6.4 Depreciation of Non-Current Assets

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

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

Plant, Furniture & Equipment	
Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	50 to 100 years
Culverts	50 to 75 years

## District Council of Coober Pedy

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

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

Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years

#### 6.5 Depreciation of Non-Current Assets con't

Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years
Other Assets	
Library Books	10 to 15 years
Artworks	indefinite

#### 6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

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

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

#### 6.7 Borrowing Costs

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

### 7 Payables

#### 7.1 Goods & Services

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

#### 7.2 Payments Received in Advance & Deposits

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

### 8 Borrowings

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

## District Council of Coober Pedy

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

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

##### 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 using a shorthand method which produces a result not materially different from the liability measured using the present value of expected future cash outflows methods.

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

###### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 15.

##### 10 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".

##### 11 GST Implications

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

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

## District Council of Coober Pedy

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

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

##### 12 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been used in preparing these reports.

- AASB 9 *Financial Instruments*
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*

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

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

## District Council of Coober Pedy

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

#### Note 2 - INCOME

	Notes	2014 \$'000	2013 \$'000
<b>RATES REVENUES</b>			
<u>General Rates</u>		1,268	1,198
Less: Mandatory rebates		(7)	(23)
Less: Discretionary rebates, remissions & write offs		(10)	(12)
		1,251	1,163
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		15	15
Water supply		302	288
Community wastewater management systems		174	171
		491	473
<u>Other Charges</u>			
Penalties for late payment		16	17
Legal & other costs recovered		20	13
		36	30
		1,778	1,667
<b>STATUTORY CHARGES</b>			
Development Act fees		10	19
Animal registration fees & fines		8	7
		18	26
<b>USER CHARGES</b>			
Cemetery/crematoria fees		6	7
Electricity Sales		5,000	4,655
Water Sales		1,466	1,584
Works		387	348
Childcare fees		129	132
Commercial Bin Pickups		98	71
Swimming Pool Fees		24	24
Landing fees		217	182
Sundry		53	128
		7,380	7,130
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		21	4
		21	4

## District Council of Coober Pedy

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

#### NOTE 2 - INCOME (continued)

	Notes	2014 \$'000	2013 \$'000
<b>REIMBURSEMENTS</b>			
Workers Comp rebate		123	99
		123	99
<b>OTHER INCOME</b>			
Sundry		333	163
		333	163
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		44	50
Clean Energy Future grants etc.		3,809	5,393
Other grants, subsidies and contributions		1,451	1,665
		5,304	7,108
<i>The functions to which these grants relate are shown in Note 2.</i>			
<b>Sources of grants</b>			
Commonwealth government		384	899
State government		4,920	6,209
		5,304	7,108

	Notes	2014 \$'000	2013 \$'000
<b>Conditions over grants &amp; contributions</b>			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		-	538
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>			
<i>Roads Infrastructure</i>		-	(538)
<i>Subtotal</i>		-	(538)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Roads Infrastructure</i>		538	-
<i>Subtotal</i>		538	-
<i>Unexpended at the close of this reporting period</i>		538	-
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		538	(538)

## District Council of Coober Pedy

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

#### Note 3 - EXPENSES

	Notes	2014 \$'000	2013 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		4,030	3,436
Employee leave expense		378	325
Superannuation - defined contribution plan contributions	18	310	265
Superannuation - defined benefit plan contributions	18	59	56
Workers' Compensation Insurance		18	32
<b>Total Operating Employee Costs</b>		<b>4,795</b>	<b>4,114</b>
<b>Total Number of Employees</b>		<b>62</b>	<b>62</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		10	5
Elected members' expenses		48	40
<b>Subtotal - Prescribed Expenses</b>		<b>58</b>	<b>45</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		126	94
IT Expenses		177	370
PPA Operating Expenses		5,462	6,990
Materials		550	409
Legal Expenses		114	100
Distribution Expenses		400	413
Production Planned Maintenance		733	234
Raw water Expenses		138	186
Road Maintenance		485	134
Other		939	698
Levies paid to government - NRM levy		15	18
Sundry		392	289
<b>Subtotal - Other Materials, Contracts &amp; Expenses</b>		<b>9,531</b>	<b>9,935</b>
		<b>9,589</b>	<b>9,980</b>
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Infrastructure		143	125
Water		353	310
Electricity		195	195
Stormwater Drain		5	5
Buildings		194	194
Furniture		40	40
Plant & Equipment		206	206
Waste Water		31	30
Roads		225	223
		<b>1,392</b>	<b>1,328</b>
<b>FINANCE COSTS</b>			
Interest on Loans		212	245
		<b>212</b>	<b>245</b>

## District Council of Coober Pedy

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

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

	2014 \$'000	2013 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	24	-
Less: Carrying amount of assets sold	19	-
<b>Gain (Loss) on disposal</b>	5	-
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	5	-

#### Note 5 - CURRENT ASSETS

	2014 \$'000	2013 \$'000
<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash on Hand and at Bank	481	972
Deposits at Call	52	55
Additional Debtors	732	694
	1,265	1,721
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	189	158
Accrued Interest	-	1
Debtors - general	35	26
Debtors - Electricity	1,046	821
Debtors - Water	255	222
Debtors- Sundry	487	515
GST Recoupment	17	4
Prepayments	48	120
<b>Total</b>	2,077	1,867
Less: Allowance for Doubtful Debts	30	30
	2,047	1,837
<b>INVENTORIES</b>		
Stock - Works	254	108
Stock - Water	179	179
Stock- Electricity	952	788
	1,385	1,075

# District Council of Coober Pedy

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

### Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2013 \$'000					2014 \$'000				
	Fair Value Level	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	
Infrastructure	3	1,143	2,685	(1,058)	2,770	1,143	2,891	(1,201)	2,833	
Water	3	7,521	8,652	(7,164)	9,009	7,522	8,782	(7,518)	8,786	
Electricity	3	3,560	5,110	(4,869)	3,801	3,560	5,325	(5,064)	3,821	
Stormwater Drain	3	165	70	(85)	150	165	70	(90)	145	
Buildings	2	3,640	5,322	(3,445)	5,517	3,640	5,328	(3,639)	5,329	
Furniture	na	307	152	(345)	114	-	459	(385)	74	
Plant & Equipment	2	1,850	1,224	(1,315)	1,759	1,831	1,870	(1,521)	2,180	
Land	2	663	486	-	1,149	663	486	-	1,149	
Waste Water	3	517	959	(577)	899	517	1,035	(608)	944	
Roads	3	2,359	4,010	(2,568)	3,801	2,359	4,120	(2,793)	3,686	
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>21,725</b>	<b>28,670</b>	<b>(21,426)</b>	<b>28,989</b>	<b>21,400</b>	<b>30,366</b>	<b>(22,819)</b>	<b>28,947</b>	
<i>Comparatives</i>		<b>19,329</b>	<b>28,670</b>	<b>(20,093)</b>	<b>27,906</b>	<b>21,725</b>	<b>28,670</b>	<b>(21,426)</b>	<b>28,969</b>	

	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000									
	2013 \$'000 CARRYING AMOUNT	Additions			Disposals	Depreciation	Impairment	Transfers	Net Revaluation	2014 \$'000 CARRYING AMOUNT
		New/Upgrade	Renewals	Renewals						
Infrastructure	2,770	-	206	-	(143)	-	-	-	-	2,833
Water	9,009	130	-	-	(353)	-	-	-	-	8,786
Electricity	3,801	-	215	-	(195)	-	-	-	-	3,821
Stormwater Drain	150	-	-	-	(5)	-	-	-	-	145
Buildings	5,517	-	6	-	(194)	-	-	-	-	5,329
Furniture	114	-	-	(19)	(40)	-	-	-	-	74
Plant & Equipment	1,759	-	646	-	(206)	-	-	-	-	2,180
Land	1,149	-	-	-	-	-	-	-	-	1,149
Waste Water	899	-	76	-	(31)	-	-	-	-	944
Roads	3,801	31	79	-	(225)	-	-	-	-	3,686
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>28,969</b>	<b>161</b>	<b>1,228</b>	<b>(19)</b>	<b>(1,392)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,947</b>
<i>Comparatives</i>	<b>27,904</b>	<b>-</b>	<b>2,393</b>	<b>-</b>	<b>(1,328)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,969</b>

## District Council of Coober Pedy

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

#### Note 6 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

##### General Valuation Principles

###### *Accounting procedure:*

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

###### *Highest and best use:*

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

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

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

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

###### *Transition to AASB 13:*

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

###### *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 6 (cont) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

### **General Valuation Principles**

*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.

### **Land & Land Improvements**

Pursuant to Council's elections, freehold land and land over which council has control, but does not have title is recognised on the basis. No capitalisation threshold is applied to the acquisitions of land or interests in land.

Land improvements, includes bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 2010 at current replacement cost. Additions are recognised at cost.

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

### **Buildings & Other Structures**

Buildings and other structures assets were valued by Gayler Professional Engineering (GPE) at Straight line method during the reporting period ended 30 June 2010 and pursuant to Council's elections are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

### **Infrastructure**

Transportation assets were valued by GPE at straight line method during the reporting period ended 30 June 2010 and Pursuant to Council's elections are disclosed at deemed cost. All acquisitions made after the respective dates of valuations are recorded at cost.

Stormwater drainage infrastructure assets were valued by GPE at straight line method during the reporting period ended 30 June 2010 and pursuant of Council's elections are disclosed at deemed cost. All acquisition made after the respective date of valuation are recorded at cost.

Electricity Distribution assets were valued by GPE at straight line method cost during the reporting period ended 30 June 2010 and pursuant of Council's elections are disclosed at deemed cost. All acquisition made after the respective date of valuation are recorded at cost.

Water Assets were valued by GPE at straight line method during the reporting period ended 30 June 2010 and pursuant of Council's elections are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

### **All other assets**

Pursuant to Council's elections, these assets are recognised on the cost basis.

## District Council of Coober Pedy

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

#### Note 7 - LIABILITIES

	Notes	2014		2013	
		Current	Non-current	Current	Non-current
		2014		2013	
		(\$'000)		(\$'000)	
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		1,500	-	744	-
Payments received in advance		-	-	334	-
Accrued expenses - employee entitlements		26	-	258	-
Accrued expenses - other		56	-	53	-
Additional Creditors		9	-	58	-
Other		404	-	48	-
		<u>1,995</u>	<u>-</u>	<u>1,495</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		3,822	543	3,411	735
Other		86	-	86	-
		<u>3,908</u>	<u>543</u>	<u>3,497</u>	<u>735</u>
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		442	178	153	120
		<u>442</u>	<u>178</u>	<u>153</u>	<u>120</u>

#### Note 8 - RESERVES

ASSET REVALUATION RESERVE	Notes	1/7/2013	Net	Transfers,	30/6/2014
		\$'000	Increments (Decrements)	Impairments	\$'000
Buildings		12,959	-	-	12,959
<b>TOTAL</b>		<u>12,959</u>	<u>-</u>	<u>-</u>	<u>12,959</u>
<i>Comparatives</i>		<u>12,962</u>	<u>(3)</u>	<u>-</u>	<u>12,959</u>
<b>OTHER RESERVES</b>		41,456	Transfers to Reserve	Transfers from Reserve	41,820
Breakaway Reserve		25	-	-	25
<b>TOTAL OTHER RESERVES</b>		<u>25</u>	<u>-</u>	<u>-</u>	<u>25</u>
<i>Comparatives</i>		<u>25</u>	<u>-</u>	<u>-</u>	<u>25</u>

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes

##### Breakaways Reserve

This reserve will be used to fund projects in relation to the Breakaways

## District Council of Coober Pedy

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

#### Note 9 - 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.

	Notes	2014 \$'000	2013 \$'000
<b>CASH &amp; FINANCIAL ASSETS</b>			
Alcohol Management Grant		-	334
		<u>-</u>	<u>334</u>
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<u>-</u>	<u>334</u>

*The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance.*

Payables	8	-	334
		<u>-</u>	<u>334</u>

#### Note 10 - 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	2014 \$'000	2013 \$'000
Total cash & equivalent assets	5	1,265	1,721
Balances per Cash Flow Statement		<u>1,265</u>	<u>1,721</u>

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

Net Surplus (Deficit)	(1,026)	531
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,392	1,328
Net increase (decrease) in unpaid employee benefits	115	5
Change in allowances for under-recovery	-	(31)
Grants for capital acquisitions treated as Investing Activity	(44)	-
Net (Gain) Loss on Disposals	(5)	-
	<u>432</u>	<u>1,833</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(269)	(383)
Net (increase) decrease in inventories	(310)	(266)
Net increase (decrease) in trade & other payables	734	(1,203)
Net Cash provided by / for used in operations	<u>587</u>	<u>7</u>

## District Council of Coober Pedy

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

#### Note 11 - 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	2014	2013	2014	2013
	2014	2013	2014	2013	2014	2013	\$'000	\$'000	\$'000	\$'000
Administration	2,080	2,252	2,373	2,326	(294)	(74)	1,183	1,586	11,540	11,490
Community	489	530	1,328	1,301	(838)	(771)	288	386		
Water	3,332	3,608	1,398	1,370	1,934	2,238	939	1,258	9,232	9,236
Waste	364	394	226	221	138	173				
Works	440	476	2,867	2,810	(2,428)	(2,334)	34	46	8,505	8,508
Electricity	8,208	8,888	7,796	7,638	411	1,250	2,860	3,833	4,367	4,369
<b>TOTALS</b>	<b>14,913</b>	<b>16,147</b>	<b>15,988</b>	<b>15,667</b>	<b>(1,075)</b>	<b>481</b>	<b>5,304</b>	<b>7,108</b>	<b>33,644</b>	<b>33,603</b>

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets, and physical resources received free of charge.

## **District Council of Coober Pedy**

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

#### **Note 11 (cont) - COMPONENTS OF FUNCTIONS**

The activities relating to Council functions are as follows:

##### **Electricity Supply**

Provide retail billing, distribution and generation of Electricity to the township of Coober Pedy.

##### **Water Supply**

Provides the water supply to the township of Coober Pedy through a Reverse Osmosis reticulation system

##### **Waste Water**

Processing sewerage through the current sewerage scheme and providing processes water to the town and school ovals.

##### **Works**

Provides services such as road and infrastructure maintenance, dog control, aerodrome maintenance, parks & gardens maintenance and town drainage.

##### **Administration**

Governance, administration, Elected members, organisational support services, Accounting/Finance, Payroll, Housing for Council Employees, Human Resources, Information technology, Communication, Rates Administration, Records, Occupancy, Contracts Management, Customers services, other support services, Revenue, LGGC-General Purpose and Separate and Special rates.

##### **Community**

Provides services to community such as swimming pool, library, economic developments, tourism services, childcare services and youth services.

## District Council of Coober Pedy

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

#### Note 12 - FINANCIAL INSTRUMENTS

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

##### Accounting Policies - Recognised Financial Instruments

<p><b>Bank, Deposits at Call, Short Term Deposits</b></p>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 4.2% and 5.3% (2013: 5.5% and 7.3%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<p><b>Receivables - Rates &amp; Associated Charges (including doubtful debts, late payment)</b></p> <p>Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.</p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 11.28% (2013: 11.28%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<p><b>Receivables - Fees &amp; other charges</b></p>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<p><b>Liabilities - Creditors and Accruals</b></p>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<p><b>Liabilities - Interest Bearing Borrowings</b></p>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between l% and m% (2013: n% and p%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>

## District Council of Coober Pedy

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

#### Note 12 (cont) - FINANCIAL INSTRUMENTS

##### Liquidity Analysis

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	1,264			1,264	1,265
Receivables	1,845			1,845	1,888
Other Financial Assets				-	-
<b>Total</b>	<b>3,109</b>	<b>-</b>	<b>-</b>	<b>3,109</b>	<b>3,153</b>
<b>Financial Liabilities</b>					
Payables	1,904			1,904	1,913
Current Borrowings	3,950			3,950	3,908
Non-Current Borrowings		621		621	543
<b>Total</b>	<b>5,854</b>	<b>621</b>	<b>-</b>	<b>6,475</b>	<b>6,364</b>

2013	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
Cash & Equivalents	1,779			1,779	1,721
Receivables	1,759			1,887	1,837
Other Financial Assets				-	-
<b>Total</b>	<b>3,538</b>	<b>-</b>	<b>-</b>	<b>3,666</b>	<b>3,558</b>
<b>Financial Liabilities</b>					
Payables	1,130			1,441	1,495
Current Borrowings	3,497			3,497	3,497
Non-Current Borrowings		735		735	735
<b>Total</b>	<b>4,627</b>	<b>735</b>	<b>-</b>	<b>5,673</b>	<b>5,727</b>

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

	30 June 2014		30 June 2013	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Overdraft				
Other Variable Rates	5.79	1,041	5.50	3,497
Fixed Interest Rates	4.90	3,410	7.30	735
		<u>4,451</u>		<u>4,232</u>

## District Council of Coober Pedy

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

#### **Net Fair Value**

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

#### **Risk Exposures**

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

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

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

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

## District Council of Coober Pedy

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

#### Note 13 - COMMITMENTS FOR EXPENDITURE

	2014	2013
<u>Notes</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Fixed Price	4,055	4,797
Operating Price	3,364	3,980
Fuel Price	29,359	34,729
	<u>36,778</u>	<u>43,506</u>
These expenditures are payable:		
Not later than one year	6,927	6,726
Later than one year and not later than 5 years	22,054	28,983
Later than 5 years	7,797	7,797
	<u>36,778</u>	<u>43,506</u>
<b>Other Expenditure Commitments</b>		
Audit Services	15	10
Employee Remuneration Contracts	801	896
	<u>816</u>	<u>906</u>
These expenditures are payable:		
Not later than one year	470	460
Later than one year and not later than 5 years	346	437
	<u>816</u>	<u>897</u>

## District Council of Coober Pedy

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

#### Note 14 - FINANCIAL INDICATORS

	2014	2013	2012
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These Financial Indicators have been calculated in accordance with *Information Paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia. Detailed methods of calculation are set out in the SA Model Statements.

**Operating Surplus Ratio**

Operating Surplus	(61%)	29%	31%
Rates - general & other less NRM levy			

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

**Adjusted Operating Surplus Ratio**

	(37%)	29%	31%
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*In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.*

**Net Financial Liabilities Ratio**

Net Financial Liabilities	25%	15%	11%
Total Operating Revenue less NRM levy			

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

**Asset Sustainability Ratio**

Net Asset Renewals	86%	180%	40%
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.*

*Amounts shown above an asterisk (\*) indicate that depreciation expense has been used as a proxy, pending finalisation of the Infrastructure & Asset Management Plan.*

## District Council of Coober Pedy

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

#### Note 15 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2014 \$'000	2013 \$'000
Income	14,913	16,148
less Expenses	15,988	15,667
<b>Operating Surplus / (Deficit)</b>	<b>(1,075)</b>	<b>481</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	1,228	2,391
Depreciation, Amortisation and Impairment	(1,392)	(1,328)
Proceeds from Sale of Replaced Assets	(24)	-
	(188)	1,062
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	161	-
Amounts received specifically for New and Upgraded Assets	(44)	50
	117	(50)
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(1,004)</b>	<b>(531)</b>

## District Council of Coober Pedy

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

#### Note 16 – 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 Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

##### **Marketlink (Accumulation Fund) Members**

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.25% in 2013/14; 9% in 2012/13). 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 Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2012/13) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, 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 Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

## District Council of Coober Pedy

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

#### Note 17 - 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 421 km of road reserves of average width 7.2 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.

**4. LEGAL EXPENSES**

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of ZERO appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

**5. DUMP SITE REMEDIATION COSTS**

No provision has been made in relation to an expected future outlay to be required from the Council to remediate its existing waste management facility which is expected to be closed at some stage over the next few years.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE DISTRICT COUNCIL OF COOBER PEDY**

I have audited the accompanying financial report of the District Council of Coober Pedy which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity, statement of cash flows, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2014.

**Chief Executive Officer's Responsibility for the Financial Report**

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

**Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting my audit I followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

**Auditor's Opinion**

In my opinion, the financial report presents fairly, in all material respects, the financial position of the District Council of Coober Pedy as of 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 1999.

A handwritten signature in blue ink, appearing to read 'Ian G McDonald'.

**IAN G MC DONALD FCA  
CHARTERED ACCOUNTANT  
REGISTERED COMPANY AUDITOR**

Liability limited by a scheme approved under Professional Standards Legislation

Signed 30 day of January 2015, at Adelaide, South Australia

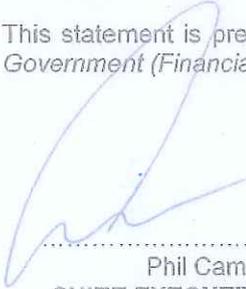
## District Council of Coober Pedy

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

#### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of District Council of Coober Pedy for the year ended 30 June 2014, the Council's Auditor, Ian McDonald has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



.....  
Phil Cameron  
CHIEF EXECUTIVE OFFICER

  
.....  
Steve Baines  
PRESIDING MEMBER  
AUDIT COMMITTEE

Date:

14/11/2014

**District Council of Coober Pedy**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Coalface SA Council for the year ended 30 June 2014, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



Ian McDonald

**Ian G McDonald FCA**

Dated this 27 day of October 2014