



WAKEFIELD
REGIONAL COUNCIL



Wakefield Regional Council
ANNUAL REPORT

2016-2017

Introduction

In 2017, as we celebrated 20 years as Wakefield Regional Council, we adopted a new strategic plan to guide us into the future.

Annual reporting gives us the opportunity to reflect on the past, our achievements, highlights and overall performance. This report, however, also demonstrates we are setting our sights on the future in an effort to ensure we can deliver the services our ratepayers expect, while providing a sustainable community for all of those who live, work and play in our fabulous region.

We started drafting our 2017-22 Strategic Management Plan in late 2016, with a series of workshops with Elected Members and employees to determine how we wanted to position the region for the future. In endorsing the plan, we also launched a new vision: Vibrant – Enthusiastic – Creative. These optimistic words reflect how we feel about Wakefield’s future and we believe we have the right plans in place to drive the success of Council and the community we serve for the years ahead.

Our focus in the recent past has been on maintaining and upgrading infrastructure, which is a critical building block for our community’s prosperity. Moving forward, our new strategic plan outlines the necessary additional building blocks which will see our community grow and flourish.

In the 2016-17 year there were, again, highs and lows. The significant storms that impacted much of South Australia left widespread damage across our region, with our road and stormwater infrastructure severely damaged. As with the devastating fires of 2015, Council staff worked with the community and every effort was made to repair the damage as quickly as possible.

Rodney Reid, Mayor

Jason Kuchel, Chief Executive



Mayor Rodney Reid and CEO Jason Kuchel

Despite the storm setbacks, we took significant steps to wrap up or progress many initiatives. Through grants and other means we supported a range of projects such as the Brinkworth Community Gym, ‘Kick in for Pinery’ tanks, the Hamley Bridge Riverside Project and the Green Army, as well as a number of recycled water programs.

Work also started developing a 10-year Transport Plan for the region, signage was installed at a number of key sites and the urban organics bin service has proven to be a success. More information about our achievements can be found in this report.

We have a remarkable and resilient community in Wakefield and we would like to acknowledge the efforts of everyone who contributed to Council’s progress: the Elected Members, employees, volunteers, residents and business partners.

We have an exciting year ahead, with a new vision to keep us focused on being a ‘can do Council’ which delivers smart projects and services to help make our community flourish.

‘Despite the storm setbacks, we took significant steps to wrap up or progress many initiatives.’

Cover photo: Charlise from Balaklava enjoying one of our local parks

Our Community

Regional Snapshot

Wakefield is a region characterised by a diverse environment, economy and community, boasting some of the most productive farming land in the state.

Grain and hay production, commercial fishing and intensive animal husbandry (poultry and pig farming) are all features, along with one of the state's largest wind farms at Snowtown and the largest Australian inland road/rail intermodal facility at Bowmans.

The Wakefield Regional Council came into effect on 1 July 1997, as a result of the amalgamation of the former District Council of Blyth-Snowtown and the former District Council of Wakefield Plains.

Community Services

Like all Councils, we have a number of key responsibilities under the Local Government Act 1999 and other relevant legislation. These include:

- Setting rates, preparing annual budgets and setting longer-term plans for the area;
- Managing basic infrastructure including roads, footpaths, parks, public open space, street lighting and stormwater drainage;
- Collecting waste and street cleaning;
- Supporting the elected Council;
- Development planning and control, including safety assessment;
- Regulatory services, such as dog management and environmental health.

In response to community needs, we provide additional services and programs, including:

Abandoned Vehicles
Animal Management
Asset Management
Building Applications
Caravan Parks
Cemeteries

Community Development
Community Grants
Community Transport
Community Wastewater

Management Schemes
Community Halls
Council Newsletter
Public Building Maintenance
Customer Service

Dog Management
Economic Development
Environmental Health
Fire Prevention

Food Act Administration
Library Services

Natural Resource Management
Park Gardens and Open Spaces

Parking
Planning Applications
Playgrounds
Property Searches
Public Conveniences
Recreation and Sporting Facilities
Road Construction
Road Maintenance
Street Cleaning
Street Lighting
Street Signs
Street Trees
Stormwater Drainage
Swimming Pools (Public)
Tourism Promotion
Traffic Control
Waste Management
Youth Services



Population
6801



Ave. people
per house
2.4



Women
49.1%



Men
50.9%



Council area
3469km2



People who
volunteer
1867



Ave. weekly
household
income
\$1045



Median age
44

**Information from the 2016 census*

Our Vision & Mission

For the 2016-17 year, our vision was:

Sustainable, strong and vibrant communities supported by an engaged Council, recognised for its proactive leadership.

While Council continues to seek to build a strong region through strategic and sustainable service delivery, we want a vision that focuses more on our strengths as a community.

We have chosen three key words as our vision to drive us into the future - Vibrant, Enthusiastic, Creative. These are described below.

Our mission summarises how we will work with the community and respond to its expectations.

We are:

- Positive: we care and will seek to find ways to embrace new opportunities.
- Proactive: we will benchmark ourselves and strive to be efficient and productive.
- Progressive: we will be visionary and continuously seek the best future possible for our communities through imaginative, resourceful and constructive pathways.

Vibrant

A growing population, outstanding economic development, job creation and agricultural advancements are just the beginning.

Enthusiastic

Our community groups, individuals and many volunteers demonstrate their enthusiasm and commitment to our community.

Creative

Our community is known for its creativity in music and culture, but also for its creativity in solving issues.



Our Council

Our Committees

Council consists of the Mayor and nine Councillors. It meets monthly to consider key decisions for the community.

Along with the Council, we have a number of committees established under Section 41 of the Local Government Act 1999. Section 41 committees as at 30 June 2017 were:

Audit Committee

The Audit Committee consists of four Councillors, Mayor (ex-officio) and one independent member. It meets approximately six times a year to monitor policy requirements, risk management, internal controls, financial position and Council's strategic and statutory responsibilities.

CEO Performance Review Committee

The CEO Performance Review Committee consists of the Mayor, Deputy Mayor and one Councillor. It meets as required to review the overall performance of the CEO.

Strategic Planning & Development Policy Committee

The Strategic Planning & Development Policy Committee consists of three Councillors and the Mayor. Its purpose is to provide advice to Council in relation to Council's strategic planning and development policies, and it meets at least once per year.

Council Development Assessment Panel (DAP)

Council's DAP consists of the one Councillor and three independent members. The Panel acts as the relevant Authority under the Development Act to approve or refuse certain types of development applications within the Council area. All other development applications not considered by the Panel, are considered by authorised officers of Council under delegated powers. The DAP meets as required.

Infrastructure Committee

The Infrastructure Committee consists of the Mayor and seven Councillors. It meets as required to facilitate the provision of the road network and all other infrastructure under Council's control.

Code of Practice Committee

The Code of Practice Committee consists of the Mayor and all members of Council. The Code of Practice Committee was established to draft a code of practice and meets as required.

Community Grants Assessment Committee

The Committee consists of the Mayor, three Councillors and the Community Services & Development Manager and meets as required to consider applications for community grants.

Other Committees

Townsvale Estate 'Working Party': established to assist in identifying solutions for road ownership issues within Townsvale Estate, the working party consists of two staff members (as nominated by the CEO), two residents, the Mayor and all Central Ward Councillors. The working party is not a section 41 committee, and therefore holds informal gatherings which are open to all Elected Members and members of the public.

Wakefield Regional Building Fire Safety Committee:

The Membership is the Building Fire Safety Committee is one independent, one CFS representative and two staff members. The committee discusses and considers a range of topics as outlined under section 71 of the Development Act of 1993.



Our Council



Mayor Rodney Reid

Representing Wakefield Regional Council since 2006. Prior to being Elected as Mayor in 2014, Rodney was a Councillor for eight years. Lives within the Owen Community.



North Ward
Darryl Ottens -
Deputy Mayor;
Councillor since
1995 and resident of
Blyth community



Central Ward
David Lamond -
Councillor since
1992 and resident
of the Balaklava
community.



North Ward
John Wood -
Councillor since
2006 and resident
of the Blyth
community.



North Ward
Greg Stevens -
Councillor since
2008 and resident
of the Snowtown
community.



South Ward
Barry Smith -
Councillor since
2010 and property
owner in Hamley
Bridge.



Central Ward
Richard Pain
- Councillor
since 2012 and
resident of the
Port Wakefield
community. *



Central Ward
Malcolm May -
Councillor since
2014 and resident
of the Balaklava
community.



Central Ward
Terry Williams -
Councillor since
2014 and resident
of the Balaklava
community.



South Ward
Peter Bowyer -
Councillor since
2015 and resident
of the Owen
community.



*Councillor Pain resigned from Council in October 2017

North Ward



Central Ward



South Ward



Our Council

Elected Member Allowances

Elected Member allowances are set by the Independent Remuneration Tribunal of South Australia in line with Section 76 of the *Local Government Act 1999*. In November 2016 there were minor increases to allowances in place and, at the end of the financial year, the following allowances applied:

Mayor	\$37,262 pa
Deputy Mayor	\$11,644 pa
Councillors	\$9,315 pa
Presiding Member	\$465 pa

Elected Member Training

The *Local Government Act 1999* requires Council to prepare and adopt a Training and Development Policy for its Council Members, to assist them in the performance and discharge of their functions and duties. The policy is available on our website. In 2016-17, Mayor Reid attended training in relation to Conflict of Interest and Informal Gatherings, along with the Local Government Association AGM and Conference.

Delegations and sub-delegations

The Chief Executive Officer and other officers have the delegated authority from Council (in accordance with the *Local Government Act 1999*) to make decisions on a number of specified administrative and operational matters.

The Delegations Register can be found on our website and shows the delegated authority from the Council to the Chief Executive Officer and any sub-delegations. Delegations are reviewed annually.

Representation Quota

A major review and restructure of Council wards was undertaken after the November 2014 election and this saw the creation of three wards, with a Mayor and nine Councillors representing the community. Our next representation review is scheduled for 2021 and extensive public consultation will be conducted as part of the review.

The average quota for Wakefield Regional Council is 477 electors per each of the 10 Elected Members. The table below shows the average elector ratio per representative for other councils with similar populations and/or surrounding councils, demonstrating Wakefield as mid-

Council	Electors	Elected Members	Quota (Elected Members:Electors)*
Northern Areas	3445	9	1:382
Coorong	3804	9	1:422
Tatiara	4532	10	1:453
Yankalilla	4160	9	1:462
Wakefield Regional	4775	10	1:477
Naracoorte Lucindale	5782	11	1:525
Grant	5441	10	1:544
Adelaide Plains	5819	10	1:581
Mid Murray	6377	10	1:637
Clare & Gilbert Valleys	6676	10	1:667
Renmark Paringa	6376	9	1:708

* Information sourced from the Electoral Commission of South Australia

Our Team

Compared to many Councils, we have a small team of 55 full-time equivalent employees, with the majority based in the field, and a mix of skills, experience and knowledge to deliver a range of services to our community.

The Management Executive Team includes the Chief Executive and three departmental managers, each responsible for different functions summarised in the diagram below:



Our Team

Management Changes

In the first half of 2016-17 financial year, a recruitment process was undertaken for a new Chief Executive Officer – a role filled by Jason Kuchel in December 2016.

While that process was under way, Infrastructure Services Manager David Hassett and Community & Development Services Manager Christopher Parish took on the extra responsibilities associated with the Chief Executive Officer position and, with the support of staff across the Council, ensured services continued to be delivered and the operations of the Council remained on track.

The Corporate Services Manager role was held by Tim Piper in the first month of the 2016-17 financial year and Clive Hempel from September 2016 to August 2017.

Senior Staff Remuneration

Remuneration packages for senior managers are as follows:

Number of employees	Salary range*
1	\$210,000
3	\$142,500 - \$142,600

*These figures include salary, superannuation and provision of a motor vehicle (\$10-12,000), which is provided for operational and private use. Further details can be found in our Register of Salaries, available on request.

Employee Programs

The Chief Executive Officer vacancy allowed a number of employees to undertake development opportunities and learn new skills. Throughout the year many acting arrangements turned into ongoing roles for employees.

All new recruits received appropriate induction and a comprehensive suite of employee policies and procedures are in place to guide the workforce.

Given the small size of the workforce, much of the training offered relates to activities critical for the fulfilment of roles, in particular WHS-related and professional skills training.

We seek to offer as much flexibility as possible in our recruitment processes and employment policies to ensure we attract people from all walks of life to our Council.

While performance and job description reviews are held annually, managers and employees are encouraged to discuss any job requirements or issues throughout the year. In 2016-17, a number of employees did not receive a formal performance review due to resourcing pressures.

More work is being undertaken in 2017-18 to review the programs and policies in place at every step of the employee life cycle to ensure these are up to date and appropriate.



One of Council's work crews including Hayden Elsworthy and Gordon Nelson busy at Rocks Reserve.



Four Catchments

Throughout the year we continued working with Natural Resources Yorke and Mid North and other stakeholders as part of the Four Catchments Project 2012-17.

Across the four catchments, including the Wakefield River catchment, 460ha of revegetation, 54km of fencing and 4000ha of weed control were achieved with considerable environmental benefits. Our work to improve the Rocks Reserve (pictured), which is on the Wakefield River to the east of Balaklava, also provided significant benefits.

Strategic Management Plan

Changing our strategic direction

In 2016, work started on developing a new strategic direction for Wakefield Regional Council, to take us into the 2020s.

A series of workshops with Elected Members and staff culminated in our 2017-2022 Strategic Management Plan – adopted by Council in July 2017 and further detailed on the next page.

For the 2016-2017 financial year, we continued to be guided by our 2012-2016 Strategic Management Plan and highlights of our performance against these key result areas can be found in this report.



Wakefield Regional Council's Sonya Jones and Nathan Pedler

2012-16 Strategic Plan



Key Result Area: Community Sustainability

Vibrant communities provided with a range of sustainable services & facilities based on proactive partnering approaches that build community spirit.



Key Result Area: Infrastructure & Economic Development

The provision of sustainable assets that support the needs of our communities and identification, fostering and support for existing and new activities that facilitate the growth of our economy.



Key Result Area: Environmental Management

Management of the region's diverse natural resources based on sustainable and ecological principles.



Key Result Area: Good Governance

Good governance based on responsible and effective practices and leadership.

Our New Direction

Our new Strategic Management Plan 2017-2022 will guide us through five years of anticipated growth and investment in the region, with Council determined to make the most of opportunities facing the community.

Private capital expenditure is expected to double or even triple over the next five years, compared to \$100 million or more invested in the past five years.

Elected Members began laying the foundations of the plan in late 2016 and early 2017 as they developed

the four key pillars shown below and a new vision – Vibrant, Enthusiastic, Creative – to reflect the Wakefield community and where Council wants it to be in the future.

Through the plan, Council aims to become the 'go to Council' for new businesses starting up in the region and is already working on initiatives to expand child care services to lure young families.



Economic Development

Economic development has long been seen as an important driver for community sustainability. We will look to assist businesses to grow, recognising their success will bring benefits for the whole Wakefield community.



Population Growth

Private investment and resulting jobs has not always translated into local population growth. We have identified a number of critical factors ranging from access to child care, to providing more recreational spaces, as key to luring people to our region.



Quality Infrastructure

Quality infrastructure is one of the key services we provide. Roads, in particular, are the main source of community requests to Council, particularly because we maintain a vast road network which includes sealed and unsealed roads.



Community Expectations

We provide a full range of services - from supporting local committees and clubs, to managing waste. Meeting community expectations goes further than providing services - we need to provide them in a positive, proactive way.

Our Performance

How we performed in 2016-17

In the final year of our 2012-16 Strategic Management Plan, we aimed to wrap up or progress a number of objectives under the four pillars:

- Community Sustainability
- Infrastructure & Economic Development
- Environmental Management
- Good Governance

One of our key aims was to ensure our pathway to financial sustainability was sound. We have a large asset base – including an extensive road network and numerous buildings and structures – and a relatively small population and rate revenue base. Our financial modelling showed we could not afford to maintain and/or replace the assets we own and continue to maintain service levels without increases in rate revenue.

Knowing our ratepayers were faced with a 6.8% average rate increase in 2016-17, we worked hard throughout the year to deliver the services required as efficiently as possible.

The following pages summarise our achievements against the four pillars.

Nature's fury hits region again

The devastating impacts of the 2015 Pinery fire continued to be felt into the 2016-17 year, with Council undertaking ongoing work with affected communities and showing support during a number of memorial events.

Approximately 30% of the annual rate income for the year was consumed by disaster recovery costs

The fire had burnt out of control in catastrophic weather conditions across 85,000 hectares, leading to two deaths, the loss of more than 90 homes and damage to hundreds of farm structures, fences and machinery.

While work to repair damaged Council infrastructure continued throughout 2016, nature had more in store for the Wakefield region. In September 2016, a major storm cut a swathe through the region, with the town of Blyth bearing the brunt of a tornado, Port Wakefield extensively flooded and homes and businesses heavily affected by a Statewide blackout.

We were left with the task of reconstructing roads, clearing debris and fallen trees, replacing pipes, rebuilding drainage systems, repairing fences and reinstating levy banks. Further storms in December 2016 delayed some of the recovery effort and further impacted our assets.

Approximately 30% of the annual rate income for the year was consumed by disaster recovery costs which amounted to about \$2 million. These unexpected costs were not factored into the budget or long term financial plan.

Once again, while the storm delivered major challenges, it also highlighted the resilience of the community and the tremendous efforts of Council staff to work with the community to respond and rebuild.



Storm event of September 2016: Moody Estate, Balaklava.



Community Sustainability

Beautiful Hamley Bridge at the Southern end of the Wakefield region.

Our objectives and highlights

1.1 Develop and implement a range of communication strategies to strengthen relationships between Council and community groups

New-look Wakefield Wrap newsletter distributed quarterly with rates notices; \$400 donation towards community newsletters; development of new-look website to be launched in late 2017; ongoing roles (Elected Members and employees) on key community groups and committees

1.2 Identify and pursue appropriate State and Federal Government funding initiatives that support the provision of community services that meet the needs of our community

State Emergency Relief Funding assistance; Kick in for Pinery Tank project support; \$2500 donation toward community committees

1.3 Work collaboratively with Town Management Committees to facilitate attractive towns with a range of services and facilities to meet community need

Assisted in facilitation of community projects such as Brinkworth Community Gym, works at Brinkworth Oval, Hamley Bridge Riverside Project and Green Army Team. Shamus Liptrot Cycling Trail (SLCT) completion – Council project managed and worked with the SLCT Committee and, through State Government and Council funding, the trail was extended to Halbury

1.4 Continue to support financially sustainable community infrastructure including halls and recreation facilities through Council's community grants provided to groups for:

- Community benefit - \$15,390
- Infrastructure - \$71,945
- Water use - \$17,000

Other assistance provided to organisations applying for external funding; continued support of swimming pools through funding of chemicals

1.5 Provide and support sport, recreation and other entertainment activities for our youth

Continued STARCLUB Field Officer support; Youth Advisory Committee and Youth Week Activities; Regional Youth Bus

1.6 Promote, encourage and support volunteering in our community

Annual volunteer thank you event held; bus driver dinner thank you

Almost **\$105,000**
in grants to local
groups



Infrastructure & Economic Development



Our road network remains a key focus area.

Our objectives and highlights

2.1 Continually update the rolling three year Works Construction Plan

Plan updated and endorsed, with further review and refinement following updated road condition ratings; Transport Plan in development will lead to 10-year high-level program, with an 'active' program to be updated for Council's three-year rolling plan

2.2 Carry out the annual road works construction and maintenance programs

Resealed 22km of the sealed road network at a cost of \$1.98 million, in line with our accelerated reseal program. Resheeting of 44km of unsealed roads was also undertaken at a cost of \$1.85 million. Maintenance also continued in townships and on rural roads at a cost of \$3.2 million

2.3 Develop a program for township signage including landscaping and other visual enhancements

Town entrance signage planning continuing following Port Wakefield and Balaklava installations. We held a Council-wide design competition for entrance signs for Blyth, Brinkworth, Hamley Bridge, Lochiel, Owen and Snowtown

66km of road resealed or resheeted

2.4 Partner and build positive relationships with Regional Development Australia, government agencies and other key stakeholders

Ongoing working relationship with other Councils, State Government and range of organisations regarding the Pinery Fire Recovery. Attended Community Action Group meetings, Pinery Fire Local Recovery Committee and Pinery Fire Vegetation Recovery Committee working on Pinery Fire Strategic Recovery Plan. Working relationship continues with range of stakeholders; roles on YP Alliance, Legatus Group of councils; developing Regional Public Health Plan

2.5 Advocate and work proactively towards the provision of power, water and other essential infrastructure that supports communities, business and industry in the Council area

Work progressed on preparing for the Mail Road upgrade which will, over the coming year, will see a \$1.6 million investment to reduce the long term degradation of the network which serves the poultry farms within the area; Council grants offered for water usage, recycled water program

2.6 Partner with the State Government and Councils within the region to identify opportunities to support growth

A submission for upgrade to the road network has been granted for the intensive farming north of Port Wakefield



Environmental Management



Our plans support activities that grow the local economy.

Our objectives and highlights

3.1 Implement plans to improve the use of treated water in maintaining parks and other Council facilities; 3.2 Maintain recycled effluent water reuse at Balaklava, Blyth, Hamley Bridge, Port Wakefield and Snowtown

All recycled water is being used by community groups and other stakeholders for fit-for-purpose watering

3.3 Encourage and support local investment in development that is focussed on sustainable energy

Support for wind and solar farm; Building Code Australia – energy efficiency ratings for new structures

3.4 Strengthen the partnership with the Natural Resources Management (NRM) Board and facilitate further programs to implement the objectives of the Natural Resources Management Act

Ongoing support for Four Catchments project; successfully applied for funding for a Green Army Program titled 'Rejuvenating the Wakefield Region through Identification, Action and Revegetation.' This led to employment of 10 local people for a six month period working across a number of project sites including the Pinery fire zone and flood zones at Hamley Bridge and Port Wakefield. The project identified threatened species and communities, treated exotic species and improved habitats through rehabilitation

3.5 Position waste issues and work collaboratively in the provision of waste education and services to our community

Organics urban kerbside bin service in place for 12 months and running smoothly, with about 50% uptake on average and about 280 tonnes of organic waste recycled; Owen transfer station major upgrade; new unloading ramp at Port Wakefield

Almost **280 tonnes** of organic waste recycled



Good Governance



Fields on the outskirts of Snowtown.

Our objectives and highlights

4.1 Promote positive staff feedback and culture within the organisation

Robust process introduced for staff consultation and feedback on updates to WHS policies, procedures and related documents; staff debriefs after every Council meeting

4.2 Regularly review work practices and procedures and address risks to support and improve the operations of the Council

Initial work to scope a 'Lean' approach to operations to find efficiencies; ongoing updates of financial internal controls

4.3 Progress an audit system to ensure we continue to meet our legislative responsibilities

4.4 Maintain financial viability and risk management of the council through appropriate budget setting, resource allocation and project and service delivery

Quarterly reviews and monthly updates of team budgets undertaken, with resources allocated in line with budgets

4.5 Implement Risk Management Plan and proactively review regularly

Risk Management framework – including new policy – endorsed in March 2017

Signage in the spotlight



In late 2016, we launched a Council-wide competition for the design of permanent entrance signs for the towns of Blyth, Brinkworth, Hamley Bridge, Lochiel, Owen and Snowtown.

This competition provided residents with an opportunity to design entrance statement signage that best represented the essence of the particular community while also providing an identity to each town, historic definition and enhanced visual amenity.

The concept will be used for the final design and complement entrance signage already installed in Port Wakefield and Balaklava, creating individual yet uniform signage across the region. Winners were due to be announced in late 2017.

Our Performance 2016/17

Community Land Management Plans

The *Local Government Act (1999)* requires Council to develop management plans for all Community Land either owned or under its care and control. These plans outline the way in which the land is to be used taking into account a diverse range of recreation, conservation and other issues.

All of our plans have been finalised and are in place:

- Management Plan 1 Cemeteries
- Management Plan 2 Halls Museums & Galleries
- Management Plan 3 Car Parks & Boat Ramp
- Management Plan 4 Parks Gardens & Playgrounds
- Management Plan 5 Recreation Facilities
- Management Plan 6 Community Land Leased For Farming Purposes
- Management Plan 7 Balaklava Parklands
- Management Plan 8 Owen Wetlands
- Management Plan 9 Halbury Parklands
- Management Plan 10 Pinery Soldiers Memorial

- Management Plan 11 Nantawarra Oval
- Management Plan 12 Port Wakefield Caravan Park & RSL Clubrooms
- Management Plan 13 Snowtown Shooting & Rifle Club
- Management Plan 14 Old Hamley Bridge Fire Station & Hall Car Park
- Management Plan 15 Brinkworth Historical Reserve

Local Nuisance & Litter Control Act

The Local Nuisance and Litter Control Act 2016 will come into effect for the 2017-18 financial year, and we will report on relevant parts of the Act in our next Annual Report.

The objects of the Act are to protect individuals and communities from local nuisance, to prevent littering and to improve the amenity value of local areas while promoting the creation and maintenance of a clean and healthy environment.

Pinery Tanks

In November 2015, the Pinery fire burnt through almost 85,000 hectares, destroying buildings and resulting in the loss of two lives. Five people suffered critical injuries.

Despite the terrible losses, the extraordinary recovery effort by many groups and individuals earned widespread praise. Local Council relationships were strengthened through information sharing, collaborative recovery efforts and through Local Recovery Committee and Community Action Group meetings.

The Kick in for Pinery fundraiser – driven by the Adelaide Plains Football League, the SA Community Football League and associated clubs – saw thousands of dollars go towards water infrastructure to support the region in the event of future fires.

Council worked closely with the communities to see this project come to fruition and have committed to the ongoing water, maintenance, insurance and service fee costs for tanks at the townships of Pinery, Owen and Lochiel. Funding for installation of the tanks was supported by the generous donations from the SA community and government.



Local CFS members, Mayor Reid, Wakefield Regional Council's Holly Cowan, SA Community Footy League, Adelaide Plains Footy League, Pinery Fire Recovery Team and Pioneer Water Tanks staff and at the opening of new water tanks in Pinery .



(From left) Jim Silkstone from Owen Matters, SA Community Football League Chairman David Shipway, Mayor Reid and President of Adelaide Plains Football Club Brad Busch

Listening to You

We are continuously seeking to find improved, appropriate and cost effective ways to inform and involve the local community, stakeholders and interested parties in our activities and decision making.

There are a number of ways people can raise issues with us, or voice their opinions, including:

- Deputations – with permission from the Mayor, a member of the public can address a Council meeting;
- Petitions – written petitions can be addressed to Council;
- Written requests – a member of the public can write to the Council in relation to any Council policy, activity or service;
- Elected Members – members of the public can contact their local ward Councillor and/or the Mayor to discuss relevant Council issues;
- Public Consultation – Council will seek feedback from the community on particular topics.

Our Public Consultation Policy outlines steps Council will follow to encourage community involvement in the decision making process:



For a number of Council activities that directly affect residents – including roadworks, project works and planning reviews – we have minimum consultation standards in place. We are also looking at other ways to engage the community, including through polling to harness community views.

Freedom of Information Requests

As much as possible, we make information readily available to the community. However, if a member of the public requests other information, we will consider this request in line with the requirements of the Freedom of Information Act 1991.

Costs may apply for accessing any documents inspected pursuant to a Freedom of Information (FOI) request. FOI forms are available at the Council office and applications will receive a response within 30 days of Council receiving the completed FOI request form, together with the application and search fees.

These can be addressed to:
Clare Elsworthy
Freedom of Information Officer
Wakefield Regional Council
PO Box 167
BALAKLAVA SA 5461

In 2016-17, we received and responded to one application under the FOI Act. On 2 March 2017, an application was received for access to a list of legal expenses incurred by Council, including the dollar amounts, with a breakdown per year from 2014 to 2017.

It was determined the information requested was available to the public through budget revisions, which are presented in Council agendas and in Council's other financial statements that are public documents on our website and via other methods. Therefore, as the information was not required to be obtained under the FOI Act, it was provided immediately.

Confidentiality Provisions

All meetings of Council are held in public except in special circumstances. We only discuss matters in confidence for very good reasons, usually to protect a community or staff member's personal details, or to consider commercial or legal advice.

Council takes careful consideration when choosing to discuss an item in confidence, ensuring that the consequences of disclosing the information outweigh the public interest.

In 2016-17, five Section 90 (2) orders were made excluding the public from meetings:

- CEO Recruitment – special meeting of Council 6 July;
- Australia Day 2017 Citizen of the Year Local Annual Awards – Council meeting of 14 December;
- Industrial Relations Matter – three Council meetings 23 November, 14 December and 31 January.

Under section 92 of the Local Government Act 1999 councils must prepare and adopt a code of practice to govern public access to meetings, documents and minutes of council and committee meetings. In relation to the matters listed in Section 90(3) of the Act – i.e. when a Council may order the exclusion of the public – no Section 92 orders were made.

Two Section 91(7) orders to keep matters confidential were made and ceased to apply or were revoked during the financial year being: CEO Recruitment and Australia Day 2017 Citizen of the Year Local Annual Awards.

Three Section 91(7) orders remained in place at the end of the 2016-17 financial year, all being related to the 'Industrial Relations Matter'.

Section 270 Review

Section 270 of the Local Government Act of 1999 requires Council to develop and maintain policies, practices and procedures for dealing with:

- Any reasonable request for the provision of a service by the Council, or;
- For the improvement of a service provided by the Council, and;
- Complaints about the actions of the Council, its employees, or other persons acting on behalf of the Council.

A Section 270 review gives community members the opportunity to request a review of a decision made by Council or a Council employee. The review may be conducted internally or by an external party.

There were no requests for Section 270 reviews in 2016-17.

Access to Documents

The following documents pertaining to Wakefield Regional Council are available for public inspection at our offices.

Members of the public may obtain copies of these documents, in line with fees set by Council and in accordance with the Local Government Act 1999:

- Annual Budget & Business Plan
- Annual Report
- Officers Register of Salaries
- Officers Register of Interests
- Audited Financial Statements
- Council Agendas & Minutes
- Long Term Financial Plan
- Members Register of Allowances & Benefits
- Strategic Management Plan
- Members Register of Interests
- Code of Practice
- Members Code of Conduct
- Employees Code of Conduct
- By-Laws & Policies
- Community Land Management Plans
- Infrastructure & Asset Plans
- Register of Salaries
- Register of Public Roads
- Schedule of Fees & Charges
- Access to Councils Meeting & Documents

Most of these documents can also be found on Council's website.

Anyone seeking access to a document should first contact us to find out if it is publicly available. For those documents that are not classed as public, people can submit a Freedom of Information application form or request a Section 270 Review.

Amendment of Council Records

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request to us, then seeking a correction to any information about themselves that is incomplete, incorrect, misleading or out of date. To gain access to these Council records, a member of the public can request a copy or complete a Freedom of Information request form, outlining the records he/she wishes to inspect.

List of Registers and Codes

There are number of registers and codes of conduct/practice Council is required to maintain to ensure transparency and these are all public documents, available on Council's website and/or for inspection.

- **Community Land Register & Community Management Plans:** the Local Government Act (1999) requires Council to develop management plans for all Community Land either owned or under its care and control. These plans outline the way in which the land is to be used taking into account a diverse range of recreation, conservation and other issues.

- **Register of Interest - Council Members:** under Section 70(a1) of the Act, we must publish on our website the following details about a council member as recorded in the Register of Interests: the member's income sources or employer; the name of any political party, any body or association formed for political purposes or any trade or professional organisation of which the member is a member; any gifts received by the member that are required to be included in the information entered in the Register in relation to the member.

- **Delegations Register**

- **Sub-Delegations Register 2016**

- **Gifts and Benefits Register**

- **Council Member Gifts & Benefits Register:** the Code of Conduct requires that gifts and benefits received by Council Members be recorded on a register, which is publicly available.

- **Staff Gifts & Benefits Register:** the Code of Conduct requires that gifts and benefits received by Council staff be recorded on a register, which is publicly available.

- **Fees & Charges:** a list of fees for all chargeable services, requests, applications, approvals, licences, hire bookings and memberships. Fees and charges are determined each year and contribute towards helping us provide services and facilities.

- **Public Roads:** Council is required by the Act to keep a Register of Public Roads of its area. Wakefield Regional Council is responsible for maintaining the roads outlined in the Register of Public Roads document.

- **Released Confidential Items:** as per Section 90 of the Act, Council or its Committees may resolve to exclude the public from attending a meeting, due to specific circumstances.

- **Code of Conduct for Council Members**

- **Code of Conduct for Employees**

- **Access to Council and Committee Meetings and Documents Code**

- **Council Member Allowances and Benefits**

- **Officer Register of Interest**

- **By Laws**

- **Officer Register of Salaries**



Children at play in Brinkworth.

2016-17 Financial Snapshot

Our Long Term Financial Plan is reviewed annually and shows the financial and budgetary activities we plan to undertake over the medium to longer term to achieve our Strategic Management Plan objectives.

The plan is all about ensuring Council remains financially sustainable as we deliver the projects and services our community expects.

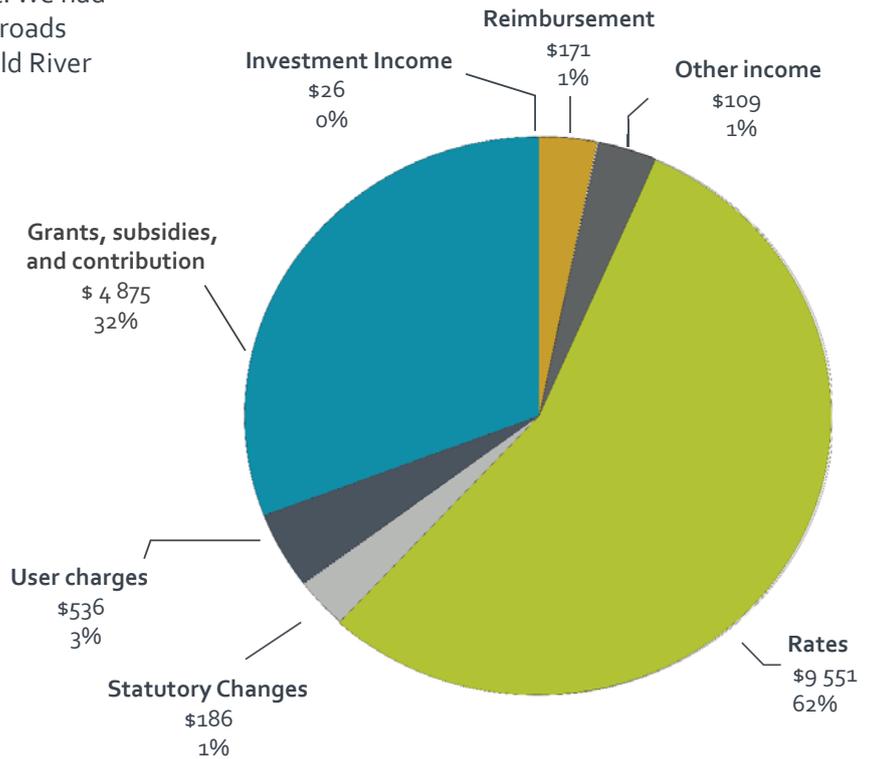
In the 2016-17 year, we experienced severe storm and flood damage across the region, which required disaster recovery and insurance support but also impacted our budget. We had to invest about \$1.8 million repairing the damage to roads and putting in place flood mitigation on the Wakefield River and Moody Estate levees.

As much as possible, the plan focuses on savings and keeping costs as low as possible. However, large rate increases are forecast in the earlier years so that, over time, Council will be in a strong financial position that allows us to invest in the community assets but remain financially resilient to deal with events such as storms.

Our detailed audited Financial Reports for 2016-17 are included on the following pages but here is a snapshot of how we performed.

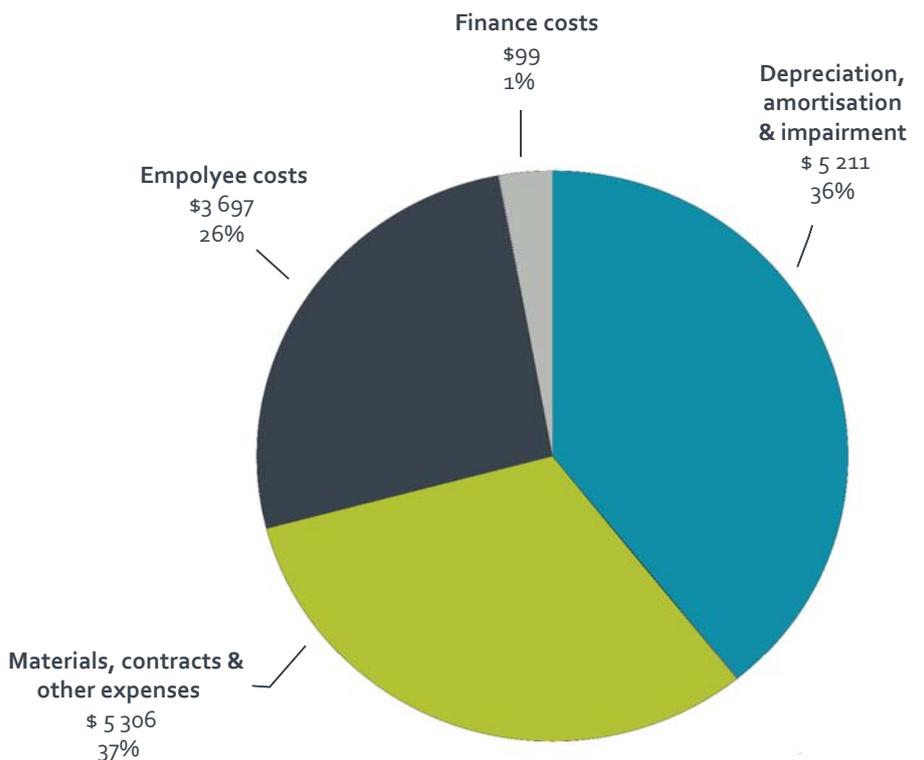
Income by category ('000s)

Our income of \$15.454 million in 2016-17 came largely from rates (\$9.551 million).



Expenditure by category ('000s)

During the year, we invested \$14.313 million to deliver services to our community.



Financial Summary

Delivering Value

Through our Procurement (Purchasing) Policy, we aim to achieve the best value outcomes for the community by:

- Enhancing value for money through fair, competitive, non-discriminatory procurement;
- Promoting the use of resources in an efficient, effective and ethical manner;
- Making decisions with probity, accountability and transparency;
- Advancing and/or working within Council's economic, social and environmental policies;
- Providing reasonable opportunity for competitive local businesses to supply to Council;
- Appropriately managing risk;
- Ensuring compliance with all relevant legislation; and
- Efficient and effective decision making within the organisation.

Our policy principles and approach ensure local businesses are actively encouraged, as much as possible, to supply local goods and services to Council.

Subsidiaries

Council has no single subsidiaries but is a member of the Legatus Group (previously Central Local Government Region of SA), a regional subsidiary of 15 councils constituted and pursuant to Section 43 of the Local Government Act 1999. A copy of the Legatus annual report is included in the financial statements.

Independent Auditor

In the second half of 2016, Council changed its External Auditors, contracting Dean Newbery & Partners to provide services for the annual audit of Council's financial statements and internal controls, at a cost of \$17,000 per annum.



Children enjoying Lake Bumbunga, near Lochiel.

Back cover photo: locals enjoying a walk in Blyth.

Wakefield Regional Council
General Purpose Financial Reports
for the year ended 30 June 2017

TABLE OF CONTENTS

	<u>Page</u>
Council Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N6
Note 3 - Expenses	N9
Note 4 - Asset Disposal & Fair Value Adjustments	N11
Note 5 - Current Assets	N12
Note 6 - Non-Current Assets	N13
Note 7 - Infrastructure, Property, Plant & Equipment	N14
Note 8 - Liabilities	N19
Note 9 - Reserves	N20
Note 10 - Assets Subject to Restrictions	N21
Note 11 - Reconciliation to Cash Flow Statement	N22
Note 12 - Functions	N23
Note 13 - Financial Instruments	N25
Note 14 - Expenditure Commitments	N27
Note 15 - Financial Indicators	N28
Note 16 - Uniform Presentation of Finances	N29
Note 17 - Operating Leases	N30
Note 18 - Superannuation	N31
Note 19 - Contingencies	N32
Note 20 - Related Party Transactions	N33
Audit Report - Financial Statements	
Audit Report - Internal Controls	
Council Certificate of Audit Independence	
Audit Certificate of Audit Independence	

Wakefield Regional Council

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.



Jason Kuchel
CHIEF EXECUTIVE OFFICER



Rodney Reid
MAYOR

Date: 22 November 2017

Wakefield Regional Council

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
INCOME			
Rates	2	9,551	8,848
Statutory charges	2	186	157
User charges	2	536	553
Grants, subsidies and contributions	2	4,875	3,531
Investment income	2	26	30
Reimbursements	2	171	99
Other income	2	109	46
Total Income		<u>15,454</u>	<u>13,264</u>
EXPENSES			
Employee costs	3	3,697	3,588
Materials, contracts & other expenses	3	5,306	4,432
Depreciation, amortisation & impairment	3	5,211	4,415
Finance costs	3	99	113
Total Expenses		<u>14,313</u>	<u>12,548</u>
OPERATING SURPLUS / (DEFICIT)		1,141	716
Asset disposal & fair value adjustments	4	(1,621)	96
Amounts received specifically for new or upgraded assets	2	160	132
Physical resources received free of charge	2	-	27
NET SURPLUS / (DEFICIT)		<u>(320)</u>	<u>971</u>
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	(32,454)	-
Impairment (expense) / recoupments offset to asset revaluation reserve	9	-	(429)
Total Other Comprehensive Income		<u>(32,454)</u>	<u>(429)</u>
TOTAL COMPREHENSIVE INCOME		<u>(32,774)</u>	<u>542</u>

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

Wakefield Regional Council

STATEMENT OF FINANCIAL POSITION as at 30 June 2017

ASSETS	Notes	2017 \$'000	2016 \$'000
Current Assets			
Cash and cash equivalents	5	1,884	113
Trade & other receivables	5	978	811
Inventories	5	195	155
Total Current Assets		<u>3,057</u>	<u>1,079</u>
Non-current Assets			
Financial assets	6	84	99
Infrastructure, property, plant & equipment	7	126,714	161,425
Other non-current assets	6	514	441
Total Non-current Assets		<u>127,312</u>	<u>161,965</u>
Total Assets		<u>130,369</u>	<u>163,044</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	1,204	824
Borrowings	8	227	313
Provisions	8	926	911
Total Current Liabilities		<u>2,357</u>	<u>2,048</u>
Non-current Liabilities			
Borrowings	8	1,099	1,327
Provisions	8	136	118
Total Non-current Liabilities		<u>1,235</u>	<u>1,445</u>
Total Liabilities		<u>3,592</u>	<u>3,493</u>
NET ASSETS		<u>126,777</u>	<u>159,551</u>
EQUITY			
Accumulated Surplus		20,702	20,946
Asset Revaluation Reserves	9	105,911	138,441
Other Reserves	9	164	164
TOTAL EQUITY		<u>126,777</u>	<u>159,551</u>

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

Wakefield Regional Council

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Available for sale Financial Assets \$'000	Other Reserves \$'000	TOTAL EQUITY \$'000
2017						
Balance at end of previous reporting period		20,946	138,441	-	164	159,551
Restated opening balance		20,946	138,441	-	164	159,551
Net Surplus / (Deficit) for Year		(320)				(320)
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment			(32,454)			(32,454)
Transfers between reserves		76	(76)		-	-
Balance at end of period		20,702	105,911	-	164	126,777
2016						
Balance at end of previous reporting period		19,975	138,870		164	159,009
Restated opening balance		19,975	138,870	-	164	159,009
Net Surplus / (Deficit) for Year		971				971
Other Comprehensive Income						
Impairment (expense) / recoupments offset to asset revaluation reserve			(429)			(429)
Balance at end of period		20,946	138,441	-	164	159,551

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

Wakefield Regional Council

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other		9,536	8,749
Fees & other charges		201	144
User charges		498	614
Investment receipts		20	27
Grants utilised for operating purposes		4,875	2,371
Reimbursements		188	118
Other revenues		866	494
<u>Payments</u>			
Employee costs		(3,663)	(3,649)
Materials, contracts & other expenses		(5,886)	(4,954)
Finance payments		(54)	(125)
Net Cash provided by (or used in) Operating Activities		6,581	3,789
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		160	10
Sale of replaced assets		256	205
Sale of surplus assets		-	410
Repayments of loans by community groups		14	24
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(4,309)	(4,481)
Expenditure on new/upgraded assets		(617)	(216)
Net Cash provided by (or used in) Investing Activities		(4,496)	(4,048)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Repayments of borrowings		(314)	(113)
Net Cash provided by (or used in) Financing Activities		(314)	(113)
Net Increase (Decrease) in cash held		1,771	(372)
Cash & cash equivalents at beginning of period	11	113	485
Cash & cash equivalents at end of period	11	1,884	113

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

WAKEFIELD REGIONAL COUNCIL

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

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

Wakefield Regional Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at Scotland Place, Balaklava. 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.

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.

Wakefield Regional Council

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

Note 1 - Significant Accounting Policies (cont)

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

	Cash Payment Received	Annual Allocation		Difference
2014/15	\$3,518,162	\$2,323,149	+	\$1,195,013
2015/16	\$1,137,936	\$2,332,949	-	\$1,195,013
2016/17	\$3,536,683	\$2,334,667	+	\$1,202,046

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated. The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

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

3.1 Construction Contracts

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Land under roads

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

6.2 Initial Recognition

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

Wakefield Regional Council

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

Note 1 - Significant Accounting Policies (cont.)

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

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

6.3 Materiality

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

6.4 Subsequent Recognition

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

6.5 Depreciation of Non-Current Assets

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

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

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

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not assessed for impairment.

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

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

Wakefield Regional Council

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

Note 1 - Significant Accounting Policies (cont.)

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".

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 on-costs) measured in accordance with AASB 119.

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

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 18.

10 Leases

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

The Council has had no financial or operating leases in the current and previous reporting periods.

Wakefield Regional Council

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

Note 1 - Significant Accounting Policies (cont.)

11 GST Implications

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

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

12 Pending Accounting Standards

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

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

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

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

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

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

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

Wakefield Regional Council

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

Note 2 - INCOME

	Notes	2017 \$'000	2016 \$'000
RATES REVENUES			
<u>General Rates</u>		7,537	7,030
Less: Mandatory rebates		(61)	(60)
Less: Discretionary rebates, remissions & write offs		(83)	(80)
		7,393	6,890
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		321	255
Waste collection		680	593
Community wastewater management systems		1,073	1,036
		2,074	1,884
<u>Other Charges</u>			
Penalties for late payment		62	53
Legal & other costs recovered		22	21
		84	74
		9,551	8,848
STATUTORY CHARGES			
Development Act fees		36	14
Town planning fees		59	47
Health & Septic Tank Inspection fees		11	19
Animal registration fees & fines		66	65
Other licences, fees, & fines		14	12
		186	157
USER CHARGES			
Cemetery fees		46	53
Waste Disposal		18	41
Caravan Park Fees		413	401
Property Rental		11	11
Hall and Equipment Hire		21	23
Sundry		27	24
		536	553
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		15	20
Banks & other		3	3
Loans to community groups		8	7
		26	30

Wakefield Regional Council

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

NOTE 2 - INCOME (continued)

	Notes	2017 \$'000	2016 \$'000
REIMBURSEMENTS			
- for private works		5	-
- Fuel Tax Credit for previous periods		69	
- other		97	99
		<u>171</u>	<u>99</u>
OTHER INCOME			
Insurance & other recoupments - infrastructure, property, plant & equipment		100	25
Rebates received		9	21
		<u>109</u>	<u>46</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		160	132
Other grants, subsidies and contributions			
Untied - Financial Assistance Grant		3,537	2,332
Roads to Recovery		1,253	1,084
Home and Community Care Grant			
Library & Communications		4	3
Sundry		81	112
		<u>4,875</u>	<u>3,531</u>
		<u>5,035</u>	<u>3,663</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
Commonwealth government		1,257	1,084
State government		3,679	2,551
Other		99	28
		<u>5,035</u>	<u>3,663</u>

Wakefield Regional Council

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

NOTE 2 - INCOME (continued)

	2017	2016
Notes	\$'000	\$'000
Conditions over grants & contributions		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	46	143
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>UDMP Port Wakefield and Balaklava</i>		(5)
<i>Coastal Wetland and Community</i>	(18)	(3)
<i>Liptrot Trail</i>	(7)	(99)
<i>Star Club</i>	(21)	(5)
<i>Subtotal</i>	(46)	(112)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Indigenous reconciliation</i>	5	
<i>Fire Prevention</i>	4	
<i>Star Club</i>		15
<i>Subtotal</i>	9	15
<i>Unexpended at the close of this reporting period</i>	9	46
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	 (37)	 (97)
 PHYSICAL RESOURCES RECEIVED FREE OF CHARGE		
<i>Roads, Bridges & Footpaths</i>	-	27
TOTAL PHYSICAL RESOURCES RECEIVED	-	27

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

Note 3 - EXPENSES

	Notes	2017 \$'000	2016 \$'000
EMPLOYEE COSTS			
Salaries and Wages		3,568	3,775
Employee leave expense		410	224
Superannuation - defined contribution plan contributions	18	306	298
Superannuation - defined benefit plan contributions	18	50	70
Workers' Compensation Insurance		114	120
Other		102	91
Less: Capitalised and distributed costs		(853)	(990)
Total Operating Employee Costs		3,697	3,588
Total Number of Employees		55	54
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		17	10
Elected members' expenses		144	145
Election expenses		2	2
Operating Lease Rentals - non-cancellable leases	17		
- minimum lease payments		11	13
Subtotal - Prescribed Expenses		<u>174</u>	<u>170</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		3,986	2,763
Energy		229	224
Maintenance		2,868	3,049
Legal Expenses		129	118
Levies paid to government - NRM levy		317	251
- Other Levies		31	31
Parts, accessories & consumables		374	279
Professional services		238	145
Fuels and Oils		236	278
Water		118	153
Contributions/Donations		332	353
Insurance		252	268
Motor Vehicle Registrations		82	89
Less Capitalised and Distributed Costs		(4,060)	(3,739)
Subtotal - Other Materials, Contracts & Expenses		<u>5,132</u>	<u>4,262</u>
		<u>5,306</u>	<u>4,432</u>

Wakefield Regional Council

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

Note 3 - EXPENSES (cont)

	Notes	2017 \$'000	2016 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		690	407
Infrastructure			
- Transport Assets		3,377	2,903
- Bridges		91	91
- Stormwater Drainage		248	237
- CWMS		384	391
Plant, Machinery & Equipment		588	587
Office Equipment, Furniture & Fittings		39	30
Impairment			
Roads		-	420
Stormwater		-	9
		<u>5,417</u>	<u>5,075</u>
Less: Capitalised and distributed costs		(206)	(231)
Less: Impairment expense offset to asset revaluation reserve	9	-	(429)
		<u>5,211</u>	<u>4,415</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		5	5
Interest on Loans		94	108
		<u>99</u>	<u>113</u>

Wakefield Regional Council

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2017 \$'000	2016 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		257	205
Less: Carrying amount of assets disposed		<u>1,878</u>	<u>119</u>
Gain (Loss) on disposal		<u>(1,621)</u>	<u>86</u>
 <i>Assets surplus to requirements</i>			
Proceeds from disposal		-	410
Less: Carrying amount of assets disposed		<u>-</u>	<u>400</u>
Gain (Loss) on disposal		<u>-</u>	<u>10</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS			
		<u>(1,621)</u>	<u>96</u>

Wakefield Regional Council

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

Note 5 - CURRENT ASSETS

	Notes	2017 \$'000	2016 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		103	100
Deposits at Call		1,781	13
		<u>1,884</u>	<u>113</u>
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		627	613
Rates postponed for State Seniors		3	2
Accrued Revenues		12	6
Debtors - general		87	41
GST Recoupment		133	75
Prepayments		113	72
Loans to community organisations		15	14
Total		<u>990</u>	<u>823</u>
 Less: Allowance for Doubtful Debts		<u>12</u>	<u>12</u>
		<u>978</u>	<u>811</u>
 INVENTORIES			
Stores & Materials		<u>195</u>	<u>155</u>

Wakefield Regional Council

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

Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2017 \$'000	2016 \$'000
Receivables			
Loans to community organisations		<u>84</u>	<u>99</u>
TOTAL FINANCIAL ASSETS		<u>84</u>	<u>99</u>
OTHER NON-CURRENT ASSETS			
Inventories			
Capital Works-in-Progress		<u>514</u>	<u>441</u>
		<u>514</u>	<u>441</u>

Wakefield Regional Council

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Fair Value Level	2016 \$'000				2017 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	11,717	-	-	11,717	12,052	-	-	12,052
Buildings & Other Structures	22,384	845	(15,922)	7,307	21,060	438	(16,351)	5,147
Buildings & Other Structures	-	-	-	-	22,001	-	(19,103)	2,898
Infrastructure	159,372	12,641	(63,732)	108,281	146,210	3,578	(76,882)	72,906
- Transport Infrastructure	7,339	-	(3,579)	3,760	7,331	5	(3,662)	3,674
- Bridges	17,126	375	(6,871)	10,630	18,184	248	(7,328)	11,104
- Stormwater Drainage	21,334	83	(6,575)	14,842	20,678	11	(6,570)	14,119
- CWMS	-	8,076	(3,324)	4,752	-	8,073	(3,382)	4,691
Plant, Machinery & Equipment	-	515	(379)	136	-	541	(418)	123
Office Equipment, Furniture & Fittings	239,272	22,535	(100,382)	161,425	247,516	12,894	(133,696)	126,714
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	243,368	18,089	(99,738)	161,719	239,272	22,535	(100,382)	161,425
Comparatives								

This Note continues on the following pages.

Wakefield Regional Council

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

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2016 \$'000 CARRYING AMOUNT	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000								2017 \$'000 CARRYING AMOUNT
			Additions		Disposals	Depreciation	Transfers	Impairment	Net Revaluation		
			New/Upgrade	Renewals							
Land	2	11,717	-	-	-	-	-	-	-	335	12,052
Buildings & Other Structures	2	7,307	25	413	(6)	(690)	(2,898)	-	-	996	5,147
Buildings & Other Structures	3	-	-	-	-	-	2,898	-	-	-	2,898
Infrastructure	3	108,281	374	3,203	(1,659)	(3,377)	-	-	-	(33,916)	72,906
- Transport Infrastructure	3	3,760	-	5	-	(91)	-	-	-	-	3,674
- Bridges	3	10,630	152	96	(7)	(248)	-	-	-	481	11,104
- Stormwater Drainage	3	14,842	11	-	-	(384)	-	-	-	(350)	14,119
- CWMS	3	4,752	-	732	(205)	(588)	-	-	-	-	4,691
Plant, Machinery & Equipment		136	-	26	-	(39)	-	-	-	-	123
Office Equipment, Furniture & Fittings											
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		161,425	562	4,475	(1,877)	(5,417)	-	-	-	(32,454)	126,714
Comparatives		161,719	279	5,022	(520)	(4,646)	(429)	-	-	-	161,425

This Note continues on the following pages.

Wakefield Regional Council

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

Note 7 – Property, Plant & Equipment (cont)

WAKEFIELD REGIONAL COUNCIL

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

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

Valuation of Assets

General Valuation Principles

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

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

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

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

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

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

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

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

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

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

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

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

Road construction, reconstruction & reseal

\$10,000

Wakefield Regional Council

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

Note 7 – Property, Plant & Equipment (cont)

Paving & footpaths, kerbing & gutters	\$5,000
Stormwater Drains & culverts	\$5,000
Reticulation extensions	\$5,000
Community Wastewater Maintenance Scheme-Pumps	\$3,000
Community Wastewater Maintenance Scheme components	\$5,000
Buildings – (air conditioning, hot water systems etc.)	\$10,000
Buildings – new construction/extensions	\$10,000
Parks & playground furniture & equipment	\$2,000
Office furniture & equipment	\$1,000
Plant & Equipment	\$1,000
Software (except where software is purchased and an annual maintenance agreement is entered into, in which case the original software cost and the annual maintenance fee will be treated as an operating expense.)	\$5,000

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

Furniture & Equipment	
Office Equipment	3 to 7 years
Office Furniture	5 to 7 years
Plant & Equipment	
Major Plant (Construction/Maintenance)	10 years
Other	3 to 25 years
Building & Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 60 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	7 to 25 years
Playground equipment	25 years
Infrastructure	
Sealed Roads – Surface	20 to 30 years
Sealed Roads – Pavement	40 to 80 years
Unsealed Roads	10 to 45 years
Bridge components	20 to 100 years
Footpaths	30 to 50 years
Kerbing	70 years
Culverts, Stormwater Drainage	50 to 100 years
Community Wastewater Management Schemes	
PVC piping	70 years
Pumps & Telemetry	15 to 50 years
Other	15 to 70 years

Land & Land Improvements

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

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

Land assets were revalued at the 1st July 2016 by Martin Burns of Liquid Pacific Holdings Pty Ltd. 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 generally are recognised at fair value, based on current market value. These assets were revalued as at 1 July 2016 by Martin Burns of Liquid Pacific Holdings Pty Ltd.

Wakefield Regional Council

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

Note 7 – Property, Plant & Equipment (cont)

During the financial year, a review of the assets classified and recorded as Buildings & Other Structures was completed and as a result, some assets have been reclassified into other asset classes within Note 7 as at 1st July 2016. A total value of \$2.898 million (Carrying Value) assets were reclassified from the Buildings & Other Structures (Fair Value Level 2) and were transferred into Buildings & Other Structures (Fair Value Level 3) per the movements shown in Note 7. The reclassification of assets has resulted in no impact on the financial performance or position of the Council.

Infrastructure

Transportation assets were re-valued by Tonkins Consulting as at 1st July 2016. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was re-valued by Tonkins Consulting as at 1st July 2016. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was re-valued by Tonkins Consulting as at 1st July 2016. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

Wakefield Regional Council

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

Note 8 - LIABILITIES

	Notes	2017		2016	
		\$'000		\$'000	
TRADE & OTHER PAYABLES		Current	Non-current	Current	Non-current
Goods & Services		809	-	434	-
Payments received in advance		1	-	47	-
Accrued expenses - employee entitlements		154	-	134	-
Accrued expenses - other		238	-	193	-
Deposits, Retentions & Bonds		2	-	2	-
		<u>1,204</u>	<u>-</u>	<u>824</u>	<u>-</u>
BORROWINGS					
Loans		227	1,099	313	1,327
		<u>227</u>	<u>1,099</u>	<u>313</u>	<u>1,327</u>
<i>All interest bearing liabilities are secured over the future revenues of the Council.</i>					
PROVISIONS					
Employee entitlements-AL (including oncosts)		376	-	354	-
Employee entitlements-LSL (including oncosts)		541	127	547	99
Future reinstatement / restoration, etc		9	9	10	19
		<u>926</u>	<u>136</u>	<u>911</u>	<u>118</u>

Wakefield Regional Council

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

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2016	Net Increments (Decrements)	Transfers, Impairments	30/6/2017
Notes	\$'000	\$'000	\$'000	\$'000
Land	10,253	335	-	10,588
Buildings & Other Structures	6,759	996	-	7,755
Transport Infrastructure	101,303	(33,916)	-	67,387
Bridges	3,518	-	-	3,518
Stormwater Drainage	9,945	481	-	10,426
CWMS	6,587	(350)	-	6,237
Plant Machinery Equipment	42	-	(42)	-
Office Equip furn Fittings	34	-	(34)	-
TOTAL	138,441	(32,454)	(76)	105,911
<i>Comparatives</i>	<i>138,870</i>	<i>-</i>	<i>-</i>	<i>138,441</i>

OTHER RESERVES	1/7/2016	Transfers to Reserve	Transfers from Reserve	30/6/2017
Balaklava Depot Relocation Reserve	85	-	-	85
Open Space Reserve	79	-	-	79
TOTAL OTHER RESERVES	164	-	-	164
<i>Comparatives</i>	<i>164</i>	<i>-</i>	<i>-</i>	<i>164</i>

PURPOSES OF RESERVES

Asset Revaluation Reserve

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

Wakefield Regional Council

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

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

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

CASH & FINANCIAL ASSETS	Notes	2017 \$'000	2016 \$'000
Unexpended amounts received from Federal Government			
Liptrot Trail		-	7
Developers Contribution-Open Space		-	79
Unclaimed Monies		-	14
UDMP Projects		-	3
Star Club		-	21
Indigenous Reconciliation		<u>5</u>	<u>-</u>
		<u>5</u>	<u>124</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>5</u>	<u>124</u>

Wakefield Regional Council

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

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	1,884	113
Less: Short-term borrowings	8	-	-
Balances per Statement of Cash Flows		1,884	113

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

Net Surplus (Deficit)		(320)	971
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		5,211	4,415
Net increase (decrease) in unpaid employee benefits		45	9
Non-cash asset acquisitions		-	(27)
Grants for capital acquisitions treated as Investing Activity		(160)	(132)
Net (Gain) Loss on Disposals		1,621	(95)
		6,397	5,141
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(125)	(56)
Net (increase) decrease in inventories		(40)	55
Net increase (decrease) in trade & other payables		360	(1,331)
Net increase (decrease) in other provisions		(11)	(19)
Net Cash provided by (or used in) operations		6,581	3,790

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Physical resources received free of charge	3	-	27
- Non-cash grants & contributions		-	-
<i>Amounts recognised in Income Statement</i>		-	27
- Finance Leases		-	-
- Estimated future reinstatement etc. costs		(18)	(29)
- Land taken over for non-payment of Rates		-	-
		(18)	(2)

(d) Financing Arrangements

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

Corporate Credit Cards		20	30
LGFA Cash Advance Debenture facility		5,000	5,000

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

Wakefield Regional Council

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

Note 12 - FUNCTIONS

INCOMES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES											
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	2017	2016	2017	2016	
	2017	2016	2017	2016	2017	2016	\$'000	\$'000	\$'000	\$'000	
	10,481	8,996	1,141	1,000	9,341	7,996	-	1,846	1,278	1,644	
Admin and Governance	80	69	205	180	(125)	(111)	-	-	51	65	
Public Order and Safety	2	2	165	145	(163)	(143)	-	2	-	-	
Health	-	-	15	13	(15)	(13)	-	-	-	-	
Social Security & Welfare	2,048	1,758	3,603	3,159	(1,555)	(1,401)	-	6	20,123	25,892	
Housing & Community Amenities	302	259	306	268	(4)	(9)	-	4	-	-	
Protection of the Environment	96	82	1,604	1,406	(1,508)	(1,324)	4	82	13,101	16,857	
Recreation and Culture	1,894	1,626	6,478	5,679	(4,583)	(4,053)	4,790	1,699	87,684	112,708	
Transport	468	402	573	502	(104)	(100)	-	6	615	791	
Economic Affairs	82	70	224	196	(142)	(126)	81	18	3,862	5,087	
Other Purpose											
TOTALS	15,454	13,264	14,313	12,548	1,141	716	4,875	3,663	126,714	163,044	

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.

Wakefield Regional Council

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

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Admin and Governance

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

Public Order and Safety

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

Health

Immunisation and other preventive health programs.

Social Security & Welfare

Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Children and Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support.

Housing & Community Amenities

Community Amenities, Bus Shelters, Cemeteries, Public Conveniences, Car Parking – non-fee-paying and Other Community Amenities.

Protection of the Environment

Agricultural Services, Agricultural Water, Animal/Plant Boards, Landcare, Other Agricultural Services, Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Other Environment, Coastal Protection, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

Recreation and Culture

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Indoor, Swimming Centres – Outdoor, and Other Recreation. Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services, Cultural Services, Cultural Venues, Heritage, Museums and Art Galleries, and Other Cultural Services.

Transport

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

Economic Development

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

Other Purpose

Caravan Parks, Private Works.

Wakefield Regional Council

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

Note 13 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 1.5% and 1.75% (2016: 1.75% and 2%). Council did not have any short term deposits in the last two years.</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Rates & Associated Charges (including legals & penalties for late payment) Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 6.99% (2016: 7.25%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.82% and 7.35% (2016: 5.82% and 7.35%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

Wakefield Regional Council

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

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	1,884	-	-	1,884	1,884
Receivables	337	100	-	437	444
Total	2,221	100	-	2,321	2,328
Financial Liabilities					
Payables	812	-	-	812	812
Current Borrowings	227	-	-	227	227
Non-Current Borrowings	-	1,104	222	1,326	1,099
Total	1,039	1,104	222	2,365	2,138
2016					
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash & Equivalents	113	-	-	113	113
Receivables	216	111	11	338	307
Total	329	111	11	451	420
Financial Liabilities					
Payables	497	-	-	497	497
Current Borrowings	310	-	-	310	313
Non-Current Borrowings	-	1,356	254	1,610	1,327
Total	807	1,356	254	2,417	2,137

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
Overdraft	3.87	-	4.21	100
Fixed Interest Rates	6.55	1,326	6.54	1,540
		<u>1,326</u>		<u>1,640</u>

Net Fair Value

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

Risk Exposures

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

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

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

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations

Wakefield Regional Council

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

Note 14 - COMMITMENTS FOR EXPENDITURE

	2017	2016
<u>Notes</u>	\$'000	\$'000
Commitments		
Expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Waste Management Services	1,498	1,455
Employee Remuneration Contracts	1,406	861
Weed Spraying	66	86
CWMS Maintenance	296	40
Management Port Wakefield Caravan Park	127	117
	<u>3,393</u>	<u>2,559</u>
These expenditures are payable:		
Not later than one year	1,451	1,121
Later than one year and not later than 5 years	1,942	1,438
Later than 5 years	-	-
	<u>3,393</u>	<u>2,559</u>

Wakefield Regional Council

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

Note 15 - FINANCIAL INDICATORS

	2017	2016	2015
--	------	------	------

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

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

Operating Surplus Ratio

<u>Operating Surplus</u>	7.4%	5.4%	(4.7%)
Total Operating Revenue			

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

Adjusted Operating Surplus Ratio	(0.4%)	(3.6%)	(4.7%)
---	--------	--------	--------

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	4%	19%	29%
Total Operating Revenue			

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

Asset Sustainability Ratio

<u>Net Asset Renewals</u>	90%	97%	108%
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.

Wakefield Regional Council

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

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2017 \$'000	2016 \$'000
Income	15,454	13,264
<i>/less Expenses</i>	<u>14,313</u>	<u>12,548</u>
Operating Surplus / (Deficit)	1,141	716
<i>/less Net Outlays on Existing Assets</i>		
Capital Expenditure on renewal and replacement of Existing Assets	4,309	4,481
Depreciation, Amortisation and Impairment	(5,211)	(4,415)
Proceeds from Sale of Replaced Assets	<u>(256)</u>	<u>(205)</u>
	(1,158)	(139)
<i>/less Net Outlays on New and Upgraded Assets</i>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	617	216
Amounts received specifically for New and Upgraded Assets	(160)	(10)
Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	(410)
	<u>457</u>	<u>(204)</u>
Net Lending / (Borrowing) for Financial Year	<u>1,842</u>	<u>1,059</u>

Wakefield Regional Council

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

Note 17 - OPERATING LEASES

Leases providing revenue to the Council

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

Investment Property

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

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

	2017	2016
	\$'000	\$'000
Not later than one year	<u> </u>	<u> 12</u>
	<u> -</u>	<u> 12</u>

WAKEFIELD REGIONAL COUNCIL

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

Note 18 – SUPERANNUATION

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Wakefield Regional Council

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

Note 19 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position 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.

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.

BANK GUARANTEES

Council has no Bank Guarantees

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.

Potential claims not reported to Council may have existed at reporting date.

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 one notice appealing against a planning decision made prior to the reporting data. All known costs have been recognised.

Wakefield Regional Council

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

Note 20 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 15 persons were paid the following total compensation:

	2017 \$
Salaries and other short term benefits	626,141
Allowances	120,609
Post-employment benefits	-
Long term benefits	-
Termination benefits	-
TOTAL	746,750

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

	2,017 \$
Contributions for fringe benefits tax purposes	-
Planning and building applications fees	235
Rentals for Council property	-
TOTAL	235

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

Key management personnel or close family members (including related parties) lodged a total of one planning and building application during the year. In accordance with the Local Government Act 1999, this person declared conflicts of interest and took no part in the assessment or approval processes for these applications.

One planning and building approval, with and without conditions, was granted during the year ; the same one remained to be finalised at the end of the year. Total fees for this application (which is payable on lodgement) amounted to \$235.

Two elected members have a financial interest in properties from which Council raised rubble for road-making purposes, paying compensation for disruption and royalties at the rate applicable to third parties. The properties from which the rubble was raised were selected based on the distance to the work-site and the quality of the rubble for the required purpose. The total amount paid amounted to \$233,558 with \$0.00 unpaid at the end of the year.

INDEPENDENT AUDITOR'S REPORT

To the members of the Wakefield Regional Council

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Wakefield Regional Council (the Council), which comprises the Certification of Financial Statements on the annual statements giving a true and fair view of the financial position and performance, the Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended 30 June 2017 and the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report of the Council is in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011*, including;

- (i) giving a true and fair view of the Council's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- (ii) that the financial records kept by the Council are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Chief Executive Officer's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Chief Executive Officer of the Council is responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**JIM KEOGH
PARTNER**

Signed on the 24th day of November 2017,
at 214 Melbourne Street, North Adelaide

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE WAKEFIELD REGIONAL COUNCIL

We have audited the Internal Controls of the Wakefield Regional Council (Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 have been conducted properly and in accordance with law.

The Council's Responsibility for the Internal Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Council has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2016 to 30 June 2017.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to read 'JK', with a small checkmark-like flourish to the right.

**JIM KEOGH
PARTNER**

Signed on the 24th day of November 2017
at 214 Melbourne Street, North Adelaide, South Australia, 5006

Wakefield Regional Council

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Wakefield Regional Council for the year ended 30 June 2017, the Council's Auditor, Dean Newbery & Partners, 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*.



Jason Kuchel
CHIEF EXECUTIVE OFFICER



Dafydd Llewelyn
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 23 November 2017

Certification of Auditor's Independence

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

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



JIM KEOGH

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated this 24th day of November 2017



WAKEFIELD
REGIONAL COUNCIL

PO Box 167 Scotland Place Balaklava SA
08 8862 0800
admin@wrc.sa.gov.au
wrc.sa.gov.au

Vibrant – Enthusiastic – Creative

