

Port Pirie Regional Council Annual Report 2010-2011



Region of Opportunity



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Council Profile & Vision

Profile

Total Population	17,142
Total Area	1,761 sq kms
Number of Rateable Properties	10,081
Total Road Network	1,228.39 kms
Sealed Roads	297 kms
Unsealed Roads	931 kms
Number of Electors	12,213
Total number of Elected Members, including the Mayor	11

Vision

“To promote a quality lifestyle in a dynamic and prosperous region.”



Port Pirie's new state-of-the-art regional library was opened in December 2010. This completes Council's vision for the Port Pirie Cultural Precinct, encompassing the Regional Tourism Visitor Information Centre and Port Pirie Regional Art Gallery. Pictured bottom left at the official opening (l to r) Colin Byles, Manager Administrative Services and Project Manager for the new library; Ian Burfitt, CEO, Whyalla City Council (former CEO of PPRC) who is credited with the Cultural Precinct vision; Andrew Kirkbride, Architect.

Message from the Mayor



Mayor Brenton Vanstone

It gives me great pleasure to present Port Pirie Regional Council's 2010/11 Annual Report highlighting the many achievements made by Council during the year.

I wish to thank all those who have shown confidence in me by re-electing me as Mayor in the November 2010 General Council Elections. I am pleased with what has been achieved to date, however I am acutely aware that there is still much that needs to be done. I am honoured to be able to continue to implement my vision for the region, together with all Elected Members, Council staff and the community.

I would like to thank former Councillors, David Carwana (May 1993 to May 1997; May 2000 to November 2010) and David Haldane (May 1991 to November 2010) for their contribution to this Council, the Region and to the community. Both chose not to stand for re-election at the November 2011 Council elections.

I also would like to welcome aboard Councillors John Rohde, Gerry Chivell, Garry Nayda and Leon Stephens who were successfully elected in November 2010; and congratulate Councillors Mike Basley, Debbie Devlin, Dino Gadaleta, Shirley Hortin, Joe Paparella and Neville Wilson on their re-election to Council. I look forward to working with you all to increase the quality of life and opportunities available in the region.

During the past 12 months, significant progress has been made on some very large projects.

The construction of the \$5.14 million Port Pirie Public Library was completed during the year and was opened for business in October 2010. Reports indicate that usage has increased by 20% since the move to this state-of-the-art building.

Further work on the first stage of the Florence Street PLEC project which will see the eventual undergrounding of power lines as well as a rejuvenated streetscape, was also undertaken during the year. Whilst this has taken longer than originally expected, I believe that the result will be well worth it.

A significant amount of planning has been undertaken as part of the \$5 million water reuse project with Nyrstar. A minimum of 350ML of water will be reused from Nyrstar's waste water treatment plant. 100ML of this water will be used to irrigate Council's parks and sports fields, with the remainder to be used on site by Nyrstar. This project is funded jointly by the Australian Government (\$2.5million); Nyrstar (\$1.5 million) and Council (\$1 million) and is expected to be completed by June 2012.

Council also put considerable effort into the planning and preparation of tenders for the implementation of its waste management strategy. Council's aim is to provide a three bin kerb side collection service and a major recycling facility by the end of 2011/12. This process will consume a considerable amount of Council's human and financial resources, but is necessary in order to meet State Government requirements.

Council was again successful in gaining a total of \$252,000 funding under the Federal Government's Regional and Local Community Infrastructure Fund (RLCIP) for nine separate projects around the region, which were completed by the 30 June 2011 :

- \$100,000 - Refurbishment of Memorial Oval, Port Pirie
- \$50,000 – Upgrade of sporting facilities at Crystal Brook Showgrounds.
- \$30,000 – Upgrades at Crystal Brook Football Club
- \$24,000 – Upgrade of Pioneer Park at Napperby.
- \$12,000 – Construction of shade sails at Mortimer Park playground at Redhill
- \$12,000 – Upgrade of shade facilities at Koolunga Cemetery
- \$8,000 – Fencing at Bunyip Park, Koolunga
- \$4,000 – Tourist information infrastructure upgrade at Koolunga.

There are exciting times ahead for the region as the mining exploration industry in South Australia starts heads towards bankable feasibility studies and ultimately to operational mines. We are in constant discussion with these companies to determine the opportunities that may be available to Port Pirie and the surrounding region. I am extremely optimistic about the future of this region and believe that we will benefit from the expansion of mining activities in this State, as well as other opportunities such as the proposed Camel Abattoir.

One of the major tasks that Council will have to undertake during the next twelve months, is to review its ten year Financial Plan and update its five year Capital Works Plan. This process will also involve reviewing priorities and service levels currently provided by Council to determine if they are still meeting community needs. Extensive community input and feedback into this process will be required as we collectively shape the future of our region for the next 5 to 10 years.

I wish to thank everyone for their support and look forward to a positive and prosperous future for the City and region.

Mayor Brenton Vanstone

Elected Member Information

July 2010-November 2010



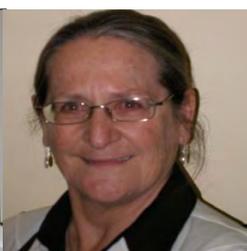
Mayor Brenton Vanstone



Cr Mike Basley



Cr David Carwana



Cr Debbie Devlin



Cr Dino Gadaleta



Cr David Haldane



Cr Shirley Hortin



Cr Joe Paparella



Deputy Mayor
Cr Neville Wilson



Cr Peter Arnold
August 2009 to July 2010



Cr David Haldane (May 1991 to November 2010) and Cr David Carwana (May 1993-97, May 2000 to May 2010) did not seek re-election at the 2010 Local Government General Elections held in November 2010. Pictured(left) receiving Local Government Service Awards (l to r) Cr Haldane & Cr Carwana, (right) Mayor Vanstone congratulating Crs Haldane & Carwana on their dedicated years of service to Council and the community.



Seated (l to r) Cr Joe Paparella, Colin Byles, Manager Administrative Services; Deputy Mayor Neville Wilson, Mayor Brenton Vanston; Dr Andrew Johnson, CEO; Cr David Carwana, Len Wilton, Manager Technical Services. Standing: Crs Debbie Devlin, Peter Arnold (former Councillor 2009 to July 2010), Cr Shirley Hortin, Cr David Haldane, Cr Dino Gadaleta, Cr Mike Basley, Sid Jain, Manager Financial Services.

Elected Member Information

November 2010-30 June 2011

(Local Government General Elections were held in November 2011 for a 4 year term of office until November 2012.)



Mayor Brenton Vanstone



Cr Mike Basley



Cr Gerry Chivell



Cr Debbie Devlin



Cr Dino Gadaleta



Cr Shirley Hortin



Cr Garry Nayda



Cr Joe Paparella



**Deputy Mayor
Cr John Rohde**



Cr Leon Stephens



Cr Neville Wilson



Seated (l to r): Cr Shirley Hortin, Cr Neville Wilson, Mayor Brenton Vanstone, Cr Garry Nayda, Cr Debbie Devlin. Standing (l to r) Crs Leon Stephens, Cr Gerry Chivell, Deputy Mayor Cr John Rohde, Cr Mike Basley, Cr Dino Gadaleta, Cr Joe Paparella.

Elected Member Information

Meeting Attendance

ELECTED MEMBERS	ORDINARY MEETINGS	SPECIAL MEETINGS	Audit Committee	Ellen Street Library Committee	Sport & Recreation Committee	Masters Games Committee	Dry Areas Committee
Mayor Brenton Vanstone	11	4					
Cr Mike Basley	12	4	2*			2	
Cr David Carwana (to Nov 2010)	4	-					
Cr Debbie Devlin	12	4		4	1	1	
Cr Dino Gadaleta	12	3		1 of 2*			
Cr David Haldane (to Nov 2010)	5	1	2 of 3*				
Cr Shirley Hortin	11	2	3 of 3*	4			
Cr Joe Paparella	11	2					
Cr Neville Wilson	12	4	4				
Cr Gerry Chivell	8	3			1		1
Cr Garry Nayda	8	3			1		
Cr John Rohde	7	3		2 of 2*			
Cr Leon Stephens	7	2	2 of 2*		1		
Total Meetings Held	12	4	5	4	4	2	1

* Due to changes of representation resulting from the General Election this member was not a member of this Committee for the full 12 months.

Elected Member Information

Training/Conferences

Mayor Brenton Vanstone	<p>2010 LGA Conference & AGM (28/10/10) Financial Fundamentals for Local Government (11/12/10) Legal Responsibilities (11/12/10) Governance (11/12/10) 2010 Post Election Member Training (11/12/10) 2011 LGA Conference & General Meeting (27/4/11) General Assembly of Local Government Conference Canberra (19-22 June 2011)</p>
Cr Mike Basley	<p>2010 LGA Conference & AGM (28/10/10) 2010 Post Election Member Training (11/12/10) Legal Responsibilities (11/12/10) Financial Fundamentals for Local Government (11/12/10) Governance (11/12/10) 2011 LGA Conference & General Meeting (27/4/11) LGA Audit Committee Seminar (12/2/11) Treasury Management Seminar (23/2/11)</p>
Cr Gerry Chivell	<p>Legal Responsibilities (11/12/10) Financial Fundamentals for Local Government (11/12/10) LGA Conference & General Meeting 27/4/11 Chairpersons Strategic Issues Residential Seminar (6-7/5/11)</p>
Cr Debbie Devlin	<p>Legal Responsibilities (11/12/10) Governance (11/12/10) 2010 Post Election Member Training (11/12/10)</p>
Cr Dino Gadaleta	<p>Legal Responsibilities (11/12/10) Governance (11/12/10) 2010 Post Election Member Training (11/12/10) 2011 LGA Conference & General Meeting (27/4/11)</p>
Cr Shirley Hortin	<p>Financial Fundamentals for Local Government (11/12/10) Legal Responsibilities (11/12/10) Governance (11/12/10) 2010 Post Election Member Training (11/12/10) 2011 LGA Conference & General Meeting (27/4/11)</p>
Cr Garry Nayda	<p>Financial Fundamentals for Local Government (11/12/10) Legal Responsibilities (11/12/10) Governance (11/12/10) 2010 Post Election Member Training (11/12/10)</p>
Cr Joe Paparella	<p>2010 Post Election Member Training (11/12/10) Governance (11/12/10)</p>
Cr John Rohde	<p>Financial Fundamentals for Local Government (11/12/10) Legal Responsibilities (11/12/10) Governance (11/12/10) 2010 Post Election Member Training (11/12/10)</p>
Cr Leon Stephens	<p>Financial Fundamentals for Local Government (11/12/10) Legal Responsibilities (11/12/10) Governance (11/12/10) 2010 Post Election Member Training (11/12/10)</p>
Cr Neville Wilson	<p>2010 LGA Conference & AGM (28/10/10) Financial Fundamentals for Local Government (11/12/10) Legal Responsibilities (11/12/10) Governance (11/12/10) 2010 Post Election Member Training (11/12/10)</p>

Community Awards

2011 Port Pirie Australia Day Awards

Citizen of the Year

Awarded to

Anne Richardson



Port Pirie's Australia Day Citizen of the Year was Anne Richardson, recognized for her dedication and commitment to music strong faith and passion for supporting those in need. Anne is pictured with husband Tony and grandson Rory Hamilton.

Young Citizen of the Year

Awarded to

Ben Heidrich



Ben Heidrich was named Port Pirie's Australia Day Young Citizen of the Year for sharing his love of bikes with the community, including organizing a BMX competition at Sk8Park and winning a national award for the sports documentary 'Bikes and Broken Bones'.

Event of the Year

Awarded to

Port Pirie Regional Gymnastics Academy Invitational 2010



The Australia Day Community Event of the Year was awarded to the Port Pirie Regional Gymnastics Academy Invitational 2010. Academy Chairperson Reg Dennis (centre) is pictured with Men's Coach Greg Carman and Treasurer Christine Carman.

2011 Redhill Community Awards

Citizen of the Year

Awarded to

Shirley Walker



Redhill Citizen of the Year Shirley Walker (left) with Rosemary Conroy and Mayor Brenton Vanstone.

Shirley Walker was awarded Redhill's Australia Day Citizen of the Year for services to sport and the community..

(Photos courtesy of The Recorder Newspaper.)

Community Awards

2011 Crystal Brook Australia Day Awards

Citizen of the Year

Awarded to

Gerrie Taylor

Young Citizen of the Year

Awarded to

Anita Duffield



Australia Day Citizen of the Year Gerrie Taylor cuts the Australia Day cake with Young Citizen of the Year, Anita Duffield.

The Crystal Brook Australia Day Citizen of the Year Award was presented to Gerrie Taylor who was recognized for her outstanding contribution to the Crystal Brook Hospital, Meals on Wheels, Bowman Court, Crystal Brook Netball Club and the Country Fire Service.

The Young Citizen of the Year was awarded to Anita Duffield for her contribution of the Girl Guides, sports and the Crystal Brook community.

Community Event of the Year

Awarded to

Possums at the Brook Market Fair



Pictured (l to r) Gerry Taylor, Mayor Brenton Vanstone, Anita Duffield and Jenny Steggles for the Possums at the Brook.

The Crystal Brook Community Event of the Year was awarded to the Possums at the Brook Market Fair, which has now become a major event in Crystal Brook.

Special Community Award

Awarded to

Crystal Brook Caravan Park Committee



Crystal Brook Caravan Park Members Rae Porter, Peter Holden, Marj Crouch & Annette Clarke with Crystal Brook Community Association Chai, John Steggles (left).

The Crystal Brook Caravan Park Committee was awarded with a Special Community Award for their outstanding achievements in raising the presentation of the caravan park to a standard that has also lifted the pride of all residents.

(Photos courtesy of The Recorder Newspaper.)

Chief Executive Officer's Report



Chief Executive Officer, Dr Andrew Johnson

The past year has been an extremely busy one with a number of large projects taking shape. As commented in the Mayor's message, the new library was completed (\$5.14 million); extensive works have been undertaken as part of the Florence Street power undergrounding project (\$2 million); funding was secured for a water reuse scheme in Port Pirie (\$5 million); and major planning is underway towards the implementation of Council's waste management strategy (\$4 million). The financial and human resources involved in these projects cannot be underestimated, nor can their benefits to the future of the region.

Council has seen more staff changes during the year. Council appointed Darren North to head up the implementation of its waste management strategy. Darren came highly recommended and we have already seen the value and benefit he has provided to the organisation.

Unfortunately, Council was without the services of a Manager Environmental Services for some 18 months. I look forward to the new manager (Patrick Clifton) starting with Council in early July 2011. Patrick will provide much needed expertise to assist in the expected growth and development of the region. Council has historically experienced difficulties attracting and retaining staff in this department, which has effected Council's performance in this area.

Council's finances started to stabilise by the end of the year. Undertaking an exceptionally large capital works program and maximising grant opportunities of the last few years, has temporarily weakened Council's financial position.

While this has been a calculated move by Council to maximise the opportunities that have been available and getting some historic projects off the ground, the result has meant borrowing funds to pay for some projects, a run down on cash reserves, deferring a couple of previously approved projects, with a couple of tight budgets ahead.

I believe the long term results will be well worth the effort, with a new swimming pool, new library, new waste facilities, Florence Street power line undergrounding and a water reuse scheme that will last for many years to come.

Once Council has completed the implementation of its waste management strategy, Council will look at restoring its previous financial position.

Diesel Mechanic Tyson Duffield (second from left) was recognised with a nomination for the Outstanding Apprentice Award at the 2011 Southern Flinders Business Training & Employment Awards. Pictured with Tyson (l to r) Dr Andrew Johnson, CEO; Steve Farrugia, Depot Foreman and Len Wilton, Manager Technical Services.

Council had an operating deficit of \$3.46 million for the year. This is an improvement of approximately \$1.75 million on last year's (2009/10) result. This has been achieved by increasing revenue and maintaining expenditure at levels similar to 2009/10. Capital works undertaken in 2010/11 amounted to 1.33 million for the construction of new assets and upgrade of existing assets, while \$3.97 million was spent on renewal of existing assets.

Council will be presented with a number of challenges during the coming years. The table below highlights some of these challenges. When compared to the other Provincial Cities in the State, Port Pirie Regional Council has a larger area (except for Murray Bridge); maintains significant more roads; has the lowest average residential rates; has the lowest level of borrowing while maintaining close to the largest amount of infrastructure assets. This will make it increasingly difficult to continue to provide new and improved assets for the community while maintaining a large ageing and deteriorating asset base.

	Port Pirie RC	Whyalla	Pt Augusta	Mt Gambier	Pt Lincoln	Murray Bridge
Population	18,253	23,214	14,784	26,128	14,726	19,577
Area (ha)	178,281	107,177	118,856	3,420	3,207	182,434
Ave Taxable Income	\$36,583	\$44,052	\$39,086	\$38,142	\$39,259	\$31,862
Km of Roads	1,175	349	409	198	158	975
Rate Income	\$8.7m	\$12.1m	\$11.0m	\$12.7m	\$7.9m	\$13.8m
Rateable Properties	10,039	11,957	7,472	13,801	8,266	11,261
Capital values	\$1,938m	\$2,440m	\$1,624m	\$2,879m	\$2,199m	\$2,488m
Ave Residential rate	\$689	\$983	\$1,390	\$856	\$950	\$1,188
Total Operating Income	\$15.2m	\$22.5m	\$26.0m	\$18.7m	\$11.7m	\$27.9m
Employee No	96	141	199	107	47	169
Employee Costs	\$5.4m	\$8.8m	\$12.8m	\$6.6m	\$2.90m	\$9.8m
Capital Expenditure	\$9.4m	\$7.8m	\$4.8m	\$8.5m	\$3.88m	\$9.9m
Infrastructure Assets	\$108.9m	\$113.3m	\$30.8m	\$43.6m	\$51.0m	\$59.6m
Borrowings	0	\$11.1m	\$13.8m	\$5.9m	\$0.6m	\$10.6m

Having said this, the year ahead looks exciting with a large number of big ticket projects expected to be completed during the year. In addition, with the increasing number of businesses seeking to invest in the area, it is hoped that the region will see increased development activities which will hopefully see employment opportunities for existing and new residents improve significantly.

**Dr Andrew Johnson
CHIEF EXECUTIVE OFFICER**



Administration & Community Services

RESPONSIBILITIES

- *Governance*
- *Administrative Support*
- *Human Resource Management*
- *Records Management*
- *Occupational Health, Safety & Welfare (OHSW)*
- *Elections*
- *Property Management*
- *Tourism & Arts*
- *Library*
- *Community Services*
- *Internet Centre*

2010/2011 Achievements

OCCUPATIONAL HEALTH, SAFETY & WELFARE

Council's commitment to providing a safe workplace for employees is ongoing and is being enhanced to ensure compliance is greater than the required legislation.

Council through the Occupational Health, Safety and Welfare Committee, regularly updates employees on OHSW matters. Updates are also provided in a monthly newsletter "OHSW Matters" and via intranet "Click on to Safety".

Council has been in transitional phase with OHSW Policies and Procedures. The Local Government Workers Compensation Scheme have provided councils with a suite of policies and procedures referred to as 'One System'. Council is progressively reviewing our requirements and adopting / adapting these 'One System' documents to meet our requirements.

This year Council has been part of a state wide project via the Local Government Workers Compensation Scheme addressing non-conformance issues relating to the Work Cover Self Insurance licence.

A review of the OHSW Plan 2009 / 2010 was undertaken in March 2010 with the view of planning and programming the future direction of OHSW for the 2011 / 2012 year. Development of the new plan is still in progress however the following areas have been identified as a focus: Hazard Management, Consultation & Communication, Contractor Management and Training.

The planning and programming stage has been considered extremely carefully this time around by the Management team. The Management team is paying particular attention to resourcing and not overloading, but still focussing on key areas. Increased commitment from Management team to ensure actions, objectives and target dates are realistic and achievable.

Workshops were held involving key stakeholders from departments to develop a Business Continuity Plan. The Plan has been developed and is to be implemented in 2012.

Council has continued with its successful Health Monitoring Program in conjunction with Local Government Worker's Compensation Scheme. Regular health assessments, skin cancer screenings and immunisation program are offered to all employees.

OHSW is a key component of Council operations and the appropriate resources were and still are being made available to complete this project.

PROPERTY

The property section of Council is continually reviewing Council assets to determine the best usage of the asset. Leases are being continually updated to ensure Council's public liability is protected and new leases/licences are implemented when Council property is being utilised.

Council assets are also reviewed to see if they need to be retained by Council. If these assets are not required by Council then they are disposed of by auction or tender.

HUMAN RESOURCE MANAGEMENT

The Human Resource Department of Council provides a council wide human resource function that meets all legislative standards.

The Department ensures all awards and enterprise agreements are current, and that these awards and enterprise agreements are communicated throughout the organisation.

As part of the OH&S Compliance project considerable work has been undertaken on Core Competencies of Job Descriptions and Training Needs Analysis of all employees. This has led to Job Descriptions being amended in certain areas. Training plans that encompass the whole organisation are being developed.

Recruitment policies and processes are continually updated to provide the most efficient manner in recruitment. Training plans are currently being developed to ensure Council has well trained staff to provide efficient service provision.

Performance appraisals are conducted on an annual basis and are a key component for ensuring a two-way communication process is in place to look at job performance.

Management of Workers Compensation claims and rehabilitation issues are a major part of the Human Resources Department. Legislative compliance has been excellent in these areas.

As part of Council's desire to achieve best practice in Human Resource Management and also meet legislative requirements there has been a commitment to develop and implement Human Resource Management Policies including policies in relation to Parental Leave, Recruitment, taking of Leave, and Work from Home.

The Human Resource Department of Council also provide a link to Superannuation providers that hold employees superannuation funds. Changes to Government legislation and the global financial situation have forced changes to Council's contributions and methods of operation.

Administration & Community Services

- Salary Link now 9.3%
- Local Super will lose exemption from Choice of Fund legislation as of 1/1/2012
- Local Super will be "Holding House" for other superannuation providers.

ELECTIONS

In November 2010 State wide Council elections were held. Under new legislation introduced in early 2010 the council term for the Mayor and Councillors would be 4 years.

Of the 10 existing councillors, 2 decided not to stand, 1 councillor unfortunately passed away during his term of office and 1 took up employment with Council thus disqualifying himself from being a councillor.

Council received 2 nominations for Mayor and 14 nominations for Councillor. The current Mayor Brenton Vanstone was re-elected and 4 new councillors were elected, with all current councillors who stood for election re-elected.

The new councillors are John Rohde, Leon Stephens, Gerry Chivell and Garry Nayda.

Of the eligible voters the voting percentage was 51%, slightly higher than the last election.

CULTURAL PRECINCT

The construction of the Library and Internet Centre was completed in late October 2010 and officially opened in December 2010.

The Library and Internet Centre now are considered to be one of the best in regional South Australia. The finished product has amazed locals and visitors to the centre with the open space and modern feel to the building. The building has been put forward for a number of awards.

The Library and Internet Centre now forms part of the Cultural Precinct which also includes a Tourism and Arts Centre and Art Gallery.

LIBRARY SERVICES

The Port Pirie Regional Library Service aims to provide high quality library and information services to all sectors of the local community. The service consists of 2 branches: the Port Pirie Public Library and the Crystal Brook Public Library. The Port Pirie Branch was closed for 2 weeks to accommodate the move to the new library on the platform. With the new library came new opening hours - hours increasing from 42 to 53 and opening 7 days per week. The Crystal Brook branch is open 13 hours over 3 days per week. The library collection includes books, magazines, music CD's, DVD's, CD-Rom's, jigsaws, books-on-tape, language kits, graphic novels and sports equipment for people of all ages.

Volunteers

Over the past 12 months a small group of enthusiastic volunteers have been assisting library staff with our Home

Library Service selections and deliveries. Their help is much valued and greatly appreciated.

The library also values the Justice of the Peace and District Family History Group who regularly volunteer their time to provide services through the library. The Justice of the Peace Service continues on Wednesday and Friday afternoons between 1pm and 3.30pm. The Port Pirie District Family History Group is providing a volunteer on Friday afternoons between 1pm and 3pm to assist people with their family research.

2010/11 Library Highlights

Farewell to the Old Library Premises at 95 Ellen Street

Around 50 people attended a farewell morning tea on Friday 17th October to say goodbye to the old library building. Mayor Brenton Vanstone cut the farewell cake and celebrated together with Councillors, staff and members of the public. The event reflected on 50 years of Public library service from the same building

Opening of the New Library Premises at 3 Wandearah Road (Cultural Precinct)

The new library opened at 9am on Wednesday 27th October with Mayor Brenton Vanstone present to officially welcome the first members of the public through the door.

The Library's official opening was held on Thursday 16th December at 4.30pm with around 100 people in attendance.

ABC Radio

"Libraries with Larryn" is now a weekly segment on the local ABC Radio with Larryn Cock explaining what's happening in the Library and giving ideas on literature and other items available for lending.

Children's Book Week Roadshow

Due to logistics this year, the library staff went out to 5 schools and 1 preschool providing stories and activities for 332 children. The theme for the year was "Across the story bridge".

Holiday Fun @ your library

Each school break the library offers free art and craft activities for 4-12 year olds. This successful program saw 23 holiday activities sessions delivered with a total attendance of 579 children, an average of 25 children per session.

Performance

The following statistics indicates the performance of the library service over the 10/11 financial year.

	2009/10	2010/11
Items Loaned	144,344	166,694
Returns Shelved	143,320	165,589
Patrons Served	89,364	103,902
Reservations filled	12,453	11,253
New items	11,733	10,274
Active Library Membership (Used within 3years)	-	6,697
Library Holdings	35,884	39,367
Wireless Internet Use	1,134	791

Administration & Community Services

Summary

The door count averaged 8,658 patrons per month and staff checked out over 13,891 items and checked in 1,379 items each month. We have 9,690 patrons registered with the library of which 6,697 are active memberships. 12% of our active membership comes from outside the Council area. The wireless service continues to be used regularly by locals and visitors to the region.

The opening of the new building resulted in increased opening hours by 20% and an increase in loans by 24%.

TOURISM

Visitor Survey

A new visitor survey was created to gain valuable data on people coming into Port Pirie and the region. This survey has been used at the Port Pirie Regional Tourism & Arts Centre, other regional visitor outlets, at travel and trade shows and local events. The survey is a valuable tool of gauging the demographics, behavioural trends and motivations of visitors.

Information Bays

Work has been progressing to improve the appearance of the information bays at Warnertown and Tin Man roadhouse along the highway. Several businesses already have advertising on the bays while the old Tourism & Arts Centre and IT Centre signs were replaced by bright new Cultural Precinct advertisements.

Promotional Trips

The Port Pirie and Southern Flinders Ranges brands have been promoted extensively throughout South Australia and Victoria. Promotions at the Adelaide and Melbourne Caravan and Camping Shows have seen a great response from RV travellers. Another promotion targeted the South Australian Tourism Commission (SATC), with local representatives attending a SATC social event and creating a local produce showcase.

Local Awareness

As well as promoting Port Pirie and its tourism attractions to potential visitors, there has been a great deal of work done locally in raising awareness of everything the city and region has to offer. This has included the introduction of a monthly column in The Recorder promoting the five different areas of the Cultural Precinct – Tourism, Events, Library, IT Centre and Art Gallery. There is also a monthly interview on community radio station Trax FM where the latest news in Tourism and Events are discussed.

Volunteer Familiarisation Trips

A new initiative for the Port Pirie Regional Tourism & Arts Centre is introducing familiarisation trips for its tourism information volunteers. These trips have covered accommodation venues in Port Pirie and Crystal Brook and some of the attractions around the region. These trips give the volunteers the latest knowledge and help them to promote the region more effectively, while also providing a great social environment for volunteers, some who would otherwise not have the chance to interact with each other.

Centre Displays

The Port Pirie Regional Tourism & Arts Centre has been given a new look, with the back wall redesigned to showcase a photographic slideshow of the region accompanied by regional brochures. This means all Port Pirie and Southern Flinders information is in the one convenient location and is noticeable by people walking in the front door and going through to the Library.

PROMOTIONS/SPECIAL EVENTS

Alice Springs Masters Games

Port Pirie Regional Council staff attended the Alice Springs Masters Games in October, where over 4000 participants Australia wide competed in over 30 sports.

The 2012 Port Pirie Pura Light Start State Masters Games stand in the Games Registration Centre attracted a lot of interest from competitors; many of which were interested in competing in the Port Pirie Masters Games in 2012. A variety of Masters Games and Southern Flinders Ranges promotional material was given to athletes at the expo centre and sporting venues, and proved to be a key trip in increasing competitor numbers for the 2012 Games.

Naracoorte Masters Games

The SA Regional Masters Games were held in Naracoorte in April 2011, where around 1200 participants competed in 17 sports; the biggest for a regional Masters Games for some time.

The Port Pirie team again attended and promoted at the Naracoorte Masters Games in a bid to target South Australian competitors, as well as those travelling from across the boarders. A number of teams were secured during the trip, as well as valuable sporting contacts. The SportSA flag handover ceremony was also a highlight of the trip, as Port Pirie prepares for the 2012 Games.

2012 Port Pirie Pura Light Start State Masters Games

Port Pirie has again won the right to host its 7th Masters Games in April 2012. Preparations have been well underway since January 2011, where 33 different sports will be provided to an estimated 1500 plus participants Australia wide. Major Sponsor Pura Light Start have again been fantastic in their support of the 2012 Port Pirie Pura Light Start State Masters Games, and they, like the communities fantastic volunteers, are what make the Games happen.

There have been a number of changes from the 2010 event; none more so than the retirement of Director Jean Smith, whose love for the event for over 10 years has made it what it is today. Jean has been replaced by new Games Director Rhys Millington, who is thoroughly looking forward to the exciting and challenging role.

Registrations are due to open in mid November.

Administration & Community Services

Christmas Markets 2010

The 2010 Christmas Markets were held at Flinders View Park in December, and coincided with the annual Port Pirie Christmas pageant. Around 18 stallholders from around the Southern Flinders Ranges displayed and sold their products and services to the Port Pirie community. The hot weather didn't detract most of the community and pageant goers, as much of the Ellen Street and Norman Street crowd flocked to the Markets. A range of products, gifts, foods, and drinks were available, and ensured that there was something for everyone.

New Years Eve Party in the Park

The 2010 New Years Eve Party in the Park was held by the Port Pirie Regional Council in conjunction with Nyrstar, and is the Council, and local major employer Nyrstar's way of giving back to the community. The event saw over 4000 family, friends and community members celebrate the arrival of 2011 in a fun, safe, and happy environment.

Sweltering heat during the day didn't stop the Port Pirie community coming out of their homes and lining the streets around Memorial Oval for the impressive fireworks displays, in what is becoming a tradition for many Port Pirie families.

Adelaide band "Pulse" entertained the crowd into the night, while food and drink stalls, face painting, balloon cartoonists, the "Cool 4 Kids" band, and free giveaways entertained the children, ensuring there was something for everyone.

Complete Sports Marketing

The Port Pirie Regional Council entered into a partnership with Complete Sports Marketing in early 2011; a company which acts on behalf of Council to secure major sporting events and championships in Port Pirie.

This is a major project events wise for the region, as staff and Complete Sports Marketing work together in securing events which not only fit the budget allocated to the program, but match Port Pirie's demographics, and poses the highest economic and tourism benefits.

One such event held was the Australian Cricket Association Masters tour, where a team filled with ex-Australian and South Australian cricketers competed against a combined Port Pirie side. In an entertaining match, Port Pirie reigned victorious by one run, in what was a great way to kick off the ongoing program.

Community Events

Port Pirie has been blessed with an astronomical amount of successful community events this year. All of these showcased the city's ability to host major events, while bringing in tourists to the region from all over Australia.

Some of the major community events included:

- Port Pirie Tennis International
- Port Pirie Gymnastics Invitational
- Smelters Picnic
- Blessing of the Fleet
- Port Pirie Music Festival

- Port Pirie Producers Markets

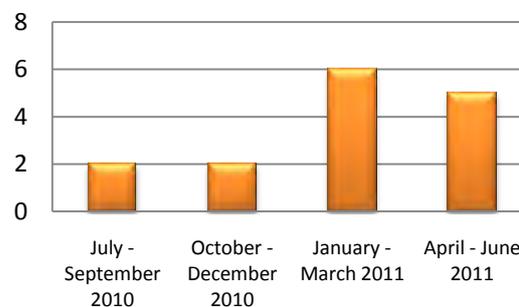
PORT PIRIE INTERNET CENTRE



The Pirie IT Centre, located at the Cultural Precinct provides training and printing services as well as access to broadband internet for the general public on a fee basis. The Centre was originally the Port Pirie Internet Centre located at 104 Florence Street. Although the location has changed, the Centre's services remain the same, specialising in training adults and mature people and offers a wide array of training courses from beginners to advanced skills. The Centre is staffed by a coordinator/trainer and by volunteers.

Training Courses

Computer Training



Software training is a major part of the services provided by the Internet Centre. Port Pirie IT Centre Courses are divided into two categories:

- Group based classes for beginners (bookings required), and
- Individual learning.

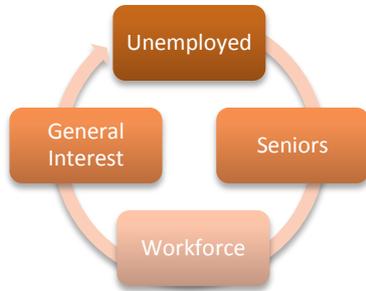
Group classes are designed for all members of the general public.

As a result, those participating in the course do so freely with the objective of learning and being the best they can be without peer group pressure. Furthermore, all personal information is confidential, which means that courses can be a fun and learning environment for everybody without any stigmas attached.

Administration & Community Services

Individual Learning is designed to be undertaken at any time that suits the student and there is plenty of privacy so there isn't the dilemma of confronting group situations. An experienced trainer is on hand to assist and provide further information when necessary.

Courses range from business to leisure software which has been broken down into the sectors:



Unemployed

The Pirie IT Centre offers professional IT training for those that are interested in entering or re-entering the work force.

Courses are ideal for those looking at the following:

- Improving knowledge on skills they already have,
- Undertaking IT skills for the first time,
- Improving initiative and self motivation,
- Improving confidence and self esteem.

Seniors

The Pirie IT Centre specialises in mature age training and focuses on developing skills in a social and enjoyable atmosphere allowing the seniors to learn computing in easy to understand classes.

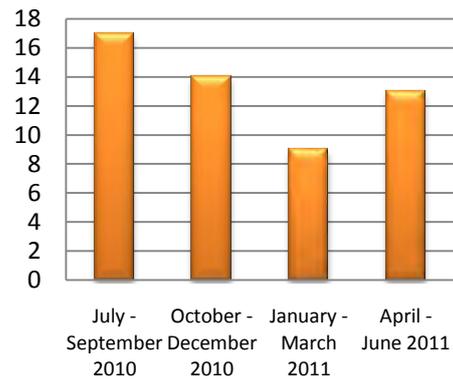
These training courses were re-designed in June 2011 with the aim of allowing the public to follow an easy package concerning their interests. For example, some may focus on the internet with social networking, while there are those that require employment related skills.

Individual Tuition



The Centre offers one on one training, either for personal interest, as upskilling for professional purposes or as retraining for people injured at work and needing a more sedentary position.

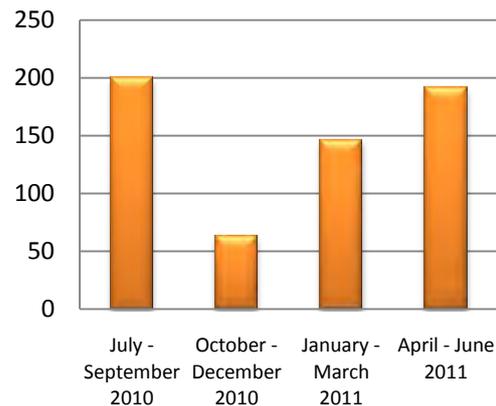
One on One



Interest in this method of training has seen a slight and progressive increase over the last 6 months, by in large because of the flexibility it offers and the immediate delivery time as opposed to group training (which can take up to two months to start).

Office Services - Secretarial / Job Seekers

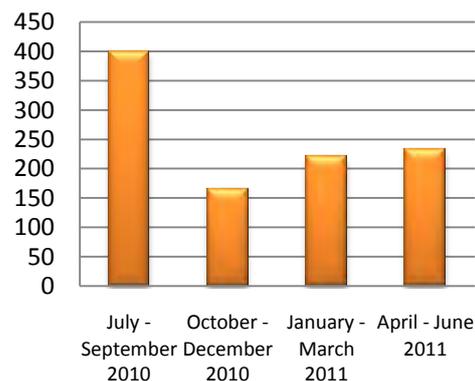
Printing / Photocopying / Faxing etc



Other services provided by the Pirie IT Centre are various printing and design work for individuals, small businesses and community organisations. These can vary from secretarial services which involve typing of resumes, cover letters and various information that requires the documents to be converted into an electronic version.

Internet Usage

Internet Users



Administration & Community Services

Another major service the Centre offers is Internet Usage in which clients pay for the time they use. Internet activity has seen a decline in recent years for many reasons, one being that the community (like many others) is moving into the electronic age and with more households gaining internet access there is less of a need to use a public service. Secondly, the Public Library offers free internet for one hour per day, but it is an excellent service for the local community. On a positive note, the Port Pirie Internet Centre customers has expressed positive feedback on the service offered and the flexibility of no bookings and unlimited downloads.

Training Room Hire

The training room was rented out to businesses, community and government organisations for the purpose of their own training and networking. All clients expressed positive feedback to both the reliability of the equipment and the staff, with expressions of interest for further venue hire at the Cultural Precinct.

Cultural Precinct

The Cultural Precinct has offered the IT Centre an opportunity to expand on its existing clientele for this financial year. Furthermore, the creation of the Precinct has created a superb partnership with the other departments from the Port Pirie Regional Council.

Furthermore, the IT Centre acknowledges that increases in customer training over this financial year would not have existed without the help of our volunteers.

COMMUNITY DEVELOPMENT & COMMUNITY SERVICES

Council provides a number of facilities and services to the community including the provision of the Crystal Brook Community Bus, Youth Development and employing a Community Development Officer whose role includes :

- working with networks and service providers to assist in youth facilitate capacity building and community wellbeing;
- promoting increased civic participation in community activities for families and the aged;
- and managing Council's community housing, within Council's allocated budget.

Council plays a key role in community development with the aim of assisting the community to grow resilient, vibrant and strong through recognising the principles of community development as the coordination and provision of services and facilities both directly and indirectly.

Council's role is to support the development of a self reliant community that has the ability to address issues that will improve its social and cultural environment and achieve desired outcomes through consultation and collaboration.

These principles involve advocacy, access and equity, capacity building, social justice, community participation and inclusion, information sharing, independence, choice, innovation and upholding of standards.

Achievements Throughout the Year

- Assisted with the event management, grant writing, and success of the 2nd year of the Muso Magic & Youth Concert. Over 200 young people and community members attended the event, significantly raising the positive image and profile of youth in the community.
- Hosted a grant writing workshop for community and service organisations in conjunction with Community Benefit SA with over 52 people attending from local and regional areas.
- Developed and implemented the basic framework for Volunteer Development. Policies, procedures in recruitment and induction met the LGA requirements for Best Practice and insurance obligations.
- Commenced Stage One of the V2 (Volunteer Squared) database for record keeping, systematically assessing volunteer qualifications for projects, automating scheduling processes and recruiting volunteers in the future.
- Collaborated with the Port Pirie Youth Sector Network to develop a website and blog page as phase 1 in the Virtual PACYAC for youth participation and engagement.
- Developed a survey for community consultation in partnership with the Be Active Officer and Project Officer Technical Services for community views of the proposed Skate Park in Crystal Brook. Over 55% surveys were returned and analysed for evidence for the final report.
- Administered the governance and reporting requirements of the Port Pirie Community Housing Association, completing the required data collections and reports for handover to Helping Hand Inc.
- Coordinated the management of the Crystal Brook Community Bus Service available to older residents involved in seniors groups or residential care participants in the community to socialise and to connect with others in the community.

MID NORTH *BE ACTIVE* FIELD OFFICER PROGRAM

The Mid North *be active* Field Officer program commenced in December 2007 and was established to work closely with local sport and recreation service providers, community groups, schools, councils, health services and other relevant groups to increase the quality and level of participation in sport and active recreation throughout the serviced region.

The position is a joint initiative between the South Australian Office for Recreation and Sport, Port Pirie Regional Council, Northern Areas Council, District Council of Peterborough, District Council of Ororoo Carrieton, District Council of Mt Remarkable and the Port Pirie Regional Health Service.

A key aspect of the position is to provide ongoing support, advice and assistance to Sport and Recreation Clubs and Associations as well as Community Physical Activity groups or providers in regards to club management issues, training, development and accreditation opportunities, grants and funding programs and participation initiatives in an attempt to support the development of active recreation and sport throughout the Mid North region.

Administration & Community Services

The promotion of the “be active” message was spread across the region taking in a variety of age groups and population groups.

Following the 2010 Pura Light State Masters Games assistance was provided to local groups to develop community interest to establish Dragon Boat Racing and Lifeball.

As well as providing resources and support to the Clubs, Associations and Community Organisations in the Port Pirie Regional Council area, support has been provided to community organisations and individuals to establish new physical activity opportunities such as Boccia – people with a disability, Lifeball - older adults and women, Active Afterschool Communities Program – Youth (Crystal Brook Primary School).

Assistance has been provided with a number of Council driven projects such as Port Pirie Indoor Multipurpose Facility, Complete Sports Marketing and the Bicycle Strategy Plan.

Following the completion of the Port Pirie Indoor Multipurpose Facility Feasibility Study by consultants One Eighty Sport & Leisure Solutions, the report has been passed to the Sport & Recreation Committee (Section 41 Committee) for consideration.

Complete Sports Marketing’s services were enlisted to maximise Port Pirie as the location for Events Sports Tourism. Following the presentation of the program to Council, Complete Sports Developments undertook appointments with high event potential sports to determine the local clubs and Associations ability and capacity to assist in hosting a major event.

The Bicycle Strategy Plan is a project of the Council’s Technical Services team. Assistance was provided to the Project Manager and Bike SA in the initial community consultation stages.

In the 2010/2011 financial year \$2,400 was distributed to Clubs/Associations through the Physical Activity Small Support Subsidy Program. The Small Support Subsidy enables Clubs and Associations to apply for funding (max \$400) for projects that are going to increase physical activity opportunities or develop the skills/capacity of those conducting physical activity related opportunities.

Successful initiatives included:

Crystal Brook Golf Club	Purchase junior golf equipment
Crystal Brook Junior Soccer Club	Purchase soccer equipment
Port Pirie Basketball Association	Purchase a Boomerang Portable Basketball Return System
Port Pirie & District Touch Football Association	To conduct a Referees Accreditation Course
Crystal Brook Cricket Club	Purchase junior equipment
Port Pirie & District Hockey Association	To implement an Umpiring Promotion & Development Program

Assistance was also provided to nearly 20 Sport & Recreation Clubs or Associations in the Port Pirie Regional Council area seeking funding for various initiatives ranging from equipment, new programs and improvements to sporting facilities.

Assistance was provided to all Clubs and Associations in the draft stages of their application. The following organisations received funding from the Office for Recreation & Sport included:

- *Active Clubs Program* - Koolunga Tennis Club & Crystal Brook Lawn Tennis Club.
- *Community Recreation & Sporting Facilities Program* – Port Pirie & District Hockey Association and Port Pirie Regional Council – Skate Park.

Community organisations are also referred to other agencies such as Sport SA, Office for Volunteers, Office for Youth as additional sources of funding for project initiatives.

Funding assistance enquiries were also received from individuals selected into State Teams. Individuals were appropriately referred to Scholarships and Programs, such as the Local Sporting Champions program or the Sporting Association of Port Pirie.

Other initiatives and community partnership collaboration included:

- Physical Activity with the Smith’s Family Learning Together Program.
- Support provided to local sporting bodies and community groups to support community events such as Make-A-Wish Port Pirie Branch Fun Run, Crystal Brook Fitness Centre Fun Run, Port Pirie Cycling Club’s Tour of the North.
- Community Coach support to the Crystal Brook Primary School Active After-school Communities Program.
- Provided resources and support to community members to create Port Pirie Triathlon Club.
- Provided support to community members to re-establish Port Pirie & District Touch Association.
- Provide local support to the Office for Recreation & Sport to conduct Grants Review consultations for the Central Local Government Network and Community Sport & Recreation groups.
- Liaised with sporting clubs to arrange club appointments to speak with Funding Consultant from the Office for Recreation & Sport’s Funding Services team.
- Support provided to the Australian Paralympic Committee, Blinds Sports SA, Special Olympics SA, Port Pirie & District Autism Support Network and SCOSA to develop physical opportunities for people with a disability.
- Support the Port Pirie Regional Health Service in delivering physical activity education session of their Peer Leadership Program. In 2010/11, Solomontown and Crystal Brook Primary Schools participated in the Peer Leadership Program.

Environmental Services

RESPONSIBILITIES

- *Planning Control*
- *Local Heritage*
- *Building Control*
- *Building Fire Safety Inspections*
- *European Wasp & Bee Control*
- *Mosquito Control*
- *Feral Bird Management*
- *Wastewater Assessment & Control*
- *Community Wastewater Management Scheme*
- *Community Swimming Pools*
- *Food Safety & Food Premises Inspections*
- *Health Education & Promotion*
- *Public and Environmental Health*
- *Warm Water & Cooling Tower Control*
- *DrumMuster Program*
- *Sharps Disposal Service*
- *Unightly land & Building Control*
- *Parking & Council By-law Control*
- *Dog and Cat Management*

2010/2011 Achievements

DEVELOPMENT APPLICATIONS

Council received 402 development applications during 2010/11. These applications represent in excess of \$35,669,667 million in development and 34 additional allotments in the region.

During the reporting period, most applications were processed as Category 1 (no public notification), 23 were Category 2 (adjoining owner notification) and 14 were Category 3 (public notification by public notice).

The assessment of Development Applications is undertaken by Council staff under delegated authority; however the Council Development Assessment Panel (CDAP) made decisions on 34 applications.

24 Land Division applications and 78 dwelling applications were received during the 2010/11 reporting period, this compares with 42 land divisions and 77 dwellings for the previous financial year.



NEW MANAGER OF ENVIRONMENTAL SERVICES

Council welcomed the new Manager of Environmental Services, Patrick Clifton, in July 2011. Patrick holds a Bachelor of Regional and Town Planning and has in excess of 15 years' experience in both Local Authority and the private sector in the United Kingdom and Australia.

COUNCIL DEVELOPMENT ASSESSMENT PANEL

The Development Assessment Panel has the delegated authority of Council to function under the Development Act. The Panel, appointed in March 2011, consists of 3 Elected Members: Crs Debbie Devlin, Joe Paparella and John Rohde and 4 members of the public: Chad King, Fiona Barr, Ian Miller and Presiding Member, Trevor White. The Panel meet monthly to consider applications for Development approval.

STRATEGIES & POLICY DEVELOPMENT

Section 30 Strategic Directions Report (Development Plan Review)

The *Development Act 1993* requires Council to review its Development Plan on a regular basis to ensure the Plan is relevant to the Planning Strategy for the region and any emerging planning issues. Council has reviewed its Development Plan and endorsed an amended Strategic Directions Report in 2010. The Report has been referred to the Minister for Urban Development, Planning and the City of Adelaide for consideration and approval.

Development Plan Amendments

There were (2) Development Plan Amendments (DPA) consolidated into the Port Pirie Regional Council Development Plan in the 2010/11 period.

- The Risdon Park Residential DPA (Privately Funded), was consolidated in October 2010. This amendment rezoned land on the western fringe of Port Pirie from 'Rural Living' to 'Residential';
- The General DPA was consolidated in March 2011, and updated Council policies in accordance with the recommendations of the 2003 Section 30 Review, and planning policy developments as reflected in the Better Development Plan (BDP) Program.

Development Plan Amendments in Progress

- The Port Pirie Industrial DPA (Privately Funded) was referred to the Minister for Urban Development, Planning and the City of Adelaide in August 2011 for approval. The DPA, once consolidated will rezone land containing Berths 5, 6 and 7 on the Port Pirie wharf from 'Commercial' to 'Industry';

DOG AND CAT MANAGEMENT

Authority for the management of dogs and cats within the district is vested in Council under the *Dog and Cat Management Act, 1995*.

The objectives of the Act are to encourage responsible ownership, promote effective management and reduce public and environmental impact from dogs and cats.

Council is responsible under the Act to receive registration of dogs, provide a suitable pound for detained dogs and enforcement of the Act. During the report year, Council received 587 complaints in relation to dogs barking, wandering at large, and attacking or harassing persons or other animals.

Environmental Services



A total of 389 dogs were impounded for wandering at large. 172 were reunited with their owners, 129 were desexed, immunised, micro-chipped and rehomed, and 88 dogs were euthanised.

Dog Registrations

In 2010/11 there were 3298 dogs registered within the Port Pirie Regional Council area. This compares to 3370 dogs registered in the previous year.

Dog Control Statistics

In association with Councils Animal Management Plan, responsible pet owners are encouraged to properly identify their pets, preferably by micro-chip. This ensures prompt identification and return of pets to owners.

A total of 109 stray cats were euthanised during this reporting period, representing a significant reduction from the 215 reported in the previous financial year.

Council continues to assist the community with the control of feral cats by offering a cat trap service. The volume of cat traps requested during the 2010/11 period is indicative of a continuing problem, despite the reduction recorded for this financial year. Use of this service can be arranged through the Council Administration Office.

Cat owners are urged to collar and micro-chip domestic cats to identify inadvertently seized pets and ensure their release. In addition to micro-chipping of pets, Council recommend de-sexing of animals that are not required for specific breeding purposes.

LITTER CONTROL

The dumping of household rubbish within the Council area is a recurring problem, resulting in costs to the community associated with cleanup and disposal.

Council has a reward program which offers a financial reward to any person who provides information leading to a successful prosecution for the dumping of rubbish on property under the control of Council.

During the 2010/11 period, 1 expiation was issued, with prosecution pending.

ENVIRONMENTAL HEALTH

During the 2010/11 year there has been continued development of Environmental Health compliance strategy and policy, in parallel to routine compliance inspections of food premises, waste control systems, temporary accommodation facilities, hairdressing and body piercing businesses, high risk manufactured water systems, swimming pools and infectious disease vector control/investigation.

Sharps Disposal

Council continues to provide sharps disposal containers to pensioners and health care card holders free of charge, and to other members of the community for a minimal charge. During 2010/11 204 sharps containers were distributed.

Waste Control Systems

30 Waste Control System applications were approved during the year. As part of their approval each system is subject to three mandatory inspections by the Environmental Health Officer.

Community Wastewater Management Systems

Council continues to operate Community Wastewater Management Systems (CWMS) in Napperby and Crystal Brook.

The EHO regularly monitors the quality of effluent processed by the systems in line with the Public and Environmental Health (Waste Control) Regulations. The CWMS Management Team meets regularly to oversee the operations and maintenance of the Schemes.

DrumMuster Program

The DrumMuster program is designed to recover and recycle farm chemical drums. DrumMusters were conducted in October 2010 and May 2011. The two collections held during the 2010/11 period recovered a total of 10,170, compared to 3,781 drums collected in the previous year.

High Risk Manufactured Water Systems (HRMWS) Cooling Towers & Warm Water Systems

Since October 2008, when the State Government introduced the Public and Environmental Health Act (Legionella) Regulations, 41 HRMWS have been identified. Each system must be registered with Council and inspected annually.

Community Swimming Pools

There are 8 public access pools throughout the Region, each pool is inspected at least annually, to ensure safe water quality is maintained.

Food Safety

Council received 2 food safety related complaints during the year. All issues were satisfactorily resolved using a cooperative, educational approach without need for legislative action.

Environmental Services

Food Premises Inspections

156 routine food premises inspections were conducted throughout the Region using Australian Food Safety Assessment System, under the SA Food Act 2001. Only minor issues were discovered and resolved through diplomatic and educational efforts.

Mosquito Control

Environmental Services, along with Technical Services, conduct an on-going eradication program to identify and bait breeding sites. At present more than 20 known breeding sites are treated.



European Wasp & Bee Control

During the 2010/11 season 12 European Wasp nests and Bee hives were destroyed. European Wasps and Bees both are potential threats to public health and safety. When located, hives and nests are destroyed by Council.

Feral Bird Management

Council has commenced work to develop a Feral Bird Management Plan, which seeks to identify problem areas and species throughout the Region and to employ 'best practice' bird management techniques to alleviate the problems.



Magor Road Development, Port Pirie



Financial Services

RESPONSIBILITIES

“To provide financial, information and customer services of a high quality in support of the general operations of Council”.

- *Financial Management & Reporting*
- *Property Information, Rate and Service charges*
- *Annual Budget & Reviews*
- *Investments & Loans*
- *Accounts Payable & Receivable*
- *Information Technology & Communication Systems*

Achievements

- Unqualified Audit Report
- Adoption of Annual Business Plan, Budget & Rates
- Budget Reviews completed each quarter
- Review and improvement of processes, systems and procedures
- Review and improvement of Internal Financial Controls
- Overall results aligned with Strategic & Long Term Financial Plan
- Upgrade of Council IT servers
- Expansion of the records system to enable electronic data management
- Review of rating system and strategy
- Review and development of financial policies and procedures

Financial Plan & Budget

The Strategic Plan adopted by Council is supported by a Long Term Financial Plan with the aim to develop an integrated suite of plans to guide the future of the Council. The plans incorporate the many changes both within Council and Local Government and address the long-term sustainability of the Council. Changing economic conditions, rate policy review, State and Federal Government plans and legislation all influence the financial planning and impact on the ability of Council to deliver services to the Community. The Financial Plan has been prepared to support the long-term future of the Council to meet service levels, undertake maintenance and management of community assets.

The Long Term Financial Plan (LTFP) is for the period 2005 - 2015 and will be used to guide the preparation of future Annual Business Plans and Budgets. The LTFP is currently being reviewed and will be available for public comment in 2012. This will improve the co-ordination of service delivery and projects to ensure objectives are achieved through the identification of priorities and adequate resource allocation. The emphasis on performance measurement will see the introduction of more meaningful ways of measuring performance using social indicators and improved management of financial and non-financial risks.

Annual Budget

The Annual Budget is developed within the guidelines of the Long Term Financial Plan and the Budget Objectives Policy. Aims include:

- Operating result to be positive
- Maintenance of existing assets with capital expenditure on replacement equal to or greater than the annual

depreciation expense

- An emphasis on seeking grant funds for all projects
- Emphasis on User Pays Policy

Review of the Budget

Adherence to the Annual Budget is monitored as part of the quarterly Budget Review process and reported to Council.

The Budget is reviewed three times during the year, at the end of September, December and March. The purpose of the reviews is to provide the opportunity for a major examination of the budget amounts allocated for operating activities, to assess reallocations for programs, to respond to changes in the major influencing factors and to assess the progress and cost variations of capital projects in response to influencing factors.

Investment Review

The Investment Policy was developed to meet the provisions as required under the Local Government Act (1999), sec 139 & 140. The intent is to ensure the integrity of investments and to monitor the performance of the investment portfolio within the policy guidelines.

The main objectives of the policy are to protect the funds and maximise the return with an acceptable and prudent level of risk. The Budget objectives of maximisation of investment revenue is supported by the strategy of monitoring the level of funds with transfer to higher interest return investments after consideration of expected revenue and committed expenditure. The aim is to ensure adequate funds to meet daily cash flow needs with minimum use of the overdraft facility.

Surplus funds are invested with the Local Government Finance Authority (LGFA) for good levels of return with low risk exposure, low transaction costs and high ease of access. The performance return is compared to the Reserve Bank of Australia (RBA) Cash Rate. The simple average rate was 4.75%.

All investment activity was within the Council Investment Policy with funds placed in Category A investments with the LGFA – rating AAA in a range of term investments from 24hr call to 90 days, the total investment revenue earned was \$59,430* for an average return on investment of 4.75%.

** see note 2 of the Financial Statements*

Technical Services

RESPONSIBILITIES

- Maintenance of parks, gardens, reserves and playgrounds
- Construction and maintenance of roads, verges, median strips, kerbs, gutters and footpaths
- Maintenance and upgrade of signage for roads, parks and recreational facilities
- Street sweeping, garbage collection and waste management
- Plant and machinery purchase and maintenance
- Stormwater drainage construction and maintenance
- Cemetery development and maintenance
- Solomontown Beach development, foreshore development and tidal protection
- Marine facilities including boat ramps, car parking, wharf and retaining walls
- Aerodrome maintenance and development
- Traffic Management
- Asset Management

2010/2011 Achievements

PROJECTS

Florence Street PLEC

This joint venture project between Council and ETSA Utilities was a major project in relation to the undergrounding of electrical power and upgrading street lighting within areas of the Port Pirie Central Business District. Due to the physical size, complexity and funding, the project was to be staged over a period of three years.

The majority of underground conduits and cables have been installed with the civil contractor continuing to backfill completed areas where switching cubicles and transformers have been positioned. Generally the majority of trenches and excavations have been completed. A number of minor areas need to be reopened so electrical connectivity can take place into new connection pits and lighting columns. The positioning and installation periods of lighting columns will then need to be programmed.

General reinstatement of pavers and earth material surrounding switching cubicles and transformers has taken place. Steel bollards have also been installed in respective locations.

Port Pirie Council Depot

Capital works are continuing within the Port Pirie Depot. Kerbing, vehicle parking construction, asphalt sealing and general tree and shrub plantings have been carried out within the employee and general public carpark areas and within the main depot area. Urban sensitive water design aspects have been incorporated within the stormwater drainage systems of the vehicle parking area. Pavement line marking, bollards and other traffic management works have also been included in the works.

These works have not only improved safety of pedestrian and vehicular movements but have also included general amenities. A number of street trees have also been planted outside the perimeter fence area improving the visual amenity of the depot within the Industrial Subdivision.

An additional small section of asphalt sealing of the depot yard was completed. The area was subject to vehicular turning movements generating dust when dry and slush when wet. An outdoor shed extension was constructed with a paved floor area to allow employees a shaded area during specified periods. A vehicle wash down area was constructed for general vehicle and equipment cleaning purposes.



Laying of asphalt at the Depot Yard

Port Pirie Water Re-Use

Port Pirie Regional Council applied for and was successful in obtaining \$2.5 million from the Federal Government in funding under the National Water Security Plan for Cities and Towns Program for a water reuse project. The project is a \$5 million project to supply 350ML/a of Class A recycled process water from the Nyrstar smelter for reuse within the smelter (250ML/a) and on Council reserves (100ML/a).

Nyrstar will build a 350ML/a capacity Microfiltration Reverse Osmosis Treatment plant on its site at an estimated cost of \$3 million (50% - Nyrstar and 50% - Federal Government grant) and Council will build a \$2 million reticulation network (50% - Council and 50% - Federal Government grant) (including an approximate 8km pipeline, associated balance tanks and pumping system) from the Nyrstar plant and along the public road network to service various Council reserves throughout the City.

In effect, Nyrstar will pay for all costs (and arrange/project manage) associated with the project that reside within their boundary (including the recycling plant), and Council will fund all costs (and arrange/project manage) associate with reticulating this water form Nyrstar's boundary to its parks.

Council has engaged the services of Worley Parsons to prepare a design and tender document and to undertake tender assessment and construction management of a reticulation system for use of the reclaimed water. The design work has commenced. Council is working with Nyrstar on the development of a formal agreement for the supply of the reclaimed water.

The Cities and Towns funding arrangements require the project to be completed by 30 June 2012.

Technical Services

Wandearah Road Reconstruction and Drainage

The Wandearah Road reconstruction project from Mary-Elie Street to Grey Terrace (Stage 2) has been fully funded using federally funded Road to Recovery funds. This section of road is a multi staged road and stormwater upgrade project. This road is a major link road from residential and other commercial sectors of Port Pirie. New kerb and gutter was constructed and extensive excavation was required to provide a more suitable base due to poor quality sub-base material.

Once the road was constructed a wearing surface was laid using an asphalt surface. In conjunction with the road reconstruction works, stormwater drainage upgrade works were also carried out as part of Council's stormwater drainage upgrade and improvement plans.



Laying of new road base material on Wandearah Road

Bridges

DTEI were engaged by Council during 2009/10 to inspect, assess and report on Council's bridges.

Following receipt of a draft report, further work has been undertaken in conjunction with DTEI to determine indicative costs for upgrading those bridges still in use and where appropriate the application of load limits.

As a result of those investigations and consideration for long term budget impacts and provision of services, Council resolved at its meeting held in March 2011 to close three of its bridges to public access, being the Merriton Bridge over Rocky River, the Narridy Bridge over Rocky River and the Merriton Bridge over the Broughton River.

Council also resolved that the Sims Bridge over Brown Creek be restricted to single lane movements, to post the appropriate load limit on the structure and to provide a detour for vehicles that exceeded the load limit.

Further work is being undertaken with each of the three bridges to determine the most appropriate method of managing the bridges in the future including investigating if they are of interest to the adjacent landowners for closure of the road and purchase, or to be eventually demolished pending budget allocations. It is likely that at least one of the bridges will be on a heritage list and if so it will have impact on the management of the structure for the future.

Further investigation work is being undertaken to develop long term management plans for each of the bridges that will remain in service, including developing concept costs and prioritisation of works required, as input to future budget considerations.

Bicycle Strategy for Port Pirie

At the end of July 2010 Council applied for and was successful in gaining \$25,000 funding from the State Government through the State Bicycle Fund and Black Spot Program, Cycling Projects to develop a Local Area Strategic Bicycle Plan for the City.

Council committed \$25,000 from its own resources to match the State funds to develop the Strategy.

Council engaged the services of Bicycle SA to prepare the Strategy with Bicycle SA utilising the expertise of Hub Traffic and Transport to assist with aspects of the project.

Rural Property Addressing

Work continued during the year on the Rural Property Addressing initiative in the Port Pirie Regional Council area that will result in all rural properties being identified with a nationally consistent numbered address. The distance based numbering system, which is nationally recognised by service providers and emergency personnel, is being introduced jointly by the State and Local Governments across South Australia.

The program requires the precise location of the road entrance to each occupied rural property being identified, and plates being erected at each entrance to identify its location. It is estimated that there are up to 900 properties in the Port Pirie Regional Council area to be identified and signed as part of this program.

The Department of Transport, Energy and Infrastructure (DTEI) is managing the project at a State level, and is providing much of the necessary information in relation to property entrance numbers and locations. Once Council has completed its work including resolving all the road name issues, DTEI is expected to provide Council with the list of property entrances to be 'sign-posted'. This stage will finalise the exact number of address plates to be erected within the Council area.

A number of issues need to be addressed as part of this project to ensure a satisfactory end result to this initiative, including the unique naming of roads within the Council area, consistent naming of roads across Council boundaries and the numbering convention for DTEI roads through townships or urban areas (eg: Goyder Highway through Crystal Brook).

Council has considered a number of recommendations regarding changes to road names to ensure unique naming and definition of start and finish points for roads.

Council is now waiting on DTEI for the unique property numbers and has sought quotes to let a contract for the supply and installation of signs for each rural property.

Technical Services

Stormwater Management Plans

Council endorsed Stormwater Management Plans (SMP) for Port Pirie and Crystal Brook at the May 2011 Ordinary Meeting of Council.

Work continued on both plans during the year with additional information being supplied by Council to Tonkin Consulting who were undertaking the preparation of the Plans.

The Stormwater Management Plans provide a broad overview of issues and sets out the strategic direction for improvements to stormwater drainage for both areas. A list of prioritised works is included in each Plan.

The Plans have been lodged with the Northern and Yorke Natural Resources Management Board (N&YNRMB) for endorsement as part of the process for stormwater management funding support.

Once endorsed by the N&YNRMB, the Plans will be forwarded to the Stormwater Management Authority (SMA) for adoption and may provide the means to seek State Government funding support through the SMA for future stormwater projects which are included in the Plans.

Speed Limit Reviews

Council liaised with DTEI for speed limit reviews arising from requests from the community for speed limit changes to a number of roads within Council's area.

DTEI is the authority responsible for determining speed limits on roads in the State regardless of whether the roads are a State Government responsibility or Local Government responsibility.

Ten locations were investigated by DTEI including; the Goyder Highway, Gadd Avenue, Frith Road, Bowman Street and the Cattle Track at Crystal Brook, Valley Road at Koolunga, Flinders Drive at Nelshaby, Port Germein Road, Port Davis Road and Pelham Road at Port Pirie.

Council supported most of the recommendations provided by DTEI. Further work is being undertaken to reach agreement with DTEI on an appropriate speed zone for the Cattle Track entrance to Crystal Brook.

All agreed speed zone changes have been appropriately signed.

RLCIP Funding

Port Pirie Regional Council was again extremely successful in gaining funding under the Federal Government's Regional and Local Community Infrastructure Fund (RLCIP) for projects around the region. This is the same fund which secured Council \$2.5m for the new Library and \$635,000 for the refurbishment to the Port Pirie Swimming Pool. This time, a total of \$252,000 will be received for nine separate projects throughout the Council area including:

- \$100,000 - Refurbishment of Memorial Oval Grandstand at Port Pirie
- \$50,000 - Upgrade of sporting facilities at Crystal Brook Showgrounds
- \$30,000 - Upgrades at Crystal Brook Football Club
- \$24,000 - Upgrade of Pioneer Park at Napperby

- \$12,000 - Construction of shade sails at Mortimer Park Playground at Redhill
- \$12,000 - Upgrade of recreational facilities at Redhill Lookout
- \$12,000 - Upgrade of shade facilities at Koolunga Cemetery
- \$8,000 - Construction of fencing at Bunyip Park at Koolunga
- \$4,000 - Upgrade of tourist information infrastructure in the main street of Koolunga

Council made a conscience decision for the Round 2 funding, that it would apply for funds for key projects in the rural areas as identified by the respective Community Development Associations as well as undertake essential maintenance on the Memorial Oval Grandstand to ensure its structural integrity.

The funding was announced in 2009/10 with Council staff working progressively planning and implementing these projects in conjunction with the relevant Community Development Associations. Nearly all projects were completed by the required deadline of 31 December 2010 with all projects completed by 30 June 2011.

ASSET MANAGEMENT

Asset Management Team

In 2010/11 Council's Asset Management Team continued its work updating Council's Asset Management Plans to provide usable data for developing Council's long term capital works programs and maintenance schedules. Updating the Asset Management Plans involves reviewing existing data already available, updating it and collecting additional asset data, rating the condition of assets and calculating life expectancy and replacement values. It is anticipated that the development of Council's future capital works programs will be based on the requirement to replace and upgrade existing assets rather than create new assets.

Council had its transport, drainage and CWMS assets re-valued by Maloney Field Services.

Council continued mapping all of Council's assets using geographical information system (GIS), MapInfo and linking to documentation such as plans, specifications and photos.

Capital Works – Properties and Buildings

Council completed approximately \$170,000 of capital improvements to its properties and buildings for the 2010/2011 financial year including:

- Installation of back fence to the Port Pirie Swimming Pool
- Installation of two shades to the Crystal Brook Swimming Pool
- Fence repairs at the Crystal Brook Swimming Pool
- Repainting of the shelters and toilet at the Port Pirie Beach
- Painting the outside of the Port Pirie Senior Citizens building
- Painting of the outside of the Koolunga Institute and some electrical upgrades
- Tiling of the Crystal Brook Adelaide Square toilet block floor
- Adelaide Square Rotunda upgrade at Crystal Brook

Technical Services

- Painting of the Lawrie Park toilet block at Nelshaby
- Demolition of the old building at Bowman Park
- Installation of security fencing around the bunkhouse building at Bowman Park
- Installation of a combustion heater to the Bowman Park restaurant
- Painting and tiling to Redhill Mortimer Park toilet block
- Installation of metal flashing to the Redhill Institute
- Painting of the Senate Road Complex toilet block
- Installation of soakage pit to the Koolunga Institute
- Interior painting to the Port Pirie Council Administration Building– Mayor and Chamber side
- Kitchen upgrade to the Manager’s residence at Port Pirie Aerodrome
- Tiling of the Solomontown beach toilet block floor
- Installation of gutters to Tennyson Hall
- Upgrade to the Memorial Oval Grandstand

Bowman Park Management Committee

The Crystal Brook Community Association held a public meeting in April 2010 inviting ratepayers concerned about the future of Bowman Park. As a result of this public meeting the Bowman Park Management Committee was formed and in August 2010 the Committee was adopted by Council as a



Sub-Committee to the Crystal Brook Community Association.

Bowman Park Volunteers meet onsite

Since that time the Bowman Park Committee has been working hard to establish themselves and to regenerate interest in Bowman Park as a place for local families and visitors to visit for passive recreation activities.

Parts of Bowman Park are in urgent need of repair and maintenance. Council and the Bowman Park Committee have been working together to create a Management Plan for the park and make the park safe for all visitors.

The Committee has been proactive in applying for grants for tree planting which will be beneficial for the Park. They have held numerous working bees and completed many projects which were identified in the Management Plan as follows.

- Painting of the public toilets
- Re-staining the restaurant pergola
- Clearing of weeds and excess shrubs
- General clean up area and inside the buildings

The Committee has given up their spare time and spent many hours to ensure the park is safe for the public and has a lot of historical infrastructure which needs to be maintained.

Council has also completed many projects in 2010/2011 including:

- Removal of the white reptile house, which was badly vandalised
- Installation of security fencing around the bunkhouse
- Installation of a new oven and combustion heater in the fire place
- Council organised TAFE to finish the survey of Bowman Park

Council will continue to liaise with the Bowman Park Management Committee to ensure everyone keeps working to the Management Plan and to ensure the Park is maintained and kept safe for the visitors.

CONSTRUCTION AND MAINTENANCE

Urban Reseals

As part of Council’s road reseal program, the following roads were resealed using asphalt during the 2010/2011 financial year:

- Esmond Road (Anzac Road to Whittard Street)
- Wattle Street (Copinger Road to Pine Street)
- Wauchopes Road/ Railway Terrace intersection
- Grey Terrace (Three Chain Road to spoon drain)
- Dunn Street (part of street only)

Rural Resheeting

In 2010/11 \$700,000 was allocated to resheeting rural roads. The following roads were included in the program:

- Binney Road – Cattle Track to Gadd Avenue (1.8km)
- Behannas Road – Wandearah Road to Sinclair Road (4.37km)
- River Glen Road – Sinclairs Road to 2.8km north of Sinclairs Road (2.8km)
- Davidsons Road – Port Broughton Road to Highway One (2.1km)
- Kelly Road – Dunsford Road to 2.5km to the Council boundary (2.5km)
- Jones Road – Ghost Gully Road to Valley Road (1.4km)
- Freezer Road – 1.3km west of Old Broughton Road to 2.6km west of Old Broughton Road (1.3km)
- Lower Broughton Road- Wandearah Road to Mitchell’s Gate (4.9km)
- Old Broughton Road – Exchange Road to 2.0km south (2.0km)
- Heritage Lane – Abattoirs Road to 0.4km north (0.4km)
- Duffield Road – Port Pirie/Port Broughton Road to Wandearah Road (5.6km)
- Milcowie Road – Port Pirie/Port Broughton Road to Woodlands Road (1.6km)
- Lower Broughton Road – Freezer Road to 2.0km north (2.0km)
- Railway Terrace – 0.8km west of Pirie Blocks Road to Pirie Blocks Road (0.8km)
- Old Racecourse Road – Railway Terrace to 0.3km south(0.3km)
- Senna Road – Nurom Road to Frith Road (2.0km)
- Stock Route Road – Railway Crossing to Tillers Gate (0.35km)
- Finnegans Road – Port Pirie/Port Broughton Road to River Road (1.12km)

Technical Services

PARKS AND RECREATION

Street Tree Plantings

Street tree planting took place in the following locations:

Urban

- Port Davis Road
- Campbell Street
- Dianne Street
- Plantation Crescent
- The Terrace from Mary Elie Street to Phoenix Park Trotting Track
- Broadway Road from The Terrace to Senate Road

Rural

- Sixth Street, Napperby
- Part of the STEDS site at Napperby



New street tree plantings along Broadway Road, Port Pirie

WASTE MANAGEMENT

Waste Management and Recycling

Waste Management was high on the agenda during the 2010/11 financial year, with the year starting with the commencement of the Project Manager, Waste and Recycling - a newly created position for Council.

With the impending closure of the landfill site, Council was under pressure from the Federal Government to fulfil the requirements of a \$2 million grant from the Federal Government to create jobs, with both issues requiring completion before the end of June 2011.

Grants

After a detailed review of Council's long term waste management requirements and discussions with the Federal Government, Council decided that the obligations and requirements of the funding agreement significantly outweighed any potential benefits of the funding grant and in March 2011, Council wrote to the Federal Government and declined the funding.

Council subsequently made an application in May 2011 to the Regional Development Australia Fund for contribution to the development of the new waste facility.

Waste Collections

Council adopted a new policy for kerbside collections in May 2011. The policy states that each household will receive a three bin waste and recycling collection. It is intended that this system will be rolled out late 2012.

Transfer Station

The Development Assessment Commission (DAC) approved the construction of the transfer station in December 2010. The approval gives Council permission to build a new waste facility adjacent to the current site. Tenders for the design and construction of the new transfer station were received in January 2011. A new design was discussed and tenderers were asked to submit revised pricing schedules in May 2011.

During the course of the year there has been several Council workshops conducted to provide information to Councillors on the issues and decisions which face the community over the next few years. The publication of information throughout the year has also provided members of the public with an insight to the changes and challenges Council faces in waste management in the near future. During the course of 2011/12 there will be an increased focus on education and residents will see the publication of leaflets and booklets to keep them informed of changes to waste management.

Landfill

The Environmental Protection Authority (EPA) required (as a result of legislation changes) that Council close the landfill site on Three Chain Road, Port Pirie by June 2009. Council negotiated extension of the closure to enable the upgraded transfer station to be built and become operational prior to closure of the landfill. The EPA has approved an extension of closure to the end of June 2012.



Current Landfill site

The closure of the landfill site requires that a detailed Plan is submitted and approved by the EPA. The Closure Plan must detail how the site is to be restored and how the land will be managed in the future. Council submitted the Plan in December 2010 and the EPA approved the Plan in January 2011. The amount of detail contained in the Closure Plan was the key to Council being granted another extension.

Governance Statement

Summary

- *By-laws*
- *Decision Making Structure of Council*
- *Elected Member Allowances*
- *Elections*
- *Strategic Plan*
- *Financial Plan and Budget*
- *Performance Measurement*
- *Rate Rebates & Remissions*
- *Regional Groups*
- *Retirement Villages*

BY-LAWS

By-laws by definition are rules made by a local authority for the regulation of its affairs or management of the area it governs. Council also has the power to make By-laws for different activities of Council not stated directly in legislation.

Current By-laws are :-

1. Permits & Penalties
2. Moveable Signs
3. Local Government Land
4. Roads
5. Dogs

A review of all the By-laws was completed in the 2008/2009 year.

DECISION MAKING STRUCTURE OF COUNCIL

Committee Structure



Attendance by the Public

Council Meetings are held at the Council Chamber, Port Pirie Administration Centre, 115 Ellen Street, Port Pirie, at 7.30 pm on the 4th Wednesday of each month.

The Audit Committee meets at least two times a year at appropriate times in the reporting and audit cycle and otherwise as required.

The Development Assessment Panel meets on the third Wednesday of each month.

The Building Fire Safety Committee holds a minimum of two meetings each calendar year on a day and time nominated by the Presiding Member.

Council, Committee and Panel meetings are open to the public and attendance at these meetings is encouraged, however members of the public may only observe the proceedings unless invited to address the meeting.

Members of the public are able to put forward their views on particular issues before Council in the following manner :-

(a) *Deputations*

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

(b) *Written Requests*

Any person wishing a matter to be considered by Council should communicate in writing to the Chief Executive Officer.

(c) *Petitions*

Written petitions should be addressed to the Council on any issue within Council's jurisdiction, and will then be presented to Council.

(d) *Elected Members*

Members of the public can contact an Elected Member of Council to discuss any issue relevant to Council.

Closing dates apply for matters to be included in Council agendas. Please check with Council for these "deadlines".

Agendas for all meetings are placed on public display at the Administration Centre no less than three clear days prior to meetings. Minutes of Council meetings are placed on display within five days after a meeting.

Council Decision Review

Council is committed to transparent decision-making processes and to providing a fair and objective procedure for the review of decisions made by Council. A formal Complaints & Grievance Handling Policy has been adopted as part of a customer focus approach to service delivery.

Many issues arise during the course of the Council activities and most are initially made verbally by telephone, face-to-face or in writing to a Council Officer, or to an Elected Member. Any grievances will first be referred to the relevant Council staff member and on most occasions this results in the matter being resolved satisfactorily.

Governance Statement

The Complaints & Grievance Handling Policy will apply when a formal application or request for review of a decision process is received.

The policy will apply to all formal requests for review of Council decisions, except in instances where specific procedures are prescribed in the Local Government Act 1999, or other relevant legislation and will not be used when other decision review processes are available.

The decision review process provides the opportunity for Council to review the way it makes decisions and also the manner in which it provides services to the community, seeking to identify areas that may need changing or improvement.

Delegations

The Chief Executive Officer and Senior Officers have the authority from Council to make decisions on a number of specified administrative and policy matters. These delegations are reviewed on an annual basis.

ELECTED MEMBER ALLOWANCES

Members' allowances to June 2010 were as follows:

Mayor	\$45,200
Deputy Mayor	\$14,125
Councillors	\$11,300

A \$100 allowance per meeting attended was paid to Council Members, Crs D Devlin, J Rohde and J Paparella appointed to the Council Development Assessment Panel.

ELECTIONS

Council elections are held every 4 years with all positions being declared vacant. The next election will be held in November 2014.

STRATEGIC PLAN

The Strategic Plan provides the structure for the creation of the Council's future over the next 10 years. This is Council's second Strategic Plan. The plan outlines priorities and directions for 2005-2015 and has been developed through an extensive process which has involved:

- A comprehensive process of consultation with the community, industry, government and key stakeholders through a community survey and focus groups to determine their needs and any key issues;
- Review and analysis of information collected;
- Consideration of State and regional plans;
- Workshops with Elected Members and Senior Council staff, and
- Input and analysis by an external consultant.

The Plan's strategic direction focuses on five key areas:

- Quality lifestyle
- Economic prosperity
- Infrastructure & asset management
- Environment sustainability
- Organisational excellence.

Objectives and strategies have been developed for each of these key areas.

The Strategic Plan was adopted on 26 August 2009.

The Plan is supported by a 10 year Long Term Financial Plan and a Capital Works Plan. Annual Business Plans are being developed for each department of Council. Annual budgets are now developed to align with this suite of plans.

FINANCIAL PLAN AND BUDGET

The current Plan is under review and will be released in the 2011/12 reporting period.

The budget guidelines are :-

- Annual Balanced Budget
Adoption of a balanced budget where the cost of providing services and activities is met within the revenue level of the current year. Where a shortfall exists, funds are sourced from reserves, grants and/or debt.
- Maintenance of Existing Assets
The development of programs to renew and maintain existing assets. The creation of new assets only where community demand exists.
- Annual Balanced Budget
Adoption of a balanced budget where the cost of providing services and activities is met within the revenue level of the current year. Where a shortfall exists, funds are sourced from reserves, grants and/or debt.
- Maintenance of Existing Assets
The development of programs to renew and maintain existing assets. The creation of new assets only where community demand exists.
- Emphasis on Seeking Grant Funds
Seek to match new grant and subsidy schemes available with existing programs that meet the fund criteria and allow Council to access wider revenue sources.
- Maximisation of Investment Income
Closely monitor the level of funds on hand to ensure that there is sufficient to meet immediate needs and transfer any excess to a higher interest investment account, combined with minimal use of short term credit facilities.
- Examination of User Pays Policy
The development of a framework to examine the partial or full cost recovery for the delivery of Council services.

PERFORMANCE MEASUREMENT

The Council seeks to monitor its performance against a group of quality performance measures. Council uses information available from supplementary organisations, Local Government Association Comparative Performance Measure – Community Survey, Risk Management Review, Occupational Health & Safety statistics.

Financial performance is monitored against the Financial Plan using the Annual Budget and Budget Review processes.

The 2010/2011 Budget was formally reviewed on three (3) occasions during the year. Several projects were added and removed during the year and adjustments made accordingly.

Governance Statement

Water Re-use and Waste Management placed increased pressure on the 2010/2011 budget.

Adherence to Budget is monitored on a quarterly basis through the reporting mechanisms of the Audit Committee.

Also, the General Purpose Financial Statements contain a number of Financial Performance Indicators (see Note 15 of the Financial Statements).

RATE REBATES & REMISSIONS

Sections 159 to 166 of the Local Government Act 1999 require Council to grant certain statutory or discretionary rebates on rates.

The total value of statutory and discretionary rebates granted for 2010/2011 was \$267,000, excluding those properties that are exempt from Council rates such as Government land.

Also, the General Purpose Financial Statements contain a number of Financial Performance Indicators (see Note 15 of the Financial Statements).

REGIONAL GROUPS

The Council supports and makes contributions to the following regional groups:

- Upper Spencer Gulf Common Purpose Group
- Provincial Cities Association
- Regional Development Australia Yorke & Mid North, (formerly Southern Flinders Ranges Development Board)
- Central Local Government Region.
- Southern Flinders Regional Tourism Authority.

RETIREMENT VILLAGES

Applications for a rate rebate were received from 2 retirement villages, totaling \$18,200.

Compliance Statement

Summary

- *Community Land*
- *Competitive Service Delivery*
- *Confidentiality Provisions*
- *Elector Representation*
- *Freedom of Information*
- *Staffing*
- *Occupational Health and Safety*
- *National Competition Policy*
- *Purchasing Policy for Goods and Services*
- *Registers, Codes and Policies*
- *Salary Packaging for Senior Officers*
- *Subsidiaries*
- *Section 41 Committees*
- *Tenders*

COMMUNITY LAND

Legislation introduced within the Local Government Act 1999 required land to be classified as Community Land or be exempted from the Community Land classification.

Land classified as Community Land must have a management plan developed which outlines to the community how this land will be managed and maintained by Council.

Land owned by Council and acquired during the year has Land Management Plans reviewed or new plans created to meet the legislative requirements.

COMPETITIVE SERVICE DELIVERY

Council has purchased a percentage of services from external contractors. The reasons generally are that Council is not able to provide these services at a reasonably comparable rate, within a specified time or due to a lack of specialist expertise.

The majority of services are delivered utilising Council assets and staff resources (refer to table this page).

EXPENDITURE BY CATEGORY FOR YEAR 2010/11		
2010/11 Expenditure	Employee Costs	Contractual Services, Materials & Other
Operating Expenditure	\$5,880,155	\$7,191,595
Total Expenditure (excluding capital, including depreciation)	\$20,389,095 29%	\$20,389,095 35%

CONFIDENTIALITY PROVISIONS

Council held 12 Ordinary Meetings and 4 Special Meetings between 1 July 2010 and 30 June 2011. A total of 409 resolutions were made at these meetings, of which 12 were considered "in confidence".

The broad reasons for the consideration of matters "in confidence" were as follows:

- Tenders and Quotations
- Land and Buildings
- Requested by a person/organisation
- Legal Advice
- Employee Matters
- Commercial Advantage.

All confidential orders remain in place until all parties agree that the decision be released from confidentiality.

ELECTOR REPRESENTATION

As a result of a periodic review conducted in 2005 (in accordance with Chapter 3 of the Local Government Act) from November 2006, Council will consist of 10 Elected Members and a Mayor.

The next periodic review of the composition of the Council must be conducted by 2013. Public notice will be given of the review and interested persons may make written submissions.

The elector ratio for Port Pirie Regional Council is 1:1091. For comparison purposes, the table below shows the Elected Member representation of Councils similar in size to Port Pirie Regional Council.

Council	Members	Electors	Elector Ratio
Copper Coast	11	9,279	1:843
Murray Bridge	10	12,570	1:1,257
Port Pirie	11	12,010	1:1,091
Victor Harbor	11	10,344	1:940
Wattle Range	12	8,552	1:712
Yorke Peninsula	12	8,793	1:732

FREEDOM OF INFORMATION

In accordance with the requirements of Section 9 (1a) of the Freedom of Information Act 1991, the Freedom of Information – Information Statement is published every 12 months.

Compliance Statement

FREEDOM OF INFORMATION (Cont'd)

A copy of the full version is available from the Council Administration Centre and the Crystal Brook Rural Office.

A copy is also available on Council's website www.pirie.sa.gov.au

Access to Council Documents

The following documents are available for public inspection at the Council Offices free of charge. Members of the public may purchase copies of these documents for a fee of 25 cents per page.

- Council Agenda & Minutes
- Regulatory Committee Agendas & Minutes
- Section 41 Committee Agendas & Minutes
- Council Policies
- Strategic Plan
- Budget Statements
- Annual Report
- Council By-laws
- Annual Financial Statements
- Planning Application Register
- Building Application Register
- Register of Elected Members - Allowances & Benefits
- Register of Employees' Salaries
- Wages & Benefits
- Assessment Book
- Register of Public Streets & Roads
- Register of Fees & Charges Levied
- Planning Applications by Consent
- Development Plan
- Any document seeking public comment

Other Information Requests

Requests for other information not included in the above, will be considered in accordance with the Freedom of Information Act.

Under this legislation, an application fee and a search fee must be forwarded with the completed request form as provided for in Section 13, Freedom of Information Act 1991, unless the applicant is granted an exemption.

Should the applicant require copies of any document inspected pursuant to a Freedom of Information request, the charges set out in Freedom of Information (Fees & Charges) Regulations 2003, Schedule 1, will apply.

Freedom of Information Request Forms should be addressed to:

Chief Executive Officer
Port Pirie Regional Council
PO Box 45
PORT PIRIE SA 5540

Applications will be responded to as soon as possible within the statutory 30 days of Council receiving the properly completed Freedom of Information Form, together with the application and search fees.

Amendment of Council Records

A member of the public may gain access to Council documents to make amendments concerning their personal affairs by making a request under the Local Government Act. A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date.

To gain access to these Council records, a member of the public must complete a Freedom of Information Request Form as indicated above, outlining the records that he/she wishes to inspect.

Freedom of Information Applications

In the period 1 July 2010 to 30 June 2011, no requests for access under Section 13 of the Freedom of Information Act 1991 were processed.

STAFFING

As at 30 June 2011, Council employed 90.6 full-time equivalent employees including cadets, trainees and apprentices in all areas of Council operations.

OCCUPATIONAL HEALTH AND SAFETY

The Port Pirie Regional Council continues to maintain a high standard of Occupational Health and Safety Management.

The Management Plan for Occupational Health and Safety, which had been developed pursuant to the WorkCover Exempt Employer Standards, requires Council as an exempt employer, to set its own Occupational Health and Safety objectives based on the organisation's own requirements and to integrate Occupational Health and Safety into the organisation's Management Plan.

Council's Occupational Health and Safety Committee which comprises management and employee representatives continues to update its plan, policies and procedures for the use of employees.

The Committee has been assisted in its work by the Regional Risk Coordinator, who also assists other Councils in the Mid North region. This assistance has been invaluable to Council.

Safe Work Procedures and Policies are being continually reviewed and new procedures are introduced if considered necessary.

Workplace inspections are undertaken on a regular basis.

Council participates in the Local Government Association Workers Compensation Scheme's Healthy Lifestyle projects and continues to provide annual health screenings for its employees.

Occupational Health and Safety training information sessions are made available to employees on a continuing basis.

Compliance Statement

NATIONAL COMPETITION POLICY

The National Competition Policy applies to government business activities and seeks to ensure open and fair competition to achieve a balance, termed competitive neutrality, between competitive principles and social objectives.

The intent of competitive neutrality is to ensure that where a Council provides goods and services that it does not have an unfair advantage over the private sector.

Each Council is required to report on an annual basis any significant business activities. This applies to activities where the role is production of goods and services for sale in the market place, has a profit-making focus, user charges apply for the goods & services and the activity is not primarily funded from rate revenue.

Declared activities for this Council are a Caravan Park and Private Works activities. As at 30 June 2009, the Caravan Park has been leased to the Crystal Brook Development Board. Council has a Management Agreement with this group.

The mechanism used by this Council to implement competitive neutrality is Competitive Reflective Pricing through the monitoring of local market prices. This method was chosen as the cost of implementing reflective cost principles would be an excessive burden.

This Council is not involved in any public monopoly activity and during the year there were no complaints received.

PURCHASING POLICY FOR GOODS AND SERVICES

Council has adopted several policies to ensure a fair, transparent and accountable process in the purchase of goods and services. Council aims to ensure that its methods are cost effective and represent best value for money.

In fulfilling Council's purchasing role, the following principles apply:

- transparency and accountability in procedures and practices to ensure the best price and all potential suppliers are given equal opportunity to supply;
- development and growth of local economy;
- compliance with statutory and other obligations;
- commercial confidentiality

Generally, Council will adopt the following approaches:

- Direct Purchase – where there is only one supplier.
- Quotation – seeking quotations from three (3) or more suppliers.
- Tender (Open) - invitation, eg advertisement
- Tender (Selected) – the result of Expressions of Interest or other basis, e.g. location, performance

Council has adopted a policy on indicating preference for the purchase of local and Australian made products,

provided that any additional cost is not excessive and service levels are to required standards.

The aim of the policy to support local purchase of goods and services is to promote economic growth within the local community.

REGISTERS, CODES & POLICIES

In accordance with the Local Government Act 1999, Council must maintain certain Registers, Codes and Policies. The following information is available for inspection by the public at the Port Pirie Regional Council Administration Centre :

Registers

- Members Register of Interest
- Members Register of Allowances & Benefits
- Register of Public Roads & Streets
- Register of Fees & Charges
- Development Application Register
- Register of Employee Salaries, Wages & Benefits
- Officers Register of Interest
- Bylaws
- Annual Statement & Budget
- Annual Report
- Financial Statements
- Meeting Agendas & Minutes

Codes

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

Policies

Policies are reference guidelines determined by Council and used by Elected Members and Staff when making decisions. Council has developed a Policy Document that is continually updated. A full list of policies is contained within this report.

SALARY PACKAGING FOR SENIOR OFFICERS

Council's Senior Officers are as follows :

- Chief Executive Officer
- Manager Administrative Services
- Manager Financial Services
- Manager Environmental Services
- Manager Technical Services

Salaries for these Officers are in accordance with the applicable Award and Council's Enterprise Agreement. Other benefits/conditions of employment include: performance bonus, additional superannuation, telephone expenses and provision of a major vehicle with all Fringe Benefits Tax expenses paid by Council.

Compliance Statement

SUBSIDIARIES

Council has not formed any single Council subsidiary pursuant to Section 42 of the Local Government Act 1999.

Council is a member of two (2) regional subsidiaries pursuant to Section 43 of the Act.

1. The Central Local Government Region is made up of 13 councils that meet regularly to discuss issues and make recommendations to the Local Government Association. The annual contribution is \$10,237.70 (GST incl).
2. The Flinders Mobile Library service comprises 3 councils, namely District Council of Mount Remarkable, Northern Areas Council and the Port Pirie Regional Council, to provide a mobile library service to rural townships and areas. The annual contribution is \$16,218 (GST incl).

Council makes an annual contribution to each subsidiary. The report of activities and the annual financial statements are the responsibility of each body, therefore the financial activities are not included in the accounts of this Council. Reports received from the subsidiaries are available for inspection at the Port Pirie Administration Centre.

SECTION 41 COMMITTEES

Council already had three (3) Section 41 Committees pursuant to Section 41 of the Local Government Act 1999, these being the :

- Council Audit Committee
- Dry Areas Committee
- Town Entrances Committee,

and formed four (4) more:

- Ellen Street Library Committee
- Sport & Recreation Committee
- CEO Performance Review Committee
- Port Pirie Masters Games Committee.

TENDERS

For the year ended 30 June 2011, a total of eleven (11) tenders were sought for the supply of goods and services.

Policies

ADMINISTRATION - GOVERNANCE

Council Logo
Freedom of Information - Procedures
Risk Management Policy
Vandalism – Rewards for Information
Volunteers
Official Anniversary Messages
Community Bus – Target Groups and Administration
Annual Inspections
Congratulatory Letters (Births) & Letters of Condolence
Elected Members Allowances and Support Policy
Mayoral Appeals
Supplementary Election Policy
Elected Member Training & Development Policy and Plan
Policy for Mayor Seeking Legal Advice
Caretaker Policy
Code of Practice for Access to Council and Committee Meetings and Documents
Complaints and Grievance Handling Policy
Council Induction Policy
Enforcement Policy
Fraud and Corruption Prevention Policy
Good Governance and Administrative Practice Policy
Internal Control Policy
Order Making Policy
Public Consultation Policy
Selection of Road Names Policy
Voting En- Bloc Policy
Whistleblowers Protection Policy
Elected Member Code of Conduct
Elected Member Conduct Complaint Handling

FINANCE

Bank Signatories
Budget - New and Additional Expenditure
Budget - Objectives
Budget - Over Budget Approvals
Community Assistance – Donations, Grants & Assistance to Community, Cultural & Other Organisations
Community Events – Support for
Contracts - Sub-Contract Work
Credit and Purchase Card Policy
Debt Collection
Donations to Charities
Expenditure Due to an Emergency Event
Expenditure – Motion without Notice
Guarantee of Loans
Facility Hire Charges
Investment of Surplus Funds
Revenue & Financing Policy
Treasury Policy
Reserve Policy
Asset Impairment Policy
Asset Revaluation Policy
Asset Management Policy
Petty Cash
Property Searches - Signing of Certificate
Purchasing - Authorisation
Purchasing - Local and Australian Made
Quotations and Authorisation
Rates (Property)
Sale and Disposal of Land Assets Policy
Sale and Disposal of Other Assets Policy
Sporting Representation – State & National

Tenders - Procedure
Tenders - Sale of Surplus Equipment

HEALTH AND ENVIRONMENTAL

Condemned Premises
Glass Beverage Containers
Rat Poison
Rewards - Rubbish Dumping/Vandalism
Sharps Collections in Public Places
Supply of Sharps Containers

INSPECTORIAL

Artistic Painting of Stobie Poles
Development Applications
Building Construction Sites - Damage to Council Property
Building Inspection Policy
Building Maintenance (Urgent) - Delegated Authority
Caravans in Residential Areas
Dog Control - Expiation of Offences
Dog Control – Re-Homing
Expiation of Offences
Footpaths - Items on
Footpaths - Planter Boxes
Footpaths - Tables and Chairs
Heritage Painting of Premises – Residential Properties
Horse Stables/Shelters
Impounded Dogs - Procedure for
Outdoor Trading
Parking Restrictions
Permits - Construction of Crossing Place
Soil Reports
Stray Cats - Trapping, Removal & Disposal
Toilets/Access - Provision for Disabled Persons
Washing of Vehicles on Streets
Food Act – Inspection Fees for Food Premises

PLANNING

Advertising Signs - Phoenix Park
Advertising Signs - on Sporting Grounds
Footpaths - New Land Divisions
Halls - Hiring of by Itinerant Traders
Land Divisions – Financial Incentives
Land Divisions – Statement of Requirements
Signs
Temporary Accommodation in Sheds
Transportable Houses - Re-siting

RECREATION

Memorial Oval - Hire
Ovals - Promotional Signs
Parks and Garden and Street Furniture
Recreational Jetties - Control of
Reserves – Council Owned – Use for Special Events
Reserves - Not Owned by Council
Sporting Reserves - Hire
Sporting Grounds - Linemarking
Woodward Park Kitchen and Shelter

WORKS

Consultant Engineer
Contracts - Services in Streets
Electrical Services in Streets
Entranceways - Location

Policies

Fires - Use of Council Plant
Fire Hazards – Council Owned Laneways
Footways - Construction for Commercial Premises
Footways - Crossing Places
Footways – Landscaping, Construction or Work by Adjoining Property Owners/Residents
Footways - Levels
Footways - Paving
Footways - Ramps
Footways - Removal of Deposited Material
Footways - Unauthorised Construction of Heavy Vehicles
Implementation of Approved Work
Laneways - Closures
Laneways - Council Owned
Lighting - Streets
Native Vegetation
Roadside Vegetation Management Plan
Naturestrips
Notification of Proposed Works
Permits - Native Seeds
Pest Plant Control - Safety Measures
Private Works
Road Resheeting
Road Treatment
Roadworks - Construction
Roadworks - Public Utilities
Roadworks - Signage
Schools - Provision of Parking Bays
Service Authority Installations - Delegated Authority
Site for Visiting Circus
Streets - Naming of
Tidal Embankment - Inspection
Trees
Underground Electrical Services
Vehicles - Fuel Supply
Waste Removal - Domestic
Wood - Sale of from Council Tree Pruning and Removal Activities (that is not mulched)
World War 1 Memorial
Waste Reduction Policy (Strategy) 2010 – 2015
Household Kerbside Collection Policy

Financial Performance

Introduction

The annual independent audit has been conducted by Dean Newbery and Partners Chartered Accountants, to form an opinion according to Australian Accounting Standards and other statutory requirements, as to whether the Statements form a fair view of the operations and the financial position of Council for the year ended 30 June 2011.

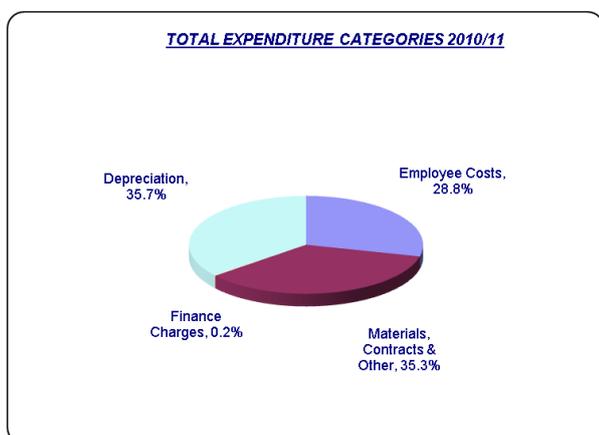
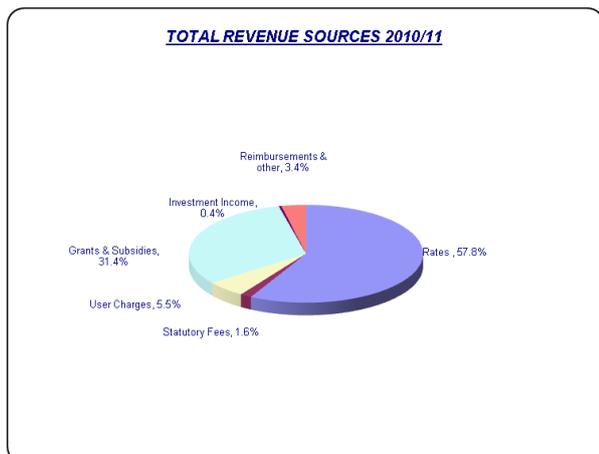
The audited Financial Statements for the year ended 30 June 2011 have been reviewed and endorsed by Council's Audit Committee at its meeting held on 14 November 2011, and were subsequently adopted by Council at the Ordinary Meeting held on 23 November 2011.

The Statements have been prepared in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Operations

The financial year ended 30 June 2011, saw a decrease in Council's operating deficit before capital income. The operating deficit decreased by \$1.75 million to \$3.46 million compared to 2009/10.

The charts below show the total operating revenue sources and total expenditure categories.



The table below is a snapshot of the movements in income and expenditure between 2009/10 and 2010/11 that have resulted in the decrease in operating deficit.

	2010	2011	Change	Movement
INCOME	\$15.18m	\$16.93m	\$1.75m	Increase
EXPENDITURE				
Employee Costs	\$5.37m	\$5.88m	\$0.51m	Increase
Materials, Contracts & Other	\$7.82m	\$7.19m	(\$0.63m)	Decrease
Depreciation	\$7.20m	\$7.28m	\$0.08m	Increase
Finance Charges	-	\$0.04m	\$0.04m	Increase
TOTAL			(\$1.75 m)	Decrease

This result is due to the increase in general rates revenue and grants received. Operating expenditure remained on par with the previous year.

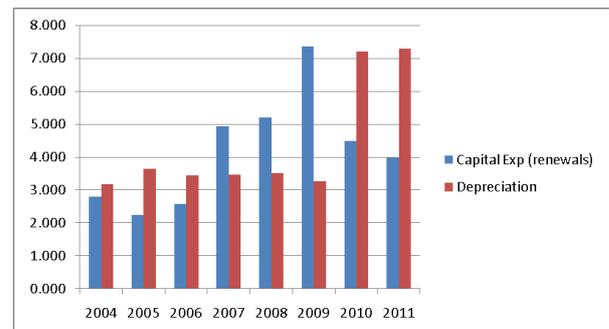
Full details of all movements in operating income and expenditure are presented in Notes 2 and 3 of the 2010/11 Annual Financial Statements.

Capital Expenditure

Capital works undertaken in 2010/11 amounted to \$1.34 million for the construction of new assets and upgrade of existing assets while \$3.97 million was spent on renewal of existing assets. \$1.983 million worth of projects have been carried forward to 2011/12. Major projects carried forward include the balance of work on landfill rehabilitation and construction of the new Water Transfer Station.

The capital program was supported by grant funds of \$0.15 million from the Federal and State Governments.

The graph below compares capital expenditure on renewals with depreciation for the 2010/11 financial year and previous financial years.



Financial Position - Equity

The overall level of equity has decreased from \$166 million to \$161 million. This decrease is due to the adjustment of Council's accounts for the loss on disposal of assets that are no longer held by council (replaced, renewed or disposed). This has contributed to an increase net deficit.

The balance of the Committed Expenditure Reserve is \$1.983 million and non-discretionary and restricted reserve funds held subject to legislative requirements and on behalf of the Community total \$1.501 million.

Movements in all reserves between 2010 and 2011 are detailed in Notes 9 and 10 of the 2010/11 Annual Financial Statements which are attached.

Financial Performance

Net Current Assets

The total amount of cash and equivalents held at 30 June 2011 is \$3.39 million. These funds are however, committed to the current budget and to capital works and projects brought forward from previous budgets.

Non-current Assets

The value of the non-current assets has decreased from \$168 million to \$165 million due to the disposal of various assets that are no longer held by Council as a result of disposal, renewal or replacement. Significant work has been put into making Council's asset register more accurate.

Long term asset management planning particularly for infrastructure assets, has become a major focus of Council activities. Of significant influence, is the greater allocation of funds to maintain the required service level of these assets. Council is committed to maintaining and upgrading its infrastructure, property, plant and equipment at serviceable levels.

This is demonstrated by Council's strong commitment to a robust capital expenditure program outlined in the Long Term Financial Plan. An ongoing review of the service levels of infrastructure assets is being undertaken together with the development of Asset Management Plans and Capital Works Plans to assist in the future management of these assets.

Financial Sustainability

Council's financial sustainability is measured by four main financial indicators. A comparison of all four indicators over the last three (3) years as well as the required targets is shown in the table below.

	2011	2010	2009	Target
Operating Surplus	(\$3.46m)	(\$5.20m)	(0.84m)	Breakeven
Operating Surplus Ratio	(36%)	(61%)	(11%)	0%
Net Financial Liabilities Ratio	21%	15%	(19%)	Up to 100%
Asset Sustainability Ratio	53%	57%	219%*	100%

The data in the table above clearly shows that Council's Operating Deficit decreased by \$1.75 million. This is also reflected by the improvement in the Operating Surplus Ratio. This was due to an increase in Council's general rates and grants income and expenses staying relatively the same as the previous year.

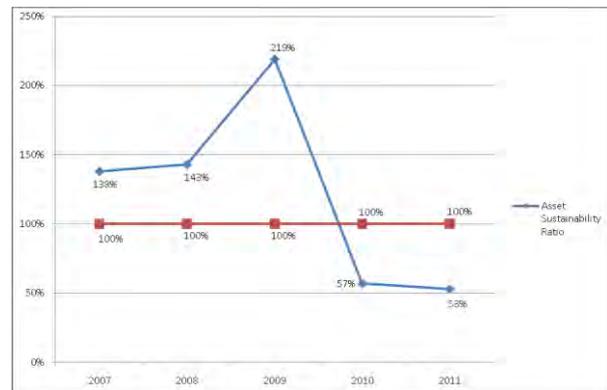
The following graph shows Council's Operating Result for the last few financial years.



Council's Net Financial Liabilities Ratio has increased in 2010/11 compared to 2009/10 but is still well below the recommended maximum target. This is due to the increase in borrowings for capital works. This ratio will need to be monitored in light of further borrowings budgeted in 2011/12 for the upgrade of the Waste Transfer Station and Port Pirie Water Reuse project.

The table shows that the Asset Sustainability Ratio has decreased slightly. Significant funds continue to be put into new capital projects especially the Waste Transfer station upgrade and Water Reuse, funds that could be spent on renewal of existing assets. Council's depreciation also needs further review as it may be higher than the average for a Council this size. Depreciation is a major component in the calculation of this ratio. As Depreciation becomes more accurate this ratio will improve if the current levels of funding for capital renewal are maintained.

The graph below shows Council's Asset Sustainability Ratio for the last few financial years.



All four financial sustainability indicators are similar to 2010, with the exception of the Operating deficit that has decreased considerably. The financial sustainability indicators more importantly do not meet minimum targets which makes Council financially unsustainable. For Council to be financially sustainable in the medium to long term all or a combination of measures shown below will need to be taken.

These measures are:

- increasing operating income
- decreasing operating expenditure
- increase in capital expenditure on existing assets

Financial Performance

- decrease in construction of new assets
- ensuring depreciation is accurate by reviewing
 - useful lives
 - residual values
 - list of assets held by Council
 - independent revaluations

More detail on how these indicators are calculated and defined can be found in Note 15 of the 2010/11 Annual Financial Statements (see attached).

PORT PIRIE REGIONAL COUNCIL

General Purpose Financial Reports for the year ended 30 June 2011

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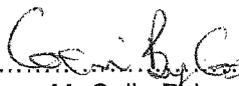
PORT PIRIE REGIONAL COUNCIL

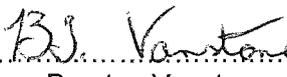
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2011

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 2011 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.


.....
Mr Colin Byles
ACTING CHIEF EXECUTIVE OFFICER


.....
Brenton Vanstone
MAYOR

Date: 14/11/11

PORT PIRIE REGIONAL COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2011

	Notes	2011 \$	2010 \$
INCOME			
Rates	2	9,786,376	8,737,850
Statutory charges	2	265,822	352,000
User charges	2	925,875	799,432
Grants, subsidies and contributions	2	5,317,093	4,704,643
Investment income	2	59,430	179,651
Reimbursements	2	398,103	330,967
Other income	2	177,447	74,176
Total Income		16,930,146	15,178,719
EXPENSES			
Employee costs	3	5,880,155	5,365,329
Materials, contracts & other expenses	3	7,191,595	7,823,452
Depreciation, amortisation & impairment	3	7,281,321	7,198,265
Finance costs	3	36,024	-
Total Expenses		20,389,095	20,387,046
OPERATING SURPLUS / (DEFICIT)		(3,458,949)	(5,208,327)
Asset disposal & fair value adjustments	4	(2,057,442)	109,542
Amounts received specifically for new or upgraded assets	2	149,000	1,883,111
NET SURPLUS / (DEFICIT)		(5,367,391)	(3,215,674)
transferred to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	9	-	70,851,138
Transfer to accumulated surplus on sale of revalued infrastructure, property, plant & equipment	9	92,601	-
Total Other Comprehensive Income		92,601	70,851,138
TOTAL COMPREHENSIVE INCOME		(5,274,790)	67,635,464

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

PORT PIRIE REGIONAL COUNCIL

**BALANCE SHEET
as at 30 June 2011**

ASSETS	Notes	2011 \$	2010 \$
Current Assets			
Cash and cash equivalents	5	3,387,564	2,210,216
Trade & other receivables	5	793,251	1,577,893
Inventories	5	<u>1,404</u>	<u>449</u>
Total Current Assets		<u>4,182,219</u>	<u>3,788,558</u>
Non-current Assets			
Financial Assets	6	416,761	204,952
Investment Property	7	3,571,656	3,571,656
Infrastructure, Property, Plant & Equipment	7	<u>161,049,106</u>	<u>165,129,340</u>
Total Non-current Assets		<u>165,037,523</u>	<u>168,905,948</u>
Total Assets		<u>169,219,742</u>	<u>172,694,506</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	2,203,405	2,659,610
Borrowings	8	405,108	-
Provisions	8	<u>1,273,509</u>	<u>789,807</u>
Total Current Liabilities		<u>3,882,022</u>	<u>3,449,417</u>
Non-current Liabilities			
Borrowings	8	2,014,892	-
Provisions	8	<u>2,178,711</u>	<u>2,826,182</u>
Total Non-current Liabilities		<u>4,193,603</u>	<u>2,826,182</u>
Total Liabilities		<u>8,075,625</u>	<u>6,275,599</u>
NET ASSETS		<u>161,144,117</u>	<u>166,418,907</u>
EQUITY			
Accumulated Surplus		52,232,686	57,494,043
Asset Revaluation Reserves	9	104,313,081	104,220,480
Other Reserves	9	<u>4,598,349</u>	<u>4,704,383</u>
TOTAL EQUITY		<u>161,144,117</u>	<u>166,418,907</u>

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

PORT PIRIE REGIONAL COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2011

2011	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		57,494,043	104,220,480	4,704,383	166,418,907
Restated opening balance		57,494,043	104,220,480	4,704,383	166,418,907
Net Surplus / (Deficit) for Year		(5,367,391)			(5,367,391)
Other Comprehensive Income					
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment			92,601		92,601
Transfers between reserves		106,034		(106,034)	-
Balance at end of period		52,232,686	104,313,081	4,598,349	161,144,117
2010					
Balance at end of previous reporting period		57,644,574	33,369,342	7,769,526	98,783,442
Restated opening balance		57,644,574	33,369,342	7,769,526	98,783,442
Net Surplus / (Deficit) for Year		(3,215,674)			(3,215,674)
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment			70,851,138		70,851,138
Transfers between reserves		3,065,143		(3,065,143)	-
Balance at end of period		57,494,043	104,220,480	4,704,383	166,418,907

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

PORT PIRIE REGIONAL COUNCIL

CASH FLOW STATEMENT for the year ended 30 June 2011

	Notes	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		19,370,467	13,719,502
Investment receipts		54,036	608,155
<u>Payments</u>			
Operating payments to suppliers & employees		(15,322,412)	(12,746,633)
Accrued expenses		<u>(110,176)</u>	<u>(184,124)</u>
Net Cash provided by (or used in) Operating Activities		3,991,915	1,396,900
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		149,000	1,883,111
Sale of replaced assets		124,434	389,486
Repayments of loans by community groups		52,398	39,482
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(3,973,957)	(4,489,930)
Expenditure on new/upgraded assets		(1,336,442)	(4,945,072)
Purchase of investment property		-	(86,024)
Loans made to community groups		<u>(250,000)</u>	<u>(91,999)</u>
Net Cash provided by (or used in) Investing Activities		(5,234,567)	(7,300,946)
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		<u>2,420,000</u>	-
Net Cash provided by (or used in) Financing Activities		2,420,000	-
Net Increase (Decrease) in cash held		1,177,348	(5,904,046)
 Cash & cash equivalents at beginning of period	11	<u>2,210,216</u>	8,114,262
Cash & cash equivalents at end of period	11	<u>3,387,564</u>	<u>2,210,216</u>

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

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 23rd November 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 **dollar**.

2 The Local Government Reporting Entity

Port Pirie Regional Council ("Council") is incorporated under the SA Local Government Act 1999 and has its principal place of business at 115 Ellen Street, Port Pirie. These financial statements include the consolidated fund and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

3 Income recognition

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

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

Port Pirie Regional Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

5.1 Real Estate Assets Developments

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

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

5.2 Other Real Estate held for resale

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost.

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

Capital works still in progress at balance date are recognised as assets, but only depreciated when they are available for use.

Port Pirie Regional Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

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

6.2 Materiality

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

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

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

Plant, Furniture & Equipment	
Office Equipment	5 years
Furniture and Fittings	5 to 15 years
Building & Other Structures	
Buildings	40 to 66 years
Structures	20 to 40 years
Equipment	20 to 40 years
Infrastructure	
Sealed Roads – Pavement	50 years
Sealed Roads – Seals	12 years
Unsealed Roads	50 years
Kerb and Gutter	50 years
Paving & Footpaths	30 to 40 years
Drainage	60 to 100 years
Bridges	60 years
Culverts	60 years
Other Assets	10 -100 years

Port Pirie Regional Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Council recognises a current liability for long service leave benefits for all employees who have completed 7 or more years service as at reporting date with all other employees calculated long service leave benefits classified as a non current liability. All employees annual leave benefits have been disclosed as a current liability as they are all due and payable as at reporting date. All benefits have been measured as the present value of the estimated future cash outflows (including payroll based on-costs). Present values are calculated using government guaranteed securities rates with similar maturity terms.

Port Pirie Regional Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

9.2 Superannuation

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

Accumulation Fund Members

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2010/11; 9% in 2009/10). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate is currently 6.3% (6.3% in 2009/10) of superannuation salary. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable 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

10 Construction Contracts

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

11 Joint Ventures and Associated Entities

Council does not participate in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

12 Leases

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

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

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

Port Pirie Regional Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

13 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.

14 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2011 reporting period and have not been used in preparing these reports.

- AASB 1 *First-time Adoption of Australian Accounting Standards*
 - AASB 3 *Business Combinations*
 - AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
 - AASB 7 *Financial Instruments: Disclosures*
 - AASB 8 *Operating Segments*
 - AASB 9 *Financial Instruments*
 - AASB 101 *Presentation of Financial Statements*
 - AASB 107 *Statement of Cash Flows*
 - AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
 - AASB 110 *Events after the Reporting Period*
 - AASB 118 *Revenue*
 - AASB 119 *Employee Benefits*
 - AASB 132 *Financial Instruments: Presentation*
 - AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
 - AASB 139 *Financial Instruments: Recognition and Measurement*
 - AASB 140 *Investment Property*
 - AASB 1031 *Materiality*
 - AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]*
 - AASB 2009-12 *Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 1023 & 1032 and Interpretations 2, 4, 16, 1039 & 1052]*
 - AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 3, 7, 121, 128, 131, 132 & 139]*
 - AASB 2010-5 *Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]*
 - AASB 2010-6 *Amendments to Australian Accounting Standards [AASBs 1 & 7]*
 - AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and Interpretations 2, 5, 10, 12, 19, & 127]*
 - *Interpretation 14* AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- (Standards not affecting local government have been excluded from the above list.)

Port Pirie Regional Council

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 1 - Significant Accounting Policies (cont)

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

The Australian Accounting Standards Board is currently reviewing AASB 1004 *Contributions*. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 2 - INCOME

	Notes	2011 \$	2010 \$
RATES REVENUES			
<u>General Rates</u>		9,476,374	8,456,625
Less: Mandatory rebates		(202,920)	(170,715)
Less: Discretionary rebates, remissions & write offs		(64,139)	(61,185)
		<u>9,209,315</u>	<u>8,224,725</u>
<u>Other Rates</u> (including service charges)			
Natural Resource Management levy		274,790	256,888
Community wastewater management systems		232,506	220,314
		<u>507,296</u>	<u>477,202</u>
<u>Other Charges</u>			
Penalties for late payment		35,775	26,515
Legal & other costs recovered		34,302	19,364
		<u>70,077</u>	<u>45,879</u>
Less: Discretionary rebates, remissions & write offs		(312)	(9,956)
		<u>9,786,376</u>	<u>8,737,850</u>
STATUTORY CHARGES			
Development Act fees (Building)		55,771	124,229
Town planning fees		98,364	122,786
Animal registration fees & fines		91,187	77,586
Parking fines / expiation fees		9,052	3,814
Other registration fees		11,448	19,887
Other fines, penalties & expiations		-	3,698
		<u>265,822</u>	<u>352,000</u>
USER CHARGES			
Cemetery/crematoria fees		199,999	106,818
Community Housing		126,521	119,122
Dump & Transfer Station Fees		368,603	300,622
Internet & Technology Centre		12,540	17,729
Lease/Rental Fees		84,840	80,430
Sport/Recreation Hire Fees		18,502	23,049
Tourism (Including Special Events)		83,808	135,598
Sundry		31,062	16,064
		<u>925,875</u>	<u>799,432</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		24,290	152,750
Banks & other		25,838	16,101
Loans to community groups		9,302	10,800
		<u>59,430</u>	<u>179,651</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

NOTE 2 - INCOME (continued)

	Notes	2011 \$	2010 \$
REIMBURSEMENTS			
Insurance Claims & Related Recoupments		120,243	83,005
Outside Parties - Community Projects		29,231	6,318
Outside Parties - Government Depts		13,677	50,403
Private Works for Residents		18,245	135,958
Workers Compensation		89,336	33,516
Other Reimbursements		127,371	21,767
		<u>398,103</u>	<u>330,967</u>
OTHER INCOME			
Commissions		11	1,503
Commercial Activities		56,442	24,631
Contributions from Outside Parties		48,632	7,960
Donation		9,600	6,700
Tourism other income		7,714	-
Special Event Sundry Sales		692	12,247
Sundry		54,356	21,135
		<u>177,447</u>	<u>74,176</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		149,000	1,883,111
Other grants, subsidies and contributions		4,203,505	3,656,950
Individually significant item - additional Grants Commission payment	see below	1,113,588	1,047,693
		<u>5,466,093</u>	<u>6,587,754</u>
<i>The functions to which these grants relate are shown in Note 12.</i>			
Sources of grants			
Commonwealth government		5,278,638	6,331,491
State government		187,455	256,263
Other		-	-
		<u>5,466,093</u>	<u>6,587,754</u>
Individually Significant Item			
On 27 June 2011, Council received payment of the first instalment of the 2011/12 Grant Commission (FAG) grant. This represents a significant increase in income from this source for 2010/11 with an equivalent reduction in 2011/12.		1,113,588	1,047,693

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

NOTE 2 - INCOME (continued)

	Notes	2011 \$	2010 \$
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>		-	287,000
<i>Roads Infrastructure</i>		-	<u>(287,000)</u>
<i>Subtotal</i>		<u>-</u>	<u>(287,000)</u>
<i>Unexpended at the close of this reporting period</i>		<u>50,000</u>	<u>-</u>
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>		 <u>50,000</u>	 <u>287,000</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 3 - EXPENSES

	Notes	2011 \$	2010 \$
EMPLOYEE COSTS			
Salaries and Wages		4,978,291	4,714,997
Employee leave expense		452,777	389,600
Superannuation - defined contribution plan contributions	18	302,522	250,276
Superannuation - defined benefit plan contributions	18	157,759	154,959
Workers' Compensation Insurance		275,910	226,270
Less: Capitalised and distributed costs		<u>(287,104)</u>	<u>(370,773)</u>
Total Operating Employee Costs		<u>5,880,155</u>	<u>5,365,329</u>
Total Number of Employees		94	96
<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		10,715	11,061
Elected members' expenses		208,067	178,346
Election expenses		51,671	29,675
Operating Lease Rentals - non-cancellable leases	17		
- minimum lease payments		<u>22,898</u>	<u>39,559</u>
Subtotal - Prescribed Expenses		<u>293,351</u>	<u>258,641</u>
<u>Other Materials, Contracts & Expenses</u>			
Advertising & Promotions		119,511	163,541
Consultants		402,674	410,705
Contributions to Community Development		382,380	387,669
Facility Maintenance		395,322	433,930
Finance Charges & FBT		102,723	82,794
Freight, Postage & Printing		80,640	56,277
Fuels & Oils		257,995	331,938
General Contractors		400,076	403,512
Infrastructure Maintenance		1,736,708	1,516,269
Insurances and Registration		417,725	427,567
IT Support & Maintenance		209,748	191,164
Legal Fees		86,571	134,634
Levies Paid to Government		341,344	392,673
Repairs and Maintenance		317,779	472,331
Stationery & Officer Consumables		23,687	31,913
Telephone		74,372	81,456
Tour/Events Purchases		140,275	125,080
Training/Seminar Costs		118,082	133,397
Utilities		597,452	377,018
Waste Management Services		549,114	924,815
Works Minor Plant/Tools		48,043	156,880
Sundry Expenses		8,769	218,379
Sundry Materials		<u>87,254</u>	<u>110,869</u>
Subtotal - Other Materials, Contracts & Expenses		<u>6,898,244</u>	<u>7,564,811</u>
		<u>7,191,595</u>	<u>7,823,452</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 3 - EXPENSES (cont)

	Notes	2011 \$	2010 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings		696,929	646,094
Infrastructure		4,847,587	4,845,868
Stormwater Drainage		243,827	242,458
CWMS		76,936	75,792
Plant & Equipment		428,270	427,226
Office Equipment		118,767	157,667
Reserve Improvements		<u>869,005</u>	<u>803,160</u>
		7,281,321	7,198,265
 FINANCE COSTS			
Interest on Loans		<u>36,024</u>	-
		<u>36,024</u>	<u>-</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2011	2010
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	124,434	389,486
Less: Carrying amount of assets sold	<u>2,181,876</u>	<u>279,944</u>
Gain (Loss) on disposal	<u>(2,057,442)</u>	<u>109,542</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(2,057,442)</u>	<u>109,542</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 5 - CURRENT ASSETS

	Notes	2011 \$	2010 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		128,552	535,983
Deposits at Call		<u>3,259,012</u>	<u>1,674,233</u>
		<u>3,387,564</u>	<u>2,210,216</u>
 TRADE & OTHER RECEIVABLES			
Rates - General & Other		521,661	438,350
Accrued Revenues		14,342	8,948
Debtors - general		230,408	1,104,172
GST Recoupment		70,022	103,560
Prepayments		5,549	4,264
Loans to community organisations		<u>44,457</u>	<u>46,440</u>
Total		<u>886,439</u>	<u>1,705,734</u>
 Less: Provision for Impairment		 <u>93,188</u>	 <u>127,841</u>
		<u>793,251</u>	<u>1,577,893</u>
 INVENTORIES			
Stores & Materials		<u>1,404</u>	<u>449</u>
		<u>1,404</u>	<u>449</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 6 - NON-CURRENT ASSETS

	Notes	2011 \$'000	2010 \$'000
FINANCIAL ASSETS			
Receivables			
Loans to community organisations		<u>416,761</u>	<u>204,952</u>
		416,761	204,952

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

	2010 \$				2011 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land	18,913,450	932,902	-	19,846,352	18,913,450	1,186,157	-	20,099,607
Buildings	32,211,527	5,205,814	(18,206,115)	19,211,226	32,211,527	6,702,788	(18,956,603)	19,957,712
Infrastructure								
- Roads, bridges, footpaths	146,775,479	-	(51,045,252)	95,730,227	146,704,901	-	(55,072,854)	91,632,047
- Stormwater drainage	19,392,951	-	(6,187,823)	13,205,128	18,786,225	-	(6,149,962)	12,636,263
CWMS	4,331,150	-	(1,634,401)	2,696,749	4,331,150	-	(1,711,342)	2,619,808
Plant & Equipment	-	5,846,850	(2,815,434)	3,031,416	-	5,643,173	(2,682,809)	2,960,364
Office Equipment	-	1,864,583	(1,374,580)	490,003	-	1,727,888	(950,885)	777,003
Reserve improvements	22,309,141	-	(11,390,902)	10,918,239	22,545,234	-	(12,178,932)	10,366,302
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	243,933,698	13,850,149	(92,654,507)	165,129,340	243,492,487	15,260,006	(97,703,387)	161,049,106
Comparatives	108,086,737	56,703,015	(72,373,165)	92,416,587	243,933,698	13,850,149	(92,654,507)	165,129,340

This Note continues on the following pages.

Note 7 - INVESTMENT PROPERTY

Land	3,571,656	-	-	3,571,656	3,571,656	-	-	3,571,656
LAND HELD FOR RESALE	3,571,656	-	-	3,571,656	3,571,656	-	-	3,571,656
Comparatives	3,485,632			3,485,632	3,571,656	-	-	3,571,656

This Note continues on the following pages.

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

	2010 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR						2011 \$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Transfers	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Land	19,846,352	138,362	114,893	-	-	-	-	-	20,099,607
Buildings	19,211,226	788,386	777,462	(122,433)	(696,929)	-	-	-	19,957,712
Infrastructure									
- Roads, bridges, footpaths	95,730,227	-	1,996,533	(1,267,163)	(4,847,587)	-	-	20,037	91,632,047
- Stormwater drainage	13,205,128	-	229,061	(554,099)	(243,827)	-	-	-	12,636,263
CWMS	2,696,749	-	-	(5)	(76,936)	-	-	-	2,619,808
Plant & Equipment	3,031,416	-	527,342	(170,124)	(428,270)	-	-	-	2,960,364
Office Equipment	490,003	409,694	64,125	(68,052)	(118,767)	-	-	-	777,003
Reserve improvements	10,918,239	-	244,504	-	(869,005)	-	-	72,564	10,366,302
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	165,129,340	1,336,442	3,953,920	(2,181,876)	(7,281,321)	-	-	92,601	161,049,106
Comparatives	92,416,587	4,945,072	5,246,148	(279,944)	(7,198,265)	-	-	70,851,138	165,129,340

This Note continues on the following pages.

Note 7 - INVESTMENT PROPERTY

Land	3,571,656	-	-	-	-	-	-	-	3,571,656
LAND HELD FOR RESALE	3,571,656	-	-	-	-	-	-	-	3,571,656
Comparatives	3,485,632	86,024	-	-	-	-	-	-	3,571,656

This Note continues on the following pages.

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent additions at cost, this remains as the basis of recognition of non-material asset classes.

Land

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

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

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 2008 at current replacement cost. Additions are recognised at cost.

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

Land held for Resale relates to the Flinders Industrial Estate and is currently on the market for sale. Council intends to sell this land.

Buildings

Buildings and other structures are recognised on the cost basis. The last valuation of buildings and other structures was undertaken by Maloney Field Services as at 30 June 2008 on the basis of Depreciated Replacement Cost.

Infrastructure

Transportation assets were last valued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost. These assets have also been condition assessed.

Stormwater drainage infrastructure was valued by Maloney Field Services as at 30 June 2010 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued by Maloney Field Services at written down current replacement cost during the reporting period ended 30 June 2010 and pursuant to Council's election are disclosed at deemed cost. All acquisitions made after the respective dates of valuation are recorded at cost.

Assets being identified that have not been previously recognised are brought to account 1st July 2010 through the Asset Revaluation Reserve.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other assets

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated. A change in Council's accounting policy now sees the books purchased expensed in the year of acquisition. For Reserve Improvements Assets being identified that have not been previously recognised are brought to account 1st July 2010 through the Asset Revaluation Reserve.

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 8 - LIABILITIES

	Notes	2011		2010	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		1,348,247	-	1,778,958	-
Payments received in advance		64,000	-	32,500	-
Accrued expenses - employee entitlements		629,982	-	586,521	-
Accrued expenses - other		159,822	-	233,974	-
GST Payable		1,354	-	27,657	-
		<u>2,203,405</u>	<u>-</u>	<u>2,659,610</u>	<u>-</u>
 BORROWINGS					
Loans		405,108	2,014,892	-	-
		<u>405,108</u>	<u>2,014,892</u>	<u>-</u>	<u>-</u>

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

PROVISIONS

Employee entitlements (including oncosts)	604,983	260,573	491,817	258,010
Future reinstatement / restoration, etc	668,526	1,918,138	297,990	2,568,172
	<u>1,273,509</u>	<u>2,178,711</u>	<u>789,807</u>	<u>2,826,182</u>

Movements in Provisions - 2011 year only (current & non-current)

	Employee Entitlements	Future Reinstatement
Opening Balance	749,827	2,866,162
Add Unwinding of present value discounts	22,495	-
Additional amounts recognised	93,234	-
(Less) Payments	-	(279,498)
Closing Balance	<u>865,556</u>	<u>2,586,664</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/7/2010	Net Increments (Decrements)	Transfers, Impairments	30/6/2011
Notes	\$	\$	\$	\$
Land	14,734,522	-	-	14,734,522
Buildings	6,365,574	-	-	6,365,574
Infrastructure				
- Roads, bridges, footpaths	67,132,664	20,037	-	67,152,701
- Stormwater drainage	7,564,791	-	-	7,564,791
CWMS	2,250,004	-	-	2,250,004
Reserve improvements	4,766,711	72,564	-	4,839,275
Total Infrastructure, Property, Plant & Equipment	102,814,266	92,601	-	102,906,867
Land Held for Resale	1,406,214	-	-	1,406,214
TOTAL	104,220,480	92,601	-	104,313,081
<i>Comparatives</i>	<u>104,220,480</u>			<u>104,220,480</u>

OTHER RESERVES	1/7/2010	Transfers to Reserve	Transfers from Reserve	30/6/2011
Property Developments	229,836	10,143	-	239,979
Dog Management	5,444	-	(5,444)	-
Crystal Brook CWMS	667,120	105,964	-	773,084
Napperby CWMS	61,125	16,661	-	77,786
Grant Funds	1,047,693	1,113,588	(1,047,693)	1,113,588
Committed Expenditure	2,326,871	1,983,486	(2,326,871)	1,983,486
Trust Fund (Outside Parties)	366,294	44,132	-	410,426
TOTAL OTHER RESERVES	4,704,383	3,273,974	(3,380,008)	4,598,349
<i>Comparatives</i>	<u>7,769,526</u>	<u>3,438,130</u>	<u>(6,503,273)</u>	<u>4,704,383</u>

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.

Property Development Reserve

To provide financial incentive/assistance to property developers of industrial, commercial and residential allotments, where an economic benefit to the community may exist.

Dog Management Reserve

Balance from operations of Dog & Cat Control management to provide for community areas and facilities specifically for the use of dog and cat owners and their pets

Community Wastewater Management Scheme (CWMS) Reserve

Balance from operations of CWMS to provide for major maintenance program, other repairs and capital replacement

Grant Funds

Untied Financial Assistance Grant for 11/12 received in 10/11. Restricted for expenditure in 11/12.

Committed Expenditure Reserve

Funds held for the completion of capital works and projects approved in a previous budget

Trust Fund Reserve

Funds held on behalf of outside parties, with an association to Council. These include specific activities of the Community Housing Association of Port Pirie.

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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.

	Notes	2011 \$	2010 \$
CASH & FINANCIAL ASSETS			
Developer Contributions		239,979	229,836
CWMS Schemes Reserves		850,870	728,245
Dog Management Reserve		-	5,444
Community Housing Association Reserve		410,426	366,294
		<u>1,501,275</u>	<u>1,329,819</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>1,501,275</u>	<u>1,329,819</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2011 \$	2010 \$
Total cash & equivalent assets	5	3,387,564	2,210,216
Balances per Cash Flow Statement		<u>3,387,564</u>	<u>2,210,216</u>

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

Net Surplus (Deficit)		(5,367,391)	(3,215,674)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		7,281,321	7,198,265
Net increase (decrease) in unpaid employee benefits		136,695	122,386
Change in allowances for under-recovery		(34,653)	1,186
Grants for capital acquisitions treated as Investing Activity		(149,000)	(1,883,111)
Net (Gain) Loss on Disposals		<u>2,057,442</u>	<u>(109,542)</u>
		3,924,414	2,113,510
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		821,317	(502,914)
Net (increase) decrease in inventories		(955)	(449)
Net increase (decrease) in trade & other payables		(473,363)	(127,154)
Net increase (decrease) in other provisions		<u>(279,498)</u>	<u>12,809</u>
Net Cash provided by (or used in) operations		<u>3,991,915</u>	<u>1,495,802</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 11 (cont) - RECONCILIATION TO CASH FLOW STATEMENT

	Notes	2011 \$	2010 \$
(c) Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
LGFA Cash Advance Facility		1,000,000	450,000
Corporate Credit Cards		30,000	20,500

Council has immediate access to a variable interest rate borrowing under a cash advance facility, with the Local Government Finance Authority of SA.

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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	2011	2010	2011	2010
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Business Undertakings	238,235	237,917	471,781	58,408	(233,546)			3,824,911	3,571,656
Community Services	286,374	1,050,735	1,027,406	(683,664)	(741,032)	4,770	12,780	15,444,521	16,141,450
Culture	76,437	986,458	792,315	(906,948)	(715,878)	58,276	56,181	4,991,309	4,196,968
Economic Development	349,000	863,130	780,850	(680,127)	(431,850)		46,052		
Environment	602,906	3,123,443	2,961,767	(2,334,477)	(2,358,861)		37,900		
Recreation	136,692	2,416,963	2,546,596	(2,190,024)	(2,409,904)	62,409	88,600	31,067,151	31,638,084
Regulatory Services	330,696	958,354	936,086	(705,095)	(605,390)			2,771,397	2,848,333
Transport & Communication	369,028	6,774,222	6,773,704	(6,135,932)	(6,404,676)	611,922	318,338	105,268,015	105,688,920
Plant Hire & Depot/Indirect	65,004	103,023	413,123	86,277	(348,119)	12,050	19,059	3,744,324	3,645,252
Unclassified Activities	148,125	36,024	2,153	3,288	145,972				
Council Administration	12,576,222	3,838,826	3,681,265	10,029,345	8,894,957	4,567,666	4,125,733	2,108,114	4,963,843
TOTALS	16,930,146	20,389,095	20,387,046	(3,458,949)	(5,208,327)	5,317,093	4,704,643	169,219,742	172,694,506

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 12 (cont) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

Business Undertakings

Abattoirs, Caravan Parks, Electricity Supply, Gravel Pits/Quarries, Development of Land for Resale, Marinas/Boat Havens, Markets/Saleyards, Off-street Car Parks – fee paying, Private Works, Property Portfolio, Sewerage/CWMS, Water Supply – Domestic, Town Bus Service, and Other – please specify.

Community Services

Public Order and Safety, Crime Prevention, Emergency Services, Other Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Nursing Homes, Preventive Health Services, Other Health Services, Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Bus Shelters, Cemeteries / Crematoria, Public Conveniences, Car Parking – non-fee-paying, Telecommunications Networks, and Other Community Amenities.

Culture

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.

Economic Development

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

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

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

Regulatory Services

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory 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.

Plant Hire & Depot

Unclassified Activities

Council Administration

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.

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 13 - FINANCIAL INSTRUMENTS

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 4% and 5% (2010: 4% and 5%). Short term deposits have an average maturity of 45 days and an average interest rates of 4.75% (2010: 45 days, 4%).</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)	<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 2% (2010: 2%) 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 the Governments of the Commonwealth & State.</p> <p>Carrying amount: approximates fair value.</p>
Receivables - Retirement Home Contributions	<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: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</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 - Retirement Home Contributions	<p>Accounting Policy: To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p>Terms & conditions: Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.</p> <p>Carrying amount: approximates fair value for short tenancies; may be non-materially over-stated for longer tenancies.</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 interest is charged at fixed rates between 6.3% and 6.7% (2010: 0% and 0%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2011	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	3,387,564			3,387,564	3,387,564
Receivables	1,210,012			1,210,012	1,210,012
Other Financial Assets	1,404			1,404	1,404
Total	4,598,980	-	-	4,598,980	4,598,980
Financial Liabilities					
Payables	1,413,601			1,413,601	1,413,601
Current Borrowings	405,108			405,108	405,108
Non-Current Borrowings		1,945,297	69,595	2,014,892	2,014,892
Total	1,818,709	1,945,297	69,595	3,833,601	3,833,601
2010	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	2,210,216			2,210,216	2,210,216
Receivables	1,782,845			1,782,845	1,782,845
Other Financial Assets	1,404			1,404	1,404
Total	3,994,465	-	-	3,994,465	3,994,465
Financial Liabilities					
Payables	1,839,115			1,839,115	1,839,115
Total	1,839,115	-	-	1,839,115	1,839,115

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

	30 June 2011		30 June 2010	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Debenture loan 107	6.35	\$ 1,000,000	0	-
Debenture loan 108	6.35	50,000	0	-
Debenture loan 109	6.70	200,000	0	-
Debenture loan 110	6.30	1,170,000	0	-
		2,420,000		-

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 Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 14 - COMMITMENTS FOR EXPENDITURE

	2011	2010
<u>Notes</u>	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land	167,000	56,150
Buildings	295,792	1,006,130
Infrastructure	1,271,538	483,031
Reserve Improvements	172,156	447,035
Plant & Equipment	77,000	334,525
	1,983,486	2,326,871
These expenditures are payable:		
Not later than one year	1,983,486	2,326,871
	1,983,486	2,326,871
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Employee Remuneration Contracts	1,605,441	922,160
	1,605,441	922,160
These expenditures are payable:		
Not later than one year	1,605,441	922,160
	1,605,441	922,160

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 15 - FINANCIAL INDICATORS

	2011	2010	2009
<p>These Financial Indicators have been calculated in accordance with <i>Information Paper 9 - Local Government Financial Indicators</i> 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.</p>			
Operating Surplus	\$ (3,458,949)	(5,208,327)	(840,984)
<i>Being the operating surplus (deficit) before capital amounts .</i>			
Adjusted Operating Surplus	(3,524,844)	(5,234,130)	(1,862,874)
<p><i>In each of June 2009, 2010 and 2011 the Commonwealth Government made an advance payment of one quarterly payment of the Financial Assistance Grant (see Note 3). Accordingly there were five "quarterly" payments in 2009, and four payments in each of 2010 and 2011. The Adjusted Operating Surplus and Adjusted Operating Surplus Ratio adjust for this distortion.</i></p>			
Operating Surplus Ratio			
<u>Operating Surplus</u>	(36%)	(61%)	(11%)
Rates - general & other less NRM levy			
Adjusted Operating Surplus Ratio	(37%)	(62%)	(24%)
<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i>			
Net Financial Liabilities	\$ 3,478,049	2,282,538	(2,881,223)
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses).</i>			
Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	21%	15%	-19%
Total Operating Revenue less NRM levy			
Interest Cover Ratio			
<u>Net Interest Expense</u>	(0.1%)	(1.2%)	(2.5%)
Total Operating Revenue less NRM levy less Investment Income			
Asset Sustainability Ratio			
<u>Net Asset Renewals</u>	53%	57%	219%
Depreciation Expense			
<i>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.</i>			
Asset Consumption Ratio			
<u>Carrying value of depreciable assets</u>	59%	61%	50%
Gross value of depreciable assets			
<i>Total carrying value of depreciable assets divided by total reported value of depreciable assets before accumulated depreciation.</i>			

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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

	2011 \$	2010 \$
Income	16,930,146	15,178,719
<i>less</i> Expenses	<u>20,389,095</u>	<u>20,387,046</u>
Operating Surplus / (Deficit)	(3,458,949)	(5,208,327)
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	3,973,957	4,489,930
<i>less</i> Depreciation, Amortisation and Impairment	7,281,321	7,198,265
<i>less</i> Proceeds from Sale of Replaced Assets	<u>124,434</u>	<u>389,486</u>
	(3,431,798)	(3,097,821)
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	1,336,442	5,031,096
<i>less</i> Amounts received specifically for New and Upgraded Assets	149,000	1,883,111
<i>less</i> Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i>	-	-
	<u>1,187,442</u>	<u>3,147,985</u>
Net Lending / (Borrowing) for Financial Year	<u>(1,214,593)</u>	<u>(5,258,491)</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 17 - OPERATING LEASES

Lease payment commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2011	2010
	\$	\$
Not later than one year	<u>17,373</u>	<u>16,758</u>
	<u>17,373</u>	<u>16,758</u>

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

Note 18 – 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. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2010/11 for Marketlink members and 3% for Salarylink members; 9% and 3% respectively in 2009/10). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit) 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 of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.3% in 2009/10) of "superannuation" salary. Given that Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation, the remaining 3% for Salarylink members is allocated to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2008, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

PORT PIRIE REGIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2011

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

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 1,228 km of road reserves of average width 20 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$470,513 (2010: \$171,921) at reporting date.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PORT PIRIE REGIONAL COUNCIL

We have audited the accompanying financial report of the Port Pirie Regional Council, which comprises the balance sheet as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements Statement.

The Responsibility of the Chief Executive Officer for the Financial Report

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

Auditor's Responsibility

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

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

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

independence

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

Auditor's Opinion

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

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



JIM KEOGH
PARTNER

Signed on the 16th day of November 2011,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

PORT PIRIE REGIONAL COUNCIL

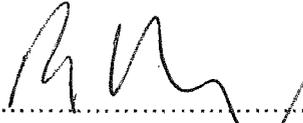
**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2011**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Port Pirie Regional Council for the year ended 30 June 2011, the Council's Auditor, Dean Newbery and Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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


.....
Mr Colin Byles
ACTING CHIEF EXECUTIVE OFFICER


.....
Mr Rex Mooney
**PRESIDING MEMBER
AUDIT COMMITTEE**

Date: 14/11/11

**Auditor's Independence Declaration under Section 22 of the Local Government
(Financial Management) Regulations 2011 to the Port Pirie Regional Council.**

I confirm that, for the audit of the financial statements of the Port Pirie Regional Council for the year ended 30 June 2011, 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
214 MELBOURNE STREET
NORTH ADELAIDE SA 5006**

Dated this 11th day of November 2011