



The Murraylands and Riverland
Local Government Association

MURRAYLANDS & RIVERLAND LOCAL GOVERNMENT ASSOCIATION ANNUAL REPORT 2016 to 2017

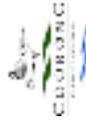


Murraylands and Riverland Local Government Association
PO Box 236
VICTOR HARBOR, SA, 5211

Phone: 0411 406799

Email: ceomrlga@outlook.com

Web: www.mmlga.sa.gov.au



CONTENTS

PRESIDENTS ANNUAL REPORT 2016-2017	3
INTRODUCTION	4
MURRAYLANDS AND RIVERLAND LGA IN PROFILE	5
THE MRLGA BOARD	6
MRLGA DELEGATES TO THE LOCAL GOVERNMENT ASSOCIATION OF SA (LGA SA)	7
ASSOCIATION COMMITTEES AND WORKING PARTIES	8
ASSOCIATION MEETINGS	10
STRATEGIC ACTIVITIES 2016-2017	11
EXECUTIVE OFFICER SERVICES	13
FINANCES	13
ACKNOWLEDGEMENTS	14
Appendix 1	15
Audited Financial Statements 2016 -17	15

PRESIDENTS ANNUAL REPORT 2016-2017



I am very pleased to provide the Murraylands and Riverland Local Government Association (MRLGA) Presidents Annual Report on the work and operations of the Subsidiary for the financial year 2016-2017 in accordance with Clause 28, Schedule 2 of the Local Government Act (1999).

This being my fifth term as President of the Murraylands and Riverland Local Government Association (formerly the Murray and Mallee LGA), it has been an immense honour to have served the needs of our Constituent Councils through the MRLGA Board over the last 12 months.

Our vision is to be **'a successful region led by progressive and responsive local governments'** and our ability to deliver this vision has been enhanced significantly through the year with the release of the MRLGA's updated Strategic Plan 2016-2020. The Strategic Plan was adopted by the MRLGA Board in April 2016 after a considerable engagement program with our Constituent Councils and key stakeholders. Our way forward will focus predominantly in the formation of partnerships that will add strength to the resolution of regional issues and provide for the most effective mechanisms to deliver regional programs.

My role as President of the MRLGA has been paralleled with the role of President of LGA of SA and more recently the role of immediate Past President. This duplicate role has provided me a clear understanding of the range of issues and opportunities that exist both within our Murraylands and Riverland region, as well as within the rest of the State.

During the course of my term as President, I have met with a range of State/Federal Ministers and Members of Parliament to discuss a range of regional issues pertinent to our region. Such issues have included in part, Local/State Government Reform, Planning Reform, Rubble Royalties, Proposed Community Wellbeing program, Rate capping and the LGA's 2017 public awareness campaign.

The role of President to the MRLGA and my role as LGA President has in my view provided for a higher profile for issues facing the regions. The duplicate roles have also allowed me to let State Government know the strength there is in the regions.

In closing I sincerely thank all constituent Councils and MRLGA Board Delegates for the opportunity afforded to me being your President again for the past year. I also wish to thank our CEO, Peter Bond for his commitment and support provided to me and the Association over the past year; in particular the role he took in leading the strategic review process that will be vital in the rental of the Subsidiary over the next few years.

Mayor Dave Burgess
President

INTRODUCTION

This document is the Annual Report of the Murraylands and Riverland Local Government Association (MRLGA) for the period 1st July 2016 to 30th June 2017. This report must be submitted to the Constituent Councils by 31st October in each Financial Year in accordance with Clause 28 to Schedule 2 of the Local Government Act (1999) on the work and operations of the Subsidiary detailing achievement of the aims and objectives of its Annual Business Plan and incorporating the audited Financial Statements of the Subsidiary and any other information or reports required by the Constituent Councils.

The Board shall present financial statements in accordance with the Local Government (Financial Management) Regulations 2011 to the Constituent Councils at the end of each Financial Year and before the 31st October of the year.

This Report details the activities of the Association to represent and serve our Constituent Councils and to advance the Murraylands and Riverland communities through effective advocacy, facilitation and innovation.

The Annual Report articulates clearly the alignment of the Subsidiary with its role and purpose as outlined below;

Role	MRLGA will provide for ...
Leadership and Advocacy	<ul style="list-style-type: none"> • Initiate action and lead regional activity • Set the agenda and direction • Represent the region, and pursue outcomes on behalf of the Constituent Councils and the region
Capacity Building	<ul style="list-style-type: none"> • Work with member Councils to build capacity and increase sustainability • Provide for integrated and coordinated regional collaboration for Constituent Councils • Act as the central organisation for shared Local Government responsibilities • Join with other stakeholders to deliver a service or project
Continuous Improvement through Best Practice	<ul style="list-style-type: none"> • Facilitate continuous improvement for our Constituent Councils
Collaborative Partnerships	<ul style="list-style-type: none"> • Join with other stakeholders to build the capacity of the region

MURRAYLANDS AND RIVERLAND LGA IN PROFILE

The Murraylands and Riverland Region covers over 36,000 kilometres² (third largest region in South Australia) spanning eight Constituent Councils. It is home to around 69,000 people and some 5,000 businesses. The major economic output is primary production accounting for 34% of all GRP generated, 20% of jobs and 15% of household incomes. Our region has the highest proportion of agriculture dependence for any region in South Australia.

The Murraylands and Riverland Local Government Association (MRLGA) operates as a Regional Subsidiary under the provisions of the Local Government Act 1999.

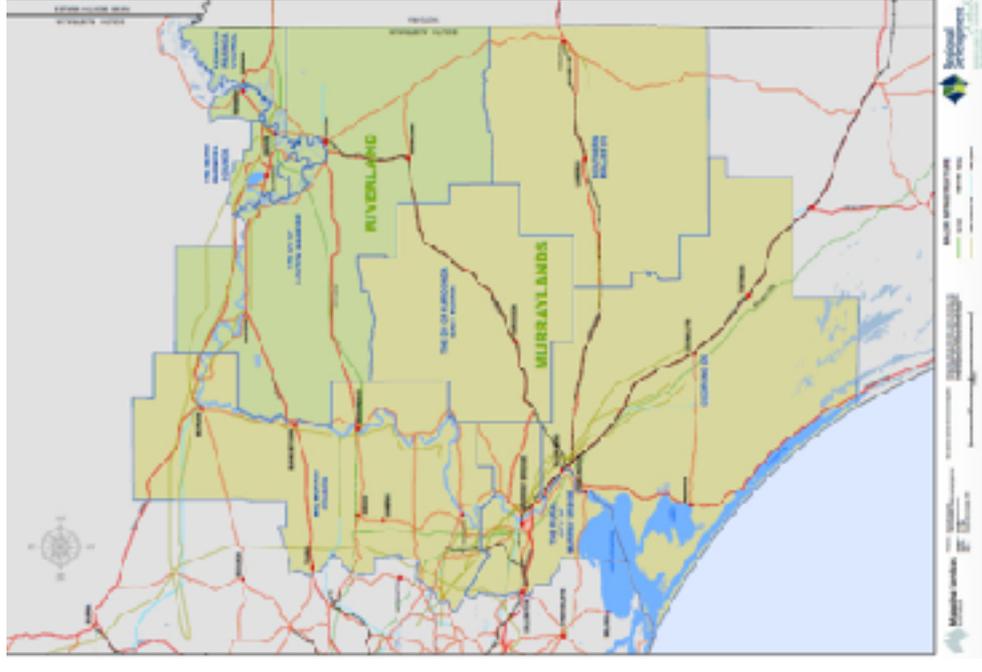
MRLGA is comprised of eight Constituent Councils from within the region: the Berri Barmera Council, Coorong District Council, District Council of Karoonda East Murray, District Council of Loxton Waikerie, Mid Murray Council, Renmark Paringa Council, Rural City of Murray Bridge, and Southern Mallee District Council.

As a Regional Subsidiary the Association has as its governing document a Charter as provided for under the Local Government Act 1999 which came into effect on 13th December 2001.

The MRLGA Charter identifies a broad range of roles to deliver the objectives of the Association. Given our limited resources, it is necessary to closely define the role of MRLGA in delivering the five regional strategies. The Charter defines the Associations role as follows;

- To undertake coordinating, advocacy and representational roles for its constituent Councils at a regional level
- To facilitate and coordinate activities of local government at a regional level on behalf of our constituent Councils.
- To develop, encourage, promote, foster and maintain consultation and cooperation and to strengthen the representation and status of local government
- To develop further cooperation between its constituent Councils for the benefit of the communities in the region.
- To develop and manage policies which guide the conduct of programs and projects in the region
- To undertake projects that benefit the region and its communities

The Charter requires the MRLGA to prepare a Strategic Plan every three (3) years. This Strategic Plan sets the activities and outcomes for the work of the MRLGA for the financial year 2016-2017. The direction of the Association is now governed by the current Strategic Plan 2016–2020 adopted by the MRLGA Board in April 2016 and identifies the Subsidiaries' Vision, Mission, Commitment and Role over the next 5-years.



THE MRLGA BOARD

The MRLGA Board comprises representatives from each of the Constituent Councils and is chaired by the MRLGA President. Historically each Constituent Council could nominate up to two voting members to the Board. At the General Meeting of the Subsidiary held on 9th December 2015 the Board resolved to reduce voting representation at MRLGA Board meetings to one vote per Council (being a total of eight voting delegates).

All voting delegates shall be the Mayor of each Council and proxy representatives shall be Council Members with CEO's encouraged to attend as observers. This will ultimately require amendment of the Subsidiaries Charter under Clause 4.2 Membership of the Board where it states;

“the Board shall consist of two (2) persons from each Constituent Council appointed by the Constituent Council and each Constituent Council shall, following every periodic Local Government election, appoint, and give notice in writing to the Chief Executive Officer of the Subsidiary, of those persons who are its Board members, of whom one shall be an elected member of the Constituent Council and one may be the Chief Executive Officer or other officer of the Constituent Council.”

MRLGA Board Members from 9th December 2015

Council	Voting Delegate	Non-Voting Proxy Delegate
Berri Barmera Council	Mayor Peter Hunt - Vice President	Cr Andrew Kassebaum, Deputy Mayor
Coorong District Council	Mayor Neville Jaensch	Cr Sharon Bland, Deputy Mayor
District Council of Karoonda East Murray	Mayor Kevin Burdett	Cr Caroline Phillips, Deputy Mayor
District Council of Loxton Waikerie	Mayor Leon Stazinowski	Cr Michael Vowles, Deputy Mayor
Mid Murray Council	Mayor Dave Burgess - President	Cr Mardi Jennings, Deputy Mayor Cy Kevin Myers
Rural City of Murray Bridge	Mayor Brenton Lewis	Cr Tyson Mathews, Deputy Mayor
Renmark Paringa Council	Mayor Neil Martinson	Cr Peter Hunter, Deputy Mayor
Southern Mallee District Council	Mayor Andrew Grieger	Cr Neville Pfeiffer, Deputy Mayor

Mayor Dave Burgess, Mid Murray Council was re-elected President at the Annual General Meeting held at Karoonda on 13th July 2016 and Mayor Peter Hunt, Berri Barmera Council was re-elected Vice President both for a full annual term of office.

MRLGA DELEGATES TO THE LOCAL GOVERNMENT ASSOCIATION OF SA (LGA SA)

Under the Constitution of the Local Government Association of South Australia (LGA SA) regions are represented via appointed members to serve on the LGA Board and the South Australian Regional Organisation of Councils (SAROC).

Mayor Dave Burgess and Mayor Peter Hunt served on the LGA Board (previously termed the State Executive of the Local Government Association of South Australia), with Mayor Neville Jaensch Coorong District Council as proxy member representing the Associations at the LGA Board and the SAROC Committee.

The South Australian Regional Organisation of Councils (SAROC) is an important committee of the LGA that focuses on key issues affecting country Councils. Membership is drawn from each of the six non-metropolitan Regional Local Government Associations with members meeting bi-monthly to discuss key issues affecting non-metropolitan Councils.

The MRLGA supports the Governance process by contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to MRLGA Board meetings and collegiate support to prepare submissions on behalf of regional and rural Councils that included:

- Continuing lobbying and input into the ongoing review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits
- Lobbying and continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy.
- Further Development of a Mining Engagement Protocol and implementation of a pilot program
- Lobbying on Emergency Services Levy impacts
- Input into the LGA submissions on Planning Reform
- Input into the draft Local Nuisance and Litter Control Bill 2015

Consideration of the Removal of Local Government Natural Resource Management (NRM) Levy Collection requirement.

ASSOCIATION COMMITTEES AND WORKING PARTIES

The following were the Association Committee Members up until the AGM of the 30th June, 2017:

LGA Board (Formerly State Executive Committee):

- President, Mayor David Burgess, Mid Murray Council (Immediate Past President).
- Vice President, Mayor Peter Hunt, Berri Barmera Council (*by virtue of position held*).
- Mayor Neville Jaensch, Coorong District Council (*by virtue of position held*).
- Deputy Member for President or Vice President, Mayor Brenton Lewis, Rural City of Murray Bridge.

South Australian Regional Organisation of Councils (SAROC):

- President, Mayor David Burgess, Mid Murray Council (ex-officio).
- Vice President, Mayor Peter Hunt, Berri Barmera Council (*by virtue of position held*).
- Mayor Neville Jaensch, Coorong District Council (Proxy for President and/or Vice President),
- Mayor Brenton Lewis, Rural City of Murray Bridge (Deputy Member),
- CEO MRLGA - Peter Bond (*by virtue of position held*).

Regional Development Australia (Murraylands and Riverland) Board.

- Mayor Neil Martinson, Renmark Paringa Council (*by virtue of position held as Chairman*).
- President, Mayor Dave Burgess, Mid Murray Council (ex-officio).
- Cr. Andrew Kassebaum, Berri Barmera Council (*by virtue of position held*).

SA MDB NRM Board.

- Cr. Andrew Kassebaum, Berri Barmera Council.
- President, Mayor Dave Burgess, Mid Murray Council (ex-officio).

Murray River Alliance SA

- President, Mayor Dave Burgess, Mid Murray Council (ex-officio).
- Peter Bond, CEO MRLGA

MRLGA Transport Reference Group. - Community Transport:

- President, Mayor Dave Burgess, Mid Murray Council (ex-officio).
- Peter Smithson, CEO, District Council of Karoonda East Murray.
- Cr. Mike Fuller, Berri Barmera Council.

Murraylands and Riverland Regional Coordination Network:

- President, Mayor Dave Burgess, Mid Murray Council (ex-officio).
- Peter Smithson, CEO, District Council of Karoonda East Murray.

Murraylands and Riverland (previously Murray and Mallee) Local Government Association Regional Transport Strategy Committee:

- Mayor Neil Martinson, Renmark Paringa Council, Chair (*by virtue of position held*)
- President, Mayor David Burgess, Mid Murray Council (President, Mayor Dave Burgess, Mid Murray Council (ex-officio)
- Peter Bond, CEO MRLGA
- Paul Day, Director Infrastructure & Environmental Services, Renmark Paringa Council (Geoff Meaney - proxy)
- Greg Perry, Manager Infrastructure Services, Berri Barmera Council
- Greg Hill, Director, Infrastructure, Mid Murray Council.
- Tim Tol, Director of Infrastructure, District Council of Loxton Waikerie, (Domenic Perre - proxy)
- Peter Smithson, CEO, District Council of Karoonda East Murray
- Simon Bradley, GM Infrastructure and Environment, Rural City of Murray Bridge (Matt James - proxy)
- Matthew Sherman, Works Manger, Southern Mallee District Council
- David Mosel, Director Infrastructure and Assets, Coorong District Council
- Jo Podoliak, Chief Executive, Regional Development Australia - Murraylands and Riverland

Murray and Mallee Zone Emergency Management Committee:

- Deputy Mayor Kevin Myers, Mid Murray Council, Chair.
- President, Mayor Dave Burgess, Mid Murray Council (ex-officio).
- Mayor Peter Hunt, Berri Barmera Council.
- Michael Sedgman, CEO, Rural City of Murray Bridge (Ros Kruger – Proxy).
- David Beaton, Berri Barmera Council (Veronica Rothe - Proxy)
- Tim Tol, Director Infrastructure Services, District Council of Loxton Waikerie.
- David Mosel, Director Infrastructure and Assets, Coorong District Council.
- Tony Secomb, Manager Corporate Services (seconded), Southern Mallee District Council.

Murraylands and Riverland CEO's Network Group:

- Tony Siviour, CEO, Renmark Paringa Council,
- Michael Sedgman, CEO, Rural City of Murray Bridge,
- Russell Peate, CEO, Mid Murray Council,
- Mia Dohnt, CEO, Southern Mallee District Council,
- Peter Ackland, District Council of Loxton Waikerie,
- David Beaton, CEO, Berri Barmera Council.
- Vince Cammell, CEO, Coorong District Council
- Peter Smithson, CEO, District Council of Karoonda East Murray
- Peter Bond, CEO, MRLGA

Murraylands and Riverland Regional Public Health Plan Committee:

- President, Mayor Dave Burgess, Mid Murray Council (ex-officio).
- Katina Nikas, EHO, Renmark Paringa Council, Chairperson
- Caroline Thomas, Manager Health Services, Mid Murray Council,
- Tom McKellar, EHO, Mid Murray Council,
- Myles Somers, Manager Environmental Services, Berri Barmera Council,
- Rebecca Burton, Berri Barmera Council,
- Vacant, Southern Mallee District Council and District Council of Karoonda East Murray,
- Jim Quinn, Manager Development and Environmental Services, Coorong District Council,
- Reg Buderick, Rural City of Murray Bridge,
- Phil Eckert, Team Leader Regulation, Rural City of Murray Bridge,
- Jeremy Byrnes, EHO, Rural City of Murray Bridge,
- Dara Clayton, EHO, District Council of Loxton Waikerie.
- Peter Bond, CEO, MRLGA

ASSOCIATION MEETINGS

During 2016-2017, the Association met on four occasions on:

- 13th July 2016 - Annual General Meeting - District Council of Karoonda East Murray Council Offices, 11 Railway Terrace, Karoonda,
- 12th October 2016 - General Meeting - Rural City of Murray Bridge, Second Street, Murray Bridge,
- 13th January 2017 - General Meeting - Mid Murray Council, Mannum,
- 31st March 2017 - General Meeting - District Council of Karoonda East Murray Council Offices, 11 Railway Terrace, Karoonda

All Association Meetings, including Committee Meetings Agendas and Minutes are available for viewing and or downloading from the Association's website at www.mmlga.sa.gov.au

A number of guest speakers and attendees have made presentations/addresses to the Association meetings throughout the year. They include:

- Simone Reinertsen, Stakeholder Specialist (SA, Tas & Vic), National Heavy Vehicle Regulator
- Mark Bolton, Area General Manager, Telstra
- Neil Andrew AO, Chair, Murray-Darling Basin Authority
- Adam Wilson, Chief Executive Officer, ESCOSA

Representatives of the LGA SA, RDA MR, SA MDB NRM, SAPOL and PIRSA attended each meeting and took the opportunity to brief the Association of the relevant matters being addressed by their respective bodies.

We acknowledge the support of outgoing CEO of the LGA, Matt Pinnegar, Jo Podoliak, CEO, RDA Murraylands and Riverland, Sharon Starick SA MDB NRM Board Presiding Member, James Blandford, SAPOL and Tim Smythe, PIRSA who have been ready to assist the region and ensure a presence at our meetings. The Association has also enjoyed a close working relationship with its State and Federal Members of Parliament, a number of whom have been regular attendees at our meetings.

The President has continued the practice of giving each of our guests the opportunity to address our meetings briefly about matters and issues before them that may be of interest to the Association and Member Councils. The contribution from all of the speakers, presenters and guests has kept the Association and the Delegates abreast of a wide ranging number of issues that impact on Local Government and the communities in the Region.

STRATEGIC ACTIVITIES 2016-2017

The Subsidiary undertakes a coordinating role, in conjunction with Constituent Councils on their issues and those raised by the Local Government Association of South Australia, the community and other key stakeholders.

State and Federal Members of Parliament representing our Region continue to be briefed both individually and through invitations to attend our quarterly meetings.

Submissions and briefings undertaken during the reporting period include:

- **River Murray Shack Wastewater Management Planning** - provided a submission in relation to the draft River Murray shack wastewater management position statement, advising that the MRLGA is supportive of the creation of the position statement. It is an appropriate step to create additional documentation surrounding the matter so as to provide a clear position that is understood by all concerned.
- **Australian Senate Inquiry – Relocation of Government Bodies to Regional Areas** - provided a submission that emphasised the importance of this initiative as it allows Commonwealth entities to easily gain and leverage on-the-ground experience and expertise from local businesses and industry, which the MRLGA believe delivers better policy decisions.
- **Submission into the Northern Basin Review** - provided a submission that highlighted a concern that South Australia may now be at risk of losing up to 450GL of water and \$1.77 Billion that would have been applied to infrastructure that was agreed to in the Basin Plan in 2012. Therefore, those Councils who make Region 5 and 6 of the Murray Darling Association strongly consider that the Murray Darling Basin Plan as agreed to should be fully implemented notwithstanding the Northern Basin Review being undertaken by the Murray Darling Basin Authority.
- **Inquiry into National Freight and Supply Chain Priorities** - provided a submission responding to the Australia Government's "Inquiry into National Freight and Supply Chain Priorities" Discussion Paper released in May 2017,

The CEO MRLGA has also attended Forums, Workshops and Briefings throughout the year regarding evolving issues and to make contribution on behalf of the Association.

Key Activities for 2016-17

- **Regional Roads Freight Movement Study** - engaged Tonkin Consulting to;
 - deliver short-term solutions to improving the movement of freight within the existing regional road network by improving access on key commodity routes and providing for a Network Assessment of the region's road infrastructure.
 - provide for a review of the business case for the North South Freight Corridor by breaking the scope of the project into the three components to allow review of the benefits of Road, Rail and Commuter needs, but not a combined road/rail solution, and
 - incorporate the outcomes from the Southern and Hills Local Government Association (S&HLGA) scoping report on the benefits of such a bypass.
- **Regional Roads Commodity Route Assessment Study** - linked to the above project, this study look at both a commodities only outcome as well as a full commodities route assessment across the region.
- **Deputations** - The CEO MRLGA and President attended two deputations in December 2016 with Senator's Anne Ruston and Nick Xenophon. The President and CEO MRLGA also attended deputations with Federal Ministers and senior advisors in Canberra on the 20th and 21st March 2017, • **MRLGA Website Upgrade** - The MRLGA website was upgraded during the course of the year to ensure it better served its client base,
- **Regional Road Action Plans and 2015 SLRP Roads Database Update** - continued to review the Regional Road Action Plans and SLRP Roads Database through the RTS Committee,
- **Murraylands Regional Collaboration Pilot** - Finalised Business Case Analysis templates for Public and Environmental Health Stream, Local Nuisance and Litter Control and Building Control and Planning to assist in the implementation of the Planning, Development and Infrastructure Act,
- **LGA Outreach Services Project** - secured \$50,000 towards the LGA Outreach Services Program to be delivered as part of the 2016/17 Annual Business Plan.
- **Regional Sport and Recreation Facilities Needs Review** - Tredwell Management were appointed to deliver this project through the 2016/2017 and 2017/2018 financial years,
- **Regional Waste Management Strategy BCA** - engaged Jeff Tate Consulting to lead the process of preparing a Business Case Analysis relating to opportunities for Councils collaborate on waste management initiatives,
- **Regional Planning Boards** - both the Riverland and Murraylands Councils have submitted proposals to form Regional Planning Boards under the pilot program fostered by DPTI.
- **One River Murray Authority Governing Structure** - the Murray River SA Alliance initiated a review of governance structures over the South Australian section of the River Murray,
- **Murray and Mallee Zone Emergency Management Committee (ZEMC)** - continued to represent the Local Government sector on matter relating to Emergency Management and the assisted the LGA in the inception of LGFS needs,
- **Regional Public Health Plan** - As required under the Act, the Association's Regional Public Health Plan report to SA Health has been compiled and submitted by the Association's Regional Public Health Plan Committee. That committee provided for the implementation and monitoring of a Regional Public Health Plan for MRLGA, held Working group meetings and liaised with LGA Public Health Program Manager
- **River Murray Ferries** - continued to work with DPTI through the Ferry Working Party to ensure the ongoing viability and operation of the River Murray Ferry Fleet,
- **SLRP Funding** - through the Murraylands and Riverland Regional Transport Strategy (RTS) Committee set the priorities for 2016/2017 SLRP be adopted and referred to the LGTAP for funding.

EXECUTIVE OFFICER SERVICES

The Chief Executive Officer services for the Association for the year were again provided by Peter Bond under a contract arrangement.

In accordance with a resolution of Member Council Delegates, the Chief Executive Officer is subject to ongoing performance review with the Association.

The Review Panel consists of the President of the Association, and four CEO's appointed from Constituent Councils within the Association.

FINANCES

The Annual Business Plan for each year balances the objective of ensuring the MRLGA's long-term financial sustainability whilst increasing investment in key projects and preparing for future development and improvement opportunities.

Income for the Murraylands & Riverland Local Government Association is derived from three main sources:

1. Subscriptions from Constituent Councils of MRLGA;
2. Funding from the LGA SA for Regional Capacity Building and R&D Projects; and
3. Project funding through partnerships with external organisations.

A small amount of income is derived from interest and project management fees.

Annual expenditure is divided between two main areas:

1. Operating – expenditure required to employ a Chief Executive Officer, and general costs for administration, Board expenses and other general operating expenses;
2. Projects – expenditure required to deliver specific projects, including where applicable the engagement of external resources.

Financial reports are considered by the MRLGA Board at each meeting. The Audited Financial Statements for 2016-2017 are included in **Appendix 1** of this report.

ACKNOWLEDGEMENTS

MRLGA acknowledges the Constituent Council Mayor's, Elected Members, Chief Executive Officers and staff for the ongoing support of the regional role of the Association.

The Local Government Association SA has continued to provide strong support to the MRLGA and is members throughout the year. MRLGA acknowledges the contribution of SAROC members, Chief Executive Officer Matt Pinnegar and the many LGA staff that have supported MRLGA throughout the year.

The Local Government Research and Development Scheme funding has enabled MRLGA to undertake a range of additional projects throughout the year, both through additional Research and Development Fund projects and also via the Regional Capacity Building Grants.

MRLGA enjoys a close working relationship with Regional Development Australia Murraylands and Riverland and SA MDB NRM Board members and staff.

Peter Bond
Chief Executive Officer
Murraylands and Riverland Local Government Association

August 2017

Appendix 1

Audited Financial Statements 2016 -17



The Murraylands and Riverland
Local Government Association

Murray and Mallee Local Government Association

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 June 2017**

Murray and Mallee Local Government Association

Contents

Statement of Financial Performance	2
Statement of Financial Position	3
Statement of Changes in Members' Funds	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Statements by Members of the Committee	18

Murray and Mallee Local Government Association

STATEMENT OF FINANCIAL PERFORMANCE
OR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Income			
MBM LGA Contributions	2	324,185	130,837
Regional Enhancement Fund Grant	2	152,394	99,226
Interest Revenue	2	2,904	2,897
Total Revenue		<u>479,483</u>	<u>232,960</u>
Operating Expenses	3	(255,693)	(174,056)
Surplus (deficit) for the year		<u>223,790</u>	<u>58,904</u>
Total Comprehensive Profit (Loss)		<u>223,790</u>	<u>58,904</u>

The accompanying Notes form part of these financial statements

Murray and Mallee Local Government Association

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash and Cash Equivalents	4	426,824	212,067
Trade and other receivables	5	11,729	3,639
Total Current Assets		438,553	215,706
Total Assets		438,553	215,706
Liabilities			
Current Liabilities			
Trade and other payables	6	12,318	13,260
Total Current Liabilities		12,318	13,260
Total Liabilities		12,318	13,260
Net Assets		426,235	202,446
Member's Funds			
Unspent funds reserve	7	(76,220)	45,104
Accumulated surplus	8	502,456	157,342
Total Members Funds		426,235	202,446

The accompanying Notes form part of these financial statements

Murray and Mallee Local Government Association

**Statement of Changes in Members' Funds
AS AT 30 JUNE 2017**

	Note	Accumulated Surplus \$	Unspent funds reserve \$	Total \$
2017				
Balance at the beginning of the year	8	157,342	45,104	202,446
Surplus for the year		223,790	-	223,790
Transfers		121,324	- 121,324	(0)
Balance at the end of year		<u><u>502,456</u></u>	<u><u>- 76,220</u></u>	<u><u>426,235</u></u>
2016				
Balance at the beginning of the year	8	98,438	60,400	158,838
Surplus for the year		58,904	(15,296)	43,608
Balance at the end of year		<u><u>157,342</u></u>	<u><u>45,104</u></u>	<u><u>202,446</u></u>

The accompanying Notes form part of these financial statements

Murray and Mallee Local Government Association

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Cash from operating activities			
Receipts from members		348,513	130,837
Receipts from grants		167,633	109,148
Interest received		2,904	2,896
Payments to suppliers		(304,293)	(192,537)
Net cash provided from operating activities	9	214,757	50,344
Net increase in cash held		214,757	50,344
Cash at beginning of financial year		212,067	161,723
Cash at end of financial year	4	426,824	212,067

Murray and Mallee Local Government Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Statement of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act (1999). The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on by the members of the committee.

(a) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

The comparative figures relating to the unspent funds reserve have been adjusted as the movements in the reserve in the prior year were not recognised. This has had no impact on the overall balance of the financial statements.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(c) Income taxes

The activities of the Association are exempt from taxation under the Income Tax Assessment Act 1997.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Murray and Mallee Local Government Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

(e) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instruments classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Fair value represents the amount for which an asset could be exchanged or liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of income or expense in profit or loss.

The association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Murray and Mallee Local Government Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") that has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter bankruptcy or other financial re-organisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party, whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Murray and Mallee Local Government Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Revenue

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from membership subscriptions are recognised as income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined by reference to the membership year.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(h) Trade and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Trade and other receivables

These include amounts due from ATO and accrued interest on deposits in financial institutions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(j) Critical Accounting Estimates and Judgments

Key estimates

(i) Impairment - general

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Murray and Mallee Local Government Association

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 2: Revenue

	2017	2016
	\$	\$
MBM LGA Contributions		
Berri Barmera	20,451	20,150
Coorong District Council	13,545	13,345
DC of Karoonda East Murray	7,172	7,065
DC of Loxton Waikerie	21,506	21,326
Mid Murray Council	16,201	15,962
The Rural City of Murray Bridge	27,091	26,690
DC of Renmark Paringa	18,194	17,924
Southern Mallee DC	8,501	8,375
SLRP surcharge	19,733	-
	<hr/> 152,394	<hr/> 130,837
Other Contributions		
Local Government Association of SA	274,185	49,226
Out Reach Program Income	50,000	50,000
	<hr/> 324,185	<hr/> 99,226
Interest Revenue	2,904	2,897
Total Revenue	<hr/> 479,483 <hr/>	<hr/> 232,960 <hr/>

Murray Mallee Local Government Association

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 3: Other Operating Expenses

	2017	2016
	\$	\$
Accounting software	498	545
Audit fees	3,500	3,000
Consultancy and contractors	867	-
Executive officer contract services	109,545	109,093
Insurance	5,697	5,602
LGA capacity building grant	2,395	-
LGA outreach project	-	25,000
Meeting expenses	1,424	3,255
Murraylands regional collaboration project	3,240	20,440
President's allowance	1,950	1,950
SAROC regional meeting costs	(836)	2,492
Sundry expenses	6,088	2,679
Project Expenditure:		
2030 Transport Plan Project - Roads database	11,700	-
Commodity Route Assessment	13,400	-
Hills Road/Rail Bypass	5,000	-
Murray River Alliance Projects	10,000	-
Regional Freight Movement Study	50,284	-
Regional Wine Strategy	15,000	-
Sport and Recreation Facilities Needs Review	15,940	-
	<u>255,693</u>	<u>174,056</u>

Note 4: Cash and cash equivalents

	2017	2016
	\$	\$
Cash on hand	100	100
Cash at bank	275,294	63,442
LGFA Investment	151,430	148,525
	<u>426,824</u>	<u>212,067</u>

Note 5: Trade and other receivables

	2017	2016
	\$	\$
GST receivable (net)	<u>11,729</u>	<u>3,639</u>

Note 6: Trade and other Payables

	2017	2016
	\$	\$
Payables	-	1,269
Accruals	12,318	11,991
	<u>12,318</u>	<u>13,260</u>

Murray and Mallee Local Government Association Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 7: Unspent Funds Reserve

The unexpended funds reserve represent funds set aside for future use on projects managed by the association

	2017	2016
	\$	\$
Hills Road/Rail Bypass		
Balance brought forward	-	-
Payments received	-	-
Project payments	(5,000)	-
Project funds expended at year end	(5,000)	-
Murray River Alliance Projects		
Balance brought forward	-	-
Project payments	(10,000)	-
Project funds expended at year end	(10,000)	-
2030 Transport Plan Project		
Balance brought forward	(5,000)	(5,000)
Project payments	(11,700)	-
Project funds expended at year end	(16,700)	(5,000)
Regional Public Health Plan		
Balance brought forward	500	500
Project funds not expended at year end	500	500
Riverland Resource Sharing Project		
Balance brought forward	13,500	13,500
Project funds not expended at year end	13,500	13,500
Murraylands Resource Sharing Project		
Balance brought forward	16,154	16,154
Project funds not expended at year end	16,154	16,154
Annual Priorities project		
Balance brought forward	1,300	1,300
Project funds not expended at year end	1,300	1,300
Succession Planning Consultancy Project		
Balance brought forward	13,790	13,790
Project funds not expended at year end	13,790	13,790
Review of Regional Transport Strategy Project		
Balance Brought forward	9,085	9,085
Project funds not expended at year end	9,085	9,085
Transport Strategy Project		
Balance Brought forward	(4,225)	(4,225)
Project payments	(13,400)	-
Project funds expended at year end	(17,625)	(4,225)

Murray and Mallee Local Government Association Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Regional Freight Movement Study

Balance Brought forward	-	-
Project payments	<u>(50,284)</u>	<u>-</u>
Project funds expended at year end	<u>(50,284)</u>	<u>-</u>

Regional Waste Strategy

Balance Brought forward	-	-
Project payments	<u>(15,000)</u>	<u>-</u>
Project funds expended at year end	<u>(15,000)</u>	<u>-</u>

Sport & Recreation Facilities Needs Review

Balance Brought forward	-	-
Project payments	<u>(15,940)</u>	<u>-</u>
Project funds expended at year end	<u>(15,940)</u>	<u>-</u>

Total unspent funds reserves	<u><u>(76,220)</u></u>	<u><u>45,104</u></u>
-------------------------------------	------------------------	----------------------

Note 8: Accumulated Surplus

	2017	2016
	\$	\$
Opening Balance	157,288	98,438
Surplus for the year	<u>223,790</u>	<u>58,850</u>
Balance	<u><u>381,078</u></u>	<u><u>157,288</u></u>

Net transfers (to)/from reserves:

Hills Road/Rail Bypass	5,000	-
Murray River Alliance Projects	10,000	-
2030 Transport Plan	11,700	-
Transport strategy project	13,400	-
Regional freight movement study	50,284	-
Regional Waste Study	15,000	-
Sport & Recreation Facilities Needs Review	15,940	-

Net Transfers (to)/from reserves	<u>121,324</u>	<u>-</u>
Balance at year end	<u><u>502,402</u></u>	<u><u>157,288</u></u>

Murray and Mallee Local Government Association Incorporated

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 9: Reconciliation of cash flow from operations with surplus for year

	2017	2016
	\$	\$
Net surplus for the year	223,790	58,850
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(8,090)	4,233
Increase/(decrease) in trade and other payables	(942)	(12,739)
	<u>214,757</u>	<u>50,344</u>

Murray and Mallee Local Government Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 10: Financial Instruments

Details of the significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 Summary of Significant Account Policies.

Categorisation of Financial instruments

	Note	2017		2016	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities		\$	\$	\$	\$
Trade and other Payables	6	12,318	12,318	13,260	13,260
Total Financial liabilities		12,318	12,318	13,260	13,260
Financial Assets					
Cash and cash equivalents	4	426,824	426,824	212,067	212,067
Total Financial Assets		426,824	426,824	212,067	212,067

Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables (i.e. GST Receivable).

The fair values disclosed in the table above have been based on cash and cash equivalents, trade and other receivables and trade and other payables short term instruments in a nature whose carrying value is equal to fair value.

i. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligation that could lead to a financial loss to the association.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties and by investing surplus funds in financial institutions that maintain a high credit rating.

There is no collateral held by the association securing trade and other receivables.

ii. Liquidity Risk

Liquidity risk arises from the possibility that the association might accounting difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

No assets have been pledged as security for any liabilities.

Murray and Mallee Local Government Association

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

iii. **Market Risk**

Exposure to interest rate risk arises on financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

The following table illustrates sensitives to the association's exposure to changes in interest rates.

	2017		2016	
	% Weighted Average Interest rate	Carrying Value	% Weighted Average Interest rate	Carrying Value
Financial liabilities	\$	\$	\$	\$
Trade and other Payables	0%	12,318	0%	13,260
Financial Assets				
Cash at bank	0%	275,294	0%	63,441
LGFA Investment	1.8%	151,430	1.8%	148,525
Cash on hand	0%	100	0%	100

Note 11: Contingent Liabilities and Contingent Assets

At 30 June 2016, the association is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

Note 12: Capital Commitments

At 30 June 2016, the association is unaware of any capital or leasing commitments which have not already been recorded elsewhere in this financial report.

Note 13: Events after the end of the reporting period

Since the reporting date, there have been no events that would materially impact on the contents of this report.

Murray and Mallee Local Government Association

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 14: Economic Dependence

Murray and Mallee Local Government Association is dependent on the Local Councils within its jurisdiction and other funding bodies for the majority of its revenue used to operate the business. At the date of this report, the Committee believe that the Local Councils and other bodies will continue to fund the Association.

Note 15: Related Party Transactions

The total remuneration paid to key management personnel of Murray & Mallee Local Government Association Incorporated during the year was as follows:

	2017
	\$
Executive Officer Contract Services	109,545

Key management personnel include the CEO and President.

Other related parties includes close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. There were no transactions with other related parties.

Note 16: Capital Management

The Committee controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Committee ensures that the overall risk management strategy is in line with this objective. The committee operates under policies approved by the board. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements. The entity's capital consists of financial liabilities, supported by financial assets. There have been no changes to the strategy adopted by the Committee to control the capital of the entity since the previous year.

Note 17: Association details

The registered office of the association and principal place of business is;

Murray and Mallee Local Government Association
PO Box 236
Victor Harbor SA 5211

Murray and Mallee Local Government Association

**STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2017**

In the opinion of the committee, the Financial Statements comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Members' Funds, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Murray and Mallee Local Government Association as at 30 June 2017 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Murray and Mallee Local Government Association will be able to pay its debts as and when they fall due.

The Committee is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Name: Mayor Dave Burgess
Position: President
Date: 18th October 2017



Name: Peter Bond
Position: CEO
Date: 18th October 2017