



Central

Local Government Region of South Australia

Incorporated under provisions of the Local Government Act

Annual Report for 2010 – 2011

A regional subsidiary of:

- *The Barossa Council*
- *District Council of Barunga West*
- *Clare & Gilbert Valleys Council*
- *District Council of The Copper Coast*
- *The Flinders Ranges Council*
- *Regional Council of Goyder*
- *Light Regional Council*
- *District Council of Mallala*
- *District Council of Mount Remarkable*
- *Northern Areas Council*
- *District Council of Orroroo/Carrieton*
- *District Council of Peterborough*
- *Port Pirie Regional Council*
- *Wakefield Regional Council*
- *District Council of Yorke Peninsula*

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The Central Local Government Region of South Australia

The Central Local Government Region was established in 1998 under Section 200 of the Local Government Act 1934 as a controlling authority. It now continues in existence and as a regional subsidiary of its member Councils under Part 2 of Schedule 2 of the Local Government Act 1999 by virtue of the provisions of Section 25 of the Local Government (Implementation) Act 1999.

The Central Region is established to:

- ✓ undertake co-ordinating, advocacy and representational roles on behalf of its Constituent Councils at a regional level
- ✓ facilitate and co-ordinate activities of local government at a regional level related to community and economic development with the object of achieving improvement for the benefit of the communities of its Constituent Councils
- ✓ develop, encourage, promote, foster and maintain consultation and co-operation and to strengthen the representation and status of local government when dealing with other governments, private enterprise and the community
- ✓ develop further co-operation between its Constituent Councils for the benefit of the communities of the region
- ✓ develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region
- ✓ undertake projects and activities that benefit the region and its communities
- ✓ associate, collaborate and work in conjunction with other regional local government bodies for the advancement of matters of common interest.

The Central Region is a body corporate and is governed by a Board of Management which has the responsibility to manage all activities of the Central Region and ensure that the Central Region acts in accordance with its Charter. The Board has 15 members, comprising one representative elected from each constituent Council:

- Barossa Council
- District Council of Barunga West
- Clare & Gilbert Valleys Council
- District Council of The Copper Coast
- The Flinders Ranges Council
- Regional Council of Goyder
- Light Regional Council
- District Council of Mallala
- District Council of Mount Remarkable
- Northern Areas Council
- District Council of Orroroo/Carrieton
- District Council of Peterborough
- Port Pirie Regional Council
- Wakefield Regional Council
- District Council of Yorke Peninsula

The Region's area spans the Barossa through the Clare Valley, Yorke Peninsula, Adelaide Plains, Mid and Upper North districts through to the Flinders Ranges, covering 27 per cent of the incorporated area of the State and comprises some 27 per cent of the State's population outside Adelaide.

Office Bearers for 2010/11

Chairman:	Mayor James Maitland (Wakefield)
Deputy Chairs:	Mayor Ray Agnew (Yorke Peninsula) Mayor Max Mc Hugh (Flinders Ranges) - to Nov 2010 Cr Neville Wilson (Port Pirie) - from Feb 2011
Delegate to the LGA State Executive:	Mayor James Maitland (Wakefield) Mayor Ray Agnew (Yorke Peninsula) - to April 2011 Mayor Allan Aughey (Clare & Gilbert Valleys) - from April 2011
Proxy Delegate to the LGA State Executive:	Mayor Allan Aughey (Clare & Gilbert Valleys) - to April 2011 Mayor Ray Agnew (Yorke Peninsula) -from April 2011
Delegates to SAROC:	Mayor James Maitland (Wakefield) Mayor Ray Agnew (Yorke Peninsula) - to April 2011 Mayor Allan Aughey (Clare & Gilbert Valleys) - from April 2011 Ms Anita Crisp Proxy: Mayor Allan Aughey (Clare & Gilbert Valleys) - to April 2011; Mayor Ray Agnew (Yorke Peninsula) -from April 2011
Executive Officer:	Anita Crisp
Auditor:	Ian G. McDonald

Central Local Government Region Board of Management

The Central Local Government Region Board of Management comprises an elected delegate appointed from each of the 15 member councils. A proxy delegate is also appointed, with policy provisions allowing for representation by other elected or endorsed members.

In February 2007 the Central Local Government Region confirmed, subject to the provisions within the Charter, the appointment of the following Council delegates to the CLGR Board of Management for a term that expired concurrent with the November 2010 Local Government elections:

Council	Delegate	Proxy Delegate
The Barossa Council	Mayor Brian Hurn	Cr Barrie Stewart (to Nov 2010) D/Mayor David DeVries (from Nov 2010)
District Council of Barunga West	Mayor Dean Dolling	D/Mayor Ian Burgess (to Nov 2010) Cr Brian Rooney (from Nov 2010)
District Council of the Copper Coast	Mayor Paul Thomas	D/Mayor Dean Rodda
Clare & Gilbert Valleys Council	Mayor Allan Aughey	Cr Wayne Thomas Cr Elizabeth Calvert
Flinders Ranges Council	Mayor Max McHugh (to Nov 2010) Mayor Peter Slattery (from Nov 2010)	D/Mayor John Shute
Regional Council of Goyder	Mayor Peter Matthey	D/Mayor Warren Mosey (to Nov 2010) D/Mayor Judy Partington (from Nov 2010)
Light Regional Council	Mayor Robert Hornsey (to Nov 2010) Mayor Bill O'Brien (From Nov 2010)	D/Mayor Dean Rohrlach (from Nov 2010)
District Council of Mallala	Cr Marcus Strudwicke	nil
District Council of Mount Remarkable	Mayor Trevor Roocke (to Nov 2010) Mayor Sandra Wauchope (from Nov 2010)	Cr Michael Pearce (to Nov 2010) D/Mayor Ray Walker (from Nov 2010)
Northern Areas Council	Chair Cr Allan Woolford (to Nov 2010) Chair Ben Browne (form Nov 2010)	Cr Denis Clark
District Council of Orroroo Carrieton	Chair Cr Kathie Bowman (to Nov 2010) Chair Colin Parkyn (from Nov 2010)	D/Chair Malcolm Byerlee
District Council of Peterborough	Mayor Ruth Whittle	Cr Judith Kempen (to Nov 2010) Cr Frank Hardbottle (from Nov 2010)
Port Pirie Regional Council	Deputy Mayor Neville Wilson	nil
Wakefield Regional Council	Mayor James Maitland	D/Mayor Darryl Ottens (from Nov 2010)
District Council of Yorke Peninsula	Mayor Ray Agnew	Cr John Rich (from Nov 2010)s

Meetings of the Central Local Government Region Board of Management

Four meetings of the Central Local Government Region Board of Management were held during the 2010/2011, each hosted by one of the member Councils. The meeting host and location is rotated throughout the region on alphabetical order. Meetings were held:

- Friday 13th August 2010 – AGM, hosted by District Council of Mallala
- Friday 12th November 2010, hosted by District Council of Mt Remarkable
- Friday 11th February 2011, hosted by Northern Areas Council
- Friday 13th May 2011, hosted by District Council of Orroroo Carrieton



Committee Meetings

In accordance with its Charter, the Central Local Government Region maintains several sub committees to assist in effective project implementation and governance. The committee's generally meet on an as needs basis and comprise representatives from the various member councils along with, in many cases additional delegates from other relevant regional bodies or state government agencies:

Committee	Members	Meeting Dates
Executive Committee:	Mayor James Maitland, Mayor Max McHugh (to Nov 2010), Mayor Ray Agnew, Mayor Trevor Roocke (to Nov 2010), Cr Kathie Bowman (to Nov 2010), Cr Neville Wilson (from Feb 2011), Mayor Allan Aughey (from Feb 2011), Mayor Ruth Whittle (form Feb 2011)	9 th September 2010 29 th October 2010 1 st April 2011 28 th April 2011
Audit Committee:	Mayor Ray Agnew (Chair), Cr Kathie Bowman, Dr Andrew Johnson, Mr Colin Davies	29 th July 2010 29 th October 2010
Member Councils CEO's Forums:	David Morcom (Barossa), Nigel Hand (Barunga West), Roy Blight (Clare & Gilbert Valleys), Peter Dinning (Copper Coast) – to Jan 2011, Colin Davies (Flinders Ranges), John Brak (Goyder), Brian Carr (Light), Charles Mansueto (Mallala), Sean Cheriton (Mt Remarkable), Keith Hope (Northern Areas), Iian Wilson (Orroroo/Carrieton), Terry Barnes (Peterborough), Andrew Johnson (Pirie Regional), Phil Barry (Wakefield), Ricki Bruhn (Yorke Peninsula) – to Oct 2010. Chaired by a member of the CLGR Executive	16 th July 2010 8 th October 2010 17 th December 2010 15 th April 2011 (cancelled)
Transport Infrastructure Planning Committee:	Iian Wilson - Chair (Orroroo Carrieton), John Tillack (Mallala), Grant McKenzie (Clare & Gilbert Valleys), Roy O'Connor (Goyder), Fred Linke (Barunga West), Brenton Pearce (Mt Remarkable), Len Wilton (Port Pirie), Richard Pym (Copper Coast), Joanne Buchanan (Regional Development), Bob Bemmerl (DTEI)	5 th July 2010 30 th September 2010 16-17 th February 2011 7 th April 2011
Regional Climate Change Steering Committee:	David Morcom (Barossa), Anita Crisp (CLGR Executive Officer), Kelly-Anne Saffin (RDA Y&MN), Anne Moroney (RDA Barossa), Lynne Walden & Pam Pilkington (N&Y NRM Board), Mike Fretwell (Y&MN ZEMC)	21 st December 2010 24 th February 2011 21 st April 2011
Coastal Councils Network:	Aleisa Lamanna (District Council of Mallala), TBA (Wakefield Regional Council), Stephen Goldsworthy (District Council of Yorke Peninsula), Peter Dinning/Andy West District Council of the Copper Coast, Nigel Hand (District Council of Barunga West), TBA (Port Pirie Regional Council), Sean Cheriton (District Council of Mt Remarkable). Ms Anita Crisp (Central Region Executive Officer), Ms Deborah Allen (Coastcare Facilitator) – ex officio	22 nd October 2010
Regional Waste Management Committee:	Nil	Nil
Water Project Steering Committee:	Mr Ricki Bruhn (Yorke Peninsula) – to Oct 2010, Mr Peter Dinning (Copper Coast) – to Jan 2011, Mr Henri Mueller (Mallala), Mr Peter Stockings (Yorke Regional Development Board), Mr Kerry Ward (Northern & Yorke NRM Board) – to April 2011, Mr Paul Doherty (SA Water/Office of Water Security) – to Nov 2010. Mr Geoffrey White (Project Officer) – to July 2010	Nil
Executive Officer Performance Review Committee:	Mayor James Maitland, Mr Nigel Hand, Cr Kathie Bowman	Nil

Regional Forums and Workshops

In order to progress specific priorities and actions, the Central Local Government Region occasionally holds information forums or workshops to allow member councils and other relevant stakeholders to come together and discuss or learn about particular initiatives.

The forums and workshops provide an opportunity for greater awareness, understanding and engagement with various Central Local Government Region activities and increases the level of active involvement by stakeholders. The following issue-specific forums were held during the 2010/11 financial year.

- 16th July 2010 Governance, Asset and Risk Management Workshop, Crystal Brook
- 22nd July 2010 Waste Management Update Forum, Port Pirie
- 13th August 2010 Digital Television Switchover, Parham
- 27th October 2010 Regional Transport Workshop – Special Local Roads Briefing, Crystal Brook
- 1st April 2011 Regional Planning Review Forum, Clare – hosted in conjunction with the Northern & Yorke Natural Resources Management Board and Regional Development Australia Yorke and Mid North
- 31st May 2011 Climate Change Vulnerability Assessment Workshop, Clare – hosted in conjunction with the Northern & Yorke Natural Resources Management Board and Regional Development Australia Barossa and Yorke/Mid North



Achievements for 2010/11

During the 2010/11 year, the Central Region continued to progress a number of priority activities, pursued under the three key target areas identified within the strategic and business plan:

1. Board Governance and Operations

- ✓ **The operation of the Central Region subsidiary is in accordance with legislative requirements and board policy**
- ✓ **CLGR is well regarded by its member councils and stakeholders as a valid and relevant organisation**

Achievements for 2010/11

- Review of Central Region Strategic Plan five year targets
- Ongoing alignment of Central Local Government operations with agreed policies and procedures
- CLGR Board meeting agendas & minutes distributed in accordance with policy
- Operation of Central Region Audit Committee
- Committee operations executed within terms of reference
- Application for audit committee exemption
- Executive support performance and operational review

2. Local Government Leadership and Sustainability

- ✓ **The Central Local Government Region Councils supported to collaboratively improve service delivery, resourcing & financial capacity**
- ✓ **Central Local Government Region Councils well represented & regarded at state and national Local Government levels**
- ✓ **Improved awareness & understanding of Central Region Council issues and activities by key stakeholders & political decision makers**

Achievements for 2010/11

- Quarterly Council Chief Executive Officer's forum held
- Workshop Council Asset, Governance and Risk Management
- Coordination of early access by Central Region Councils to LGA Reform Fund audits
- Attendance by Local Government Association (LGA) and Department of Planning and Local Government (DPLG) at Central Region quarterly meetings
- Communications with LGA and DPLG staff as required
- Coordination of Central Zone appointments to LGA State Executive Committee
- Regional representation at SA Regional Organisation of Councils (SAROC) and LGA State Executive meetings
- Attendance at Local Government Association SA general meetings in Adelaide
- Attendance at Australian Local Government Association assembly in Canberra
- Communication with SAROC Executive Officers on key issues as required
- Participation of relevant regional agencies and bodies on Central Region committees and at workshops and forums as appropriate
- Member of Parliament briefings as required
- Monthly newsletter prepared and distributed
- Regular ABC local radio and newspaper media coverage of Central Region projects and events
- Website update commenced

3. Regional and Community Sustainability

- ✓ **The long-term economic, environmental and social sustainability of the Central Local Government Region is fostered through pro-active, innovative, efficient and collaborative approaches to issues of priority.**

Achievements for 2010/11

Regional Identity & Cohesion

- Formation of Regional Strategic Alliance with Northern & Yorke Natural Resources Management Board (NRM) and Regional Development Australia Yorke and Mid North (RDA)
- Inaugural Annual Planning Review Forum with NRM and RDA
- Central Region delegate to LGA Planning Reform Working Group
- DPLG planning reform trial with NRM and RDA
- Correspondence to Premier and Ministers regarding lack of coordination across agencies in planning and community consultation
- Development of State Budget regional implications information paper
- Liaison with LGA and RDA regarding Federal Regional Australia agreement
- Participation in Regional Government Coordination Network
- Continued Central Region office co-location with Regional Department of Transport, Crystal Brook

Waste Management

- Waste management update forum
- Coordination of Regional Assessment Panel for Zero Waste SA 'Regional Implementation Program'
- Preparation of Regional Implementation Program regional submission
- Liaison with Federal and State Government and LGA regarding e-waste particularly in relation to digital TV switchover

Transport

Assessment, inspection and regional submission to Special Local Roads program

Council Special Local Roads briefing held

- Correspondence to Minister regarding Road Reserve Responsibilities

Environment

- Technical support input into LGA roadside vegetation management review

Local Government rep attendance at Regional NRM Board meetings

- Submissions to Adelaide/Mt Lofty, SA Murray Darling and Northern & Yorke NRM Board business plans
- Australian Government Caring for our Country funding for engagement of Regional Coastcare Officer and on-ground works
- Formalisation of Coastal Councils Group as a standing committee

Water Resources

- Funding of Technical Officer (Water) for Central Region
- Reinvigoration of Water Committee including agency representatives
- Murray Darling Association Region 8 annual update to Central Region board

Climate Change and Emergency Management

Participation in Zone Emergency Management committees (ZEMC)

- Local Government representation on Regional Drought Taskforce
- Correspondence to State Minister regarding Regional Bushfire Management committee
- Funding for Regional Climate Change Vulnerability Assessment with RDA, NRM and ZEMC support
- Climate Change Sector Agreement with RDA, NRM and Dept Premier & Cabinet
- Coordination of Council flood damage data; meetings with MPs; correspondence to Minister; local media; liaison with LGA

Community Wellbeing, Health and Prosperity

- Meeting and correspondence to Minister Conroy re Digital TV switchover
- Federal funding for engagement of a regional Digital TV Switchover Liaison Officer
- Participation in RDA Broadband Committee
- Liaison with NBN Co.
- Liaison with LGA, DPLG, Renewables SA and Correspondence to Minister regarding windfarm development
- Australia Day Council presentation to Central Region board

Audited Financial Statements 2010/11

CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011 \$	2010 \$
INCOME			
Council Contributions	3.	165,332	147,201
Grants, Subsidies and Other Contributions	4.	541,337	230,468
Investment Income	5.	22,108	13,074
Other Incomes	6.	19,500	7,727
TOTAL INCOME		748,277	398,470
EXPENSES			
Materials, Contracts & Other Expenses	7.	579,944	550,155
TOTAL EXPENSES		579,944	550,155
OPERATING SURPLUS (DEFICIT)		168,333	(151,685)
Asset Disposal & Fair Value Adjustments	8.	(19,293)	(7,277)
NET SURPLUS (DEFICIT)		149,040	(158,962)
TOTAL COMPREHENSIVE INCOME		149,040	(158,962)

CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

**BALANCE SHEET
AS AT 30 JUNE 2011**

ASSETS	NOTES	2011 \$	2010 \$
CURRENT ASSETS			
Cash & Cash Equivalents	9.	544,362	380,773
Trade & Other Receivables	10.	38,201	30,027
TOTAL CURRENT ASSETS		<u>582,564</u>	<u>410,801</u>
NON-CURRENT ASSETS			
Infrastructure, Property, Plant & Equipment	11.	28,059	21,830
TOTAL NON-CURRENT ASSETS		<u>28,059</u>	<u>21,830</u>
TOTAL ASSETS		<u>610,623</u>	<u>432,630</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade & Other Payables	12.	28,953	
TOTAL CURRENT LIABILITIES		<u>28,953</u>	<u>0</u>
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		<u>0</u>	<u>0</u>
TOTAL LIABILITIES		<u>28,953</u>	<u>0</u>
NET ASSETS		<u>581,670</u>	<u>432,630</u>
EQUITY			
Accumulated Surplus		249,170	310,630
Other Reserves		332,500	122,000
TOTAL EQUITY		<u>581,670</u>	<u>432,630</u>

This Statement is to be read in conjunction with the accompanying notes.

CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

2011	Accumulated Surplus	Asset Revaluation Reserve	Available for Sale Financial Assets	Other Reserves	Total Equity
Balance at End of Previous Reporting Period	310,630			122,000	432,630
Adjust. due to Compliance with Revised Acc Standards					0
Adjust. to give effect to Changed Acc Policies					0
RESTATED OPENING BALANCE	310,630	-	-	122,000	432,630
NET SURPLUS (DEFICIT)	149,040				149,040
OTHER COMPREHENSIVE INCOME					
Gain on Revaluation of I,P,P&E					0
Avail-for-Sale Fin Instruments - Change in Fair Value					0
Share of Other Comp Income - Joint Ventures & Associates					0
Impairment (Expense) / Recoupments Offset to Asset Rev Reserve					0
Transfer to Acc Surplus on Sale of I,P,P & E					0
Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments					0
Transfer Between Reserves	(210,500)			210,500	0
BALANCE AT END OF PERIOD	249,170	-	-	332,500	581,670

2010	Accumulated Surplus	Asset Revaluation Reserve	Available for Sale Financial Assets	Other Reserves	Total Equity
Balance at End of Previous Reporting Period	591,592				591,592
Adjust. due to Compliance with Revised Acc Standards					0
Adjust. to give effect to Changed Acc Policies					0
RESTATED OPENING BALANCE	591,592	-	-	-	591,592
NET SURPLUS (DEFICIT)	(158,962)				(158,962)
OTHER COMPREHENSIVE INCOME					
Gain on Revaluation of I,P,P&E					0
Avail-for-Sale Fin Instruments - Change in Fair Value					0
Share of Other Comp Income - Joint Ventures & Associates					0
Impairment (Expense) / Recoupments Offset to Asset Rev Reserve					0
Transfer to Acc Surplus on Sale of I,P,P & E					0
Transfer to Acc Surplus on Sale of Avail-for-Sale Fin Instruments	(122,000)			122,000	0
BALANCE AT END OF PERIOD	310,630	-	-	122,000	432,630

This Statement is to be read in conjunction with the accompanying notes.

CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	NOTES	2011 \$	INFLOWS (OUTFLOWS)	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
<i>Receipts</i>				
Operating Receipts		721,114		453,861
Investment Receipts		19,310		12,126
GST Collected		70,132		42,706
GST Refund from the ATO		55,000		43,469
<i>Payments</i>				
Operating Payments to Suppliers & Employees		(553,594)		(550,366)
Finance Payments				
GST Payments on Purchases		(52,214)		(43,674)
GST Remitted to the ATO		(70,637)		(35,493)
NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES		<u>189,111</u>		<u>(77,371)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Receipts</i>				
Sale of Replaced Assets		35,541		21,364
<i>Payments</i>				
Expenditure on Renewal/Replacement of Assets		(61,063)		(21,830)
NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES		<u>(25,523)</u>		<u>(466)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
<i>Receipts</i>				
<i>Payments</i>				
NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES		<u>0</u>		<u>0</u>
NET INCREASE (DECREASE) IN CASH HELD		163,589		(77,837)
CASH & CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD		380,773		458,610
CASH & CASH EQUIVALENTS AT END OF REPORTING PERIOD	13.	<u>544,362</u>		<u>380,773</u>

This Statement is to be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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.

(a) The Local Government Reporting Entity

The Central Local Government Region of South Australia Incorporated ("the Region") is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999.

The Constituent Councils are:

The Barossa Council;	District Council of Mount Remarkable;
District Council of Barunga West;	Northern Areas Council;
Clare and Gilbert Valleys Council;	District Council of Orroroo / Carrieton;
District Council of the Copper Coast;	District Council of Peterborough;
The Flinders Ranges Council;	Port Pirie Regional Council;
Regional Council of Goyder;	Wakefield Regional Council; and
Light Regional Council;	District Council of Yorke Peninsula.
District Council of Mallala;	

All funds received and expended by the Region have been included in the Financial Statements forming part of this Financial Report.

(b) Basis of Accounting

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The financial report was authorised for issue by the Region by certificate under Regulation 14 of the Local Government (Financial Management) Regulation 2011 dated 4 November 2011.

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

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 the Region'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.

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

(c) Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Region 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 Region's operations for the current reporting period.

(d) Cash, Cash Equivalents & Other Financial Instruments

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

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 Notes 15 and 16.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(e) *Infrastructure, Property, Plant & Equipment*

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

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

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Region for each type of asset. In determining 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:-

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000

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

All plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets. Depreciation is recognised on a straight-line basis.

(f) *Payables*

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.

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

(g) *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.

(h) *Comparative Information*

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with AIFRS.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

(i) *New Accounting Standards*

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

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 & Errors
AASB 110	Events after the Reporting Date
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, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]
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 [AASB 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

NB. Standards not affecting Local Government Entities have been excluded from the above list.

The Region 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.

(j) *Subscriptions*

Clause 5.2 of the Charter of the Region prescribes that subscriptions by Constituent Councils will be decided at the Annual General Meeting. For 2010 / 2011 these were \$9,307 exclusive of GST.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 20112. **Functions / Activities of the Region**

Incomes and expenses have been attributed to the functions / activities which are described below.

The activities of the Region are categorised into the following broad programs:

General Operating Activities	Natural Resource Management
Regional Transport Strategy & Review	Natural Disaster & Risk Mitigation
Water Project	Broadband Project
Transport Infrastructure Committee	Regional Waste Management

Incomes, expenses and the carrying amount of assets which are reliably attributable to each of the listed functions & activities are reported on regularly throughout the year and are available upon request to the Executive Officer.

	NOTES	2011	2010
		\$	\$
3. COUNCIL CONTRIBUTIONS			
General Operations		139,605	136,080
Regional Waste Study		20,000	
Roads Project		5,727	11,121
		<u>165,332</u>	<u>147,201</u>
4. GRANTS, SUBSIDIES & OTHER CONTRIBUTIONS			
Other Grants, Subsidies & Contributions		541,337	230,468
		<u>541,337</u>	<u>230,468</u>
<i>Sources of Grants</i>			
Commonwealth Government		417,000	80,468
State Government		89,800	125,000
Other		34,537	25,000
		<u>541,337</u>	<u>230,468</u>
<i>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:			
Unexpended at Close of Previous Reporting Period		117,559	452,918
Less: Expended During the Current Period from Revenues Recognised in Previous Reporting Periods:-			
Waste Study			13,727
Regional Bus Project			170,500
Broadband Project			92,908
Water Project		4,661	
Local Government			36,365
Natural Resources Management		6,513	122,913
Climate Change		76,310	
Coastal Councils Project		3,023	
Digital Television		17,518	
		<u>108,024</u>	<u>436,614</u>
Plus: Amounts Recognised as Revenues in this Reporting Period but Not Yet Expended in Accordance with the Conditions:-			
Waste Study			
Broadband Project			
Water Project		25,000	4,795
Natural Resources Management			6,513
Climate Change		64,800	69,406
Coastal Councils Project		126,473	3,023
Digital Television			17,518
		<u>216,273</u>	<u>101,255</u>
Unexpended at Close of Reporting Period and held as Restricted Assets		<u>225,809</u>	<u>117,559</u>
Net Increase (Decrease) in Restricted Assets in Current Reporting Period		<u>108,249</u>	<u>(335,359)</u>
5. INVESTMENT INCOME			
Interest on Investments			
Local Government Finance Authority		20,993	12,761
Banks & Other		1,115	313
		<u>22,108</u>	<u>13,074</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	2011 \$	2010 \$
6. OTHER INCOMES			
Vehicle Charges		10,000	7,000
Project Management		9,500	
Sundry			727
		<u>19,500</u>	<u>7,727</u>
7. MATERIALS, CONTRACTS & OTHER EXPENSES			
<i>Prescribed Expenses</i>			
Auditor's Remuneration			
Auditing the Financial Reports		900	900
		<u>900</u>	<u>900</u>
<i>Other Materials, Contracts & Expenses</i>			
Contractors		495,974	495,903
Energy / Fuel		4,737	4,112
Members Allowances		4,963	5,405
Meeting Costs		3,981	6,175
Liability Insurance		6,699	5,108
Gazette Notice			5,002
Sundry		62,691	27,550
		<u>579,044</u>	<u>549,255</u>
		<u>579,944</u>	<u>550,155</u>
8. ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS			
Proceeds from Disposal		35,541	21,364
Less: Carrying Amount of Assets Sold		54,834	28,641
		<u>(19,293)</u>	<u>(7,277)</u>
9. CASH & CASH EQUIVALENTS			
Cash on Hand & At Bank		21,708	76,314
Deposits at Call		522,654	304,460
	13.	<u>544,362</u>	<u>380,773</u>
10. TRADE & OTHER RECEIVABLES			
Accrued Revenues		6,320	3,521
Debtors - General		31,882	26,506
		<u>38,201</u>	<u>30,027</u>
11. INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Valuation of Assets</i>			
At 1 July 2004 upon the transition to AIFRS, the Region elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost for the purposes of AIFRS.			
Pursuant to the Region's election, property, plant and equipment assets are recognised on the cost basis.			
PLANT & EQUIPMENT			
At Cost		28,059	21,830
		<u>28,059</u>	<u>21,830</u>
Carrying Amount at Close of Previous Reporting Period		21,830	28,641
Additions		61,063	21,830
Disposals		(54,834)	(28,641)
Carrying Amount at Close of Current Reporting Period		<u>28,059</u>	<u>21,830</u>
12. TRADE & OTHER PAYABLES			
Goods & Services		28,953	
		<u>28,953</u>	<u>0</u>

CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

13. RECONCILIATION TO CASH FLOW STATEMENT	NOTES	2011 \$	2010 \$
<i>Reconciliation of Cash</i>			
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 Statement of Financial Position as follows:			
Total Cash and Cash Equivalents	9.	544,362	380,773
Less: Short Term Borrowings	BS		
Balance per Cash Flow Statement		544,362	380,773
<i>Reconciliation of Change In Net Assets to Cash from Operating Activities</i>			
Net Surplus (Deficit)		149,040	(158,962)
Non-Cash Items in Income Statement			
Net (Gain) Loss on Disposals		19,293	7,277
(Gain) Loss on Disposal of Assets of Discontinued Operations			
		168,333	(151,685)
Add (Less): Changes in Net Current Assets			
Net (Increase) Decrease in Receivables		(8,174)	74,546
Net Increase (Decrease) in Trade & Other Payables		29,282	(232)
Net Cash Provided (or Used In) Operating Activities		189,441	(77,371)
<i>Non-Cash Financing and Investing Activities</i>			
Acquisition of Assets by Means of:-			
Physical Resources Received Free of Charge			
Non-Cash Grants & Contributions			
Amounts Recognised in Income Statement		0	0
Finance Leases			
Land Taken Over for Non-Payment of Rates			
		0	0

14. RECOGNISED FINANCIAL INSTRUMENTS

Bank, Deposits at Call, Short Term Deposits

Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.
 Terms & conditions: Deposits are placed on 24 hour call with the Local Government Finance Authority at market interest rates.
 Carrying amount: Approximates fair value due to the short term to maturity.

Receivables - Fees & Other Charges

Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
 Terms & conditions: Unsecured, and do not bear interest. The Region is not materially exposed to any individual debtor, with credit risk exposure concentrated within the Region's boundaries.
 Carrying amount: Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy: Carried at nominal value.
 Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.
 Carrying amount: Approximates fair value.

Liabilities - Creditors and Accruals

Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Region.
 Terms & conditions: Liabilities are normally settled on 30 day terms.
 Carrying amount: Approximates fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

15. LIQUIDITY ANALYSIS	Instrument Due			Total Contractual Cash Flows	Carrying Values
	< 1 year	> 1 and < 5 yrs	> 5 years		
2011					
Financial Assets					
Cash & Equivalents	544,362			544,362	544,362
Receivables	38,201			38,201	38,201
Other Financial Assets				0	0
Total Financial Assets	582,564	0	0	582,564	582,564
Financial Liabilities					
Payables	28,953			28,953	28,953
Current Borrowings				0	0
Non-Current Borrowings				0	0
Total Financial Liabilities	28,953	0	0	28,953	28,953
2010					
Financial Assets					
Cash & Equivalents	380,773			380,773	380,773
Receivables	30,027			30,027	30,027
Other Financial Assets				0	0
Total Financial Assets	410,801	0	0	410,801	410,801
Financial Liabilities					
Payables				0	0
Current Borrowings				0	0
Non-Current Borrowings				0	0
Total Financial Liabilities	0	0	0	0	0

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

	2011		2010	
	Weighted Ave Interest Rate	Carrying Value	Weighted Ave Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	N/A	0	N/A	0
Other Variable Rates	N/A	0	N/A	0
Fixed Interest Rates	N/A	0	N/A	0
		<u>0</u>		<u>0</u>

Net Fair Value

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

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 Region is the carrying amount, net of any allowance for doubtful debts. All Region investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in the Notes in relation to individual classes of receivables (if applicable), exposure is concentrated within the Region'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 the Region'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 the Region 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 based on cash inflows.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Region 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

16. LIQUIDITY ANALYSIS (CONT.)

Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value. Due to the nature of the financial instruments held by the Region, the costs associated with their settlement would not be material and therefore have not been considered.

Credit Risk Exposure

Credit risk represents the loss that would be recognised if other parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Region which have been recognised in the Balance Sheet (if any) is the carrying amount, net of any provision for doubtful debts. The Region does not have significant exposure to any concentration of credit risk.

The net fair value of other monetary financial assets and financial liabilities is based on market prices where a market exists or by discounting expected future cash flows by the current interest rates for assets and liabilities with similar risk properties.

Cash flows are discounted using standard valuation techniques and the applicable market yield having regard to the timing of cash flows. The carrying amount of bank term deposits, accounts receivable, accounts payable and bank loans approximate net fair value.

	NOTES	2011	2010
		\$	\$
RECONCILIATION OF FINANCIAL ASSETS & LIABILITIES			
<i>Excess of Financial Assets over Liabilities</i>			
Financial Assets		576,244	407,279
Financial Liabilities		(28,953)	0
		<u>547,292</u>	<u>407,279</u>
<i>Non-Financial Assets (Liabilities)</i>			
Accrued Revenues		6,320	3,521
Property, Plant & Equipment		28,059	21,830
		<u>34,379</u>	<u>25,351</u>
<i>Net Assets per Balance Sheet</i>		<u>581,670</u>	<u>432,630</u>

17. FINANCIAL INDICATORS

2011 2010 2009 2008

These Financial Indicators have been calculated in accordance with Information Paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

Operating Surplus	168,333	(151,685)	232,911	(9,197)
<i>Being the operating surplus (deficit) before capital amounts.</i>				
Operating Surplus Ratio	N/A	N/A	N/A	N/A
<i>This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.</i>				
Net Financial Liabilities	(553,611)	(410,801)	(562,951)	(340,044)
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in the Region's businesses).</i>				
Net Financial Liabilities Ratio	(74 %)	(103 %)	(84 %)	(95 %)
Interest Cover Ratio	(3.0 %)	(3.4 %)	(2.2 %)	(6.6 %)
Asset Sustainability Ratio	N/A	N/A	N/A	N/A
Asset Consumption Ratio	N/A	N/A	N/A	N/A

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

18. UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Region 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 & Subsidiaries provide a common 'core' of financial information, which enables meaningful comparisons of finances.

	2011	2010
	\$	\$
Income	748,277	398,470
less Expenses	(579,944)	(550,155)
	<u>168,333</u>	<u>(151,685)</u>
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(61,063)	(21,830)
less Depreciation, Amortisation and Impairment		
less Proceeds from Sale of Replaced Assets	35,541	21,364
	<u>(25,523)</u>	<u>(466)</u>
Net Outlays on New & Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	0	0
less Amounts Received Specifically for New and Upgraded Assets	0	0
less Proceeds from Sale of Surplus Assets	0	0
	<u>0</u>	<u>0</u>
Net Lending (Borrowing) for Reporting Period	<u>142,811</u>	<u>(152,151)</u>

19. JOINT VENTURES & ASSOCIATED ENTITIES

An *Associate* is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

A *Joint Venture* is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

The Region has no interests in Joint Ventures or Associated Entities.

Although the Region itself is a Regional Subsidiary established by the 15 Member Councils (as listed in Note 1 (a)), it is not considered to be an associate of any of the individual Councils as no one Council has significant influence. As such, equity accounting procedures are not used by the individual Councils. It is likely that each Council's interest in the Regional Subsidiary is non-material, and as such, it is appropriate for a Council to write off its annual contribution as an expense.

CENTRAL LOCAL GOVERNMENT REGION OF SA INC.

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

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the **CENTRAL LOCAL GOVERNMENT REGION OF SA INC.** to certify the financial statements in their final form. In our opinion:-

- * the accompanying financial statements comply with the Local Government Act 1999, the Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
- * the financial statements present a true and fair view of the Region'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 Region provide a reasonable assurance that the Region's financial records are complete, accurate and reliable and were effective throughout the financial year.
- * the financial statements accurately reflect the Region's accounting and other records.



.....
A. Crisp
Executive Officer

16/12/2011

.....
Dated



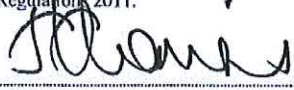
.....
Mayor J Maitland
President


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 Central Local Government Region of South Australia Incorporated for the year ended 30 June 2011, the Association's Auditor, Ian G McDonald, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

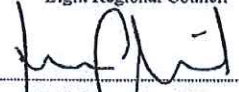
This Statement is prepared in accordance with the requirements of Regulation 22(3) of the Local Government (Financial Management) Regulations 2011.


ACTING Chief Executive Officer
The Barossa Council


Chief Executive Officer
Clare & Gilbert Valleys Council



Chief Executive Officer
The Flinders Ranges Council


Chief Executive Officer
Light Regional Council


Chief Executive Officer
District Council of Mount Remarkable


Chief Executive Officer
District Council of Ororoo Carrieton

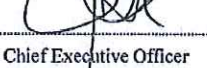

Chief Executive Officer
Port Pirie Regional Council


Chief Executive Officer
District Council of Yorke Peninsula

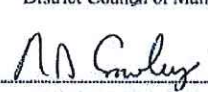

Presiding Member
Central Local Government Region Audit Committee


Chief Executive Officer
District Council of Barunga West


Chief Executive Officer
District Council of the Copper Coast

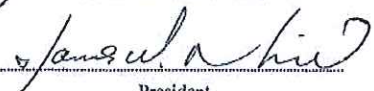

Chief Executive Officer
Regional Council of Goyder


Chief Executive Officer
District Council of Mallala


Chief Executive Officer
Northern Areas Council


Chief Executive Officer
District Council of Peterborough


Chief Executive Officer
Wakefield Regional Council


President
Central Local Government Region
Board of Management



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE CENTRAL LOCAL GOVERNMENT
REGION OF SA INC**

I have audited the accompanying financial report of the Central Local Government Region of SA Inc which comprises the balance sheet as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2011.

Chief Executive Officer's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Central Local Government Region of SA Inc as of 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 1999.

IAN G MC DONALD FCA
CHARTERED ACCOUNTANT
REGISTERED COMPANY AUDITOR

Liability limited by a scheme approved under Professional Standards Legislation

Signed 3 day of February 2012, at Eastwood, South Australia

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