

2016/17

Annual Report



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Welcome to our Annual Report for 2016/17

This publication is provided to inform our community, visitors, government agencies and other interested people.

Adelaide Hills Council provides a range of services to our community, including community care and safety, asset and infrastructure management, business and community development and much more.

This annual report provides our ratepayers, visitors, government agencies and our community with an account of Council's achievements and performance for the financial year 1 July 2016 to 30 June 2017.

The report documents how we have performed against our targets and outlines the future direction of Council. Audited financial statements follow the performance report.

The Adelaide Hills Council Annual Report meets the requirements of the *Local Government Act 1999*.

We hope that this report makes interesting reading and demonstrates our commitment to Customer Service and accountability to our community.

Where to get copies

An online version of the Adelaide Hills Council Annual Report can be viewed and downloaded at ahc.sa.gov.au

A hard copy of the Annual Report is available for inspection at Council's service centres or request a copy by contacting us

(08) 8408 0400

mail@ahc.sa.gov.au

PO Box 44, Woodside SA 5244

We welcome your feedback on this report or any other Council matter.



From the Mayor

We have a new strategic plan focussed on making the Adelaide Hills a place for everyone

Every five years the census tells us that 25% of the population is new to the Hills. Council needs to be conscious that the expectations of these new residents may be different to those of our long-term residents. Council needs to ensure its future operations move in a direction that matches the developing needs and wants of our communities.

With this in mind, and input from three phases of community engagement, we developed a bold new Strategic Plan - *Your Adelaide Hills*. The new plan was adopted in October 2016 and focusses on making the Hills a place for everyone, while at the same time nurturing what makes the Adelaide Hills Council area such an attractive place to live, work and play.

Activities and opportunities to connect form a central focus within the Plan, as do exploring ideas, helping people and business prosper and creating places where people and nature can thrive. This renewed focus has provided a framework to progress a number of strategic plans and community initiatives over the last twelve months, including the Multicultural Action Plan which complements the Reconciliation Action Plan adopted by Council in 2016 and the Refugee Welcome Zone declaration Council made in 2015. It's important that we strive for a community that is inclusive and welcoming of all residents no matter their differences - be they geographic, cultural or demographic.

Community consultation informed a review of the Sport and Recreation and Open Space strategies to help establish a collaborative approach in the coordination, management and planning of community, recreation and leisure facilities. Another notable achievement was the implementation of a new Grant Giving Policy and an increase in money available for community initiatives.

The Adelaide Hills enjoys a reputation not only in Australia, but around the world, as a premier events and arts destination. In January 2017 we again hosted the Santos Tour Down Under, with Stirling pulling out all stops to host a Stage Start, and the peloton making its way through the district for a tough hill climb finish at Paracombe.

In February the inaugural Stirling Fringe event was launched with a jam packed events program held over ten days on the Coventry Library Lawns. It was a fantastic success with almost 50 percent of shows sold out during the season and we are pleased to have confirmed participation in 2018.

We must also recognise the many volunteers and community members who contributed to the Uraidla Show winning the state award for Community Event of the Year. This is a testament to how they have worked together to revitalise Uraidla as one of the Hills hotspot destinations.

Volunteers are the lifeblood of many Hills communities and our district is lucky to benefit from one of the highest levels of community based volunteering in the nation. Supporting the work of volunteers into the future will remain a priority for Council.

In 2016/17 we undertook a statutory Elector Representation Review and although the process was still underway at year end, we expect a positive outcome providing fair and equitable representation for all.

The new financial year is well underway and Council Members, staff, volunteers and the community are busily collaborating, planning and working to make the Adelaide Hills a truly special place to live, work and play. I thank you all for your commitment, energy and enthusiasm.



Bill Spragg
Mayor



From the Chief Executive Officer

Our 2016/17 financial result means Council is well positioned to remain financially sustainable and to resource Council's strategic priorities into the future

I am pleased to report an operating surplus for 2016/17 of \$450k. This is a solid foundation for the new financial year and Council will continue to review and monitor our future financial results and position in conjunction with the Long Term Financial Plan.

Our new strategic Plan *Your Adelaide Hills* outlines Council's key areas of focus for the coming years and provides particular emphasis on those areas that need new or renewed attention to address community needs and trends. We commenced a review of our Corporate Plan, which outlines what we need to do organisationally to achieve the Strategic Plan's bold and exciting objectives.

Our organisational focus has been on developing a high performing culture throughout the organisation, to enable Council to deliver on its strategic and corporate objectives in an innovative, cost effective and timely manner.

Although the unique Hills lifestyle rewards us with space, beauty and natural surrounds it also provides challenges for local businesses. We continued to implement the Council's Economic Development Strategy and play a key role in supporting business and community. May Business Month, an initiative undertaken in collaboration with Mt Barker District Council, was a particular highlight and was a further example of successful partnering with another council.

The Adelaide Hills Business & Tourism Centre Masterplan aims to create a vibrant cultural hub at the Old Woollen Mill at Lobethal while also stimulating local job creation and boosting tourism. Implementation of the Masterplan has progressed with a business plan being developed for the creation of an Arts and Heritage Hub. It's important to continue to support our local businesses and for Council to continue exploring ways for people and business to prosper in the district.

We've achieved a number of strategic goals over the last twelve months around management of public assets including identification of road safety black spots eligible for State and Federal grant support over the next five years. This has informed funding applications for the 2017/18 year. We also conducted a review of Council Retirement Villages with recommendations made to Council on a future management model. Development of a Footpath Network Plan is being used to prioritise footpath upgrades and new paths, while a schedule of zone based programmed maintenance of infrastructure assets, facilities, parks and natural assets, helps manage forward planning and resourcing.

Management of animals in our district is an important and at times contentious issue and two rounds of community consultation helped inform Council's draft Animal Management Plan. It is due to be finalised in October 2017.

It's also been a big year from a customer service perspective with a large increase

in the number of customer requests relating to roads and potholes, footpaths, trees and stormwater. Council received nearly three times the normal number of requests for maintenance in these areas as a result of the severe storm events in September and December 2016. Despite this, we were able to focus on understanding and improving customer journeys and the overall customer experience. All staff completed a training program and a number of opportunities for improvement were identified and implemented. In December 2016 a review of Service Standards was conducted and Council resolved to adopt revised standards effective from 1 July 2017.

The residents and businesses within our district remain central to everything we do at Council. I am extremely proud of the way our staff, and the many community volunteers, responded during and after these storm events and also of the way they put our community first throughout the year.

Collaboration, innovation and hard work are what drive our dedicated staff, Council Members and volunteers in supporting the Hills community. I thank them sincerely and look forward to continuing to build the Adelaide Hills Council area as a place for everyone, now and into the future.

Andrew Aitken
Chief Executive Officer

About the area

The Adelaide Hills Council area offers an appealing lifestyle on the eastern fringe of metropolitan Adelaide

The Council area extends from Mt Bold Reservoir in the south, to Kersbrook in the north, and from the Hills face in the west, to the eastern escarpment of the Mt Lofty Ranges. Council oversees a peri-urban area, with close connections to the Adelaide metropolitan area.

It's a unique region, typified by village townships and settlements, tracts of native vegetation, and viable agricultural land which creates an idyllic lifestyle enjoyed by residents and visitors.

A large percentage (65%) of the working population travel outside the area for work or education. Those employed locally work in food, wine and tourism, or provide services for the local population.



Population
38,863 (ABS Census 2016)



Median Age
44



Females
19,528



Males
19,338



Number of Townships
57



Number of Dwellings
15,454



Density
50/km²



Businesses in the area
3,960



Employed Residents
21,539



Visitors to the area
1,120,000 average annual day trips



Council Established
1997



Area
795.08 km²



Council Sealed Roads
590kms



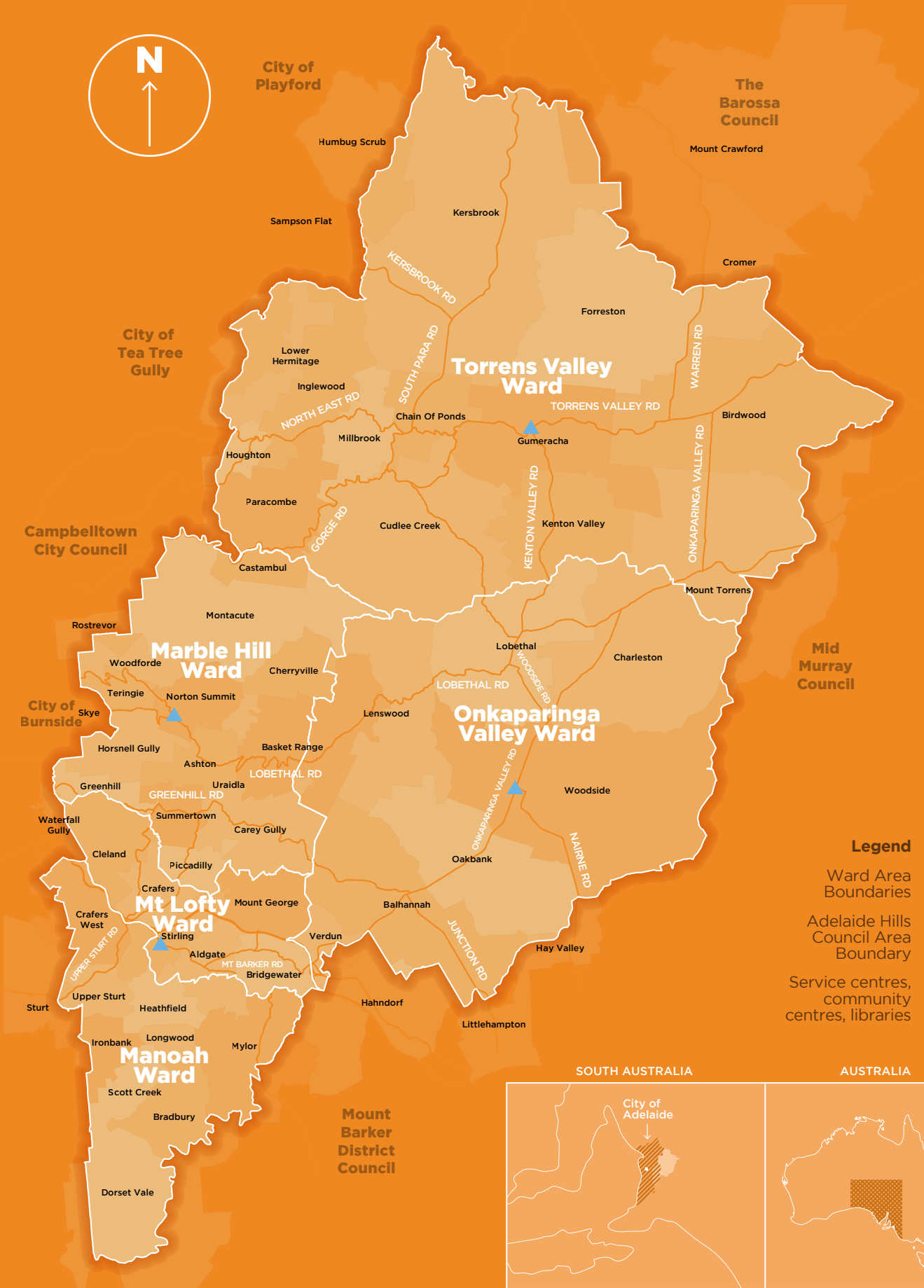
Council Unsealed Roads
430kms



State Electorates Heysen, Morialta, Kavel, Schubert, Bragg, Newland

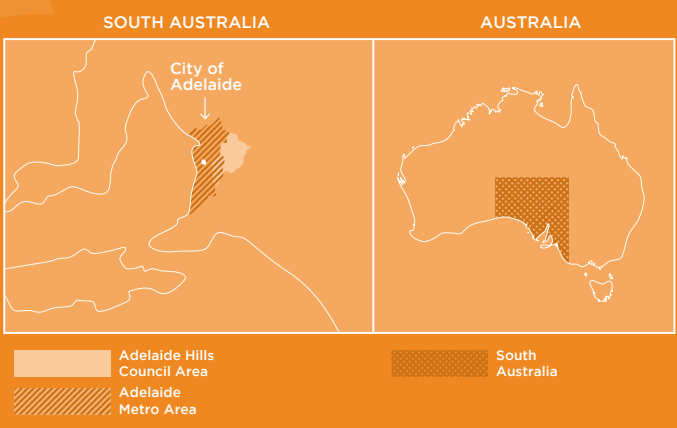


Federal Divisions
Mayo



Legend

- Ward Area
- Boundaries
- Adelaide Hills Council Area Boundary
- Service centres, community centres, libraries

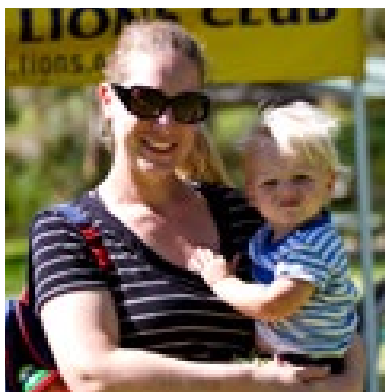


The unique characteristics of our region and proximity to metropolitan Adelaide have created an enviable lifestyle for residents

Visitors also enjoy the Hills wineries, restaurants and cafes that provide unique eating venues. The area's outdoor adventures, museums, wildlife parks and other experiences, make it a natural choice for residents and visitors.

While the rural village character of the area remains a constant, the Adelaide Hills is nonetheless undergoing continuous change. Over the past decades, the focus on traditional agriculture has broadened as rural land transitions into boutique industries, wineries or residential properties. Hill's food and beverage producers are finding niche markets to tap, both locally and overseas.

The transition from farming to urban fringe activities has impacted on local employment opportunities, particularly within smaller townships, with many residents commuting to metropolitan Adelaide to work and study during the week.



However, the community continues to indicate a strong desire, through numerous engagement opportunities, to preserve the Hills character and the uniqueness of living in the Hills. The challenge for Council and our community is to ensure a balance between competing land uses and to support residents across a wide area with the services they need.

The natural landscapes, iconic towns and villages, and proximity to metropolitan Adelaide ensures tourism is a major business for the area



Volunteers share their passions, are inspired to help others and give generously to their community



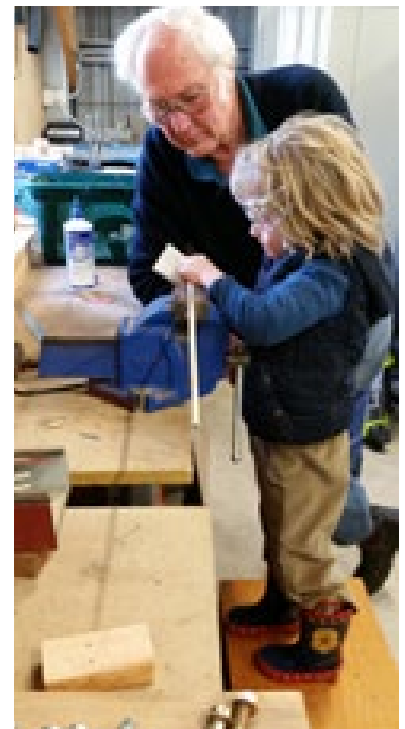
The Adelaide Hills Council area has close connections to the Adelaide metropolitan area. Over 60% of Adelaide's water collection sites lie within the Council district. We have stringent rules in place to restrict development and protect this important resource ensuring the continued high quality of water, while at the same time working with businesses and residential applications to support sustainable development that adds to the prosperity of our district.

Another unique challenge we face is that there are over 1,000 kilometres of roads in the Adelaide Hills Council area, equivalent to the distance between Adelaide and Canberra.

Managing these important assets is a key feature of our long term financial and asset planning.

Council is enthusiastically supported by a large number of volunteers. They provide support in many ways; Justice of the Peace services, teaching, cooking, gardening, sharing skills, shelving books and much, much more.

The Adelaide Hills Council area region provides habitat to a large variety of native flora and fauna species endemic to the area. Council, volunteers and bushcare groups devote time and resources to preserving and enhancing the unique habitat of the Hills.



Ward structure



Mayor

Bill Spragg

Manoah Ward

Number of Electors 4,863*

Councillor Ron Nelson

Councillor Jan-Claire Wisdom

Marble Hill Ward

Number of Electors 4,376*

Councillor Ian Bailey

Councillor Jan Loveday

Mount Lofty Ward

Number of Electors 7,951*

Councillor Kirrilee Boyd

Councillor Nathan Daniell

Councillor John Kemp

Onkaparinga Valley Ward

Number of Electors 6,686*

Councillor Val Hall

Councillor Andrew Stratford

Councillor Lynton Vonow

Torrens Valley Ward

Number of Electors 4,990*

Councillor Linda Green

Councillor Malcolm Herrmann

From left to right: Councillors Val Hall, Malcolm Herrmann, Nathan Daniell, Kirrilee Boyd, John Kemp, Mayor Bill Spragg, Councillors Andrew Stratford, Ron Nelson, Ian Bailey, Linda Green, Lynton Vonow, Jan-Claire Wisdom, Jan Loveday.

Post June 30 2017 the Elector Representation Review process has continued and updates on its progress can be found at ahc.sa.gov.au

*As at May 2017.

your adelaide hills

Delivering on the strategic plan

Our previous strategic plan '*Lofty Aspirations Sustainable Actions*' was adopted in December 2013. It outlined a vision that Council, businesses and the community would work together to achieve through four key goals:

- A safe and connected community
- Sustainable natural and built environs
- A prosperous economy
- A recognised leading performer.

These themes are echoed in our new strategic plan '*Your Adelaide Hills*', which was formally adopted in October 2016 with the vision to make the Adelaide Hills a place for everyone. Input from a nine month community engagement process was integral to developing '*Your Adelaide Hills*', with a vision that continues to place our key emphasis on community, economy, environment and innovation.

The new plan contains high level aspirational objectives and ambitious goals:

Goal 1 Prosper

People and business prosper

Goal 2 Connect

Activities and opportunities to connect

Goal 3 Space

Places for people and nature

Goal 4 Explore

Explore ideas and work with others

Each year we determine the priorities from its strategies and plans and allocates resources through the business planning and budgeting process. The community is involved in this process through public consultation and engagement.

An online version of the Plan can be viewed or downloaded at ahc.sa.gov.au

The 2016/17 Annual Business Plan was structured on the four goal areas from the previous Strategic Plan. However, because the new Strategic Plan was adopted during the financial year, this Annual Report presents achievements and future initiatives under the new Strategic Plan goals.

Our new strategic plan focuses on four key goals that will guide our decision making into the future.

Prosper

*Delivering on the
strategic plan*

Goal 1 **People and business prosper**

The Adelaide Hills is a unique region, where people live among working vineyards, on viable agricultural land and in village townships and settlements. The country lifestyle and natural surrounds are key attractors to residents and visitors. Living and doing business are entwined.

What success looks like: Thriving businesses that uniquely say 'Adelaide Hills'. Healthy and happy people.

The Hills is known for its quality food and beverage offerings, with creative producers finding niche markets at home and overseas. We operate in an environment free of genetically modified crops. There are opportunities to leverage the 'clean and green' brand and help producers tap in to interstate and overseas markets.

With close proximity to Adelaide, short-stay experience tourism works well for the Adelaide Hills. Affordable and unique experiences in a natural setting are highly sought after.

Active lifestyles are synonymous with the Hills and we recognise the role we play in supporting health and recreation. The State Government has identified the region as an international mountain biking destination and more needs to be done to make this a reality. There is a network of iconic walking trails and there are opportunities to connect these with key destinations.

Playing in nature is important for the young and young at heart. Both residents and visitors alike enjoy opportunities to spend time and explore in nature.

It can be difficult for people to buy their first house or secure affordable rental properties in the Hills. We know that many people leave the district in their later years as they look for smaller properties closer to public transport and services. For people to prosper in the Hills, we need to make it liveable for all ages.





Key Achievements during 2016/17

Implement the Economic Development Strategy

The implementation of this Strategy has allowed us to build better relations with the business community, improve coordination and contribute to existing economic development initiatives funded by Council.

An improved understanding of how Council services impact on business was also achieved. We were able to add value to, and participate in Regional, State and Commonwealth Government economic development initiatives, and collaborate with contiguous economic development regions (Mt Barker, Alexandrina, Victor Harbor, and Yankalilla Councils). In collaboration with Mt Barker District Council we held the first Business Month in May, which included a range of programs and workshops for local business operators.

Pursue World Heritage Status

The first stage of the bid to seek National Heritage listing was submitted in February 2017 and although unsuccessful, the bid is being reconsidered by the Federal Government in 2018. In the interim, Clare and Gilbert Valleys, Light, Mid Murray and Mitcham Councils have joined the bid and work is proceeding to address the feedback received. The Project Team will continue to liaise with State Government to obtain formal support for the next round of National Heritage nominations.

Branding and marketing the Hills

Over the last 12 months, we contributed to Adelaide Hills Tourism's exploration of options to deliver high quality visitor information services that meet the changing needs and expectations of visitors to the region. A three year strategy was proposed and accepted by Council for a progressive and regional approach to visitor information services. Consistent with our strategic goals, improving visitor services across the region is a key element in branding and marketing the Hills.



Further Highlights

- We have reviewed our rural area planning policies to streamline planning requirements and protect farming (and supporting businesses) as an economically sustainable and vital supplier of food, fibre and wine. We are part of a Department of Planning, Transport and Infrastructure team preparing a new state rural policy.
- We have reviewed and adopted a new Cemeteries Operating Policy that governs the sixteen cemeteries under our management. A future-needs assessment of cemetery space and options for expansion and development is also being completed.
- A draft Positive Ageing Action Plan has been developed and workshopped with Council Members. The Plan has been revised and is expected to be adopted in late 2017.

Strategic Initiatives for 2017/18

- Work towards making the Adelaide Hills the favoured tourism destination in the State.
- Use the amended Development Plan to encourage more housing opportunities for first home buyers and those wishing to age in our community.
- Embrace nature play concepts in play space developments.
- Work with our Rural Land Management Advisory Group to identify what barriers exist to the region achieving 'pest free' accreditation.
- Continue to work towards World Heritage Listing.
- Work with the State and Federal Governments to ensure community needs are identified and addressed throughout the establishment of a B-Double freight route to Lobethal.
- With other partners, we will progress a scoping study for a northern freight train bypass.
- Support design work to create a bicycle link from Crafers to Stirling.
- Analyse crash data to identify the next round of candidate Black Spot road safety improvement projects.

Connect

*Delivering on the
strategic plan*

Goal 2 Activities and opportunities to connect

In an increasingly fast-paced and technological world, opportunities to connect are crucial. Connection can be with a place, people, activities or ideas. A connected community is inclusive and welcoming, engaged, empowered and dynamic. Its members are confident and resilient.

What success looks like: A welcoming and inclusive community where people support, respect and celebrate each other for their differences as much as for their shared values.

The Hills community values learning and sees it as a lifelong pursuit. Technology has enabled people to connect with communities of interest beyond their local area, bringing new ideas and expectations.

People wish to be heard and involved in making decisions which affect them. Opportunities for active citizenship and community led approaches exist through Advisory Groups, working parties, forums and volunteering, but more can be done to strengthen community based leadership.

The Adelaide Hills has nearly twice the level of volunteering than the greater Adelaide area and this needs to be fostered.

Creative pursuits provide people with an opportunity to connect with each other and their surrounds on a more meaningful and thoughtful level. Art is often said to be an expression of culture. It demonstrates community identity, provides an important outlet for expression, is a valuable educational tool and can encourage business investment.

We need to do more to recognise and respect the region's first people. Both the Peramangk and Kaurna people have connections with the Hills and we can learn by connecting with them.

The Adelaide Hills is a place for everyone. To be welcoming and respecting of individual uniqueness, we must strive to understand, accept and value differences.





Key Achievements during 2016/17

Finalise the Sport and Recreation Strategy review

A community consultation and review of the Sport and Recreation Strategy and Open Space Strategy was undertaken. The review aimed to establish a collaborative approach in the coordination, management and on-going planning and development of community, recreation and leisure infrastructure. The Sport and Recreation Strategy was adopted in October 2016. Strategic Actions are being implemented and any impacts will be communicated to relevant sport and recreation clubs and groups.

Implement a new grants giving approach and management system

A revised Grant Giving Policy has been adopted. Community, and Sport and Recreation Facility Grants community information sessions will be scheduled to assist people preparing for the Grant Application period in September 2017.

Adopt and implement a Reconciliation Action Plan

Our first Reconciliation Action Plan was developed and adopted by Council in 2016. A timetable for review and development of the next stage has been set. We are investigating the potential for a collaborative approach with Mt Barker District Council. A review and revision of the Plan is due in 2018.



Further Highlights

- A review of our properties was conducted to ensure strategies meet future service needs. Workshops will be scheduled after July 2017 to review key elements.
- A community based task group was formed to develop a vision for an arts and heritage hub at Lobethal. A consultant has since been engaged to produce a Business Development Framework (after 30 June) for the Hub. Completion is due by the end of December 2017.
- Pilot initiatives at our Mobile Library to provide customer service and community engagement material have taken place.
- The draft Multicultural Action Plan has been workshopped with Council Members. It is due to be adopted in September 2017.
- To commemorate the 20th Anniversary of Council's establishment, an art prize for people living or active in the area has been launched. A working party has been created and promotion of the event commenced. The exhibition will be held 24 November to 10 December 2017.

Strategic Initiatives for 2017/18

- Recognise and respect Aboriginal culture and the descendants of our first people. Implement a Reconciliation Action Plan.
- Recognise diversity in the community is one of our greatest strengths and we will support and promote opportunities for social inclusion.
- Implement the Adelaide Hills Business and Tourism Centre (Old Woollen Mill) Masterplan to stimulate local job creation, boost tourism and create a vibrant arts and cultural hub.
- Support opportunities for learning in our community to increase the confidence, wellbeing and health of our citizens.
- Seek to bring events to our district that have social, cultural, environmental and economic benefits.
- Establish a sporting club development program.
- Conduct an art prize and exhibition commemorating the 20th anniversary of the Adelaide Hills Council.
- Increase maintenance expenditure on sport and recreation facilities to ensure they remain in good, serviceable condition.



Place

Delivering on the strategic plan

Goal 3 Places for people and nature

What makes the Adelaide Hills special is its unique landscape and places. From native vegetation and productive farming land to village townships and community facilities, the region comprises a blend of land use which allows people and nature to thrive.

What success looks like: Vibrant places that contribute to increased wellbeing. Thriving ecosystems.

Good facilities provide places for people to meet, connect and participate. These range from fields for organised sport to spaces for meeting friends in the main street.

A unique 'sense of place' can be created with input from people who spend time or do business in an area. Communities know what a place needs, who will use it and how it can be enhanced.

Built spaces like libraries, community centres and halls provide hubs for people to come together, learn and interact. These spaces should constantly evolve to meet new and changing needs. They should also incorporate sustainable design principles.

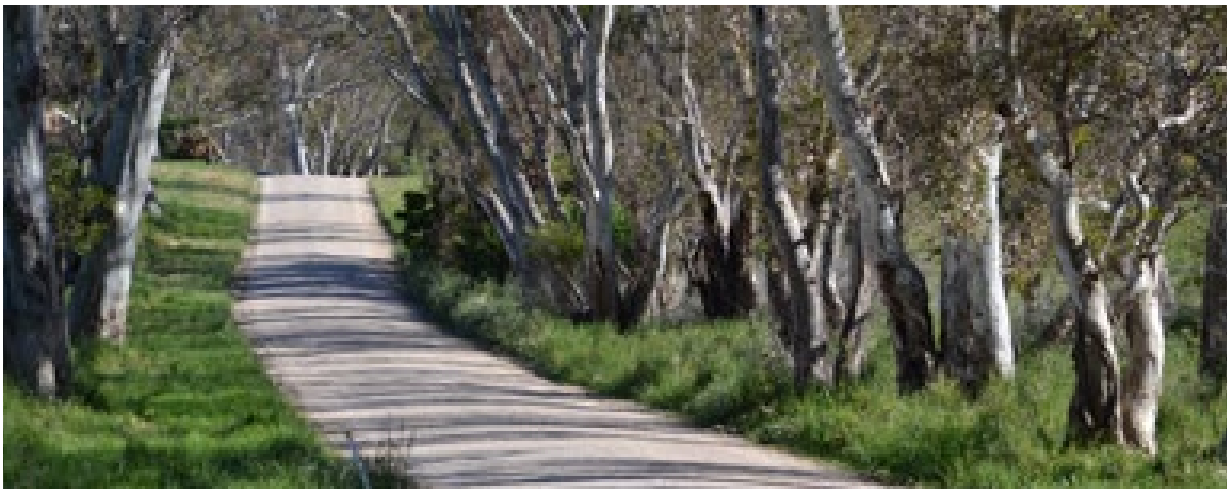
The native flora and fauna of our region contribute to the character of the Adelaide Hills and are essential to our productivity, economy, health and sense of wellbeing.

Our plants and wildlife face a number of challenges including weed invasion, habitat fragmentation, bushfires and climate change. Through responsible management and supporting community based activities, we can work together to improve biodiversity and enable ecosystems to thrive.

The environment is continually changing – influenced by climate, economic considerations and human impacts. We need to empower our community with the knowledge and capacity to adapt to change and secure a sustainable future.

Council plays an important role in mitigating the risks posed by natural hazards such as fire, flood and extreme weather events. When such events do occur, we respond and assist the community in recovery.





Key Achievements during 2016/17

Review our role in operating retirement villages and investigate options for supported housing

Following a review of Retirement Villages, meetings were held with current residents regarding our intention to seek expressions of interest from Service Providers to assist with the delivery of services and village management. A recommendation has been made on the future management model and a report will be prepared for consideration.

Identify and address road safety black spots

The identification of road safety black spots eligible for State and Federal grant support over the next five years was completed. Black Spot funding applications have been submitted for the 2017/18 year, including Swamp Rd, Lenswood.

Review our Waste Management Strategy

The recently adopted Waste and Resource Management Strategy 2016 - 2021 contains twenty objectives and fifty seven strategies to guide our waste and recycling resource management services. Implementation of these strategies is progressing.

Undertake place making

We are working with the community on a number of place making initiatives. Meetings have been organised with the Place Making Group to ensure collaboration and information transfer on projects that are currently underway. Projects include: Imagine Uraidla, Gumeracha Main Street, Lobethal 175, Lobethal Traders and Lobethal Arts and Heritage Hub.

Support, facilitate and promote major and unique events

Stirling Fringe was a success with close to 50% of shows sold out during the 2017 Season. Our bid for the 2017 Tour Down Under was successful, and saw a stage finish in Paracombe and a stage start in Stirling. Classic Adelaide 2016 used route amends due to poor weather and storm recovery activities, Classic Adelaide 2017 will again be held in the Hills. Planning commenced for the Queen's Baton Relay for the Gold Coast Commonwealth Games which will travel through two communities in the Hills (Lobethal and Stirling) in February 2018.



Further Highlights

- We have developed a Footpath Network Plan that identifies future pedestrian infrastructure needs based on a range of vulnerable users and the places they need to go. Demand mapping has been completed, and is being used by staff to prioritise footpath upgrades and new paths.
- Work is underway on developing a schedule for zone based programmed maintenance of infrastructure assets, facilities, parks and natural assets. The schedule will be made available on our website.
- Our Draft Animal Management Plan has been produced based on community consultation undertaken throughout 2017. This information will inform a final draft Animal Management Plan to be presented to Council in October 2017.
- A review of wastewater servicing (with SA Water and EPA) focussing on maximising re-use and minimisation of environmental harm has been completed and adopted by Council. Implementation of relevant actions is in progress.

Strategic Initiatives for 2017/18

- Work with our community to encourage sustainable living and commercial practices.
- Complete the road reserves and reserve assessments (blue marker project), leading the nation in conservation and biodiversity management practices.
- Take a proactive approach, and a long term view, to infrastructure maintenance and renewal.
- Reduce the impact of cats on native flora and fauna.
- Drive further reduction in waste consigned to landfill.
- Encourage community-led place making approaches to enhance townships and public spaces.
- Work to improve road safety on Berry Hill Road, Kenton Valley.
- Participate with the LGA and other Councils investigating the benefits and opportunities presented by LED street lighting.
- Continue to work with the State Government to complete the Amy Gillett Bikeway.

Explore

*Delivering on the
strategic plan*

Goal 4 Explore ideas and work with others

Our community is full of ideas and potential. We seek community input for important decisions and to help us set directions. The community needs the Council to be easy to work with and to act in its interest.

What success looks like: Council working with the community and others to pursue new ideas and address emerging needs.

Today's norm was yesterday's innovation. Creative communities are vibrant and members have outlets to express themselves. We need to foster creativity in the community and embrace it as an organisation.

Community-led approaches can achieve great community outcomes. Everyone should have the opportunity to participate and influence decisions that affect them and be empowered to create change.

Two heads are better than one. Working together with community, business and other levels of government will create better outcomes and allow for knowledge sharing and learning from one another.

To meet changing community expectations, the Council needs to be agile. Our strategies, policies, processes and systems must be current and relevant to community needs.

We must embrace flexibility and be prepared to change. In recognising and realising opportunities, we manage risks so that we can achieve our objectives.

As the world changes around us, the Council needs to be aware of the impacts on its community and advocate accordingly.





Key Achievements during 2016/17

Consider performance assessment models

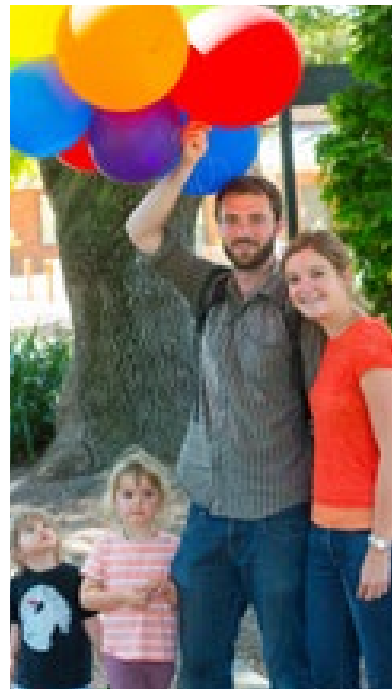
Corporate performance indicators have been developed for Corporate Performance and Customer Service Standards. The new Performance and Development Plan has been implemented. The Plan focuses on goal achievement, behaviours and the development of the person.

Review approach to procurement

The revised Procurement Policy was adopted by the Strategic Planning and Development Policy Committee in November 2016. A Procurement Framework has been established which provides guidance, tools, processes and systems to facilitate advantageous procurement outcomes.

Community Engagement Framework

The Community Strategy identifies opportunities for communication to and engagement with the community, potential partners, funding bodies and other organisations to support library and community centre programs, activities and services. Initiatives implemented include: a monthly community e-news and quarterly business e-news; a monthly column in *The Courier* newspaper featuring Council news and information; increased social media presence; roadside signs promoting matters under consultation and cooperative communication between community centres, library and other partners. Our online engagement platform is directly linked to our website and has been revamped to be more dynamic and user friendly.



Further Highlights

- Development and implementation of a new electronic processing system for the administration of Development Applications has progressed. Stage 1 has been completed along with staff training in the system. Stage 2 is focussed on getting businesses to utilise the system to transfer documents to Council and the ability to pay Development Application fees online. Most Development Application decisions are being sent out electronically and Development Assessment Panel Agendas are also now electronic.
- A new Customer Service Action Plan (to replace the one developed in 2014/15) has been developed.
- An Elector Representation Review is in process. The Options Paper consultation has been completed and Council is currently considering those options with a target date to submit the final report to the Electoral Commission in early November 2017.

Strategic Initiatives for 2017/18

- Embrace contemporary methods of engagement so it's easy for everyone to contribute.
- Offer greater access to services and realise business efficiencies through online services.
- Foster creativity in the community and embrace it as an organisation.
- Improve audibility for those present at Council Meetings.
- Work with the State Government on the implementation of planning system reforms.
- Establish and participate in a forum of neighbouring Council representatives to identify and consider issues relating to Council boundaries.



Organisation structure

The Executive Leadership Team comprises the Chief Executive Officer, four Directors and the Executive Managers for Organisational Development and Governance and Performance.

Andrew Aitken CEO



Andrew has over twenty years of management experience in both the local government and private sectors and is a strong advocate for strategic planning, accountable performance and continuous improvement. Achieving high performance through progressive leadership and people development is a key feature of Andrew's leadership style. His passion for this development extends to the whole sector and is reflected in his roles as former president and current board member of LG Professionals SA. Developing an equitable and diverse culture that prides itself on innovation, our customer experience and delivering value for money to the community also remains a key focus for Andrew and his leadership team.

Marc Salver Director, Strategy and Development



Marc's local government career spans over twenty five years and five continents. He values teamwork and has a passion for strengthening the integrity of planning, environmental health and regulatory processes. He is committed to delivering excellent customer service, ensuring the Council's Development Plan is responsive to emerging needs and that development in the district is done in an environmentally sustainable way.

David Waters Director, Community and Customer Service



David has over ten years' management experience in both state and local government. He has delivered a diverse range of services to metropolitan and regional communities in South Australia and interstate and has a strong background in project management. As a strategic thinker, David has a passion for understanding community needs and finding the most effective way to address them.

Terry Crackett Director, Corporate Services



Throughout a very diverse and interesting career, Terry has gained extensive executive level experience across a broad range of sectors. This has largely been acquired from working within organisations providing services to the community. Terry not only values the opportunities such organisations provide, but also enjoys working in an environment where his contribution leads to improved community outcomes.

Peter Bice Director, Engineering and Assets



Peter has been integral to successful organisational change and community outcomes in a Local Government context for nearly twenty years. He believes the synergy between people and process is fundamental to quality service provision and project delivery. He uses his strong focus on informed, strategic and sustainable decision-making to guide asset development and maintenance operations.

Megan Sutherland Executive Manager, Organisational Development

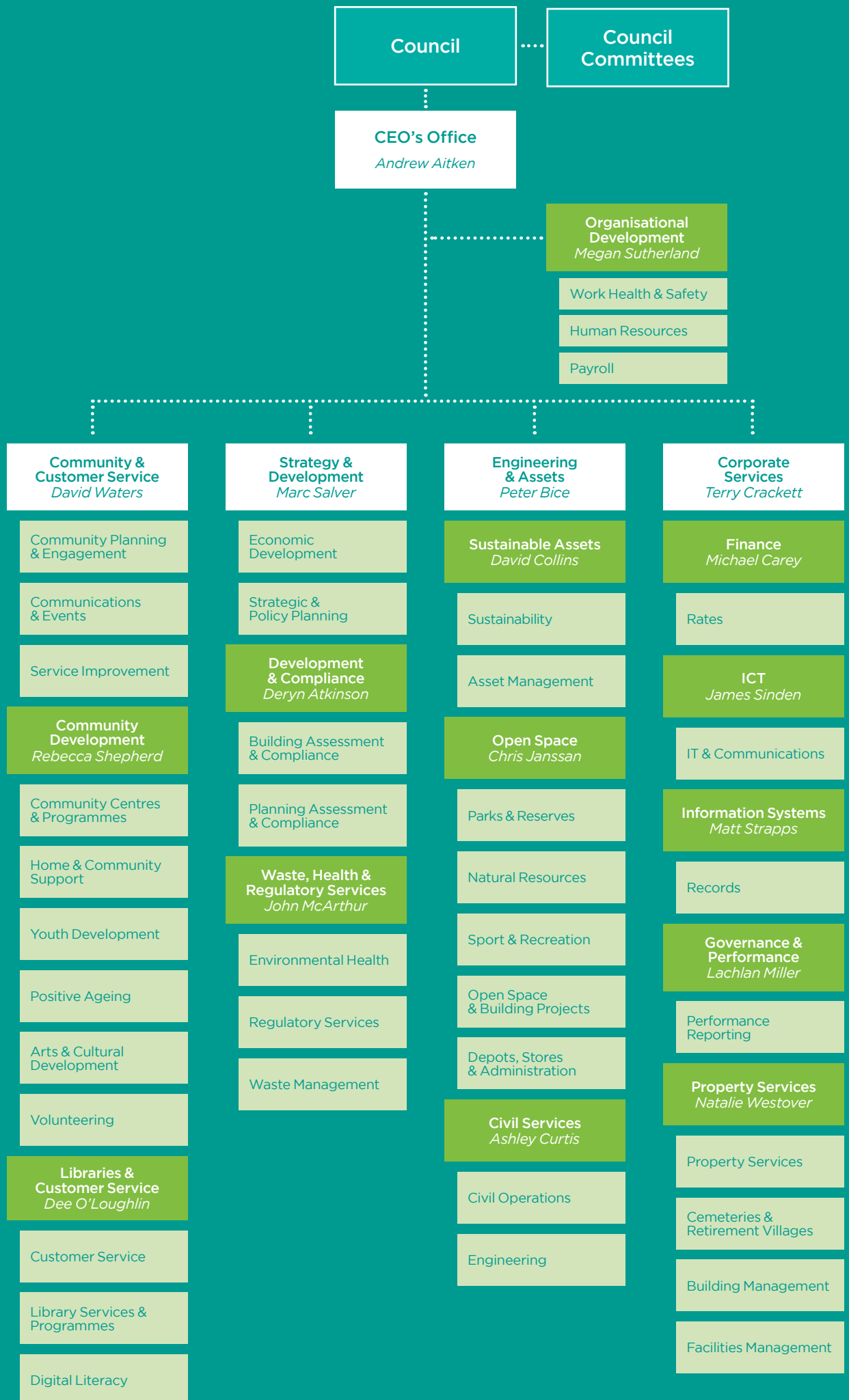


Megan's local government career spans twenty five years with expertise gained across leadership development, customer service, industrial relations and organisational development. She is committed to helping people become the best they can be and use their talents to benefit the organisation and the community. Megan's approach is underpinned by her strong sense for fairness, justice and commitment to improving workplace safety.

Lachlan Miller Executive Manager, Governance and Performance



Lachlan has a passion for effective corporate and community governance and strives to enhance the planning, accountability and performance management outcomes of organisations. He has held leadership positions across a range of portfolios in state and local government, financial services and consulting sectors delivering services in urban, regional and remote indigenous communities.



Delivering on our corporate plan

In 2014 a Corporate Plan was developed that includes a range of projects focussed on developing a culture of high performance within the organisation. This is critical to enabling us to achieve strategic and operational goals for the community.

Fundamentally, as an organisation we strive to:

- Provide value for money to the community
- Innovate and continuously improve
- Communicate and collaborate in a respectful and meaningful way
- Deliver excellent customer service
- Engage with the community and involve them in decision making
- Actively develop our people and leaders
- Create equity of opportunity for all.

Most of the initiatives identified in the Corporate Plan are substantially complete and the development of a new Corporate Plan is underway.



Leadership

Council's leadership framework places a big emphasis on accountability and good decision making. These themes were the focus of a training program for all People Leaders and continuing attention at Strategic Leadership Team meetings.

Our Executive Leadership Team participated in an ongoing development program aimed at improving communication within and across departments, improving accountability and enhancing decision making. The team meets formally once a week and communicates outcomes of each meeting to the whole workforce.



Strategy and Policy

In October 2016 the Council adopted a new Strategic Plan. A three year 'rolling plan' of specific initiatives arising from the Strategic Plan was subsequently developed. The rolling plan informs annual budget and business planning processes and enables program development beyond the usual twelve month planning horizon.

The rolling plan will be continuously developed and in 2017/18 it will have a deeper focus on initiatives arising from other strategies and plans and it will better inform the Long Term Financial Plan.

Significant progress was made with the development of an Age Friendly Community Plan and a Multicultural Action Plan. They are designed to promote greater organisational awareness of the needs of the ageing and people from diverse cultural backgrounds respectively. Staff across the organisation are expected to consider the needs of these cohorts when designing and implementing programs and services.

The Townships and Urban Areas Development Plan Amendment was finalised and submitted to the Minister for Planning for consideration. This significant body of work provides greater opportunities for infill development within existing townships, contributing to addressing the needs for more housing on smaller block sizes and providing greater certainty around development potential in some settlements. At the same time, the State Government introduced reforms to the planning system and the Council's Administration is working with the Government on transitional arrangements.



We focus on developing a workforce with a diverse range of skills, abilities and experience in order to successfully deliver the multitude of services we provide to the community.

People

It is important to get the right people in the right role, so we focus on developing a workforce with a diverse range of skills, abilities and experience in order to successfully deliver the multitude of services we provide to the community. Our employee turnover rates remain satisfactory with a good level of fresh thinking and new ideas coming in to complement the knowledge base and expertise held in longer term employees.

Continued implementation of our goal-focussed employee performance and development program remains a priority, as does developing a good understanding of customer experience principles in the workforce.

We've continued to improve recruitment processes and we are proud of the work we've done to make it easier for people with disability to apply for vacant positions and demonstrate their competencies during the selection process. Further opportunities in the areas of diversity and inclusion will be pursued in the coming year.

Partnership and resources

We continue to lead the way in finding ways to partner with other organisations to do things better and more efficiently for the community. In 2016/17 we:

- Worked closely with the Mt Barker District Council and local tourism operators to develop a plan for enhancing visitor information servicing
- Explored ways to achieve regional efficiencies in delivering community wastewater management schemes
- Secured an additional three years of funding to continue the successful Hills Connected consortium – a collaboration of Adelaide Hills Council's Community Centres and independently run Community Centres at Aldgate and Mt Barker, to identify and address gaps in service provision across the region.

Other ongoing collaborations include:

- Regional Health Plan (via the Southern and Hills Local Government Association)
- Climate Change Adaptation Plan
- Adelaide Hills Tourism (with Mount Barker District Council and Regional Development Australia)
- Hills Passenger Transport Network
- Hills Positive Aging Project (with Mount Barker District)
- Provision of funding to The Hut Community Centre for the delivery of community development activities in the southern parts of the district.



Processes and Customer Service

A Customer Experience Program was commenced in 2016 and leaders across the organisations worked with their teams to identify and improve customer experiences as part of a formal training exercise. All staff participated in either focussed customer experience workshops or awareness sessions.

Arising from the workshops were a number of improvement ideas, including:

- Improving our internal process to update customer details across its systems
- Changes to the wastewater system application process to reduce delays in processing
- Refining the way library staff respond to enquiries and provide assistance with eBooks by training a small group of expert staff.

An upgrade of our Customer Relationship Management System commenced and will be followed by improvements to the way customers create requests and make enquiries online as well as improvements to the tools contact centre staff use to take requests over the phone.



Results

An organisational wide project reporting system was established which facilitates regular and consistent reporting on both capital works and operational projects. This enables early intervention when projects are slipping behind schedule or stretching budgets.

Priority projects arising from the Strategic Plan and other subject specific strategies and plans were identified for regular status reporting to the Council.

Financial reporting was improved, with structures put in place to improve monthly monitoring of both the operating and capital budgets at Executive level. As a result, the 2017/18 Budget was developed with greater awareness of likely outcomes for the end of year result.

An updated suite of customer service standards was developed and will be in place for 2017/18. Results are reported to the Council on a quarterly basis. A report on the customer service standards is included on page 35.



Meeting customer service standards

The Customer Service Framework commits us to specific timeframes for the most frequently accessed services, and establishes what customers can expect.

Measuring performance against these standards demonstrates our ongoing commitment to customer service and highlights opportunities for further improvement. In the current year, enhancements have been made to improve the reporting mechanism and reflect changes to service delivery with the annual results published adjacent.

Results for the 2016/17 financial year show a large increase in the number of customer requests relating to roads and potholes, footpaths, trees and stormwater. Council received nearly three times the normal number of requests for maintenance in these areas. This can be attributed to the severe storm events in September and December 2016.

December 2016 saw a review of Service Standards, with new standards coming into effect from 1 July 2017.

Measuring performance against these standards demonstrates our ongoing commitment to customer service and highlights opportunities for further improvement.

Rubbish and Recycling
Collect missed domestic bins within 2 days
Volume **678**
Target **95%**
Result **100%**
Last year **100%**



Illegal Dumping
Remove illegally dumped rubbish from council land within 3 days
Volume **244**
Target **80%**
Result **79%**
Last year **79%**



Footpaths
Resolve enquiries about low risk footpaths within 20 days
Volume **144**
Target **80%**
Result **65%**
Last year **84%**



Planning
Approve fast track Development Applications within 20 days from lodgement
Volume **73**
Target **80%**
Result **92%**
Last year **92%**



Library
Make the School Holiday program and bookings available 2 weeks before holidays commence
Volume **4**
Target **95%**
Result **100%**
Last year **100%**



Trees
Resolve high-risk/hazardous trees within 1 day
Volume **153**
Target **80%**
Result **91%**
Last year **92%**



Dogs
Attend reports of currently occurring dog attacks within 2 hours
Volume **0**
Target **80%**
Result **No instance**
Last year **No instances**

Rates
Process requests for change of address to rates notices within 3 days
Volume **316**
Target **80%**
Result **82%**
Last year **82%**



Trees
Resolve enquiries about low risk trees within 20 days
Volume **1269**
Target **80%**
Result **63%**
Last year **88%**



Dogs
Investigate reports of dog attacks that have previously taken place within 1 day
Volume **15**
Target **80%**
Result **93%**
Last year **92%**



Roads & Potholes
Resolve high-risk road hazards and potholes within 1 day
Volume **40**
Target **80%**
Result **80%**
Last year **100%**



Stormwater
Resolve high-risk/hazardous stormwater pits within 1 day
Volume **25**
Target **80%**
Result **72%**
Last year **100%**

Food & Health
We will investigate and respond to reported food complaints within 1 day
Volume **5**
Target **80%**
Result **100%**
Last year **100%**



Roads & Potholes
Resolve enquiries about low risk road and pothole repairs within 20 days
Volume **825**
Target **80%**
Result **74%**
Last year **80%**



Stormwater
Resolve enquiries about low risk blocked stormwater pits within 20 days
Volume **476**
Target **80%**
Result **59%**
Last year **75%**



Fire
Investigate reports of currently occurring illegal burning within 1 day
Volume **12**
Target **80%**
Result **100%**
Last year **No instances**



Footpaths
Resolve high-risk trip hazard footpaths within 1 day
Volume **2**
Target **80%**
Result **100%**
Last year **50%**



Wasps
Investigate and make safe reports of European Wasps within 2 days
Volume **67**
Target **80%**
Result **52%**
Last year **49%**

Our customer service values

Our values define the way we go about our work. We strive for a positive and supportive organisational culture at Adelaide Hills Council.

Available

We make it easy for our customers and colleagues to reach us.

Helpful

We are approachable and always willing to assist our customers and each other. We share our knowledge and commit to dealing with our customer queries responsibly.

Empathetic

We listen to the needs of customers and colleagues and appreciate each other's point of view.

Responsive

We are responsive to the needs and requests of our customers and colleagues. We keep them informed at all times so they know what to expect from us.

Reliable

We are honest, accurate and consistent in all that we do.

During 2016/17, we focussed on understanding and improving customer journeys and the overall customer experience. All staff completed a training program and a number of opportunities for improvement were identified and implemented. Highlights include:

- Improving our internal process to update customer details across its systems
- Changes to the wastewater system application process to reduce delays in processing
- Refining the way library staff respond to enquiries and provide assistance with eBooks by training a small group of expert staff.

An upgrade to our Customer Relationship Management system (used to manage enquiries and customer interactions) has been completed.

Maintaining financial sustainability

Council regularly updates its Long Term Financial Plan as part of its suite of Strategic Management Plans (including the Strategic Plan and the Asset Management Plan), to ensure financial sustainability is maintained.

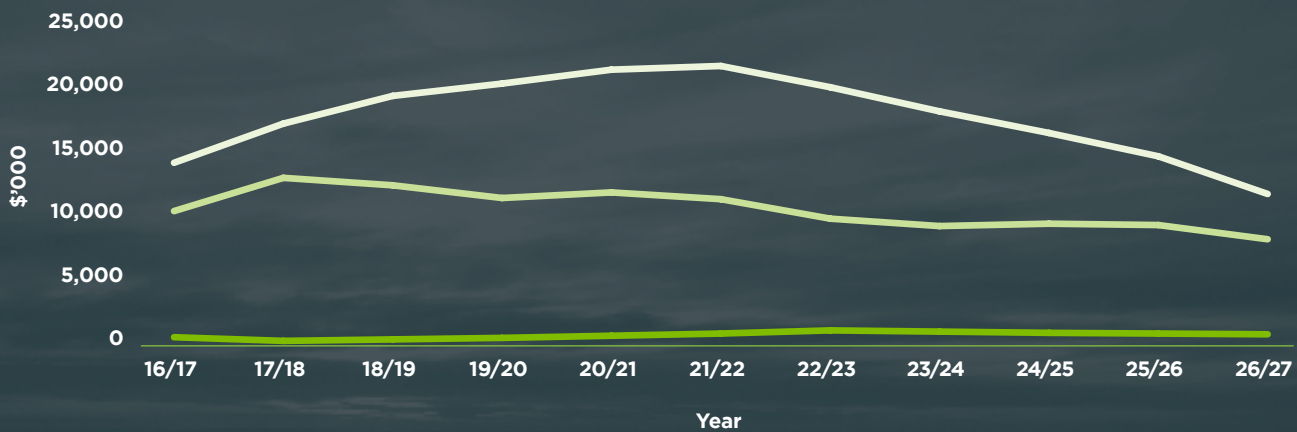
The Long Term Financial Plan (LTFP) provides a summary of proposed operating and capital investment activities for a period of at least ten years and includes estimates of the key ratios, operating surplus, net financial liabilities and asset sustainability.

This illustrates our expected long term financial performance, and whether financial sustainability is being achieved.

The LTFP is a constantly evolving document. We are required to periodically review and amend it to reflect actual results and current budgets.

The most recently adopted LTFP is based upon rate revenue increases of CPI + 1% for the next six years (2017/18 to 2022/23) when it is envisaged that the capital backlog identified by the Asset Management Plans would have been addressed.

In achieving these targets there is a level of certainty provided to the community that our financial sustainability will be maintained.



Debt, capital and operating surplus forecast

- Operating result
- Capital investment
- Borrowings

The level of expenditure on asset renewal and upgrade is projected to grow over the next six years of the LTFP as is the level of anticipated debt.

In the remaining years of the LTFP, as the level of the operating surplus is maintained and the level of capital

expenditure reduces, the forecast level of debt will return to levels similar to that of the current year. These operating surpluses achieved in the later years of the LTFP will be used to retire debt. This is highlighted in the graph above.

Importantly the LTFP is used to set the context for the development of each year's budget by establishing targets for income and expenditure (including capital).

2016/17 financial performance

Operating result

We have reported a \$450,000 operating surplus for 2016/17 (\$323,000 deficit for 2015/16). This result is favourable against both the 2016/17 revised budget and the Long Term Financial Plan (LTFP).

The result against forecast was heavily impacted by a number of one-off items that largely balanced each other out including:

- A change in timing of the payment of Financial Assistance Grants by the Federal Government from the previous year, resulting in an extra \$771,000 being recorded as Operating Income
- A change in the treatment of Road to Recovery Grants received from the Federal Government, resulting in an extra \$1.119m included in Operating Income that was not budgeted for
- Additional operating costs of over \$1.9m emanating from the large storm event in September 2016.

This has resulted in an Operating Surplus Ratio of 1% which is in accordance with our Target Operating Surplus range of 0% - 10%.

We will continue to review and monitor future financial results and our financial position in conjunction with our LTFP.

Capital result

Each year, we budget to maintain and renew our portfolio of infrastructure assets with a fair value replacement cost of \$507m, and a carrying value of \$311m.

For 2016/17 we expended just over \$10m on infrastructure assets, IT, fleet, and plant and equipment.

During the year, all infrastructure assets on the Current Replacement Cost model were revalued according to age and resulted in an increase of over \$8m to Council's infrastructure asset base.

In 2016/17, we provided \$7.8m for depreciation, reflecting the steady growth in the network base as renewals increase, and the reduced volatility in depreciation forecasting following regular revaluation of the infrastructure asset portfolio.

Borrowings

Borrowings are \$13.7m at the end of June 2017, compared to \$13.6m at the end of the previous year. The minor increase in borrowings of \$69,000 was significantly lower than budgeted, due to the favourable operating result and the capital expenditure spend being less than budgeted.

The 2016/17 financial result means that we are well positioned to continue to be financially sustainable into the future.



General governance information

Transparent and accountable governance underpins our business and is important in demonstrating that we are operating in the best interest of the community.

Our processes are open and ethical, adhere to the law and stand up to scrutiny. The following information reports on required governance activity.

Council meetings

Council is the ultimate decision-making body of the organisation, it consists of the Mayor and 12 Councillors.

Council meetings were held in Stirling on the fourth Tuesday of every month. Strategic Planning and Development Policy Committee (SPDPC) meetings were held on the second Tuesday of every month at Woodside. Members of the public were able to address the Council at these meetings.

Council meetings held in 2016/17:

- 12 ordinary meetings
- 4 special meetings

Council Committee meetings held in 2016/17:

- 10 SPDPC meetings
- 5 Audit Committee meetings
- 6 CEO Performance Review Panel meetings
- 10 Council Development Assessment Panel meetings

The attendance of the Mayor and Councillors at 2016/2017 Council and Committee meetings is detailed in the table on the following page.

	Ordinary Council		Special Council		SPDPC		Audit Committee		Council Development Assessment Panel		Special CDAP		CEO Performance Review Panel		
	P	A	P	A	P	A	P	A	P	A	P	A	P	A	
Total Meetings	12		4		10		5		9		2		5		
Council Member	Bill Spragg	11	1	4	0	9	1	-	-	-	-	-	-	5	0
	Ron Nelson	10	2	2	2	9	1	-	-	-	-	-	-	-	-
	Jan-Claire Wisdom	11	1	4	0	8	2	-	-	-	-	-	-	3	2
	Ian Bailey	10	2	4	0	10	0	-	-	-	-	-	-	4	1
	Jan Loveday	10	2	4	0	8	2	-	-	7	2	1	1	2	3
	Kirrilee Boyd	11	1	4	0	7	3	-	-	-	-	-	-	-	-
	Nathan Daniell	12	0	3	1	8	2	-	-	-	-	-	-	-	-
	John Kemp	11	1	4	0	8	2	5	0	9	1	1	1	-	-
	Val Hall	11	1	4	0	9	1	-	-	-	-	-	-	-	-
	Lynton Vonow	12	0	4	0	9	1	-	-	-	-	-	-	-	-
	Andrew Stratford	10	2	3	1	10	0	-	-	-	-	-	-	-	-
	Linda Green	11	1	4	0	10	0	-	-	8	1	2	0	-	-
	Malcolm Herrmann	11	1	4	0	7	3	4	1	-	-	-	-	-	-

- Member not appointed to the committee and not required to attend.
P: Present **A:** Apology

SPDPC: Strategic Planning & Development Policy
CDAP: Council Development Assessment Panel

Allowances paid to Council Members

Council Members are entitled to receive an annual allowance, as determined by the Remuneration Tribunal pursuant to Section 76 of the Local Government Act 1999 (the Act) for performing and discharging their official functions and duties.

Pursuant to the Remuneration Tribunal's determination, the following amounts were prescribed for Council Members for 2016/17:

	1 July 2016 to 12 November 2016	13 November 2016 to 30 June 2017
Mayor/Principal Member	\$64,324 per annum	\$65,104 per annum
Deputy Mayor/Presiding Member of a Prescribed Committee	\$20,101 per annum	\$20,345 per annum
Other Council Members	\$16,081 per annum	\$16,276 per annum

Note: in accordance with the Act, the Allowance is adjusted annually to reflect changes in the Consumer Price Index.

Council's prescribed committees are the Strategic Planning and Development Policy Committee, Audit Committee and the CEO Performance Review Panel.

In addition to the allowance paid under section 76 of the *Local Government Act 1999*, Council Members are entitled to receive the following under Council's Council Member Allowances and Benefit Policy:

- Reimbursement for travelling within the area of Council and child/dependent care expenses associated with attendance at a Prescribed Meeting.
- Reimbursement of other expenses including:
 - » The use of an iPad (or similar tablet computer), associated software and 4G connection to be used primarily for Council business, such as document management (including Council Agenda and Minutes), communication and research (both Council Workspace and Internet)
 - » A Council email address for Council business
 - » Phone costs (call charges only)
 - » Travel (for expenses incurred in travelling to a function or activity on Council business)
 - » Conference, seminar and training course fees and associated travel expenses.

In addition to these, Council has resolved to make available to the Mayor (or Deputy Mayor during the Mayor's absence) the following additional facilities and support to assist them in performing and discharging their official functions and duties:

- personal computer with the appropriate software at his/her home
- mobile phone for Council business use
- motor vehicle for official Council business use.

Local Government Act 1999

Section 41 Committees

The Adelaide Hills Council has three Section 41 Committees (Council Committees) which operate under the Terms of Reference determined by Council:

- 1) the Strategic Planning and Development Policy Committee,
- 2) the Audit Committee, and
- 3) the CEO Performance Review Panel.

Council's Development Assessment Panel

Council's Development Assessment Panel (CDAP) is established under Section 56A of the *Development Act 1993* and comprises three Council Members plus four independent members (which includes an independent Presiding Member).

Membership at 30 June 2017 was:

- Prof Stephen Hamnett
(Presiding Independent Member) [Appointed 1 June 2017]
- Mr Rob McBryde
(Independent Member)
- Mr Simon Bradley
(Independent Member)
- Ms Kathryn Bellette
(Independent Member)
- Cr Linda Green
- Cr Jan Loveday
- Cr John Kemp

The Panel considers development applications (i.e. requests from people wishing to construct buildings or undertake other developments in the area) which cannot be decided upon by staff under delegation.

CDAP meetings were held in Stirling on the first Tuesday of each month from 6:30pm. In 2016/17, ten ordinary meetings and two special meetings of the Panel were held.

Sitting fees paid to independent members of the Development Assessment Panel were:

- Independent Presiding Member
\$500 per meeting
- Independent Ordinary Member
\$380 per meeting

1. Strategic Planning and Development Policy Committee

The Strategic Planning and Development Policy Committee (SPDPC), formed pursuant to Section 101A of the *Development Act 1993*, involves all Council Members.

The legislated role of the SPDPC is to develop land-use planning policies and initiate projects for the orderly and sustainable development of the Council district. Council has delegated certain powers under the *Local Government Act 1999* to the SPDPC.

Meetings were held on the second Tuesday of each month at Woodside. Ten ordinary meetings of the SPDPC were held during 2016/17. As at 30 June 2017 Cr John Kemp was the Presiding Member of the Committee.

There are no sitting fees payable to members of the Strategic Planning and Development Policy Committee. The Presiding Member receives an allowance equivalent to that received by Presiding Members of Prescribed Committees in accordance with the Remuneration Tribunal's determination.

2. Audit Committee

The Audit Committee was established by Council in 2005 in accordance with Section 126 of the *Local Government Act 1999* (the Act).

The Audit Committee's role is to assist Council in the discharge of its responsibilities for financial reporting, maintain a reliable system of internal controls and risk management, asset management, liaising with the external auditor and fostering the organisation's ethical development.

There are five members on the Audit Committee – three independent members and two Council Members. Membership at 30 June 2017 was:

- Ms Paula Davies
(Presiding Independent Member)
- Mr Peter Robertson
(Independent Member)
- Mr Peter Brass
(Independent Member)
- Cr John Kemp
- Cr Malcolm Herrmann

Five ordinary meetings were held during 2016/17. The sitting fees paid to Independent members of the Audit Committee in 2016/17 were:

- Independent Presiding Member
\$525 per meeting
- Independent Member
\$365 per meeting

3. Chief Executive Officer Performance Review Panel

The Chief Executive Officer Performance Review Panel (CEOPRP) was established to provide advice to Council on matters related to the Chief Executive Officer (CEO) and their performance.

An external consultant was engaged to review the CEO's performance against the position description requirements and agreed set of key performance indicators for the year. Advice was also received on the remuneration package payable.

Membership as at 30 June 2017 is as follows:

- Cr Jan Loveday
(Presiding Member)
- Mayor Bill Spragg
- Cr Jan-Claire Wisdom
- Cr Ian Bailey
- Ms Paula Davies
(Independent Member)

Six ordinary meetings were held in 2016/17. The Presiding Member receives an allowance equivalent to that received by Presiding Members of Prescribed Committees in accordance with the Remuneration Tribunal's determination.

The sitting fee paid to the Independent Ordinary Member of the CEOPRP in 2016/17 was \$365 per meeting.

Informal Gatherings

Open and transparent Council meetings underpin representative democracy and ensure public confidence in Council's decision-making processes.

Informal Gatherings (workshops, briefings and professional development sessions) are held twice a month and provide a valuable opportunity to enhance the decision-making process. Council and Committee Members use the gatherings to become better informed on issues, seek further clarification or to explore a topic in an informal environment. Informal Gatherings are not used to make decisions, all decision making is conducted at Council and Section 41 Committee meetings.

A 'designated' Informal Gathering is one that involves the discussion of a matter that is, or is intended to be, part of a formal agenda of a Council or Council Committee meeting. These gatherings are open to the public, unless specific legislative provisions apply, and are advertised on Council's website.

Informal Gatherings held in 2016/17:

- Strategic Planning (CIG)
- Property and Retirement Villages Review Part 1 (CIG)
- Representation Review (CIG)
- Council Self Evaluation (CIG)
- Kilometre Reimbursements (CIG)
- September Storm Event (CIG)
- CEO Performance Targets (CIG)
- CEO Performance Review (CIG)
- Property and Retirement Villages Review Part 2 (CIG)
- Elector Representation Review – Options Paper Consultation (CIG)
- Capital Works Program – Flood Damage (CIG)
- Strategic Property Review (CIG)
- Directorate Structural Changes (CIG)
- Social Media (ODIG)
- Service Standards Review Part 1 (ODIG)
- Review of Green Power (ODIG)
- Dog Registration Fees 2017/18 (ODIG)
- Budget Timetable and Long Term Financial Plan Overview (ODIG)
- Emergency Planning – Macro and Micro (ODIG)
- Budget Bid Process (ODIG)
- Financial Principles for Sport and Recreation and Community Facilities (ODIG)
- Review of S41 Committees and Advisory Groups (ODIG)
- Visitor Information Servicing (ODIG)
- Age Friendly Plan (ODIG)
- Telecommunication Towers and EME Levels (ODIG)
- Budget Development – Fees and Charges (ODIG)
- Budget Development – Rating Policy (ODIG)
- SA Power Networks – Clearance Programs (ODIG)
- Animal Management Plan – results of Phase 1 Consultation (ODIG)
- Service Standards Review Part 2 (ODIG)
- Budget Update (ODIG)
- Croft and Harris Roads Precinct, Lenswood (ODIG)
- B-Double Freight Access Project (CIG)
- Animal Management Plan – Draft Plan outline (ODIG)
- The Reasonableness Test (CIG)
- Local Government Association priorities (CIG)
- Play Space Upgrade Program (ODIG)
- Sport and Recreation Facilities Guidelines (ODIG)
- Annual Business Plan – Consultation Feedback (ODIG)
- CEO Performance Targets 2017/18 (ODIG)
- Animal Management Plan – Draft Plan (ODIG)
- Multicultural Action Plan (ODIG)
- Woodforde Update – Parking amendments (ODIG)
- Township and Urban Areas DPA – Minister's Response (ODIG)
- Council Updates and Circulars (OIG)

CIG *Closed Informal Gathering*

ODIG *Open Designated Informal Gathering*

OIG *Open Informal Gathering*

Ordinary Council Meeting agendas publicly document the dates and venues of regular workshops and professional development sessions. The professional development sessions are reported under Council Member Training and Development and are Closed Informal Gatherings.

Agendas and minutes

All Council, Committee and CDAP meeting agendas are placed on public display at least three days prior to the holding of these meetings.

Minutes are placed on display within five days of meetings. Copies of agendas and minutes are available at Council's service centres and libraries, and can be downloaded from the Council's website ahc.sa.gov.au

Section 90(2) and 91(7) Requirements – confidentiality orders

During 2016/17, 27 issues were considered in closed session, in accordance with Section 90(2) of the *Local Government Act 1999*. Twenty one items were released in full and six fully remained in confidence, in accordance with Section 91(7) of the Act. See table below:

Date	Council/Committee	Item No.	Title	Local Govt. Act 1999 Section	Status as at 30 June 2017
26/07/16	Council	19.1	Land at Houghton Request to Purchase	90(2) 90(3)(b)	Released
26/07/16	Council	19.2	Primary Production Innovation Grants 2016	90(2) 90(3)(b)	Released
26/07/16	Council	19.3	Appointment of RLMAG Representative	90(2) 90(3)(a)	Released
27/07/16	CEO Performance Review Panel	8.1	Appointment of Consultant to undertake CEO Performance Review	90(2) 90(3)(d)	Released
15/08/16	Audit Committee	7.2.1	ICT Security Assessment Action Implementation Update	90(3)(e)	S91(7) Remained
23/08/16	Council	19.1	Supply & Placement of Bituminous Products	90(2) 90(3)(b)	Released
10/10/16	CEO Performance Review Panel	8.1.1	CEO Performance Review Report	90(2) 90(3)(a)	Released
10/10/16	CEO Performance Review Panel	8.2.1	CEO Remuneration Review 2016	90(2) 90(3)(a)	Released
10/10/16	CEO Performance Review Panel	8.3.1	CEO Performance Targets	90(2) 90(3)(a)	Released
19/10/16	CEO Performance Review Panel	6.1.1	CEO Request for further Employment Agreement	90(2) 90(3)(a)	Released
25/10/16	Council	19.1	CWMS Expression of Interest	90(2) 90(3)(d)	S91(7) Remained
25/10/16	Council	19.2	CEO Performance Review Panel Recommendations	90(2) 90(3)(a)	Released
25/10/16	Council	19.3	Sale of Land for Non-Payment of Rates	90(2) 90(3)(i)	Released
08/11/16	SPDPC	16.2	Primary Production Lands Development Plan Amendment – Draft revised Statement of Intent	90(2) 90(3)(m)	S91(7) Remained
22/11/16	Council	19.1	CEO Further Employment Agreement	90(2) 90(3)(a)	Released
07/12/16	Council (Special)	5.1	Australia Day Awards 2017	90(2) 90(3)(a)	Released
07/12/16	Council (Special)	5.2	Contract for sale Portion of AHBTC site	90(2) 90(3)(b)	Released
07/12/16	Council (Special)	5.3	Retirement Village Review	90(2) 90(3)(b)	Released
13/12/16	Council	19.1	Local Heritage Public Places DPA	90(2) 90(3)(m)	S91(7) Remained
24/01/17	Council	19.1	Preliminary Draft Report Gawler River 2016 Flood Review	90(2)(3)(j)	Released
14/02/17	Audit Committee	7.1	ICT Security Risk Assessment Action Implementation Update	90(3)(e)	S91(7) Remained
28/02/17	Council	19.1	Community Wastewater Management Systems Review	90(2)(b)	S91(7) Remained
09/03/17	CEO Performance Review Panel	8.1	CEO Employment Agreement	90(2)(a)	Released
28/03/17	Council	19.1	CEO Employment Agreement	90(3)(a)	Released
26/04/17	Council	19.1	Appointment of Independent Members to the Council's Development Assessment Panel	90(2)(j)	Released
27/06/17	Council	19.1	Internal Review of Council Decision - Verrall Road (North) Separate Rate	90(3)(a)	Released
27/06/17	Council	19.2	Event Opportunity, 2018 Santos Tour Down Under	90(3)(j)	Released

Council Advisory Groups

Advisory Groups, operating under their own terms of reference, provide advice and support to Council's Administration.

The Advisory Groups are:

- Adelaide Hills Business & Tourism Centre
- Biodiversity
- Bushfire
- Cemeteries
- Property
- Rural Land Management
- Social Planning
- Sport and Recreation
- Stirling Linear Park
- Sustainability
- Youth

These Groups do not report directly to Council but provide advice to the Administration.

Operating under their own terms of reference, two Panels have been formed to provide advice and support to Council's Administration. The Panels are:

- Australia Day Awards
- Hills Voice Reference

These Panels do not report directly to Council but provide advice to the Administration.

Council's Representation Quota

The Adelaide Hills Council's total representation quota (the number of electors for each Council Member including Mayor) is 1 for every 2,252 electors as at 2016/17. The total number of electors is 29,288.

The Adelaide Hills Council's representation quota is comparable with councils of similar populations:

- City of Holdfast Bay (electors 27,610) = 1:2,123
- City of Norwood Payneham and St Peters (electors 25,264) = 1:1,804
- Burnside (electors 31,841) = 1:2,449
- City of Unley (electors 27,664) = 1:2,128

(Information provided by the Electoral Commission of SA, current as at February 2017)

Elector Representation Review

An Elector Representation Review is conducted to determine whether the community would benefit from an alteration to Council's composition or ward structure.

The review follows a formal process under Section 12 of the *Local Government Act 1999* and requires Council to ensure that all aspects of its composition, and the issue of the division, or potential division, of the area of the council into wards, are comprehensively reviewed at least once in each relevant period (no longer than eight years) that is prescribed by the regulations.

The Adelaide Hills Council undertook an Elector Representation Review during the period June 2016 – April 2017 however, the Electoral Commissioner ultimately determined that the requirements of Section 12 of the *Local Government Act 1999* had not been satisfied, specifically in relation to Council's interpretation of the parties that were eligible to make a submission during the public consultation stages. On the basis of this determination, the Commissioner did not certify Council's final review report. Accordingly, to ensure that no interested person has been denied the opportunity to provide a submission, Council resumed the review and initiated further consultation with the community.

The review resumed in May 2017 and, at year end, Council was in the midst of the first of two mandatory public consultations regarding a Representation Options Paper. The Paper contained information pertaining to the review process; elector distribution and ratios; comparisons with other councils; demographic trends; population projections; residential development opportunities which may impact upon future elector numbers; and alternative ward structure options. Written submissions were invited from interested persons regarding the key issues being addressed in the review. The review process will continue into 2017-18.

Public involvement in Council business

Members of the public may put forward their views to Council in a number of different ways.

Public forum

A member of the public is allocated a ten minute segment at each Council and SPDPC meeting to address the Members with comments or questions.

Deputations

With the permission of the Mayor or Committee Presiding Member, a member of the public can address a Committee or the Council personally or on behalf of a group of residents. Each deputation is usually limited to a maximum of ten minutes.

Petitions

Written petitions can be addressed to Council on any issue within the Council's jurisdiction and are presented at the next meeting of Council following their receipt. Petitions must be in the format set out in legislation. Council's Petitions Policy provides guidelines on these requirements and on submitting petitions.

Written requests

A member of the public can write to the Council about any Council service, activity or policy.

If posted, address the correspondence to:

*Chief Executive Officer
Adelaide Hills Council
PO Box 44
WOODSIDE SA 5244*

Emails should be sent to mail@ahc.sa.gov.au

Community consultation

The Adelaide Hills Council consults with local residents about issues that affect their neighbourhoods, in accordance with the Public Consultation Policy.

Community forums

Local community groups and residents are invited to attend Community Forums and address Council on issues of concern. Holding the forums in different townships in the Council area is an important method of providing residents with the opportunity to meet with and present information or concerns to Council.

Four Community Forums were held in 2016/17 (separate from Ordinary Council Meetings):

- **Tuesday 30 August 2016** at Mylor
- **Tuesday 29 November 2016** at Mt George
- **Wednesday 22 March 2017** at Paracombe
- **Tuesday 30 May 2017** at Upper Sturt

Public and private development

Various types of development applications are exempted from public notification by the *Development Act 1993*. Residents are notified of those development applications requiring public notification in accordance with the Act.

When a development is publicly notified, people have the opportunity to write to Council expressing their views within the notification period and may ask to address the Council's Development Assessment Panel in person before a decision is made.

Residents may be consulted during the design of public area infrastructure (including streetscapes) on the types of facilities and equipment being considered, pursuant to Council's Public Consultation Policy.

Internal Review of Council Decisions

At the beginning of the financial year Council had one investigation for the Internal Review of a Council Decision in progress and another three applications were accepted during the year. These applications related to the lack of prosecution under the *Dog and Cat Management Act 1995*, the rate setting of Council and decisions regarding the Elector Representation Review.

At year end, two investigations had been completed, one withdrawn and one was still to be determined. In the applications that were completed, Council's decisions in the respective matters were upheld and opportunities to improve processes identified.

Freedom of Information requests

Twenty requests for information were made under the *Freedom of Information Act 1991* in 2016/17 which was an increase from eleven in the previous year; but a decrease from the twenty two received in 2014/15.

Freedom of Information (FOI) applications can be submitted using an FOI Application form, available from the State Records website, Council's website or any of Council's Service Centres. An application fee (in accordance with Council's Fees and Charges Policy) must accompany the application.

The State Records website provides detailed information on the FOI process or you can contact Council's FOI Officer. Requests should be forwarded to:

*Freedom of Information Officer
Adelaide Hills Council
PO Box 44
WOODSIDE SA 5244*

The Freedom of Information Statement is reviewed and published annually on our website in accordance with the requirements of the *Freedom of Information Act 1991*.

		Full Release	Partial Release	Refused
FOI Requests				
Outstanding from previous period	0			
New applications	20			
Total to be processed	20			
Transferred in full	2			
Determined	18	8	2	8

Amendment to Council records

Any member of the public may inspect Council documents relating to their personal affairs with a request under Part 4 Division 2 of the *Freedom of Information Act 1991*. Access to the records shall be by completion of a Freedom of Information Request Form.

A member of the public may then request a correction to any information about themselves that is incomplete, incorrect, misleading or out-of-date. Amendments to Council records must be requested using a Freedom of Information Amendment of Records Form.

Fraud and corruption prevention

Council recognises that fraud and corruption have the potential to cause significant financial and non-financial harm and that the prevention and control of fraud and corruption should feature predominantly within the systems and procedures of a responsible council.

Council is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency; the key components of good governance. A Fraud and Corruption Prevention Policy and a Whistleblower Protection Policy have been adopted by Council to assist in meeting good governance responsibilities.

The Independent Commissioner Against Corruption training has been delivered across Council to ensure an understanding of the obligations and responsibilities of public officers. The training addressed the issues of corruption, misconduct and maladministration in public administration and the reporting obligations of public officers.

Delegations and sub-delegations

The Chief Executive Officer and other officers have the delegated authority from Council (in accordance with Section 44 and 101 of the *Local Government Act 1999*) to make decisions on a number of specified administrative and operational matters.

The Register of Delegations reflects the delegated authority from Council to the Chief Executive Officer (and subsequently any sub-delegations). As a minimum, delegations are reviewed annually.

The Register is available on Council's website and for inspection at Council's service centres.

Registers, codes and policies

Documents available for public inspection are as follows:

Local Government Act 1999 Registers

- **Section 44** Register of Delegations
- **Section 68** Members Register of Interests
- **Section 79** Members Register of Allowances and Benefits
- **Section 105** Officers Register of Salaries
- **Section 188** Fees and Charges
- **Section 196** Community Management Plans
- **Section 207** Community Land
- **Section 231** Public Roads
- **Section 252** By Laws

Local Government Act 1999 Codes

- **Section 63** Code of Conduct for Council Members (Mandatory) - included in the Council Member Conduct Policy
- **Section 92** Code of Practice for Access to Council and Council Committee Meetings and Documents
- **Section 110** Code of Conduct for Council Employees (Mandatory)
- **Regulation 7** Code of Practice for Council Meeting Procedures

Local Government Act 1999 Statutory Policies

- **Section 48** Prudential Management
- **Section 49** Procurement
- **Section 50** Public Consultation
- **Section 77(1)(b)** Council Member Allowances and Benefits
- **Section 80A** Council Member Training and Development
- **Section 90(8)** Informal Council and Council Committee Gatherings and Discussions
- **Section 123** Rating
- **Section 219** Public Place and Road Naming
- **Section 259** Order Making
- **Section 270** Internal Review of Council Decisions

Local Government (Elections) Act 1999

- **Part 14** Campaign Donation Returns prepared by candidates.

Freedom of Information Act 1991

- **Section 9** Information Statement

Council Discretionary Policies as at 30 June 2017

- Acceptance of External Funding
- Account Reconciliation
- Asset Management
- Buffers - An Essential Part of Rural Planning
- Building and Swimming Pool Inspection
- Burning Permit
- Caretaker
- Cat Management
- CDAP Complaints Handling
- Cemetery Operating
- Community and Primary Production Grants
- Community Group Use of Photocopiers
- Community Groups Access to Waste Disposal Sites
- Community Information Display
- Complaints Handling
- Debt Recovery (including CWMS Hardship Policy)
- Delegations Policy for the Determination of Development Applications by CDAP
- Development Application Document Reproduction
- Development Application Fee Refunds
- Development Application Fee Waiver
- Development Applications Involving Significant Trees
- Directional Signage
- Disposal of Land
- Disposal of Materials
- Festival and Events
- Flags
- Fraud and Corruption Prevention
- Genetically Modified Crops
- Internal Audit
- Kerbside Green Organics Service Implementation
- Keys to the City and Freedom of Entry
- Liquor Licencing
- Management of Built Heritage
- Mayors/Chairpersons Seeking Legal Advice
- Minor Grants
- Occasional Hiring of Council Meeting Rooms
- Outdoor Dining
- Petitions
- Public Transport
- Privately Funded Development Plan Amendments
- Provision of Physical Models for Major Development Proposals
- Rate Rebate
- Records and Information Management
- Reporting of Offences
- Request for Services
- Risk Management
- Road Rents
- Roadside Trading (Use of Public Road Verges for Business Purposes)
- Safe Environments
- School Parking and Associated Facilities
- Social
- Sport and Recreation
- Street Lighting
- The Interaction between Development Copyright and FOI Acts
- Treasury
- Tree Management
- Tributes for Commemorative Services
- Unsealed Roads
- Volunteers
- Wastewater System Application Fee Refunds
- Whistleblowers Protection

Access to Council documents

The policies, codes and registers detailed are available at Council's Service Centres for inspection and/or purchase by members of the public for a fee as set out in Council's Fees and Charges Policy.

Many of these documents can be accessed on Council's website ahc.sa.gov.au at no charge.

Community Land Management Plans

A Community Lands Management Plan was adopted by Council in September 2004. The current version dated January 2010 is available for viewing on Council's Website ahc.sa.gov.au

Council has commenced a review of the Community Land Management Plans during 2016/17.

Council maintains a Community Lands Register and Community Land Management Plan for all land under its care and control that defines ownership details, location, principal usage, user groups, maintenance requirements and capital replacement criteria.

The Register lists community lands and does not include any lands revoked or excluded under the *Local Government Act 1999*. The Plan has details of equipment or improvements located thereon.

Competitive tendering

Council determined that a number of services it provided could be more efficiently provided by external contractors. Where services are outsourced, a tender process is used to achieve best value for Council.

Details are included in Council's Procurement Policy. In 2016/17, there were 21 services that were subjected to the tender process.

Purchase of local goods and services

When goods and services are required by Council, local suppliers are invited to tender.

All tenders are considered on an equal basis in accordance with the principles of fair trading and the requirements of National Competition Policy and the *Trade Practices Act 1974*.

National Competition Policy

Council had no significant business activities during 2016/17 relating to the National Competition Policy.

Litter control

New State Government legislation, *Local Nuisance and Litter Control Act 2016* (the Act), requires Council to manage local litter, illegal dumping and nuisance complaints in its area.

Litter requirements commenced 1 February 2016, nuisance requirements will commence 1 July 2017.

Council's Illegal Dumping Work Group has identified and implemented strategies to combat this expensive and environmentally damaging crime. They also liaise with the EPA to deter and investigate cases as they occur.

Between 1 February and 30 June 2017, Council issued three expiations for littering and commenced use of 'crime scene tape' and signage to discourage illegal dumping. Council is committed to the development of a communications strategy to provide education to manage local nuisance and littering.

Our People

Council's success relies on its staff providing services to the community. Council's workforce of 172.17 (full-time equivalent) manages a diverse range of services and programs. Employees are experienced, and possess the skills and abilities to deliver exceptional service.

Employee turnover levels remain at a satisfactory level, with turnover during the 2016/17 financial year at 13.2 per cent.

Council is continuing to focus on developing service improvement across the organisation and continually reviews and refines processes to enable better service for our customers.

Performance

Council's People Leaders have continued their implementation of the performance development process.

Conversations are held with each staff member to:

- Identify priority goals,
- Improve personal performance,
- Take responsibility for improving their work health and safety, and
- Undertake development opportunities, either through on the job activities working with others or attending formal training.

With a focus on customer experience, Council has undertaken training that has translated into each team reviewing and improving a process for better outcomes for our customers. This could be through a more seamless process, less steps or people involved, or faster response times for our customers.

Leadership Development

Council's People Leaders attended sessions on cultivating a culture of accountability and making better decisions, including mitigating unconscious bias.

These sessions focus our leaders on understanding principles and basic tools, through to personal responsibility and inviting commitment from their people for greater team and organisational success.

Diversity and Inclusion

Council has continued its journey to improve recruitment processes in order to be more inclusive and enable better access to those with disability.

Overall improvements to the recruitment process have assisted all candidates to be their best and show what they would bring to a position if successful.

During the year, Council continued to utilise the services of the National Disability Recruitment Coordinator, an Australian Government-funded service which partners with organisations to build disability knowledge and confidence, and provides assistance to break down barriers to employment for people with disability.

Additional opportunities for further improvement have been identified in the area of diversity and inclusion with implementation slated for next year.

Our Recruitment Processes

Council facilitates merit-based selection processes to ensure that it provides equal opportunity for people to be employed.

Council recognises that selecting the right person for each role has a significant impact on the effectiveness of work undertaken and services provided to our community, which makes effective and fair recruitment so important.

Enterprise Development Agreements

Both the Field and Office Enterprise Development Agreements were renegotiated and completed. The negotiating teams comprising management and employee representatives, along with union support, undertook the process in a positive manner.

Council recognises the need to provide flexible work arrangements that support a balanced work and life, while still delivering on Council services.

Important changes in the agreements include:

- Provisions to assist those returning to work from parental leave who are breastfeeding
- Support for a person experiencing domestic violence or abuse
- Clarification of our organisational change process where significant change is being considered.

Council offers a range of benefits to employees including:

- An Employee Assistance Program for employees requiring support for personal or work-related matters
- Flexible Working Arrangements, including flexi-time, job sharing and part-time work arrangements
- The purchase of additional annual leave
- Parental leave and breastfeeding arrangements
- Transition to retirement
- Domestic Abuse Support

Work Health and Safety and Injury Management

Work Health and Safety (WHS) and Injury Management (IM) will always be of high importance and therefore many activities and improvements are undertaken to ensure Council is managing its due diligence requirements and maintaining safe work systems.

The Executive Leadership Team, along with the Health and Safety Committee, continuously promotes safe work practices, focussing on delivering and maintaining a work environment that is safe, risk-averse and injury free.

A key focus for 2016/17 was to improve the overall knowledge and understanding of WHS across the whole workforce. The majority of employees attended training covering a range of topics including due diligence, legal responsibilities and personal duty of care, understanding and participating in a task risk assessment, training in three key procedures, and consequences where WHS is not well managed or poor choices are made.

Council's safety management system performance is monitored by the Local Government Association Workers Compensation Scheme during its annual Key Performance Indicator (KPI) Audit process. The process is managed through Organisational Development with an annual rebate based on assessed completion of activities through the KPI Action Plan.

Key activities undertaken in 2016/17 include:

- Review of seven procedures against our review schedule
- A Health and Wellbeing Program, including annual health checks, flu vaccinations and skin screening
- Ongoing use of the WHS Directors and Managers Checklist, with an increase in action taken against a range of WHS activities
- Implementation of the 'Take 5' process, assessing factors on site before work commences
- Completion of risk assessments of chemicals within our register
- The preparation and approval of a new three year WHS Improvement Plan
- Improved reporting on the Corrective Actions and Calendar of Events activities.

A number of learning opportunities were implemented including:

- First Aid Officer training
- Health and Safety Representative training
- WHS Development Day
- Work Zone Traffic Management
- Snake Awareness
- Driver Safety Awareness.

From an injury management perspective, Council received thirteen Workers Compensation claims, of which five were lost time injuries. Council has a sound process that enables the quick return to work, shortening time off work and increasing the quick return to normal duties.

This year ten claims were referred for assessment and support to return to work.

Council Member training and development

Council is committed to providing training and development activities for Council Members and recognises the responsibility to develop and adopt a policy for this purpose under Section 80A of the *Local Government Act 1999*.

Mayor Bill Spragg attended

- Mayor's Forum
- RDA Forum
- Metropolitan Local Government Group
- SA Regional Organisation of Councils
- Mayor and Chairpersons Forum

Councillor and Deputy Mayor

Jan-Claire Wisdom attended

- LGASA tourism events workshop
- National General Assembly of Local Government Association

Councillor John Kemp attended

- National General Assembly of Local Government Association

Monthly professional development training sessions have been held for Council Members. Professional development sessions conducted in-house are Closed Informal Gatherings for the purposes of the Informal Council and Council Committee Gatherings and Discussions Policy. The dates and venues for these sessions are publically documented in agendas for Ordinary Council meetings. Some Council Members also attended sessions held by the LGA. Training topics included:

- Planning Reform
- LGA Ordinary General Meeting
- Visitor Information Servicing
- Budget Development
- Financial Principles for Sport and Recreation and Community Facilities
- Emergency Management Planning
- Social Media
- Rating Policy
- Conflict of Interest - Legislative Changes
- Environmental Air Quality Policy
- Integrated Logistics Hub
- Register of Interests and Ordinary Returns
- Leadership Training
- Media Training
- Meeting procedures training

Executive Leadership Team Arrangements

Council has an Executive Leadership Team that operates under the direction of the Chief Executive Officer.

The Chief Executive Officer, four Directors and two Executive Managers have salary packages that incorporate the compulsory 9.5% superannuation and may include the provision of a motor vehicle for business and private use. Other benefits may include the provision of ICT equipment (a mobile telephone and tablet) and paid memberships for up to two professional bodies. No other bonuses or allowances are paid to the Chief Executive Officer, Directors or Executive Managers.

The Salary Register is available at Council's Service Centres.

Remuneration payable to Council's auditor

Remuneration payable for the annual audit of the Adelaide Hills Council Annual Financial Statements for 2016/17 was \$30,421.

No other remuneration was paid.



Rating information

The income from rates accounts for approximately 80% of Council's total income. This is used to deliver services and maintain infrastructure required by our community.

There is always pressure for Council to provide more services with these funds, but it's important to balance current service provision against the ability to pay for future services.

Property values play an important part in determining how much an individual ratepayer contributes. As rates are a form of property taxation, rates paid may not directly relate to services used by each ratepayer. Generally, it is assumed the higher the value of the property (relative to others in the community) the higher the rates paid.

Local Government rates are based on the value of the property and a rate in the dollar plus a fixed charge. Under the *Local Government Act 1999*, Councils may use one of three valuation methodologies:

- Capital value – value of land and all improvements
- Site value – value of land and any improvements which permanently affect the amenity of use of the land, such as drainage works, but excluding value of buildings and other improvements, or
- Annual value – valuation of the rental potential of the property.

The capital value methodology is used by Adelaide Hills Council (and most metropolitan councils) as it is a well understood concept. Most ratepayers can relate to the market value of their property.

When applying taxation it is important that the five principles of taxation (equity, benefit, ability to pay, efficiency and simplicity) are balanced against the policy objectives of taxation; the need to raise revenue and the effects of the tax on the community.

There is always pressure for Council to provide more services with these funds, but it's important to balance current service provision against the ability to pay for future services.

Basis of Rating

Council applies the same rate in the dollar to all categories of ratepayer, except commercial and industrial ratepayers, who pay a 15% premium over residential and primary production ratepayers.

Primary production ratepayers, genuinely in the business of primary production, but not benefitting from a notional capital value for their property, can apply for a 10% rebate.

Council has applied a separate rate for businesses in Stirling for a number of years. Approximately \$86,000 was raised in 2016/17 which is distributed to the Stirling Business Association to promote Stirling as the 'Gateway to the Hills'.

A separate rate was adopted in 2014/15 to provide for sealing the northern end of Verrall Road, Upper Hermitage. This rate is levied on the properties that actually use this section of road.

The Fixed Charge

The rating system provides for a fixed charge and a rate in the dollar which is applied against the property value. The fixed charge for 2016/17 was set at \$600.

The fixed charge is recognised as a device to enhance equity among ratepayers. It ensures that services that benefit all properties (or people) are recovered equally. A fixed charge avoids the inherent penalties imposed on the lowest value properties by a minimum rate and on the highest value properties by a variable rate only. Fixed charges are particularly appropriate to (and prevalent in) rural/regional areas like the Adelaide Hills.

Rate Capping

Capping limits the increase in rates paid on a principal place of residence to 15% maximum, subject to certain conditions.

Annual rates notices include a rate capping application form, and applications are invited from any eligible ratepayer. *(NB: where recent improvements to a property have exceeded \$20,000 or the ownership/land use has changed, capping is not available. It is intended only to relieve existing ratepayers from sharp upwards capital revaluations outside their control.)*

Rate deferment for Retirees

Council's policy on rate payment deferrals is consistent with the *Local Government Act 1999* (the Act). It aims to alleviate the 'asset rich, income poor' scenario which can affect retirees.

Regulation 13A(1) of the *Local Government (General) Regulations 1999*, allows any amount in excess of \$500 to be postponed, but the property must be the home of the qualifying senior, and interest applies on the deferred rates (at 1% over the cash advance debenture rate, calculated monthly).

A Seniors Postponement Scheme, under Section 182A of the Act, allows ratepayers (eligible to hold a South Australian Seniors Card) to postpone some of the rate payment on their principal place of residence each year.

Council can also allow the postponement of rate payments under Section 182 if those payments would cause financial hardship.



Basis of rating

Council applies the same rate in the dollar to all categories of ratepayer, except commercial and industrial ratepayers, who pay a 15% premium over residential and primary production ratepayers.

The fixed charge system

The rating system provides for a fixed charge and a rate in the dollar which is applied against the property value. The fixed charge for 2016/17 was set at \$600.



Rate capping

Capping limits the increase in rates paid on a principal place of residence to 15% maximum, subject to certain conditions.

Rate deferment for retirees

Council's policy on rate payment deferrals is consistent with the *Local Government Act 1999*. It aims to alleviate the 'asset rich, income poor' scenario which can affect retirees.





Rebate of rates

The *Local Government Act 1999* Division 5 requires Council to rebate rates on some land.

Mandatory Rebates

A mandatory rebate of 100% applies to:

- Land predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australian Health Commission Act 1976
- Land containing a church or other building used for public worship, or land used solely for religious purposes
- Land being used for the purposes of a public cemetery
- Land (other than land used as domestic premises) owned by, or under the care, control and management of the Royal Zoological Society of South Australia Inc.

A mandatory rebate of 75% applies to:

- Land occupied by a government school under a lease or licence and being used for educational purposes
- Land occupied by a non-government school registered under Part 5 of the Education Act 1972 and being used for educational purposes
- Land being used by a university or university college to provide accommodation and other forms of support for students on a not-for-profit basis

- Land predominantly used for service delivery or administration by a community service organisation as defined under Section s 161(3) & 161(4) of the *Local Government Act 1999* (as amended)
- All properties owned by registered community housing associations

The power to determine applications for mandatory rates rebates is delegated to the Chief Executive Officer. Where a mandatory rebate of 75% applies, Council will not consider any further rebates for that property.

If Council is aware of an organisation entitled to a mandatory rebate, and that eligibility is not in doubt for that rebate, then the Chief Executive Officer can grant a rebate without first receiving an application.

Discretionary Rebates

Council has the power under Section 166 of the *Local Government Act 1999* (as amended), to grant discretionary rebates as follows:

- The rebate is desirable for the purpose of securing the proper development of the Council area (or part thereof)
- The rebate is desirable for the purpose of assisting or supporting business within the Council area
- The rebate will conduce to the preservation of buildings or places of historic significance
- The land is being used for educational purposes
- The land is being used for agricultural, horticultural or floricultural exhibitions

- The land is being used for a hospital or health centre
- The land is being used to provide facilities or services for children or young persons
- The land is being used to provide accommodation for the aged or disabled
- The land is being used for a residential aged care facility approved for Commonwealth funding under the *Aged Care Act 1997* (Commonwealth) or a day therapy centre
- The land is being used by an organisation which, in the opinion of Council, provides a benefit to the local community
- The rebate relates to common property or land vested in a community corporation under the *Community Titles Act 1996* over which the public has free and unrestricted access and enjoyment
- The rebate is considered by Council to provide relief against what would otherwise amount to substantial changes in rates payable by a ratepayer due to changes in the basis or structure of the Council's rates, or a change in the basis of valuation, rapid changes in valuation or anomalies in valuations
- A liability to pay a rate or charge that is inconsistent with the liabilities that were anticipated by the Council in its annual business plan

The power to determine applications for discretionary rebates of rates has been delegated to the Chief Executive Officer. Applications for a rates rebate must be made in writing and accompanied by the appropriate supporting documentation.



Glossary of terms

AHBTC Adelaide Hills Business
& Tourism Centre

CEOPRP Chief Executive Officer
Performance Review Panel

CIG Closed Informal Gathering

CPI Consumer Price Index

CWMS Community Wastewater
Management Systems

CDAP Council Development
Assessment Panel

DPA Development Plan Amendment

ICT Information & Communication Technology

KPI Key Performance Indicator

LTFP Long Term Financial Plan

OIG Open Informal Gathering

ODIG Open Designated Informal Gathering

PV Photovoltaic

SPDPC Strategic Planning & Development
Policy Committee

WHS Work Health & Safety

WHS & IM Work Health & Safety and Injury Management



Appendix 1 ***Financial Statements***

Year ended 30 June 2017

Adelaide Hills Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Nurturing our unique place and people



Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2017

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2017

Certification of Financial Statements

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

In our opinion:

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



Andrew Allison
CHIEF EXECUTIVE OFFICER



Bill Spragg
MAYOR

Date: 27/10/2017

Adelaide Hills Council

Statement of Comprehensive Income for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Income			
Rates Revenues	2a	34,301	33,811
Statutory Charges	2b	1,022	1,017
User Charges	2c	1,337	1,284
Grants, Subsidies and Contributions	2g	5,048	2,789
Investment Income	2d	36	58
Reimbursements	2e	265	259
Other Income	2f	483	462
Net Gain - Equity Accounted Council Businesses	19	57	176
Total Income		42,549	39,856
Expenses			
Employee Costs	3a	14,505	13,944
Materials, Contracts & Other Expenses	3b	18,687	17,567
Depreciation, Amortisation & Impairment	3c	7,792	7,561
Finance Costs	3d	781	883
Net loss - Equity Accounted Council Businesses	19	334	224
Total Expenses		42,099	40,179
Operating Surplus / (Deficit)		450	(323)
Asset Disposal & Fair Value Adjustments	4	(1,325)	(1,106)
Amounts Received Specifically for New or Upgraded Assets	2g	672	2,868
Physical Resources Received Free of Charge	2i	118	-
Net Surplus / (Deficit) ¹		(85)	1,439
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	8,631	2,683
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	(2)	4
Total Other Comprehensive Income		8,629	2,687
Total Comprehensive Income		8,544	4,126

¹ Transferred to Equity Statement

Adelaide Hills Council

Statement of Financial Position as at 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	966	617
Trade & Other Receivables	5b	2,709	2,898
Other Financial Assets	5c	44	83
Inventories	5d	14	7
Total Current Assets		3,733	3,605
Non-Current Assets			
Financial Assets	6a	71	74
Equity Accounted Investments in Council Businesses	6b	984	1,245
Infrastructure, Property, Plant & Equipment	7a	311,033	302,477
Total Non-Current Assets		312,088	303,796
TOTAL ASSETS		315,821	307,401
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	8,493	8,583
Borrowings	8b	3,651	3,582
Provisions	8c	1,357	1,481
Total Current Liabilities		13,501	13,646
Non-Current Liabilities			
Borrowings	8b	10,000	10,000
Provisions	8c	274	253
Total Non-Current Liabilities		10,274	10,253
TOTAL LIABILITIES		23,775	23,899
Net Assets		292,046	283,502
EQUITY			
Accumulated Surplus		135,571	135,298
Asset Revaluation Reserves	9a	154,633	146,002
Other Reserves	9b	1,842	2,202
Total Council Equity		292,046	283,502

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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Adelaide Hills Council

Statement of Changes in Equity for the year ended 30 June 2017

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2017					
Balance at the end of previous reporting period		135,298	146,002	2,202	283,502
a. Net Surplus / (Deficit) for Year		(85)	-	-	(85)
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	8,631	-	8,631
- Share of OCI - Equity Accounted Council Businesses	19	(2)	-	-	(2)
Other Comprehensive Income		(2)	8,631	-	8,629
Total Comprehensive Income		(87)	8,631	-	8,544
c. Transfers between Reserves		360	-	(360)	-
Balance at the end of period		135,571	154,633	1,842	292,046
2016					
Balance at the end of previous reporting period		133,930	143,319	2,166	279,415
a. Net Surplus / (Deficit) for Year		1,439	-	-	1,439
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	2,683	-	2,683
- Share of OCI - Equity Accounted Council Businesses	19	4	-	-	4
Other Comprehensive Income		4	2,683	-	2,687
Total Comprehensive Income		1,443	2,683	-	4,126
c. Transfers between Reserves		(75)	-	36	(39)
Balance at the end of period		135,298	146,002	2,202	283,502

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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Adelaide Hills Council

Statement of Cash Flows for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		34,477	34,175
Statutory Charges		1,022	956
User Charges		1,337	1,345
Grants, Subsidies and Contributions (operating purpose)		4,856	2,834
Investment Receipts		36	58
Reimbursements		265	259
Other Receipts		545	3,134
<u>Payments</u>			
Payments to Employees		(14,389)	(13,272)
Payments for Materials, Contracts & Other Expenses		(18,662)	(20,660)
Finance Payments		(781)	(883)
Net Cash provided by (or used in) Operating Activities	11b	8,706	7,946
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		672	2,868
Sale of Replaced Assets		754	18
Repayments of Loans by Community Groups		42	85
Distributions Received from Equity Accounted Council Businesses		-	167
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(6,580)	(8,355)
Expenditure on New/Upgraded Assets		(3,423)	(421)
Capital Contributed to Equity Accounted Council Businesses		(18)	(224)
Net Cash provided by (or used in) Investing Activities		(8,553)	(5,862)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		3	-
Proceeds from Aged Care Facility Deposits		124	85
<u>Payments</u>			
Repayments of Borrowings		(81)	(28)
Net Cash provided by (or used in) Financing Activities		46	57
Net Increase (Decrease) in Cash Held		199	2,141
plus: Cash & Cash Equivalents at beginning of period	11	(2,833)	(4,974)
Cash & Cash Equivalents at end of period	11	(2,634)	(2,833)

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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n/a - not applicable

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

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

2 The Local Government Reporting Entity

Adelaide Hills Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 28 Onkaparinga Valley Road, Woodside 5244. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Other entities in which Council has an interest but does not control are reported in Note 19.

3 Income Recognition

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2014/15	\$2,349,053	\$1,520,880	+ \$828,173
2015/16	\$696,644	\$1,512,372	- \$815,728
2016/17	\$2,265,645	\$1,494,710	+ \$770,935

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating

Note 1. Summary of Significant Accounting Policies (continued)

results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

5.1 Real Estate Assets Developments

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

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

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

5.2 Other Real Estate Held for Resale

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to

Note 1. Summary of Significant Accounting Policies (continued)

the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

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

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

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

Plant, Furniture & Equipment

Office Furniture and Equipment	5 to 10 years
Vehicles and Road-making Equip	10 years
Other Plant & Equipment	5 to 10 years

Building & Other Structures

Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years

Infrastructure

Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 50 years
Unsealed Roads	10 to 20 years
Bridges – Concrete	80 to 100 years
Paving & Footpaths, Kerb & Gutter	80 to 100 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps & Telemetry	15 to 25 years

Other Assets

Artworks indefinite

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

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

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

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows

(including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

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

9.2 Superannuation

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

10 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

11 Leases

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

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

12 Construction Contracts

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

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

13 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

14 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.

15 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

AASB 2016-4 Recoverable Amount of Non Cash-Generating Specialised Assets of Not-for-Profit Entities has been adopted early in the preparation of these financial reports. This Standard removes the requirement for impairment testing of non cash-generating specialised assets that are carried at fair value. The early adoption of this Standard has not resulted in any changes to any amounts disclosed in these reports.

Other than AASB 2016-4, Adelaide Hills Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 13 February 2017

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

Effective for annual reporting periods beginning on or after 13 December 2017

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

16 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

17 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income

\$ '000	Notes	2017	2016
(a). Rates Revenues			
General Rates			
General Rates		32,144	31,639
Less: Mandatory Rebates		(220)	(217)
Less: Discretionary Rebates, Remissions & Write Offs		(166)	(109)
Total General Rates		31,758	31,313
Other Rates (Including Service Charges)			
Natural Resource Management Levy		904	836
Community Wastewater Management Systems		1,333	1,283
Separate & Special Rates		5	5
Stirling Business Association Separate Rate		87	86
Total Other Rates		2,329	2,210
Other Charges			
Penalties for Late Payment		173	186
Legal & Other Costs Recovered		41	102
Total Other Charges		214	288
Total Rates Revenues		34,301	33,811
(b). Statutory Charges			
Development Act Fees		466	441
Animal Registration Fees & Fines		375	354
Parking Fines / Expiation Fees		31	47
Other Licences, Fees & Fines		91	114
Searches		59	61
Total Statutory Charges		1,022	1,017
(c). User Charges			
Cemetery/Crematoria Fees		172	173
Community Centres		120	103
Sundry		217	190
Adelaide Hills Business and Tourism Centre (AHBTC)		493	478
Dump Fees		4	7
Retirement Villages		331	333
Total User Charges		1,337	1,284

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		7	11
- Banks & Other		19	34
- Loans to Community Groups		10	13
Total Investment Income		36	58
(e). Reimbursements			
Private Works		30	21
Other		235	238
Total Reimbursements		265	259
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		196	134
Sundry		287	328
Total Other Income		483	462
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		672	2,868
Other Grants, Subsidies and Contributions		-	276
Untied - Financial Assistance Grant		1,495	697
Roads to Recovery		1,119	-
Home and Community Care Grant		871	859
Library and Communications		267	279
Sundry		525	678
Individually Significant Item - Additional Grants Commission Payment		771	-
Total Grants, Subsidies, Contributions		5,720	5,657
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		2,211	2,039
State Government		3,183	3,008
Other		326	610
Total		5,720	5,657

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(h). Conditions over Grants & Contributions			
Nil			
(i). Physical Resources Received Free of Charge			
Land & Improvements		118	-
Total Physical Resources Received Free of Charge		118	-

Note 3. Expenses

(a). Employee Costs

Salaries and Wages		11,004	10,718
Employee Leave Expense		2,498	2,335
Superannuation - Defined Contribution Plan Contributions	18	986	937
Superannuation - Defined Benefit Plan Contributions	18	239	239
Workers' Compensation Insurance		446	329
Personal Income Protection Insurance		190	188
Other		4	39
Less: Capitalised and Distributed Costs		(862)	(841)
Total Operating Employee Costs		14,505	13,944
Total Number of Employees (full time equivalent at end of reporting period)		172	173

(b). Materials, Contracts and Other Expenses

(i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		30	37
Elected Members' Expenses		373	392
Election Expenses		46	45
Operating Lease Rentals - Cancellable Leases		286	270
Subtotal - Prescribed Expenses		735	744

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(ii) Other Materials, Contracts and Expenses			
Contractors		10,415	9,936
Energy		634	576
Legal Expenses		234	209
Levies Paid to Government - NRM levy		893	826
Levies - Other		583	614
Parts, Accessories & Consumables		2,275	2,605
Professional Services		96	160
Sundry		835	706
Contributions & Donations		683	562
Insurance		604	629
Work-in-Progress Write-off		700	-
Subtotal - Other Material, Contracts & Expenses		17,952	16,823
Total Materials, Contracts and Other Expenses		18,687	17,567
(c). Depreciation, Amortisation and Impairment			
Buildings		904	786
Infrastructure			
- Stormwater		359	352
- Community Wastewater Management Systems		347	392
- Roads		3,644	3,612
- Bridges		254	250
- Footpaths		313	298
- Retaining Walls		98	106
- Guardrails		114	103
- Kerb & Gutter		407	405
- Traffic Controls		39	39
- Street Furniture		62	59
- Sport & Recreation		316	300
- Playgrounds		44	46
- Cemeteries		32	31
Plant & Equipment		809	718
Furniture & Fittings		50	64
Total Depreciation, Amortisation and Impairment		7,792	7,561

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		104	165
Interest on Loans		604	607
Merchant Fees		35	70
Bank Charges		38	37
Other		-	4
Total Finance Costs		781	883

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

Proceeds from Disposal		754	619
Less: Carrying Amount of Assets Sold		(2,079)	(1,725)
Gain (Loss) on Disposal		(1,325)	(1,106)
Net Gain (Loss) on Disposal or Revaluation of Assets		(1,325)	(1,106)

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank		601	259
Deposits at Call		3	-
Short Term Deposits & Bills, etc.		362	358
Total Cash & Cash Equivalents		966	617

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 5. Current Assets (continued)

\$ '000	Notes	2017	2016
(b). Trade & Other Receivables			
Rates - General & Other		1,349	1,539
Council Rates Postponement Scheme		39	25
Accrued Revenues		545	569
Debtors - General		250	280
Other Levels of Government		299	107
Goods & Services Tax (GST) Recoupment		-	133
Prepayments		257	275
Subtotal		2,739	2,928
Less: Allowance for Doubtful Debts		(30)	(30)
Total Trade & Other Receivables		2,709	2,898
(c). Other Financial Assets			
Loans to Community Organisations		44	83
Total Other Financial Assets		44	83
(d). Inventories			
Stores & Materials		14	7
Total Inventories		14	7

Note 6. Non-Current Assets

(a). Financial Assets

Receivables

Loans to Community Organisations		71	74
Total Financial Assets		71	74

(b). Equity Accounted Investments in Council Businesses

Gawler River Floodplain Management Authority (GRFMA)	19	554	562
Eastern Waste Management Authority (EWMA)	19	103	25
Adelaide Hills Regional Waste Management Authority (AHRWMA)	19	327	658
Total Equity Accounted Investments in Council Businesses		984	1,245

Adelaide Hills Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 7a (i). Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2016				Asset Movements during the Reporting Period								as at 30/6/2017					
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals									Dep'n	Impairment	
Capital Work in Progress			3,935	-	-	3,935	3,423	6,693	-	-	(10,567)	(325)	-	-	-	3,162	-	-	3,162
Land - Community Buildings		58,687	-	-	-	58,687	-	-	(53)	-	100	-	-	58,734	-	-	-	58,734	
Infrastructure		66,328	-	43,307	-	23,021	-	-	(258)	(904)	980	-	1,601	66,697	-	42,257	-	24,440	
- Stormwater		33,505	-	9,472	-	24,033	-	-	(40)	(359)	849	-	786	35,385	-	10,116	-	25,269	
- Community Wastewater Management Systems		18,980	-	7,708	-	11,272	-	-	(51)	(347)	382	-	577	19,922	-	8,089	-	11,833	
- Roads		203,291	-	79,974	-	123,317	-	-	(789)	(3,644)	4,029	-	4,005	210,787	-	83,869	-	126,918	
- Bridges		16,152	-	7,021	-	9,131	-	-	-	(254)	414	-	298	17,085	-	7,495	-	9,590	
- Footpaths		11,900	-	4,653	-	7,247	-	-	(60)	(313)	167	-	237	12,312	-	5,034	-	7,278	
- Retaining Walls		7,027	-	1,885	-	5,142	-	-	(22)	(98)	197	-	168	7,384	-	1,997	-	5,387	
- Guardrails		5,799	-	876	-	4,923	-	-	(3)	(114)	183	-	161	6,165	-	1,015	-	5,150	
- Kerb & Gutter		29,704	-	15,484	-	14,220	-	-	(73)	(407)	570	-	465	31,071	-	16,296	-	14,775	
- Traffic Controls		2,030	-	656	-	1,374	-	-	-	(39)	27	-	45	2,124	-	717	-	1,407	
- Street Furniture		2,664	-	1,134	-	1,530	-	-	-	(62)	157	-	36	2,879	-	1,218	-	1,661	
- Sport & Recreation		15,258	-	8,609	-	6,649	-	-	(1)	(316)	204	-	217	15,957	-	9,204	-	6,753	
- Playgrounds		1,133	-	483	-	650	-	-	(7)	(44)	597	-	21	1,721	-	504	-	1,217	
- Cemeteries		1,841	-	1,144	-	697	-	-	(32)	-	-	-	(9)	1,892	-	1,213	-	679	
Plant & Equipment		-	10,230	5,314	-	4,916	-	-	(721)	(809)	1,615	-	-	-	10,551	5,550	-	5,001	
Furniture & Fittings		-	3,211	1,478	-	1,733	-	-	-	(50)	96	-	-	-	3,492	1,713	-	1,779	
Total Infrastructure, Property, Plant & Equipment		474,299	17,376	189,198	-	302,477	3,423	6,693	(2,078)	(7,792)	-	(325)	(9)	8,640	490,115	17,205	196,287	-	311,033
Comparatives		465,648	13,324	182,393	-	296,579	1,182	7,247	(1,588)	(7,561)	-	-	-	2,683	474,299	17,376	189,198	-	302,477

Note 7a (ii). Investment Property

Nil

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

\$ '000

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

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

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

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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

Highest and best use

There were no assets valued where it was considered that the highest and best use was other than its current use.

Land & Land Improvements

Council being of the opinion that it is not possible to attribute value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Land - Level 3: Land which is subject to restriction for its use or sale, ie Community Land, or land where there is no active market such as Parks & Gardens or subject to Community Service Obligations. Land assets revaluation was undertaken by Council officers using the Valuer General's values indexed up to 31 January 2014.

Buildings

- Council discloses Buildings as a class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement, and the level of fair value hierarchy to be Level 3, as no relevant observable inputs (Markets) are available.
- Valuations have been performed by Council Officers at depreciated current replacement cost during the period ended 30 June 2017 and were indexed based on Australian Bureau of Statistics Time Series data, specific for Adelaide, Table 17 Output (Construction Industries), and specific for Adelaide, dated June 2017.
- There were no Assets Valued where it was considered that the highest and best use was other than its current use.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Infrastructure

**Roads, Bridges, Footpaths, Retaining Walls, Guardrail, Kerb & Gutter, Traffic Controls, Street Furniture
Stormwater, Community Wastewater Management Systems (CWMS), Sport and Recreation Facilities (S&R)
Playground and Cemeteries**

- Council discloses each of the above as an individual class of Infrastructure Assets for the purposes of AASB 13 Fair Value Measurement, and the level of fair value hierarchy to be Level 3, as no relevant observable inputs (Markets) are available.
- Valuations have been performed by Council Officers at depreciated current replacement cost during the period ended 30 June 2017 and were indexed based on Australian Bureau of Statistics Time Series data, Tables 17 (Construction Industries) and Table 18 (House Construction and Steel Products Industries) and specific for Adelaide, dated June 2017.
- There were no Assets Valued where it was considered that the highest and best use was other than its current use.

Plant, Furniture & Equipment and Furniture & Fittings

- Basis of valuation: These Assets are recorded on a Historic Cost basis.

Note 8. Liabilities

\$ '000	Notes	2017		2016	
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		1,542	-	2,025	-
Payments Received in Advance		68	-	193	-
Accrued Expenses - Employee Entitlements		1,946	-	1,727	-
Accrued Expenses - Other		509	-	295	-
Aged Care Facility Deposits		4,165	-	4,041	-
Deposits, Retentions & Bonds		4	-	1	-
Rates - General and other (credit balances)		-	-	200	-
Other		259	-	101	-
Total Trade and Other Payables		8,493	-	8,583	-

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 8. Liabilities (continued)

\$ '000	Notes	2017 Current	2017 Non Current	2016 Current	2016 Non Current
(b). Borrowings					
Bank Overdraft		3,600	-	3,450	-
Loans		51	10,000	132	10,000
Total Borrowings		3,651	10,000	3,582	10,000

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

(c). Provisions

Employee Entitlements (including oncosts)		1,331	141	1,455	120
Future Reinstatement / Restoration, etc		26	133	26	133
Total Provisions		1,357	274	1,481	253

Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(a). Asset Revaluation Reserve					
Land - Community	29,961	-	-	-	29,961
Buildings	5,190	1,601	-	-	6,791
Infrastructure					
- Stormwater	17,777	786	-	-	18,563
- Community Wastewater Management Systems	3,721	577	-	-	4,298
- Roads	60,458	4,005	-	-	64,463
- Bridges	3,774	298	-	-	4,072
- Footpaths	296	237	-	-	533
- Retaining Walls	2,436	168	-	-	2,604
- Guardrails	2,771	161	-	-	2,932
- Kerb & Gutter	13,079	465	-	-	13,544
- Traffic Controls	495	45	-	-	540
- Street Furniture	1,173	36	-	-	1,209
- Sport & Recreation	2,600	217	-	-	2,817
- Playgrounds	68	21	-	-	89
- Cemeteries	2,203	14	-	-	2,217
Total Asset Revaluation Reserve	146,002	8,631	-	-	154,633
Comparatives	143,319	2,683	-	-	146,002

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 9. Reserves (continued)

\$ '000	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2017
(b). Other Reserves					
Investment in Associates	732	-	(260)	-	472
Community Wastewater Management Systems	758	-	(75)	-	683
Retirement Village Lobethal	80	-	(26)	-	54
Retirement Village Woodside	206	2	-	-	208
Retirement Village Balhannah	7	-	(7)	-	-
Retirement Village Fee Bond	42	-	-	-	42
Torrens Valley Community Centre Library	116	21	-	-	137
Scott Creek Progress Association	17	-	(16)	-	1
Environmental Fund Reserve	6	-	-	-	6
Significant Trees Reserve	232	-	-	-	232
Significant Trees Reserve	6	1	-	-	7
Total Other Reserves	2,202	24	(384)	-	1,842
Comparatives	2,167	303	(268)	-	2,202

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2017	2016
The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.			
Cash & Financial Assets			
Unexpended amounts received from Federal Government			
Community Wastewater Management Systems Investigations		340	335
Total Cash & Financial Assets		340	335
Total Assets Subject to Externally Imposed Restrictions		340	335

Adelaide Hills Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2017	2016
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	966	617
Less: Short-Term Borrowings	8	(3,600)	(3,450)
Balances per Statement of Cash Flows		(2,634)	(2,833)
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		(85)	1,439
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		7,792	7,561
Equity Movements in Equity Accounted Investments (Increase)/Decrease		277	48
Non-Cash Asset Acquisitions		(118)	-
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(672)	(2,868)
Net (Gain) Loss on Disposals		1,325	1,106
Expense of Capital Items		325	-
		8,844	7,286
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		189	870
Change in Allowances for Under-Recovery of Receivables		-	37
Net (Increase)/Decrease in Inventories		(7)	10
Net (Increase)/Decrease in Other Current Assets		-	(74)
Net Increase/(Decrease) in Trade & Other Payables		(217)	(453)
Net Increase/(Decrease) in Unpaid Employee Benefits		(103)	211
Net Increase/(Decrease) in Other Provisions		-	59
Net Cash provided by (or used in) operations		8,706	7,946
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	118	-
Amounts recognised in Income Statement		118	-
Total Non-Cash Financing & Investing Activities		118	-

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
\$ '000										
Community & Customer Services	1,472	2,282	5,711	6,160	(4,239)	(3,878)	1,261	1,432	-	-
Corporate Services	37,174	35,337	10,802	9,755	26,372	25,582	1,227	572	95,421	97,913
Engineering & Assets	2,472	392	16,615	14,949	(14,143)	(14,557)	3,075	3,087	220,400	209,488
Strategy & Development	1,431	1,845	8,971	9,315	(7,540)	(7,470)	157	566	-	-
Total Functions/Activities	42,549	39,856	42,099	40,179	450	(323)	5,720	5,657	315,821	307,401

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

COMMUNITY AND CUSTOMER SERVICES

Community Support, Elderly Citizens Facilities, Home Assistance Scheme, Other Services for the Aged and Disabled, Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Cultural Services, Cultural Venues, Heritage and

Other Cultural Services, Library Services, Mobile Libraries and Housebound Services, Static Libraries, Other Library Services.

CORPORATE SERVICES

Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Separate and Special Rates, Records, Contract Management, Other Support Services, LGGC – General Purpose, Governance, Administration, Elected Members, Organisational Support Services, Revenues, Cemeteries/Crematoria, Employment Creation Programs.

ENGINEERING & ASSETS

Bridges, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), Gravel Pits/Quarries, Private Works, Parks and Gardens, Sports Facilities – Indoor, Sports Facilities – Outdoor, Swimming Centres – Outdoor, Other Recreation, Public Conveniences, Telecommunications Networks, and Other Community Amenities, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Landcare
Other Agricultural Services, Natural Resource Management Levy and Other Environment.

STRATEGY & DEVELOPMENT

Building Control, Town Planning, Clean Air/Pollution Control, Dog and Cat Control, Litter Control, Parking Control and Other Regulatory Services, Emergency Services, Other Fire Protection, Pest Control, Health Services, Health Inspectios, Immunisation, Preventive Health Services,
Waste Management, Domestic Waste, Green Waste, Recycling, Transfer Stations, Waste Disposal Facility, Other Waste Management, Sewerage/CWMS,
Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

Note 13. Financial Instruments

\$ '000

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 returning fixed interest rates between 1.50% and 2.00% (2016: 1.88% and 2.38%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

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:

Secured over the subject land, arrears attract interest of 7.00% (2016: 7.00%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

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 State and Federal Governments.

Carrying Amount:

Approximates fair value.

Receivables

Retirement Home Contributions

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:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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 Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Liabilities

Retirement Home Contributions

Accounting Policy:

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms & Conditions:

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying Amount:

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed rates between 3.80% and 6.75% (2016: 4.60% and 6.75%) and variable rates between 3.75% and 4.00%.

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2017					
<u>Financial Assets</u>					
Cash & Equivalents	966	-	-	966	966
Receivables	1,064	-	-	1,064	1,064
Other Financial Assets	52	78	-	130	115
Total Financial Assets	2,082	78	-	2,160	2,145
<u>Financial Liabilities</u>					
Payables	8,306	-	-	8,306	8,425
Current Borrowings	3,636	19	-	3,654	3,651
Non-Current Borrowings	568	6,933	5,690	13,190	10,000
Total Financial Liabilities	12,509	6,951	5,690	25,150	22,076
2016					
<u>Financial Assets</u>					
Cash & Equivalents	617	-	-	617	617
Receivables	1,009	16	-	1,025	926
Other Financial Assets	83	74	-	157	157
Total Financial Assets	1,709	90	-	1,799	1,700
<u>Financial Liabilities</u>					
Payables	8,394	-	-	8,394	8,390
Current Borrowings	3,582	16	-	3,598	3,582
Non-Current Borrowings	568	6,933	5,920	13,421	10,000
Total Financial Liabilities	12,544	6,949	5,920	25,413	21,972

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	3.77%	3,600	3.75%	3,450
Other Variable Rates		-	4.37%	132
Fixed Interest Rates	5.36%	10,051	5.68%	10,000
		13,651		13,582

Net Fair Value

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 14. Commitments for Expenditure

\$ '000	Notes	2017	2016
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(a). Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Infrastructure		449	594
Plant & Equipment		26	9
Other		-	-
		<u>475</u>	<u>603</u>

These expenditures are payable:

Not later than one year		475	603
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>475</u>	<u>603</u>

(b). Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Audit Services		-	30
Employee Remuneration Contracts		7,349	7,187
		<u>7,349</u>	<u>7,217</u>

These expenditures are payable:

Not later than one year		1,838	1,860
Later than one year and not later than 5 years		5,511	5,357
Later than 5 years		-	-
		<u>7,349</u>	<u>7,217</u>

(c). Finance Lease Commitments

Council has no Finance Leases.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2017	2017	2016	2015

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

1. Operating Surplus Ratio

Operating Surplus	450			
Total Operating Revenue	42,549	1%	(1%)	3%

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

1a. Adjusted Operating Surplus Ratio

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

	(321)			
	42,549	(1%)	1%	1%

2. Net Financial Liabilities Ratio

Net Financial Liabilities	19,985			
Total Operating Revenue	42,549	47%	51%	54%

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

3. Asset Sustainability Ratio

Net Asset Renewals	5,826			
Infrastructure & Asset Management Plan required expenditure	7,792	75%	110%	80%

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	42,549	39,856
less Expenses	(42,099)	(40,179)
Operating Surplus / (Deficit)	450	(323)
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	6,580	8,355
less Depreciation, Amortisation and Impairment	(7,792)	(7,561)
less Proceeds from Sale of Replaced Assets	(754)	(18)
Subtotal	(1,966)	776
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	3,423	421
less Amounts Received Specifically for New and Upgraded Assets	(672)	(2,868)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
Subtotal	2,751	(2,447)
Net Lending / (Borrowing) for Financial Year	(335)	1,348

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 17. Operating Leases

\$ '000	2017	2016
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Leases Providing Revenue to the Council

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

(i) Investment Property

Nil

(ii) Lease Payment Commitments of Council

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

Not later than one year	257	147
Later than one year and not later than 5 years	398	116
Later than 5 years	-	-
	<u>655</u>	<u>263</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 18. Superannuation

\$ '000

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

Accumulation only Members

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

Salarylink (Defined Benefit Fund) Members

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

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

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

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

Contributions to Other Superannuation Schemes

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Joint Ventures	(278)	(48)	984	1,245
Total	(278)	(48)	984	1,245

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Eastern Waste Management Authority	Waste Management	103	25
Gawler River Floodplain Management Authority	Floodplain Management	554	562
Adelaide Hills Regional Waste Management Authority	Waste Management	327	658
Total Carrying Amounts - Joint Ventures & Associates		984	1,245

Eastern Waste Management Authority

Eastern Waste is a regional subsidiary pursuant to S.43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of Eastern Waste. The other member Councils are Norwood, Payneham & St. Peters, Burnside, Mitcham, Campbelltown and Walkerville.

Gawler River Floodplain Management Authority

Gawler River Floodplain Management Authority is a regional subsidiary pursuant to S.43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of Gawler River Floodplain Management Authority. Other members are Barossa, Gawler, Light, Adelaide Plains and Playford Councils.

Adelaide Hills Regional Waste Management Authority

Adelaide Hills Regional Waste Management Authority is a regional subsidiary pursuant to S.43 of the *Local Government Act 1999*. Council has an interest in the assets and liabilities of Adelaide Hills Regional Waste Management Authority. Other members are Alexandrina, Mt. Barker and Murray Bridge Councils.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 19. Interests in Other Entities (continued)

\$ '000			2017		2016	
(b) Relevant Interests						
	Interest in		Ownership		Proportion of	
	Operating		Share of		Voting Power	
	Result		Equity			
Name of Entity	2017	2016	2017	2016	2017	2016
Eastern Waste Management Authority	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%
Gawler River Floodplain Management Authority	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Adelaide Hills Regional Waste Management Authority	34.6%	35.9%	34.6%	35.9%	34.6%	35.9%

(c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Management Authority		Gawler River Floodplain Management Authority	
	2017	2016	2017	2016
Opening Balance	25	41	562	394
Share in Operating Result	55	(1)	(8)	(8)
Share in Other Comprehensive Income	3	6	-	-
New Capital Contributions	18	18	-	-
Adjustments to Equity	2	(39)	-	176
Council's Equity Share in the Joint Venture or Associate	103	25	554	562

	Adelaide Hills Regional Waste Management Authority	
	2017	2016
Opening Balance	658	837
Share in Operating Result	(302)	(141)
Share in Other Comprehensive Income	(5)	(2)
Adjustments to Equity	(24)	(36)
Council's Equity Share in the Joint Venture or Associate	327	658

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Statement of Financial Position

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge of these items is considered relevant to the users of the financial report in making and evaluating decisions about allocation of scarce resources.

1. LAND UNDER ROADS

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. LEGAL MATTERS

Council is the planning consent authority for its area under the *Development Act 1993* (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 1 appeal against planning decisions and 2 appeals against enforcement decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2017, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is aware of the following "non adjusting events" that merit disclosure;

Natural Disaster Recovery Funding for Storms in September 2016

Subsequent to balance date, Council has received a contribution from the State Government of \$1.088m to meet the costs of repairs to essential public infrastructure and counter disaster operations as a result of a storm event within the Council area in September 2016.

Adelaide Hills Regional Waste Management Authority (AHRWMA)

As at 30 June 2017 an equity accounted Council business (AHRWMA) is a defendant in Supreme Court procedures in which it is asserted that the AHRWMA made some misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. The AHRWMA is defending the claim and legal costs will continue to be incurred. At this time it is not possible to advise whether the AHRWMA will have any additional financial exposure.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 23. Related Party Transactions

2017

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*.

In all, 20 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,454,351
Post-Employment Benefits	104,506
Long-Term Benefits	-
Termination Benefits	-
Total	<u>1,558,857</u>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel comprise:

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

Planning and Building Application Fees	1,367
Total	<u>1,367</u>

A Council Member was on the Board of Management of the Stirling Business Association for the period 1 July 2016 to February 2017. An amount of \$85,000 was collected in the 2016/17 financial year by Adelaide Hills Council as a separate rate for businesses in Stirling (Stirling Business Separate Rate) to be applied to carry out the activity of promoting and enhancing business viability, profitability, trader and commerce within the zone. The \$85,000 was distributed to the Stirling Business Association to promote Stirling as a destination, the 'Gateway to the Hills'.

Three Council Members are Board Members/Deputy Board Members of four entities, namely the State Library of SA, the Dog and Cat Management Board of SA, Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island and the Local Government Association respectively, but it is not considered that those members control or jointly control those organisations.

During the financial year the Adelaide Hills Council:

- received grants (materials and operating grants) amounting to \$266,687 from the SA Libraries Board
- paid an amount of \$33,790 in October 2016 representing the 2015/16 Levy Contribution to the Department of Environment, Water and Natural Resources (DEWNR) - Dog & Cat Management Board
- paid an amount of \$70,000 to Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island representing funding contributions to that entity
- paid a membership contribution of \$50,284 to the Local Government Association

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 23. Related Party Transactions (continued)

One Council Member was a Board Member of The Hut Community Centre Inc from 1 July 2016 to 28 February 2017 and also received salary and wages from the Centre.

During the 2016/17 financial year, Adelaide Hills Council paid the following amounts to The Hut Community Centre:

- Funding Agreement \$143,344
- Senior Theatre Group funding \$5,000
- Volunteer Sponsorship Funding \$17,200
- Provision of HHCP Funding \$11,500
- Training Services \$5,785

Four Council Members are members on the management committees of sport and recreational groups that received oval/operating maintenance contributions from Adelaide Hills Council. Details of those contributions are as follows:

- Adelaide Hills Swimming Centre \$84,913
- Birdwood Park & Sporting Club \$6,600
- The Scott Creek Progress Association \$5,100
- Woodside Recreation Grounds Management \$11,600

One Council Member is on the management committee of the Piccadilly CFS which received a Community Grant of \$2,000 from Adelaide Hills Council during the 2016/17 financial year.

One Council Member was a committee member of a representative body (Piccadilly Oval Committee) to the Piccadilly Community Recreation Centre who received a one off amount of \$10,124 from Adelaide Hills Council as a contribution to the Piccadilly Court Lighting Project.

Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments

\$ '000	2017	2016
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(a). Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

These amounted to the following Equity Adjustments:

- Adjustments to Opening Equity - 1/7/15	-	(3,723)
(relating to adjustments for the 30/6/15 reporting year end and prior periods)		
Total Prior Period Adjustments - Prior Period Errors	-	(3,723)

(b). Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

(c). Changes in Accounting Standards

There were no changes in accounting standards that affected prior year balances during the year.



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INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF ADELAIDE HILLS COUNCIL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adelaide Hills Council (the Council), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of Adelaide Hills Council, presents fairly, in all material respects, the Council's financial position as at 30 June 2017 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the Local Government Act 1999 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Local Government Act 1999, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the annual reports of the Eastern Waste Management Authority, Gawler River Floodplain Management Authority, Adelaide Hills Regional Waste Management Authority and Southern & Hills Local Government Association.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the Adelaide Hills Council, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

BDO Audit Partnership (SA) ABN 21 903 784 597 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Partnership (SA) and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees).



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Council's Responsibility for the Financial Report

The Council's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar4.pdf.

This description forms part of our auditor's report.

BDO Audit Partnership (SA)

G K Edwards
Partner

Adelaide, 31 October 2017

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF ADELAIDE HILLS COUNCIL

Scope

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by the Adelaide Hills Council ('the Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2016 to 30 June 2017 relevant to ensuring such transactions have been conducted properly and in accordance with law.

The Council's Responsibility for the Internal Controls

The Council is responsible for:

- a) the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) identifying the control objectives;
- c) identifying the risks that threaten achievement of the control objectives;
- d) designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) operating effectively the controls as designed throughout the period.

Our Independence and Quality Control

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, BDO Audit Partnership (SA) maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express an opinion on the suitability of the design to achieve the control objectives and operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Auditing and Assurance Standards Board. That standard requires that we comply with relevant ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.



An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

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

Limitations of Controls

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

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

Opinion

Our opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects:

- a) the controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- b) the controls operated effectively as designed throughout the period from 1 July 2016 to 30 June 2017.

BDO Audit Partnership (SA)

G K Edwards
Partner

Adelaide, 31 October 2017

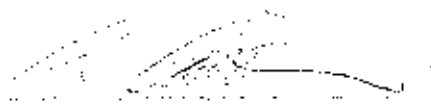
Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2017

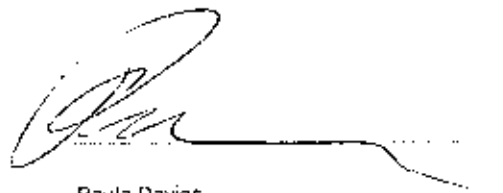
Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Council for the year ended 30 June 2017, the Council's Auditor, BDO has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Andrew Ailken
Director



Paula Davies
Director

Date: 27/11/2017



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420 King William Street
Adelaide SA 5000
GPO Box 2018, Adelaide SA 5001
AUSTRALIA

CERTIFICATION OF AUDITOR INDEPENDENCE

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

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

G K Edwards
Partner

BDO Audit Partnership (SA)

Adelaide, 31 October 2017



Appendix 2 ***Subsidiaries***

**Adelaide Hills Region Waste
Management Authority**
Annual Report 2016/17

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

Annual Report 2016/2017



ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY



Cr. Lindsay Campbell – Deputy Chair AHRWMA

This year, in addition to its core tasks, the Authority has managed several high priority tasks, including addressing a legal claim and administering a governance audit as part of an SA Government audit of Local Government. Despite the resourcing challenges created by these matters the Authority has continued to manage the Landfill and Transfer Station operations in a professional manner and achieve results.

Some of the highlights for this year include continuing to manage the Brinkley and Heathfield Resource Recovery Centres ahead of scheduled budgets and undertaking concrete crushing activities for our Member Councils.

We have continued to maintain positive working relationships with commercial and non-member local government customers, including continued work and collaboration with the Mid Murray Council and assisting the Coorong Council with a review of their Transfer Station facilities.

The design of Cell 8/9 has received EPA approval and we have completed the excavation works for this cell, ready for lining in the coming financial year.

Thanks also goes to the Executive Officer and his team for achieving results in a difficult environment.

We are looking forward to an exciting period as the Authority continues to pursue opportunities where it can add value to Member Council waste and recycling services and embarks on a review of its 10 year Strategic Plan.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

THE BOARD

Mount Barker District Council



Lindsay Campbell (Deputy Chair)
Councillor



David Peters
GM Corporate Services



Greg Morrison (Deputy)
Councillor

Alexandrina Council



Jim Davis
Councillor



Simon Grenfell
GM Infrastructure & Assets



Ben Brazzalotto (Deputy)
Councillor

Adelaide Hills Council



Ian Bailey
Councillor (Chair)
Served to 24/11/16



Marc Salver
Director Strategy & Development



John McArthur (Deputy)
Manager Waste, Health
& Reg Services



Nathan Daniell
Councillor
Served from
22/11/16

Rural City of Murray Bridge



Theo Weinmann
Councillor



Simon Bradley
GM Infrastructure and Environment



Andrew Baltensperger
(Deputy) Councillor
Served to 13/06/17



Jerry Wilson (Deputy)
Councillor
Served from 14/06/17

THE VISION

"Sustainable Waste Management through Shared Services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge".

THE MISSION

- *To meet the Zero Waste SA Resource Recovery Targets across the region where economically and environmentally justified.*
- *To continue to develop and manage the Authority's landfill as an EPA compliant model regional landfill that provides the most cost effective disposal option for Member Councils and commercial customers.*
- *To educate the regional community on responsible waste choices that enhance and maintain their environment.*

THE OBJECTIVES

The Authority's vision and mission will be achieved through five key objectives:

1. To take a leadership role in resource recovery and community education.
2. Responsibly develop and manage the Authority's landfill to be a model regional landfill meeting all legislative requirements and operating benchmarks.
3. Financial sustainability in waste services for Member Councils by pursuing a shared services model.
4. Advocate, research and promote best practice waste management and actively represent Member Councils in all forums.
5. A fully compliant Regional Subsidiary that meets the highest standards in governance, financial and human resource management.

SUMMARY OF 2016/17

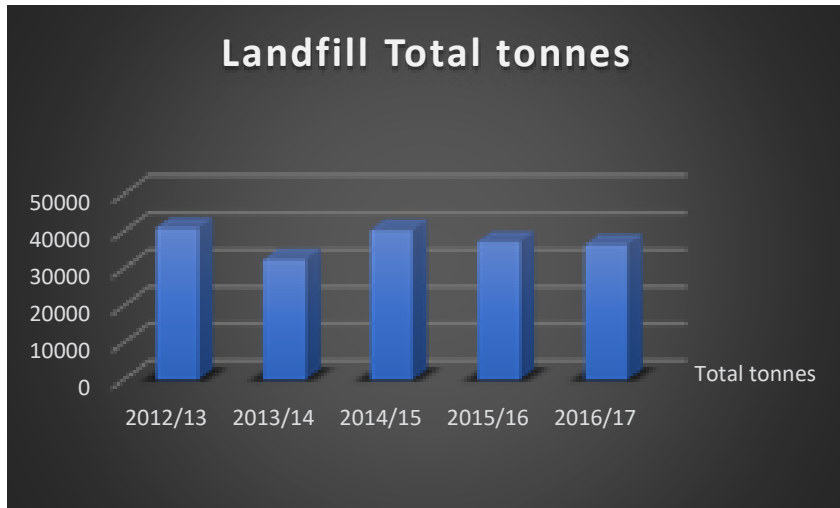
Some of the key activities for this year include:

- Continued legal response to SWR Claim.
- Continued excavation of Cell 8/9.
- Continued Management of the Brinkley and Heathfield Waste and Recycling facilities.
- Patronage at the Brinkley Waste and Recycling Facility (Transfer Station) increased by 28% to 10,613 transactions, while patronage at the Heathfield Resource Recovery Centre increased by 10% to 25,323.
- Continued consultancy service role offered and provided to Member Councils.
- Second year of the combined collection contract with the Mount Barker District Council and the Rural City of Murray Bridge.
- Authority's crushing plant will have crushed approximately 8,000 tonnes this financial year which is down by about 2,000 tonnes on last year's result. This business area will require additional focus to achieve our aim to grow this operation.
- Landfill tonnages were down by approximately 765 tonnes compared to last year's result. There was a reduction in non-member Local Government tonnes, which has since improved and an increase in commercial waste of 1,000 tonnes.

Member Councils Map



Landfill Operations



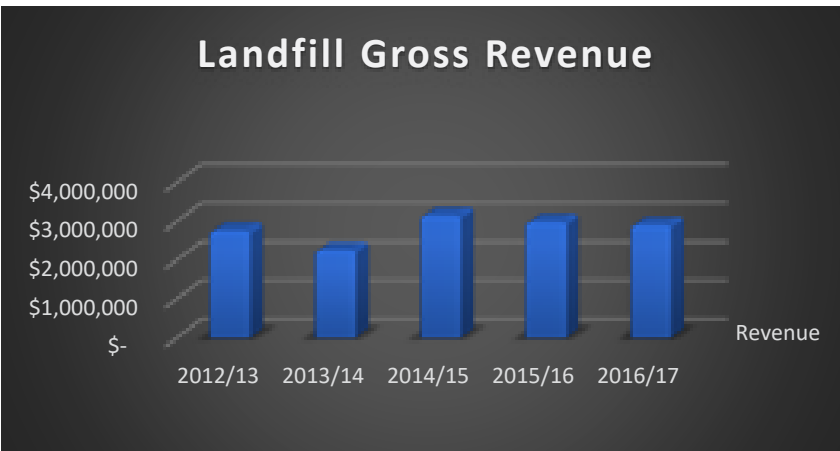
Brinkley Landfill Statistics

There has been continued high competition for waste streams in 2016/17. Overall the tonnes to landfill for 2016/17 have continued to show improvement on 2013/14, however were down by approximately 765 tonnes when compared to 2015/16.

The slight reduction on last years result was largely due to a significant drop in non-member Local Government tonnes as a result to a change in transport contractor and processes. Following renegotiation with these customers the tonnes have now increased to previous levels.

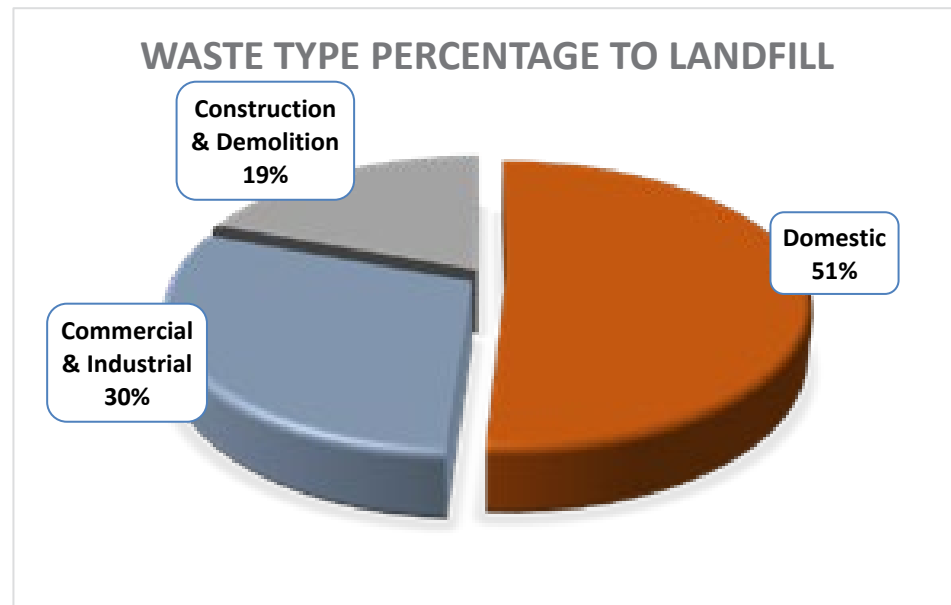
Commercial tonnes have increased by approximately 1,000 tonnes in 2016/17.

The Authority will continue to focus on maintaining customers in future years. Ideally, we will continue to focus on providing quality service and looking at opportunities to value add for customers.



It is important for Local Government to ensure waste management and landfill activities remain sustainable both now and into the future. We will continue to monitor the market effects on our longer term planning.

WASTE TYPE PERCENTAGE TO LANDFILL



Transfer Station Operations

The Authority currently manages two transfer stations on behalf of its Member Councils. These sites are the Heathfield Resource Recovery Facility which serves the Adelaide Hills Council area with an approximate population of 40,000 people and the Brinkley Waste and Recycling Facility which serves the Rural City of Murray Bridge area with an approximate population of 21,000 people.

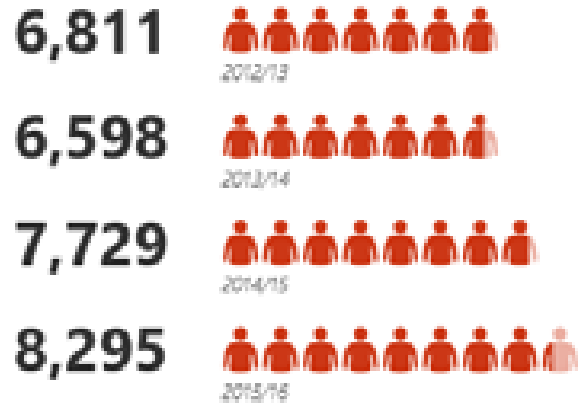
HEATHFIELD TS TRANSACTIONS



The Heathfield Transfer Station has shown strong customer growth since the Authority commenced operations in 2012. This has been assisted by the continued and consistent use of the facility by the Adelaide Hills Council (AHC) operations area and joint projects to produce quality road base materials from recycled products.

The Brinkley Transfer Station has shown improved usage in the 2016/17 financial year. The Authority has worked with the Rural City of Murray Bridge to extend the operating hours of the site to a 7-day operation. The Rural City of Murray Bridge operations area is also utilising the site, resulting in an increase in transactions. The Authority in conjunction with Council has also held free green organics drop off days for residents.

BRINKLEY TS TRANSACTIONS



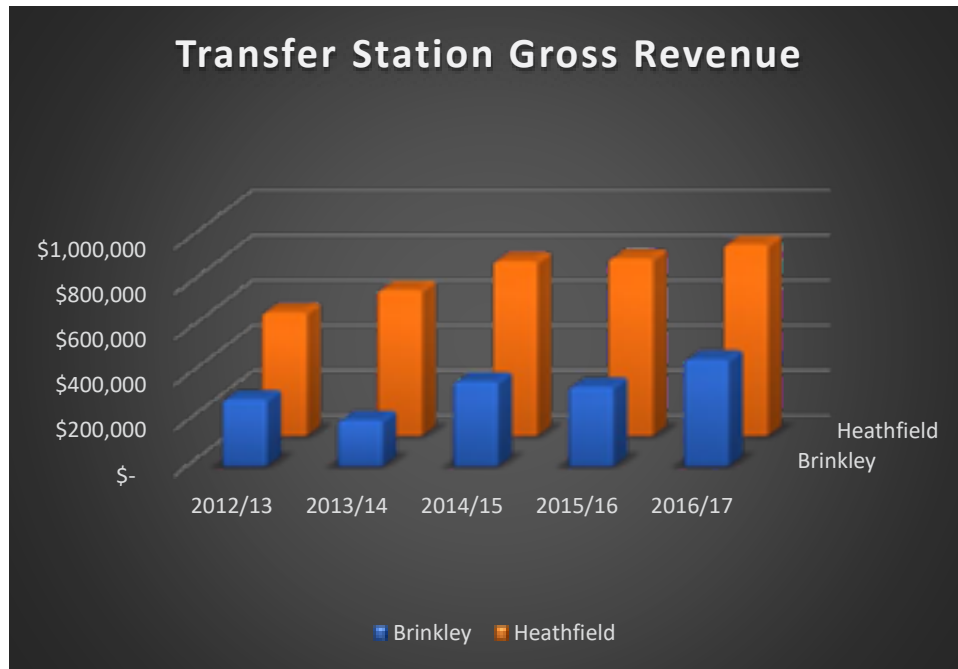
The Authority will continue to focus on expanding the construction and demolition resource recovery operations at the site which should further improve performance of the transfer station and will be investigating options to receive other waste streams for the benefit of the community.

Transfer Station Tonnes

The following table demonstrates the Transfer Station Tonnes disposed to landfill from Brinkley and Heathfield over the past two years. The Authority focuses heavily on diverting waste from landfill at the Transfer Stations and as a result achieves a diversion rate of close to 80%.

	2015/16	2016/17
Adelaide Hills Council Heathfield	2010	1840
Murray Bridge Brinkley	1682	1818

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY



Following a drop in steel revenue in 2015/16 as a result of a drop in steel prices the Authority worked towards improving steel revenue by negotiating transportation using the hooklift truck and as a result receiving a greater return for steel.

The Heathfield Transfer Station finished the year with a net loss of approximately \$37,000, compared to its budgeted loss of \$77,000, a positive variance of close to \$40,000.

The Brinkley Transfer Station finished the year with a net loss of approximately \$61,000, compared to a budgeted loss of \$91,000, a positive variance of \$30,000.

The Authority responded to an Expression of Interest Process undertaken by the Adelaide Hills Council for the operation of the Heathfield Transfer Station. This response enabled the Authority to provide an update to Adelaide Hills Council on the successful operation over the last five years and proposed continuing the operation on the same basis, which was accepted by the Council with a new agreement being established.

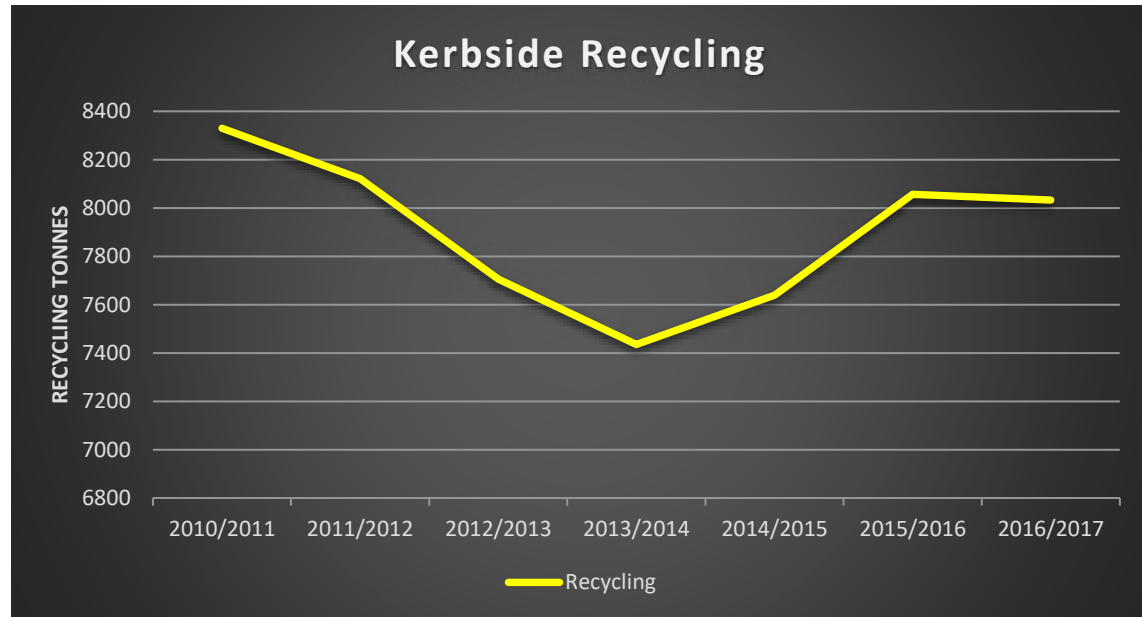
The Authority will continue to monitor the Transfer Station budgets and adjust operations where required.

Kerbside Waste and Recycling Collections

The Adelaide Hills Region Waste Management Authority employs a Waste Strategy Coordinator on behalf of three of its Member Councils. The Waste Strategy Coordinator manages waste services across the Adelaide Hills Council, the Mount Barker District Council and the Rural City of Murray Bridge.

Recycling Service

Year	Recycling
2010/2011	8330
2011/2012	8122
2012/2013	7706
2013/2014	7435
2014/2015	7640
2015/2016	8057
2016/2017	8032



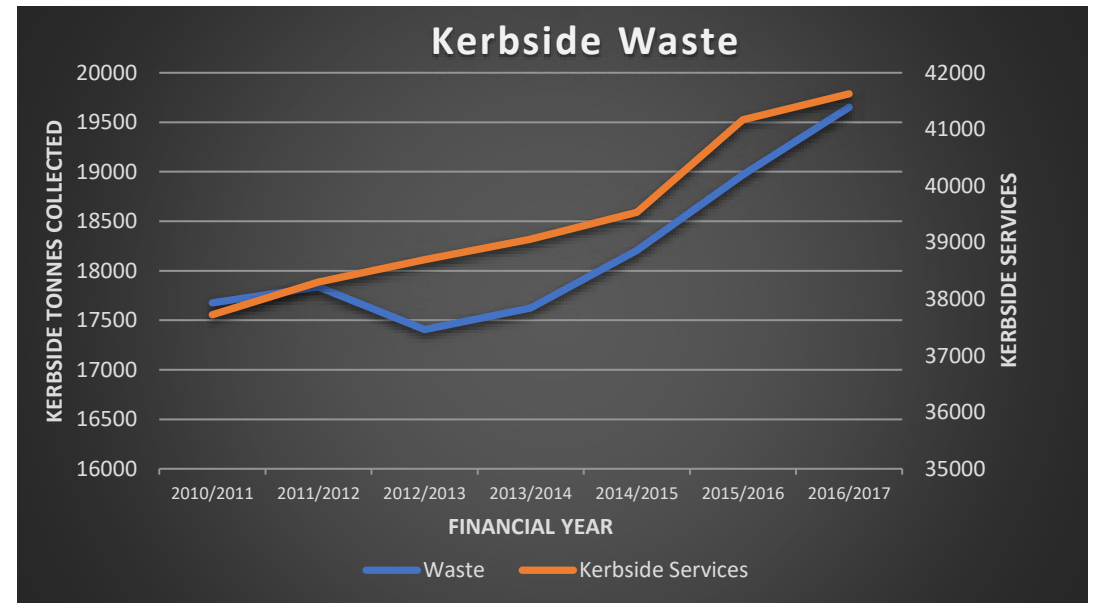
Across the three Councils a total of 8,032 tonnes of recycling was collected via the kerbside service, which is a decrease of 24 tonnes compared to the 2015/16 year. Recycling has remained fairly steady and has increased since 2013/14, however the overall tonnes of recyclables collected are still down in comparison to 2010-2011, which is likely due to an initial large uptake following the introduction the two/three bin service. All Councils now receive a rebate for their kerbside recyclables.

Waste Service

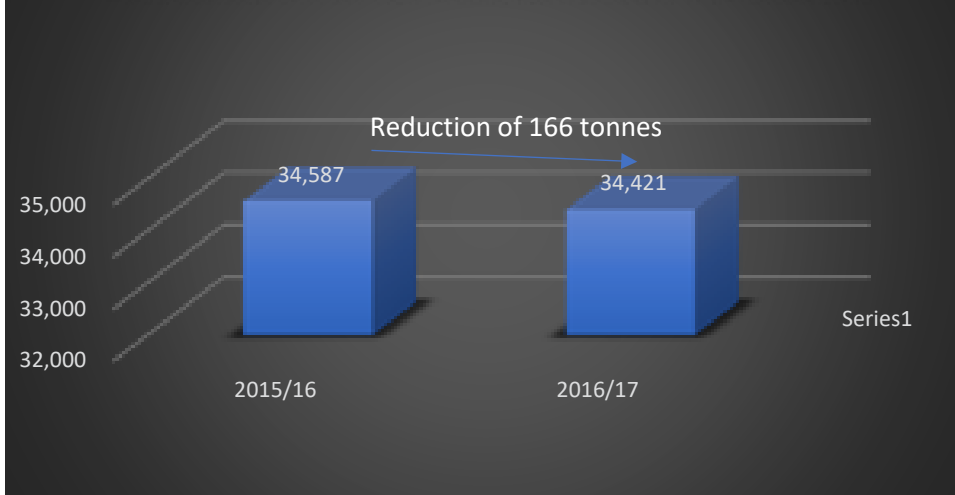
The amount of waste collected through the kerbside service across the three member Councils has increased slightly to 9.1kg/hh/wk, up from 8.9kg/hh/wk. Total waste including Transfer Station and Kerbside waste across the Authority's four Member Councils has decreased by 166 tonnes between 2015/16 and 2016/17.

Kerbside waste tonnage comparisons

	Kerbside Services	Waste Tonnes
2010/2011	37722	17674
2011/2012	38298	17839
2012/2013	38696	17406
2013/2014	39059	17625
2014/2015	39533	18206
2015/2016	41168	18969
2016/2017	41628	19652



Member Councils Total Waste Tonnes

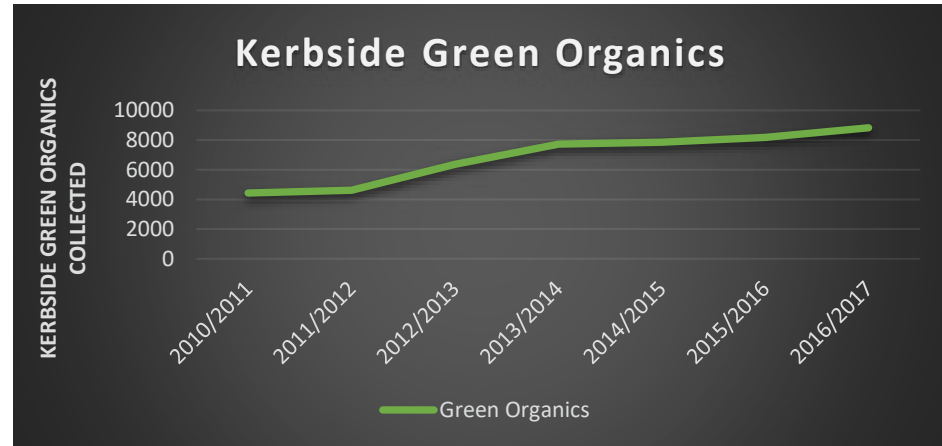


Green Organics Service

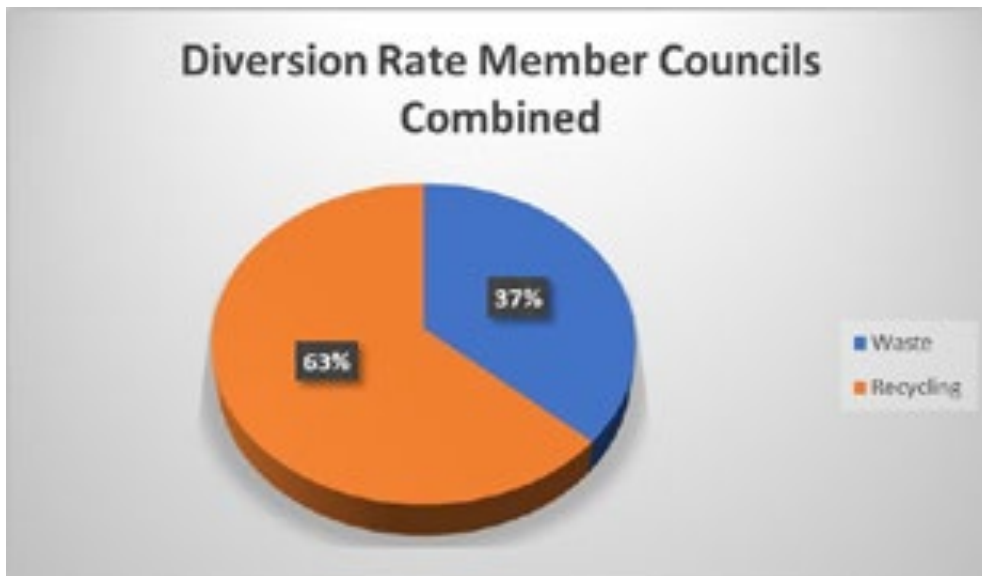
Properties within the Township areas of the three Councils are entitled to a green bin service. The table and graph below shows that the amount of green organics collected has increased significantly over the last five years, with the introduction of the kerbside service to townships within the Adelaide Hills Council and the introduction of a complete food scraps collection program across the Mount Barker District Council and an optional program within the Adelaide Hills Council. In 2016/17 a total of 8,830 tonnes was collected, which is an increase of 653 tonnes.

Kerbside green organics tonnage comparisons

Year	Greens Tonnes
2010/2011	4430
2011/2012	4624
2012/2013	6360
2013/2014	7718
2014/2015	7850
2015/2016	8176
2016/2017	8830

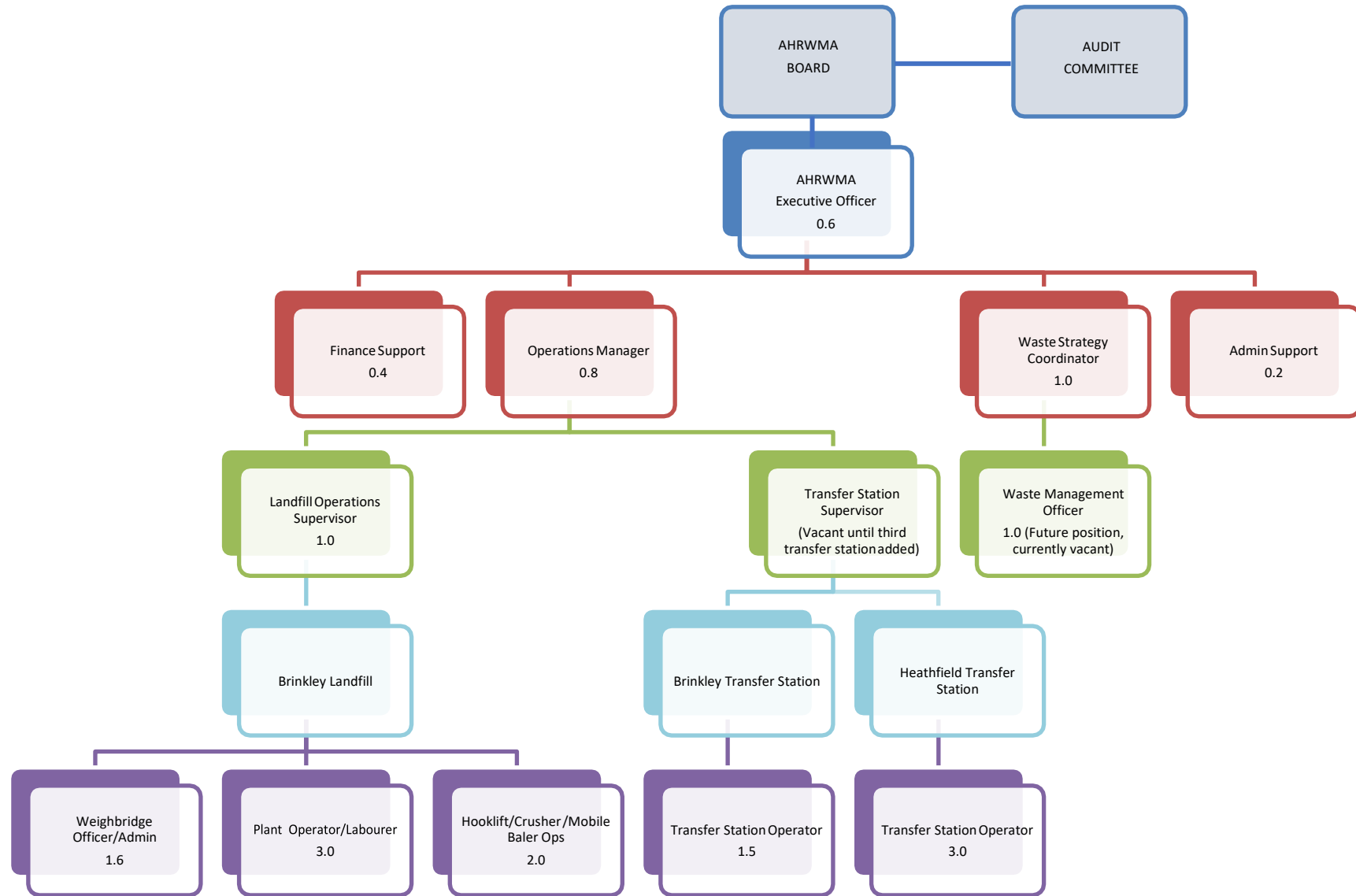


Total Diversion



The total waste diversion rate across the Authority's four Member Councils was 63% in 2016/2017, with 37% of all waste generated being disposed to landfill.

Organisational Chart



Adelaide Hills Region Waste Management Authority

General Purpose Financial Reports for the year ended 30 June 2017

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Adelaide Hills Region Waste Management Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
INCOME			
User charges	2	2,908,740	2,987,716
Investment income	2	488	1,087
Other income	2	2,069,442	1,882,276
Total Income		<u>4,978,670</u>	<u>4,871,079</u>
EXPENSES			
Employee costs	3	875,446	878,100
Materials, contracts & other expenses	3	4,459,718	3,678,129
Depreciation, amortisation & impairment	3	506,074	705,773
Finance costs	3	10,785	1,284
Total Expenses		<u>5,852,023</u>	<u>5,263,286</u>
OPERATING SURPLUS / (DEFICIT)		(873,353)	(392,207)
Asset disposal & fair value adjustments	4	(14,143)	(7,134)
NET SURPLUS / (DEFICIT)		<u>(887,496)</u>	<u>(399,341)</u>
transferred to Equity Statement			(399,341)
TOTAL COMPREHENSIVE INCOME		<u>(887,496)</u>	<u>(399,341)</u>

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

Adelaide Hills Region Waste Management Authority

STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

ASSETS	Notes	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	5	294,370	236,715
Trade & other receivables	5	411,917	479,556
Inventories	5	3,537	6,283
Total Current Assets		<u>709,824</u>	<u>722,554</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	2,479,808	3,102,524
Total Non-current Assets		<u>2,479,808</u>	<u>3,102,524</u>
Total Assets		<u>3,189,632</u>	<u>3,825,078</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	859,928	785,076
Borrowings	7	400,000	-
Provisions	7	125,082	108,702
Total Current Liabilities		<u>1,385,010</u>	<u>893,778</u>
Non-current Liabilities			
Borrowings	7	-	100,000
Provisions	7	859,354	998,536
Total Non-current Liabilities		<u>859,354</u>	<u>1,098,536</u>
Total Liabilities		<u>2,244,364</u>	<u>1,992,314</u>
NET ASSETS		<u>945,268</u>	<u>1,832,764</u>
EQUITY			
Accumulated Surplus	8	945,268	1,832,764
TOTAL EQUITY		<u>945,268</u>	<u>1,832,764</u>

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

Adelaide Hills Region Waste Management Authority

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

	Notes	Accumulated Surplus	TOTAL EQUITY
2017		\$	\$
Balance at end of previous reporting period		1,832,764	1,832,764
Net Surplus / (Deficit) for Year		<u>(887,496)</u>	<u>(887,496)</u>
Balance at end of period		<u>945,268</u>	<u>945,268</u>
2016			
Balance at end of previous reporting period		2,232,105	2,232,105
Net Surplus / (Deficit) for Year		<u>(399,341)</u>	<u>(399,341)</u>
Balance at end of period		<u>1,832,764</u>	<u>1,832,764</u>

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

Adelaide Hills Region Waste Management Authority

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		5,499,960	5,298,941
Investment receipts		633	904
<u>Payments</u>			
Operating payments to suppliers & employees		(5,700,561)	(4,676,903)
Finance payments		<u>(7,376)</u>	<u>(1,423)</u>
Net Cash provided by (or used in) Operating Activities	9	(207,344)	621,519
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets	4	49,500	32,806
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(36,509)	(67,611)
Expenditure on new/upgraded assets		<u>(47,992)</u>	<u>(559,027)</u>
Net Cash provided by (or used in) Investing Activities		(35,001)	(593,832)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		300,000	-
<u>Payments</u>			
Repayments of Borrowings		<u>-</u>	<u>(100,000)</u>
Net Cash provided by (or used in) Financing Activities		300,000	(100,000)
Net Increase (Decrease) in cash held		57,655	(72,313)
Cash & cash equivalents at beginning of period	9	<u>236,715</u>	<u>309,028</u>
Cash & cash equivalents at end of period	9	<u>294,370</u>	<u>236,715</u>

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, Mount Barker District Council and The Rural City of Murray Bridge.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

2 The Local Government Reporting Entity

Adelaide Hills Region Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act 1999, and has its principal place of business at c/-of Mount Barker District Council, 6 Dutton Road, Mt Barker. These financial statements have been prepared for use by constituent councils of the Authority.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority 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 income 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 income in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period.

Adelaide Hills Region Waste Management Authority

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

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority'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 policy applied to financial instruments forms part of Note 10.

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Road Construction & Reconstruction	\$10,000
Paving & Footpaths, Kerb & Gutter	\$2,000

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Adelaide Hills Region Waste Management Authority

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

Note 1 - Significant Accounting Policies (cont)

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

<u>Plant, Furniture & Equipment</u>	
Office Equipment	5 years
Other Plant & Equipment	5 years
<u>Infrastructure</u>	
Unsealed Roads	15 years
Fencing	15 years
Water Tanks	30 years
Litter Fence	5 years
Pumps	5 years
Monitor Bore	10 years
Buildings	20 years
Roads	25 years

Cell construction expenditure for this year has been capitalised and will be amortised over the estimated filling life of the cell. Any further expenditure on the cell to complete its useful life will be amortised over that remaining life.

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

Adelaide Hills Region Waste Management Authority

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

Note 1 - Significant Accounting Policies (cont)

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

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

9.2 Superannuation

The Authority makes employer superannuation contributions in respect to its employees to the Local Government Superannuation Scheme. The scheme has two types of membership, each of which is funded differently. The Authority's employees are only members of the accumulated fund.

Accumulated fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2016/17). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the net assets of the Fund.

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

10 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustment to the liability as required ensuring an accurate projected cost of the liability is showing in the Statement of Financial Position. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

Adelaide Hills Region Waste Management Authority

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

Note 1 - Significant Accounting Policies (cont)

11 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers commences 1 January 2018 and hence will first affect the financial reports for 2018/19. (The commencement date has already been deferred once, and there may be further deferrals).

The commencement of the new Standard will not result in any changes to the amounts recognised in the Authority's financial statements under this classification, as the Authority does not enter into contracts with customers.

Adelaide Hills Region Waste Management Authority

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

Note 2 - INCOME

	Notes	2017 \$	2016 \$
USER CHARGES			
Waste disposal fee - Adelaide Hills Council		896,446	824,591
Waste disposal fee - Alexandrina Council		178,304	203,322
Waste disposal fee - Mount Barker District Council		574,859	565,552
Waste disposal fee - Rural City of Murray Bridge		477,967	388,523
Waste disposal fee - Other Customers		781,164	1,005,728
		<u>2,908,740</u>	<u>2,987,716</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		488	1,087
		<u>488</u>	<u>1,087</u>
OTHER INCOME			
Consultancy service		5,900	-
Waste officer contribution		139,740	132,300
Waste Transfer Station Income		1,440,949	1,150,675
Waste Transfer Station Management		98,611	219,202
Transport Income		199,048	174,646
Fuel Tax Rebate		47,421	34,822
Machinery Charge Out		117,042	141,857
Recycled Income		3,124	4,575
Sundry		17,607	24,199
		<u>2,069,442</u>	<u>1,882,276</u>

Adelaide Hills Region Waste Management Authority

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

Note 3 - EXPENSES

	Notes	2017 \$	2016 \$
EMPLOYEE COSTS			
Salaries and Wages		675,230	684,456
Employee leave expense		84,851	84,847
Superannuation		69,180	68,406
Workers' Compensation Insurance		22,771	18,909
Other		23,414	21,482
Total Operating Employee Costs		875,446	878,100
 Total Number of Employees		 10	 10
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		3,730	3,620
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		271,171	116,560
Waste Transfer Station Expenses		1,059,032	893,033
Repairs and Maintenance		188,121	231,814
Leachate Monitoring/Pumping		-	-
Research and Development		6,435	435
Administration and Accountancy Service		53,603	51,800
EPA Waste Levy		1,545,590	1,236,687
EPA Licence Fees		8,055	7,922
Land Lease		48,022	47,487
Insurance and Legal		891,492	605,979
Professional Services		260,490	329,503
Parts, accessories & consumables		118,031	149,037
Sundry		5,946	4,253
Subtotal - Other Materials, Contracts & Expenses		4,455,988	3,674,509
		4,459,718	3,678,129

Adelaide Hills Region Waste Management Authority

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

Note 3 - EXPENSES (cont)

	Notes	2017 \$	2016 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Road Infrastructure	6	5,534	5,534
Buildings	6	13,879	12,618
Vehicles	6	20,988	19,867
Plant & Equipment	6	174,015	263,708
Landfill Cells*	6	194,906	276,116
Leachate Ponds	6	8,697	8,697
Landfill Rehabilitation	6	14,463	22,877
Landfill Cell Capping	6	73,592	96,356
		<u>506,074</u>	<u>705,773</u>
FINANCE COSTS			
Interest on overdraft and short-term drawdown		<u>10,785</u>	<u>1,284</u>
		<u>10,785</u>	<u>1,284</u>

Adelaide Hills Region Waste Management Authority

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2017 \$	2016 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		49,500	32,806
Less: Carrying amount of assets sold	6	<u>63,643</u>	<u>39,940</u>
Gain (Loss) on disposal		<u>(14,143)</u>	<u>(7,134)</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		<u>(14,143)</u>	<u>(7,134)</u>

Adelaide Hills Region Waste Management Authority

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

Note 5 - CURRENT ASSETS

	Notes	2017 \$	2016 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		283,939	226,733
Deposits at Call		<u>10,431</u>	<u>9,982</u>
		<u>294,370</u>	<u>236,715</u>
 TRADE & OTHER RECEIVABLES			
Accrued Revenues		1,729	183
Debtors - general		<u>410,188</u>	<u>479,373</u>
		<u>411,917</u>	<u>479,556</u>
 INVENTORIES			
Stores & Materials		<u>3,537</u>	<u>6,283</u>
		<u>3,537</u>	<u>6,283</u>

Adelaide Hills Region Waste Management Authority

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

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016 \$				2017 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Road Infrastructure	-	138,352	(16,671)	121,681	-	138,352	(22,205)	116,147
Buildings	-	266,243	(37,942)	228,301	-	266,763	(51,821)	214,942
Vehicles	-	92,963	(16,784)	76,179	-	92,963	(37,772)	55,191
Plant & Equipment	-	2,603,780	(1,368,924)	1,234,856	-	2,406,080	(1,372,893)	1,033,187
Landfill Cells*	-	1,527,521	(771,650)	755,871	-	1,575,513	(966,556)	608,957
Leachate Ponds	-	173,938	(19,318)	154,620	-	173,938	(28,015)	145,923
Landfill Rehabilitation	-	541,300	(106,639)	434,661	-	395,900	(121,102)	274,798
Landfill Cell Capping	-	390,400	(294,045)	96,355	-	398,300	(367,637)	30,663
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	5,734,497	(2,631,973)	3,102,524	-	5,447,809	(2,968,001)	2,479,808
<i>Comparatives</i>		5,091,988	(1,987,389)	3,104,599		5,734,497	(2,631,973)	3,102,524

This Note continues on the following page.

** Please note Landfill Cells includes an amount relating to Cell 8 which is in WIP.*

Adelaide Hills Region Waste Management Authority

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

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont.)

	2016	CARRYING AMOUNT MOVEMENTS DURING YEAR						2017	
	\$	\$						\$	
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Adjustments	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Road Infrastructure	121,681	-	-	-	(5,534)	-	-	116,147	
Buildings	228,301	-	520	-	(13,879)	-	-	214,942	
Vehicles	76,179	-	-	-	(20,988)	-	-	55,191	
Plant & Equipment	1,234,856	-	35,989	(63,643)	(174,015)	-	-	1,033,187	
Landfill Cells*	755,871	47,992	-	-	(194,906)	-	-	608,957	
Leachate Ponds	154,620	-	-	-	(8,697)	-	-	145,923	
Landfill Rehabilitation	434,661	-	-	-	(14,463)	(145,400)	-	274,798	
Landfill Cell Capping	96,355	-	7,900	-	(73,592)	-	-	30,663	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	3,102,524	47,992	44,409	(63,643)	(506,074)	-	(145,400)	-	2,479,808
<i>Comparatives</i>	3,104,599	559,027	184,611	(39,940)	(705,773)	-	-	-	3,102,524

* Please note Landfill Cells includes an amount relating to Cell 8 which is in WIP.

Adelaide Hills Region Waste Management Authority

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

Note 7 - LIABILITIES

	Notes	2017		2016	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		736,928	-	764,657	-
Accrued expenses - other		3,584	-	175	-
Other		119,416	-	20,244	-
		<u>859,928</u>	<u>-</u>	<u>785,076</u>	<u>-</u>
BORROWINGS					
Cash Advance Debenture		400,000	-	-	100,000
<i>CAD Facility due to expire on 15/4/18</i>		<u>400,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
PROVISIONS					
Annual Leave		89,701	-	96,284	-
Long Service Leave		35,381	65,154	12,418	66,836
Future reinstatement / restoration, etc		-	794,200	-	931,700
		<u>125,082</u>	<u>859,354</u>	<u>108,702</u>	<u>998,536</u>
Movements in Provisions - 2017 year only <i>(current & non-current)</i>					
			<i>Future Reinstatement</i>	<i>Cell Capping</i>	<i>Total</i>
Opening Balance		541,300	390,400	931,700	
Add Additional amounts recognised		<u>(145,400)</u>	<u>7,900</u>	<u>(137,500)</u>	
Closing Balance		<u>395,900</u>	<u>398,300</u>	<u>794,200</u>	

Adelaide Hills Region Waste Management Authority

RESERVES & EQUITY Note 8 - RESERVES & EQUITY

DISTRIBUTION SHARE OF SURPLUS/(DEFICIT)

The net surplus for the year has been allocated in proportion to the volumes of waste deposited by each respective constituent council.

	2017	2016
Volumes of waste dumped (in tonnes)	%	%
Adelaide Hills Council	34.6%	35.9%
Alexandrina Council	9.2%	11.0%
Mount Barker District Council	30.7%	30.1%
Rural City of Murray Bridge	25.5%	23.0%
	<u>100%</u>	<u>100%</u>

Distribution in accordance with the above percentages

	\$	\$
Adelaide Hills Council	(307,074)	(143,523)
Alexandrina Council	(81,650)	(44,064)
Mount Barker District Council	(272,461)	(120,079)
Rural City of Murray Bridge	(226,311)	(91,675)
	<u>(887,496)</u>	<u>(399,341)</u>

DISTRIBUTION SHARE OF EQUITY

Adelaide Hills Council		
Balance at end of previous reporting period	693,591	837,114
Share of surplus	(307,074)	(143,523)
Balance at end of period	<u>386,517</u>	<u>693,591</u>

Alexandrina Council		
Balance at end of previous reporting period	187,311	231,375
Share of surplus	(81,650)	(44,064)
Balance at end of period	<u>105,661</u>	<u>187,311</u>

Mount Barker District Council		
Balance at end of previous reporting period	656,176	776,255
Share of surplus	(272,461)	(120,079)
Balance at end of period	<u>383,715</u>	<u>656,176</u>

Rural City of Murray Bridge		
Balance at end of previous reporting period	295,686	387,361
Share of surplus	(226,311)	(91,675)
Balance at end of period	<u>69,375</u>	<u>295,686</u>

TOTAL EQUITY AT END OF REPORTING PERIOD	945,268	1,832,764
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Adelaide Hills Region Waste Management Authority

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

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017	2016
		\$	\$
Total cash & equivalent assets	5	294,370	236,715
Balances per Cash Flow Statement		<u>294,370</u>	<u>236,715</u>

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

Net Surplus (Deficit)		(887,496)	(399,341)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		506,074	705,773
Net increase (decrease) in unpaid employee benefits		14,698	39,353
Grants for capital acquisitions treated as Investing Activity		-	-
Net (Gain) Loss on Disposals		14,143	7,134
		<u>(352,581)</u>	<u>352,919</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		67,639	(1,574)
Net (increase) decrease in inventories		2,746	147
Net (increase) decrease in other current assets		-	-
Net increase (decrease) in trade & other payables		74,852	270,027
Net increase (decrease) in other provisions		-	-
Net Cash provided by (or used in) operations		<u>(207,344)</u>	<u>621,519</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Estimated future reinstatement etc. costs		<u>(137,500)</u>	<u>117,000</u>

(d) Financing Arrangements

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

Cash Advance Debenture Facility (CAD)		450,000	450,000
Loan Facilities - Outstanding Principle		-	-
Corporate Credit Cards		8,000	6,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice, this facility is provided by the Local Government Finance Authority of SA.

As at 30 June 2017 the Authority has drawn down \$400,000 of the available CAD limit.

Adelaide Hills Region Waste Management Authority

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

Note 10 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits at call have an average maturity of 90 days and an average interest rate of 1.52% (2016: 90 days, 1.96%).</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Overdraft	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues interest is charged at an average variable rate of 4.02%.</p> <p>Carrying amount: Approximates fair value.</p>

Adelaide Hills Region Waste Management Authority

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

Note 10 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	294,370	-	-	294,370	294,370
Receivables	411,917	-	-	411,917	411,917
Total	706,287	-	-	706,287	706,287
Financial Liabilities					
Payables	856,344	-	-	856,344	856,344
Borrowings	400,000	-	-	400,000	400,000
Total	1,256,344	-	-	1,256,344	1,256,344
2016	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	236,715	-	-	236,715	236,715
Receivables	479,556	-	-	479,556	479,556
Total	716,271	-	-	716,271	716,271
Financial Liabilities					
Payables	784,901	-	-	784,901	784,901
Borrowings	100,000	-	-	100,000	100,000
Total	884,901	-	-	884,901	884,901

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
Overdraft	4.70	\$ 400,000	4.7	\$ 100,000
Non Interest Bearing	-	856,344	-	784,901
		1,256,344		884,901

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 Authority.

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 Authority is the carrying amount, net of any allowance for doubtful debts. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Authority'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 Authority'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 Authority 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. The Authority also has available a bank overdraft that it can access.

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

Adelaide Hills Region Waste Management Authority

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

Note 11 - COMMITMENTS FOR EXPENDITURE

The Authority as at 30 June 2017 had no commitments for expenditure.

Note 12 - OPERATING LEASES

The Authority as at 30 June 2017 has a commitment to lease the land on which the Brinkley landfill presides. The current lease expires on the 13th February 2019.

Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2017 is a defendant in Supreme Court proceedings in which it is asserted that the Authority made misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. The Authority is defending the claim and legal costs will continue to be incurred. The claim for damages is approximately \$2.5 million plus legal costs. The Authority's legal advisors have stated the claim is denied and has been fully defended.

Note 14 - EVENTS OCCURING AFTER REPORTING DATE

There were no events subsequent to 30 June 2017 that need to be disclosed in the financial statements.

Adelaide Hills Region Waste Management Authority

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

Note 15 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair, the Board, Executive Officer and Acting Executive Officer prescribed as officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2017
Salaries, allowances & other short term benefits	\$ 213,277
Post-employment benefits	\$ -
Long term benefits	\$ 3,054
Termination Benefits	\$ -
TOTAL	\$ 216,331

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Adelaide Hills Council	896	85	Provision of waste processing and disposal services.
Alexandrina Council	178	16	Provision of waste processing and disposal services.
Mount Barker District Council	575	57	Provision of waste processing and disposal services.
Rural City of Murray Bridge	478	61	Provision of waste processing and disposal services.

Amounts recorded as outstanding from Related Parties are recorded in trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial operating decisions of the Authority. No one Member Council individually has control of those policies.

Adelaide Hills Region Waste Management Authority

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

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2017 \$	2016 \$
Income	4,978,670	4,871,079
<i>less</i> Expenses	<u>5,852,023</u>	<u>5,263,286</u>
Operating Surplus / (Deficit)	(873,353)	(392,207)
 <i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	36,509	67,611
<i>less</i> Depreciation, Amortisation and Impairment	506,074	705,773
<i>less</i> Proceeds from Sale of Replaced Assets	<u>49,500</u>	<u>32,806</u>
	(519,065)	(670,968)
 <i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	47,992	559,027
	<u>47,992</u>	<u>559,027</u>
Net Lending / (Borrowing) for Financial Year	<u>(402,280)</u>	<u>(280,266)</u>

Adelaide Hills Region Waste Management Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Adelaide Hills Region Waste Management Authority to certify the financial statements in their final form. In our opinion:

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

.....
Leah Maxwell
ACTING EXECUTIVE OFFICE


.....
Councillor Lindsay Campbell
CHAIR PERSON

Date:

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

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

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2017, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Andrew Aitken
CHIEF EXECUTIVE OFFICER
Adelaide Hills Council

Date:

30/6/2017

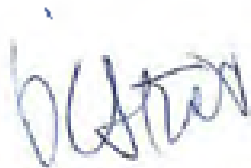
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

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

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.....
Andrew Stuart
CHIEF EXECUTIVE OFFICER
Mount Barker District Council

Date:

4/8/17

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

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This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.


.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 29/06/2017

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

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

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This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.


Michael Sedgman 10.07.2017
CHIEF EXECUTIVE OFFICER
Rural City of Murray Bridge

Date:

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

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

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This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



Leah Maxwell
ACTING EXECUTIVE
OFFICER



Peter Brass
CHAIR AUDIT
COMMITTEE

Date: 27/7/17

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Appendix 2 ***Subsidiaries***

**Eastern Waste Management
Authority (East Waste)**
Annual Report 2016/17

EastWaste



**ANNUAL
REPORT
2016-2017**



ANNUAL REPORT 2016-2017

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- 11** GENERAL MANAGER'S REPORT
- 17** TONNAGE DATA
- 18** EAST WASTE GOVERNANCE
- 21** FINANCIAL STATEMENTS



**THE YEAR IN
REVIEW
2016-2017**

at a glance...

**MORE THAN
97%**

**OF BINS
WERE RETURNED
UPRIGHT TO KERB
WITH LIDS CLOSED**

55%

**OF WASTE
DIVERTED FROM
LANDFILL**

102,107

TONNES WAS COLLECTED

2,513

**TONNES
OF HARD WASTE
COLLECTED**

200,000

**BINS
COLLECTED
EACH WEEK**

OVER
6,000
WHICHBIN.COM.AU

PAGE VIEWS
SINCE WEBSITE LAUNCH
IN DECEMBER 2016

LAUNCH OF
Why Waste It?
CAMPAIGN



95%
SATISFACTION

RATING AMONGST
THE COMMUNITY WITHIN
OUR MEMBER COUNCILS

95%
SATISFACTION

RATING AMONGST
OUR CORPORATE
PARTNERS

**BASED ON FINANCIAL
PERFORMANCE
THROUGHOUT THE
2016-2017 FINANCIAL
YEAR THE EAST WASTE
BOARD RESOLVED NOT
TO INCREASE MEMBER
COUNCIL FEES FOR THE
2017/18 FINANCIAL YEAR**

THAT'S A
0%
INCREASE

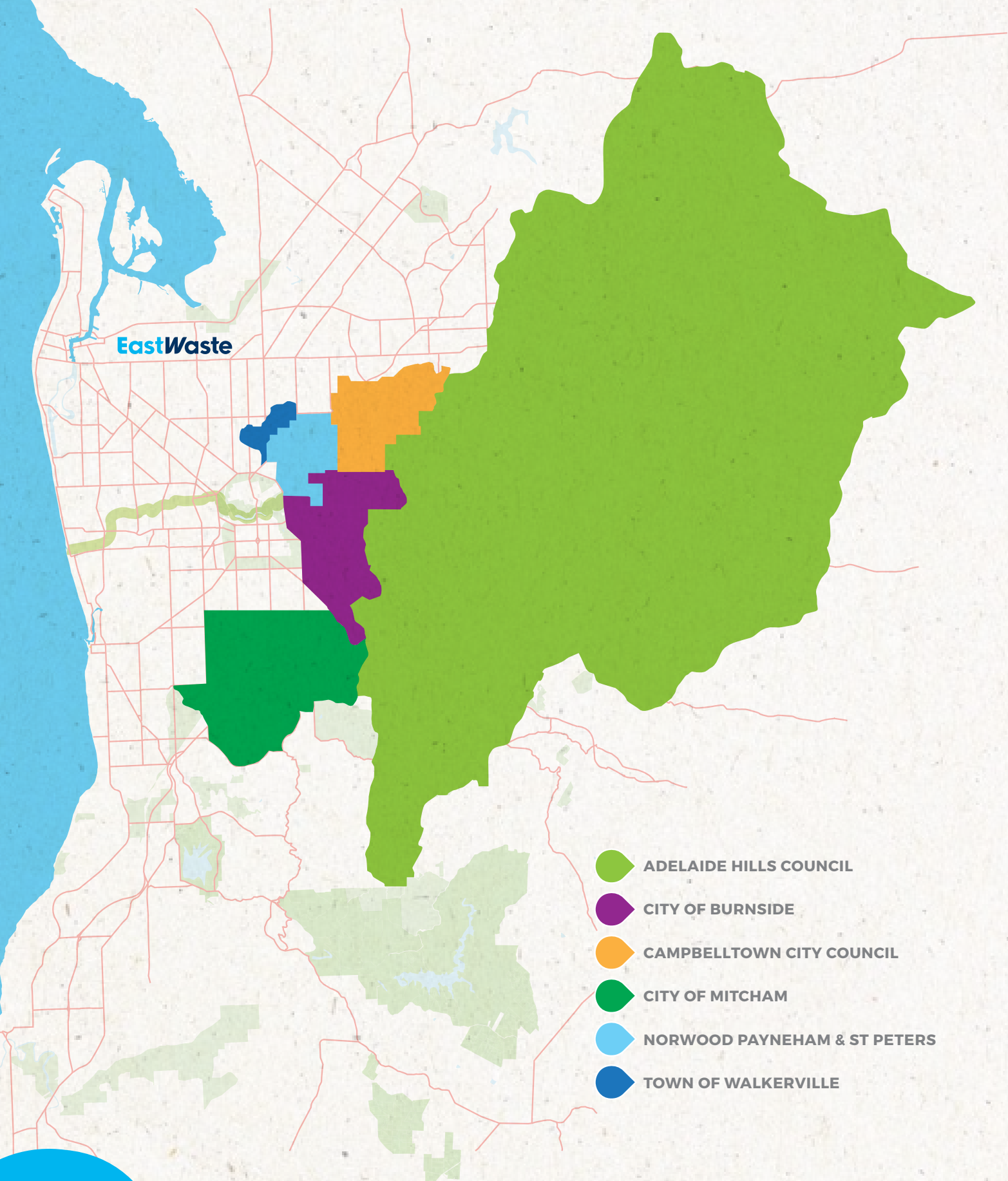
100%
COMPLIANCE

WITH THE 2016-2017
WHS AUDIT
REQUIREMENTS

**NEW SERVICES
COMMENCED**

**HARD WASTE COLLECTION SERVICE
FOR ADELAIDE HILLS COUNCIL**
**STREET LITTER BIN COLLECTION SERVICE
FOR CAMPBELLTOWN CITY COUNCIL**

EAST WASTE SERVICE AREA



ABOUT EAST WASTE

East Waste is the trading name of Eastern Waste Management Authority, which was established in 1928. The Authority is a regional subsidiary of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood, Payneham & St Peters, City of Mitcham, and the Corporation of the Town of Walkerville. These six Councils are referred to as Member or Constituent Councils of East Waste. East Waste is governed by a Charter pursuant to Section 43 of the *Local Government Act 1999* (the Charter).

East Waste is administered by a Board in accordance with the requirements of the *Local Government Act*, the Charter, and other various policies.

The membership of the Board comprises of seven directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste.

East Waste's primary purpose is to provide effective waste collection services for its Member Councils. The exact nature of the waste collection services are determined independently by each Council to meet the needs of their respective communities.

East Waste operates on a cost share basis between Member Councils. This ensures Councils are not subject to providing varying levels of profit that are required by private sector operators, whilst still benefiting from efficiency, buying power and cost effectiveness through East Waste as a service provider.

From time to time, East Waste is contracted to provide waste collection services for other Councils (referred to as Client Councils).

The primary advantages from the East Waste delivery model can be summarised as:

- Appropriate economical return from the at-cost charging methodology based on GPS cost allocation;

- Enhanced quality of service by measuring and valuing quality capacities as well as financial indicators;
- Flexibility in service delivery allowing responsiveness to emerging community and market demands;
- Aligned values and strategic direction with Member Councils, to protect and promote reputation management;
- Reducing exposure of East Waste's services to the commercial profit-driven market.

Core Services

East Waste's core business is defined in the Charter as collection, recycling, and disposal of waste produced in the area of one or more of the Member Councils. This core business is undertaken in regard to the following broad understandings:

- Continually operate to the parameters set within the Charter;
- Deliver efficient, effective and value for money services for Member Councils;
- Maintain quality services that are quantified by certain metrics (i.e. >90% of bins returned upright to kerb with lids closed);
- Effective and positive complaint handling and timely resolution of complaints, and
- Vehicles are clean, maintained and well presented.

THE ROLLOUT OF THE 'WHY WASTE IT?' CAMPAIGN IS AIMED AT EDUCATING AND PROMOTING RESPONSIBLE BEHAVIOUR AROUND REDUCING WASTE AND IMPROVING RECYCLING, WITH THE ULTIMATE AIM TO REDUCE WASTE TO LANDFILL.



37

BANNERS

**AT PROMINENT SITES
THROUGHOUT OUR
MEMBER COUNCILS WITH
THE 'WHY WASTE IT?'
MESSAGE**

EastWaste

EAST WASTE CHAIRPERSON'S REPORT

It is with great pleasure that I can again report that East Waste has performed strongly. East Waste continues to deliver in accordance with its vision of providing a safe, high quality, low cost, waste and resource recovery collection service. We expect in the future that we will continue to respond to our various community's needs and we confidently look forward to an even greater impact in the enhanced education and promotion of responsible waste management within households through our revamped education programs.

I am pleased to offer you the following highlights, which provide some background to the outstanding results achieved for the year. East Waste's General Manager Rob Gregory will detail further successes and achievements in his 2016/17 Report.

Education Highlights

The 2016/17 Financial Year has seen the commencement of East Waste's "Why Waste it?" campaign. The campaign is aimed at educating and promoting responsible behaviour around reducing waste and improving recycling, with the ultimate aim to reduce waste being sent to landfill.

East Waste has received a great response in relation to the roll-out of the campaign, and some particular highlights are as follows:

Which Bin website (whichbin.com.au) – this micro-site is central to the campaign and provides residents and Member Councils with an A-Z guide with over 430 common household items, indicating 'which bin' they go in as well as alternative recycling and disposal options. The website also hosts a range of educational flyers, posters, banners, bin stickers and facts sheets for residents, schools and Member Councils to download.

Street signage and bus shelter campaigns – a recycling focused campaign was run from March to June. 'Why waste it? When you can recycle it' and 'Why waste it? Thank you for recycling it' messages were promoted through street signage, street banners and a bus shelter campaign.

Newsletters, Articles and Fact Sheets – East Waste has produced and disseminated regular articles and fact sheets across Member Council publications, websites, social media and e-news bulletins.

As per the 2016/17 Tonnage Data reported on page 17 this financial year has yet again seen 55% of waste diverted from landfill. This is a wonderful result which can be attributed to the encouraging behaviours of residents and the increasing impact of the education and promotion messaging being undertaken by East Waste and Member Councils.

Nil Fee Increase

The Audited Financial Statements for East Waste showed a significant operating surplus for the year of \$338,000.

This strong result is attributed to a number of factors which include; a clear strategic direction, a focused effort by all our staff, the introduction of operational efficiencies, the successful negotiation of longer term supply contracts, and lower fuel prices continuing to be realised.

The 2016/17 financial result is again consistent with previous financial years, and supports East Waste's Board commitment to providing a safe, high quality, low cost, waste and resource recovery collection service. Consistent with this commitment, the East Waste Board has resolved not to increase Member Council fees for the 2017/18 Financial Year. A 'nil fee increase' is an encouraging outcome in current economic conditions and reaffirms the prudent

EAST WASTE'S CONTINUED FOCUS ON QUALITY SERVICE DELIVERY THAT IS CONSISTENT, PROFESSIONAL AND EFFICIENT HAS RESULTED IN AN INCREASE IN SERVICES BEING OFFERED TO MEMBER COUNCILS IN THE 2016/17 FINANCIAL YEAR.



2,513
TONNES

**OF
HARD WASTE
COLLECTED**

EastWaste

EAST WASTE CHAIRPERSON'S REPORT

management and on-going execution of the Board's strategy.

New Member Council to Join East Waste

In November 2016 the City of Prospect conducted a Tender Call for the Provision of Collection Services for Household Waste, Recyclables, Organics, Street Litter and Hard Waste. The East Waste Board resolved to submit a tender and I am very pleased to advise that East Waste was successful in their tender, and the City of Prospect has resolved to join East Waste as a Member Council.

East Waste will commence providing services to City of Prospect as at 2 October 2017. This outcome is a real testament to the quality of the East Waste Business Model and the focus on efficiencies, innovation and continuous improvement.

The East Waste Board, staff and all Member Councils look forward to City of Prospect becoming a Member Council and working together into the future.

Thanks

Community, stakeholder and staff feedback recently received indicates that East Waste is responsive to community demands, and maintains awareness and continued expectations with respect to on-going service delivery.

This result provides a good segway into my final commentary whereby I would like to take the opportunity to say a warm "thank you" to Adam Faulkner (previous General Manager), who completed his tenure at East Waste at the end of the financial year due to accepting a CEO position with another organisation.

Adam has made a most significant contribution and impact to the performance of East Waste since his appointment in February 2014. He is passionate about the future direction of the local government and waste industry sectors, and this has been evident in his achievements as East Waste's General Manager. Adam has worked tirelessly to build and maintain strong relationships with our Member Councils, has developed a strong team around him and earned a strong "industry leader" reputation for East Waste.

We also welcome our new General Manager in Rob Gregory who has come to East Waste from his previous role as the Manager, City Services at the City of Norwood, Payneham and St Peters. Rob has a strong local and state government background and is very aware of the unique challenges waste subsidiaries face in demonstrating good value to member councils in a highly competitive industry. As a Board we welcome Rob and we look forward to his contribution to East Waste.

To all East Waste staff, I, together with the East Waste Board say thanks and well done on providing our Member Councils with excellent service, improving our efficiencies and complementing the Member Councils' reputations in each of their communities with high quality delivery of services.

The achievement of the above would not have been possible of course without the commitment and the continued direction of the Board of East Waste. The members of the Board continue to provide valuable professional support and guidance to the General Manager and his team. To all the Directors of East Waste I thank you for your guidance and support to East Waste. We look confidently forward to another successful year in 2017/18.

I commend the 2016-2017 East Waste Annual Report to you.



*Mr Brian Cunningham
Independent Chairperson*

THE 'WHY WASTE IT?' CAMPAIGN UTILISES STREET SIGNAGE AND BUS SHELTER MESSAGES - A RECYCLING FOCUSED CAMPAIGN WAS RUN FROM MARCH TO JUNE - 'WHY WASTE IT? WHEN YOU CAN RECYCLE IT' AND 'WHY WASTE IT? WHEN YOU CAN COMPOST IT'.



97%
OF BINS

**WERE RETURNED
UPRIGHT TO KERB
WITH LIDS CLOSED
IN 2016-17**

EAST WASTE GENERAL MANAGER'S REPORT

I would firstly like to express thanks to my predecessor, Mr Adam Faulkner. I have been fortunate enough to work with Adam in a stakeholder capacity for the past few years, which has allowed me to see first-hand the quality of achievements Adam has produced in his time as General Manager. I reiterate the comments of our Independent Chairman, Mr Brian Cunningham whereby Adam has made a significant and importantly lasting, impact and contribution to the performance of East Waste.

Adam's commitment to quality, consistency and efficiency measures has enabled East Waste to now be in the enviable position of having a reputation as an industry leader.

The working relationships with our Member Councils have flourished during Adam's tenure and he has built a lasting legacy in which we will continue to build upon.

The East Waste Board, staff and Member Councils wish Adam the very best as he embarks on his next opportunity and challenge.

New Member Council Services

East Waste's continued focus on quality service delivery that is consistent, professional and efficient has resulted in an increase in services being offered to Member Councils in the 2016/17 Financial Year.

As per the Services Matrix below, Adelaide Hills Council and City of Norwood, Payneham & St Peters resolved to appoint East Waste as the provider of their at-call hard waste service.

MEMBER COUNCIL	SERVICES											
	Weekly collection of general waste	Fortnightly Collection of Recyclables	Fortnightly Collection of Organics	Hard Waste	Litter Collection	Customer Service	Bin Repairs/Maintenance/Replacements	GPS Tracking	RFID Tracking	Recyclables Contract	Organics Contract	Education and Promotion
Adelaide Hills Council	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
City of Burnside	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓
Campbelltown City Council	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
City of Mitcham		✓	✓	✓		✓	✓	✓		✓	✓	✓
City of Norwood, Payneham & SP	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Corp Town of Walkerville	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓

East Waste is committed to maintaining the expected levels of repeatable quality in the delivery of all services, and will continue to build on the suite of services and capabilities it can offer Member Councils.

THE ENVIRONMENTAL AND FINANCIAL BENEFITS FROM SEPARATING OUT HOUSEHOLD RECYCLABLES AND ORGANICS AND PLACING THEM IN THE CORRECT BIN ARE SIGNIFICANT.



OVER
430
ITEMS

**CAN BE FOUND ON THE
WHICH BIN A-Z GUIDE TO
HOUSEHOLD ITEMS**

whichbin.com.au

EastWaste

EAST WASTE GENERAL MANAGER'S REPORT

In addition, Campbelltown City Council also resolved to appoint East Waste as the provider of their Street Litter Bin Collection Service.

Community and Staff Survey Results

In 2015 East Waste conducted its first community, Council and staff satisfaction survey process, which resulted in a high satisfaction rate with the services provided by East Waste.

Noting the passage of time and introduction of further improvements, changes and innovations, East Waste undertook a 'pulse check' survey process in 2017.

To ensure the quality of the fleet is maintained, the following 'non-negotiables' are applied:

- All collection vehicles are fully integrated with a GPS system that provides the location of the vehicle at all times;
- Each collection vehicle is fitted with four (4) cameras (front, rear and sides) to assist drivers with their vision;
- Reverse sensor technology on all vehicles;
- Daily inspections of vehicles, including tyre inspection;



I am pleased to report that East Waste achieved a very high 95% satisfaction rating with the services provided to residents, Member Councils and stakeholders.

This positive result supports East Waste's vision and provides encouragement in continuing to offer a high quality, low cost, essential waste and recycling collection service to our Member Councils.

Fleet Management

East Waste is committed to maintaining a fleet of collection vehicles that are high performing, reliable and safe. East Waste adheres to an annual fleet replacement program that ensures that no vehicle in our fleet older than eight (8) years.

- Servicing of all collection vehicles at 100 and 400 completed engine hours; and
- An approved independent contractor conducts an annual audit/inspection of the entire East Waste collection fleet.

Innovation and Technology

The 2016/17 Financial Year has seen East Waste invest in and trial innovative technologies in an effort to maximise service delivery to residents. The technology procured has assisted East Waste in optimising collection routes for drivers, which in turn has enabled us to increase the capabilities of our Common Fleet across all Member Council services areas.

EAST WASTE WILL CONTINUE TO INVEST IN INNOVATION TRIALS AND TECHNOLOGY IMPROVEMENTS WHERE POSSIBLE TO ENSURE WE ARE AT THE FORE FRONT OF WASTE COLLECTION AND EDUCATION FOR OUR MEMBER COUNCILS AND THEIR RESIDENTS.



55%
OF WASTE

**DIVERTED FROM
LANDFILL IN THE 2016-2017
FINANCIAL YEAR**

EAST WASTE GENERAL MANAGER'S REPORT



In addition, East Waste has invested in trial technology to assist in the analysis and support of our education and promotion campaign. This technology enables East Waste to determine the effectiveness of the education and promotion campaign, and therefore enhance or adjust strategies in maximising the benefits of the education focus.

East Waste would like to thank Green Industries SA for providing grant funding for this important trial, and looks forward to providing on-going updates and results regarding the outcomes of the trial.

East Waste will continue to invest in innovation trials and technology improvements where possible to ensure we are at the forefront of waste collection and education for our Member Councils and their residents.

Thanks

Finally, I would like to say thank you to the hard-working staff of East Waste and their on-going commitment in supporting the East Waste Board and our Member Councils. The team works closely together to ensure East Waste meets its vision now and into the future, so my thanks goes to you all.

As General Manager, I look forward to working with Member Councils, the Board and staff to deliver the requirements of the 2017/18 adopted Annual Plan and Budget and ultimately continue to improve the performance of East Waste.



*Rob Gregory
General Manager*

THE WHICH BIN WEBSITE ALSO HOSTS A RANGE OF EDUCATIONAL FLYERS, POSTERS, BANNERS, BIN STICKERS AND FACTS SHEETS FOR RESIDENTS, SCHOOLS AND MEMBER COUNCILS TO DOWNLOAD.



OVER
6,000
WHICHBIN.COM.AU

**PAGE VIEWS
SINCE WEBSITE LAUNCH
IN DECEMBER 2016**

EAST WASTE TONNAGE DATA

Using a frontline fleet of low emission collection vehicles, in 2016/2017 a total of 102,107 tonnes of household waste, green organics and recyclables was collected from East Waste Member Council households.

Across all the East Waste Member Councils, 56,086 tonnes (or 55%) were diverted from landfill. This equates to over half all of the materials presented by residents in their wheelie bins being recycled and turned into new packaging materials, or composted into products to improve soil health in South Australia.

The diversion rate achieved by Member Councils again builds on last financial year's result and is an encouraging trajectory attributable to responsible

resident behaviour and East Waste's continued focus on education and promotion, which is aimed at assisting communities in continuing to improve recycling rates.

The environmental and financial benefits from separating out household recyclables and organics and placing them in the correct bin are significant, and the waste minimisation education and promotion campaign aims to continue the positive momentum in this area.

KERBSIDE TONNAGE COLLECTED 2016/17	RECYCLABLES	ORGANICS	WASTE
ADELAIDE HILLS COUNCIL	3,628	3,662	7,076
CITY OF BURNSIDE	4,057	6,946	7,943
CITY OF MITCHAM	6,092	9,844	12,759*
NORWOOD PAYNEHAM & ST PETERS	3,573	4,934	7,098
CAMPBELLTOWN CITY COUNCIL	4,402	7,172	9,655
TOWN OF WALKERVILLE	633	1,143	1,490

*The City of Mitcham manages the collection of waste for its residents.

EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the *Local Government Act 1999*, the Charter, and various other policies and codes.

The membership of the Board comprises of seven directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste. The Board held seven formal meetings over the 2016 – 2017 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	7 of 7
Cr Linda Green (Adelaide Hills Council)	6 of 7
Cr Grant Piggott¹ (City of Burnside)	2 of 4
Mr Paul Di Iulio (Campbelltown City Council)	6 of 7
Cr Karen Hockley (City of Mitcham)	6 of 7
Mr Mario Barone PSM² (City of Norwood, Payneham & St Peters)	3 of 7
Cr Graham Webster³ (Corporation of the Town of Walkerville)	1 of 1
Cr Gianni Busato⁴ (Corporation of the Town of Walkerville)	4 of 6

¹ Appointed to Board November 2016, effective January 2017

² Period of extended health leave

³ Board term completed November 2016

⁴ Appointed to Board November 2016



Mr Brian Cunningham
Independent Chairperson



Cr Linda Green
Adelaide Hills Council



Cr Grant Piggott
City of Burnside



Mr Paul Di Iulio
Chief Executive Officer
Campbelltown City Council



Cr Karen Hockley
City of Mitcham



Mr Mario Barone PSM
Chief Executive Officer
City of Norwood, Payneham & St Peters



Cr Graham Webster
The Corporation of the
Town of Walkerville



Cr Gianni Busato
The Corporation of the
Town of Walkerville

AUDIT & RISK MANAGEMENT COMMITTEE

In accordance with the requirements of the *Local Government Act 1999*, East Waste has an established Audit and Risk Management Committee.

The functions of the Committee include:

- Reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the subsidiary;
- Liaise with external auditors; and
- Reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the subsidiary on a regular basis.

The Committee held five formal meetings over the 2016 – 2017 financial year.

The Audited Financial Statements for the year ending 30 June 2017 are provided from page 22.





**FINANCIAL
STATEMENTS**

**2016
2017**

ANNUAL REPORT

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CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

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

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorized by Eastern Waste Management Authority Inc. to certify the financial statements in their final form. In our opinion:

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



Rob Gregory
EXECUTIVE OFFICER



Brian Cunningham
CHAIRPERSON

Date: 21/09/17

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
INCOME			
User charges	2	13,068	12,573
Investment income	2	30	36
Grants, subsidies and contributions		40	-
Other	2	408	382
Total Income		13,546	12,991
EXPENSES			
Employee costs	3	5,164	4,803
Materials, contracts & other expenses	3	6,007	6,267
Finance costs		332	335
Depreciation, amortisation & impairment	3	1,724	1,595
Total Expenses		13,227	13,000
OPERATING SURPLUS / (DEFICIT)		319	(9)
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	20	37
Amounts received specifically for new/upgraded assets		-	-
NET SURPLUS / (DEFICIT)		339	28
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		339	28

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,984	2,798
Trade & other receivables	5	412	359
Total Current Assets		2,396	3,157
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	6,046	5,332
Total Assets		8,442	8,489
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	826	1,870
Provisions	7	491	609
Borrowings	7	1,701	1,417
Total Current Liabilities		3,018	3,896
Non-current Liabilities			
Borrowings	7	4,741	4,374
Provisions	7	72	69
Total Non-current Liabilities		4,813	4,443
Total Liabilities		7,831	8,339
NET ASSETS		611	150
EQUITY			
Accumulated Surplus		611	150
TOTAL EQUITY		611	150

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2017			
Balance at end of previous reporting period		150	150
Net Surplus/ (Deficit) for Year		339	339
Other Comprehensive Income			
Contributed Equity		122	122
Distributions to Member Councils		3	-
Balance at end of period		611	611

	Notes	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2016			
Balance at end of previous reporting period		277	277
Net Surplus/ (Deficit) for Year		28	28
Other Comprehensive Income			
Contributed Equity		122	122
Distributions to Member Councils		(277)	(277)
Balance at end of period		150	150

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

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Operating receipts		13,465	13,721
Investment receipts		28	36
<i>Payments</i>			
Employee costs		(5,279)	(4,875)
Materials, contracts & other expenses		(7,063)	(6,125)
Finance payments		(320)	(391)
Net Cash provided by (or used in) Operating Activities	8	831	2,366
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Sale of replaced assets	4	104	39
Sale of surplus assets	4	-	66
<i>Payments</i>			
Expenditure on renewal/replacement of assets	6	(2,522)	(202)
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	(277)
Net Cash provided by (or used in) Investing Activities		(2,418)	(374)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
Capital contribution by member councils		122	122
Proceeds from Borrowings		1,926	-
<i>Payments</i>			
Repayments of Borrowings		(1,275)	(1,412)
Net Cash provided by (or used in) Financing Activities		773	(1,290)
Net Increase (Decrease) in cash held		(814)	702
Cash & cash equivalents at beginning of period	8	2,798	2,096
Cash & cash equivalents at end of period	8	1,984	2,798

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Burnside, City of Norwood, Payneham & St Peters, Campbelltown City Council, Corporation of the Town of Walkerville, City of Mitcham and Adelaide Hills Council. The six Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards which requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary pursuant to Section 43 of the *Local Government Act 1999* and Section 25 of the *Local Government Implementation Act 1999*.

3 Income Recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority'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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

5 Property, Plant & Equipment

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

5.1 Initial Recognition

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.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

5.3 Depreciation of Non-Current Assets

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

Plant & Equipment	5 to 10 years
Buildings & Other Structures	5 – 20 years

5.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

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

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

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2016/17; 9.5% in 2015/16). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

8 Leases

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

In respect of finance leases, where the Authority substantially carries all the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets.

Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

9 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.

10 Comparative Information

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

Comparative information in the Statement of Cash Flows have been amended to reclassify capital contributions by Member Councils from Investing Activities to Financing Activities. There is no impact on the previously reported financial performance or position of the Authority as a result of this change.

11 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

12 New Accounting Standards

In the current year, the Authority adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Authority's accounting policies.

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

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

13 Highbury Landfill Authority Inc.

The Authority, originally known as the East Torrens Municipal Destructor Trust, was established on 19 July 1928 (the name change took place in 1993). As at 1 July 2004, the Authority comprised of 3 Member Councils, being the City of Norwood, Payneham & St Peters, City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham & St Peters, the City of Burnside and the Corporation of the Town of Walkerville established the Highbury Landfill Authority Inc. Its purpose included the facilitation of the closure and the post closure of the Highbury Landfill site, as well as managing the joint interests and liability of the Councils in relation to the closure of the site.

On 31 December 2004 the property known as the Highbury Landfill site was transferred from East Waste to Highbury Landfill Authority Inc.

On 1 January 2005, the Authority's Charter was amended to include the three new Member Councils – the City of Mitcham, the City of Campbelltown and the Adelaide Hills Council.

On 1 January 2005 a loan was created between the Authority and the Highbury Landfill Authority that represented the net value of assets in East Waste prior to 1 January 2005. This was an At Call Loan and interest had been capitalised until the loan was called in by the Highbury Landfill Authority in November 2008. The loan amount was \$873,000 and the Authority borrowed the money from the National Australia Bank with an Interest Only Loan. This loan has now been re-financed through the Local Government Finance Authority, to be repaid in 10 years.

The Board of the Authority resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2006 Charter.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2 - INCOME

	Notes	2017 \$'000	2016 \$'000
USER CHARGES			
Household Refuse		4,173	4,181
Administration		215	209
Green Organics		3,531	3,435
Recyclables		3,178	3,192
Hardwaste		651	518
Litter		305	265
Waste Disposal		1,015	773
Recycle Rebate		815	698
Recycle Rebate - Member Councils		(815)	(698)
		13,068	12,573
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		30	35
Banks & other		-	1
		30	36
OTHER INCOME			
Bin Supply		164	101
Replacement Bins		137	107
Sundry		107	174
		408	382

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3 - EXPENSES

	Notes	2017 \$'000	2016 \$'000
EMPLOYEE COSTS			
Salaries and Wages		3,922	3,742
Employee leave expense		(114)	(72)
Superannuation		308	374
Wages Casual Agency		718	493
Workers' Compensation Insurance		200	172
Other		130	94
Total Operating Employee Costs		5,164	4,803
Total Number of Employees (Full Time Equivalent as at reporting date)		51	49
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		9	8
Board Expenses		25	24
Lease costs		240	78
Subtotal - Prescribed Expenses		274	110
Other Materials, Contracts & Expenses			
Advertising & Promotion		68	42
Disposal Fees		2,247	1,901
Dumping Fees		-	17
Electricity		34	35
Fuel, Gas & Oil		764	735
GPS Expenses		64	49
Insurance		21	25
Legal Expenses		27	18
Maintenance		1,516	1,210
Parts, Accessories & Consumables		63	43
Printing, Stationery & Postage		44	38
Professional Services		319	224
Rebate to Member Councils		-	1,138
Registration & Insurance - Trucks		272	222
Sundry		258	424
Telephone		36	36
Subtotal - Other Materials, Contracts & Expenses		5,733	6,157
		6,007	6,267
DEPRECIATION			
Buildings & Other Structures		7	7
Plant, Machinery & Equipment		1,717	1,588
		1,724	1,595

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4 - ASSET DISPOSAL

Notes	2017 \$'000	2016 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	104	105
Less: Carrying amount of assets sold	84	68
Gain (Loss) on disposal	20	37

NOTE 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	1,477	1,510
Deposits at Call	507	1,288
	1,984	2,798

TRADE & OTHER RECEIVABLES

Debtors - general	396	358
Accrued Income	2	-
Prepayments	14	1
	412	359

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2017 \$'000	2016 \$'000
Buildings & Other Structures - At Cost		78	82
Accumulated Depreciation		(40)	(37)
		38	45
Plant, Machinery & Equipment		12,571	11,814
Accumulated Depreciation		(6,563)	(6,527)
		6,008	5,287
Total Property, Plant & Equipment		6,046	5,332

	2016 \$'000	CARRYING AMOUNT MOVEMENT DURING YEAR \$'000				2017 \$'000
	Carrying Amount	Additions		Disposals	Depreciation	Carrying Amount
		New/ Upgrade	Renewal			
Buildings & Other Structures	45	-	-	-	(7)	38
Plant, Machinery & Equipment	5,287	-	2,522	(84)	(1,717)	6,008
Total Property, Plant & Equipment	5,332	-	2,522	(84)	(1,724)	6,046
2016 Totals	6,793	2	200	(68)	(1,595)	5,332

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7 - LIABILITIES

Notes	2017 \$'000		2016 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	703	-	516	-
Accrued expenses - rebate to member councils	-	-	1,252	-
Accrued expenses - other	123	-	102	-
	826	-	1,870	-
BORROWINGS				
Loans	1,701	4,741	1,417	4,374
	1,701	4,741	1,417	4,374
PROVISIONS				
Annual Leave	183	-	171	-
Long Service Leave	308	72	438	69
	491	72	609	69

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	1,984	2,798
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>1,984</u>	<u>2,798</u>

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

Net Surplus (Deficit)		339	28
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,724	1,595
Net increase (decrease) in unpaid employee benefits		(65)	(72)
Net increase (decrease) accrued interest charges		10	-
(Gain) / Loss on Disposal		(20)	(38)
		<u>1,988</u>	<u>1,513</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(51)	(109)
Net increase (decrease) in trade & other payables		(1,056)	962
Net increase (decrease) in other provisions		(50)	-
Net Cash provided by (or used in) operations		<u>831</u>	<u>2,366</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Physical resources received free of charge		-	-
- Non-cash grants & contributions		-	-
Amounts recognised in Income Statement		-	-
- Finance Leases		-	-
Total Non-Cash Financing and Investing Activities		<u>-</u>	<u>-</u>

(d) Financing Arrangements

Corporate Credit Cards		15	15
Cash Advance Debenture Facility		1,000	1,000

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, *Accounting Policy:* Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 1.25% (2016: 1.85%).

Carrying amount: Approximates fair value due to the short term to maturity.

Receivables - Gate Fees & Associated 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.

Carrying amount: approximates fair value (after deduction of any allowance).

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 Authority.

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value (after deduction of any allowance).

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 Authority.

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 Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. 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 Authority'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 Authority 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. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

Liquidity Analysis

2017	Interest Rate \$'000	Floating ≤ 1 year \$'000	Fixed Interest > 1 year ≤ 5 years \$'000	Maturing In > 5 years \$'000	Non- Interest Bearing \$'000	Total \$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	1,477	507	-	-	-	1,984
Loans & Receivables						
Receivables	-	-	-	-	412	412
Total	1,477	507	-	-	412	2,396
Financial Liabilities						
Payables	-	-	-	-	826	826
Current Borrowings	-	1,701	-	-	-	1,701
Non-Current Borrowings	-	-	3,350	1,391	-	4,741
Total	-	1,701	3,350	1,391	826	7,268
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES						
	1,477	(1,194)	(3,350)	(1,391)	(414)	(4,872)
2016						
	Interest Rate \$'000	Floating ≤ 1 year \$'000	Fixed Interest > 1 year ≤ 5 years \$'000	Maturing In > 5 years \$'000	Non- Interest Bearing \$'000	Total \$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	1,510	1,288	-	-	-	2,798
Loans & Receivables						
Receivables	-	-	-	-	358	358
Total	1,510	1,288	-	-	358	3,156
Financial Liabilities						
Payables	-	-	-	-	516	516
Current Borrowings	-	1,417	-	-	-	1,417
Non-Current Borrowings	-	-	3,804	244	-	3,804
Total	-	1,417	3,804	244	516	5,737
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES						
	1,510	(129)	(3,804)	(244)	(158)	(2,581)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10 - COMMITMENTS FOR EXPENDITURE

Notes	2017 \$'000	2016 \$'000
Expenditure Commitments		
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	9	8
Truck Fleet Replacement	1,814	-
	1,823	8
These expenditures are payable:		
Not later than one year	1,823	8
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	1,823	8

NOTE 11 - OPERATING LEASES

Lease payment commitments of Authority

No contingent rentals were paid during the current or previous reporting periods. No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.

No lease contains any escalation clause. Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	252	245
Later than one year and not later than 5 years	807	782
Later than 5 years	889	1,167
	1,948	2,194

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

As at the time of preparing the Financial Statements, as required by the *Local Government Act 1999* the Authority has applied to the Minister of Local Government to seek approval to allow the City of Prospect to become a Member Council. Subject to approval by the Minister, it is expected that the City of Prospect will be a Member Council of the Authority as from October 2017.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 4 persons were paid the following total compensation:

	2017 \$'000
Salaries, allowances & other short term benefits	370
Long term benefits	30
TOTAL	400

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	2,935	2	Provision of kerbside waste collection and hardwaste
City of Burnside	2,188	73	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,503	45	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,241	12	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,918	1	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	468	112	Provision of kerbside waste collection and hardwaste

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

CERTIFICATION OF AUDITOR INDEPENDENCE

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the East Waste Management Authority Inc. for the year ended 30 June 2017, the Authority's Auditor Bentk has maintained its independence in accordance with the requirements of the *Local Government 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Rob Gregory
EXECUTIVE OFFICER



Brian Cunningham
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 21 SEPTEMBER 2017

STATEMENT OF INDEPENDENT AUDITOR



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Certification of Auditor Independence

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

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

David Papa
Partner
Bentleys SA Audit Partnership

Dated at Adelaide this 21 September 2017



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INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EASTERN WASTE MANAGEMENT AUTHORITY INC

Opinion

We have audited the accompanying financial report of the Eastern Waste Management Authority Inc, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Eastern Waste Management Authority Inc as of 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

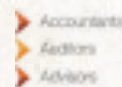
Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.



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INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Auditor's Responsibilities for the Audit of the Financial Report

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

Paragraph 41(b) of ASA 700 explains that the italicised material below can be located in an Appendix to the auditor's report.

Paragraph 41(c) of ASA 700 explains that when law, regulation or national auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below. When the auditor refers to a description of the auditor's responsibilities on a website, the appropriate authority is the Auditing and Assurance Standards Board and the website address is <http://www.auasb.gov.au/Home.aspx>.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



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

BENTLEYS SA AUDIT PARTNERSHIP

DAVID PAPA
PARTNER

Dated at Adelaide this 27 day of September 2017

THE EAST WASTE BOARD SAY THANK YOU TO ALL STAFF AND WELL DONE ON PROVIDING OUR MEMBER COUNCILS WITH EXCELLENT SERVICE, IMPROVING OUR EFFICIENCIES AND COMPLEMENTING THE MEMBER COUNCILS' REPUTATIONS IN EACH OF THEIR COMMUNITIES.



100%
COMPLIANCE

**WITH THE 2016-2017
WHS AUDIT
REQUIREMENTS**

EastWaste

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East Waste provides helpful customer service to the operational staff at Member Councils, thinks in a future-focused and proactive manner, keeps costs at a minimum and achieves operational efficiency.

**East Waste
Corporate Customer Survey Response
May 2017**

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Appendix 2 ***Subsidiaries***

**Gawler River Floodplain
Management Authority**
Annual Report 2016/17



Gawler River Floodplain Management Authority

ANNUAL REPORT 2016 - 2017

Telephone: 0407717368 Email: davidehitchcock@bigpond.com
Website: www.gawler.sa.gov.au/grfma

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Chairman's Foreword

During the period 28 September 2016, through to the 5th October 2016, South Australia experienced an extreme weather event.

The Gawler River Catchment experienced significant rainfall during this time with falls ranging typically between 100 to 140 mm in the higher topographic areas of the North and South Para. The falls coincided with high water levels in the South Para Reservoir causing overflow, compounding flows downstream within the Gawler River.

This resulted in a major flood event in the lower reaches of the Gawler River.

Approximately 250 private properties including Local and State Government infrastructure were severely affected by resultant flooding. Extensive loss of horticulture production and a significant damages repair bill resulted from this event.

An extensive recovery response was initiated by the South Australian Government with Alex Zimmermann being appointed the Northern Areas Recovery Control Officer. Communications established with Alex Zimmermann and supporting South Australian government agencies during the recovery process was important in gaining an understanding of flood impacts and facilitating consultation with affected property owners and horticultural industry representatives.

The Authority immediately initiated work to carry out a hydrological review of the 2016 flood event so that options for flood mitigation in the lower Gawler River could be determined and implemented as soon as possible subject to funding availability.

Following receipt of the 2016 Gawler River Flood Review report and subsequent consultation with the constituent councils and all stakeholders of the lower Gawler River, the Authority subsequently resolved to adopt the following recommendations identified within the report: -

Recommendation 1: River and levee maintenance should be the responsibility of a single authority that has the necessary resources and access rights to maintain the river in good condition from a flood conveyance as well as a biodiversity perspective.

Recommendation 2: River condition and levee maintenance repair work should be undertaken as a matter of high priority.

Recommendation 3: The GRFMA proceed with developing concept designs for establishment of a Northern Floodway, in addition to the construction of a new river levee system so that consultation with affected landholders can proceed.

Recommendation 1 is currently being pursued with the State Government.

Recommendations 2 & 3 have an indicative first estimate cost of \$27 million.

In addition to the 2016 Gawler River Flood Review report, the Authority initiated an investigation into the feasibility of raising the height of the Bruce Eastick North Para Flood Mitigation Dam.

This investigation found it is technically feasible to raise the height of the Bruce Eastick North Para Flood Mitigation Dam (i.e. no apparent insurmountable technical problems). Given that the Dam performed as designed within the 2016 flood event reducing the impact of flooding and the need to undertake flood mitigation works in the lower Gawler River; the Authority subsequently resolved deferment of any further consideration of raising the Dam until the proposed flood mitigation works on the lower Gawler River are implemented, and potential funding availability for supplementary works on the Dam is determined.

Raising of the Bruce Eastick North Para Flood Mitigation Dam remains an important aspect of future flood mitigation for the Gawler River particularly for rainfall events of 1:50 - 1:100 Average Recurrence Interval Investigation work is continuing into the cost of completing such works.

The Authority is currently working with the State Government and constituent councils on a suitable funding proposal to implement the "Northern Floodway" and associated levee maintenance works as a matter of priority.

Delivery of a long term and sustainable solution to flood mitigation in the Gawler River will require engagement with and resource commitment from the three spheres of government (i.e., Local, State and Federal) and other funding partners and beneficiaries. An effective solution will also require the cooperation of property owners and the horticultural industry to implement given that much of the civil works required will have to be undertaken over private land.

The Adelaide Plains Council, at its May 2017 ordinary meeting, adopted the following Motion without Notice: - *"That Council staff immediately initiate the appropriate procedures to allow Adelaide Plains Council to withdraw from Gawler River Floodplain Management Authority."*

The GRFMA Chair and Executive Officer have been working with the Adelaide Plains Council (APC) to better understand this resolution and future considerations and implications to both APC and the GRFMA. The GRFMA Board is hopeful that the areas of concern raised by APC can be resolved.

Constituent councils' continuing representation around the 'Authority' table will be important in making decisions and negotiating funding solutions for future flood mitigation works undertaken.

Acknowledgement is made of Australian Water Environments (AWE) and AECOM Australia Pty Ltd which were engaged to perform priority consultancy works for the Authority immediately following the 2016 flood event.

I thank Mr Dean Gollan for his 5 years of services as Executive Officer to the GRFMA which concluded 31 December 2016 and welcome Mr David Hitchcock as the new Executive Officer from 1 January 2017.

Mr Ian Baldwin
Chairman

Gawler River Floodplain Management Authority (GRFMA)

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22 August 2002. The Constituent Councils are the Adelaide Hills Council, The Adelaide Plains Council, The Barossa Council, The Town of Gawler, Light Regional Council, and the City of Playford.

The Charter provides for one independent person, who is not an officer, employee or elected member of a Constituent Council, to be appointed as the Chairperson of the Board of Management of the GRFMA for a term of two years. A sitting fee of \$400 per meeting with a maximum payment of \$5,000 per annum has been set. This will cover the Chairperson presiding at up to eight (8) Board Meetings per year and one or two Technical Assessment Panel meetings per year.

The Charter sets down the powers, functions, safeguards, accountabilities and an operational framework and the Business Plan sets down the operational plan and financial plan to achieve agreed objectives.

The Authority has been established for the following purposes:

- to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
- to raise finance for the purpose of developing, managing and operating and maintaining works approved by the Board;
- to provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation for the Gawler River;
- upon application of one or more Constituent Councils pursuant to clause 12.4:
 - to coordinate the construction, maintenance and promotion and enhancement of the Gawler River and areas adjacent to the Gawler River as recreational open space for the adjacent communities; and
 - to enter into agreements with one or more of the Constituent Councils for the purpose of managing and developing the Gawler River.

The Board

The Members of the Board are:

Authority	Board Members	Deputy Board Members
Chairman	Mr Ian Baldwin	
Adelaide Hills Council	Cr Malcom Herrmann Mr Andrew Aitken, CEO	Mr Marc Salver
The Barossa Council	Mayor Bob Sloane Mr Gary Mavrinac	Cr Dave de Vries
Town of Gawler	Cr Adrian Shackley Mr Sam Dilena	Cr Paul Koch Mr Scott Reid
Light Regional Council	Cr William Close Mr Brian Carr, CEO	Mr Andrew Philpott
Adelaide Plains Council	Cr Ann Picard Mr James Miller CEO	Cr Melville Lawrence
City of Playford	Cr Denis Davey Mr Mal Hemmerling CEO	Cr Carol Muzyk Mr Greg Pattinson

Meetings of the Board are held at such time and such place as the Board decides subject only to the requirement that there will be at least one meeting in every two calendar months. A special meeting of the Board may be held at any time and may be called at the request of the Chairperson or at the written request of six members of the Board representing all of the Constituent Councils.

Ordinary meetings of the Board are generally held bi-monthly on the third Thursday of the even months commencing at 9.45 am: excepting December which is held on the second Thursday.

Meetings are hosted by the Constituent Councils on a rotational roster with six Board meetings and two Special Meetings held during the year as follows:

- Thursday 18 August 2016 Gawler
- Thursday 13 October 2016 Gawler
- Thursday 10 November 2016 Mallala (Special Meeting)
- Wednesday 8 December 2016 Davoren Park
- Thursday 22 December 2016 Gawler (Special Meeting)
- Thursday 16 February 2017 Kapunda
- Thursday 28 April 2017 Gumeracha
- Thursday 15 June 2017 Nuriootpa

Technical Assessment Panel

A Technical Assessment Panel has been appointed to support the decision-making processes of the Board with delegated powers to provide advice and manage the technical aspects of the design, assessment and construction of the various parts of the Scheme.

The Members of the Panel are:

- Ian Baldwin, Chairman
- David Hitchcock, Executive Officer, GRFMA
- Braden Austin (City of Playford)
- Matt Elding (The Barossa Council)
- Bill Lipp, Principal Stormwater Engineer, Department for Transport, Energy and Infrastructure
- Chrissie Bloss, Flood Hazard Manager, DEWNR
- Derek Moore, Principal Engineer Dams, SA Water

Three meetings of the Panel were held during the year.

- 25 October 2016
- 16 November 2016
- 30 January 2017

Audit Committee

An Audit Committee has been appointed to review:

- the annual financial statements to ensure that they present fairly the state of affairs of the Board, and
- the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Board on a regular basis.

The Committee held three meetings during the year:

- 15 August 2016
- 10 March 2017
- 5 June 2017

The members of the Committee are:

- Mr Peter Brass, Independent Member
- Mr Sam Dilena, Town of Gawler
- Cr Des Ellis, Light Regional Council

General

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Access to Meetings and Documents
- Consultation
- Dam Valuation
- Internal Review of Decisions
- Operations Manual

All meetings of the GRFMA and its committees are open to the public, with the exception of those matters to be considered under Section 90 of the Local Government Act 1999.

No Freedom of Information requests were received during the year.

Forum	Total Resolutions for the year	Resolutions to exclude the Public - Sec 90(3)	Purpose	Order for docs to remain confidential - Sec 91(7)		%
Board	642	5	(1) Possible commercial Advantage of a person (2) Legal advice	4		80%
Technical Assessment Panel	10	0		0		
Audit Committee	10	0		0		

Mr David Hitchcock has been engaged to provide Executive Officer services under a services agreement until 31 December 2018. Mr Hitchcock has extensive experience in the administration of Councils and regional subsidiaries under the Local Government Act 1999.

The GRFMA has no employees and all services are engaged on a contract basis.

Part A: Funding

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Secure Additional Project Funding	June 2016	All Councils, stakeholders and Governments agree to contribute to the project in accordance with the Plan	<input checked="" type="checkbox"/> Scheme Total now \$21,913,859 grants total \$17,016,420
Grant Claims	At all times	Lodge claims monthly for the payment of Commonwealth and State Government Grants.	<input checked="" type="checkbox"/> Claims lodged at the end of the month
Maintain positive Cash Flow	At all times	Positive bank account balances at all times.	<input checked="" type="checkbox"/> Positive cash flow maintained

Part B: Proposed Flood Mitigation Scheme Works

South Para Works			
<p>The South Para Reservoir is under the control and management of SA Water Corporation who have agreed to undertake the required modifications to the South Para Reservoir to provide the required level of flood mitigation capacity as a cost to the Scheme.</p> <p>Dam safety review and design proposal to modify the dam wall and spillway completed September 2005</p> <p>Detailed hydrology study of the catchment using the very latest methodologies let to Department of Transport, Energy and Infrastructure completed March 2007.</p>			
Performance Targets:	Timings:	To be measured By:	Actual Achievements
Detailed design of works	December 2010	Completion of detailed design and tender documents	<input checked="" type="checkbox"/> July 2011 Final approvals granted
Construction of the works	June 2012	Completion of construction	<input checked="" type="checkbox"/> Practical completion achieved June 2012

Gawler River Flood Mitigation Scheme – Mark 2

What will the Mark Two Scheme include? (Note these steps may occur concurrently and not necessarily in the following order)

- One Reconfirm with the Constituent Councils that a 1 in 100-year level of protection is the protection standard that is to be pursued in the development of the Gawler River Flood Mitigation Scheme - Mark Two Strategy. N.B. The protection standard does not guarantee full protection for all flood events. *The Findings Report 2016 advises the 1 in 100 ARI event is considered to be the minimum desirable level of flood protection for new development as well as for much of the existing floodplain development.*
- Two Determine if a second dam on the North Para River or modification to the Bruce Eastick North Para Flood Mitigation Dam is an option. The GRFMA Board has recently accepted a tender for a Findings Report to undertake an assessment to determine if a second dam is required and feasible. *The Findings Report 2016 advises enlarging the existing Bruce Eastick North Para Flood Mitigation Dam on the North Para offers the greatest level of protection with least impacts and is rated as the most favoured structural mitigation option.*
- Three The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be upgraded to include recent works such as the Northern Expressway works and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the Adelaide Plains Council. *Completed.*
- Four To further develop the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and develop a levee strategy for Virginia to a robust design standard with a staging plan. Undertake a cost benefit study for each stage of the plan. *Currently being considered in association with the Northern Floodway's proposal- Gawler River 2016 Flood Review.*
- Five Establish a protocol with the Floodplain Councils that where development of land in areas identified as 'at risk of flooding' is planned to proceed by the implementation of a local area levee that mapping of the proposed levees on the Gawler River Floodplain Mapping Study Model will be required.
- Six Maintain a working relationship with the Australian Rail Track Corporation to ensure that any changes to Railtrack infrastructure of culverts and rail heights are mapped on the Gawler River Floodplain Mapping Study Model to identify any changes to flooding impacts.
- Seven Develop a funding strategy for flood protection that is delivered by local area levees on the questions of who should own and maintain the levees and whether local area levees are regional works that the GRFMA should fund or are they local works that are the responsibility of the local Council. *Currently being considered in association with the Northern Floodway's proposal- Gawler River 2016 Flood Review.*
- Eight Investigate opportunities for funding partners and grants to undertake the necessary assessments and designs. *Ongoing.*
- Nine The Scheme will also seek to clarify, through the Local Government Association, the policy and legal framework around maintenance of rivers and creeks where those rivers and creeks are part of the regional flood management plan. Under current legislation a landowner is responsible for the condition of a creek or waterway on private land. *In consideration as part of the 2016 Burns Report- SA Severe Storms Event.*

Part B: Maintenance of the Scheme

Performance Targets:	Timings:	To be measured by:	Actual Achievements
Six monthly inspection	June and December	Completion of Inspection Report	<input checked="" type="checkbox"/> Dec 2016 and June 2017 – Dam inspections carried out

Part C: Operation of the Regional Subsidiary

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Reports to Stakeholders	Twice yearly	The publication and distribution of a Fact Sheet to all stakeholders and affected landowners.	<input checked="" type="checkbox"/> Newsletter to be forwarded to all stakeholders following completion of Findings Report
	Bi-Monthly	Key Outcomes Summary to be published following each Board Meeting to include a summary of the progress of the development of the Scheme.	<input checked="" type="checkbox"/> Key Outcomes Summary prepared following most meetings
Maintain effective Regional Subsidiary	December	The performance of the Executive Officer be reviewed annually	<input checked="" type="checkbox"/> Review conducted in September 2016 New Executive Officer Appointed January 2017. Next review to be conducted in January 2018.
	August	The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually.	<input checked="" type="checkbox"/> Auditor reappointed up to 30 June 2019 <input checked="" type="checkbox"/> Appropriate levels of insurance reviewed in July 2016
Review of the Business Plan	By 31 st March	Review the Business Plan prior to preparing the Budget Forward to the Councils	<input checked="" type="checkbox"/> June 2017 – Business Plan 2016-2019 adopted <input checked="" type="checkbox"/> June 2017 – Achievements against the Business Plan 2016-2019 presented
Annual Budget	By 31 st March, June, October, December	Adopt for consultation forward to Councils	<input checked="" type="checkbox"/> March 2017 – Council consultation

		Adopt Budget – copy to Councils in 5 days Conduct Budget Reviews	<input checked="" type="checkbox"/> Budget 2017–2018 adopted at June 2017 Board meeting
Subscriptions	June December	Send half year subscriptions to Council Send half year subscriptions to Council	<input checked="" type="checkbox"/> All first half subscriptions paid <input checked="" type="checkbox"/> Second half subscriptions paid
Report to Constituent Councils	Following each Board meeting By 30 th September	The receipt of the following reports by Councils: <ul style="list-style-type: none"> • Board Meeting Key Outcome Summary • Annual Report including Annual Financial Statements 	<input checked="" type="checkbox"/> Key Outcomes Summary prepared following meetings <input checked="" type="checkbox"/> Annual Report forwarded electronically to Councils on 25 September 2016

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Gawler River Floodplain Management Authority Council to certify the financial statements in their final form.

In our opinion:

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


..... 24/8/17

David Hitchcock
EXECUTIVE OFFICER


..... 24/8/17

Ian Baldwin
CHAIRMAN

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
INCOME			
Subscriptions	3	76,544	74,676
Investment Income	1(d)	3,359	3,925
State Government Grants	2	136,438	-
Other Income		-	29
Total Income		<u>216,341</u>	<u>78,630</u>
EXPENSES			
Contractual Services	5	197,462	70,262
Depreciation	10, 4	231,213	231,213
Other		20,996	19,009
Total Expenses		<u>449,671</u>	<u>320,483</u>
OPERATING SURPLUS / (DEFICIT)		<u>(233,330)</u>	<u>(241,853)</u>
NET SURPLUS / (DEFICIT)			
transferred to Equity Statement		(233,330)	(241,853)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(233,330)</u>	<u>(241,853)</u>

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

ASSETS	Notes	2017 \$	2016 \$
Current Assets			
Cash and cash equivalents		-	2,215
Investments	1(d)	163,167	196,329
Debtors		47,375	-
Debtors - GST		4,419	2,719
Accrued Interest		495	927
Total Current Assets		<u>215,447</u>	<u>201,190</u>
Non-current Assets			
Infrastructure	4	18,497,000	18,497,000
Accumulated Depreciation Infrastructure	10, 4	(2,080,638)	(1,849,425)
Land	4	326,364	326,364
Total Non-current Assets		<u>16,742,727</u>	<u>16,973,939</u>
Total Assets		<u>16,958,173</u>	<u>17,175,129</u>
LIABILITIES			
Current Liabilities			
Trade & other payables		-	-
Borrowings	8.2	16,375	-
Total Liabilities		<u>16,375</u>	<u>-</u>
NET ASSETS		<u>16,941,798</u>	<u>17,175,129</u>
EQUITY			
Accumulated Surplus		14,089,988	14,323,319
Asset Revaluation Reserves	1(h)	2,851,810	2,851,810
TOTAL EQUITY		<u>16,941,798</u>	<u>17,175,129</u>

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

2017	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	TOTAL EQUITY \$
Balance at end of previous reporting period		14,323,319	2,851,810	17,175,129
Restated opening balance		14,323,319	2,851,810	17,175,129
Net Surplus / (Deficit) for Year		(233,330)		(233,330)
Other Comprehensive Income				
Balance at end of period		14,089,988	2,851,810	16,941,798
2016				
Balance at end of previous reporting period		14,565,172	2,851,810	17,416,982
Restated opening balance		14,565,172	2,851,810	17,416,982
Net Surplus / (Deficit) for Year		(241,853)		(241,853)
Other Comprehensive Income				
Balance at end of period		14,323,319	2,851,810	17,175,129

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS
for the year ended 30 June 2017

		2017	2016
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		163,906	74,013
Payments		<u>(218,458)</u>	<u>(92,451)</u>
Net Cash provided by (or used in) Operating Activities		<u>(54,553)</u>	<u>(18,438)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Interest Receipts</u>		<u>3,780</u>	<u>4,044</u>
Net Cash provided by (or used in) Investing Activities		3,780	4,044
Net Increase (Decrease) in cash held	8.1	<u>(50,762)</u>	<u>(14,394)</u>
Cash & cash equivalents at beginning of period		<u>197,544</u>	<u>211,938</u>
Cash & cash equivalents at end of period	8.2	<u>146,782</u>	<u>197,544</u>

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Schedule of Constituent Council's Interest in Net Assets as at 30th June 2017

Prepared to meet the requirements of Clause 15.5 of the Charter

"The 'Schedule of Constituent Councils' Interests in Net Assets' will reflect the proportionate contribution each Constituent Council has made to the growth of the net assets of the Authority having regard to the proportionate contribution to subscriptions. The Schedule when updated by the Board at the end of each financial year will reflect the proportionate contribution of each Constituent Council since the commencement of the Authority and once accepted by each Constituent Council will be evidence of the agreed proportion of a Constituent Council's interests in the net assets as at 30 June in that year."

For the purposes of this Clause all subscriptions by Constituent Councils have been included.

This Schedule has been prepared on the basis that the Authority was 'wound up' on 30 June 2017. The value of infrastructure and land as stated in the Audited Financial Statements at 30th June have been included. Grants and contributions from the Commonwealth Government, State Government and Northern Adelaide Barossa Catchment Water Management Board that have contributed to these costs have not been deducted.

Calculation of Net Equity

Assets	
Investments / Debtors	\$ 199,072
Infrastructure	\$ 18,416,362
Land	<u>\$ 326,364</u>
	\$ 18,941,798
Less Liabilities	
Accounts Payable / Creditors	<u>\$ 0</u>
NET EQUITY	\$ 18,941,798

Allocation of Councils Interest in Net Assets

Constituent Councils	Accumulated Subscriptions for Operations to 30 June 2017	Accumulated Subscriptions for Maintenance to 30 June 2017	Accumulated Subscriptions for Scheme Works to 30 June 2017	All Subscriptions to 30 June 2017	Percentage of Contributions to the Total	Council's Interests in Net Assets
Adelaide Hills Council	\$89,811	\$2,128	\$70,968	\$162,927	3.27%	\$553,997
The Barossa Council	\$89,811	\$10,651	\$354,951	\$455,413	9.40%	\$1,607,777
Town of Gawler	\$89,811	\$21,263	\$709,892	\$820,966	17.27%	\$2,925,849
Light Regional Council	\$89,811	\$10,651	\$354,951	\$455,413	9.40%	\$1,607,777
Adelaide Plains Council	\$89,811	\$35,518	\$1,183,146	\$1,308,475	27.65%	\$4,684,407
City of Playford	\$89,811	\$42,609	\$1,419,763	\$1,552,183	32.83%	\$5,501,991
	\$538,966	\$122,820	\$4,093,691	\$4,755,377	100%	\$16,941,798

Schedule of Constituent Councils' Interests in Net Assets' as at the 30th June 2017 adopted by the Board in accordance with Clause 15.5 of the Charter on 24/8/17

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2017

1 Statement of Significant Accounting Policies

a) The Local Government Reporting Entity

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

The Gawler River Floodplain Management Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Adelaide Plains Council, The Barossa Council, Town of Gawler, Light Regional Council, and The City of Playford.

All funds received and expended by the Authority have been included in the financial statements forming part of this financial report.

b) Basis of Accounting

This financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where specifically stated, current valuation of non-current assets.

c) Employees

The Association has no employees.

d) Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

e) Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdraft.

f) Infrastructure

The Bruce Eastick North Para Flood Mitigation Dam was constructed in 2007. The valuation includes all materials, contractor's costs plus costs incidental to the acquisition, including engineering design and supervision fees and all other costs incurred.

g) Land

The dam land includes the land on which the dam is constructed, rights of way access to the land and 'right to flood' easements over the land upstream from the dam that will be inundated by dam waters for short periods of time during a flood event. The Board valuation was undertaken at 30th June 2011.

h) Revaluation

The Board sought an independent valuation on the 29th May 2014, to be applied as at 30th June 2014, of the Bruce Eastick North Para Flood Mitigation Dam. The Board recognises that the dam is a unique infrastructure. The Board sought the advice of Entura (Hydro Tasmania), who provided a replacement cost valuation based on the actual construction contract costs, including some 'owner's costs' which would be incurred in the event of a replacement being necessary. The estimate of the replacement cost was \$18.497 million at June 2014. In accordance with Accounting Standard (AASB)13 Fair Value Measurement, it is to be noted that valuation has been under level 3 valuation.

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

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

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

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

i) Depreciation

The depreciation period for the Bruce Eastick North Para Flood Mitigation Dam is based on an expected life of 80 years.

j) Revenue

Revenue from the sale of services is recognised upon the delivery of the service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the rights to receive a dividend has been established.

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

2 Functions / Activities of the Association

a) Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note b.

b) The activities of the Authority are categorised into the following function / activities:

Administration: The operations of the Authority and its Board

Other Environment: Flood Mitigation

c) Functions of the Gawler River Floodplain Management Authority (excluding depreciation)

	Revenue			Expenses		Surplus (deficit)
	Year	Grants	Other	Total Revenue	Expenses Total	
Administration	2017		\$61,625	\$61,625	\$89,385	(\$27,760)
	2016		\$60,798	\$60,798	\$67,745	(\$6,947)
Other	2017	\$136,438	\$18,278	\$154,716	\$129,074	\$25,642
Environment:						
Flood Mitigation	2016		\$17,832	\$17,832	\$21,525	(\$3,693)
Total	2017	\$136,438	\$79,903	\$216,341	\$218,459	(\$2,118)
	2016		\$78,630	\$78,630	\$89,270	(\$10,640)

3 Subscriptions

The following subscriptions were levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for the year:

Constituent Council	Scheme Works		Maintenance		Operations		TOTALS	
	2017	2016	2017	2016	2017	2016	2017	2016
Adelaide Hills Council			\$ 316	\$ 309	\$9,711	\$9,474	\$10,027	\$9,783
The Barossa Council			\$1,585	\$1,545	\$9,711	\$9,474	\$11,296	\$11,019
Town of Gawler			\$3,169	\$3,092	\$9,711	\$9,474	\$12,880	\$12,567
Light Regional Council			\$1,585	\$1,545	\$9,711	\$9,474	\$11,296	\$11,019
Adelaide Plains Council			\$5,284	\$5,155	\$9,711	\$9,474	\$14,995	\$14,629
City of Playford			\$6,339	\$6,184	\$9,711	\$9,474	\$16,050	\$15,659
TOTAL	-	-	\$18,278	\$17,832	\$58,266	\$56,844	\$76,544	\$74,676

4 Non-Current Assets Summary

	Fair Value Level	2017				2016			
		At Fair Value	At Cost	Accum Dep'n	Carrying Amount	At Fair Value	At Cost	Accum Dep'n	Carrying Amount
Land and easements	-	\$326,364			\$326,364			\$326,364	
North Para Dam	-								
North Para Dam	3	\$18,497,000		(\$2,080,638)	\$16,416,362	\$18,497,000	(\$1,849,425)	\$16,647,575	
Total Infrastructure and Land		\$18,823,364		(\$2,080,638)	\$16,742,726	\$18,823,364	(\$1,849,425)	\$16,973,939	
Comparatives		\$18,823,364		(\$1,849,425)	\$16,973,939	\$18,823,364	(\$1,618,213)	\$17,205,151	

	2016 Carrying Amount	Carrying Amount Movements During Year						2017 Carrying Amount	
		Additions		Disposals	Depreciation	Impairment	Transfers		Net Valuation
		New Upgrade	Renewals						
Land and easements	\$326,364							\$326,364	
Infrastructure - North Para Dam	\$16,647,575				(\$231,218)			\$16,416,362	
Total Infrastructure, Property, Plant & Equipment	\$16,973,939				(\$231,218)			\$16,742,726	
Comparatives	\$17,205,151				(\$231,218)			\$16,973,939	

5 Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

Consultants	2017	2016
Dean Gollan	\$30,470	\$39,875
David Hitchcock	\$28,270	\$0
Asset Valuation and Cons	\$835	\$0
AECOM	\$25,000	\$0
Pyper Leaker Surveying	\$1,800	\$0
Northern Industries	\$2,500	\$0
Enviro Group Pty Ltd	\$3,231	\$2,000
Norman Waterhouse	\$0	\$701
Business Risk A S Solutions	\$1,950	\$1,300
Kelley Jones	\$2,826	\$2,172
Australian Water Environments	\$95,590	\$19,406
HLB Mann Judd	\$4,990	\$4,808
TOTALS	\$197,462	\$70,262

6 Comparison of Budget and Actual Results (excluding depreciation)

	2017		2016	
	Budget	Actual	Budget	Actual
Revenue				
Administration	\$62,166	\$61,625	\$63,844	\$60,798
Other Environment: Flood Mitigation	\$0	\$0	\$0	\$0
State Grant	\$136,438	\$136,438	\$76,563	\$0
Maintenance	\$18,278	\$18,278	\$17,832	\$17,832
Other Environment: Flood Mitigation Capital				
Total Revenue	\$216,882	\$216,341	\$158,239	\$78,630
Expenditure				
Administration	\$91,450	\$89,385	\$78,175	\$67,745
Other Environment: Flood Mitigation	\$113,500	\$120,590	\$19,526	\$19,406
Maintenance	\$10,150	\$8,484	\$10,000	\$2,119
Other Environment: Flood Mitigation Capital				
Total Expenditure	\$215,100	\$218,459	\$107,701	\$89,270
Surplus (deficit)	\$1,782	(\$2,118)	\$50,538	(\$10,641)

7 Expenditure Commitment

- i. An agreement has been entered into with David Hitchcock to provide Executive Officer and Supervision of Consultants services to 31 December 2017.

8 Reconciliation Statement of Cash Flows

8.1 Reconcile to operating activities

Net deficit from operations	(\$233,390)
Adjust for non-cash items	
Depreciation	\$231,213
Increase in Debtors	(\$48,645)

Net Cash decrease from operating activities	(\$50,762)
---	------------

8.2 Cash and cash equivalents

Balance at bank	(\$ 16,375)
Balance at LGFA	\$163,157
Total cash and cash equivalents	\$146,782

Gawler River Floodplain Management Authority
Related Parties Disclosures as at 30 June 2017

The Key Management Personnel of the Gawler River Floodplain Management Authority include the Chairman, Board members, Deputy Board Members and Executive Officer.

The Authority does not have any employees.

Services of the Executive Officer are provided by contractual agreement. See note 5 of the Financial Statements for itemized contractual services payments

The Chairman receives an Honorarium as established by the Board.

Amounts paid as direct reimbursement of expenses incurred on behalf of the GRFMA have not been included above.

No other payments have been made to Key Management Personnel of the Gawler River Floodplain Management Authority.

The Board
C/- David Hitchcock
Executive Officer
Gawler River Floodplain Management Authority
266 Seacombe Road
Seacliff Park SA 5049

**TO THE BOARD MEMBERS OF GAWLER RIVER FLOODPLAIN MANAGEMENT
AUTHORITY**

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2017**

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

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


HLB Mann Judd
Chartered Accountants


Corey McGowan
Partner

Adelaide, South Australia
24 July 2017

**Independent Auditor's Report
To the Members of Gawler River Floodplain Management Authority**

Opinion

We have audited the financial report of Gawler River Floodplain Management Authority ("the Authority") which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2017, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards and the Local Government Act 1999 and Regulations.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards and the Local Government Act 1999 and Regulations. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Authority in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and The Board for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011 (Regulations) made under that Act and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

HLB Mann Judd
HLB Mann Judd
Chartered Accountants

Adelaide, South Australia
31 August 2017


Corey McGowan
Partner

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Gawler River Floodplain Management Authority for the year ended 30 June 2017, the Authority's Auditor HLB Mann Judd has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



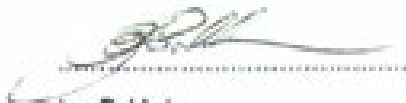
David Hitchcock

EXECUTIVE OFFICER



Peter Brass

PRESIDING MEMBER, AUDIT COMMITTEE



Ian Baldwin

CHAIRMAN GRFMA

24/8/17

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Appendix 2 ***Subsidiaries***

**Southern & Hills Local
Government Association**
Annual Report 2016/17



ANNUAL REPORT

2016-2017



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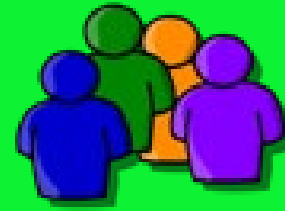
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Area of 8,656 Km²



Population
120,989



Prominent retirement
destination



Coastline 652 Kilometres



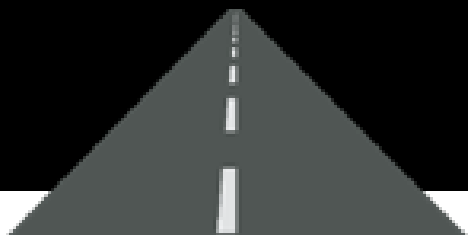
Total Council revenue
\$174.9 million



Adelaide Hills, Fleurieu and
Kangaroo Island are major
tourism destinations



5,539 kilometres of Local
Roads



25% projected
Population increase
by 2026



About the Southern & Hills Local Government Association region

The Southern & Hills Local Government Association was first formed in July 1969 and is now constituted as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. Consisting of six (6) local government Councils:

- Adelaide Hills Council
- Alexandrina Council
- Kangaroo Island Council
- Mt Barker District Council
- City of Victor Harbor
- District Council of Yankalilla

Collectively these six (6) Councils have:

- ☑ More than 120,000 people as at 30th June 2016.
- ☑ 5,539 kilometres of local roads
- ☑ Area consists of 8,656 square kilometres.
- ☑ An ocean coastline of 652 Km.
- ☑ The River Murray and lakes form the southeast boundary of the region.
- ☑ The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- ☑ Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- ☑ The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- ☑ Much of the area has, (by South Australian standards) a high rainfall.
- ☑ A large part of the area is within the 30 Year Plan for Greater Adelaide.
- ☑ Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- ☑ Projected change in the population to 2026 by approximately 25%.
- ☑ Within the region, Victor Harbor and Goolwa are key retirement destinations.
- ☑ Within the region, The Adelaide Hills, The Fleurieu and Kangaroo Island are all major tourism destinations.
- ☑ Kangaroo Island is a major component of the Australian and SA tourism plan with tourist numbers targeted to double over the next decade.

The Southern and Hills Local Government Association Board

June 2017

Council	Elected Member Representative	Council Staff Representative
Adelaide Hills Council	Mayor Bill Spragg	CEO Andrew Aitken
Alexandrina Council	Mayor Keith Parkes	CEO Glenn Rappensberg
Kangaroo Island Council	Mayor Peter Clements	CEO Andrew Boardman
Mt Barker District Council	Mayor Ann Ferguson	CEO Andrew Stuart
City of Victor Harbor	Mayor Graham Philip	CEO Graeme Maxwell
District Council of Yankalilla	Mayor Glen Rowlands	CEO Nigel Morris

Office Bearers 2016 – 2017

President	Mayor Bill Spragg, Adelaide Hills Council
Deputy President	Mayor Keith Parkes, Alexandrina Council
Executive Officer	Mr Graeme Martin
Auditor	Mr Trevor Hirth, FCA, HLB Mann Judd
Elected under the provisions of the Constitution of the Local Government Association	
Delegates to LGA Board	Mayor Keith Parkes Mayor Bill Spragg (via Metro) Mayor Ann Ferguson retired during the term
Proxy Delegate to LGA Board	Mayor Glen Rowlands, District Council of Yankalilla
Delegates to SAROC	Mayor Bill Spragg Mayor Keith Parkes Mr Graeme Martin
Proxy Delegate to SAROC	Mayor Glen Rowlands, District Council of Yankalilla

President's Forward

The 2016-2017 year largely has been one of continuation of Key Activities and Projects from the previous year for the Southern and Hills Local Government Association.

The 2016-2017 year has seen our energies devoted to the core business of the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, the continuing work to monitor the very comprehensive S&HLGA Regional Public Health plan including our first progress report, monitoring and implementing the region's Climate Change Adaptation Plan, working very closely with the RDA to further the Regional Infrastructure Plan, the Hills Rail Re-alignment review and maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and drafting a new 4 year Business Plan.

As in the past once again the key to our future success will be in our continued collegiate co-operation and development of efficient shared services particularly in the face of continuing and now pronounced economic headwinds at regional, state and national level. Ensuring financial sustainability and best practice service delivery for the region's Councils in the face of revenue capping and cost shifting policies and developing key quantitative and qualitative benchmarking criteria towards optimal Council shape and performance remains a key regional focus.

We have continued to build our strong relationship with our peak representative body the LGA (SA) as it continues on its comprehensive journey reviewing its governance and organisation. We are indebted and grateful for the support we receive from the LGA (SA) via the capacity building and outreach grants. We acknowledge and continue to work with the State Government's Office of Local Government. We have partnered with our regional economic development organisation, Regional Development Australia as well as PIRSA and the Natural Resource Management Boards as we continue to confront the many impacting regional issues.

Thank you to our Executive Officer, Graeme Martin for his continued support and commitment.

In closing, I once again thank all the member councils for their support during the year, and the ongoing contribution of member Mayors and CEOs.

Mayor Bill Spragg
President



The Board

The Board held 6 ordinary bi-monthly meetings during the year. Board Members are generally the Mayor and Chief Executive Officer of each Council. To provide the opportunity for Board Members to gain first hand knowledge of regional issues, meetings are hosted by Member Councils on a rotational basis and were held at:

19 August 2016	–	Yankalilla
28 October 2016	-	Victor Harbor
9 December 2016	-	Mt. Barker
24 February 2017	-	Kangaroo Island
28 April 2017	-	Yankalilla
23 June 2017	-	Victor Harbor

Key Issues acted on by the Board included:

- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to review the 2010 Hills Rail Realignment study, develop the regional Infrastructure Plan, the regional China Engagement strategy, the regional Climate Change Adaptation project and a regional workplan in partnership with PIRSA. The S&HLGA and the RDA are both represented on the Kangaroo Island Commissioner's Economic Growth Advisory Board
- o Continued working with the Local Government Association and the lobbying on the 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, 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 and input into the LGA governance and organisational review.
- o Monitoring and implementing the S&HLGA Regional Public Health Plan.
- o Monitoring and implementing the S&HLGA Regional Climate Change Adaptation Plan
- o Input into the LGA response to the SA State Emergency Management Plan review and the proposed Functional Support role for the sector.
- o Continued the updating of the Roads Database component of the regional 2020 Transport Plan and continued the comprehensive review of the Regional Transport Plan including the development of the South Coast Freight Corridor marketing material and advocating on Public Transport issues
- o Developing key quantitative and qualitative criteria for Council sustainability and reviewing the Fleurieu Futures findings
- o Updating and maintaining of the S&HLGA Website and developing new promotional material.

Regional Consultations and briefings were coordinated to occur on the day of Board meetings. 12 various speakers addressed meetings of the Board. The Board also hosted a forum with the Ombudsman.

In addition the CEO's group conducted several of their meetings in the morning preceding the Board meeting.

The Board reviewed its achievements to date and developed a new Action Plan for 2016-2017

At the conclusion of the period 2015-2016 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance. The Board also considered a draft Business Plan covering the period 2017-2021.

S&HLGA Roads Working Party

The Working Party (RWP), with membership drawn from directors /managers of technical services of Councils and regional managers and infrastructure planners of the Department of Planning, Transport and Infrastructure held its annual meeting in March to review the S&HLGA 2020 Transport Plan (Plan) Roads database priority summary list and to make recommendations on regional priorities for the Special Local Roads Program (SLRP). The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.
- Co-ordinated and supported the application process of Councils to the SLRP.
- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2017 – 2018

Project	Council	Total Project Cost for this stage	SLRP request	Council contribution	comment
Ocean Rd	City of Victor Harbor	\$711,000	\$474,000	\$237,000	Stage 3 of 3
Waitpinga Rd	City of Victor Harbor	\$669,000	\$446,000	\$223,000	Stage 2 of 4
9 Mile Rd	Alexandrina	\$375,000	\$250,000	\$125,000	Stage 2 of 2
Springs Rd	Mt Barker	\$997,000	\$665,000	\$333,000	Stage 1 of 4
Total		\$2,752,000	\$1,835,000	\$918,000	

CWMS Group

The S&HLGA Community Waste Water Management Systems (CWMS) User group has been formally constituted with member establishment levies set comprising a base rate plus a percentage based on the number of connections.

Following on the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, The S&HLGA Council CEO group has been reviewing options for CWMS assets in light of:

- The risk factors and increasingly time and resource consuming compliance regime associated with this critical asset management.

- The opportunity for regional scale
- Continued investment interest from the private sector.

This work will be a regional priority and a particular focus for the CEO group which should continue during the following years along with the recommendations for CWMS owners to seek and implement best practices and efficient maximum return operations.

Regional Papers and Submissions

The following Papers and Submissions have been prepared on behalf of Member Councils during the course of the year:

- To the LGA on behalf of the S&HLGA region – Updated Discussion paper on alternative LGA and Regional organisation relationship model
- To the Ombudsman on behalf of the S&HLGA region - response to the recommendations for a Regional Panel to review Internal Council decisions
- To the Office of LG on behalf of the S&HLGA region- review into Financial Regulations for Regional Subsidiaries and Conflict of Interest exemptions for membership of Regional subsidiaries.
- To The Office of Mayo MP Rebekha Sharkie on behalf of the sector – Review of MyGov and Auskey applications for Local Government

Task Force and Working Groups

The S&HLGA EO was a member of the following Task Force and Working Groups during the course of the year:

- Regional LGA CEOs group
- 2020 S&HLGA Transport Plan RWP
- Implementation and Monitoring of the S&HLGA Regional Public Health Plan
- Implementation and Monitoring of the S&HLGA Regional Climate Change Adaptation Plan (Resilient Hills & Coast)

Workshops and seminars

The Executive officer represented the member Councils at various workshops and seminars during the course of the year:

- LGA Showcase / OGM
- LGA Conference / AGM
- SA Murray Darling Association / MDBA Forum
- 30 Year Adelaide Plan 5 year review
- ESCOSA Strategic Directions Forum

- LGA Conflict of Interest / informal gatherings seminar
- Fleurieu Regional Awards Dinner
- State Government Key Department heads meeting in the Fleurieu
- LGA Functional support Group and State Emergency Plan review
- Various Council presentations on S&HLGA Key Activities and Projects

SAROC

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that focuses on key issues affecting country Councils.

The S&HLGA supports the Governance process by contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to S&HLGA Board meetings and collegiate support to prepare submissions on behalf of country 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 as well as advocating the return of appropriate Road funding for SA
- 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 and cost shifting policies such as e-planning portal contributions, hard waste levy, transfer of rate exempt community housing.
- Influence and input into the State Emergency Plan and the role of the LGA as a functional support group
- Input into the ombudsman recommendations around s270 Internal review of Council decisions
- Lobbying State Government on contributions to Mobile black spot funding
- Raising concerns with the State Government on the impact of education charges on 457 visa holders and the potential regional impact of restrictions on 457 visas

Rubble Royalties

The S&HLGA received top up funds from Rubble Royalties in 2016-2017. The S&HLGA has member Council Kangaroo Island as the sole contributor to this scheme. During the year funds were allocated to:

- Contribution to the Resilient Hills & Coast Climate Change Adaptation Project Officers 12 month contract extension
- Contribution to undertake preliminary design of the proposed Penneshaw Coupling/decoupling project
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.

LGA Board

Mayor Bill Spragg (Adelaide Hills Council) along with Mayor Keith Parkes (Alexandrina Council) have represented the Southern and Hills Region at the Local Government Association State Board meetings as the region's Delegates. District Council of Yankalilla Mayor, Glen Rowlands has acted as proxy delegate.

Mayor Ann Ferguson (Mt Barker District Council) retired from the LGA Board during this period.

Resources

The continuation of the capacity building grant from the Local Government Research and Development Scheme and the new Outreach Grant has improved the capacity of the Executive Officer that has been applied across a range of Association activities during the year.

Part of the additional capacity has supported the administrative processes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC, the regional EO group, the regional working groups and various reports, submissions and forums throughout the year.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement for the period 2016 - 2017.

Acronyms

AMLRNRM.....	Adelaide and Mt Lofty Ranges Natural Resources Management Board
CEO.....	Chief Executive Officer
CWMS.....	Community Wastewater Management Systems
DEWNR.....	Department of Environment, Water & Natural Resources
EO.....	Executive Officer
ESCOSA.....	Essential Services Commission of South Australia
LGA.....	Local Government Association
MDBA.....	Murray Darling Basin Authority
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
OLG.....	Office of Local Government
PIRSA.....	Primary Industries & Regions SA
RDA.....	Regional Development Australia
SAROC.....	South Australian Regional Organisation of Councils
SEB.....	Significant Environmental Benefits
S&HLGA.....	Southern and Hills Local Government Association
SLRP.....	Special Local Roads Program

**Southern & Hills Local Government Association
Past Presidents and Secretaries / Executive Officers**

Years	President	Council	Secretary / EO
2016 - 2017	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2015 - 2016	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2014 - 2015	Mayor Bill Spragg ^f Mayor Ann Ferguson	Adelaide Hills Council DC Mount Barker	Graeme Martin
2013 - 2014	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2012 - 2013	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2011 - 2012	Mayor Ann Ferguson	DC Mount Barker	Fred Pedler ^d Graeme Martin ^e
2010 - 2011	Mayor Ann Ferguson ^c Mayor Brian Hurn OAM	DC Mount Barker The Barossa Council	Fred Pedler ^b
2009 - 2010	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2008 - 2009	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2007 - 2008	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2006 - 2007	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2005 - 2006	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2004 - 2005	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2003 - 2004	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2002 - 2003	Mayor John Crompton ^a	City of Victor Harbor	Fred Pedler ^b
2001 - 2002	Mayor John Crompton	City of Victor Harbor	Fred Pedler ^b
1999 - 2000	Mayor Bernie Eglinton APM	DC Mt Barker	Fred Pedler ^b
1998 - 1999	Mayor Bernie Eglinton APM	DC Mt Barker	Dean Gollan
1997 - 1998	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1996 - 1997	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1995 - 1996	Mayor Anita Aspinall	DC Stirling	Peter Vlatko
1993 - 1994	Cr GR Mayfield	DC Yankalilla	Malcolm Davis
1991 - 1992	Mayor Val Ball	DC Strathalbyn	John Coombe
1989 - 1990	Cr Val Bonython	DC East Torrens	Eric March
1987 - 1988	Cr PD Secker	DC Mt Barker	Dean Gollan
1985 - 1986	Mayor Leon O'Driscoll	DC Strathalbyn	Vernon Cotton
1984 - 1985	Cr CA Phieffer	DC Onkaparinga	David Seaman
1982 - 1983	Cr Brian Pym	DC Mt Pleasant	Adrian Hamiester
1980 - 1981	Cr Roy Galpin	DC Port Elliot and Goolwa	Ron Wellington
1979	Mayor M Checker	DC Gumeracha	Malcolm Anderson
1978	Mayor M Checker	DC Gumeracha	John Grosvenor
1976 - 1977	Mayor A Davidson	DC Strathalbyn	Vernon Cotton
1975	Cr Ray Orr	DC Mt Barker	Reginald Walters
1974	Cr L Hughes	DC Meadows	Wally Richards
1969-1973	No minutes available		
30 th July 1969	First Constitution for S&HLGA Adopted		

Attendance register maintained for annual and half yearly conferences from 1968 to 1990

^a Until 12th May 2003

^b Executive Officer

^c From February 2011

^d To December 2011

^e From January 2012

^f From February 2015

SUMMARY FINANCIAL STATEMENTS

For the Year Ending 30th June 2017

	2017	2016
	\$	\$
Income		
Subscriptions	72,995	84,037
Operating Grants	182,506	38,726
Investment Income	2,634	2,384
Other	21,736	323
	<hr/>	<hr/>
Total Income	279,871	125,470
Expenditure		
Contractual Services	168,080	146,025
Finance Charges	3,326	3,126
Other	64,692	15,729
	<hr/>	<hr/>
Total Expenditure	236,098	164,880
	<hr/>	<hr/>
Surplus (Deficit) from Operations	43,773	(39,410)
	<hr/>	<hr/>
	\$	\$
Current Assets		
Investments	97,928	69,597
Debtors	0	0
	<hr/>	<hr/>
Total Current Assets	97,928	69,597
	<hr/>	<hr/>
Current Liabilities		
Accounts Payable	4,620	20,062
	<hr/>	<hr/>
Total Current Liabilities	4,620	20,062
	<hr/>	<hr/>
Net Current Assets	93,308	49,535
	<hr/>	<hr/>
	<hr/>	<hr/>
Net Assets	93,308	49,535
	<hr/>	<hr/>
Equity		
Accumulated Surplus	93,308	49,535
	<hr/>	<hr/>
Total Equity	93,308	49,535
	<hr/>	<hr/>



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Constituent Councils Adelaide Hills Council
 Alexandrina Council
 Kangaroo Island Council
 Mount Barker District Council
 City of Victor Harbor
 District Council of Yankalilla

S&HLGA KEY ACTION PLAN

2016 - 2017

Address: 13 Ringmer Dr. Burnside, South Australia 5066
Telephone: (08) 7122 4348
Mobile: 0418 502 311
Email: graeme@shlga.sa.gov.au
Web Site: www.shlga.sa.gov.au

The Business Plan 2013 – 2017 has been prepared in accordance with Clause 18 of the Charter, and to comply with Clause 24 of Schedule 2 of the Local Government Act 1999, was adopted on 21 June 2013. The Business Plan should be read in conjunction with the Budget of each of the Financial Years covered by the plan. These provide the resources for the Plan.

An Annual Key Action Plan is prepared based on a framework of the Business Plan that incorporates the Key Issues identified by the Councils and the Executive Officer in various Board meetings and forums during the preceding period. The Key Action Plan is the framework for review and reporting against the Business Plan.

This report format will facilitate the reviews required by Clause 18.3 of the Charter to be conducted by the Board during the course of the year.

The Executive Officer will report to Ordinary Board meetings against the following criteria

1. To keep maintained the business office of the Authority
2. To prepare the Business Plan, Budgets and reports in a timely manner
3. To liaise with Councils, and Stakeholders to foster the outcomes of the Business Plan
4. To attend all meetings of the Authority, to prepare agendas, minutes and correspondence as required.

AND against recognised and documented success indicators (Key Performance Outcome KPO, Key Performance Indicator, KPI).

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
<p>1. <i>To provide leadership and advocacy for Member Councils on regional issues.</i></p>	<p>Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by:</p> <ul style="list-style-type: none"> ○ Meetings to include presentations, workshops and forums on Key Issues <p>Respond as necessary to State and Federal Government Policies which impact on the region</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Strategies that give priority to S&HLGA issues <input checked="" type="checkbox"/> Satisfaction data on the meeting format, speakers <input checked="" type="checkbox"/> Number of policy responses 	<p>To maintain a vibrant responsive format for the S&HLGA Board</p>	<p>Key issues are addressed and format of meetings constantly meet the needs of the Association's members.</p>	<ol style="list-style-type: none"> 1. 12/07/16 Conflict of Interest exemption letter to OLG 2. 22/09/16 Forum AHC on draft 30 Year Adelaide Plan 5 year review 3. ESCOSA strategic Directions forum 14/09/16 4. State Govt key Department heads meeting Fleurieu region 18/10/16 5. Response to Ombudsman recommendation for regional panel to review internal Council decisions 8/3/17 6. Email to OLG concerning Financial Management Regulations for Regional subsidiaries
<p>2. <i>To promote & market the Southern & Hills Local Government Association</i></p>	<p>Ensure the new website is current and marketed appropriately</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Update the website as required and review 	<p>Maintain an informative, current and appealing S&HLGA website</p>		<ol style="list-style-type: none"> 1. 13/07/16 Meeting with LGA to edit website 2. Fleurieu Regional Awards Dinner 18/10/16

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	To provide sound financial management and manage resources effectively	<input checked="" type="checkbox"/> To prepare annual Budget and review as required <input checked="" type="checkbox"/> Oversee Annual Audit	To manage the financial affairs within budget and to prepare reporting within the required timeframes. Business Plan objectives and actions are addressed.	Budget is maintained and reports meet timelines. Objectives and actions within Business Plan have been addressed meeting agreed to timelines.	1. 2016-2017 Budget adopted 1/07/16 2. 2016-2017 Audit completed 25/08/16 3. 2015-2016 Annual Report adopted 28/10/16 4. Mid Year 2016-2017 Budget Review 24/02/17 5. 2017-2018 Draft Budget presented 28/04/17
	Regular CEO's meetings <input type="checkbox"/> CEO's to inform EO of issues for each meeting <input type="checkbox"/> Stakeholders to inform EO of issues for each meeting <input type="checkbox"/> Strengthen interaction with State government and opposition MP's	<input checked="" type="checkbox"/> Maintain the CEO's forum	Management of key stakeholder relationships with the S&HLGA Board	CEO meeting recommendations and feedback. Key Stakeholder feedback and Board satisfaction	1. Council presentations 11/10/16 KI, 17/10/16 Alexandrina, 7/11/16 Mt Barker. 2. FFP presentation to CVH 8/05/17
	Regional issues to be raised with LGA directly or through SAROC	<input checked="" type="checkbox"/> Number of issues raised with LGA / SAROC / Agencies <input checked="" type="checkbox"/> Number of LGA/SAROC Task groups and Committees involved in			1. Alternative RO model discussion paper tabled 02/02/16 2. Updated RO /SAROC discussion paper Nov 2016 1. Regional EO SAROC governance review

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
<i>Objective</i>	Key Actions	Performance Targets	KPO	KPI	
	Attend along with the RDA the next Shanghai outbound mission on behalf of the region	<input checked="" type="checkbox"/> Attend maximum workshops and marketing events during the visit	Post visit Report to the S&HLGA Board identifying future investment opportunities		

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
<p>3. <i>To support sustainable economic, environmental, & social development in the region</i></p>	<p>Environment</p> <p>Liaise with the regions NRM's</p> <ul style="list-style-type: none"> ○ Actively participate in the regional Climate Change Vulnerability Assessment and/or Climate change adaptation study ○ Actively support the region's position in the LGA review of the current NRM model <p>Review the Regional Zone Emergency Management Plan and assist in marketing and communications</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Regional Adaptation report presented to S&HLGA Board <input checked="" type="checkbox"/> SAROC/LGA Reports/Papers produced and forums attended 	<p>Climate Change Adaptation report finalized and implementation program instigated with the Project Officer contract extended</p>		<ul style="list-style-type: none"> 1. 11/07/16 Murray Darling Association & MDBA forum 2. 02/08/16 Resilient Hills & Coast Climate Change adaptation Working Group meeting to formalize report and develop the implementation plan 3. Plan launched 9 Dec by Minister Hunter 4. Plan a finalist in the Premiers Climate Change awards 5. Ongoing Rubble Royalty review with LGA and Ros 6. Regional Climate Change Sector Agreement agreed with DEWNR/NRM <p>01/07/16 ZEMC presentation to the S&HLGA Board</p>

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	<p>research</p> <p>Explore (with the LGA) research and /or pilot programs for the Region.</p>	<p><input checked="" type="checkbox"/> Successful Research or funding applications or projects facilitated in the region</p>			<p>1. S&HLGA application on behalf of the region for the Northern Freight bypass and passenger rail option</p> <p>2. Successful LGA R&D application 30/09/16</p> <p>3. Fleurieu Futures Report completed Jan 2017</p> <p>4. Progress report Northern Freight bypass project 12/05/17</p>
	<p>Public Health</p> <p>Complete all compliance requirements of the regional Health Plan in accordance with the State Public Health Plan</p>	<p><input checked="" type="checkbox"/> Completed reporting and monitoring implementation aspect of the Regional Health Plan</p>	<p>Reports lodged with SA Health in accordance with regulations</p>	<p>Individual Council Action Plans monitored and evaluated through the S&HLGA PH Working Group</p>	<p>1. Report for the period July 1 2014-June 30 2016 submitted to SA Health</p> <p>2. Ongoing Working Group meetings. EO providing secretarial assistance.</p>

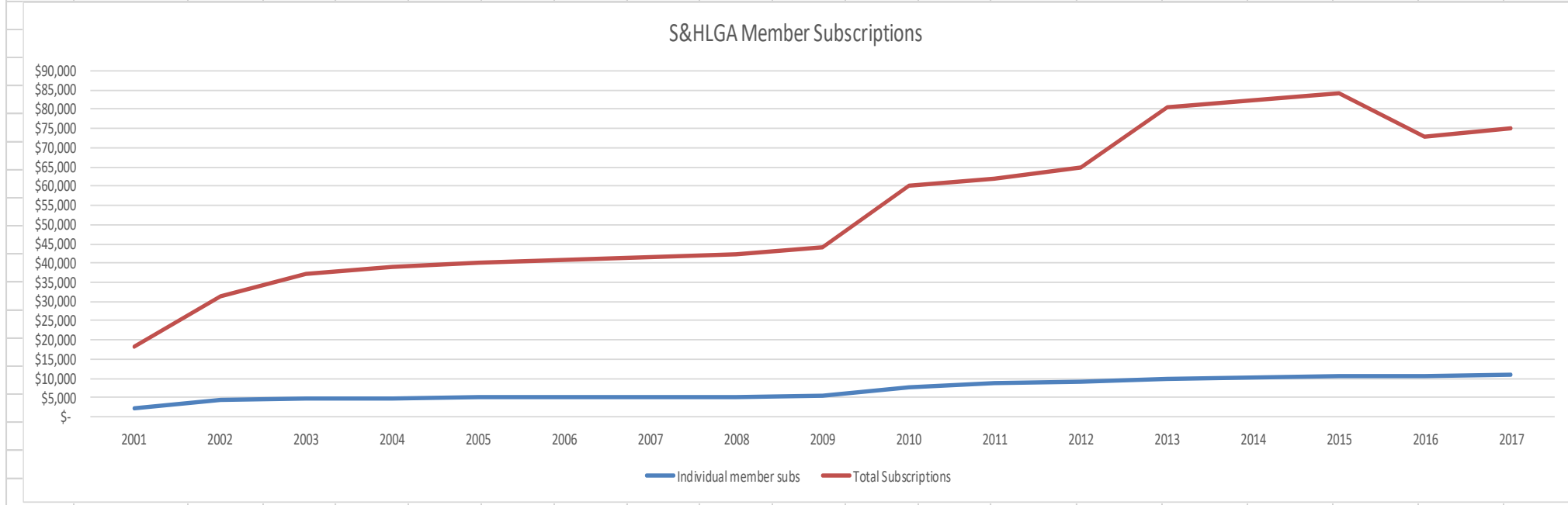
Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
<i>Objective</i>	Key Actions	Performance Targets	KPO	KPI	
	<p>Regional Development</p> <p>Support the RDA in all regional economic issues and projects</p>	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Regular meetings with the RDA <input checked="" type="checkbox"/> Assist the RDA in Contract negotiations with member Councils for the next 3 year RDA funding agreement <input checked="" type="checkbox"/> RDA reports to the Board against the agreed KPIs <input checked="" type="checkbox"/> Successful S&HLGA/RDA partnership rollout of the RDA/PIRSA funded Regionalisation project during 2016-17 <input checked="" type="checkbox"/> Completion of the Regional Infrastructure Plan 	<p>Regional Infrastructure Plan presented to the S&HLGA Board</p> <p>Formation of the Regional Governance Body to progress the Regional Infrastructure Plan</p> <p>S&HLGA contribution to a review of Regional Planning policies with a view to regional harmonisation and response to the new Planning Development and Infrastructure Act</p>	<p>Key Stakeholder feedback and Council satisfaction</p>	<p>1. 11/8/16 - RDA/S&HLGA workplan for 2016-2017 developed to implement Regional Infrastructure Plan and progress Regional Development and Planning Policy</p> <p>2. Regional Eco Development/Infrastructure Working Group formed with RDA</p>
	<p>Telecommunication</p> <p>Monitor regional NBN rollout & continue to lobby for equitable access for the region for digital technology including Broadband upgrades and extended mobile telephone coverage</p>		<p>Completed Blackspot submissions and NBN requests</p>		

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
4. <i>To strengthen the capacity of the Association to meet its service obligations.</i>	The Executive Officer to work with the Council CEO's, LGA and Key Stakeholders to explore identified opportunities to share resources that will build capacity in the region and its networks	<input checked="" type="checkbox"/> LGA Regional Capacity Building Grant successfully applied for <input checked="" type="checkbox"/> LGA Outreach Grant successfully applied for			1. 19/07/16 LGA Regional 2015-2016 Capacity Grant acquitted and 2016-2017 Grant applied for 2. 2016-2017 LGA Regional Capacity grant received 1. 22/08/16 LGA Outreach 2016-2017 Grant application and agreement signed off and invoiced. 2. 2016-2017 LGA Outreach Grant received
	Continue to Review the membership base of the S&HLGA and explore the possibility of a Peri Urban Region or identify additional members		S&HLGA Membership negotiations with Onkaparinga commenced		1. Onkaparinga included in outreach Training needs survey.
	Benchmark and review the Long term financial sustainability of Councils including future growth trends, alternative revenue options and optimal size and boundaries	<input checked="" type="checkbox"/> Workshop participation and Progress and Outcome Reports to the Board <input checked="" type="checkbox"/> Project management with the LGA of the Fleurieu Futures Project (FFP)	FFP final report presented to the S&HLGA Board	Key Stakeholder feedback and Council satisfaction	1. Stage 1 draft report completed July 2016 2. Stage 2 draft report completed August 2016 3. Nov 2016 LGA meeting re:FFP and ongoing associated projects 4. Final report completed Jan 2017 5. Tri - Council presentation 6/4/17 6. CVH presentation 8/05/17

Business Plan	Action Plan 2016 - 2017		Success Indicators Action Plan 2016-2017		Achievements
Objective	Key Actions	Performance Targets	KPO	KPI	
	Manage S&HLGA Local Government compliance obligations in 2016-2017	<input checked="" type="checkbox"/> Input into Local Government Act review and any proposed amendments <input checked="" type="checkbox"/> Complete Charter Review <input checked="" type="checkbox"/> Audit Committee Exemption granted	Revised Charter approved and published Ministerial Audit Committee Exemption granted to S&HLGA for 3 years		1. LGA conflict of interest/Informal gatherings seminar 9/11/16 2. LGA Emergency support seminar 28/11/16 3. 15/01/17 SAROC briefing paper on s270 Internal Review recommendation of the ombudsman 4. Issues with Financial Regulations for Regional Subsidiaries raised with OLG 4/05/17 01/07/16 Ministerial exemption granted to June 30 th 2021
	Partner LGA in efforts to progress action on Rate capping, NRM levy collection and Funding, Elected member and Council staff Training and PD and Financial Assistance Grants indexing	<input checked="" type="checkbox"/> Participate in SAROC/LGA task groups, reports and negotiations <input checked="" type="checkbox"/> Outreach Regional Training program developed			1. LGA AGM 20/21 Oct 2016 2. RO Executive Officers regular forum implemented 3. LGA OGM April 2017 1. 24/08/16-21/09/16 Meetings with Liz O'Flynn to develop Outreach Training plan via Council survey
	Lead the Region in action on a review of FAGs methodology to better incorporate temporary population impact	<input checked="" type="checkbox"/> Number of presentations, workshops and submissions			1.CEO SA Grants Commission addressed and update the S&HLGA Board 28/10/16

MEMBER FEES HISTORY

Financial Year ended	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Individual member subs	\$ 2,275	\$ 4,500	\$ 4,635	\$ 4,867	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,500	\$ 7,500	\$ 8,829	\$ 9,270	\$ 10,000	\$ 10,250	\$ 10,500	\$ 10,685	\$ 11,000
Total Subscriptions	\$ 18,200	\$ 31,500	\$ 37,080	\$ 38,936	\$ 40,000	\$ 40,800	\$ 41,600	\$ 42,400	\$ 44,000	\$ 60,000	\$ 61,803	\$ 64,890	\$ 80,443	\$ 82,172	\$ 84,037	\$ 72,995	\$ 75,173
\$ Change from previous year		\$13,300	\$5,580	\$1,856	\$1,064	\$800	\$800	\$800	\$1,600	\$16,000	\$1,803	\$3,087	\$15,553	\$1,729	\$1,865	-\$11,042	\$2,178
% Change from previous year		73.1%	17.7%	5.0%	2.7%	2.0%	2.0%	1.9%	3.8%	36.4%	3.0%	5.0%	24.0%	2.1%	2.3%	-13.1%	3.0%
NB	8 members	2001-2010															
	7 members	2011-2015															
	6 members	2016															



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION
FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ended
30th June 2017

	Notes	2017 \$	2016 \$
Income			
Subscriptions	1.8	72,995	84,037
Operating Grants		182,506	38,726
Investment Income	1.7	2,634	2,384
Other		21,736	323
Total Income	1.4	279,871	125,470
Expenditure			
Contractual Services	3	168,080	146,025
Finance Charges		3,326	3,126
Other		64,692	15,729
Total Expenditure		236,098	164,880
Surplus (Deficit) from Operations		43,773	(39,410)

The above Income Statement should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2017

	2017	2016
Notes	\$	\$
Current Assets		
Investments	97,928	69,597
Debtors	0	0
Total Current Assets	<u>97,928</u>	<u>69,597</u>
Current Liabilities		
Accounts Payable	4,620	20,062
Total Current Liabilities	<u>4,620</u>	<u>20,062</u>
Net Current Assets	<u>93,308</u>	<u>49,535</u>
Net Assets	<u>93,308</u>	<u>49,535</u>
Equity		
Accumulated Surplus	<u>93,308</u>	<u>49,535</u>
Total Equity	<u>93,308</u>	<u>49,535</u>

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2017

		2017	2016
	Notes	\$	\$
Accumulated Surplus			
Balance at beginning of period		49,535	88,945
Net Surplus / (Deficit)		43,773	(39,410)
Balance at end of period		<u>93,308</u>	<u>49,535</u>
Total Equity		<u>93,308</u>	<u>49,535</u>

The above Statement of Change in Equity should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2017

	Notes	2017	2016
		\$	\$
Cash Flows from Operating Activities			
Receipts		304,961	127,204
Payments		(276,694)	(167,763)
GST Paid (received)		(2,570)	0
Interest Receipts		2,634	2,384
		28,331	(38,175)
Net Cash Provided by (Used in) Operating Activities			
Net increase/(decrease) in Cash Held		28,331	(38,175)
Cash at the beginning of the reporting period		69,597	107,773
Cash at the end of the reporting period		97,928	69,597

Reconciliation of Change in Net Assets to Cash from operating activities

		2017	2016
			\$
Net Surplus		43,773	(39,410)
Add			
Net Decrease in Debtors		0	4,118
Less			
Net Decrease in Accounts Payable		15,442	2,883
Net Cash provided by Operating Activities		28,331	(38,175)

The above Statement of cash Flows should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

Note 1 - Significant Accounting Policies

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 Of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mt Barker District Council, City of Victor Harbor and District Council of Yanakilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

1.5 Non Current Assets and Non Current Liabilities

The Association has no non current assets or non current liabilities.

1.6 Employees

The Association has no employees.

1.7 Investments

Investments are valued at cost. Interest revenues are recognized as they accrue.

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions by Constituent Councils are equal.

Constituent Council Subscription 2017	\$10,685
Constituent Council Subscription 2016	\$10,500

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.9 Income recognition

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

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration:	The operation of the Office of the Association and its decision making forums.
Special projects:	The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.
Transport and Communication:	The review and implementation of the S&H 2020 Transport Plan.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue				Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue	%	Expenses Total	%	
2017	157,506	75,776	233,282	83.4%	160,053	67.7%	73,229
2016	38,726	86,744	125,470	100.0%	155,684	94.4%	(30,214)

Projects

2017	25,000	4,229	29,229	10.4%	73,787	31.3%	(44,558)
2016	0	0	0	0.0%	196	0.1%	(196)

Transport and Communication

2017	0	17,360	17,360	6.2%	2,258	1.0%	15,102
2016	0	0	0	0.0%	9,000	5.5%	(9,000)

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
Total							
2017	182,506	97,365	279,871	100.0%	238,098	100.0%	43,773
2016	38,726	86,744	125,470	100.0%	164,880	100.0%	(39,410)

3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

		2017	2016
Consultants:	LKS Quaero	\$2,500	\$0
	Grange Advisors Pty Ltd	\$139,080	\$137,025
	HDS Australia Pty Ltd	\$1,500	\$9,000
	RDA H&C	\$25,000	\$0
	Totals	\$168,080	\$146,025

4. Comparison of Budget and Actual Results

	2017		2016	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	192,033	233,282	173,192	125,470
Projects	0	29,229	0	0
Transport and Communication	17,600	17,360	0	0
Total Revenue	209,633	279,871	173,192	125,470
Expenditure				
Administration	166,950	160,053	157,650	155,684
Projects	30,250	73,787	10,850	196
Transport and Communication	12,000	2,258	1,200	9,000
Total Expenditure	209,200	236,098	169,700	164,880
Surplus (Deficit)	433	43,773	3,492	(39,410)

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

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

Dated 8th August 2017



Graeme Martin
EXECUTIVE OFFICER



Mayor Bill Spragg
PRESIDENT

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2017, the Association's Auditor, HLB Mann Judd, 169 Fullarton Rd, Adelaide, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Dated 8th August 2017



Graeme Martin
EXECUTIVE OFFICER



Mayor Bill Spragg
PRESIDENT

**Independent Auditor's Report
To the Members of Southern & Hills local Government Association****Opinion**

We have audited the financial report of Southern & Hills local Government Association ("the Entity") which comprises the Balance Sheet as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2017, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards and the Local Government Act 1999.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards and the Local Government Act 1999. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and The Board for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Board is responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Adelaide, South Australia
8 August 2017



Jon Colquhoun
Partner

The Board
C/- Graeme Martin
Executive Officer
Southern & Hills Local Government Assoc
13 Ringmer Dr.
Burnside SA 5066

TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 June 2017**

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

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

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**





**Jon Colquhoun
Partner**


**Adelaide, South Australia
8 August 2017**

Contact us


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