

2017-18

Annual Report



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Cover photo: *Sunshine*, Bridgewater. Credit: Kelly Barnes.

Welcome to our Annual Report for 2017–18

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, development assessment and compliance, 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 2017 to 30 June 2018. 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 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

This year marked the 20th Anniversary of the formation of the Adelaide Hills Council. The first Council meeting at Lobethal Bushland Park on 7 July 1997 was commemorated with a special meeting at the same location in November 2017. Many former Council Members attended and it was a great opportunity to reflect on how far we've come in that time. But as I reflect on 2017-18, it is clear that this year was itself one of significant progress and achievement.

We delivered the biggest capital works program in the Council's history. More roads were resealed, drainage upgraded and footpaths renewed than in any prior year. Successive years of concerted effort and investment have substantially reduced the longstanding backlog of infrastructure asset renewal, enabling us to reduce the capital works budget to a more sustainable level in future years.

We once again kept average rate rises to within one per cent of the increase in the CPI, as outlined in our long-term financial plan, and managed to achieve a modest operating surplus. Our debt level is set to be significantly reduced as we progress with divestment of the Council's retirement villages in what will be a win-win for village residents and the broader community.

The Representation Review saw us enter the 2018 elections with fewer wards but the same number of Council Members. The Council's intent in adopting this model was to give voters greater choice in candidates and to

“This year was one of significant progress and achievement.”

increase the chances of representation for all 'communities of interest'.

We took definitive steps toward our aim to reduce the impact of cats on native fauna, the incidence of death through misadventure and the transmission of disease from feral cats. Community consultation supported a By-law requiring cats be confined to their owner's property from January 2022.

The old Lobethal Woollen Mill is being transformed into an arts and heritage hub, with an exciting range of programs and events being scheduled. We developed a plan to make the hub the home of textile art in South Australia and we're seeking government grants to help make this happen.

Our first *Multicultural Action Plan* was adopted in 2017. It outlines our approach to present the

Adelaide Hills as a welcoming and diverse community, one that values people as much for their differences as their shared values.

Sadly, the year was marked by the passing of Cr Val Hall. Val worked tirelessly for her community and her 19 year Council service was just one chapter in a lifetime of service. She will be greatly missed.

On behalf of all Council Members I would like to thank the staff and volunteers who worked with passion and professionalism to make 2017-18 such a great year. As my term as Mayor comes to a close I'd also like to thank them for their valued support over the years.



Bill Spragg
Mayor



From the Chief Executive Officer

Achieving outcomes for our community relies on a passionate and professional administration as well as a well-functioning and accountable organisation. Our new *Corporate Plan* focusses on leadership capability, developing our people, aligning policy with strategy, leveraging partnerships, improving processes and services, and achieving results.

We've planned actions in each of these areas and have made good progress with key initiatives such as diversity and inclusion training, improving the management of incoming customer calls and updating our service standards.

I am particularly proud of our new Take 5 For Safety workplace safety initiative, which is built around five key messages:

1. Safety first. Think before you act.
2. Spot the hazard and assess the risk.
3. If you see it, speak up or take action.
4. If it's not safe, don't proceed.
5. Work safely, go home safely.

Our entire workforce came together to launch the initiative and to discuss why workplace safety is so important. We followed this up with specific campaigns around manual handling

“I’m particularly proud of our new workplace safety initiative.”

in May and mental wellness in September. The response has been extremely positive with noticeable reductions in the number of workplace incidents.

With considered planning, we achieved greater alignment between our *Long Term Financial Plan* and the Council's key functional strategies. As a result, we are better able to move forward with the delivery of plans such as our *Biodiversity Strategy*, *Sport and Recreation Strategy* and *Reconciliation Action Plan*.

Late in the year we made plans for a new organisational structure to more effectively align resources

with strategic objectives and the needs of our community. The new arrangements came into effect on 1 July 2018.

Our proud and progressive team of staff and volunteers are integral to achieving these strategic outcomes and bring vibrancy to our Hills community. I thank them all for their dedication and commitment over the last year. Finally, I would like to acknowledge the leadership and support provided by Mayor Bill Spragg and all Council Members and wish those leaving Council after the election all the best for the future.

Andrew Aitken
Chief Executive Officer

Our Unique Adelaide Hills

The Adelaide Hills is renowned for our historic towns and villages, outstanding natural environment, arts and cultural heritage, quality local produce and related food and wine experiences. Our area is valued by local residents for its scenic beauty and liveability and is a beacon for visitors nationally and internationally.

The Adelaide Hills has a long and rich history. We recognise the Peramangk and Kurna as our region's first people. We respect their ongoing relationship with the land and are committed to working together to ensure their culture and traditions are preserved.

With a foundation of strong cultural heritage, the Adelaide Hills has evolved into a thriving agrarian landscape of picturesque towns and villages, diverse built features and some of the most valuable native bushland in Australia.

The Adelaide Hills Council district extends from Mount Bold Reservoir in the south, to the South Para Reservoir in the north, and from the Hills face in

the west, to the eastern escarpment of the Mount Lofty Ranges. Council's area is peri-urban and is considered to be part of the Greater Adelaide region. With its close proximity to the city's Central Business District, many residents commute to the city for work. Our region is well known for being one of the most liveable in the country.

Our communities are defined by their strong networks and welcoming people who have a great sense of pride in our unique destination. We have one of the highest levels of volunteering in the nation. The passion of our communities to realise a thriving Adelaide Hills is second to none. Community-led initiatives such as

Imagine Uraidla and Gumeracha Main Street Project are seeing fantastic outcomes.

Our local economy is ever changing, with new and evolving industries such as boutique wine production, breweries and distilleries, creative arts, experience tourism, niche food production and entrepreneurs attracted to the region. They are driving positive social and economic results for the Adelaide Hills.

Council works together with our community, businesses and other government organisations to ensure the uniqueness of our Adelaide Hills is preserved for this and future generations.

Fast Facts: Our Area

Adelaide Hills Council provides services for nearly 40,000 residents and over 1.2 million domestic day-trip visitors annually.

Our Population



Population
39,652*



Median Age
44



Home Owners
11,870



Households with Vehicles
13,266

Our Area



Number of Townships
57



Number of Dwellings
15,454



Population Density
49/km²



Area
795km²



Council Sealed Roads
607km



Council Unsealed Roads
401km

Our Employment and Businesses



Businesses in the Area
4,049



Employed Residents
21,867

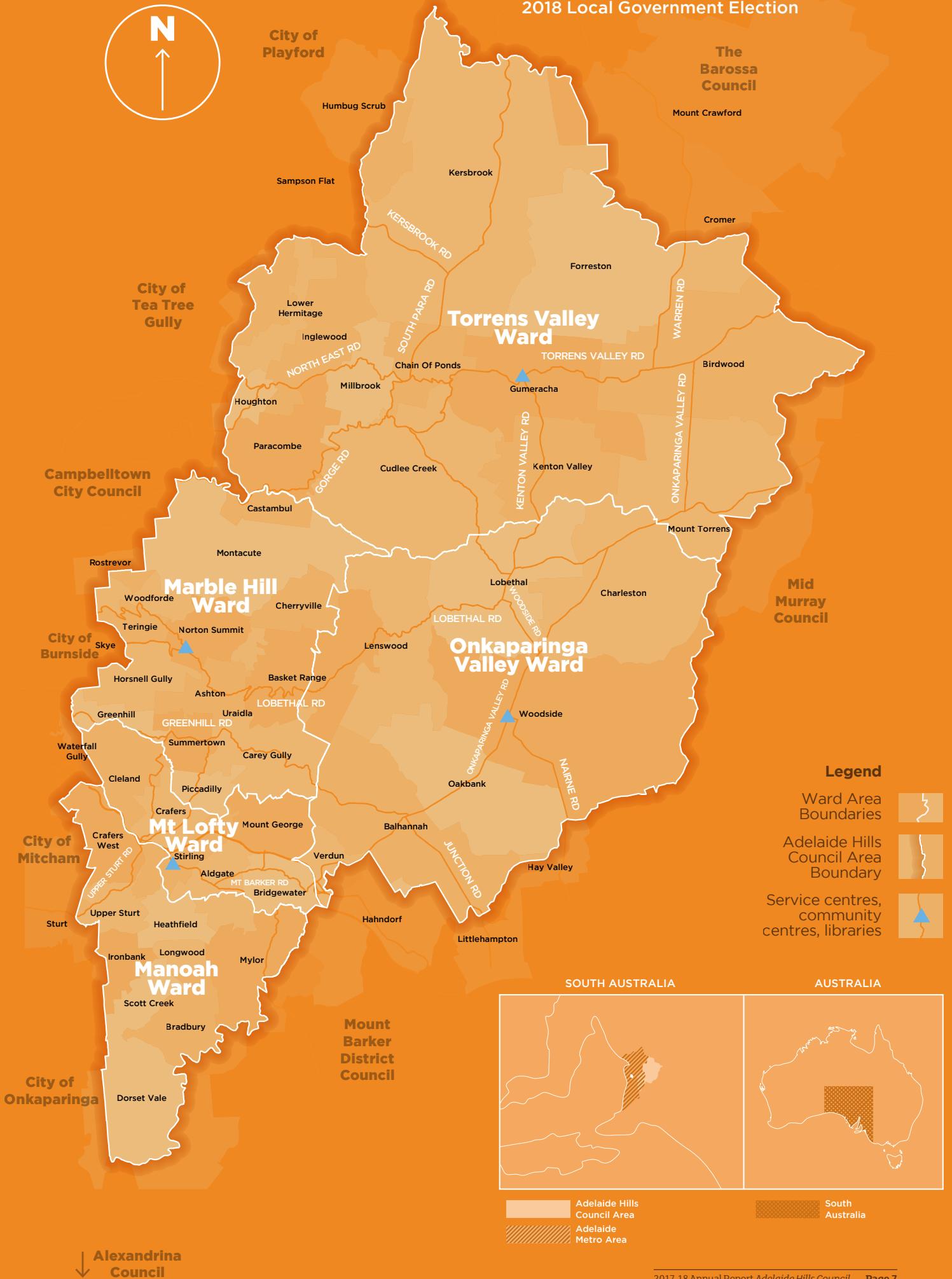


Local Jobs
11,408



Visitors to the area
1,206,000 average annual domestic day trips

Adelaide Hills Council Five Ward Structure
as at 30 June 2018, in place until the November
2018 Local Government Election



Our Council and Organisation

Our Council history

Adelaide Hills Council was established on 1 July 1997 through the amalgamation of the District Councils of East Torrens, Gumeracha, Onkaparinga and Stirling. Council has a Mayor and 12 Council Members elected to represent the community across five Wards. Elections for Local Government are held every four years.

In celebration of the 20 year anniversary of the first meeting of the Adelaide Hills Council, a Special Council Meeting was held at Bushland Park, Lobethal on Tuesday 21 November, 2017. The first meeting of the newly amalgamated Adelaide Hills Council was held in the same location in July 1997.

Council Members from the past 20 years were in attendance, including three original Councillors still sitting on Council at the time; namely Cr Ian Bailey, Cr Ron Nelson, and Cr Val Hall. A commemorative plaque was affixed on site to mark this special occasion. Memorabilia was on display and those present shared their insights and thoughts on our Council's history and progress over the past 20 years and what the future may bring.



Our Council Members

The 20-year anniversary of our first Council meeting celebrated progress and collaboration since amalgamation.

Mayor

Bill Spragg

Manoah Ward

Councillor Ron Nelson

Councillor Jan-Claire Wisdom

Marble Hill Ward

Councillor Ian Bailey

Councillor Jan Loveday

Mount Lofty Ward

Councillor Kirrilee Boyd

Councillor Nathan Daniell

Councillor John Kemp

Onkaparinga Valley Ward

Councillor Val Hall*

Councillor Andrew Stratford

Councillor Lynton Vonow

Torrens Valley Ward

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.

*Sadly in February 2018, Councillor Val Hall passed away after a short illness. Councillor Hall was in her nineteenth year of local government service and a lifetime of community service. A memorial chair in her honour was unveiled in Federation Park, Gumeracha, in August 2018.

In 2017 Council completed an Elector Representation Review, with a resolution to retain a popularly-elected Mayor and 12 Councillors under two wards: the Valleys Ward and the Ranges Ward. This structure will come into effect with the November 2018 election.

Our Executive Team

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

CEO



Andrew Aitken

Directors

Community and Customer Service



David Waters

Corporate Services



Terry Crackett

Engineering and Assets



Peter Bice

Strategy and Development



Marc Salver

Executive Managers

Governance and Performance



Lachlan Miller

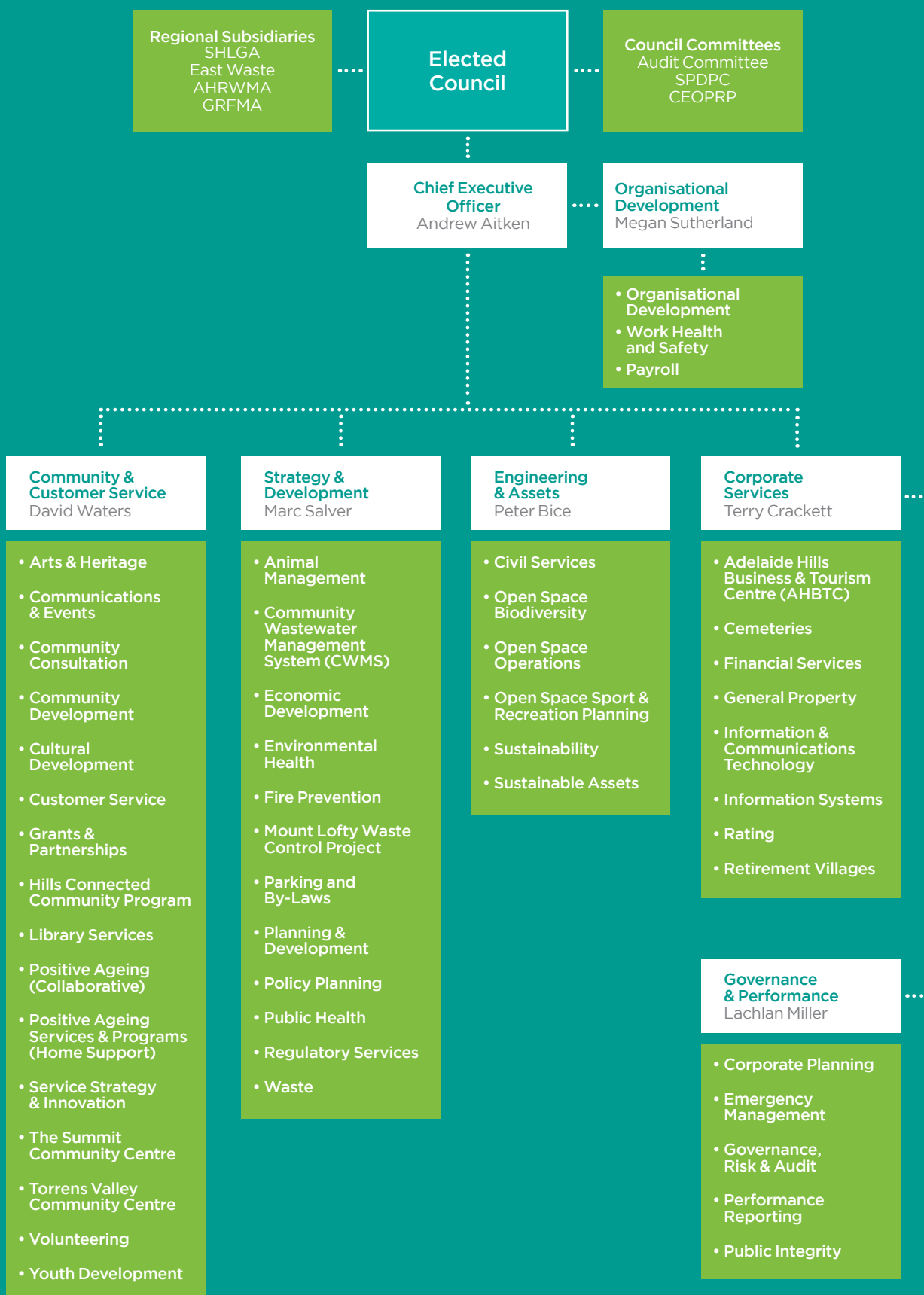
Organisational Development



Megan Sutherland

Adelaide Hills Council Organisational Structure

as at 30 June 2018



Our 2017–18 Performance Highlights

Delivering our promise of making the
Adelaide Hills a place for everyone.

\$14.7 million

Delivering a *capital works program* for the Adelaide Hills community in 2017-18. This is *the largest program* ever to improve the area's *open spaces, infrastructure and liveability*.



Nearly half of all waste

diverted from landfill



Council provided kerbside waste and recycling services to **16,800 properties**. Material diverted from landfill through the *recycling and green organic* bins totalled **49 percent** of the **15,000 tonnes** of material collected.



533,887 loans

provided via our libraries at Stirling, Woodside and Gumeracha and our mobile service improving literacy in our community.

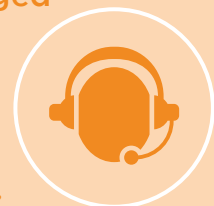
Our two Community Centres located at Gumeracha and Norton Summit hosted **1,352 activities and events** in 2017-18.



8,270 customer requests managed

through our contact centre in 2017-18 to

ensure our community's needs are met.



\$3.1 million

Delivering community programs that provide **opportunities to connect** and services and facilities that **benefit our community**.



Approved: Stage one Adelaide Hills Arts and Heritage Hub

A unique and distinctive facility based at **Lobethal** that will offer exceptional cultural experiences and provide **valuable social, educational and economic outcomes** for the Adelaide Hills.



196 people volunteered

to support our community through participation in a range of programs and activities.

We have one of the **highest rates of volunteering** in the nation.



39 Workshops and seminars

were held during May Business Month, providing local business people opportunities to network, **learn new skills and update their knowledge.**

3,500 Businesses received our **quarterly e-newsletter** providing them with up-to-date information and insights on **what is happening in the region.**



1,092 Development applications processed during 2017-18 with a total construction value of over **\$100 million**

\$219,000 grants

Awarded **\$44,687** in grants to **22 community groups** through the **Community Development Grants program**



and a further **\$174,622** to **18 groups** through the **Sport and Recreation Grants Program**



Multicultural Action Plan approved

Focusing on three broad goal areas in relation to cultural diversity:

Recognise, Support, Lead.

The Action Plan will be delivered throughout 2017-2020.



Improved service optimisation

Delivered through a pilot of **mobile devices in the field.**

Pilot applied to **development compliance, building inspections, wasp and dog services, and playground and tree inspections.**



58 Local artists showcased **163 works** in our Council's biggest **SALA** exhibition yet, encouraging creativity in our community. **'Adelaide Hills Wild'** was viewed **by over 300 visitors.**



6,573 Domestic assistance and home maintenance **hours of support**, to assist older people to continue to live independently in our community.

A further **22,000 hours** coordinating and delivering **social support group programs.**



Over 1,000km

Roadways developed, upgraded and maintained during 2017-18 (including **607km** of sealed road and **401km** of unsealed road). Council also managed **45 bridges, 53 large road culverts** and **110km** of sealed and unsealed **footpath** across our district.



Financial Performance Highlights

Council’s income for 2017-18 was over \$50 million with the majority coming from rates. This funding supported existing services and infrastructure, as well as investment in new strategic priorities. Our financial expenditure in line with our *2017-18 Annual Business Plan* is below.

Expenditure Highlights



\$21.7
million

Infrastructure and Operations



\$3.9
million

Property Services



\$3.1
million

Community Programs



\$5.4
million

Waste and Recycling



\$2.7
million

Planning and Development



\$2.7
million

Libraries and Customer Services

How your money was spent

Program Spend	Invested (\$'000)	%
Infrastructure & Operations	21,694	43%
Support Services	6,664	13%
Waste Services	5,386	11%
Property Assets (incl. AHBTC Upgrade)	3,914	8%
Libraries and Customer Services	2,695	5%
Planning and Development	2,653	5%
Community Services	1,606	3%
Community Centres and Programs	1,498	3%
Regulatory and Health	1,521	3%
Governance	1,270	3%
Community Waste Management Systems	1,624	3%
Total	50,525	100%

2017-18 Capital Works Program

As part of its 2017-18 Capital Works program Council delivered design, construction and improvement projects for a total of approximately \$14.7 million. Below is a list of Council's completed main projects.



Road Works \$7.1 million

Main projects include: Heathfield Road, Heathfield; Grasby Road, Balhannah; Oakwood Road, Oakbank; Swamp Road, Lenswood.



Bridges \$321,000

Main projects include: Hartley Vale Road, Kenton Valley; Valley Road, Montacute.



Stormwater \$515,000

Council installed new and replaced failing stormwater infrastructure across all townships.



Footpath construction program \$983,000

Council endorsed a footpath construction program, including replacement of existing as well as upgrades and new footpaths. Main projects include: Kurla Road/Illinga Avenue, Balhannah; Mount Barker Road, Bridgewater; Olivedale Street, Birdwood; Piccadilly Road, Crafers; Scott Street, Kersbrook; Sheoak Road, Crafers West.



Community Wastewater Management System \$950,000

Main projects include: Birdwood, Kersbrook, Stirling, Woodside - pump shed replacements and valve automation works; Mount Torrens - Gravity/Rising main upgrade.



Other capital projects \$340,000

Fairview Road, Aldgate: traffic improvements for Aldgate Primary School including a road reseal.



Customer Service Standards

Our service values drive us to be available, helpful, empathetic, responsive and reliable. They guide our approach to customer service.

Our Customer Service Framework commits us to specific timeframes for our most frequently accessed services, and establishes, along with our values, what customers can expect.

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

Following a review of the service standards in December 2016, new standards were developed and came into effect from 1 July 2017. The new standards more accurately reflect service delivery priorities and realistic performance timeframes and targets.

Results for the 2017-18 financial year show a large increase in the number of customer requests. Specifically,

requests relating to wasp nest removal increased from 67 to 935 linked to seasonality. There were 3,210 customer requests for bin repair and bin replacements.

The focus for 2018-19 will be on enhancing customer experience through process and system improvements, and refining recording and reporting mechanisms.



Updating customer details
 We will update your contact details within 5 days
 Volume **509**
 Target **80%**
 Result **89%**
 Last year **NA**



Dog Attacks
 We will respond to reported dog attacks within 24 hours
 Volume **21**
 Target **80%**
 Result **86%**
 Last year **93%**



Illegal Burning Complaints
 We will investigate reported illegal burning within 24 hours
 Volume **32**
 Target **80%**
 Result **91%**
 Last year **100%**



New Event Applications
 We will acknowledge receipt of new applications within 5 days
 Volume **68**
 Target **80%**
 Result **90%**
 Last year **NA**



Wasps
 We will investigate and action reported European Wasp nests within 7 days
 Volume **935**
 Target **80%**
 Result **76%**
 Last year **NA**



Request for bin repair or replacement
 We will action requests for bin repair or replacement within 7 days
 Volume **3,210**
 Target **80%**
 Result **98%**
 Last year **NA**

Footpath Repairs – Hazardous
 We will respond and make safe hazardous footpath issues within 24 hours
 Volume **1**
 Target **80%**
 Result **0%**
 Last year **100%**



Development Applications
 We will, on average, make a decision on planning consent within 12 weeks of receipt of the application
 Volume **829**
 Target **12 weeks**
 Result Average **16.4 weeks**
 Result Median **10.1 weeks**
 Last year **NA**



Stormwater Repairs – Hazardous
 We will respond and make safe hazardous stormwater and flooding issues within 24 hours
 Volume **1**
 Target **80%**
 Result **0%**
 Last year **72%**



Health Complaints
 We will investigate and respond to reported food complaints within 24 hours
 Volume **9**
 Target **80%**
 Result **100%**
 Last year **100%**



Development Applications
 We will approve fast-track Development Applications within 28 days
 Volume **57**
 Target **80%**
 Result **75%**
 Last year **92%**



Trees – Hazardous
 We will respond and make safe hazardous tree issues within 24 hours
 Volume **29**
 Target **80%**
 Result **97%**
 Last year **91%**

Illegally Dumped Rubbish
 We will remove illegally dumped rubbish within 3 days
 Volume **195**
 Target **80%**
 Result **63%**
 Last year **79%**



Missed Bins
 We will collect missed domestic bins within 2 days
 Volume **177**
 Target **80%**
 Result **97%**
 Last year **100%**



Footpath/ Road/ Stormwater/Tree – Other
 We will repair other footpath/ road/stormwater/tree issues in accordance with our general maintenance program *KPI: Average/Median time taken to resolve enquiries and requests*
 Volume **2,866**
 Result Average **46 days**
 Result Median **15 days**
 Last year **NA**



Library Services
 We will respond to requests to purchase materials within 10 days
 Volume **164**
 Target **80%**
 Result **99%**
 Last year **NA**



Road Repairs – Hazardous
 We will respond and make safe hazardous road and pothole issues within 24 hours
 Volume **2**
 Target **80%**
 Result **50%**
 Last year **80%**

Our Major Events and Awards

Council supported 84 community events in 2017-18 including markets, festivals, and major crowd-pleasers like bonfire nights, renaissance fairs, and a tarmac rally.

Our Events

Santos Women's Tour Down Under Stage 1, Gumeracha

11 January 2018

Santos Tour Down Under Stage 2 Finish, Stirling

17 January 2018

Santos Tour Down Under Stage 4 Finish, Uraidla

19 January 2018

Australia Day (five events) and Citizen of the Year Presentation

26 January 2018

Gold Coast Commonwealth Games Queen's Baton Relay Community Celebrations

21 February 2018

Stirling Fringe

2-12 March 2018

Hills Harmony Picnic

24 March 2018

Volunteer Movie Day (with Mount Barker District Council)

25 May 2018

Our Awards

Information Management Excellence – Rural Award

(Local Government Information Technology SA)

For the successful digitisation of over 4,600 images and 75 maps from Council's 16 cemeteries.

Improving Planning Processes Award, and Practices and Best Ideas – Small Project Award

(Planning Institute of Australia – 2 State Awards and a National Commendation for Planning Excellence)

For our innovative Median Geographic Information System (GIS) Land Division Tool.

Building Surveyors Team of the Year SA

(Australian Institute of Building Surveyors)

For work including assistance after the Sampson Flat Bushfire, and working with the Department of Planning, Transport and Infrastructure (DPTI) to change legislation around swimming pool safety suction requirements.

Emerging Building Surveyor of the Year

(Australian Institute of Building Surveyors)

Staff member
Cameron Clark

Shortlisted for Excellence in Environmental Leadership and Sustainability Award

(LG Professionals)

For our Roadside Native Vegetation Assessment, Monitoring, and Management Program.

Delivering on the strategic plan

Our strategic plan 'Your Adelaide Hills', was formally adopted in October 2016 with the vision of making the Adelaide Hills a place for everyone!

'Your Adelaide Hills' is supported by our *Long Term Financial Plan*, *Infrastructure and Asset Management Plan*, and our *Corporate Plan*, which are critical to ensuring

Council's long-term sustainability. An online version of the *Adelaide Hills Strategic Plan* can be viewed or downloaded at ahc.sa.gov.au

Performance information in this *2017-18 Annual Report* is aligned with our *Strategic Plan* and *2017-18 Annual Business Plan* (ABP).



Completed



On track



Review & Action



Annual Business Plan



Prosper

Goal 1 People and business prosper

Outcome: Thriving businesses that uniquely say 'Adelaide Hills'. Healthy and happy people.



Connect

Goal 2 Activities and opportunities to connect

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



Place

Goal 3 Places for people and nature

Outcome: Vibrant places which contribute to increased wellbeing. Thriving ecosystems.



Explore

Goal 4 Explore ideas and work with others

Outcome: Council working with our community and others to pursue new ideas and address emerging needs.

Goal 1

People and business prosper

Prosper

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

The Adelaide Hills is a unique region, renowned for our historical towns and villages, picturesque countryside, and our quality food, wine and nature-based experiences. We also have a thriving creative arts scene.

With its close proximity to Adelaide city, the Hills is also highly sought after for its liveability.

The Hills also has one of the highest proportions of small and micro businesses in South Australia. These are the backbone of our economy.

To ensure future prosperity, in 2017-18 Council has been working on building the profile of the region as the tourism destination of choice, attracting and making it easier to do business in the area, and improving its liveability for older people.



Key Achievements 2017-18

Adelaide Hills: must-visit destination

Strategies

1.1

1.3

1.4

Performance



ABP

Tourism is important to the Adelaide Hills economy, generating over \$163 million and employing 1,800 people. There were over 1.2 million domestic day trips and nearly 750 tourism businesses operating in the region.

Key tourism priorities are to convert more day visits to overnight stays and increase visitor spending. The *Adelaide Hills Visitor Information Servicing Strategy* is critical to achieving these outcomes. During 2017-18, implementation has focused on building a fresh website, local and interstate promotional campaigns and a Premium Destination Partnership project with TripAdvisor. Other initiatives have included a customer-journey mapping project to better understand and meet the changing needs and expectations of visitors. The use of social media strategies that build audience engagement has also been

emphasised. The results have been a 57 percent increase in Facebook fans and 72 percent increase in Instagram followers. Tourism operators in the region have also had an opportunity to improve their digital knowledge throughout May with fifty individual business digital audits and three workshops covering topics such as online storytelling, blogging, Google and using social media.

Work has also continued on the Mount Lofty Ranges World and National Heritage bids. This has involved evaluating the feedback on the National Heritage listing nomination, commencing preparation of a World Heritage nomination and ongoing advocacy of the project to state and federal government and industry stakeholders. A key outcome has been three Kurna groups signing a statement of support on 30 November 2017. Representatives of the Kurna Nations Cultural Heritage Association,

the Kurna Yarta Aboriginal Corporation and the Kurna Warra Karrpanthi Aboriginal Corporation acknowledge the value of the bid's research and cultural mapping in helping uncover historical and cultural knowledge for the next generation. During 2017, the Consortium of Councils was also successful in gaining a \$40,000 Federal Government Building Better Regions Fund grant. This money will be used to establish a digital knowledge bank platform for strategic planning and information sharing for the Mount Lofty Ranges World Heritage bid.

Council explored opportunities to help support the goal of making the Adelaide Hills an International Mountain Biking Destination, and applied for funding to support work in the Fox Creek Mountain Bike precinct. Whilst unsuccessful, this work has strengthened partnerships with other key agencies.

Supporting business growth

Strategies

1.5

1.8

Performance



ABP

Business (including primary production) is an important part of the Adelaide Hills community. Around 4,000 registered businesses operated in the area in 2017 and they are a key driver of our economy. Supporting existing and attracting new businesses and investment encourages greater economic diversity and local job opportunities, and contributes to residents' quality of life.

Over the last 12 months, Council has supported our business community through a range of initiatives. Based on the success of the inaugural event in 2017, the Adelaide Hills Council and the Mount Barker District Council delivered the 2018 May Business Month in the Hills. The program consisted of more than 40 workshops and seminars to enable business people

to network, collaborate, learn new skills and update their knowledge. Attendance was more than double compared with last year. Council has developed a comprehensive business database and a quarterly business e-newsletter that has over 3,500 subscribers who receive regular updates on activities in the region. Another key element of our economic development work is Council as an enabler and collaborator through working closely with regional groups such as Adelaide Hills Tourism, Stirling Business Association and Regional Development Australia (RDA) Economic Development Forum. Our involvement ensures that the development of the region is in the best interests of the community and our long term sustainability.

Primary producers have been supported in 2017-18 via the Primary

Production Incentive Grants Scheme which fosters innovation. This program aims to encourage specific projects or initiatives which subsidise training and installation for emerging technologies on primary production land. It makes an important contribution in preserving the Adelaide Hills as a vital supplier of food, fibre and wine to local and wider markets. Grants of up to 50 percent of the overall project cost, or up to \$10,000 are available. A total funding pool of \$20,000 (subject to indexation with council rates) has been made available each financial year for the last four years but ended in 2017-18. Our focus on sustainability and supporting the Australian 'Clean and Green' image for export markets has been progressed through our work on 'pest-free accreditation' for the Adelaide Hills primary production area with the Apple and Pear Growers Association.



One third of people in the Adelaide Hills Council area are aged over 55 years. This is higher than the Greater Adelaide average but there is a lower proportion of people aged 75 years and older, suggesting people leave the region as they age.

The number of people aged over 65 years in the area is projected to increase by 77 percent from 2011 to 2026. Research by Council has found people love the Hills and love living here.

However, living in the Adelaide Hills as an older person can present challenges such as hilly terrain, limited transport in outlying areas and reduced accommodation options when downsizing. During 2017-18 Council stepped up to the challenge of ensuring older people's needs are met and supporting positive ageing.



Age-friendly community strategic plan

Council's *Age-Friendly Community Strategic Plan* was adopted in October 2017 and provides an overarching framework to continue to develop the Adelaide Hills as an age-friendly community. The strategic plan has four goals:

Goal 1	A range of housing in well serviced townships supports people to age in the Adelaide Hills.
Goal 2	Our places and spaces are safe, accessible and welcoming.
Goal 3	Our residents are well informed and well-resourced as they age.
Goal 4	Older people make valued contributions to community life.

Implementation of the plan is underway with the *Footpath Network Plan* being adopted by Council, and initiatives such as improving the accessibility of the Bridgewater Playground so it is suitable for people in wheelchairs or using walking frames. The steep steps at Waverley Court, Crafers have also been replaced with an access compliant ramp.

Other strategies include the provision of support services and opportunities for people to connect via a range of social activities which often include transport assistance. Older people have been provided with information sessions regarding changes to the aged care system, and fridge magnets have been developed to assist people with dementia. Home library services also provide materials for isolated residents, and volunteers provide transport assistance for older people with the use of government-funded electric vehicles.

Retirement village review

Council undertook a retirement village review which commenced in late 2016 to look at its operations and benchmark how our services compared to other operators. The review covered retirement village properties located at Balhannah, Bridgewater, Crafers, Gumeracha, Lobethal and Woodside. The outcome was positive as Council is meeting acceptable standards of service delivery for our retirement village residents. However, as it is not our core business, we were not able to deliver the same range of services that specialist operators provide. Council undertook a preliminary Expression of Interest process in August 2017 to gauge interest from the market, and the outcome indicated that there was sufficient interest to warrant exploring that option further. The formal sale process was undertaken in early 2018 with the final report, including the final contract, being presented to Council on 1 August 2018 for adoption. Throughout the process, the interests and care of our retirement residents have been central. Key decision criteria were: existing residents will be able to remain in their homes; occupation agreements will be honoured; retirement living housing remains affordable; and maintaining and enhancing the quality of life for residents.



Improving liveability and community wellbeing

Strategies



Performance



Improving liveability and community wellbeing

The uniqueness and liveability of the Adelaide Hills and our friendly and welcoming community spirit are key attractions for both local residents and visitors. We have one of the highest rates of volunteering in Australia and thriving food, wine, and creative arts industries. Maintaining and improving liveability, and achieving the vision of Thriving Communities and Places, are core business for Council. This vision is being realised through building community capacity, supporting the community to be healthy, active and involved, and the provision of quality community

facilities, infrastructure (e.g. buildings, roads, and pathways) and spaces that enable an active and connected community. Implementing our *Adelaide Hills Community Strategy 2015-2020* and addressing housing and transport needs have been our focus in 2017-18.

Increasing community wellbeing

Adelaide Hills Community Strategy 2015-2020 outlines how the Adelaide Hills Council intends to support the wellbeing of our residents. It identifies opportunities to contribute to community activity, learning and social connections.

Selected key achievements for 2017-18 are:

- Recognising their vital contribution, we provided opportunities for nearly 200 volunteers to be involved in impacting their community. We have also implemented a review of our volunteer recruitment and retention processes to ensure we are providing the best volunteer experience.
- Our community centres provided over 1,300 classes, workshops, outings, school holiday programs and events across the Council area to provide our community with an opportunity to connect which has a significant effect on wellbeing.
- Encouraging lifelong learning through the support of traditional and digital literacy across all ages through our library services.



'Nature Play in the Adelaide Hills – Explore, create, build!'

On 10 October 2017 our community centres, in collaboration with the Hut and Mount Barker Community Centre, hosted 'Nature Play in the Adelaide Hills – Explore, create, build!' in five different Hills locations – Uraidla, Gumeracha, Mylor, Stirling and Mount Barker.

Five events were scheduled at the same time to provide good access opportunities for local residents. All the events focussed on keeping things simple to demonstrate how easy it is to have nature play experiences in your own backyard. Children were observed undertaking very meaningful work.

There was amazing focus and determination – whether it was to shift a pile of sand purposefully, construct a teepee from tree branches, build a raft from drums, sticks and rope, sculpt and bake mud pies, create a cubby or search for tadpoles in the creek.

2017-18 library service statistics



Total loans

533,887



New borrowers

1,353



State-wide *One Card System* saw

130,896

items coming into and out of our library service (7.8% increase)



An additional

73,702

items were reserved in-house



12,380

children attended programs (5.6% increase)

ABP

Community Development Grants Program

Council awarded \$44,687 in grants to 22 community groups through the Community Development Grants program and a further \$174,622 to 18 groups through the Sport and Recreation Grants Program. The programs have a significant impact on promoting community cultural development, health and wellbeing, sustainability and participation in sport and recreation. Details of successful grant recipients are available on our website at www.ahc.sa.gov.au/council/grants-and-tenders/grants

ABP

Play Space Policy

In March 2018, Council approved its Play Space Policy which supports embracing nature play concepts in play-space development. This policy guides decision-making to ensure community needs are met as well as our infrastructure and facilities are managed effectively for the long term.

Hills Treasures

A further 40 older Hills residents were honoured with the title of Hills Treasure at an afternoon tea in October 2017. This initiative acknowledges and thanks older Hills residents who have been working for their community.

Addressing transport and housing needs

ABP

There are over 1,000km of roads in the Adelaide Hills which, when stretched, would almost reach from Adelaide to Canberra. These roads carry our residents and other visitors on their weekend getaways as they motor, bike, cycle, walk and experience nature in the Hills. This also creates Council's major expenditure focus: maintaining roads, main streets, paths and trails, buildings, rubbish collection, signage, parks, public toilets and much more.

Our *Adelaide Hills Trails Network Strategy* was adopted in 2014 and our *Strategic Bicycle Plan* in 2016. Both strategies are under review and an audit of trails is underway. A proposed Framework approach was presented to Council at a workshop in May 2018. The Recreation Trails and Cycling Routes Framework will cover a policy position, service levels and an upgrade and development program. A draft Policy position, to form part of the Framework, will be presented to Council in late 2018.

Keeping our residents and visitors safe is of prime concern for Council. We continue to work with the Department of Planning, Transport and Infrastructure (DPTI) to identify projects that are taking place in the district to ensure that provisions are made to incorporate bicycle and pedestrian paths. A recent example is a bridge/culvert widening on the Onkaparinga Valley Road at Woodside being undertaken by DPTI. Council was able to negotiate extra width to accommodate a path over the water course.

Sustainable development that meets the needs of our Hills community is also a priority. A major achievement has been approval of the *Townships and Urban Areas Development Plan Amendment (DPA)* in October 2017, which is the culmination of almost 13 years of planning policy work of reviewing the development policies affecting all our townships and urban areas within our Council area. A key outcome of this DPA was to improve opportunities for the provision of a diverse range of housing with a focus on providing housing for young people and those wishing to age in their own home.

Implementation of the changes is underway. Construction of the first residential flat buildings and units in the Hamilton Hill development site in Woodforde was approved. This is the biggest development site of its kind in our Council area with 288 allotments and over 411 houses and units to be developed on the site over the coming years. The first units were completed and occupied in early 2018.

The roll-out of the Electronic Development Application System has enhanced the ease of doing business with Council. Since 1 January 2018, 78 percent of all decisions regarding development applications are now sent out electronically, resulting in improved customer service outcomes and increased efficiencies. The balance is sent out in hard copy at the request of the applicants.

Our Council teams have also won a number of prestigious awards:

The Planning Policy Team won two State awards in November 2017 and one national commendation in May 2018 at the Planning Institute of Australia State and National events for the Median Rule GIS Land Division tool. This tool, considered to be a global first, was developed as part of the Townships and Urban Areas DPA to deal with land division applications in the Country Living Zone around Stirling, Aldgate and Crafers.

The Building Services Team was awarded the AIBS State Building Surveying Team of the Year. They were recognised for their work in assisting people to rebuild after the Sampson Flat bushfire, contributions to the SA chapter committee, and liaison with DPTI to achieve legislation changes regarding swimming pool safety suction requirements, Electronic Assessment and in-field technology, and their focus on customer service were key factors in consideration for the award.



Looking Forward 2018-19 ***People and Business*** ***Prosper Key Initiatives***



Invest an additional \$50,000 in Adelaide Hills Tourism to improve visitor servicing.



Encourage active lifestyles through incorporating nature play in play space developments.



Support and encourage business growth and new investment through initiatives including May Business Month.



Work with the State Government to change development policies to make farming easier and allow value adding activities such as food tourism and on-farm shops.

Goal 2 Activities and opportunities to connect

Connect

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

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. Adelaide Hills is renowned for our community spirit and has one of the highest rates of digital connectivity in Australia, with 89 percent of dwellings having access to internet at home.

Continuing to build our connected community has been a priority in 2017-18. During the year we have been enhancing our youth development program and activities, developed our Multicultural Action Plan, implemented the Adelaide Hills Business and Tourism Centre (Old Woollen Mill) Masterplan at Lobethal, utilised emerging technologies to enhance learning opportunities and implemented our Reflect Reconciliation Action Plan.



Key Achievements 2017-18

Youth development

Strategies

2.8

Performance



ABP

Youth make a significant contribution to our Adelaide Hills community. Data from the 2016 Census indicates that children aged 0-14 years make up nearly one-fifth of our population and a further 12 percent are aged 15-24 years.

These proportions are higher than those for South Australia. The peri-urban nature and dispersed geography of the Hills can affect young people's access to public

transport, local jobs and youth-friendly spaces and activities. We work closely with our community to provide a range of services and programs for youth in our area that meets their needs and interests.

Key highlights from 2017-18 are:

- 704 youth involved in 26 events and activities, 50 young people engaged in three recurring programs, and 167 young people involved in SA Youth Week programming consultation in 2017-18.

- SHARE: Your Future Your Way was a mixed-medium exhibition featuring works by 15 young Adelaide Hills' residents, touching on a wide variety of subjects. It was held at Lobethal Woollen Mills in April and May 2018. The official opening was part of a program of South Australian Youth Week activities. The exhibition was held over four Sundays and attracted 70 visitors.
- A review of the Youth Advisory Committee commenced and a draft Terms of Reference has been developed in conjunction with members.

2017-18 Youth Development
Activities & Programs:

Youth Arts Exhibition

Woodside Jams

Driver Awareness Course

Movie Night

Workshops

LGBT+ Youth Support Group

Quiz Night

Youth Consultation

Youth Advisory Committee

BBQs

XitH LAN parties

Body Esteem project

Year 12 Support Project

We collaborated with various partners to deliver a number of projects and programs to improve the wellbeing and resilience of our young people. These include body esteem workshops run by the Butterfly Foundation, Youth Advisory Committee's Year 12 Support Project, support for Operation Flinders, and a regular support group for Adelaide Hills LGBT+ youth with Barker 2 Bridge Youth Services and Headspace Mount Barker.

We are currently developing a Youth Action Plan that will guide our activities in providing opportunities for youth to participate, develop new skills and connect. The Youth Action Plan will be delivered in two parts. The first stage is the Reflect Youth Action Plan which

commenced in January 2018 with a focus on reviewing all current operations, and involved community consultation and testing of new strategies around youth leadership workshops and engagement. The first stage will inform a 3-year Youth Action Plan to be finalised by June 2019.

We also partner with the Playford Trust to offer one \$6,000 scholarship a year, of which \$5,000 is provided by Council. The scholarship provides funding for a student from the Adelaide Hills Council area to commence a Bachelor Degree at one of Adelaide's three main universities relating to agricultural science, viticulture and horticulture, and/or conservation and biodiversity. The 2018 recipient of the scholarship was Isaac Tiney.



Reflect Reconciliation Action Plan implementation

Strategies

2.1

Performance



ABP

Adelaide Hills Council recognises the Peramangk and Kurna as our region's first people.

We respect their ongoing relationship with the land and are committed to working together to ensure their culture and traditions are preserved.

In August 2016, we formalised our commitment to Reconciliation and adopted a *Reflect Reconciliation Action Plan (RAP)*. Two of the actions within the plan are to establish a RAP Working Group and to identify, develop and expand partnerships

with agencies supporting Aboriginal people and communities across the Hills. In 2017-18, we have been investigating the potential for a collaborative approach with Mount Barker District Council and Terms of Reference for the joint Working Group were endorsed by our Council. The establishment of the RAP Working Group offers the opportunity to build and strengthen relationships with Peramangk and Kurna traditional custodians, those with Aboriginal or Torres Strait Islander heritage who live, work or have a strong connection

with the Adelaide Hills, and non-Aboriginal stakeholders with expertise in Reconciliation.

During 2017-18 we have offered a range of programs and activities that celebrate first people including Bush Food workshops, school holiday activities, Peramangk History and Heritage Workshops and cooking with Bush Food ingredients. Council recognised and celebrated Reconciliation Week and NAIDOC Week and is a significant sponsor of the Just Too Deadly Awards.



Supporting multiculturalism and diversity

Council's vision for the Adelaide Hills is 'a place for everyone' and diversity in our community is one of our greatest strengths.

Adelaide Hills' residents come from more than 50 countries, speak more than 35 languages and follow more than 30 religions. Since the 1830s migrants have been settling and working in the Adelaide Hills and this continues today with nearly 500 new arrivals to Australia settling in the area in the last five years. Cultural diversity

Strategies

2.2

Performance



brings significant economic, social and cultural benefits to our community. In 2017, Council developed and adopted a *Multicultural Action Plan 2017-2020*. The Action Plan outlines the specific actions that can be taken to support the Refugee Welcome Zone commitment along with our strategic goal to focus on understanding and promoting cultural diversity within the Adelaide Hills. Work will continue in 2018-19 to progressively implement the action plan.

During 2017-18 Council has celebrated the cultural diversity of our area through a wide range of programs and activities across our community centres and libraries, including cooking, art and craft and dance. The annual Harmony Picnic in Federation Park Gumeracha in April 2018 saw local Adelaide Hills' communities come together with new arrival groups to share culture, food and performance and enjoy a day in the Hills.

Inspiring community leadership

One of Adelaide Hills Council's critical roles is as a facilitator and enabler. Our commitment to building community leadership was demonstrated through hosting and piloting a series of free community leadership masterclasses in late 2016.

Strategies

2.3

Performance



Work has progressed in 2017-18, following an evaluation of the pilot, with additional classes being offered in a range of topics, including volunteer management, resilient leadership and chairing a meeting. A new program will be delivered in the second half of 2018. The program is now being offered to a wider audience of community leaders and community groups and a web page is under development to assist community to access relevant information.

In conjunction with the Community Leadership Program, several capacity building workshops for clubs were delivered in 2017-18. Approximately 30 sports club representatives attended a child protection information session, and another 30 at two grant funding workshops. Five of the clubs also had one-on-one mentoring regarding strategic planning for their club and to further leverage their grant funding.



Adelaide Hills Business and Tourism Centre (Old Woollen Mill) Masterplan (including the Arts and Heritage Hub at Lobethal)

Strategies

Performance

2.4

4.4



ABP

The Adelaide Hills Business and Tourism Centre (AHBTC) is located in Lobethal.

In the past the AHBTC site was used for numerous business interests, predominantly as home to the former Onkaparinga Woollen Mills which operated for 117 years until its closure in the early 1990s. AHBTC is one of only two industrial precincts in the Adelaide Hills Council region and is therefore critical in maintaining employment and business opportunities within the area. The site is also of historical significance and its redevelopment brings new opportunities to showcase the heritage and creativity inherent in the Adelaide Hills region. The *AHBTC Masterplan* outlines the strategic direction of the

site and was adopted in June 2015. There are two streams of work related to the Masterplan's implementation: (1) development of the Arts and Heritage Hub and (2) the divestment strategy which involves dividing the site to enable the sale of portions to the businesses operating on the site.

During 2017-18 we have developed an *Arts and Heritage Hub Business Development Framework* which was adopted in February 2018. The Business Development Framework provides a roadmap and milestone targets for achieving the vision of the Hub. The Framework envisages 'a sustainable and distinctive facility that offers exceptional cultural experiences and provides valuable social,

educational and economic outcomes for the region'. Textile has been identified as a key artistic theme and it provides a point of difference that will position the facility nationally and boost its visitor attraction potential.

The divestment project has involved the assessment of the requirements to divide the site and progression of those requirements. A number of tenants have been provided with First Right of Refusal options in relation to a purchase of their tenanted area, and active negotiations are occurring with a number of tenants. The 'South Side', the parcel of land on the south side of Lobethal – Lenswood Road was progressed in 2017-18 with settlements in the sale being effected.

Lifelong learning

Strategies

2.5

Performance



ABP

Lifelong learning is the pursuit of knowledge for either personal or professional reasons. It enhances social inclusion, active citizenship, and personal development, as well as employability.

Council's Library Service actively supports lifelong learning, promoting both traditional and digital literacy across all ages. School holiday programs and Science and Book Weeks have been aligned with STEAM (Science, Technology, Engineering,

Arts and Mathematics) principles and digital resources introduced to enable exploration. 2017-18 saw a total of 12,380 children attend 598 sessions, increases of 5.6 percent and 35 percent respectively. Preschool and school holiday programs had the highest attendance at 41 percent each, while Book and Science Week programs were responsible for 11 percent. Use of Studiosity, our learning support for older children and young adults, saw an increase of 45 percent. This online homework

help service enables Year 7 to TAFE and independent young adult learners to resolve mathematics, science and other homework issues with 'real time' assistance from qualified tutors.

Council's community centres also offer a wide range of programs covering training and education, sharing skills and interests and healthy living activities as well as offering the social benefits of engaging with others in our community.

Events – opportunities to connect

Strategies

2.6

Performance



ABP

Adelaide is recognised internationally for its outstanding festivals and events and the Adelaide Hills plays an important part in building this reputation. Council supported 84 community events in 2017-18 including markets, festivals, and major crowd-pleasers like bonfire nights, renaissance fairs, and a tarmac rally, ensuring that the Adelaide Hills is a destination of choice.

The 20-year anniversary of the Santos Tour Down Under cycling race occurred in January 2018 and stage finishes occurred in Uraidla and Stirling. In the same month, Gumeracha hosted the start and finish of Stage One of the Santos Women's Tour Down Under.

The Summit Community Centre's SALA exhibition in August 2017 was 'Adelaide Hills – Wild'. Exhibits included sculptures, water colours, oil paintings, mosaics, photography, drawings and textiles – each a unique reflection of the nature, space, life and place that comes from experiencing the Adelaide Hills.

In celebrating Council's 20th Anniversary a commemorative art exhibition 'Adelaide Hills Stories: our people, our community, our home' was opened in November 2017. Local artists were awarded three major prizes, including a \$2,000 major prize to 21 year old Joseph Haxan for his work *Hissing Colocasia*. The exhibition was held at the Old Woollen Mill site in Lobethal.

Hills Harmony Picnic was held in March 2018 to recognise and celebrate diversity in our Hills community. The annual event provides opportunity for people from different cultures, backgrounds and communities to connect.

Four local people were recognised as Baton Bearers in the Queen's Baton Relay for the Commonwealth Games for their contribution to our Hills community. The relay passed through Hahndorf, Lobethal and Stirling on Wednesday 21 February 2018.

We also support a range of other events and activities throughout our region such as the Lobethal, Stirling, and Woodside Christmas Pageants, the Stirling Fringe, community markets and Stirling Laneways, and the Gumeracha Medieval Fair.



Looking Forward 2018-19 Activities and Opportunities to Connect Key Initiatives



Invite Aboriginal people and their representatives to be part of a working/reference group.



Roll out cultural diversity awareness programs for young people through our libraries.



Grow our involvement with the Women's Tour Down Under and continue our involvement with the Men's Tour.



Focus on developing young people as leaders through a new youth leadership development program.

Goal 3 Places for people and nature

Place

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

The natural and built environments of our Adelaide Hills contribute to its unique character and the appeal of living in the area.

The region has a wide range of habitats and is a biodiversity hotspot. Our natural environment is vulnerable to a number of threats including weed management, habitat fragmentation, bush fire risk and climate change. Sustainable management of our environment is key.

Council plays an important role in enhancing our natural and built environments and has delivered a number of outcomes in 2017-18. These include implementing our environmentally friendly steam weeding and Native Vegetation Marker System Monitoring and Management Programs.

We are encouraging community-led place making approaches to enhance our townships and public spaces. Council is also working towards reducing our carbon footprint, managing our infrastructure effectively for the long term and encouraging sustainable living and commercial practices within our community.



Key Achievements 2017-18

Place-making revitalising our towns and villages

Strategies

3.9

Performance



ABP

Place-making is about creating authentic, vibrant and resilient places that are valued by our community and visitors. It involves collaboration between many stakeholders to articulate a vision for a place and to plan and deliver that vision. Community-led place-making builds community goodwill, and gives investors and businesses the confidence to innovate and create places that people love.

During 2017-18 Council was involved in place-making through our work on developing the masterplans for the Gumeracha Main Street and Gumeracha Precinct - Federation Park and Oval. The former draft masterplan has been developed with the Gumeracha Main Street Project Group (GMSPG) through an extensive community engagement process. The draft Masterplan builds on the

Design Framework (Residents Win funding application) developed in November 2017. The intention is that this Masterplan ensures a coordinated design approach to the main street, and facilitates the design documentation of crossing points and the installation of 'Quick Win' projects.

The Gumeracha Precinct (Federation Park and Oval) is a large open space, recreation facility and civic centre located within the Gumeracha township. The site area is a total of 7,844 hectares of undulating landscape and parkland traversed by the Kenton Creek along with numerous buildings and recreation facilities. A major Medieval Fair is held annually at the park attracting over 10,000 people. Themes identified within the draft Masterplan:

- Preserve, enhance and build upon the natural assets and environment of the reserve

- Link the reserve to the main street precinct and improve legibility and movement networks, and
- Enhance the reserve as a destination to attract increased use by tourists, locals and events.

Both draft Masterplans will undergo community consultation in October 2018. Once approved and implemented they will deliver significant social, economic and environmental benefits for local businesses and the community.

Work also has continued on Imagine Uraidla with a focus on enhanced communication with the community; offering a calendar of events on the website, regular Facebook event posts, as well as sharing stories from around the community about other local groups or individuals who are involved in community building initiatives through their newsletter.

Managing our assets for the long term

Adelaide Hills Council is an infrastructure asset intensive business with approximately \$480 million of non-current assets. Our buildings and roads are examples of our assets.

Our new Asset Management Policy was adopted in August 2017 and key aims within it are to ensure that Council's services and infrastructure are provided in a sustainable manner with the appropriate levels of service to residents and visitors. Meeting our legislative obligations is also critical. Council is committed to implementing a systematic asset management

Strategies **3.5** Performance



approach using best practice across all areas of Council. This includes ensuring assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

To turn this policy into a reality during 2017-18 we have been implementing a number of initiatives including updating all of our asset management plans which will inform our review of the *Long Term Financial Plan*. This included a detailed review of transport asset categories and the capture of asset information within our Asset Management System. We have also

implemented our expanded programmed maintenance schedule to ensure our assets are managed proactively. This comprises a structured program by area where we will be undertaking particular works during a given period. The program provides surety for residents in relation to timeframes for addressing maintenance and customer request related activities in their area. Taking a proactive approach supports better service delivery and our ongoing financial sustainability.





Innovative transport and trail routes

Council plays an important role in advocating for innovative transport and trail routes including the northern bypass rail route, the B-Double freight route to Lobethal and the Amy Gillett Bikeway for recreational use.

During 2017-18 Adelaide Hills Council, along with other partners, funded a scoping and preliminary feasibility into the construction of a new freight rail corridor linking Monarto with Two Wells. This is an important step

Strategies **1.6** **1.7** **1.12** **3.4** **3.8** Performance  

in ensuring South Australia maintains a role in the national rail freight network. Future work will involve more detailed investigations including the development of a business case in accordance with the requirements of Infrastructure Australia.

Council staff continue to meet with SA Department of Planning, Transport and Infrastructure staff and their contractors to review proposed design concepts and design documentation for a range of aspects in relation to the B-Double freight upgrade to Lobethal project.

The Amy Gillett Bikeway is a shared recreational path for people wanting to cycle, walk or ride horses. It extends from Oakbank, through the towns of Woodside and Charleston and ends at Mount Torrens. Council continues to explore alternative funding channels to further develop the trail, and is working collaboratively with neighbouring Councils in regards to the potential for a broader inter-regional cycle network project.

Sustainably managing our environment

Strategies



Performance



The Adelaide Hills region is renowned for its stunning natural environment and its many unique and beautiful characteristics.

Most of our Council area lies within the Mount Lofty Ranges watershed which supplies some 60 percent of metropolitan Adelaide’s water supply. Management of the watershed

restrains residential and industrial development, and protecting our distinctive environment is a priority. Council is committed to ensuring that its activities and services are sustainable. We are striving towards more efficient use of resources, reduction in energy and water use, conservation of biodiversity, fuel reduction and weed management, reduction in waste, and maximising resource recovery.

Key highlights for 2017-18

Council’s Native Vegetation Marker System (NVMS) Monitoring and Management Program developed and implemented in collaboration with Natural Resources Adelaide Mount Lofty Ranges. The Biodiversity Team was shortlisted as a finalist in the LG Professionals Leadership Excellence Awards for this program as a benchmark for best practice.

Council Reserve Monitoring and Management Program developed and implemented with sites of highest biodiversity value prioritised for active planning, management and monitoring. Monitoring shows a general trend of improvement in condition across all sites where active, prioritised management has been occurring.

Collaboration is occurring with SA Department for Environment and Water regarding the Fuel Reduction and Weed Management Program across the Adelaide Hills Council area. Prescribed burning is regarded as a vital strategy to improve the protection of built and natural assets from the adverse impacts of bushfire by reducing heavy fuel loads in strategic areas. Fuel reduction burning increases the chances of early fire suppression and provides a safer environment during bushfires.

Following the success of the pilot steam weeding program in 2016, during 2017-18 it was applied to every playground in Council’s area. The program will be further expanded to roadsides near schools in 2018-19. Weed control is beneficial by protecting ecosystems of native plant species that are vital habitat to wildlife. It also assists in controlling deciduous tree litter in watercourses that deteriorates water quality.

Collaboration as part of the Resilient Hills and Coasts project and implementation of its Adaptation Plan which guides the region’s climate change response. A Local Action Plan for embedding climate change considerations into everyday decision-making processes and increase local awareness raising and engagement activities has been developed. Energy and emissions reporting for all project partners occurred in January 2018.

In October 2017 Council adopted the *Dog and Cat Animal Management Plan 2018-2022*. The Plan includes strategies to educate residents regarding a number of animal management activities including responsible dog and cat ownership. This education aims to reduce unwanted animal behaviours such as dog attacks, and increase beneficial animal behaviours leading to increased confidence and wellbeing of the community. The plan also contains a number of strategies to assist in minimising the impact of cats on native flora and fauna. Implementation of the plan is underway.

In October and November 2017 Council undertook an event bin, waste, recycling and FOGO (Food Organic / Green Organic) trial at the Stirling Markets and the Uraidla Sustainability Fair and Country Show.

During 2017-18 Council continued to undertake a review of its Community Wastewater Management System (CWMS) to explore opportunities to provide the most cost effective wastewater service available to customers and at the lowest risk to Council. This work included a review of Council’s CWMS pricing structure that identified our charges were compliant with mandatory requirements regulated by the Essential Services Commission of South Australia. The CWMS review will continue to be progressed throughout 2018-19.



Looking Forward 2018-19 Places for People and Nature Key Initiatives



**Review our
Biodiversity
Strategy.**



**Deliver community
and recreation facility
grant funding.**



**Review our
Cats By-law to
reduce the impact
of cats on native
flora and fauna.**



**Work with groups
like Gumeracha
Main Street Working
Party, to support
community-led
place-making
initiatives.**

Goal 4 Explore ideas and work with others

Explore

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

Exploring ideas and collaboratively working with others is central to understanding and meeting our community's needs and delivering outcomes that are for the long term benefit of our area.

Technological innovations are continually providing new ways to design, develop and deliver services and more effectively consult and engage with a broader range of stakeholders.

Technology is also critical to the creative industries which are a driver of our Adelaide Hills' economy and reputation. Our area is famous for its vibrant arts culture, with local artists living and working locally. Council is committed to working with the wider community to facilitate and promote activities that enhance our arts and culture and related industries.

Our Adelaide Hills area borders nine other Council areas. Our decisions impact on others and we foster positive relationships with other Councils, relevant State Government Ministers, government departments and agencies and businesses.

During 2017-18 Council has actively engaged with our community, capitalised on emerging technology opportunities, supported our creative industries and worked with other Councils and other levels of government and industry for the best outcomes for our community.



Key Achievements 2017-18

Technology delivering opportunity

New technologies are changing the way people live, interact and do business. In a digital world there is increasing demand for services anywhere and anytime and that they are personalised to their needs.

Data from the 2016 Census indicates that our community is digitally engaged – 89 percent of dwellings within the Adelaide Hills area have at least one person who uses the internet at home. New technologies can allow greater, more efficient access to services and information and significantly enhance Council's engagement with its geographically dispersed region.

Strategies

4.2

4.3

Performance



In January 2018, Council adopted our new *ICT & IS Strategic Plan* for 2017-2020. This plan provides the roadmap for the future and has four goals.

Goal 1 Access	Council strives to provide access to systems that support high quality customer experience.
Goal 2 Connect	Council will seek to maintain a variety of external relationships to leverage benefits.
Goal 3 Explore	Council needs to explore emerging technologies and the opportunities they present.
Goal 4 Inform	Council highly values reliable, accurate and relevant information.

Council has been turning technological opportunities into a reality in 2017-18. Key projects include: Digital mobility in the field, establishing a permanent network link with the City of Adelaide, Internet of Things network and the Virtual Reality project.

Digital mobility in the field

We completed a pilot to assess the service impact of utilising mobile devices in the field. Mobile devices were rolled out to relevant staff in October and November of 2017. The pilot covered development compliance, building inspections, wasp and dog services and playground and tree inspections. The use of the field devices delivered significant savings in staff time, fuel and printing costs.

Council is also using field devices to undertake asset inspections that were previously paper based. These are real time observations of our playground assets and any defects, repairs undertaken are logged against that playground. This is delivering service improvements and ensuring the safety of our playgrounds. Following the success of the use of electronic field devices by the playground team we are moving to implementation of field devices for our tree management activities.

Permanent network link with the City of Adelaide

In collaboration with the City of Adelaide, we have now established a permanent network link between the two councils enabling us to not only share information but, in the future, will support sharing services, which will result in cost savings for councils. Currently a shared Global Address List through Microsoft Exchange has been established, which allows visibility of contacts at the City of Adelaide and City of Unley. Future collaboration may include additional service sharing through the use of Microsoft Office 365, and possibly a second offsite facility to store data backups to be used in the event of a disaster.

Internet of Things network

Council has partnered with The Science of Things to install a ThinXtra, SigFox based Network within the Adelaide Hills region. Installations have been completed in Stirling, Heathfield, Bridgewater, Woodside and Houghton. Since the network has been established, we have begun investigating a possible pilot program to explore the utilisation of the Internet of Things sensors on some of our own assets, and capital budget has been assigned in 2018-19. The network is not restricted to being used by Council only, so any individuals or businesses are able to install their own Internet of Things sensors making use of this new network as their communications medium.

Virtual reality project

The Torrens Valley Community Centre Virtual Reality Project was successful in running several publicly attended virtual reality sessions, where participants signed up for 15 minute experiences in the virtual world of their choice. Choices ranged from 3D painting, to archery, to travelling anywhere in the world via Google Earth VR in a stunning and immersive 3D environment with cities, mountains and access to 360 degree photos taken all around the world in street view mode.

The portable virtual reality kit has also been utilised at multiple "XitH" Community LAN/Gaming tournament events run by Council, where it has been very popular with the youth attending. Most recently an induction workshop was conducted with a group of volunteers keen to learn more about the technology and assist with running future community sessions.





Arts and culture – creative expression in our community

Strategies

4.4

Performance



ABP

The Adelaide Hills is home to a large number of artists, writers, performers and musicians, from emerging artists to those of international acclaim.

We know that our community places a high value on arts and culture and the opportunity to participate in creative expression in its many forms. Council is committed to supporting opportunities for growth and innovation in this area that:

- connects communities through shared experience and vision
- impacts on how we use and engage with our public spaces
- impacts on how we engage with each other
- reflects community values, interests and history and
- involves all creative expression including, visual art, performance, music and writing.

Key highlights from 2017-18 include:

- Further development of the Arts and Heritage Hub at the Old Woollen Mill site at Lobethal through the development and approval of its Business Development Framework which will provide the blueprint for the staged development of the site and facility.
- Council's 20th anniversary art exhibition, Adelaide Hills Stories: our people, our community, our home which was held at the Old Woollen Mill at Lobethal in November and December 2017.
- The Adelaide Hills was strongly represented in the South Australian Living Artists (SALA) Festival in August 2017 with numerous galleries, studios, restaurants and businesses exhibiting local artists. There were over 40 exhibitions in the Adelaide Hills as part of SALA 2017. The biggest SALA at the Summit to date with 58 artists exhibiting 163 works. 'Adelaide Hills Wild' was viewed by over 300 visitors.
- Supporting arts and culture festivals such as the Stirling Fringe and Lobethal Fringe Exhibition "In These Shoes" in February-March 2018.
- Supporting "Share" annual youth arts exhibition.
- Undertaking research and consultation with the arts community resulting in the report *Adelaide Hills Council's Role in Supporting the Arts* which was presented to Council in September 2017. This report informed the development of an Action Plan for the Arts.
- Opening of the Adelaide Hills Sculpture Trail in November 2017 featuring 26 sculpture parks across the Adelaide Hills, with original works by international artists complemented by seating, lighting and appropriate signage.
- Multiple arts and crafts programs run through our libraries and community centres.
- Installation of a Frog Mural on the wall of the gymnasium at Gumeracha Primary School.

Collaborating for outcomes

Strategies

4.5

4.6

Performance



ABP

Strategic collaboration and partnerships between Adelaide Hills Council and other councils, the State and Commonwealth Governments, business and others are vital to help shape and deliver outcomes for our community. We share borders with nine different councils and have a long

history of working successfully together. Through strategic alliances and other partnerships we work to jointly plan and advocate for our region, share resources and improve alignment with state and federal priorities. A selection of our strategic collaborations for 2017-18 are outlined below.

Strategic Initiative	Collaboration Description
Mount Lofty Ranges National and World Heritage Bids	Collaboration with nine other local councils, the University of Adelaide and Regional Development Australia Barossa to pursue National and World Heritage listing bids for the Mount Lofty Ranges region.
Planning and Development Policy	Working with the Department of Planning, Transport and Infrastructure on the proposed planning policy changes for rural/primary production areas and the conversion of our Development Plan into the proposed <i>State Planning and Design Code</i> . This is a work in progress and is due to be completed in July 2022.
Region Profile and Priorities	Regular meetings with Federal and State Members of Parliament to raise the profile and build understanding and support for the priorities of Adelaide Hills Council and the region.
Adelaide Hills Visitor Information Servicing Strategy	Collaboration with SA Tourism, Adelaide Hills Tourism, Mount Barker District Council, as well as tourism operators and industry bodies, to implement the <i>Adelaide Hills Visitor Information Servicing Strategy</i> .
Resilient Hills & Coasts	Resilient Hills & Coasts is a partnering project between local government, Natural Resources Management Boards and state and federal governments to develop a <i>Regional Climate Change Adaptation Plan</i> for the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island region. Key priorities have been developing an <i>Adelaide Hills Local Action Plan</i> , energy and emissions reporting and exploring the possible design and delivery of a regional community energy program.

Strategic Initiative	Collaboration Description
Inter-Regional Cycle Network	Councils, Regional Development Australia and Seppeltsfield Business Alliance have been working together to develop an Inter-regional Cycle Network. It identifies key routes to connect a shared path from the Clare Valley, through the Barossa and Adelaide Hills to Mount Barker.
Bushfire Resilience	In cooperation with Council, the Department of Environment and Water conducted prescribed burns at Heathfield Stone Reserve (October 2017) and the Crafers West RAA Tower site (November 2017) to protect and build resilience to major bushfires.
Northern Bypass Rail Route	Adelaide Hills Council with Regional Development Australia and partnering councils have completed a feasibility study into the construction of a new freight rail corridor linking Monarto with Two Wells.
May Business Month	In partnership with Mount Barker District Council, Adelaide Hills Council delivered May Business Month supporting local businesses in the region.
Regional Health Plan	Through the Regional Health Plan Working Group, Council worked to deliver the <i>Regional Health Plan</i> . It has focused on providing healthy environments and supporting healthy lifestyles and planning and partnerships relating to improving public health across the region.



Strategic Initiative	Collaboration Description	Strategic Initiative	Collaboration Description
<p>Council Subsidiaries</p>	<p>Our subsidiaries are important collaborations for Council and have delivered a number of outcomes such as:</p> <p>East Waste – increased service offerings to Council (i.e. additional bin management services) and expanded the “Why waste it?” education campaign.</p> <p>Adelaide Hills Region Waste Management Authority – signing of the continued agreement for management of the Heathfield site and successful bid for the hazardous waste facility at Heathfield and Brinkley sites.</p> <p>Gawler River Floodplain Management Authority – partnered with the University of Adelaide and Research Institute for Knowledge Systems to progress development of an integrated decision support tool for understanding and responding to current and future flood risk – Gawler River Catchment.</p> <p>Southern and Hills Local Government Association (S&HLGA) – continued work of the existing Roads Working Party and the <i>2020 Transport Plan</i> review, monitored the <i>S&HLGA Regional Public Health Plan</i> and implemented the region’s <i>Climate Change Adaptation Plan</i>.</p>	<p>Reflect Reconciliation Action Plan</p>	<p>Worked with Mount Barker District Council to build and strengthen relationships with Peramangk and Kaurna traditional custodians, those with Aboriginal or Torres Strait Islander heritage who live, work or have a strong connection with the Adelaide Hills, and non-Aboriginal stakeholders with expertise in Reconciliation.</p>
		<p>Hills Positive Ageing Project</p>	<p>The project promotes positive ageing and supports aged care providers to develop quality services for older residents in the Adelaide Hills, Mount Barker and western Alexandrina (Strathalbyn) Council areas. Key efforts during the year have been on the delivery of regional strategies for positive ageing and provision of sector support.</p>
		<p>Community transport</p>	<p>The Council part funds Hills Community Transport, an initiative which provides transport services information, direct transport assistance for eligible clients and a travel companion service. The service operates across the Adelaide Hills, Mount Barker and Alexandrina (part) Council areas.</p>
<p>Local business community support</p>	<p>Collaborations occurred with our local business community and their associations (e.g. Stirling Business Association and Woodside Commerce Association), support of community and sporting groups (e.g. through our grants and training programs) and through community-led place-making initiatives such as Imagine Uraidla and Gumeracha Main Street.</p>		



Community engagement

Community expectations regarding levels of service, involvement in decision-making and the value for money they receive from Adelaide Hills Council are increasing.

The need to proactively manage these expectations is critical to ensure confidence in both Council's services and our organisation. Community ownership developed through engaging the planning and implementation of our major projects and initiatives is essential to achieving positive outcomes. For example, community involvement is critical as part of our place-making work.

Strategies

4.1

Performance



ABP

Community engagement also helps Council achieve more effective governance through balancing decision-making with sensitivity to community needs, interests and aspirations. We are committed to improving the way our community is informed and involved in our decision-making processes. Council uses a range of methods to seek feedback from our Community, such as forums, workshops and surveys. During 2017-18, participation numbers were highest for consultation on the Elector Representation Review and the proposed new By-laws, with particular interest on the provision for cats to be confined to their owner's property from 1 January 2022.

We are embracing contemporary methods of engagement and communications so everyone can have a voice. New methods implemented in 2017-18 include:

- Reviewed communications methods and shifted the focus to contemporary channels such as social media and email newsletters.
- Improved the customer request function on ahc.sa.gov.au
- Introduced new Contact Centre protocols which deal with the most common types of customer calls in a more streamlined manner.



Looking Forward 2018-19 ***Explore Ideas and Work*** ***with Others Key Initiatives***



Improve and grow digital communication channels, including our website and social media.



Continue to improve online customer service experiences, including the potential to publish our cemetery maps online.



Encourage public art and place-making through the provision of community grants.



Trial and evaluate a range of Internet of Things sensor technologies.

Organisational Sustainability

What success looks like:

Our people are supported and safe.

Our organisation is financially sustainable.

Our decision-making is open, transparent, and accountable. Excellence and equity in service delivery that meets our legislative obligations and community needs.

Adelaide Hills Council recognises that our people are our strength and are critical to achieving our vision and desired outcomes.

We aim to support and develop our people and to continue to build on our high-performing and service-based culture. We ensure our long term financial sustainability through the use of robust financial modelling and budgeting processes that are aligned with our strategic and business plans, involve the prudent use of

investments and reserves and the generation of revenue via rates and other sources. Council rates are essential for maintaining our vibrant, clean and safe local communities.

People need to be able to trust us. We operate in a highly regulated and scrutinised sector. Open, transparent and accountable decision-making and administrative processes are critical. We identify, evaluate and manage our risks and legislative obligations and these are monitored

through our Audit Committee and subsequently by Council.

Key priorities for 2017-18 in building our organisational sustainability have been reviewing our *Corporate Plan*, the establishment of our mentoring and coaching and Take 5 for Safety programs, and our diversity and inclusion initiatives. A major review of our *Long Term Financial Plan*, the development of our Community Loans Policy and Corporate Planning and Performance Framework have also been priorities.






Key Achievements 2017-18

Corporate Plan

Strategies **5.0** Performance   **ABP**

Our *Corporate Plan 2017-2020* focuses on the development of our people and organisation, enabling and supporting the delivery of our Strategic Plan goals, strategies and initiatives in an innovative, cost-effective and timely manner. It is an internal document.

Our *Corporate Plan* was reviewed in 2017-18 and approved by the Executive Leadership Team, and Council was advised in January 2018. The plan has six main elements: (i) leadership; (ii) people; (iii) strategy and policy; (iv) partnerships and resources; (v) processes, systems and customer service; and (vi) results. Implementation of the plan commenced in the second half of the financial year and our performance against our goals is shown below for 2017-18 priority areas. Other initiatives in the *Corporate Plan* commence from 2018-19.

Completed	
On track	
Review & Action	
Annual Business Plan	ABP

2017-18	Priority Area
Leadership	
	Corporate values
	Work Health and Safety
	People leaders
	Process and system Improvement
	Coaching and mentoring
	Decision-making
People	
	Reward and recognition
	Performance process
	Diversity and inclusion
	Recruitment and selection
Strategy and Policy	
	Strategic plan and other strategies and functional plan management

2017-18	Priority Area
Partnerships and Resources	
	Better utilise existing LG networks
	Accommodation
Processes, Systems and Customer Service	
	WHS system and data management
	One point of customer contact
	Service delivery innovation
	Sustainable continuous improvement
	Benchmarking opportunities
	Financial reporting
Results	
	Key performance indicators and related outcomes exist and are used to set clear targets and determine the successful deployment of strategy and other plans, based on the needs and expectations of relevant stakeholder groups

Corporate planning and performance

Council has a number of legislative obligations in relation to our corporate planning and reporting, including preparing strategic and annual business plans and an annual report.

These are required to ensure the future sustainability of the organisation, effective use of resources and for transparency

Strategies

5.0

Performance



ABP

and accountability. During 2016-17 we undertook a review of our Governance function (including planning and reporting) and the outcome was reported to senior management. Work in 2017-18 has focused on the development of a Corporate Planning and Performance Framework which was approved in June 2018. This Framework strengthens Council's

ability to strategically, tactically and operationally plan its activities and resources, and to structure corporate reporting systems and processes to monitor performance. Further work will occur in 2018-19 to consolidate the strategic, corporate and annual business planning and reporting functions across our organisation and implement the Framework.





1. Don't move anything without correct Manual Handling Techniques.

2. If it looks too heavy, it is too heavy.

3. If you see someone using poor techniques, advise them to use a lifting device or, if safe, assist them.

4. If it is too big, heavy or awkward to move, don't proceed, get help.

5. Thousands of workers are injured by unsafe manual handling. The long-term impacts are not worth it.

Take 5 for Manual Handling

Adelaide Hills Council | Take 5 FOR SAFETY

Our people, our safety

Strategies **5.0** Performance

Our people are the heart of our organisation. Attracting the right people for the right jobs and supporting their development is critical to ensuring we meet our service commitments and continue to grow as an organisation.

Diversity and inclusion are encouraged in our workplace. Diversity brings a blend of knowledge, skills and perspectives and an inclusive culture is one where everyone feels valued and respected and is able to fully contribute. Keeping people safe is our number one priority and we adopt a proactive approach to work health and safety.

During the past 12 months we have implemented a number of initiatives to support our people, including our Take 5 for Safety campaign, disability awareness training and establishment of a diversity and inclusion team and mentoring and coaching program.

Take 5 for Safety campaign

Our Take 5 for Safety campaign was launched in April 2018 and the first phase focused on manual handling. There were five key communication messages as part of the campaign.

The manual handling campaign ran for four weeks and it included a number of initiatives such as manual handling training delivered by a physiotherapist, supporting posters displayed throughout our Council buildings, a toolkit of manual handling resources made available through our intranet (the Hills Hub), and regular discussions between People Leaders and their employees. Our second campaign focusing on mental health awareness will commence in August 2018.

Diversity and inclusion

Workplace diversity and inclusion has a number of benefits for our organisation such as: higher employee engagement; improved performance; greater innovation; retention; improved employee wellbeing; and lower levels of harassment and discrimination. We conducted disability awareness training for all of our employees

across May and June 2018, focusing on disability discrimination, removing employment barriers, inclusive recruitment, and reasonable adjustment and supporting employees with disabilities. We have also established a diversity and inclusion team that will develop our diversity and inclusion policy and plan.

Coaching and mentoring programs

Coaching and mentoring provide a range of benefits for participants, including providing a way to connect, learn and grow and to develop themselves in their people leader role. During 2017-18 Council has been working with LG Professionals to utilise a panel of coaches to commence a pilot coaching program. An internal mentoring pilot commenced with four participants being mentored by two directors. The draft framework and approaches for both coaching and mentoring will be further developed through input from participants.



Financial sustainability

Strategies

5.0

Performance



ABP

Financial sustainability underpins everything we do; without it we cannot deliver services that meet our customers' needs.

Council's long term financial performance and position are sustainable where planned long term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services. Our *Long Term Financial Plan* (LTFP) is critical for accountability and provides projections for Council's planned activities over a ten-year time frame. It is developed from our *Strategic Management Plan*, *Asset Management Plan* and other key strategies. The LTFP ensures that Council understands the impact of decisions made today on future

sustainability. The LTFP contains a decision-making model that is continually reviewed and refined as new information is discovered, and is integral to our annual budgeting process. During 2017-18 we undertook a major review of our LTFP to ensure all strategies and initiatives in our Strategic Plan and functional strategies were covered, alignment with our updated asset management plan and a savings/efficiency plan established. This review is essential to ensure that we can meet our service delivery commitments and manage our assets effectively for the long term.

A Community Loans Policy was developed and adopted by Council in February 2018. On occasion, Council receives requests from community groups seeking to borrow funds to

enable improvements to their facilities. The policy has been developed to minimise risk to Council and provide clarity to community groups regarding the terms and conditions under which Council will consider making loans available.

Procurement refers to the methods Council uses to purchase goods and services. Adelaide Hills Council currently has in place a Procurement Policy based around a number of principles. During 2017-18, we have reviewed a procurement quote management system but at this stage determined it does not meet Council's needs. A robust Procurement Framework is currently under development and this will inform any future decisions (if any) regarding any systems.



Looking Forward 2018-19 **Organisational sustainability** **Key Initiatives**



The inclusion of over \$450,000 in savings strategies to enable the inclusion of new initiatives.



Implement initiatives identified in our *Corporate Plan* to improve our organisation.



Continue to develop our work health and safety practices with the use of the integrated safety management system.



Improve usability of our digital platforms to enhance community awareness of Council services and activities.



Our governance

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

Our processes are open and ethical, adhere to the law and stand up to scrutiny.

Governance refers to the rules, practices and processes by which Council is directed and controlled. It can have an impact on policies and practices, meeting procedures, service quality, Council Member and employee conduct, role clarification and good working relationships. Good governance is characterised by being accountable, transparent, responsive, equitable and inclusive, effective and efficient and participatory, and by meeting legislative obligations. Adelaide Hills Council strives for best practice in governance.

The following information reports on our governance activity during 2017-18.

Good governance is accountable,
transparent and responsive.

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. All Council and Council Committee meetings are open to the public unless specific provisions in the *Local Government Act 1999* are satisfied to require the closing of the meeting under a confidentiality order.

Council meetings held in 2017-18:

- 12 ordinary meetings
- 11 special meetings

Council Committee meetings held in 2017-18:

- 2 SPDPC meetings
- 1 Special SPDPC meeting
- 5 Audit Committee meetings
- 5 CEO Performance Review Panel meetings
- 12 CDAP/Special CDAP/CAP meetings

The attendance of the Mayor and Councillors at 2017-18 Council and Committee meetings is detailed in the table below.

	Ordinary Council		Special Council		SPDPC		Special SPDPC		Audit Committee		CDAP (until 26 Sept 2017)		Special CDAP (until 26 Sept 2017)		CAP (from 26 Sept 2017)		CEO Performance Review Panel	
	12		11		2		1		5		2		1		9			
	P	A	P	A	P	A	P	A	P	A	P	A	P	A	P	A	P	A
Total Meetings																		
Bill Spragg	11	1	10	1	2	0	1	0	-	-	-	-	-	-	-	-	4	1
Ron Nelson	10	2	10	1	2	0	1	0	-	-	-	-	-	-	-	-	-	-
Jan-Claire Wisdom	12	0	9	2	2	0	0	1	-	-	-	-	-	-	-	-	5	0
Ian Bailey	12	0	9	2	2	0	1	0	-	-	-	-	-	-	-	-	3*	0
Jan Loveday	11	1	6	5	2	0	1	0	-	-	1	1	1	0	-	-	5	0
Kirrilee Boyd	11	1	11	0	1	1	1	0	-	-	-	-	-	-	-	-	-	-
Nathan Daniell	9	3	10	1	2	0	0	1	-	-	-	-	-	-	-	-	-	-
John Kemp	11	1	9	2	2	0	1	0	4	1	2	0	1	0	-	-	-	-
Val Hall^	4	3	8	0	2	0	1	0	-	-	-	-	-	-	-	-	-	-
Lynton Vonow	12	0	9	2	1	1	1	0	-	-	-	-	-	-	-	-	-	-
Andrew Stratford	11	1	9	2	2	0	1	0	-	-	-	-	-	-	-	-	-	-
Linda Green	12	0	11	0	2	0	1	0	-	-	1	0	1	0	9	0	2**	0
Malcolm Herrmann	11	1	9	2	1	1	1	0	5	0	-	-	-	-	-	-	-	-

- Member not appointed to the committee and not required to attend.

P: Present **A:** Apology
* 2017 ** 2018

^ Val Hall passed away in February 2018.

SPDPC: Strategic Planning & Development Policy

CDAP: Council Development Assessment Panel

CAP: Council Assessment Panel

Good governance involves remunerating fairly and responsibly.

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 2017-18:

	1 July 2017 to 6 November 2017	7 November 2017 to 30 June 2018
Mayor/Principal Member	\$65,104 per annum	\$66,304 per annum
Deputy Mayor	\$20,345 per annum	\$20,720 per annum
Presiding Member of a Prescribed Committee	\$20,345 per annum	\$20,720 per annum
Other Council Members	\$16,276 per annum	\$16,576 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 were entitled to receive the following under the Council Member Allowances and Benefit Policy (in force as at 30 June 2018):

- Reimbursement for travelling within/outside the area of Council and child/dependent care expenses associated with attendance at a Prescribed Meeting or undertaking a function or activity on the business of Council.
- Provision of an annual Travel Time Payment for Members residing greater than 30km from the Principal Office.

- Reimbursement of other expenses including:
 - » Phone costs (call charges only)
 - » Conference, seminar and training course fees and associated travel expenses.
- Provision of the following to assist Members in performing their official functions:
 - » An iPad (or similar tablet computer), associated software and 4G connection for document management (including Council Agenda and Minutes), communication and research (both Council Workspace and internet)
 - » A Council email address
 - » A mobile phone (including SIM)
 - » Reams of paper for printing
 - » Stationery (such as pads, pens, diaries, etc.)
 - » Meals and beverages provided in association with attendance at 'prescribed meetings'.

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:

- Laptop computer with appropriate software
- Supply and maintenance of a motor vehicle
- Mayoral Office accessible 24/7 providing desk and meeting facilities
- Provision of media and communications support
- Access to administrative officer services.

The Chief Executive Officer maintains a Register of Allowances and Benefits provided to Council Members which is available for inspection by the public.

Good governance is effective and efficient.

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 and Chairperson's Forum (28 July 2017)
- CEO and Joint Mayors' forum (7 July 2017)

Councillor and Deputy Mayor

Jan-Claire Wisdom attended

- LGASA tourism events workshop

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 Gatherings and Discussions Policy. The dates and venues for these sessions are publicly documented in agendas for Ordinary Council meetings. Some Council Members also attended sessions held by the LGA. Training topics included:

- Related Party Disclosure Requirements for Financial Statements
- Asset Management Plans - Transport
- Warrawong - briefing and tour
- Kurna Native Title Claim, the ILUA and the Kurna/Peramangk boundary
- Appreciative inquiry and decision-making
- Caretaker Period
- Community Forum
- VISION Cleland
- Location of Principal Office
- Organisation Structure

Council's Assessment Panel

As a result of the State Government's rollout of the Planning Reforms including the *Planning, Development & Infrastructure (PDI) Act, 2016*, Council established the new Council Assessment Panel (CAP) pursuant to Sections 82 and 83 of the aforementioned Act on 26 September 2017. This CAP replaces the previous Council Development Assessment Panel (CDAP) established under Section 56A of the *Development Act 1993*, and from 1 October 2017 comprises one Council Member plus four independent members (which includes an independent chairperson).

Members during the 2017-18 financial year:

- Prof Stephen Hamnett
(Presiding Independent Member)
[Appointed 1 June 2017]
- Mr Rob McBryde
(Independent Member)
- Mr Simon Bradley
(Independent Member)
- Kathryn Bellette
(Independent Member until 26 September 2017)
- Cr Linda Green
- Cr Jan Loveday
(membership ended on 26 September 2017)
- Cr John Kemp
(membership ended on 26 September 2017)

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.

CAP meetings are generally held in Stirling on the second Wednesday of each month from 6:30pm. In 2017-18, eleven ordinary meetings and one special meeting of the Panel were held.

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

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

It was resolved by Council at its meeting on 28 November 2017 that the Council Member or Deputy Council Member on the CAP be paid a sitting fee of \$190 per meeting, starting 1 November 2017.

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.

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.

Two ordinary meetings of the SPDPC were held during 2017-18, Cr John Kemp was the presiding member for the full financial year.

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 2018 was:

- Ms Paula Davies
(Presiding Independent Member)
- Mr Peter Robertson
(Independent Member until December 2017)
- Mr Peter Brass
(Independent Member)
- Mr Geoff Purdie
(from January 2018)
- Cr John Kemp
- Cr Malcolm Herrmann

Five ordinary meetings were held during 2017-18. The sitting fees paid to Independent members of the Audit Committee in 2017-18 were:

- Independent Presiding Member
\$525 per meeting
- Independent Member
\$380 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 internal process was undertaken to review the CEO's performance against the position description requirements and agreed set of key performance indicators for the year. External advice was received on the remuneration package payable.

Membership as at 30 June 2018 is as follows:

- Cr Jan Loveday
(Presiding Member)
- Deputy Mayor Cr Jan-Claire Wisdom
- Mayor Bill Spragg
- Cr Ian Bailey
(until December 2017)
- Cr Linda Green
(from January 2018)
- Ms Paula Davies
(Independent Member)

Five ordinary meetings were held in 2017-18. 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 2017-18 was \$380 per meeting.

Informal Gatherings

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 Members 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.

Designated Informal Gatherings are advertised on Council's website. The gatherings are open to the public unless specific provisions are triggered; in these situations discussion on the matter will be in a closed session.

Informal Gatherings held in 2017-18:

- Asset Management Plans (ODIG)
- Lease & Licence Policy (ODIG)
- Playground Asset Management (ODIG)
- Play Space Framework (ODIG)
- Heathfield Waste Transfer Station – Procurement Outcome for Operation of Site (CDIG)
- s41 Committee & Advisory Groups (ODIG)
- Code of Practice for Meeting Procedures (ODIG)
- Council's Digital Footprint (ODIG)
- Council Mobile Device Review (ODIG)
- Prescribed burn program (ODIG)
- Community & Recreation Facility Framework (ODIG)
- Advisory Groups (ODIG)
- Support for the arts – CEO performance target (ODIG)
- Public Forum & CEO's Update (ODIG)
- Waste and Resource Recovery Collection Service Policy (ODIG)
- Enforcement Policy/Order Making Policy (ODIG)
- Draft Community Engagement Charter (ODIG)
- Mobile Food Vendors (ODIG)
- Public Forum & CEO Update (ODIG)
- Hills Voice hard copy review (ODIG)
- Court Resurfacing Grant Applications for Stirling Stonehenge, Heathfield and Upper Sturt (ODIG)
- Grants Commission Visit (ODIG)
- Public Forum & CEO Update (ODIG)
- Woodside Recreation Ground water management proposal (ODIG)
- CEO Performance Review – discussion with Council members (CDIG)
- Council Meeting and Community Forum dates and venues 2018 (ODIG)
- Planning Policy Review for Transition to Planning & Design Code (ODIG)
- Council Member Allowances & Benefits (ODIG)
- Public Forum & CEO Update (ODIG)
- Highercombe Golf Course Review (ODIG)

- Development Application Information Package Review (ODIG)
- Retirement Village Review (ODIG)
- Local Government Reform Discussion Paper (ODIG)
- Arts & Heritage Hub Workshop (ODIG)
- Asset Management & Long Term Financial Plan (ODIG)
- Loan Funding to Community Groups (ODIG)
- Asset Management Plans and LTFP (ODIG)
- Asset Management Plan (ODIG)
- By-law Development – Part 1 (ODIG)
- Long Term Financial Plan Review and Budget Development Update (ODIG)
- Inverbrackie Land Division (CDIG)
- Arts and Heritage Hub planning (continued) (CDIG)
- By-law Development – Part 2 (ODIG)
- Gumeracha Place-making Projects (ODIG)
- Sport & Recreation Facility Grants – Guidelines Review (ODIG)
- Annual Business Plan and Budget Development – Day 1 (CDIG)
- Annual Business Plan and Budget Development – Day 2 (CDIG)
- By-law development (ODIG)
- Woodside Recreation Ground and General Sustainability Projects (ODIG)
- Supporting External Volunteering into the Future (ODIG)
- Mobile Library (ODIG)
- Budget Update (ODIG)
- Mobile Food Vending Businesses (ODIG)
- Trails Strategy Review Update (ODIG)
- Council Member Training & Development Policy (ODIG)
- Separate Occupation Rating (ODIG)
- Proposed 2018-19 CEO Performance Targets (ODIG)
- 2018-19 Annual Business Plan and Budget Consultation Feedback (ODIG)
- Roundabout Concepts (ODIG)
- Local Government Association representative bodies (CDIG)
- Remuneration Tribunal Review of Local Government Allowances (ODIG)
- Ashton Landfill (CDIG)
- 2017-18 CEO Performance Review Workshop (ODIG)
- Retirement Village Review (CDIG).

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 CAP 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 for viewing 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 2017-18, 23 issues were considered in closed session, in accordance with Section 90(2) of the *Local Government Act 1999*. 12 items were released in full and 11 fully remained in confidence, in accordance with Section 91(7) of the Act.

Date	Council/Committee	Item No.	Title	LGA 1999 Section	New Confidentiality Recommendation or Date Released	Status as at 30 June 2018
25/07/17	Council	19.1	East Waste Constituent Council Membership	90(3)(d)	Released 30/11/17	Released
09/08/17	Special Council	5.1	Heathfield Resource Recovery Centre Management	90(3)(b)	Released 30/11/17	Released
22/08/17	Council	19.1	Adelaide Hills Region Waste Management Authority Tender Landfill Compactor	90(3)(d)	Resolution passed 26/06/18 to remain confidential until 03/08/19 Related to 325	03/08/19
26/09/17	Council	19.1	Assignment of Commercial Lease at AHBTC	90(3)(d)	Released 11/10/17	Released
26/09/17	Council	19.2	Community Wastewater Management Systems Review	90(3)(b)	Partially released 13/02/17 (Resolution 3) Resolution passed 26/06/18 to remain confidential until 31/12/19 Related to 290 & 301	31/12/19
26/09/17	Council	19.3	Appointment of Independent Member with NRM Skills to CAP	90(3)(a)	Released 30/11/17	Released
24/10/17	Council	19.1.2	Sale of Land at Adelaide Hills Business and Tourism Centre	90(3)(b)	Released 03/09/18	Released
06/11/17	Audit Committee	8.1.1	Internal Audit Actions Implementation	90(3)(e)	Released 06/06/18 (under CEO delegated authority)	Released
8/11/17	CEO Performance Review Panel	10.1	CEO Performance Review 2017	90(3)(a)	Released 01/02/18	Released
8/11/17	CEO Performance Review Panel	10.2.1	2017 CEO Remuneration Review	90(3)(a)	Released 01/02/18	Released
28/11/17	Council	19.1	CEO Performance & Remuneration Review	90(3)(a)	Released 01/02/18	Released
12/12/17	Council	19.1	Australia Day Awards 2018	90(3)(a)	Released 01/02/18	Released
23/1/18	Council	19.1	CEO Performance Review & Audit Committee Independent Members Appointments	90(3)(a)	Released 01/02/18	Released
20/02/18	Audit Committee	7.1	Internal Audit Actions Implementation	90(3)(e)	Released 06/06/18 (under CEO delegated authority)	Released
20/02/18	Audit Committee	7.2	Appointment of External Auditor	90(3)(d)		20/02/19
27/02/18	Council	19.1	Retirement Village Review	90(3)(b)		27/02/19
27/02/18	Council	19.2	Adelaide Hills Swimming Centre Shade Sail	90(3)(i)		27/02/19
27/02/18	Council	19.3	Appointment of External Auditor	90(3)(d)		27/02/19
27/03/18	Council	19.1	AHRWMA Purchase of Hooklift Truck	90(3)(d)	Related to 309	3/08/19
24/04/18	Council	19.1	Sale of Land for Non-Payment of Rates	90(3)(i)		24/04/19
29/05/18	CEO PRP	10.1.1	Appointment of Consultant to undertake CEO Performance & Remuneration Review	90(3)(d)		07/12/18
19/06/18	Special Council	6.1.1	CWMS Expression of Interest Outcomes	90(3)(b)	Partially released 05/07/18 (Resolution 4 and Community Consultation from Report) Resolution passed 19/06/18 to remain confidential until 31/12/2019 Minute fully released 09/08/18. Report remains confidential	31/12/19
26/06/18	Council	19.1.1	Special Event	90(3)(j)		31/12/18

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
- Australia Day Awards
- Biodiversity
- Bushfire
- Cemeteries
- Property
- Rural Land Management
- Social Planning
- Sport and Recreation
- Sustainability
- Youth

These Groups do not report directly to Council.

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 2,275 electors as at 2017-18. The total number of electors is 29,582.

The Adelaide Hills Council's representation quota is comparable with councils of similar populations (albeit different numbers of Council Members):

- City of Holdfast Bay (electors 27,935) = 1:2,148
- City of Norwood Payneham and St Peters (electors 25,443) = 1:1,817
- Burnside (electors 31,816) = 1:2,447
- City of Unley (electors 27,688) = 1:2,129

(Information provided by the Electoral Commission of SA, current as at February 2018)

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.

In December 2017, the Adelaide Hills Council completed an Elector Representation Review which is a formal process under Section 12 of the *Local Government Act 1999* to review all aspects of Council's composition, including the division, or potential division, of the council area into wards. In reviewing the representation arrangements, in consultation with the community, the Council resolved on a new structure that will take effect from the November 2018 Local Government Election.

The new structure is for the district to be represented by a Mayor elected by the community, 12 ward councillors, and the creation of two wards to replace the current five ward structure. The Valleys Ward will be created by merging the existing Torrens Valley and Onkaparinga Valleys Wards into one ward with five councillors. The current Manoah, Mount Lofty and Marble Hill Wards will be amalgamated to form the Ranges Ward with seven councillors. The Basket Range, Cherryville and Carey Gully localities, which were previously divided by ward boundaries, to be wholly within the Ranges Ward.

Under the *Local Government Act 1999*, a Council is required to conduct a review of its representation:

- Section 12(4) – at least once in every eight years, or
- Section 12(24) within a period specified by the Electoral Commissioner if the area of a Council is divided into wards and the Electoral Commissioner notifies a Council in writing that the number of electors represented by a Council Member for a ward varies from the ward quota by more than 20 percent.

To initiate the process, public notices are placed by Council in the SA Government Gazette, and state and local newspapers, informing the public that a Representation Review is being undertaken by the Council, that a

Representation Options Paper has been prepared and of its availability. Interested persons are invited to make written submissions to the Council on the subject of the review within a period specified by the Council (being a period of at least 6 weeks).

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 as a deputation. Each deputation is usually limited to a maximum of ten minutes. People wishing to access this opportunity should make prior arrangements through the Mayor's Office on (08) 8408 0438.

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 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 2017-18 (separate from Ordinary Council Meetings):

- **29 August 2017** – Woodside
- **31 October 2017** – Uraidla
- **28 March 2018** – Kersbrook
- **1 May 2018** – Longwood/Bradbury

Internal Review of Council Decisions

At the beginning of the financial year, Council had two investigations for the Internal Review of a Council Decision in progress relating to rate setting and decisions regarding the Elector Representation Review respectively. These Reviews were completed during the year and, while the Council's decisions were upheld, opportunities for improvements in processes were identified and actioned.

One application was lodged and withdrawn during the financial year.

Three applications were accepted during the year and were still in progress at the close of 2017-18. These applications related to stormwater management, footpath construction and tree plantings respectively.

Internal Review of Council Decisions	Number
Outstanding from previous period	2
Reviews completed	2
Withdrawn applications	1
New applications	4
In progress	3

Freedom of Information requests

Fifteen requests for information were made under the Freedom of Information Act 1991 in 2017-18 which was a decrease from twenty in the previous year.

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	0	0	0
New applications	15	0	0	0
Total to be processed	15	0	0	0
Transferred in full	0	0	0	0
Determined	12	7	2	3

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 Whistle blower Protection Policy have been adopted by Council to assist in meeting good governance responsibilities.

The Independent Commission 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.

Good governance involves meeting our legislative obligations.

Registers, codes and policies

Documents available for public inspection are as follows:

Local Government Act 1999 Registers

- **Section 68** Members Register of Interests
- **Section 79** Members Register of Allowances and Benefits
- **Section 90** Confidential Items
- **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 Statutory Policies

- Building & Swimming Pool Inspection (Dev Act s71A(1))
- Caretaker (LGEA s91A(1))
- Code of Conduct for Council Employees (LGA s110)
- Code of Practice for Access to Council Meetings, Committees & Documents (LGA s92)
- Code of Practice for Meeting Procedures (LGPAMR r6)
- Complaints Handling (LGA s 270(a1)(b))
- Council Member Allowance and Benefits (LGA s 77(1)(b))
- Council Member Conduct (LGA s63)
- Council Member Training and Development (LGA s 80A)
- Debt Recovery (inc. CWMS Customer Hardship Policy) (LGA s144)
- Delegations Policy for the Determination of Development Applications by CAP
- Freedom of Information Statement (LGA Schedule 4, 1(gb))
- Informal Council Gatherings (LGA 90(8a))
- Internal Audit (LGA s125)
- Internal Review of Council Decisions (LGA s 270(1))
- Order Making (LGA s259)
- Procurement (LGA s49)
- Prudential Management (LGA s48)
- Public Consultation (LGA s50)
- Public Place & Road Naming (LG Act s219(5))
- Public Place & Road Naming (LG Act s219(5))
- Request for Service (LGA s270 (a1) (a)) Whistle-blowers Protection (WPA, LGA s302A).

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 2018

- Acceptance of External Funding
- Acquisition and Disposal of Land & Materials (refer Disposal of Materials and Disposal of Land)
- Asset Management
- Buffers
- Burials Outside Cemeteries
- Burning Permit Policy
- Cemetery Management
- Code of Practice for Meeting Procedures (LGPAMR r6)
- Community Group Use of Photocopiers
- Community Information Display
- Community Loans
- Development Application Document Reproduction
- Development Application Fee Refunds
- Development Application Fee Waiver
- Development Applications Involving Regulated Trees
- Directional Signage
- Enforcement Policy
- Festivals and Events
- Flags
- Fraud & Corruption Prevention (ICAC)
- Genetically Modified Crops
- Grant Giving
- Lease & Licencing
- Liquor Licencing
- Management of Built Heritage
- Mayors/Chairpersons Seeking Legal Advice (LGA s78A)
- Outdoor Dining
- Petitions
- Play Space
- Privately Funded Development Plan Amendments
- Provision of Physical Models or other Visual Representation Tools for Major Development Proposals which require Public Notification
- Public Transport
- Rating (LGA Chpt 10)
- Records and Information Management
- Risk Management
- Road Rents
- Roadside Trading (Use of Public Road Verges for Business Purposes)
- Safe Environments
- School Parking and Associated Facilities
- Service Level
- Service Range
- Street Lighting
- Treasury
- Tree Management
- Tributes for Commemorative Services
- Unsealed Roads
- Volunteer Engagement
- Waste and Resource Recovery Service
- Wastewater System Application Fee Refunds

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.

Good governance is equitable and inclusive.

Community Land Management Plans

A Community Land 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 progressed a review of the Community Land Management Plan during 2017-18.

Council's review is assessing the suitability of the current management categories taking into account the implications of the *Coastal Ecology Protection Group Inc & Ors v City of Charles Sturt* [2017] SASC 136 (Coast Park decision).

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 and Purchasing Policy. In 2017-18, there were 27 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

Competitive neutrality

Principles of competitive neutrality are designed to neutralise any net competitive advantage that a government or local government agency engaged in significant business activities would otherwise have, by virtue of its control by the government or local government, over private businesses operating in the same market.

Council has a complaints mechanism in place and in 2017-18 no complaints were received with regard to competitive neutrality. There have been no other changes in the significant business activities controlled by Council.

Litter control

State Government legislation, the *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 and nuisance requirements began on 1 July 2017.

Council's Illegal Dumping Working 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.

During 2017-18, there were 402 incidents of local nuisance and littering reported to Council. Staff issued one abatement notice and one expiation notice. The breakdown of reported incidents is outlined below.

Issue	Number
Noise	31
Air Pollution	7
Graffiti	31
Littering	254
Nuisance/vandalism	72
Water pollution	7

Council is committed to the development of a communications strategy to provide education to manage local nuisance and littering.

Good governance is accountable.

Air Quality Policy

The Environment Protection Authority's Air Quality Policy came into effect on 23 July 2016 which required Council to put in place a Burning Permit Policy for the burning of green waste on properties located within townships and urban areas of the Council (e.g. Aldgate, Bridgewater, Balhannah, Crafers, Oakbank, Stirling, Woodside, etc). The permit requirements do not apply to the non-metropolitan rural areas. During 2017-18, 564 burning permits were issued enabling people to burn dry green waste in preparation for the annual bushfire season. Six applications were refused for reasons such as inappropriate materials being present (e.g. plastics and general household waste).

Our People

Council's success relies on its staff providing services to the community. As at 30 June 2018 Council's workforce of 171 (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 within a healthy range (between 10-15 percent, with turnover during the 2017-18 financial year at 13 percent). At 30 June 2017 there were 172.17 (full-time equivalent) employees.

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 where conversations are held with each staff member to:

- Identify priority goals
- Improve personal performance
- Take responsibility for improving their work health and safety
- 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, fewer steps or people involved, or faster response times for our customers.

Leadership Development

These sessions focus our leaders on understanding themselves and how they can utilise principles and basic tools to enhance their accountability for actions and for better decision-making outcomes. As decisions of our People Leaders affect the people they manage, improving all People Leaders behaviours and abilities has a lasting impact within teams and across the organisation.

Diversity and Inclusion

Council has continued its journey towards being a diverse and inclusive organisation. This began with improving our recruitment process, with particular focus on being more inclusive and enabling better access to those people with a 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 scheduled for next year. Specifically this work will be through our newly established diversity and inclusion team with a focus on process and plan development and implementation.

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 critically important. This is implemented through our Enterprise Development Agreements and our internal Recruitment and Selection Policy.

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 systems of work.

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.

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 2017-18 include:

- Commencement of the Take 5 for Safety branding launched, with first campaign on manual handling
- Completion of all actions within our WHS Improvement Plan
- WHS Management Review with Executive and the Health and Safety Committee
- 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 required of our leaders to effectively manage their WHS responsibilities
- Implementation of the 'Take 5' process across the organisation, assessing factors on-site before work commences
- Review, reduction and update of Safe Operating Procedures
- Ongoing focus to ensure reporting on the Corrective Actions and Calendar of Events activities
- Two internal procedure reviews completed on Workzone Traffic Management and Electrical
- Key Performance Indicator Action Plan completion result of 96 percent.

A number of learning opportunities were implemented including:

- Procedure training including Contractor Management, Document Management
- First Aid Officer training
- Health and Safety Representative training
- White Card training
- Chainsaw and Tree Felling training
- Hearing Awareness Protection training
- Work Zone Traffic Management training

From an injury management perspective, Council received four Return to Work claims, of which one was for lost time injuries. In 2016-17 there were five lost time injuries. Three workers were referred for return to work support. Council has a sound process that enables the quick return to work, shortening time off work and increasing the quick return to normal duties.

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 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 and on our website ahc.sa.gov.au

Remuneration payable to Council's auditor

Remuneration payable for the annual audit of the Adelaide Hills Council Internal Controls and Annual Financial Statements for 2017-18 was \$23,000.

No other remuneration was paid.



Rating information

The income from rates accounts for approximately 80 percent of Council's operating 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 percent premium over residential and primary production ratepayers.

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

Council has applied a separate rate for businesses in Stirling for a number of years. \$85,000 was raised in 2017-18 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 2017-18 was set at \$613.50.

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

The *Local Government Act 1999* requires a council to decide each year whether to apply a maximum rate increase (or a rates cap) to a ratepayer's principal place of residence. A cap is applied to provide relief against a substantial change in rates payable incurred due to rapid changes in valuations.

The Council has determined that it will apply a maximum increase (rates cap) of 15 percent for the general rate to be charged on rateable land constituting the principal place of residence of a principal ratepayer.

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 2013*, 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 percent 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 percent 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 2017-18 was set at \$613.50.



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 percent 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 percent 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 percent 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.

Council has conducted a review of all the properties that currently receive a rate rebate (both mandatory and discretionary) as well as those properties that are exempt from rates to help determine a position that aligns to Council's rating principles, particularly in relation to equity for future years. When rate rebates are applied to properties, those rates foregone must then be redistributed to the rest of the community. The review has resulted in changes to the Rating Policy in relation to discretionary rebates for the 2018-19 Rating Year.



Glossary of terms

AHBC 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

DPTI Department of Planning,
Transport and Infrastructure

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 2018

Adelaide Hills Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Nurturing our unique place and people



Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2018

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2018

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 2018 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 Aitken
CHIEF EXECUTIVE OFFICER



Bill Spragg
MAYOR

Date: 23 October 2018

Adelaide Hills Council

Statement of Comprehensive Income

for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Income			
Rates Revenues	2a	35,512	34,301
Statutory Charges	2b	1,069	1,022
User Charges	2c	1,479	1,337
Grants, Subsidies and Contributions	2g	5,508	5,048
Investment Income	2d	30	36
Reimbursements	2e	447	265
Other Income	2f	488	483
Net Gain - Equity Accounted Council Businesses	19	-	57
Total Income		44,533	42,549
Expenses			
Employee Costs	3a	14,956	14,505
Materials, Contracts & Other Expenses	3b	19,961	18,760
Depreciation, Amortisation & Impairment	3c	8,246	7,792
Finance Costs	3d	646	708
Net loss - Equity Accounted Council Businesses	19	216	334
Total Expenses		44,025	42,099
Operating Surplus / (Deficit)		508	450
Asset Disposal & Fair Value Adjustments	4	(2,401)	(1,325)
Amounts Received Specifically for New or Upgraded Assets	2g	867	672
Physical Resources Received Free of Charge	2h	2,068	118
Net Surplus / (Deficit) ¹		1,042	(85)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	55,488	8,631
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	20	(2)
Other Equity Adjustments - Equity Accounted Council Businesses		32	-
Total Other Comprehensive Income		55,540	8,629
Total Comprehensive Income		56,582	8,544

¹ Transferred to Statement of Changes in Equity

Adelaide Hills Council

Statement of Financial Position as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	491	966
Trade & Other Receivables	5b	2,853	2,753
Inventories	5c	13	14
Subtotal		3,357	3,733
Non-Current Assets Held for Sale	20	1,260	-
Total Current Assets		4,617	3,733
Non-Current Assets			
Financial Assets	6a	50	71
Equity Accounted Investments in Council Businesses	6b	838	984
Infrastructure, Property, Plant & Equipment	7a	370,815	311,033
Total Non-Current Assets		371,703	312,088
TOTAL ASSETS		376,320	315,821
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	8,645	7,285
Borrowings	8b	4,918	3,651
Provisions	8c	3,478	2,565
Total Current Liabilities		17,041	13,501
Non-Current Liabilities			
Borrowings	8b	10,000	10,000
Provisions	8c	651	274
Total Non-Current Liabilities		10,651	10,274
TOTAL LIABILITIES		27,692	23,775
Net Assets		348,628	292,046
EQUITY			
Accumulated Surplus		137,081	135,571
Asset Revaluation Reserves	9a	210,121	154,633
Other Reserves	9b	1,426	1,842
Total Council Equity		348,628	292,046

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

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Statement of Changes in Equity
for the year ended 30 June 2018

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018					
Balance at the end of previous reporting period		135,571	154,633	1,842	292,046
a. Net Surplus / (Deficit) for Year		1,042	-	-	1,042
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	55,488	-	55,488
- Share of OCI - Equity Accounted Council Businesses	19	20	-	-	20
- Other Equity Adjustments - Equity Accounted Council Businesses	19	32	-	-	32
Other Comprehensive Income		52	55,488	-	55,540
Total Comprehensive Income		1,094	55,488	-	56,582
c. Transfers between Reserves		416	-	(416)	-
Balance at the end of period		137,081	210,121	1,426	348,628
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

Adelaide Hills Council

Statement of Cash Flows

for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Cash Flows from Operating Activities			
Receipts			
Rates Receipts		35,348	34,477
Statutory Charges		1,069	1,022
User Charges		1,479	1,337
Grants, Subsidies and Contributions (operating purpose)		6,322	4,856
Investment Receipts		30	36
Reimbursements		447	265
Other Receipts		246	545
Payments			
Payments to Employees		(15,199)	(14,389)
Payments for Materials, Contracts & Other Expenses		(17,386)	(18,662)
Finance Payments		(646)	(781)
Net Cash provided by (or used in) Operating Activities	11b	11,710	8,706
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		867	672
Sale of Replaced Assets		489	754
Repayments of Loans by Community Groups		43	42
Payments			
Expenditure on Renewal/Replacement of Assets		(10,493)	(6,580)
Expenditure on New/Upgraded Assets		(4,251)	(3,423)
Capital Contributed to Equity Accounted Council Businesses		(18)	(18)
Net Cash provided by (or used in) Investing Activities		(13,363)	(8,553)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Bonds & Deposits		1	3
Proceeds from Aged Care Facility Deposits		-	124
Payments			
Repayments of Borrowings		(33)	(81)
Repayment of Aged Care Facility Deposits		(90)	-
Net Cash provided by (or used in) Financing Activities		(122)	46
Net Increase (Decrease) in Cash Held		(1,775)	199
plus: Cash & Cash Equivalents at beginning of period	11	(2,634)	(2,833)
Cash & Cash Equivalents at end of period	11	(4,409)	(2,634)

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

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Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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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 63 Mt Barker Road, Stirling 5152. 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
2015/16	\$696,644	\$1,512,372	- \$815,728
2016/17	\$2,265,645	\$1,494,710	+ \$770,935
2017/18	\$1,597,298	\$1,520,627	+\$76,671

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the

Note 1. Summary of Significant Accounting Policies (continued)

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 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 Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given 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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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 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.

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

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

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

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* have been adopted early in the preparation of these financial reports.

AASB 15 – *Revenue from Contracts* and AASB 1058 *Income of Not-for-Profit Entities* impact on the timing of recognition of income such that it depends on whether such a transaction gives rise to a liability or other performance obligation related to an asset received by Council.

The early adoption has resulted in capital and other special purpose grants for which there is a reasonable likelihood that the grants will have to be refunded if obligations are not discharged in accordance with terms and conditions, being recognised as a current liability titled Grants – Deferred Revenue until funds are expended in accordance with the relevant agreements.

The following table summarises the difference in accounting treatment under the previous and revised standards:

	New Standard	Old Standard	Difference Debit/ (Credit)
Amounts Received in Advance	\$715,000	\$107,000	-\$608,000
Total Grants, Subsidies & Contributions (note 2g)	\$6,375,000	\$6,983,000	\$608,000
Net Surplus / Deficit	\$1,042,000	\$1,650,000	\$608,000

Other than AASB 15 and AASB 1058, Adelaide Hills Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Council will implement them when they are effective.

The standards that are expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*
Council has some leases that are not in the Statement of Financial Position. These will need

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

to be included when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term.

The standards that are not expected to have a material impact upon Council's future financial statements are:

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 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*

- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4*

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*
- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 1059 *Service Concession Arrangements: Grantors (Appendix D)*

Effective for annual reporting periods beginning on or after 1 January 2021

- AASB 17 *Insurance Contracts*
- AASB 17 *Insurance Contracts (Appendix D)*

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 2018

Note 2. Income

\$ '000	Notes	2018	2017
(a). Rates Revenues			
General Rates			
General Rates		33,141	32,144
Less: Mandatory Rebates		(218)	(220)
Less: Discretionary Rebates, Remissions & Write Offs		(172)	(166)
Total General Rates		32,751	31,758
Other Rates (Including Service Charges)			
Natural Resource Management Levy		931	904
Community Wastewater Management Systems		1,478	1,333
Separate & Special Rates		5	5
Stirling Business Association Separate Rate		87	87
Total Other Rates		2,501	2,329
Other Charges			
Penalties for Late Payment		176	173
Legal & Other Costs Recovered		84	41
Total Other Charges		260	214
Total Rates Revenues		35,512	34,301
(b). Statutory Charges			
Development Act Fees		452	466
Animal Registration Fees & Fines		421	375
Parking Fines / Expiation Fees		28	31
Other Licences, Fees & Fines		103	91
Searches		65	59
Total Statutory Charges		1,069	1,022
(c). User Charges			
Cemetery/Crematoria Fees		328	172
Community Centres		127	120
Sundry		163	217
Adelaide Hills Business and Tourism Centre (AHBTC)		495	493
Dump Fees		-	4
Retirement Villages		366	331
Total User Charges		1,479	1,337

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		6	7
- Banks & Other		16	19
- Loans to Community Groups		8	10
Total Investment Income		30	36
(e). Reimbursements			
Private Works		8	30
Other		439	235
Total Reimbursements		447	265
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		201	196
Sundry		287	287
Total Other Income		488	483
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		867	672
Total Amounts Received Specifically for New or Upgraded Assets		867	672
Supplementary Local Roads Funding		353	-
Untied - Financial Assistance Grant		1,597	2,266
Roads to Recovery		1,024	1,119
Home and Community Care Grant		899	871
Library and Communications		285	267
Sundry		262	525
Natural Disaster Recovery Funding		1,088	-
Total Other Grants, Subsidies and Contributions		5,508	5,048
Total Grants, Subsidies, Contributions		6,375	5,720
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		1,965	2,211
State Government		4,197	3,183
Other		213	326
Total		6,375	5,720
(ii) Individually Significant Items			
Grant Commission (FAG) Grant in Advance Recognised as Income		847	771

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(h). Physical Resources Received Free of Charge			
Land & Improvements		-	118
Roads, Bridges & Footpaths		129	-
Stormwater Drainage		1,100	-
Kerb & Gutter		14	-
Retaining Walls		350	-
Public Artwork		475	-
Total Physical Resources Received Free of Charge		2,068	118

Note 3. Expenses

(a). Employee Costs

Salaries and Wages		11,517	11,004
Employee Leave Expense		2,721	2,498
Superannuation - Defined Contribution Plan Contributions	18	1,054	986
Superannuation - Defined Benefit Plan Contributions	18	249	239
Workers' Compensation Insurance		435	446
Personal Income Protection Insurance		217	190
Other		27	4
Less: Capitalised and Distributed Costs		(1,264)	(862)
Total Operating Employee Costs		14,956	14,505
 Total Number of Employees (full time equivalent at end of reporting period)		 171	 172

(b). Materials, Contracts and Other Expenses

(i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		18	30
Bad and Doubtful Debts		(23)	-
Elected Members' Expenses		372	373
Election Expenses		46	46
Operating Lease Rentals - Cancellable Leases		332	286
Subtotal - Prescribed Expenses		745	735

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
(b). Materials, Contracts and Other Expenses (continued)			
(ii) Other Materials, Contracts and Expenses			
Contractors		10,313	10,415
Energy		697	634
Legal Expenses		255	234
Levies Paid to Government - NRM levy		920	893
Levies - Other		571	583
Parts, Accessories & Consumables		2,791	2,275
Professional Services		103	96
Sundry		519	520
Contributions & Donations		735	683
Insurance		585	604
Work-in-Progress Write-off		119	700
Landfill Remediation		1,187	-
Telephone (incl data)		224	212
Bank Fees		87	73
Licencing - ICT		110	103
Subtotal - Other Material, Contracts & Expenses		19,216	18,025
Total Materials, Contracts and Other Expenses		19,961	18,760
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings		1,147	904
Infrastructure			
- Stormwater		386	359
- Community Wastewater Management Systems		297	347
- Roads		3,689	3,644
- Bridges		270	254
- Footpaths		367	313
- Retaining Walls		128	98
- Guardrails		139	114
- Kerb & Gutter		390	407
- Traffic Controls		41	39
- Street Furniture		69	62
- Sport & Recreation		313	316
- Playgrounds		83	44
- Cemeteries		33	32
Plant & Equipment		865	809
Furniture & Fittings		29	50
Subtotal		8,246	7,792
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		8,246	7,792

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		76	104
Interest on Loans		570	604
Total Finance Costs		646	708

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced

Proceeds from Disposal		489	754
Less: Carrying Amount of Assets Sold		(2,890)	(2,079)
Gain (Loss) on Disposal		(2,401)	(1,325)
Net Gain (Loss) on Disposal or Revaluation of Assets		(2,401)	(1,325)

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank		124	601
Deposits at Call		-	3
Short Term Deposits & Bills, etc.		367	362
Total Cash & Cash Equivalents		491	966

(b). Trade & Other Receivables

Rates - General & Other		1,476	1,349
Council Rates Postponement Scheme		76	39
Accrued Revenues		712	545
Debtors - General		297	250
Other Levels of Government		132	299
Prepayments		140	257
Loans to Community Organisations		22	44
Subtotal		2,855	2,783
Less: Allowance for Doubtful Debts		(2)	(30)
Total Trade & Other Receivables		2,853	2,753

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 5. Current Assets (continued)

\$ '000	Notes	2018	2017
(c). Inventories			
Stores & Materials		13	14
Total Inventories		13	14

Note 6. Non-Current Assets

(a). Financial Assets

Receivables

Loans to Community Organisations		50	71
Total Receivables		50	71
Total Financial Assets		50	71

(b). Equity Accounted Investments in Council Businesses

Gawler River Floodplain Management Authority (GRFMA)	19	600	554
Eastern Waste Management Authority (EWMA)	19	69	103
Adelaide Hills Regional Waste Management Authority (AHRWMA)	19	169	327
Total Equity Accounted Investments in Council Businesses		838	984

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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

	Fair Value Level	as at 30/6/2017				Asset Movements during the Reporting Period									as at 30/6/2018				
		At Fair Value	At Cost	Acc. Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers incl roundings	Other Movements (Physical Resources Free of Charge)	Tfrs from/to "Held for Sale" category	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Acc. Dep'n	Carrying Value
						New / Upgrade	Renewals												
\$ '000																			
Capital Work in Progress		-	3,162	-	3,162	4,251	10,493	-	-	(14,986)	(117)	-	-	-	-	-	2,804	-	2,804
Land - Community	2	58,734	-	-	58,734	-	-	(854)	-	-	-	-	(510)	-	29,791	87,161	-	-	87,161
Buildings	3	66,697	-	42,257	24,440	-	-	(51)	(1,147)	827	(1)	-	(750)	-	24,773	73,614	-	25,522	48,092
Infrastructure																			
- Stormwater	3	35,385	-	10,116	25,269	-	-	(25)	(386)	830	2	1,100	-	-	-	37,279	-	10,489	26,790
- Community Wastewater Management Systems	3	19,922	-	8,089	11,833	-	-	-	(297)	924	-	-	-	923	19,091	-	5,708	13,383	
- Roads	3	210,787	-	83,869	126,918	-	-	(1,260)	(3,689)	7,374	13	129	-	-	213,604	-	84,119	129,485	
- Bridges	3	17,085	-	7,495	9,590	-	-	-	(270)	314	-	-	-	-	17,399	-	7,765	9,634	
- Footpaths	3	12,312	-	5,034	7,278	-	-	(10)	(367)	939	(1)	-	-	-	13,186	-	5,347	7,839	
- Retaining Walls	3	7,384	-	1,997	5,387	-	-	-	(128)	105	-	350	-	-	7,839	-	2,125	5,714	
- Guardrails	3	6,165	-	1,015	5,150	-	-	-	(139)	117	(1)	-	-	-	6,282	-	1,155	5,127	
- Kerb & Gutter	3	31,071	-	16,296	14,775	-	-	(14)	(390)	412	(2)	14	-	-	31,450	-	16,655	14,795	
- Traffic Controls	3	2,124	-	717	1,407	-	-	-	(41)	-	(27)	-	-	-	2,096	-	757	1,339	
- Street Furniture	3	2,879	-	1,218	1,661	-	-	(10)	(69)	326	13	-	-	-	3,210	-	1,289	1,921	
- Sport & Recreation	3	15,957	-	9,204	6,753	-	-	-	(313)	569	1	-	-	-	16,527	-	9,517	7,010	
- Playgrounds	3	1,721	-	504	1,217	-	-	-	(83)	-	-	-	-	-	1,721	-	587	1,134	
- Cemeteries	3	1,892	-	1,213	679	-	-	-	(33)	41	(1)	-	-	-	1,933	-	1,247	686	
Plant & Equipment		-	10,551	5,550	5,001	-	-	-	(865)	1,540	(216)	-	-	-	-	11,041	5,581	5,460	
Public Artworks		-	-	-	-	-	-	(300)	-	613	-	475	-	-	-	788	-	788	
Furniture & Fittings		-	3,492	1,713	1,779	-	-	(365)	(29)	54	215	-	-	-	-	3,655	2,002	1,653	
Total Infrastructure, Property, Plant & Equipment		490,115	17,205	196,287	311,033	4,251	10,493	(2,890)	(8,246)	-	(122)	2,068	(1,260)	-	55,488	532,392	18,288	179,865	370,815
Comparatives		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

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.

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.

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

\$ '000

Valuation of Assets (continued)

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

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 based on the Valuer General's site values as at 1 January 2018.

Buildings & Other Structures

- Basis of valuation: Fair Value
- Date of valuation: 1 July 2017.
- Valuer: APV Valuers & Asset Management
- 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.
- There were no Assets Valued where it was considered that the highest and best use was other than its current use.

Infrastructure

Roads, Bridges, Footpaths, Retaining Walls, Guardrail, Kerb & Gutter, Traffic Controls, Street Furniture Stormwater, Sport and Recreation Facilities (S&R), Playgrounds 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.
- There were no Assets Valued where it was considered that the highest and best use was other than its current use.
- The above assets were condition assessed by Council Officers as at June 2014. A subsequent desktop valuation has been performed by Council Officers at depreciated current replacement cost based on Australia Bureau of Statistics Construction data indexed up to June 2017.

Community Wastewater Management Systems (CWMS)

- Basis of valuation: Fair Value
- Date of valuation: 1 July 2017 noting that effective date of valuation as per APV Valuers is 30 June 2017
- Valuer: APV Valuers & Asset Management

Plant & Equipment

- Basis of valuation: Historic Cost

Furniture & Fittings

- Basis of valuation: Historic Cost

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 8. Liabilities

\$ '000	Notes	2018 Current	2018 Non Current	2017 Current	2017 Non Current
(a). Trade and Other Payables					
Goods & Services		2,936	-	1,542	-
Payments Received in Advance		715	-	68	-
Accrued Expenses - Employee Entitlements		391	-	738	-
Accrued Expenses - Other		351	-	509	-
Aged Care Facility Deposits		4,075	-	4,165	-
Deposits, Retentions & Bonds		5	-	4	-
Other		172	-	259	-
Total Trade and Other Payables		8,645	-	7,285	-
(b). Borrowings					
Bank Overdraft		4,900	-	3,600	-
Loans		18	10,000	51	10,000
Total Borrowings		4,918	10,000	3,651	10,000
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements (including oncosts)		2,695	89	2,539	141
Future Reinstatement / Restoration, etc		783	562	26	133
Total Provisions		3,478	651	2,565	274

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 9. Reserves

\$ '000	1/7/2017	Increments (Decrements)	Transfers	Impairments	30/6/2018
(a). Asset Revaluation Reserve					
Land - Community	29,961	29,791	-	-	59,752
Buildings	6,791	24,773	-	-	31,564
Infrastructure					
- Stormwater	18,563	-	-	-	18,563
- Community Wastewater Management Systems	4,298	923	-	-	5,221
- Roads	64,463	-	-	-	64,463
- Bridges	4,072	-	-	-	4,072
- Footpaths	533	-	-	-	533
- Retaining Walls	2,604	-	-	-	2,604
- Guardrails	2,932	-	-	-	2,932
- Kerb & Gutter	13,544	-	-	-	13,544
- Traffic Controls	540	-	-	-	540
- Street Furniture	1,209	-	-	-	1,209
- Sport & Recreation	2,817	-	-	-	2,817
- Playgrounds	89	-	-	-	89
- Cemeteries	2,217	-	-	-	2,217
Total Asset Revaluation Reserve	154,633	55,488	-	-	210,121
Comparatives	146,002	8,631	-	-	154,633

\$ '000	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
(b). Other Reserves					
Investment in Associates	472	-	(148)	-	324
Community Wastewater Management Systems	683	-	(295)	-	388
Retirement Village Lobethal	54	18	-	-	72
Retirement Village Woodside	208	9	-	-	217
Retirement Village Fee Bond	42	-	-	-	42
Torrens Valley Community Centre	137	-	-	-	137
Library	1	-	-	-	1
Scott Creek Progress Association	6	-	-	-	6
Environmental Fund Reserve	232	-	-	-	232
Significant Trees Reserve	7	-	-	-	7
Total Other Reserves	1,842	27	(443)	-	1,426
Comparatives	2,202	24	(384)	-	1,842

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2018	2017
<p>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.</p>			
Cash & Financial Assets			
Unexpended amounts received from Federal & State Government			
Community Wastewater Management Systems Investigations		345	340
Total Cash & Financial Assets		345	340
Total Assets Subject to Externally Imposed Restrictions		345	340

Note 11. Reconciliation to Statement of Cash Flows

(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	491	966
Less: Short-Term Borrowings	8	(4,900)	(3,600)
Balances per Statement of Cash Flows		(4,409)	(2,634)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 11. Reconciliation to Statement of Cash Flows (continued)

\$ '000	Notes	2018	2017
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		1,042	(85)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		8,246	7,792
Equity Movements in Equity Accounted Investments (Increase)/Decrease		216	277
Non-Cash Asset Acquisitions		(2,068)	(118)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(867)	(672)
Net (Gain) Loss on Disposals		2,401	1,325
Expense of Capital Items		121	325
		9,091	8,844
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(94)	189
Change in Allowances for Under-Recovery of Receivables		28	-
Net (Increase)/Decrease in Inventories		1	(7)
Net (Increase)/Decrease in Other Current Assets		(56)	-
Net Increase/(Decrease) in Trade & Other Payables		1,449	(217)
Net Increase/(Decrease) in Unpaid Employee Benefits		104	(103)
Net Increase/(Decrease) in Other Provisions		1,186	-
Net Increase/(Decrease) in Other Liabilities		1	-
Net Cash provided by (or used in) operations		11,710	8,706
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	2,068	118
Amounts recognised in Income Statement		2,068	118
Total Non-Cash Financing & Investing Activities		2,068	118
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		200	200
Corporate Credit Cards		180	180
Asset Finance - Leasing		600	600
LGFA Cash Advance Debenture Facility		10,200	12,200

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017
\$ '000										
Business Undertakings	-	-	-	-	-	-	-	-	376,320	-
Community & Customer Services	1,541	1,472	5,930	5,711	(4,389)	(4,239)	1,319	1,261	-	-
Corporate Services	38,297	37,174	11,255	10,802	27,042	26,372	822	1,227	-	95,421
Engineering & Assets	3,312	2,472	16,401	16,615	(13,089)	(14,143)	4,139	3,075	-	220,400
Strategy & Development	1,384	1,431	10,439	8,971	(9,056)	(7,540)	95	157	-	-
Total Functions/Activities	44,533	42,549	44,025	42,099	508	450	6,375	5,720	376,320	315,821

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.

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 Inspectors, 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

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 1.5% and 2% (2017: 1.50% and 2.00%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

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 6.75% (2017: 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).

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).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

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.

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 4.6% and 6.75% (2017: 3.80% and 6.75%) and variable rates between 3.6% and 3.75% (2017: 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 2018

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
<u>Financial Assets</u>					
Cash & Equivalents	491	-	-	491	491
Receivables	1,164	53	-	1,217	1,211
Total Financial Assets	1,655	53	-	1,708	1,702
<u>Financial Liabilities</u>					
Payables	9,407	-	-	9,407	7,930
Current Borrowings	4,919	-	-	4,919	4,918
Non-Current Borrowings	568	6,595	5,460	12,623	10,000
Total Financial Liabilities	14,894	6,595	5,460	26,949	22,848
2017					
<u>Financial Assets</u>					
Cash & Equivalents	966	-	-	966	966
Receivables	1,064	-	-	1,064	1,108
Other Financial Assets	52	78	-	130	71
Total Financial Assets	2,082	78	-	2,160	2,145
<u>Financial Liabilities</u>					
Payables	8,306	-	-	8,306	7,217
Current Borrowings	3,635	19	-	3,654	3,651
Non-Current Borrowings	567	6,933	5,690	13,190	10,000
Total Financial Liabilities	12,508	6,952	5,690	25,150	20,868

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

	30 June 2018		30 June 2017	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	3.72%	4,900	3.77%	3,600
Fixed Interest Rates	5.56%	10,018	5.36%	10,051
		14,918		13,651

Net Fair Value

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

Risk Exposures

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures (continued)

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.

Note 14. Commitments for Expenditure

\$ '000

Notes

2018

2017

(a). Capital Commitments

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

Infrastructure	695	449
Plant & Equipment	245	26
	940	475

These expenditures are payable:

Not later than one year	940	475
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	940	475

(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	97	-
	97	-

These expenditures are payable:

Not later than one year	23	-
Later than one year and not later than 5 years	74	-
Later than 5 years	-	-
	97	-

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Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 15. Financial Indicators

\$ '000	Amounts 2018	Indicator 2018	Prior Periods 2017	2016
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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	508			
Total Operating Income	44,533	1%	1%	(1%)

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	24,298			
Total Operating Income	44,533	55%	47%	51%

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.

Adjustments to Ratios

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. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio	1%	(1%)	1%
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Adjusted Net Financial Liabilities Ratio	55%	48%	50%
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3. Asset Sustainability Ratio

Net Asset Renewals	10,493			
Infrastructure & Asset Management Plan required expenditure	8,213	128%	75%	110%

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 2018

Note 16. Uniform Presentation of Finances

\$ '000	2018	2017
<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	44,533	42,549
less Expenses	(44,025)	(42,099)
Operating Surplus / (Deficit)	508	450
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(10,493)	(6,580)
<i>add back</i> Depreciation, Amortisation and Impairment	8,246	7,792
<i>add back</i> Proceeds from Sale of Replaced Assets	489	754
Subtotal	(1,758)	1,966
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(4,251)	(3,423)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	867	672
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
Subtotal	(3,384)	(2,751)
Net Lending / (Borrowing) for Financial Year	(4,634)	(335)

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 17. Operating Leases

\$ '000	2018	2017
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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

Council has not classified any Land or Buildings as "Investment Property".

(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	337	257
Later than one year and not later than 5 years	428	398
Later than 5 years	-	-
	<u>765</u>	<u>655</u>

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 2017/18; 9.50% in 2016/17). 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 2016/17) 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, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. 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.

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	
	2018	2017	2018	2017
Joint Ventures	(164)	(278)	838	984
Total	(164)	(278)	838	984

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2018	2017
Eastern Waste Management Authority	Waste Management	69	103
Gawler River Floodplain Management Authority	Floodplain Management	600	554
Adelaide Hills Regional Waste Management Authority	Waste Management	169	327
Total Carrying Amounts - Joint Ventures & Associates		838	984

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.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2018	2017	2018	2017	2018	2017
Eastern Waste Management Authority	14.3%	16.7%	14.3%	16.7%	14.3%	16.7%
Gawler River Floodplain Management Authority	3.6%	3.3%	3.6%	3.3%	3.6%	3.3%
Adelaide Hills Regional Waste Management Authority	32.9%	34.6%	32.9%	34.6%	32.9%	34.6%

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Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 19. Interests in Other Entities (continued)

\$ '000

(c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Management Authority		Gawler River Floodplain Management Authority	
	2018	2017	2018	2017
Opening Balance	103	25	554	562
Share in Operating Result	(48)	55	(8)	(8)
Share in Other Comprehensive Income	1	3	-	-
New Capital Contributions	18	18	-	-
Adjustments to Equity	(6)	2	54	-
Council's Equity Share in the Joint Venture or Associate	69	103	600	554

	Adelaide Hills Regional Waste Management Authority	
	2018	2017
Opening Balance	327	658
Share in Operating Result	(160)	(302)
Share in Other Comprehensive Income	18	(5)
Adjustments to Equity	(16)	(24)
Council's Equity Share in the Joint Venture or Associate	169	327

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

\$ '000

	2018	2017
Infrastructure, Property, Plant & Equipment (Southern side of AHBTC)	1,260	-
Total Non Current Assets & Disposal Group Assets	1,260	-

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the 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 no notices received against planning decisions and one appeal 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.

As at 30 June 2018 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. AHRWMA has fully defended the claim and some legal costs might still be incurred. Trial for this action is currently waiting judgement.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2018, 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;

Adelaide Hills Business Tourism Centre

Council entered into two contracts for the sale of land and buildings on the Southern side of the Adelaide Hills Business Tourism Centre site at Lobethal in July 2018 with settlement occurring in August 2018. Given that the sale was highly probable at year end and only conditional on terms normal for such property sales, an amount of \$1.2m representing the value of those land and buildings in Council's financial accounts was transferred to Non-current Assets held for Resale to recognise the financial status at 30 June 2018.

Retirement Villages

Whilst Council has entered into a Contract for the divestment of the Council's retirement village portfolio in August 2018, there are a number of contractual conditions precedent still to be fulfilled prior to the sale being unconditional. Given highly restrictive definition of a non-current assets held for resale these assets have remained within the land and buildings categories under Infrastructure, Property Plant & Equipment in the Statement for Financial Position.

Note 23. Related Party Transactions

\$ '000	2018	2017
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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	1,485	1,454
Post-Employment Benefits	108	105
Total	1,593	1,559

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 23. Related Party Transactions (continued)

\$ '000

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	2	1
Market Stall Registration	1	-
Total	<u>3</u>	<u>1</u>

Three Key Management Personnel 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 \$270,176 from the SA Libraries Board
- paid an Contribution levy payment of \$34,728 to the Department of Environment, Water and Natural Resources (DEWNR) - Dog & Cat Management Board
- paid an amount of \$61,500 to Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island representing funding contributions to that entity
- paid a membership contribution of \$50,883 to the Local Government Association as well as contributions and reimbursements to sector based groups and panels of \$17,456, license renewals (\$3,000), Tenders SA costs (\$2,043) and conference, training & seminar activities (\$14,735)

One Key Management Personnel 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 2017-18 financial year, Adelaide Hills Council paid the following amounts to The Hut Community Centre:

- Funding Agreement \$146,354
- Contribution to the Volunteer Resource Centre \$17,000
- Funding for the Provision of Community Home Support Program \$11,500
- Donation - Best Community Entry \$250
- Training Reimbursement \$100

Three Key Management Personnel are members on the management committees of sport and recreational groups that receive contributions from Adelaide Hills Council. Details of those contributions are as follows:

- Adelaide Hills Swimming Centre \$144,913, being a maintenance grant of \$84,913 and reimbursement of capital expenditure of \$60,000
- Mylor Australia Day Committee \$1,400 as an Australia Day Event Contribution
- The Scott Creek Progress Association \$7,050 including a \$1,900 Community Grant
- Woodside Recreation Grounds Management \$13,590 including a \$1,890 Sport & Recreation Grant.

One Key Management Personnel is a Committee Member of the Hills Musical Company which has representatives on the Stirling Community Theatre Committee. Council paid an amount of \$136,039 in relation to the upgrade of the Stirling Community Theatre and orchestra pit, being a facility owned by Council. Council also received a contribution of the \$64, 464 from Stirling Community Theatre.

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of Adelaide Hills Council

Opinion

We have audited the accompanying financial report of Adelaide Hills Council (the Council), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Adelaide Hills Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and 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 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 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.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal control as Council 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, Council is 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 Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibility 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 of the financial report in accordance with 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 of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA Registered Company Auditor
Partner

24 October 2018

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
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Tim Muhlhauser CA
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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

To the members of Adelaide Hills Council

Independent Assurance Report on the Internal Controls of Adelaide Hills Council

Opinion

We have audited the compliance of Adelaide Hills Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 have been conducted properly and in accordance with law.

In our opinion, Adelaide Hills Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2017 to 30 June 2018.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's Responsibility for Internal controls

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

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Limitations of Controls

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

An assurance engagement on 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.

Limitation of Use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

24 October 2018

Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2018

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 2018, the Council's Auditor, Galpins 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 Aitken
CHIEF EXECUTIVE OFFICER



Paula Davies
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 23 October 2018

Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2018

Statement by Auditor

I confirm that, for the audit of the financial statements of Adelaide Hills Council for the year ended 30 June 2018, 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*.



Tim Muhlhausler
Galpins

Dated this 24th day of October 2018.



Appendix 2 ***Subsidiaries***

**Adelaide Hills Region Waste
Management Authority**
Annual Report 2017-18

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

2017/2018 ANNUAL REPORT



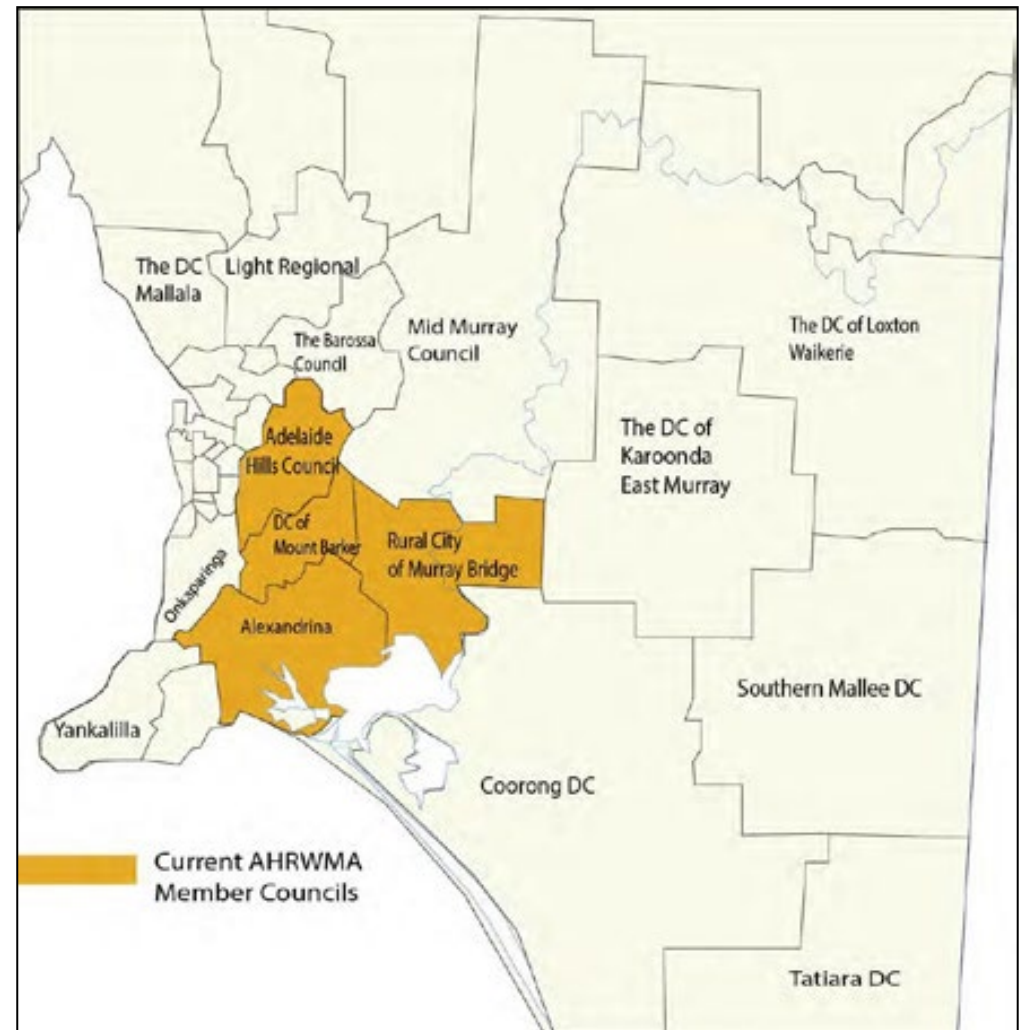
A Regional Subsidiary

The Adelaide Hills Region Waste Management Authority (AHRWMA) is a Local Government Regional Subsidiary established by its constituent Councils – the Adelaide Hills Council, The Alexandrina Council, The Mount Barker District Council and The Rural City of Murray Bridge (Member Councils).

Waste management and recycling services for local ratepayers, residents and visitors is a key Local Government function. The Member Councils resolved to work together through the AHRWMA to coordinate waste management and recycling within the region.

The Authority undertakes landfill operations, transfer station management, hooklift truck transport services, mobile crushing and recyclables baling for the benefit of its Member Councils. The AHRWMA provides an avenue for Member Councils to be represented in relevant forums and provides technical waste and resource management advice to Member Councils when required, along with coordinated education services to Member Council communities. The Authority also facilitates a shared Waste Strategy Coordinator resource for three of the Member Councils.

The Authority continues to focus on evaluating waste and recycling services throughout the region to determine where it can add value to Member Councils by applying a resource sharing model.



REPORT FROM THE CHAIR

The Adelaide Hills Region Waste Management Authority has completed several key activities in the 2017-18 Financial Year while also continuing to manage significant challenges with addressing a legal claim, which concluded in November 2017. The judgement in relation to this matter is yet to be handed down.

The highlights for this Financial Year include activities around the successful operation and management of the Brinkley Landfill, including the construction and approval of a new cell, and purchase of a new replacement landfill compactor. A review was also undertaken regarding the hooklift truck service, resulting in the Board of Management determining to purchase a new hooklift vehicle and to continue providing this valuable service to some of the Authority's Member Councils. Further, the Authority also had the privilege of assisting Thomas Foods with the disposal of waste resulting from the tragic fire at their Abattoir in Murray Bridge.

The Authority underwent organisational change in 2017-18, due to the resignation of the Executive Officer. The Board thanked Michael Lorenz for his many years of exemplary service to the Authority. The Board appointed the Waste Strategy Coordinator to this role until the Executive Officer role has been backfilled. The Authority has managed a seamless transition to this new structure and the position of Waste

Strategy Coordinator has since been temporarily backfilled, enabling continued waste management support services to be provided to some of our Member Councils.

While continuing to manage operational matters and ensuring high service standards across the Landfill and Resource Recovery/Transfer Station Sites, the Authority has also focused on improving its governance systems following a detailed governance review, undertaken by the Auditor General. Implementation of the recommended actions in this regard have commenced and will continue into the next Financial Year.

With the recent changes in the recycling industry and the impacts of the China Sword Policy, the Authority has been able to assist its Member Councils by advocating on their behalf at relevant forums and staying abreast of the situation, in order to provide advice to its Member Councils in this regard as and when required.

We are looking forward to an exciting period ahead as the Authority continues to pursue opportunities where it can to add value to Member Councils waste and recycling services and progresses with the finalisation of the reviews of its Charter and 10-year Strategic Plan.



Cr. Lindsay Campbell- Chair
AHRWMA

THE BOARD

Mount Barker District Council



Lindsay Campbell (Chair)
Councillor

Alexandrina Council



Jim Davis
Councillor

Adelaide Hills Council



Nathan Daniell
Councillor

Rural City of Murray Bridge



Theo Weinmann
Councillor (Deputy Chair)



David Peters
GM Corporate Services



Greg Parker
GM Community
Services
(5th June 2018)



Simon Grenfell
GM Infrastructure & Assets



Marc Salver
Director Strategy & Development



Simon Bradley
GM Infrastructure
Environment



and
Anthony Brown
GM Corporate
Services
(13th November 2017)



Greg Morrison (Deputy)
Councillor



Ben Brazzalotto (Deputy)
Councillor



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



Jerry Wilson (Deputy)
Councillor

Strategic Direction

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.

2017/18 Achievements

Landfill and Operations

- A new replacement landfill compactor was purchased, enabling the Authority to continue to achieve high compaction rates and use the waste cells at the Brinkley Landfill as efficiently as possible.
- Filling of cell 6 was completed, while cell 8 construction was undertaken, and the quality assurance plan was approved by the EPA for filling to commence.
- EPA approval was gained to utilise the old cell 7, which was previously impacted by fire, for disposal of waste material that has been processed through the transfer stations.
- Landfill tonnes have tracked above target for the year.

Governance

- The Charter review process continued and will be completed in the second half of 2018.
- The review of the Authority's 10-year Strategic Plan has commenced.
- The Auditor General's governance audit was finalised, which involved the AHRWMA Executive Officer providing a significant amount of feedback throughout the audit process.
- An action plan regarding the Governance Review has been established and is being progressively worked through.

Resource Sharing and Value Add

- EPA approval was gained for receiving asbestos at the Brinkley Transfer Station site.
- The Heathfield Management Agreement expired. An expression of interest process was undertaken by the Adelaide Hills Council, to which the Authority responded and was successful – resulting in a continued agreement for management of the site.
- Free greens days have been held across the Resource Recovery sites.
- Positive working relationships have been maintained with commercial and non-member local government customers.
- A review of the hooklift transport service was undertaken and a new hooklift truck has been purchased, replacing a dated vehicle and enabling continued transport services.
- Assistance has been provided to Member Councils regarding the recycling market changes resulting from the China Sword Policy and the AHRWMA has ensured Member Council representation across all forums.
- An expression of interest was submitted to Green Industries SA for a hazardous waste facility at both the Heathfield and Brinkley sites – the Heathfield site was successful and funding arrangements are now being finalised.

- The provision of concrete crushing services for Member Councils has continued.
- The Authority has provided multiple submissions to State and Federal Government Departments, including;
 - EPA – Energy from Waste feedback
 - Senate Inquiry Submission into the Waste and Recycling Industry
 - EPA Waste Reform feedback
 - EPA Draft Landfill Guideline feedback
 - Product Stewardship Act feedback

Finances

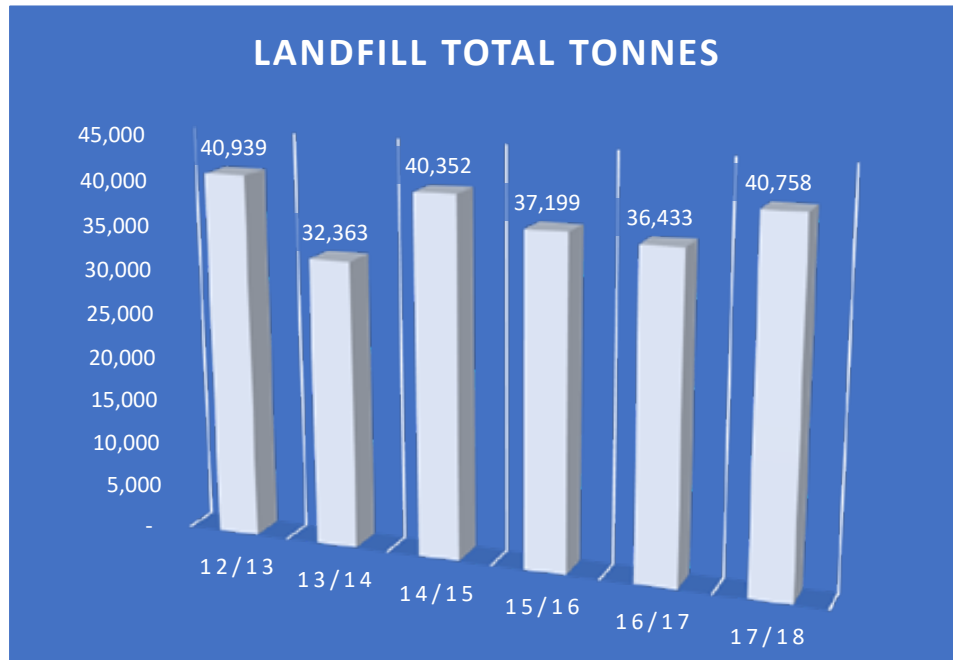
- The Audited financials have been completed for the year 2017/18 and adopted by the Board.
- The year to 30 June 2018 ended with the AHRWMA showing an operating deficit of \$486,666 compared to budgeted net operating deficit of \$605,000 (May 2018 budget review).
- The Authority incurred significant legal fees in 2017/18 and otherwise would have returned a surplus.



Landfill Operations

Brinkley Landfill Statistics

The overall tonnes of waste being disposed of at the Brinkley Landfill have continued to increase in the 2017/18 financial year, with a total increase of 4,325 tonnes in comparison to 2016/17.



The Authority was able to assist Thomas Foods with disposing of waste from a tragic fire that occurred at their Murray Bridge processing plant during the 2017/18 financial year and this also contributed to the increase in overall tonnes disposed at the landfill.

Non-member Local Government tonnes increased by a total of 1,888 tonnes in comparison to the previous year where we saw a significant drop in tonnes from this sector. However, non-member Local Government tonnes have not returned to their previous levels and are still down by approximately 1,000 tonnes.

Excluding the once off increase resulting from the Thomas Foods fire commercial tonnes have increased by approximately 1,300 tonnes in 2017/18.

The Authority will continue to focus on providing quality service and looking at opportunities to value add for customers.

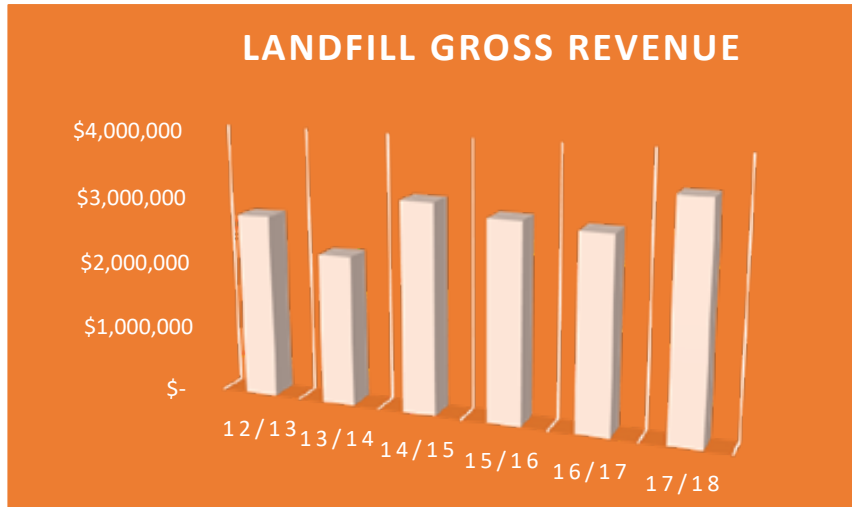
Revenue

Landfill gross revenue also increased in 2017/18, which is partially due to the increased tonnes to the site.

The Authority is required to pay the Solid Waste Disposal Levy for every tonne of waste disposed to landfill and therefore collects the levy from Member Councils and landfill customers as part of the landfill gate fees.

In 2017/18 the Levy increased to \$87 per tonne for metropolitan waste and \$43.50 for non-metropolitan waste, an increase of 14% on the previous year.

Revenue increased by \$580,010 in 2017/18 and approximately \$340,000 of that can be attributed to the increase in the solid waste disposal levy.

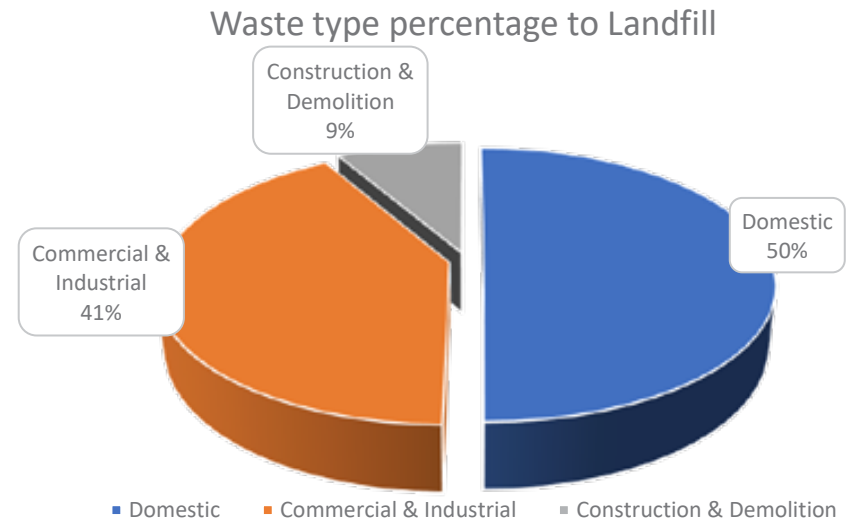


Waste Streams

50% of the waste disposed to the Brinkley landfill is made up of domestic waste material from kerbside bin services across member and non-member Local Government regions.

41% of the waste disposed to landfill is from the Commercial and industrial sector. This includes material from Member and non-member Local Government transfer stations or resource recovery centres and commercial customers, some of which collect skip bins etc. throughout the member council regions or on behalf of Member Councils.

A small portion of the waste stream is made up of construction and demolition (C&D) material, which consists of waste material removed from the C&D that is received by the Authority.



Resource Recovery Facility Operations

The Authority currently manages two transfer stations on behalf of its Member Councils. These sites are the Heathfield Resource Recovery Centre, 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.

Site Usage

The Heathfield Resource Recovery Centre 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.

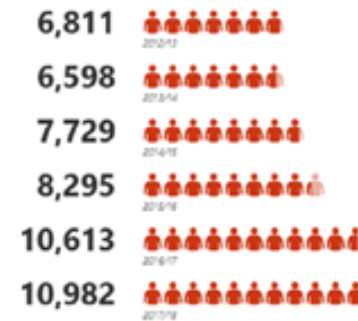
HEATHFIELD TRANSACTIONS



Note: This graph represents customer transactions through the gate at Heathfield Resource Recovery Facility.

The Brinkley Waste and Recycling Facility has shown improved usage in the 2017/18 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.

BRINKLEY TRANSACTIONS



Note: This graph represents customer transactions through the gate at Brinkley Waste & Recycling Facility (excluding landfill transactions)

Tonnes to landfill

The tonnes of waste disposed to landfill from both the Brinkley and Heathfield sites have reduced in 2017/18, despite customer numbers remaining relatively steady. The AHRWMA maintains a strong focus on diversion of waste from landfill and achieves a diversion rate across the sites of approximately 80%.

All material that can be reused, reprocessed or recycled is removed from the waste stream prior to transportation to landfill. For example, green organics are chipped on site and sold as mulch and construction and demolition material is stored for crushing and reuse as road base.

Resource Recovery Sites - Waste Tonnes to Landfill

	2015/16 Tonnes	2016/17 Tonnes	2017/18 Tonnes
Adelaide Hills Council - Heathfield	2,010	1,840	1,562
Rural City of Murray Bridge - Brinkley	1,682	1,818	1,719

Financials

Both the Brinkley and Heathfield sites exceeded budget targets for the 2017/18 financial year.

The Heathfield site finished the year with a net loss of approximately \$41,000, compared to a budgeted loss of \$45,000, a positive variance of approximately \$4,000.

The Brinkley site finished the year with a net loss of approximately \$33,000, compared to a budgeted loss of \$54,000, a positive variance of approximately \$20,000. Due to the improved budget position, with agreement from the Murray Bridge Council administration the Authority was able to reallocate funds to commence establishing a steel bin bay on site, which should improve overall site operation and WHS.

The Authority will continue to monitor the Transfer Station budgets and adjust operations where required, aiming to minimise the losses at the sites and work towards a break-even position, without significantly increasing user fees.

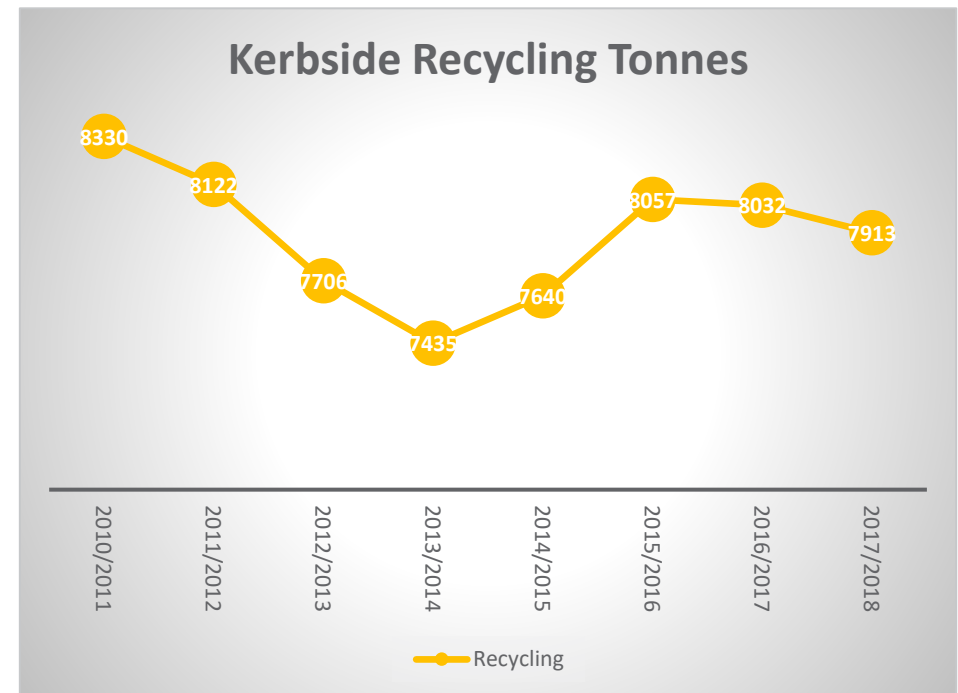
Kerbside Waste and Recycling Collections

The Authority facilitates the shared Waste Strategy Coordinator resource across three of three of the 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

Across the three Councils a total of 7,913 tonnes of recycling was collected via the kerbside service, which is a decrease of 119 tonnes compared to the 2016/17 year. Recycling has remained relatively 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 and changing materials used in the home.

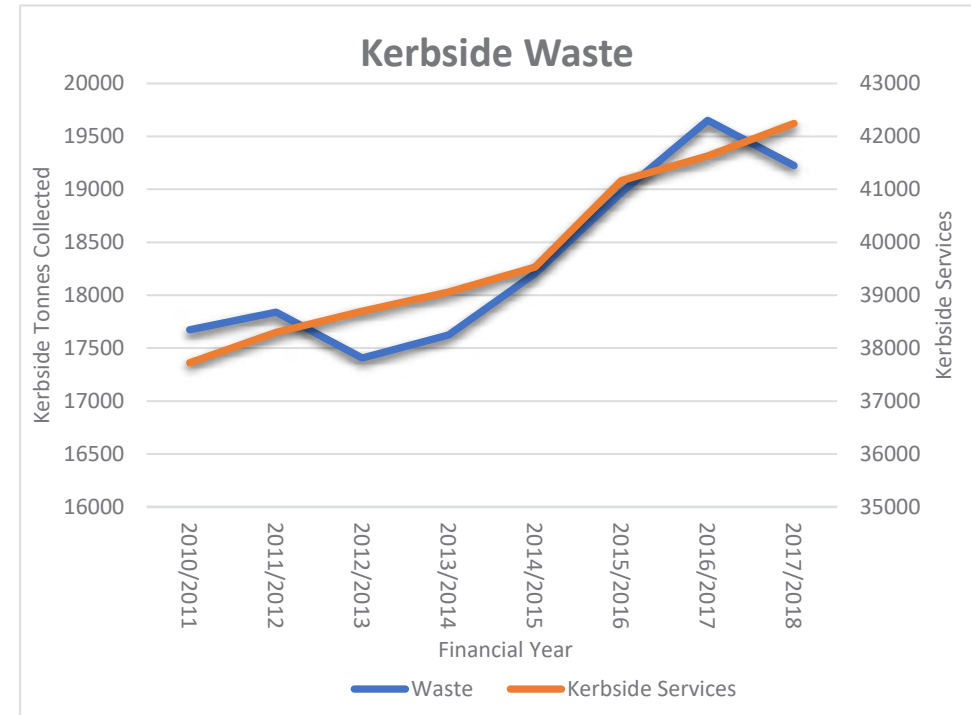
Year	Recycling tonnes Collected
2010/2011	8330
2011/2012	8122
2012/2013	7706
2013/2014	7435
2014/2015	7640
2015/2016	8057
2016/2017	8032
2017/2018	7913



Waste Service

The amount of waste collected via the kerbside service across the three Member Councils has reduced to 8.8 kg per household per week (kg/hh/wk), down from 9.1kg/hh/wk. Total kerbside waste disposed to landfill from within the three Member Council regions has decreased by a total of 428 tonnes in comparison to the previous year, while the population continues to grow

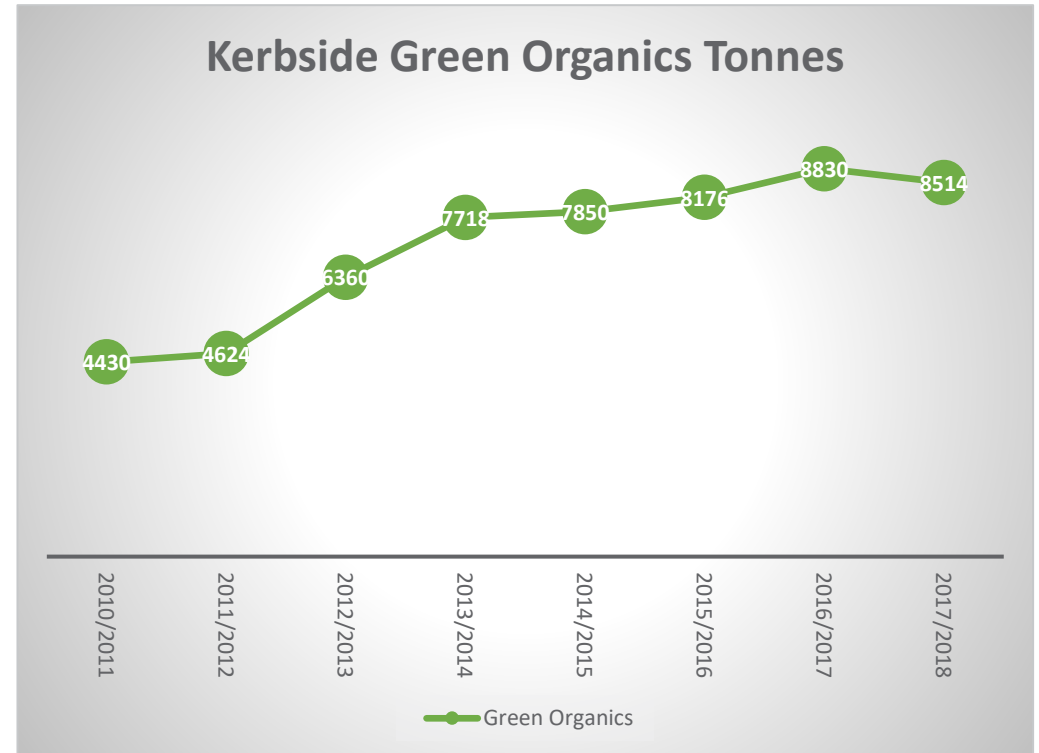
	Kerbside Services – number of bins	Waste Tonnes collected for disposal to landfill
2010/2011	37722	17674
2011/2012	38298	17839
2012/2013	38696	17406
2013/2014	39059	17625
2014/2015	39533	18206
2015/2016	41168	18969
2016/2017	41628	19652
2017/2018	42246	19224



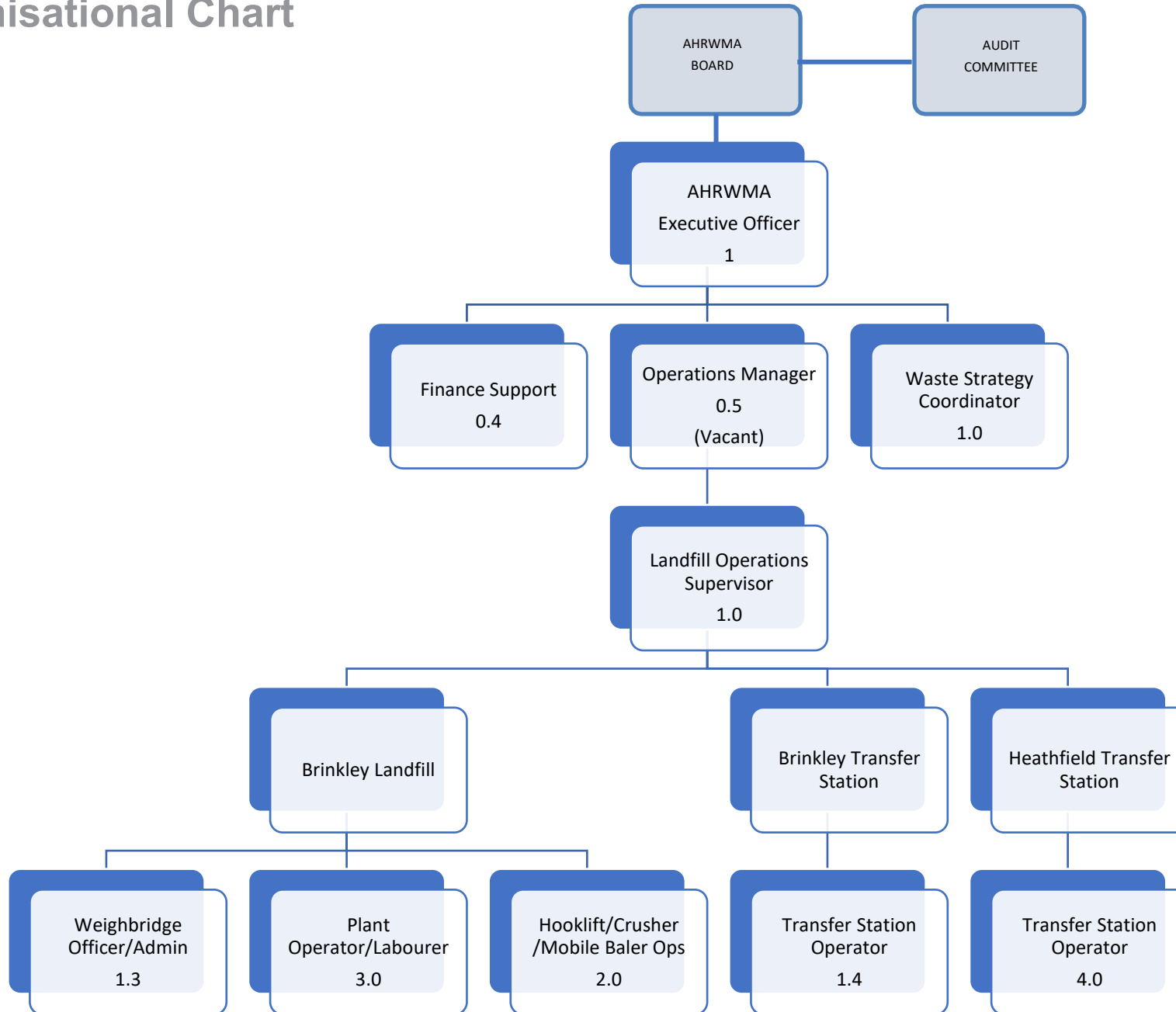
Kerbside Green Organics

Properties within the Township areas of the three Councils are entitled to a green bin service. The green organics tonnes collected has increased significantly over the last six 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. The 2017/18 financial year saw a slight drop in green organics to a total of 7,913 tonnes, down by a total of 315 tonnes.

Year	Greens Tonnes Collected
2010/2011	4430
2011/2012	4624
2012/2013	6360
2013/2014	7718
2014/2015	7850
2015/2016	8176
2016/2017	8830
2017/2018	8514



Organisational Chart



Adelaide Hills Region Waste Management Authority

General Purpose Financial Reports for the year ended 30 June 2018

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Adelaide Hills Region Waste Management Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
INCOME			
User charges	2	3,488,750	2,908,740
Investment income	2	586	488
Other income	2	1,938,670	2,069,442
Total Income		<u>5,428,006</u>	<u>4,978,670</u>
EXPENSES			
Employee costs	3	955,444	875,446
Materials, contracts & other expenses	3	4,489,959	4,459,718
Depreciation, amortisation & impairment	3	426,238	506,074
Finance costs	3	43,031	10,785
Total Expenses		<u>5,914,672</u>	<u>5,852,023</u>
OPERATING SURPLUS / (DEFICIT)		(486,666)	(873,353)
Asset disposal & fair value adjustments	4	55,419	(14,143)
NET SURPLUS / (DEFICIT)		(431,247)	(887,496)
transferred to Equity Statement			(887,496)
TOTAL COMPREHENSIVE INCOME		<u>(431,247)</u>	<u>(887,496)</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 2018

ASSETS	Notes	2018	2017
		\$	\$
Current Assets			
Cash and cash equivalents	5	272,356	294,370
Trade & other receivables	5	367,632	411,917
Inventories	5	4,376	3,537
Total Current Assets		<u>644,364</u>	<u>709,824</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	3,831,862	2,479,808
Total Non-current Assets		<u>3,831,862</u>	<u>2,479,808</u>
Total Assets		<u>4,476,226</u>	<u>3,189,632</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,294,259	859,928
Borrowings	7	1,312,683	400,000
Provisions	7	163,646	125,082
Total Current Liabilities		<u>2,770,588</u>	<u>1,385,010</u>
Non-current Liabilities			
Provisions	7	1,191,617	859,354
Total Non-current Liabilities		<u>1,191,617</u>	<u>859,354</u>
Total Liabilities		<u>3,962,205</u>	<u>2,244,364</u>
NET ASSETS		<u>514,021</u>	<u>945,268</u>
EQUITY			
Accumulated Surplus	8	514,021	945,268
TOTAL EQUITY		<u>514,021</u>	<u>945,268</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 2018

		Accumulated Surplus	TOTAL EQUITY
2018	Notes	\$	\$
Balance at end of previous reporting period		945,268	945,268
Net Surplus / (Deficit) for Year		(431,247)	(431,247)
Balance at end of period		514,021	514,021
2017			
Balance at end of previous reporting period		1,832,764	1,832,764
Net Surplus / (Deficit) for Year		(887,496)	(887,496)
Balance at end of period		945,268	945,268

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 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		6,040,322	5,499,960
Investment receipts		624	633
<u>Payments</u>			
Operating payments to suppliers & employees		(5,856,566)	(5,700,561)
Finance payments		<u>(34,579)</u>	<u>(7,376)</u>
Net Cash provided by (or used in) Operating Activities	9	149,801	(207,344)
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets	4	112,091	49,500
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(699,137)	(36,509)
Expenditure on new/upgraded assets		<u>(497,452)</u>	<u>(47,992)</u>
Net Cash provided by (or used in) Investing Activities		(1,084,498)	(35,001)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		1,250,000	300,000
<u>Payments</u>			
Repayments of Borrowings		<u>(337,317)</u>	<u>-</u>
Net Cash provided by (or used in) Financing Activities		912,683	300,000
Net Increase (Decrease) in cash held		(22,014)	57,655
Cash & cash equivalents at beginning of period	9	<u>294,370</u>	<u>236,715</u>
Cash & cash equivalents at end of period	9	<u>272,356</u>	<u>294,370</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 2018

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

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

6.3 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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

<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.

6.4 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 inflows or value in use).

6.5 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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

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 2017/18). 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.

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 2018

Note 2 - INCOME

	Notes	2018 \$	2017 \$
USER CHARGES			
Waste disposal fee - Adelaide Hills Council		883,933	896,446
Waste disposal fee - Alexandrina Council		192,082	178,304
Waste disposal fee - Mount Barker District Council		674,476	574,859
Waste disposal fee - Rural City of Murray Bridge		459,895	477,967
Waste disposal fee - Other Customers		<u>1,278,364</u>	<u>781,164</u>
		<u>3,488,750</u>	<u>2,908,740</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		<u>586</u>	<u>488</u>
		<u>586</u>	<u>488</u>
OTHER INCOME			
Consultancy service		3,962	5,900
Waste officer contribution		134,838	139,740
Waste Transfer Station Income		1,380,918	1,440,949
Waste Transfer Station Management		74,580	98,611
Transport Income		180,602	199,048
Fuel Tax Rebate		53,967	47,421
Machinery Charge Out		100,932	117,042
Recycled Income		258	3,124
Sundry		<u>8,613</u>	<u>17,607</u>
		<u>1,938,670</u>	<u>2,069,442</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES

	Notes	2018 \$	2017 \$
EMPLOYEE COSTS			
Salaries and Wages		729,082	675,230
Employee leave expense		106,210	84,851
Superannuation		74,196	69,180
Workers' Compensation Insurance		22,164	22,771
Other		23,793	23,414
Total Operating Employee Costs		955,444	875,446
Total Number of Employees		11	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		4,205	3,730
<u>Other Materials, Contracts & Expenses</u>			
Contractors		249,291	271,171
Waste Transfer Station Expenses		963,056	1,059,032
Repairs and Maintenance		191,010	188,121
Research and Development		1,873	6,435
Administration and Accountancy Service		113,770	53,603
EPA Waste Levy		1,885,851	1,545,590
EPA Licence Fees		8,100	8,055
Land Lease		48,788	48,022
Insurance and Legal		762,159	891,492
Professional Services		98,568	260,490
Parts, accessories & consumables		150,896	118,031
Sundry		12,392	5,946
Subtotal - Other Materials, Contracts & Expenses		4,485,754	4,455,988
		4,489,959	4,459,718

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES (cont)

	Notes	2018 \$	2017 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Road Infrastructure	6	5,534	5,534
Buildings	6	13,879	13,879
Vehicles	6	19,048	20,988
Plant & Equipment	6	190,468	174,015
Landfill Cells	6	143,126	194,906
Lechate Ponds	6	8,697	8,697
Landfill Rehabilitation	6	13,990	14,463
Landfill Cell Capping	6	31,496	73,592
		<u>426,238</u>	<u>506,074</u>
 FINANCE COSTS			
Interest on overdraft and short-term drawdown		<u>43,031</u>	<u>10,785</u>
		<u>43,031</u>	<u>10,785</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2018 \$	2017 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		112,091	49,500
Less: Carrying amount of assets sold	6	<u>56,672</u>	<u>63,643</u>
Gain (Loss) on disposal		<u>55,419</u>	<u>(14,143)</u>
NET GAIN (LOSS) ON DISPOSAL OF ASSETS		<u>55,419</u>	<u>(14,143)</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 5 - CURRENT ASSETS

	Notes	2018 \$	2017 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		272,356	283,939
Deposits at Call		-	10,431
		<u>272,356</u>	<u>294,370</u>
TRADE & OTHER RECEIVABLES			
Accrued Revenues		-	1,729
Debtors - general		367,632	410,188
		<u>367,632</u>	<u>411,917</u>
INVENTORIES			
Stores & Materials		4,376	3,537
		<u>4,376</u>	<u>3,537</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2017 \$				2018 \$			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Road Infrastructure	-	138,352	(22,205)	116,147	-	138,352	(27,739)	110,613
Buildings	-	266,763	(51,821)	214,942	-	266,763	(65,700)	201,063
Vehicles	-	92,963	(37,772)	55,191	-	92,963	(56,820)	36,143
Plant & Equipment	-	2,406,080	(1,372,893)	1,033,187	-	3,019,850	(1,224,580)	1,795,270
Landfill Cells	-	1,575,513	(966,556)	608,957	-	2,072,965	(1,109,682)	963,283
Lechate Ponds	-	173,938	(28,015)	145,923	-	173,938	(36,712)	137,226
Landfill Rehabilitation	-	395,900	(121,102)	274,798	-	395,900	(135,092)	260,808
Landfill Cell Capping	-	398,300	(367,637)	30,663	-	726,589	(399,133)	327,456
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	5,447,809	(2,968,001)	2,479,808	-	6,887,320	(3,055,458)	3,831,862
Comparatives		5,734,497	(2,631,973)	3,102,524		5,447,809	(2,968,001)	2,479,808

This Note continues on the following page.

** Please note Landfill Cells includes an amount relating to Cell 9 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 2018

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

	2017	CARRYING AMOUNT MOVEMENTS DURING YEAR							2018
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Adjustments	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Road Infrastructure	116,147	-	-	-	(5,534)	-	-	-	110,613
Buildings	214,942	-	-	-	(13,879)	-	-	-	201,063
Vehicles	55,191	-	-	-	(19,048)	-	-	-	36,143
Plant & Equipment	1,033,187	-	1,009,223	(56,672)	(190,468)	-	-	-	1,795,270
Landfill Cells	608,957	497,452	-	-	(143,126)	-	-	-	963,283
Lechate Ponds	145,923	-	-	-	(8,697)	-	-	-	137,226
Landfill Rehabilitation	274,798	-	-	-	(13,990)	-	-	-	260,808
Landfill Cell Capping	30,663	328,289	-	-	(31,496)	-	-	-	327,456
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	2,479,808	825,741	1,009,223	(56,672)	(426,238)	-	-	-	3,831,862
<i>Comparatives</i>	3,102,524	47,992	44,409	(63,643)	(506,074)	-	(145,400)	-	2,479,808

* Please note Landfill Cells includes an amount relating to Cell 9 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 2018

Note 7 - LIABILITIES

	Notes	2018		2017	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		1,236,014	-	736,928	-
Accrued expenses - other		12,036	-	3,584	-
Other		46,209	-	119,416	-
		<u>1,294,259</u>	<u>-</u>	<u>859,928</u>	<u>-</u>
 BORROWINGS					
Cash Advance Debenture		1,312,683	-	400,000	-
		<u>1,312,683</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
 PROVISIONS					
Annual Leave		102,818	-	89,701	-
Long Service Leave		60,828	69,128	35,381	65,154
Future reinstatement / restoration		-	395,900	-	395,900
Cell Capping		-	726,589	-	398,300
		<u>163,646</u>	<u>1,191,617</u>	<u>125,082</u>	<u>859,354</u>
 <i>Movements in Provisions - 2018 year only (current & non-current)</i>					
			<i>Future Reinstatement</i>	<i>Cell Capping</i>	<i>Total</i>
Opening Balance			395,900	398,300	794,200
Add Additional amounts recognised				328,289	328,289
Closing Balance			<u>395,900</u>	<u>726,589</u>	<u>1,122,489</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.

	2018	2017
Volumes of waste dumped (in tonnes)	%	%
Adelaide Hills Council	32.9%	34.6%
Alexandrina Council	9.4%	9.2%
Mount Barker District Council	32.0%	30.7%
Rural City of Murray Bridge	25.7%	25.5%
	<u>100%</u>	<u>100%</u>

Distribution in accordance with the above percentages

	\$	\$
Adelaide Hills Council	(141,880)	(307,074)
Alexandrina Council	(40,537)	(81,650)
Mount Barker District Council	(137,999)	(272,461)
Rural City of Murray Bridge	(110,831)	(226,311)
	<u>(431,247)</u>	<u>(887,496)</u>

DISTRIBUTION SHARE OF EQUITY

Adelaide Hills Council		
Balance at end of previous reporting period	386,517	693,591
Share of surplus	(141,880)	(307,074)
Balance at end of period	<u>244,637</u>	<u>386,517</u>

Alexandrina Council		
Balance at end of previous reporting period	105,661	187,311
Share of surplus	(40,537)	(81,650)
Balance at end of period	<u>65,124</u>	<u>105,661</u>

Mount Barker District Council		
Balance at end of previous reporting period	383,715	656,176
Share of surplus	(137,999)	(272,461)
Balance at end of period	<u>245,716</u>	<u>383,715</u>

Rural City of Murray Bridge		
Balance at end of previous reporting period	69,375	295,686
Share of surplus	(110,831)	(226,311)
Balance at end of period	<u>(41,456)</u>	<u>69,375</u>

TOTAL EQUITY AT END OF REPORTING PERIOD	514,021	945,268
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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 2018

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	2018 \$	2017 \$
Total cash & equivalent assets	5	<u>272,356</u>	<u>294,370</u>
Balances per Cash Flow Statement		<u>272,356</u>	<u>294,370</u>

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

Net Surplus (Deficit)		(431,247)	(887,496)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		426,238	506,074
Net increase (decrease) in unpaid employee benefits		42,537	14,698
Grants for capital acquisitions treated as Investing Activity		-	-
Net (Gain) Loss on Disposals		(55,419)	14,143
		<u>(17,891)</u>	<u>(352,581)</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		44,285	67,639
Net (increase) decrease in inventories		(838)	2,746
Net (increase) decrease in other current assets		-	-
Net increase (decrease) in trade & other payables		124,245	74,852
Net increase (decrease) in other provisions		-	-
Net Cash provided by (or used in) operations		<u>149,801</u>	<u>(207,344)</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Estimated future reinstatement etc. costs		<u>328,289</u>	<u>(137,500)</u>

(d) Financing Arrangements

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

Cash Advance Debenture Facility (CAD)	1,650,000	450,000
Corporate Credit Cards	8,000	8,000

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 2018 the Authority has drawn down \$1,312,683 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 2018

Note 10 - 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 at call have an average maturity of 90 days and an average interest rate of 1.5% (2017: 90 days, 1.52%). Carrying amount: Approximates fair value due to the short term to maturity.
Receivables - Fees & other charges	Accounting Policy: Carried at nominal values less any allowance for doubtful debts. 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. 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.
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 by biannual instalments of principle and interest. Carrying amount: Approximates fair value.
Liabilities - Overdraft	Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues. Terms & conditions: Secured over future revenues interest is charged at an average variable rate of 3.56%. Carrying amount: Approximates fair value.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 10 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	272,356	-	-	272,356	272,356
Receivables	367,632	-	-	367,632	367,632
Total	639,988	-	-	639,988	639,988
Financial Liabilities					
Payables	1,282,223	-	-	1,282,223	1,282,223
Borrowings	1,312,683	-	-	1,312,683	1,312,683
Total	2,594,906	-	-	2,594,906	2,594,906
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

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

	30 June 2018		30 June 2017	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Overdraft	3.56	1,312,683	4.7	400,000
Non Interest Bearing	-	1,282,223	-	856,344
		2,594,906		1,256,344

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 2018

Note 11 - COMMITMENTS FOR EXPENDITURE

The Authority as at 30 June 2018 had no commitments for expenditure.

Note 12 - OPERATING LEASES

The Authority as at 30 June 2018 has a commitment to lease the land on which the Brinkley landfill presides. The current lease expires on the 13th February 2021, with one right of extension of 5 years.

Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2018 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 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. Trial for this action concluded December 2017 and is currently waiting judgement.

Note 14 - EVENTS OCCURING AFTER REPORTING DATE

There were no events subsequent to 30 June 2018 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 2018

Note 15 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair, the Board, Chief Executive and Acting Chief Executive prescribed as officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2018	2017
Salaries, allowances & other short term benefits	\$ 223,168	\$ 213,278
Post-employment benefits	\$ -	\$ -
Long term benefits	\$ 12,983	\$ 3,054
Termination Benefits	\$ -	\$ -
TOTAL	\$ 452,483	\$ 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	884	57	Provision of waste processing and disposal services.
Alexandrina Council	192	15	Provision of waste processing and disposal services.
Mount Barker District Council	674	49	Provision of waste processing and disposal services.
Rural City of Murray Bridge	460	31	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 2018

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

	2018 \$	2017 \$
Income	5,428,006	4,978,670
<i>less</i> Expenses	<u>5,914,672</u>	<u>5,852,023</u>
Operating Surplus / (Deficit)	(486,666)	(873,353)
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	699,137	36,509
<i>less</i> Depreciation, Amortisation and Impairment	426,238	506,074
<i>less</i> Proceeds from Sale of Replaced Assets	<u>112,091</u>	<u>49,500</u>
	160,808	(519,065)
<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>	497,452	47,992
	<u>497,452</u>	<u>47,992</u>
Net Lending / (Borrowing) for Financial Year	<u>(1,144,926)</u>	<u>(402,280)</u>

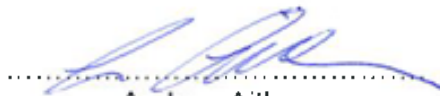
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018**

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 2018, 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 OFFIER
Adelaide Hills Council

Date: 1/7/2018

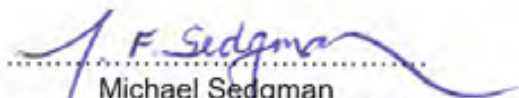
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

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FOR THE YEAR ENDED 30 June 2018**

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.....
Michael Sedgman
CHIEF EXECUTIVE OFFICER
Rural City of Murray Bridge

Date: 02.07.2018

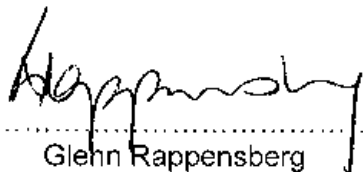
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

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FOR THE YEAR ENDED 30 June 2018**

CERTIFICATION OF AUDITOR INDEPENDENCE

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Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 28/6/2018

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018**

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 2018, 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 Stuart
CHIEF EXECUTIVE OFFICER
Mount Barker District Council

Date: 28/6/18

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018**

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 2018, 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*.



Leah Maxwell
EXECUTIVE OFFICER



Peter Brass
CHAIR
AUDIT COMMITTEE

Date: 15/8/2018

Adelaide Hills Region Waste Management Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

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 2018 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
EXECUTIVE OFFICER



Councillor Lindsay Campbell
CHAIR PERSON

Date: 15/8/2018



Appendix 2 ***Subsidiaries***

**Eastern Waste Management
Authority (East Waste)**
Annual Report 2017-18

ANNUAL REPORT

2017

2018

EastWaste



WELCOME

TO THE
CITY OF PROSPECT

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE CONTENTS

2017
2018

- 4 THE YEAR IN REVIEW
- 6 EAST WASTE SERVICE AREA
- 7 CHAIRPERSON'S REPORT
- 13 GENERAL MANAGER'S REPORT
- 18 GOVERNANCE
- 20 FINANCIAL STATEMENTS

2017-2018
THE YEAR IN REVIEW

22,528 3,346

TONNES OF RECYCLING
DIVERTED FROM
LANDFILL

TONNES OF
HARD WASTE
COLLECTED



A TOTAL OF

104,564

KERBSIDE TONNES COLLECTED



4.5

TONNES OF E-WASTE
COLLECTED FROM
3 MEMBER COUNCILS

32,885

TONNES OF ORGANIC WASTE
DIVERTED FROM
LANDFILL

2017-2018
THE YEAR IN REVIEW

5,500

RESIDENTS RECEIVING
'SPOTLIGHT ON WASTE'
NOTIFICATIONS EACH WEEK

3,220

PEOPLE REACHED IN
FACE TO FACE EDUCATION
WORKSHOPS & DISPLAYS



OVER

220,000

BINS COLLECTED EVERY WEEK



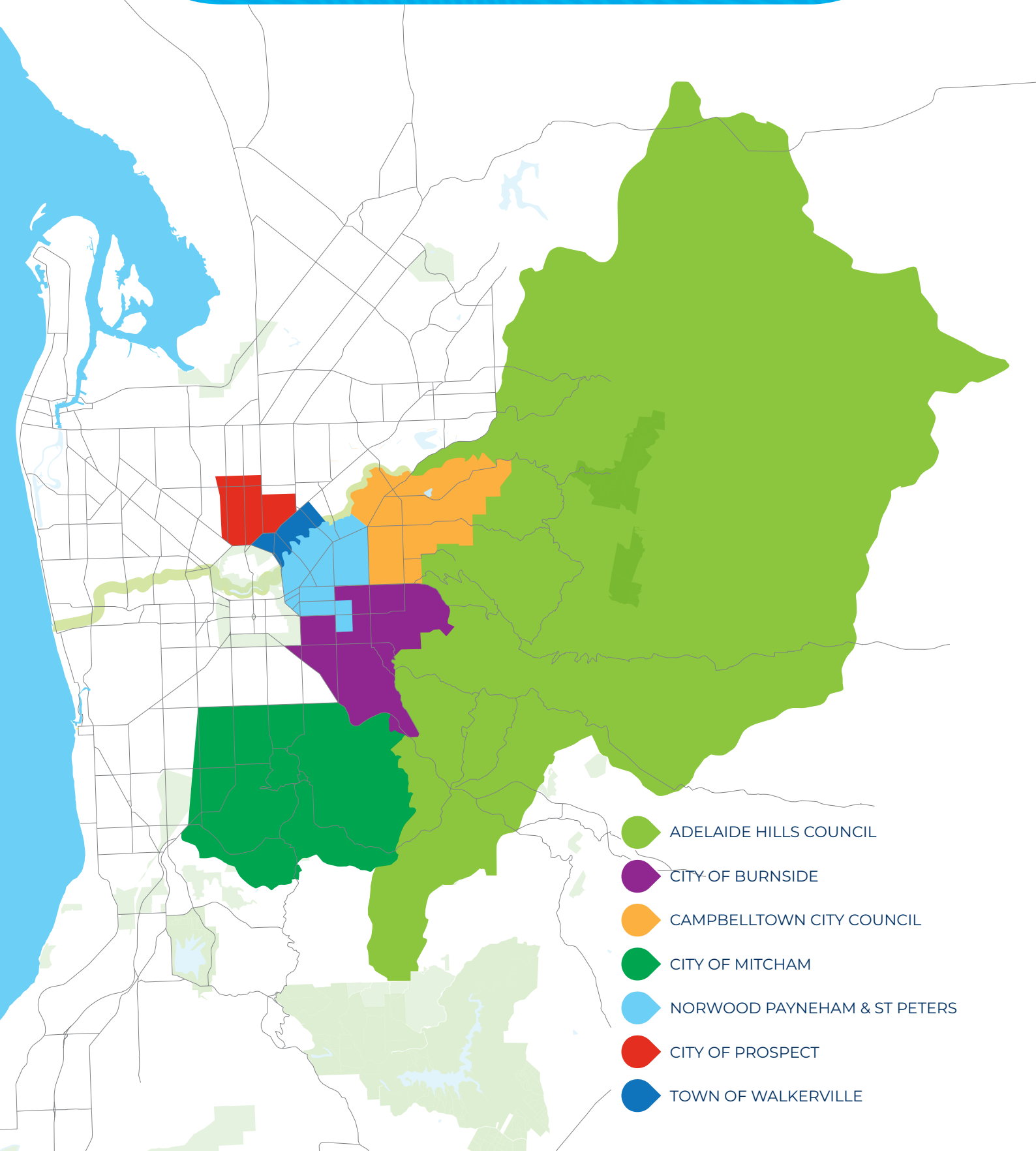
ZERO

FEE INCREASE TO OUR
MEMBER COUNCILS FOR
EAST WASTE SERVICES

19,500

PEOPLE REACHED PER
MONTH VIA EAST WASTE
SOCIAL MEDIA PLATFORMS

EAST WASTE SERVICE AREA



- ADELAIDE HILLS COUNCIL
- CITY OF BURNSIDE
- CAMPBELLTOWN CITY COUNCIL
- CITY OF MITCHAM
- NORWOOD PAYNEHAM & ST PETERS
- CITY OF PROSPECT
- TOWN OF WALKERVILLE

EAST WASTE CHAIRPERSON'S REPORT

I write this report at a time of great public interest in the resource recovery industry. The impact of the China Sword Recycling decision has resulted in some short term challenges to the recyclables industry, but has also opened up some exciting opportunities.

As a waste and resource recovery collection business, East Waste has not been immune from the impacts of the China Sword decision, however I am pleased to report that East Waste has been proactive in its response to the short-term challenges presented and continues to show leadership in ensuring on-going viability of the recycling process, details of which I provide further in my report.

It is with great pleasure that I am able to provide the following highlights achieved by East Waste throughout the 2017/18 financial year. East Waste's General Manager Rob Gregory will detail further achievements and successes in his 2017/18 report.

City of Prospect

As of 1 October 2017, East Waste welcomed the City of Prospect as a Member Council. City of Prospect's addition has seen East Waste's membership grow to seven (7) Member Councils and East Waste providing a full suite of services to City of Prospect. City of Prospect is a highly engaged Council who has added great value to the already strong membership of East Waste.

Led by Ms Cate Hart, CEO, as its inaugural East Waste Board Member, Ms Hart has been an active and valued contributor not only to the Board, but the overall East Waste business.

I would like to take this opportunity to thank Ms Hart, the staff and Elected Members of City of Prospect for their professionalism and willingness to work with East Waste to ensure their transition to East Waste as a Member Council was a successful one. I, together with



Mr Brian Cunningham
Independent Chairperson

the Board and East Waste look forward to continuing our successful partnership long into the future and maximising the benefits a subsidiary model offers.

Financial Performance

The 2017/18 financial year has presented a number of financial challenges to East Waste, particularly with respect to the China Sword decision and significant increases in global fuel prices.

Throughout 2017/18, East Waste not only returned an operating surplus of \$408,000 to Member Councils but managed to do so with a 'nil fee increase' being applied. City of Prospect's membership commencing 1 October 2017, resulted in budget variations being applied at BR2 and BR3, to ensure East Waste continued to meet its commitment of providing a safe, high quality, low cost, waste and resource recovery service.

A 30% increase in global fuel prices throughout the year has seen an increase, and therefore impact on East Waste's expenditure. This impact, together with a return of an operating surplus

EAST WASTE CHAIRPERSON'S REPORT



to Member Councils has resulted in East Waste realising an overall net deficit of \$332,000 for the 2017/18 financial year.

If considered with the operating surplus of \$338,000 realised in the 2016/17 financial year, East Waste has operated to a 'break even' result over the past two years.

Noting the volatility of the fuel market and the increase in service offerings provided by East Waste for 2017/18, this is an encouraging outcome in the current economic conditions.

China Sword

Thanks to media coverage over the past 12 months, public interest in the waste and resource recovery sector has never been higher. The interest has generally been positive, with the public genuinely interested and invested in the ongoing reuse and recycling of products.

Interest has stemmed from China's decision in July 2017 to severely restrict recyclable products

from across the world being traded through their borders. This ban was fully effective from March 2018 and has seen the recycling commodity market impacted significantly.

For the past many years the world has sold their co-mingled recycling to China, which China then used to make new products, particularly cardboard for packaging.

China has now made the decision to be self-sufficient and develop their own circular economy, which while a positive step for their country, has resulted in the remainder of the world trying to sell their recyclables to a smaller global market. This competition has seen a significant decrease in commodity prices.

Whilst there are challenges presently, it is important to note that recycling is still very much a viable option and a practice that will continue long into the future.

It is important that collectively we continue to

EAST WASTE CHAIRPERSON'S REPORT



reinforce that message to our communities and retain their confidence that recycling is critical and that the communities we serve will benefit most from continuing to recycle.

Whilst there are some short-term pricing impacts on local governments across Australia, this decision has resulted in positive and robust discussions as to how Australia can reuse and re-purpose both commercial and residential recyclables. It is pleasing to see government, industry and public engaged as to how we move forward from this point and there is great confidence that the future domestic recycling industry will be a strong one.

East Waste collected approximately 23,000 tonnes of recyclables across the 2017/18 financial year. This quantum of tonnes collected brings with it a level of responsibility as to the final destination of the material. East Waste has led the way in engaging with its Member Councils,

the State Government, the recycling industry and relevant stakeholders.

East Waste has been seen as strong voice at this time, and its ongoing leadership has provided a level of comfort and reassurance to Member Councils that continuing to dispose of recyclables is critical to the ongoing sustainability of our environment.

East Waste continues to be actively engaged in the shaping of the longer term vision of the South Australian recycling industry.

Education Focus

Interested stakeholders of East Waste would be aware of our commitment and investment in the "Why waste it?" education campaign, which is aimed at educating and promoting responsible behaviour around reducing waste and improving recycling, with the ultimate aim of reducing waste being sent to landfill.



105

BUS SHELTER POSTERS
OVER 5 CAMPAIGNS PROMOTING
RECYCLING & COMPOSTING

EastWaste

EAST WASTE CHAIRPERSON'S REPORT

East Waste's education focus has gained considerable interest from all stakeholders, from residents through to the State Government, particularly since the China Sword decision. Of note has been the increased use of East Waste's whichbin.com.au website, which provides a detailed A-Z guide, assisting the community in knowing what items go in 'Which Bin' and how to divert many resources from landfill.

You will note littered throughout the Annual Report, education statistics and information which outlines the positive interest in East Waste's education campaign.

Thanks

I would now like to take this opportunity to say "thank you" to the East Waste Board, East Waste's General Manager Rob Gregory and East Waste staff.

To the East Waste Board, I thank you all for your valuable contributions to another successful year for East Waste. This year has presented some challenges, which have required a significant amount of your time and energy. Notwithstanding this increased commitment, all Directors of the East Waste Board continue to provide the utmost support and guidance not only to myself, but to the General Manager and his team.

To Rob Gregory; what a welcome it has been for you into the world of a General Manager within the waste and resource recovery industry. Rob has made an auspicious start in a most difficult time and our Board has been very pleased with the way he has risen to the occasion in a short space of time and under trying external pressures.

Rob's commencement of tenure coincided with the China Sword decision, which quickly saw him being presented with significant operational, political and governance challenges.

I am pleased to say that Rob has not only responded to the challenges, but has led the way in so many respects. Rob's leadership qualities, together with his stakeholder management capabilities, has ensured that he and his team have delivered and will continue to deliver to all Member Councils. I look forward to working with Rob again throughout the 2018/19 Financial Year.

To the East Waste staff, I, together with the East Waste Board again say thank you for a successful and productive year.

The inclusion of City of Prospect as a Member Council, together with another year of an increase in services being provided to Member Councils, continues to challenge you to respond. You have responded well and continue to commit to providing an efficient and effective service to all Member Councils.

I commend the 2017/18 East Waste Annual Report to you.

Brian Cunningham
Chairperson



2,000

ACTIVE USERS OF THE
WHICH BIN WEBSITE
PER MONTH

EastWaste

EAST WASTE GENERAL MANAGER'S REPORT

What a busy and exciting year it has been for East Waste.

Together we have:

- **Welcomed the City of Prospect as a new Member Council to East Waste**
- **Increased our service offerings to Member Councils**
- **Proactively responded to the China Sword decision**
- **Expanded our “Why waste it?” education campaign**
- **Consolidated the overall strength of our business**



Mr Rob Gregory
General Manager

City of Prospect

East Waste warmly welcomed City of Prospect as a Member Council, effective 1 October 2017. East Waste provides a full suite of services to City of Prospect, and the transition of these services to East Waste has been a positive one.

This transition and quick consolidation of services can be attributed to the dedicated staff of East Waste and City of Prospect, who worked closely together to ensure residents' waste collection needs continued 'business as usual'.

I would like to take this opportunity to thank CEO & East Waste Board Member Cate Hart and her hard-working team for their contribution to making their first year as a Member of East Waste a successful one. As with all our Councils, I look forward to working with the City of Prospect for a long time to come.

Increased Service Offerings

East Waste has for the past few years been committed to a continuous improvement pathway, which includes a sustainable focus on quality service delivery that is efficient, professional and consistent.

This focus has allowed East Waste to offer increased service delivery options to our Member Councils.

The 2017/18 Financial Year has been no different and East Waste has been pleased to consolidate the following new service offerings to Member Councils:

- 'At-call' Hard Waste Collection Service to City of Norwood, Payneham & St Peters residents
- Street & Park Litter Bin Collection Services to Campbelltown City Council
- Additional Bin Management Services to Adelaide Hills Council
- Full suite of services to City of Prospect

East Waste looks forward to continuing to provide these services to our Member Councils.


China Sword

Whilst East Waste is a waste and resource collection business, it has not been immune from the China Sword decision, details of which have been reported in the Chairperson's Report. East Waste has an environmental, social and corporate responsibility to ensure that collected kerbside recyclables (23,000 tonnes in 2017/18) are disposed of and repurposed in accordance with community expectations.

The China Sword decision has impacted world commodity prices for recyclable streams, however this does not mean that established practices of recycling need to cease, in fact,

EAST WASTE GENERAL MANAGER'S REPORT

Kerbside Tonnages Collected 2017 - 2018



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,421	3,738	7,530
City of Burnside	3,989	6,423	8,002
Campbelltown City Council	3,973	6,282	9,822
City of Mitcham ¹	5,978	8,953	12,363
City of Norwood, Payneham & St Peters	3,269	4,386	6,917
City of Prospect ²	1,261	2,035	2,997
Town of Walkerville	637	1,068	1,520



1 City of Mitcham manages its own residential waste collection.

2 City of Prospect joined East Waste as a Member Council, commencing 1 October 2017, therefore collection data shown is for nine (9) months only.

EAST WASTE GENERAL MANAGER'S REPORT



it is quite the opposite. Australian recycling contractors have been impacted with immediate cost pressures due to the decision, which has in turn meant that these increased costs have been passed through to Local Governments across all of Australia.

Whilst there are some short-term financial impacts for East Waste's Member Councils, it is important to note that the China Sword decision has created widespread discussion within industry and government, resulting in innovative local solutions being considered for the repurpose and reuse of recyclables. This creates many opportunities and exciting times.

East Waste has been at the forefront of these discussions, which include short and long term solutions. The take home message for all residents and members of the public is that your recycling habits should not change, and where possible, improved, as the wonderful benefits

of recycling significantly outweigh the option of sending products to landfill.

In response to the China Sword decision, East Waste has been very pro-active in engaging its Member Councils, and continuing the strong education message to all residents. The East Waste Board established a Recycling Review Technical Working Committee to assist East Waste in navigating the immediate challenges presented in the recycling market.

Significant time and investment has been made in this Committee to ensure East Waste's Member Councils are well informed and remain confident with the ongoing kerbside collection of recyclables.

I echo the sentiments of East Waste's Chairperson, who states "East Waste continues to be actively engaged in the shaping of the longer term vision of the recycling industry."



22,528

TONNES OF RECYCLING
DIVERTED FROM LANDFILL
DURING 2017-2018

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE GENERAL MANAGER'S REPORT



Consolidation of the East Waste Business

East Waste continues to perform well in an ever-changing economic environment. I am pleased to report that despite increased financial pressures beyond our control, East Waste has been fiscally astute and responsible in providing its services to Member Councils.

A 'break even' result across the past two financial years (17/18 and 16/17) is a real testament to the now established and embedded internal controls, processes and capabilities of East Waste. East Waste strives to provide quality service delivery that is consistent, efficient and professional and is a statement we (East Waste) apply across all facets of our business.

Whilst there is always room for improvement, I am committed to ensuring we consistently apply this level of service delivery to our Member Councils.

Thanks

I would like to thank the East Waste team for their commitment and dedication to their work, in what has been a challenging and busy year. My first year as General Manager has been an enjoyable one, which in no small part has been the welcome and support received.

To my Chairperson, Mr Brian Cunningham and the East Waste Board, I thank you for your valued guidance, contribution and support in my first year as General Manager.

I look forward to working with Member Councils, the Board and staff to deliver the requirements of the 2018/19 adopted Annual Plan and Budget.

Rob Gregory
General Manager

EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the Local Government Act 1999, the East Waste Charter, and various other legislative requirements. The membership of the Board comprises of eight 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 2017 – 2018 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 Piggott (City of Burnside)	6 of 7
Mr Paul Di Iulio (Campbelltown City Council)	7 of 7
Cr Karen Hockley (City of Mitcham)	6 of 7
Mr Mario Barone (City of Norwood, Payneham & St Peters)	6 of 7
Cr Gianni Busato (Corporation of the Town of Walkerville)	7 of 7
Ms Cate Hart (City of Prospect) Appointed September 2017, effective October 2017	5 of 6

DEPUTY DIRECTOR ATTENDANCE	
Mr Lachlan Miller (Adelaide Hills Council)	1 of 7
Mr Simon Bradley (City of Prospect) Appointed September 2017, effective October 2017	1 of 6

EAST WASTE GOVERNANCE

Audit and 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 Audit Committee).

The principal objective of the Audit Committee is to ensure that the East Waste Board meets its legislative and probity requirements as required

by the Local Government Act 1999 and other relevant legislation, standards and codes.

The Audit Committee held five formal meetings over the 2017 – 2018 financial year.

The following table details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	5 of 5
Mr Mario Barone (City of Norwood, Payneham & St Peters)	5 of 5
Cr Grant Piggott (City of Burnside) Term completed December 2017	2 of 2
Cr Karen Hockley (City of Mitcham) Appointed to Audit Committee November 2017, effective January 2018	3 of 3
Mr Leigh Hall (Independent Member)	5 of 5
Mr Tim Muhlhausler (Independent Member)	4 of 5

The Audited Financial Statements for the year ending 30 June 2018 are provided at page 20.

Recycling Review Technical Working Committee

As per information provided in the Chairperson's Report and General Manager's Report, the China Sword issue has impacted Local Governments across all of Australia.

To assist in navigating the challenges and complexities that have arisen out of the China Sword decision, the East Waste Board established a Recycling Review Technical Working Committee (the Committee) in accordance with Clause 78 of the East Waste Charter.

Membership of the Committee is as follows:

RECYCLING REVIEW TECHNICAL WORKING COMMITTEE

Cr Karen Hockley (Chair)

Cr Grant Piggott (City of Burnside)

Mr Paul Di Iulio (Campbelltown City Council)

Mr Jeff Tate (Independent Member)

Mr Rob Gregory (East Waste)

Mr Shane Raymond (East Waste)

Since its establishment in April 2018, the Committee held three formal meetings in the 2017 - 2018 financial year.

FINANCIAL STATEMENTS

2017-2018
ANNUAL REPORT

FINANCIAL STATEMENTS

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CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018**

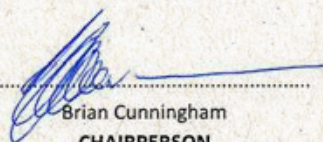
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised 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 2018 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: 20/09/18

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
INCOME			
User charges	2	12,689	13,068
Investment income	2	19	30
Grants, subsidies and contributions		15	40
Other	2	413	408
Total Income		13,136	13,546
EXPENSES			
Employee costs	3	5,605	5,164
Materials, contracts & other expenses	3	5,776	6,007
Finance costs		321	332
Depreciation, amortisation & impairment	3	1,767	1,724
Total Expenses		13,469	13,227
OPERATING SURPLUS / (DEFICIT)		(333)	319
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	10	20
Amounts received specifically for new/upgraded assets		-	-
NET SURPLUS / (DEFICIT)		(323)	339
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(323)	339

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
INCOME			
Current Assets			
Cash and cash equivalents	5	1,376	1,984
Trade & other receivables	5	1,127	412
Total Current Assets		2,503	2,396
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	6,165	6,046
Total Assets		8,668	8,442
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	821	826
Provisions	7	530	491
Borrowings	7	2,007	1,701
Total Current Liabilities		3,358	3,018
Non-current Liabilities			
Borrowings	7	4,774	4,741
Provisions	7	63	72
Total Non-current Liabilities		4,837	4,813
Total Liabilities		8,195	7,831
NET ASSETS		473	611
EQUITY			
Accumulated Surplus		473	611
TOTAL EQUITY		473	611

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2018		
Balance at end of previous reporting period	611	611
Net Surplus/ (Deficit) for Year	(323)	(323)
Other Comprehensive Income		
Contributed Equity	185	185
Distributions to Member Councils	-	-
Balance at end of period	473	473

	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	-	-
Balance at end of period	611	611

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

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Operating receipts		12,400	13,465
Investment receipts		20	28
<i>Payments</i>			
Employee costs		(5,548)	(5,279)
Materials, contracts & other expenses		(5,808)	(7,063)
Finance payments		(320)	(320)
Net Cash provided by (or used in) Operating Activities	8	744	831
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Sale of replaced assets	4	11	104
Sale of surplus assets	4	-	-
<i>Payments</i>			
Expenditure on renewal/replacement of assets	6	(1,887)	(2,522)
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	-
Net Cash provided by (or used in) Investing Activities		(1,876)	(2,418)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
Capital contribution by member councils		185	122
Proceeds from Borrowings		1,971	1,926
<i>Payments</i>			
Repayments of Borrowings		(1,632)	(1,275)
Net Cash provided by (or used in) Financing Activities		524	773
Net Increase (Decrease) in cash held		(608)	(814)
Cash & cash equivalents at beginning of period	8	1,984	2,798
Cash & cash equivalents at end of period	8	1,376	1,984

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 2018

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 the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood, Payneham & St Peters, City of Prospect and the Corporation of the Town of Walkerville. The seven 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.



32,885

TONNES OF ORGANIC WASTE
DIVERTED FROM LANDFILL
DURING 2017 - 2018

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 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 - 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 2018

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 on costs) measured in accordance with AASB 119.

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

No accrual is made for sick leave as 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 2017/18; 9.5% in 2016/17). 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 Salary link liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

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



OVER

220,000

KERBSIDE BINS COLLECTED
EVERY WEEK FOR OUR
SEVEN MEMBER COUNCILS

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2018 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.

14 Recyclable Processing Activities

The Authority has not been, nor will it be in the future, financially impacted by the changes in overseas market conditions as a result of the China Sword Policy and changes in overseas recycled materials commodities market conditions. Under current arrangements held with Member Councils, the Authority passes on all income derived and recovers all costs incurred in managing waste management contracts on behalf of Member Councils.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2 - INCOME

	Notes	2018 \$'000	2017 \$'000
USER CHARGES			
Household Refuse		4,547	4,173
Administration		239	215
Green Organics		3,700	3,531
Recyclables		3,213	3,178
Hardwaste		773	651
Litter		358	305
Waste Disposal		116	1,015
Recycle Rebate		306	815
Recycle Rebate - Member Councils		(306)	(815)
Recycle Processing Income		151	-
Member Council Waste Collection Rebate		(408)	-
		12,689	13,068
INVESTMENT INCOME			
Interest on investments		19	30
Local Government Finance Authority		19	30
OTHER INCOME			
Bin Supply		106	164
Replacement Bins		271	137
Sundry		36	107
		413	408

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3 - EXPENSES

Notes	2018 \$'000	2017 \$'000
EMPLOYEE COSTS		
Salaries and Wages	4,120	3,922
Employee leave expense	38	(114)
Superannuation	330	308
Wages Casual Agency	787	718
Workers' Compensation Insurance	166	200
Other	164	130
Total Operating Employee Costs	5,605	5,164
<i>Total Number of Employees (Full Time Equivalent as at reporting date)</i>	<i>50</i>	<i>51</i>
MATERIALS, CONTRACTS & OTHER EXPENSES		
Auditor's Remuneration	9	9
Board Expenses	28	25
Lease costs	316	240
Subtotal - Prescribed Expenses	353	274
Other Materials, Contracts & Expenses		
Advertising & Promotion	10	68
Disposal Fees	1,506	2,247
Electricity	41	34
Fuel, Gas & Oil	971	764
GPS Expenses	63	64
Insurance	101	21
Legal Expenses	70	27
Maintenance	1,736	1,516
Parts, Accessories & Consumables	84	63
Printing, Stationery & Postage	65	44
Professional Services	276	319
Recycle Processing Costs	151	-
Registration & Insurance - Trucks	126	272
Sundry	176	258
Telephone	47	36
Subtotal - Other Materials, Contracts & Expenses	5,423	5,733
	5,776	6,007
DEPRECIATION		
Buildings & Other Structures	-	7
Plant, Machinery & Equipment	1,767	1,717
	1,767	1,724

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4 - ASSET DISPOSAL

	Notes	2018 \$'000	2017 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		11	104
Less: Carrying amount of assets sold		1	84
Gain (Loss) on disposal		10	20

NOTE 5 - CURRENT ASSETS

	Notes	2018 \$'000	2017 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		1,250	1,477
Deposits at Call		126	507
		1,376	1,984
TRADE & OTHER RECEIVABLES			
Debtors - general		1,098	396
Accrued Income		-	2
Prepayments		29	14
		1,127	412

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2018 \$'000	2017 \$'000
Buildings & Other Structures - At Cost		78	78
Accumulated Depreciation		(48)	(40)
		30	38
Plant, Machinery & Equipment		14,448	12,571
Accumulated Depreciation		(8,314)	(6,563)
		6,134	6,008
Work in Progress (WIP)		1	-
Total Property, Plant & Equipment		6,165	6,046

	2017 \$'000	CARRYING AMOUNT MOVEMENT DURING YEAR \$'000				2018 \$'000
	Carrying Amount	Additions		Disposals	Depreciation	Carrying Amount
		New/ Upgrade	Renewal			
Buildings & Other Structures	38	-	-	-	(8)	30
Plant, Machinery & Equipment	6,008	1,886	-	(1)	(1,759)	6,134
Work in Progress	-	1	-	-	-	1
Total Property, Plant & Equipment	6,046	1,887	-	(1)	(1,767)	6,165
<i>2017 Totals</i>	<i>5,332</i>	<i>-</i>	<i>2,522</i>	<i>(84)</i>	<i>(1,724)</i>	<i>6,046</i>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7 - LIABILITIES

Notes	2018 \$'000		2017 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	697	-	703	-
Accrued expenses - other	124	-	123	-
	821	-	826	-
BORROWINGS				
Loans	2,007	4,774	1,701	4,741
	2,007	4,774	1,701	4,741
PROVISIONS				
Annual Leave	223	-	183	-
Long Service Leave	307	63	308	72
	530	63	491	72

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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	2018 \$'000	2017 \$'000
Total cash & equivalent assets	5	1,376	1,984
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		1,376	1,984

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

Net Surplus (Deficit)		(323)	339
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,767	1,724
Net increase (decrease) in unpaid employee benefits		38	(65)
Net increase (decrease) accrued interest charges		2	10
(Gain) / Loss on Disposal		(10)	(20)
		1,474	1,988
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(716)	(51)
Net increase (decrease) in trade & other payables		(6)	(1,056)
Net increase (decrease) in other provisions		(8)	(50)
Net Cash provided by (or used in) operations		744	831

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge		-	-
- Non-cash grants & contributions		-	-
<i>Amounts recognised in Income Statement</i>		-	-
- Finance Leases		-	-
Total Non-Cash Financing and Investing Activities		-	-

(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 2018

NOTE 9 - FINANCIAL INSTRUMENTS

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 on Call do not have a maturity period and have an average interest rates of 1.5% (2017: 1.25%).

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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

Liquidity Analysis

2018	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Fixed Interest > 5 years	Non-Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>						
Fair Value through P&L						
Cash Assets	1,250	126	-	-	-	1,376
Loans & Receivables						
Receivables	-	-	-	-	1,098	1,127
Total	1,250	126	-	-	1,098	2,503
<i>Financial Liabilities</i>						
Payables	-	-	-	-	697	821
Current Borrowings	-	2,007	-	-	-	2,007
Non-Current Borrowings	-	-	3,153	1,621	-	4,774
Total	-	2,007	3,153	1,621	697	7,602
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,250	(1,881)	(3,153)	(1,621)	401	(5,099)

2017	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Fixed Interest > 5 years	Non-Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>						
Fair Value through P&L						
Cash Assets	1,477	507	-	-	-	1,984
Loans & Receivables						
Receivables	-	-	-	-	396	396
Total	1,477	507	-	-	396	2,380
<i>Financial Liabilities</i>						
Payables	-	-	-	-	703	703
Current Borrowings	-	1,701	-	-	-	1,701
Non-Current Borrowings	-	-	3,350	1,391	-	4,741
Total	-	1,701	3,350	1,391	703	7,145
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,477	(1,194)	(3,350)	(1,391)	(307)	(4,765)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 10 - COMMITMENTS FOR EXPENDITURE

	Notes	2018 \$'000	2017 \$'000
Expenditure Commitments			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		9	9
Truck Fleet Replacement		1,810	1,814
		1,819	1,823
These expenditures are payable:			
Not later than one year		1,819	1,823
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		1,819	1,823

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	252
Later than one year and not later than 5 years	834	807
Later than 5 years	603	889
	1,689	1,948

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events after Balance Date that require to be disclosed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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:

	2018 \$'000	2017 \$'000
Salaries, allowances & other short term benefits	405	370
Long term benefits	-	30
TOTAL	405	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	2,912	57	Provision of kerbside waste collection and hardwaste
City of Burnside	2,231	47	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,089	81	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,078	556	Provision of kerbside waste collection and hardwaste
City of Prospect	873	284	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,505	62	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	469	8	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

EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF AUDITOR INDEPENDENCE

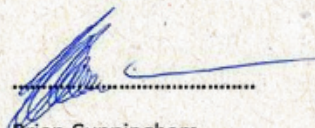
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Eastern Waste Management Authority Inc. for the year ended 30 June 2018, the Authority's Auditor Bentleys, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* 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*.



Rob Gregory

EXECUTIVE OFFICER

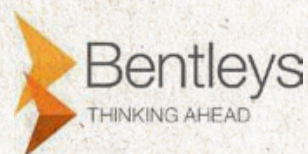


Brian Cunningham

PRESIDING MEMBER

AUDIT COMMITTEE

Date: 20/09/18



Bentleys SA Audit Partnership

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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 2018, 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.

Bentleys SA Audit Partnership

David Papa
Partner

Dated at Adelaide this 20th September 2018



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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 2018, 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 2018, 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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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 at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP

A handwritten signature in black ink, appearing to read "David Papa".

DAVID PAPA
PARTNER

Dated at Adelaide this 21st day of September 2018



OVER

19,300

PEOPLE REACHED PER MONTH
VIA EAST WASTE SOCIAL MEDIA
PLATFORMS

EastWaste



At East Waste we are all about ...

“Providing a safe, high quality, low cost, waste and resource recovery collection service that responds to our community’s needs, while using innovation and technology to drive efficiencies, reduce cost, and have a minimal impact on the receiving environment”.

At East Waste we are moving towards ...

“Providing flexible and responsive waste and resource recovery collection services that focus on safety, high order recycling, elevated service levels, less vehicle movements, and lower emissions”.

At East Waste we contribute to our Member Council communities by ...

“Providing a responsive and proactive waste and resource recovery collection service that enhances streetscape amenity and assists in promoting a healthy lifestyle”.



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Appendix 2 ***Subsidiaries***

**Gawler River Floodplain
Management Authority**
Annual Report 2017-18



ANNUAL REPORT

2017-2018

Gawler River Floodplain Management Authority

Constituent Councils:

Adelaide Hills Council

Adelaide Plains Council

The Barossa Council

Town of Gawler

Light Regional Council

City of Playford

GRFMA

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Chairman's Foreword

The Gawler River Floodplain Management Authority has met on 8 occasions throughout the year, successfully progressing a range of matters important to flood mitigation and protection within the Gawler River catchment.

Notable achievements included:

- Acquisition of additional land surrounding the Bruce Eastick North Para Flood Mitigation Dam to facilitate unrestricted access to the Dam and to enable cost effective restoration of road access damaged in the 2016 Gawler River flood event.
- Facilitation of a comprehensive site inspection and assessment of the dam condition which also identified management actions required to be consistent with the Australian Committee on Large Dams Inc. (ANCOLD) guidelines. The Authority has resolved to implement recommendations from the report.
- Partnership with the University of Adelaide and Research Institute for Knowledge Systems to progress development of an integrated decision support tool for understanding and responding to current and future flood risk - Gawler River Catchment
- Completion of the 2017 Gawler River Hydrology Review
- Completion of the Northern Floodway Project Prospectus
- Commencement of the review of the Authority's Charter and associated governance framework.

Notwithstanding the above, there have been a number of challenges encountered with the Adelaide Plains Council making application to withdraw from the Authority and protracted negotiations undertaken establishing support for the proposed Northern Floodway Project as recommended in the 2016 Gawler River Flood Review Report.

I am pleased to report that the Adelaide Plains Council will continue membership of the Authority and that a unanimous decision has been confirmed by the six constituent councils (i.e., Adelaide Hills, Adelaide Plains, Barossa, Gawler, Light Region and Playford) to progress the proposed Northern Floodway Project. The Board has also resolved to act with due diligence and consistent with the principles of corporate and financial governance in its approach and direction that will achieve a holistic approach to flood mitigation for the benefit of all constituent Councils.

The proposed Northern Floodway Project is designed to provide flood protection in the lower reaches of the Gawler River following an estimated 1:20 year flood event experienced in early October 2016, which inundated high value food cropping land in the Angle Vale, Virginia and Two Wells areas causing extensive loss of horticulture production and a significant damages repair bill.

There are three primary elements forming part of the overall proposed Northern Floodway Project:

- Levee improvements (immediate and long term) and ongoing maintenance
- River channel works – including strategic sediment and vegetation removal and revegetation – and ongoing maintenance

- A new levee and floodway system downstream of Old Port Wakefield Road to contain floodwaters within a defined floodway system on the northern side of the river (The Northern Floodway)

The proposed Project is now identified as the next stage to achieve an overall objective held by the Authority to provide 1:100-year protection from flooding in the Gawler River and will, if progressed to implementation, join with works previously completed including the Bruce Eastick North Para Flood Mitigation Dam and works undertaken to increase the weir height of the South Para Reservoir.

Expected benefits linked to the proposed Northern Floodway Project during a flood event of similar magnitude to that of 2016 include:

- Protection of 211 of the 248 properties estimated to be flooded in 2016.
- Reduced flooding in a further 10 properties.
- Substantially reduced flood damages through the protection of the high value horticultural lands around Virginia.
- No flooding of the existing Virginia township or re-zoned residential / deferred urban areas within the Virginia growth precinct.
- No overtopping of Port Wakefield Road, maintaining the critical A1 transport route.
- Reduced flood hazard and impacts on local access and emergency evacuation routes, such as Angle Vale Road, through reduced flooding.
- Improved biodiversity within the Gawler River channel system as a result of selected vegetation removal, replanting with native species and a planned regular maintenance program.

The cost of the proposed Project has been estimated at \$27 million and the Authority is now engaged with Federal and State Governments to seek funding to deliver the project. Aside from the cost to implement the on ground works this funding also includes all costs associated with project management, design development, community engagement, land acquisition, procurement and contract administration. The Authority has accepted responsibility for meeting recurrent costs to operate and maintain the floodway levee system which would be installed.

Subject to successful funding outcomes, the Authority will move to confirm the scope of the Project, prepare a delivery strategy and undertake a range of site investigations before moving to final design, tender and construction. Clearly, effective engagement with stakeholders and the broader community will be key to successful implementation and management of the Project.

To assist with this engagement, a Northern Floodway Project Prospectus has been developed to increase general awareness and understanding of key elements and processes required to facilitate the commencement of flood mitigation works recommended.

Ian Baldwin
Chair, Gawler River Floodplain Management Authority

Gawler River Floodplain Management Authority (GRFMA)

The Gawler River

The Gawler River is formed by the confluence of the North Para and South Para in the town of Gawler and is located in the Adelaide Plains district of South Australia. The district surrounding the river produces cereal crops and sheep for both meat and wool, as well as market gardens, almond orchards and vineyards. The farm gate output of the Gawler River Floodplain horticultural areas is estimated to be at least \$225 million.

Purpose of the 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.

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 Ben DeGilio
Light Regional Council	Cr William Close Mr Brian Carr, CEO	Mr Andrew Philpott
Adelaide Plains Council	Cr Melville Lawrence Mr James Miller CEO	Cr Terry- Anne Keen
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 were held during the year as follows:

- Thursday 24 August 2017 Gawler
- Thursday 5 October 2017 Gawler (Special Meeting)
- Thursday 19 October 2017 Mallala (Adelaide Plains)
- Wednesday 14 December 2017 Playford
- Thursday 15 February 2018 Kapunda (Light)
- Thursday 19 April 2018 Gumeracha(Adelaide Hills)
- Thursday 17 May 2018 Playford (Special Meeting)
- Thursday 21 June 2018 Barossa

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:

- Mr Ian Baldwin, Independent Chair
- Ms Belinda Skilton, Flood Management Officer, DEWNR
- Mr Angus Paton, Manager Headworks Assets SA Water
- Mr Matt Elding, Barossa Council
- Mr Braden Austin, Playford Council
- Mr David Hitchcock Executive Officer

Mr Dino Musolino, Observer, Lower Gawler River representative

Three meetings of the Panel were held during the year.

- 30 January 2017
- 7 August 2017
- 11 May 2018

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 four meetings during the year:

- 3 August 2017
- 4 December 2017
- 26 March 2018
- 18 June 2018

The members of the Committee are:

- Mr Peter Brass, Independent Member
- Mr Greg Pattinson, City of Playford
- Cr Des Ellis, Light Regional Council

Charter and Governance Review Working Group

The Board has established a Working Group, consisting of one representative from each constituent council, to consider and develop a suitable methodology and process to facilitate delivery of the GRFMA Charter and Governance Review. Work on the review will be substantially undertaken in 2018/19.

GRFMA Policies

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Procurement and Operations Policy
- Grant Policy
- Internal Review of Decisions Policy
- Public Consultation Policy
- Access to Meetings and Documents Policy
- Dam Valuation Policy
- Treasury Management Policy

The purpose of policies is to provide prudent management guidelines for the day-to-day management of the affairs of the Authority.

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	111	8	Possible commercial advantage of a person	8	8%
Technical Assessment Panel	2	0		0	
Audit Committee	25	0		0	

Mr David Hitchcock has been engaged to provide Executive Officer services under a services agreement until 31 December 2019. 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.

Evaluation of Performance against the Business Plan

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 \$21,913,859 Grants total \$17,016,420
Grant Claims	As required	Lodgment of claims for the payment of Commonwealth and State Government Grants.	<input checked="" type="checkbox"/> Claims lodged
Maintain positive Cash Flow	At all times	Positive bank account balances at all times.	<input checked="" type="checkbox"/> Positive cash flow maintained

Part B: Flood Mitigation Scheme Works

Following the November 2005 flood, which flooded the Virginia district and township, that coincided with the public consultation of the State Government Stormwater Management and Flood Mitigation Policy, a series of meetings of the major stakeholders led to the approval of \$20 million in funding from Federal, State and Local Governments to fund the Gawler River Flood Mitigation Scheme (Scheme Works).

Bruce Eastick North Para Flood Mitigation Dam

The Bruce Eastick North Para Flood Mitigation Dam is under the control and management of the Gawler River Floodplain Management Authority and was constructed in 2006. The Dam comprises an approximate 30.5m high Roller Compacted Concrete (RCC) primary spillway of crest length of 76m, which acts as the primary spillway, and has a secondary spillway structure.

The North Para dam design was for the three pipe outlets to pass all floods up to and including the design average recurrence interval (ARI) 100-year flood event with a peak outflow about 110 m³/s. During construction of the dam a review in the hydrology of the North Para determined that the flood flows at the selected design recurrence intervals were greater than those adopted in the design. The design of the dam was not altered hence the flood capacity of the dam is reduced from these design levels.

South Para Works

The South Para Reservoir is under the control and management of SA Water Corporation who 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.

Dam safety review and design proposal to modify the dam wall and spillway completed September 2005

Detailed hydrology study of the catchment using the very latest methodologies let to Department of Transport, Energy and Infrastructure completed March 2007.

Gawler River Flood Mitigation Scheme – Mark Two

- One What will the Mark Two Scheme Include? (Note these steps may occur concurrently and not necessarily in the following order)
- Two 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.***
- Three 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. This option deferred pending completion of the Northern Floodway's proposal- Gawler River 2016 Flood Review.***
- Four 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.***
- Five 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.***
- Six 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.
- Seven 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. ***Ongoing***
- Eight 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.***
- Nine Investigate opportunities for funding partners and grants to undertake the necessary assessments and designs. ***Ongoing.***
- Ten 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"/> Comprehensive Dam inspection (Newman Engineering) carried out Jan 2018

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 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 GRFMA meetings
Maintain effective Regional Subsidiary	December	The performance of the Executive Officer be reviewed annually	<input checked="" type="checkbox"/> Review conducted in December 2017. Next review to be conducted in December 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 2017
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 2017-2020 adopted <input checked="" type="checkbox"/> June 2018 – Achievements against the Business Plan 2017-2018 presented
Annual Budget	By 31 st March, June, October, December	Adopt for consultation forward to Councils- Adopt Budget – copy to Councils in 5 days- Conduct Budget Reviews	<input checked="" type="checkbox"/> March 2018 – Council consultation <input checked="" type="checkbox"/> Budget 2018–2019 adopted at June 2018 Board meeting
Subscriptions	June December	Send half year subscriptions to Council	<input checked="" type="checkbox"/> All first half subscriptions paid <input checked="" type="checkbox"/> All Second half subscriptions paid

Report to Constituent Councils	Following each Board meeting By 30 th September	The receipt of the following reports by Councils, 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.
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Financial Statements 2017-2018

1. Certification of Financial Statements
2. Financial Statements and Notes
3. Related Parties Disclosures
4. Statement of Auditors Independence
5. Certification of Auditor Independence
6. Management Letter

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018
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 2018 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.



.....
David Hitchcock

16/8/18

EXECUTIVE OFFICER



.....
Ian Baldwin

16/8/18

CHAIRMAN

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2018

	Notes	2018 \$	2017 \$
INCOME			
Subscriptions	3	79,600	76,544
Investment income	1(d)	2,428	3,359
State Government Grants	2	-	136,438
Other Income		20,000	-
Total Income		<u>102,028</u>	<u>216,341</u>
EXPENSES			
Contractual Services	5	85,445	197,462
Depreciation	10), 4	231,213	231,213
Other		15,106	20,996
Total Expenses		<u>331,764</u>	<u>449,671</u>
OPERATING SURPLUS / (DEFICIT)		<u>(229,736)</u>	<u>(233,330)</u>
NET SURPLUS / (DEFICIT)		<u>(229,736)</u>	<u>(233,330)</u>
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(229,736)</u>	<u>(233,330)</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 2018

ASSETS	Notes	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents		2,124	-
Investments	1(d)	57,288	163,157
Debtors		-	47,375
Debtors - GST		1,663	4,419
Accrued Interest		149	495
Total Current Assets		<u>61,225</u>	<u>215,447</u>
Non-current Assets			
Infrastructure	4	18,497,000	18,497,000
Accumulated Depreciation Infrastructure	1(f), 4	(2,311,850)	(2,080,638)
Land	4	465,687	326,364
Total Non-current Assets		<u>16,650,837</u>	<u>16,742,727</u>
Total Assets		<u>16,712,062</u>	<u>16,958,173</u>
LIABILITIES			
Current Liabilities			
Trade & other payables		-	-
Borrowings		-	16,375
Total Liabilities		-	16,375
NET ASSETS		<u>16,712,062</u>	<u>16,941,798</u>
EQUITY			
Accumulated Surplus		13,860,252	14,089,988
Asset Revaluation Reserves	1(f)	2,851,810	2,851,810
TOTAL EQUITY		<u>16,712,062</u>	<u>16,941,798</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 2018

2018	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	TOTAL EQUITY \$
Balance at end of previous reporting period		14,089,988	2,851,810	16,941,798
Restated opening balance		14,089,988	2,851,810	16,941,798
Net Surplus / (Deficit) for Year		(229,736)		(229,736)
Other Comprehensive Income				
Balance at end of period		13,860,252	2,851,810	16,712,062
2017				
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

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 2018

	Notes	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		149,732	163,906
Payments		<u>(100,552)</u>	<u>(218,459)</u>
Net Cash provided by (or used in) Operating Activities		49,180	(54,553)
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Interest Receipts</u>		2,774	3,790
<u>Payments</u>			
Expenditure on new/upgraded assets		<u>(139,323)</u>	<u>-</u>
Net Cash provided by (or used in) Investing Activities		(136,549)	3,790
Net Increase (Decrease) in cash held	8.1	<u>(87,369)</u>	<u>(50,763)</u>
Cash & cash equivalents at beginning of period		<u>146,781</u>	<u>197,544</u>
Cash & cash equivalents at end of period	8.2	<u>59,412</u>	<u>146,781</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 2018

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 2018. 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	\$ 61,225
Infrastructure	\$ 16,185,150
Land	<u>\$ 465,687</u>
	\$ 16,712,062
Less Liabilities	
Accounts Payable / Creditors	<u>\$ 0</u>
NET EQUITY	\$ 16,712,062

Allocation of Councils Interest in Net Assets

Constituent Councils	Accumulated Subscriptions for Operations to 30 June 2018	Accumulated Subscriptions for Maintenance to 30 June 2018	Accumulated Subscriptions for Scheme Works to 30 June 2018	All Subscriptions to 30 June 2018	Percentage of Contributions to the Total	Council's Interests in Net Assets
Adelaide Hills Council	\$99,911	\$2,457	\$70,988	\$173,356	3.59%	\$699,863
The Barossa Council	\$99,911	\$12,298	\$354,951	\$467,160	9.66%	\$1,614,385
Town of Gawler	\$99,911	\$24,558	\$709,892	\$834,361	17.26%	\$2,894,502
Light Regional Council	\$99,911	\$12,298	\$354,951	\$467,160	9.66%	\$1,614,385
Adelaide Plains Council	\$99,911	\$41,010	\$1,163,146	\$1,324,067	27.39%	\$4,577,434
City of Playford	\$99,911	\$49,199	\$1,419,763	\$1,568,873	32.44%	\$5,421,393
	\$599,466	\$141,820	\$4,093,691	\$4,834,977	100%	\$16,712,062

Schedule of Constituent Councils' Interests in Net Assets' as at the 30th June 2018 adopted by the Board in accordance with Clause 15.5 of the Charter on 16 August 2018

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2018

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. Additional Land surrounding the dam was purchased in 2017/18.

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	2018		\$63,028	\$63,028	\$75,431	(\$12,403)
	2017		\$61,625	\$61,625	\$89,385	(\$27,760)
Other	2018		\$39,000	\$39,000	\$25,120	\$13,880
Environment:						
Flood Mitigation	2017	\$136,438	\$18,278	\$154,716	\$129,073	\$25,643
	2018		\$102,028	\$102,028	\$100,551	\$1,477
Total	2017	\$136,438	\$79,903	\$216,341	\$218,459	(\$2,118)

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Adelaide Hills Council			\$ 329	\$ 316	\$10,100	\$9,711	\$10,429	\$10,027
The Barossa Council			\$1,647	\$1,585	\$10,100	\$9,711	\$11,747	\$11,296
Town of Gawler			\$3,295	\$3,169	\$10,100	\$9,711	\$13,395	\$12,880
Light Regional Council			\$1,647	\$1,585	\$10,100	\$9,711	\$11,747	\$11,296
Adelaide Plains Council			\$5,492	\$5,284	\$10,100	\$9,711	\$15,592	\$14,995
City of Playford			\$6,590	\$6,339	\$10,100	\$9,711	\$16,690	\$16,050
TOTAL	-	-	\$19,000	\$18,278	\$60,600	\$58,266	\$79,600	\$76,544

4 Non-Current Assets Summary

	Fair Value Level	2018				2017			
		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	139,323		\$465,687	\$326,364			\$326,364
North Para Dam	-								
North Para Dam	3	\$18,497,000		(\$2,311,850)	\$16,185,150	\$18,497,000		(\$2,080,638)	\$16,416,362
Total Infrastructure and Land		\$18,823,364	139,323	(\$2,311,850)	\$16,650,837	\$18,823,364		(\$2,080,638)	\$16,742,726
Comparatives		\$18,823,364		(\$2,080,638)	\$16,742,726	\$18,823,364		(\$1,849,425)	\$16,973,939

	2017 Carrying Amount	Carrying Amount Movements During Year						2018 Carrying Amount	
		Additions		Disposals	Depreciation	Impairment	Transfers		Net Valuation
		New Upgrade	Renewals						
Land and easements	\$326,364	139,323						\$465,687	
Infrastructure - North Para Dam	\$16,416,362				(\$231,213)			\$16,185,150	
Total Infrastructure, Property, Plant & Equipment	\$16,742,726	139,323			(\$231,213)			\$16,650,837	
Comparatives	\$16,973,939				(\$231,213)			\$16,742,726	

5 Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

Consultants	2018	2017
Dean Gollan	\$0	\$30,470
David Hitchcock	\$50,471	\$28,270
Asset Valuation and Cons	\$0	\$835
AECOM	\$0	\$25,000
Pyper Leaker Surveying	\$0	\$1,800
Northern Industries	\$0	\$2,500
Tonkin Consulting	\$12,800	\$0
Enviro Group Pty Ltd	\$0	\$3,231
Tanom Legal	\$800	\$0
Business Risk A S Solutions	\$2,600	\$1,950
Kelley Jones	\$0	\$2,826
Enviro Group Pty Ltd	\$1,765	\$0
Newman Engineering	\$6,667	\$0
Australian Water Environments	\$3,770	\$95,590
HLB Mann Judd	\$6,572	\$4,990
TOTALS	\$85,445	\$197,462

6 Comparison of Budget and Actual Results (excluding depreciation)

	2018		2017	
	Budget	Actual	Budget	Actual
Revenue				
Administration	\$63,600	\$63,028	\$62,166	\$61,625
Other Environment: Flood Mitigation	\$28,574	\$20,000	\$0	\$0
State Grant	\$0	\$0	\$136,438	\$136,438
Maintenance	\$19,000	\$19,000	\$18,278	\$18,278
Other Environment: Flood Mitigation Capital	\$0	\$0	\$0	\$0
Total Revenue	\$111,174	\$102,028	\$216,882	\$216,341
Expenditure				
Administration	\$96,254	\$92,001	\$91,450	\$89,385
Other Environment: Flood Mitigation	\$0	\$0	\$113,500	\$120,590
Maintenance	\$8,650	\$8,551	\$10,150	\$8,484
Other Environment: Flood Mitigation Capital				
Total Expenditure	\$104,904	\$100,552	\$215,100	\$218,459
Surplus (deficit)	\$6,270	\$1,476	\$1,782	(\$2,118)

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 2018.

8 Reconciliation Statement of Cash Flows

Cash Flows from Operating Activities	
Net deficit from operations	(\$229,736)
Adjust for non-cash items	
Depreciation	\$231,213
Decrease in Debtors	\$ 50,477
Cash Flows from Investing Activities	
Purchase of Land	(\$139,323)
Net Cash decrease from operating activities	(\$87,369)
8.2 Cash and cash equivalents	
Balance at bank	\$ 2,124
Balance at LGFA	\$ 57,288
Total cash and cash equivalents	\$ 59,412

9 Economic Dependence

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 in August 2002, by a Charter that was amended and published in The South Australian Government Gazette on 4th June 2015 at pages 2501 to 2506.

The Gawler River Floodplain Management Authority (GRFMA) is dependent upon subscriptions levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for its continued existence and ability to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River.

Gawler River Floodplain Management Authority
Related Parties Disclosures as at 30 June 2018

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
286 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 2018**

I confirm that, for the audit of the financial statements of Gawler River Floodplain Management Authority for the year ended 30 June 2018, 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

C. M. J.
Corey McGowan
Director

Adelaide, South Australia
10 August 2018

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

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 2018, 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

16/8/18

Gawler River Floodplain Management Authority
266 Seacombe Road, Seacliff Park, SA 5049
Telephone: 0407717368 Email: davidehitchcock@bigpond.com
Website: www.gawler.sa.gov.au/grfma

16 August 2018

Corey McGowan
HLB Mann Judd
169 Fullarton Road
DULWICH SA 5065

Dear Corey,

This representation letter is provided in connection with your audit of the financial report of Gawler River Floodplain Management Authority, for the year ended 30 June 2018, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Report

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 17 November 2014 for the preparation of the financial report in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and confirm that the financial report is fairly presented in accordance therewith, and is free from, material misstatement, including omissions.
2. The financial records of the entity have been kept so as to be sufficient to enable a financial report to be prepared and audited, and other records and registers required by the entity's constitution have been properly kept and are up-to-date.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We have designed, implemented and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained.
4. All transactions have been recorded in the accounting records and are reflected in the financial report.
5. The following have been properly recorded and/or disclosed in the financial report, or there are no such items requiring recording or disclosure:
 - (a) Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral);
 - (b) Arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements;
 - (c) Material liabilities, contingent liabilities and assets including those arising under derivative financial instruments;

6. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
7. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. In particular:
 - (a) We consider that the measurement processes, including related assumptions and models, used by management in determining accounting estimates in the context of the applicable financial reporting framework are appropriate, and the measurement processes have been applied consistently.
 - (b) The assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
 - (c) Disclosures related to accounting estimates are complete and appropriate under the applicable financial reporting framework.
 - (d) No subsequent event requires adjustment to the accounting estimates and disclosures included in the financial report.
9. We have assessed at the end of the reporting period whether there is any indication that an asset may be impaired, having considered, as a minimum, the impairment indicators noted in AASB 136 *Impairment of Assets*. If any such indication exists, we have estimated the recoverable amount of the asset.
10. We have considered the requirements of AASB 136 *Impairment of Assets* when assessing the impairment of assets and in ensuring that no assets are stated in excess of its recoverable amount.
11. We have assessed the recoverability of all receivables, and confirm that adequate allowance has been made for any receivables which may not be collected.
12. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
13. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles.
14. There are no known actual or possible litigation and claims whose effects should be considered when preparing the financial report.
15. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
16. You have not advised us of any financial report misstatements requiring correction, or uncorrected misstatements, that you detected during the audit.
17. All events occurring subsequent to the date of the financial report and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
18. If any matter which may materially affect the financial report arises during the period from the date of the auditor's report to the date the financial report is issued, we will inform you.

Information Provided

19. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters;
 - (b) All financial records and related data and other information, explanations and assistance necessary for the conduct of the audit;
 - (c) Minutes of all meetings of members, Board, and committees of Board.
 - (d) Additional information, explanations and assistance that you have requested from us for the purposes of the audit; and
 - (e) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
20. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
21. There has been no fraud or suspected fraud that affects the entity and involves:
 - (a) Management;
 - (b) Employees who have significant roles in internal control; or
 - (c) Others where the fraud could have a material effect on the financial report.
22. There have been no allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, regulators or others.
23. There have been no instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
24. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that whose effects should be considered when preparing the financial report.
25. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Other Matters

26. We have assessed the ability of the entity to continue as a going concern and are satisfied that it will so continue. We have no knowledge of events or conditions and related business risks beyond the period of this assessment that may cast significant doubt on the entity's ability to continue as a going concern.
27. There have been no non-audit services performed by HLB Mann Judd.
We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully



David E Hitchcock
Executive Officer



Appendix 2 ***Subsidiaries***

**Southern & Hills Local
Government Association**
Annual Report 2017-18



Southern & Hills Local Government Association

Adelaide Hills Council | Alexandrina Council | Kangaroo Island Council | Mount Barker District Council
City of Victor Harbor | District Council of Yankalilla |



ANNUAL REPORT 2017-2018



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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 2017.
- ☑ 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 2018

Council	Elected Member Representative	Council Staff Representative
Adelaide Hills Council	Deputy Mayor Jan - Claire Wisdom	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 Victoria MacKirdy
District Council of Yankalilla	Mayor Glen Rowlands	CEO Nigel Morris

Office Bearers 2017 – 2018

President	Mayor Keith Parkes, Alexandrina Council
Deputy President	Mayor Glen Rowlands, District Council of Yankalilla
Executive Officer	Mr Graeme Martin
Auditor	Mr Jon Colquhoun, FCA, HLB Mann Judd
Elected under the provisions of the Constitution of the Local Government Association	
Delegates to LGA Board	Mayor Keith Parkes Deputy Mayor Jan – Claire Wisdom (via Metro)
Proxy Delegate to LGA Board	Mayor Glen Rowlands, District Council of Yankalilla
Delegates to SAROC	Mayor Keith Parkes Mayor Glen Rowlands Mr Graeme Martin
Proxy Delegate to SAROC	Vacant

President's Forward

The 2017-2018 year largely has seen Southern and Hills Local Government Association consolidate its role and activities.

Core activities have included the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, monitoring the S&HLGA Regional Public Health plan and implementing the region's Climate Change Adaptation Plan, working very closely with the RDA to further the Regional Infrastructure Plan, as well as maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and adopting a new 4 year Business Plan.

There has been much discussion and analysis around the challenges and opportunities ahead given upcoming changes to the Local Government Association of South Australia and the potential to restructure S&HLGA in terms of membership councils, revisiting the charter and the relationship with LGA SA. Having a coordinated regional voice is more important than ever, and for the Hills and Fleurieu and Kangaroo Island region, we have much in the way of learnings and contributions that can be made to the broader sector given our proximity to the capital city of Adelaide and our diverse mix of industries, geography and demographics.

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 energy and drive in supporting the body.

In closing, I acknowledge and thank all the member councils for their support during the year, and say how much I value ongoing contribution of member Mayors and CEOs.

**Mayor Keith Parkes
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:

1 September 2017	–	Alexandrina
27 October 2017	-	Adelaide Hills
15 December 2017	-	Mt. Barker
9 February 2018	-	Kangaroo Island
27 April 2018	-	Adelaide Hills
22 June 2018	-	Alexandrina

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 complete the 2010 Hills Rail Realignment study, develop the regional Infrastructure Priority Plan, the regional China Engagement strategy, Board governance and membership 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, equitable road funding, 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, input into the LGA governance and organisational review, review of the Mobile Food vendors regulations, telecommunications Black Spot funding, developing a LG Coastal Alliance and cost shifting policies such as e-planning portal contributions, hard waste levy and the transfer of rate exempt community housing and developing and promoting the regional decentralisation and population growth strategies.
- 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, special local roads funding applications 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.

13 various speakers addressed meetings of the Board.

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 2017-2018

At the commencement of 2017-2018 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance covering the previous period. The Board also adopted its new Business Plan covering the period 2017-2021.

S&HLGA Roads Working Party

The Roads 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.
- Review and plan the update of the S&HLGA Roads Database that comprises the roads nominated by Councils under the policies of the 2020 Transport Plan
- Reviewed the next 3 year work plan for the region
- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2018 – 2019

Project	Council	Total Project Cost for this stage	SLRP request	Council contribution	comment
Waitpinga Rd	City of Victor Harbor	\$900,000	\$600,000	\$300,000	Stage 3 of 4
Springs Rd	Mt Barker	\$975,000	\$650,000	\$325,000	Stage 2 of 4
Wedgewood/Hickmans Rd	Kangaroo Island	\$300,000	\$200,000	\$100,000	Stage 1 of 3
Quarry Rd	Alexandrina	\$285,000	\$190,000	\$95,000	Stage 1 of 2
Total		\$2,460,000	\$1,640,000	\$820,000	

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
- Adopting best practice and efficient operations

The CWMS User group became active in the latter part of the year, formally adopting Terms of Reference and meeting on 28 May and 20 June 2018

Regional Research 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 – submission on LGA Reform, Options for SA Councils
- To SAROC on behalf of the S&HLGA region – Abundant Bird Species Management
- To SAROC on behalf of the S&HLGA region – Mobile Food Vendor Regulations
- To The Office of Minister Leon Bignell on behalf of the sector – Regional Abattoir support
- LGA R&D application in partnership with Insurance Council of Australia for “What we Build, Where we Build” research grant
- S&HLGA Strategic GAROC/SAROC Direction and Discussion Paper
- To SA Health on behalf of S&HLGA Regional Public Health progress report for the period 2014 – 2016
- To EO Management Group - Ratings developments discussion paper

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:

Committee	S&HLGA Executive Officer Role	Meeting Frequency	Comment
Regional Public Health	Secretarial/Administration	Every 2 months	ongoing
Resilient Hills & Coast - Climate change Adaptation	Committee member	Every 2 months	ongoing
Northern Freight Bypass	Chair	Every 2 months	Estimated 1 st stage Project completion June 2018
Regional Economic Development Officers	Committee member	Every 2 months	ongoing
KI Eco Growth – Commissioner’s Local Advisory Board	Chair	Every 2 months	2 year appointment due to complete September 2018
Regional EO Management Group	Committee member	Every 2 months	Precedes SAROC
S&HLGA CEO group	Secretarial/Administration	Every 3 months	Precedes S&HLGA Board
LGA Ratings Equity Steering Committee	Committee member	Ad hoc	Project completion June 2018
S&HLGA Roads Works Group	Secretarial/Administration	Ad hoc but at least 3 times per annum	ongoing
S&HLGA CWMS User Group	Secretarial/Administration	Every 2-3 months	ongoing

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
- Wallman Lawyers Property & Infrastructure Asset Management Forum –site contamination
- Kangaroo Island Business Expo
- LGA Governance Review workshops x 2
- Commissioner for Kangaroo Island Key Development Projects Forum
- Various Council presentations on S&HLGA Key Activities and Projects

- Australian Institute of Company Directors Economic Outlook forum
- SA Powernetworks future networks deep dive forum
- LGA Rate Capping Forum
- Coastal Alliance Forum
- State Public Health Plan review workshop
- S&HLGA Regional Community Energy Project Forum

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.
- Lobbying the State Government to change the regulations on Mobile Food vendors
- Working with the State Government on the management and control of abundant pest species particularly Little Corellas
- Lobbying State Government on contributions to Mobile Telecommunications black spot funding
- Developing and promoting the Regional Decentralisation and population growth strategies
- Working to develop a Coastal Council Alliance
- Member of the Regional Task Group to oversee the Ratings Equity Project
- Input into LGA Governance review

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 LiDar Hazard Mapping project on KI
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.

LGA Board

Deputy Mayor Jan – Claire Wisdom (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. District Council of Yankalilla Mayor, Glen Rowlands has acted as proxy delegate.

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 2017 - 2018.

Acronyms

AICD.....	Australian Institute of Company Directors
AMLRNRM.....	Adelaide and Mt Lofty Ranges Natural Resources Management Board
CEO.....	Chief Executive Officer
CWMS.....	Community Wastewater Management Systems
DEW.....	Department of Environment and Water
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
2017 – 2018	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
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



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

2017 - 2018

Address: 13 Ringmer Dr. Burnside, South Australia 5066
Telephone: 0418 502 311
Email: graeme@shlga.sa.gov.au
Web Site: www.shlga.sa.gov.au

The Business Plan 2017 – 2021 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 Association
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 Association, to prepare agendas, minutes and correspondence as required.

AND against recognised and documented success indicators.

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
1. <i>To provide leadership and advocacy for Member Councils on regional issues.</i>	S&HLGA Board Meetings	Bi-Monthly Meetings to focus on Local Government issues that support Councils to achieve their Business Plan outcomes by: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Meetings to include presentations, workshops and forums on Key Issues <input checked="" type="checkbox"/> Respond as necessary to State and Federal Government Policies which impact on the region 	To maintain a vibrant responsive format for the S&HLGA Board	<i>Leader:</i> Key issues are addressed and format of meetings constantly meet the needs of the Association's members.	Annual Board meeting program (date and location) developed and agreed Strategies that give priority to S&HLGA issues Feedback data on the meeting format, speakers Number of policy responses	1. 4/8/2017 OLG Financial Regulation discussion on EOFY account sign off 2. 28 Nov 2017 Meeting with Statoil re: Bight exploration plan
2. <i>To promote & market the Southern & Hills Local Government Association</i>	S&HLGA Website	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Ensure the new website is current and marketed appropriately <input checked="" type="checkbox"/> Update the website as required and review 	Maintain an informative, current and appealing S&HLGA website	<i>Leader:</i> EO responsibility	all licences and registrations are current and compliant Website has up to date & current information	1. Operations and Financial Policy loaded on the website Nov 2017 2. Website update to reflect changes in Officers Feb 2018

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
	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 <input checked="" type="checkbox"/> Produce Annual Report	To manage the financial affairs within budget and to prepare reporting within the required timeframes. Business Plan objectives and actions are addressed.	<i>Leader:</i> EO responsibility	Budget is maintained and reports meet timelines. Audit completed by end of August 2017 Mid Year Budget review undertaken in Feb 2016 Annual Report published	1. 2017-2018 Budget adopted 23/06/2017 2. 2017-2018 Audit completed 07/08/17 3. 2016-2017 Annual Report adopted 01/09/2017
	Regular CEO's meetings	<input checked="" type="checkbox"/> Review the format and operation of the CEO's forum <input checked="" type="checkbox"/> CEO's to inform EO of issues for each meeting	Aim to host a regular CEO meeting prior to the S&HLGA Board meetings with the objective of working through key issues in more depth for presentation to the Board.	<i>Facilitator /Initiator</i>	CEO meeting recommendations and feedback. Improved information flow to S&HLGA Board	1. CEO meetings convened to precede scheduled Board meetings

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
	Strengthen interaction with State government and opposition MP's and all regional Stakeholders	<input checked="" type="checkbox"/> Meet regularly and as necessary with key MPs, <input checked="" type="checkbox"/> Ensure each regional MP is invited to S&HLGA meetings <input checked="" type="checkbox"/> Allocate key Stakeholders presentation spots at S&HLGA Board meetings	Management of key stakeholder relationships and regional MPs with the S&HLGA Board	<i>Facilitator /Initiator</i>	Key Stakeholder feedback and Board satisfaction	1. KI Business Expo 27/11/17 Minister Bignell (Tourism) 2. Regional Abattoir support letter to Minister Bignell/Robert Brokenshire MPMP 16/2/18 3.Meeting with Sam Duluk 25/5/18 to discuss Northern Rail Bypass Report 4.Meeting with new regional MPs 28 June
	Regional issues to be raised with LGA directly or through SAROC	<input checked="" type="checkbox"/> Attend SAROC meetings <input checked="" type="checkbox"/> Attend LGA Forums and Meetings <input checked="" type="checkbox"/> Develop SAROC and LGA reports as necessary	The S&HLGA EO will maintain regular attendance at SAROC and LGA meetings and events	<i>Advocate</i>	Regular SAROC attendance. Regular LGA Forums attended Number of issues raised with LGA / SAROC / Agencies Number of LGA/SAROC Task groups and Committees involved in Improved prominence of S&HLGA region & issues with LGA	1. LGA AGM Nov 2017 2. LGA OGM April 2018 1. Abundant Bird Species Report SAROC July 19 2017 2. Mobile Food Vendor Report SAROC May 16 2018 1. Rating developments paper produced for EO Management Group 06/09/2017 2. EO Appointed to Ratings development Work Group to review ratings options on exempt Power generators 1. LGA Governance review workshops 2/11/17, 22/11/17 2 Submission to LGA – Reform LG - Options for SA Councils 17/01/2018

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
<i>Objective</i>	<i>Item</i>	<i>Key Actions</i>	<i>Description</i>	<i>Role & Responsibility</i>	<i>Key Outputs & Outcomes</i>	
	New 4 Year Business Plan	Develop new S&HLGA 4 Year Business Plan 2017-2021	Develop the S&HLGA 2017-2021 new 4 year Business Plan in line with the requirements of the LG Act	<i>Owner/Custodian</i>	New Business Plan adopted by S&HLGA Board and accepted by the Minister	<ol style="list-style-type: none"> 1. Draft 2017-2021 Business Plan presented to the Board 23/06/2017 2. 2017-2021 Business Plan adopted 01/09/2017

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
	research Explore (with the LGA) research and /or pilot programs for the Region.	<input checked="" type="checkbox"/> Complete LGA R&D applications as necessary		<i>Advocate/Influence</i>	Successful Research or funding applications or projects facilitated in the region	1. Three applications submitted 31/07/2017 in which S&HLGA is the lead proponent or partner
	Public Health Complete all compliance requirements of the regional Health Plan in accordance with the State Public Health Plan	<input checked="" type="checkbox"/> Completed reporting and monitoring implementation aspect of the Regional Health Plan <input checked="" type="checkbox"/> Maintain Working Group membership and provision of administrative services	Report progress of the S&HLGA Regional Public Health Plan	<i>Leader/Control</i>	Individual Council Action Plans monitored and evaluated through the S&HLGA PH Working Group	1. Support for Community Wellbeing Alliance and partner in LGA R&D application for funding for community based regional officers 2. Successful Community Wellbeing Alliance application
	Planning Regional Planning Reform	<input checked="" type="checkbox"/> Successful S&HLGA/RDA partnership rollout of the RDA/PIRSA funded Regionalisation project during 2017-18 (delayed from 2016-2017)	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	<i>Partner/Influence</i>	To obtain feedback of constituent Councils on whether they support a Regional DAP	

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
	Regional Development Support the RDA in all regional economic issues and projects	<input checked="" type="checkbox"/> Regular meetings with the RDA <input checked="" type="checkbox"/> Assist the RDA in reporting to the S&HLGA Board against the agreed KPIs <input checked="" type="checkbox"/> Consider attending an RDA Shanghai/ Singapore outward bound mission	Continue to foster the relationship with the primary regional Economic Development agency	<i>Partner/Influence</i>	Improved economic outcomes for the region Stronger Regional RDA	1. RDA to take lead administration on the Hills Rail Re-alignment project. 2. meeting with new RDA Chair James Sexton 22/3/2018
4. <i>To improve infrastructure to meet the region's needs</i>	Infrastructure Partner with RDA and regional Economic Development Officers	<input checked="" type="checkbox"/> Development of the Regional Infrastructure Plan via membership of the Regional Economic Development Officers Forum	The constituent Councils Economic Development Officers in conjunction with the RDA & S&HLGA have created a Working Group to assess economic opportunities and develop a Regional Infrastructure priority list	<i>Partner/Influence</i>	Regional Priority Infrastructure Plan presented to the S&HLGA Board	1. Regional Eco Dev Officers meetings 17/8/17, 9/11/17, 14/3/18 2. Attendance Wallman Lawyers Property & Infrastructure Asset Management Forum – site contamination 21 Feb 2018

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
	Telecommunication	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Liaise with the regional NBN co-ordinator <input checked="" type="checkbox"/> Advocate to the LGA on regional Mobile issues 	Monitor regional NBN rollout & continue to lobby for equitable access for the region for digital technology including Broadband upgrades and extended mobile telephone coverage	<i>Partner/Influence</i>	<p>Completed Mobile Blackspot submissions and NBN requests</p> <p>Improved regional telecommunications</p>	1. Discussions with Telstra State Manager at KI Eco Growth LAB meeting 14/09/2017
	Transport S&HLGA 2020 Regional Transport Plan	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Develop a new Roads database funding priority list <input checked="" type="checkbox"/> Advocate and drive the key Freight and Public transport priorities of the Plan <input checked="" type="checkbox"/> Apply to SLRP for Regional Funding 	Continue to work with HDS and the S&HLGA Roads Works Party to evolve the S&HLGA 2020 Transport Plan	<i>Partner/Control</i>	<p>Improved Road infrastructure in the region</p> <p>Successful annual SLRP funding and levy implementation</p> <p>Agreement and recognition by State Government of the key regional Freight Routes</p> <p>Agreement and recognition by State Government of the key regional Public Transport initiatives</p>	<p>1. South Coast Regional Freight Route Brochure designed July 2017</p> <p>2. 2017-2018 SLRP applications successful. Grant Total \$1,949,000</p> <p>3. RWP strategy meeting 24/11/2017</p> <p>4. 2018-2019 SLRP meeting 20/3/2018</p> <p>5. RWP strategy meeting 18/5/2018</p>

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
	Northern Freight Bypass project	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> EO to continue membership of the Northern Freight Bypass Committee <input checked="" type="checkbox"/> Pass over administration role and seed LGA funding to the RDA <input checked="" type="checkbox"/> Report to S&HLGA Board on progress 	Partner with regional key Stakeholders to review the Northern Freight Bypass options	<i>Partner/Influence</i>	<p>Comprehensive review and update of the 2010 GHD study</p> <p>Improved freight and Public Transport outcomes for the region</p>	<ol style="list-style-type: none"> 1. Targeted Tenders requested – July 2017 2. Tonkins appointed to conduct the review 11/09/2017 3. S&HLGA EO Appointed Chair of Hills Rail Re-alignment project steering committee. 4. Draft report May 2018.
	CWMS	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Liaise with Member Councils and key Stakeholders <input checked="" type="checkbox"/> Seek funding by AMLR NRM for regional Water Based project. 	In conjunction with experts in the field develop a plan for the regional CWMS reviewing options around critical mass and efficient operations as well as modelling future demand and supply	<i>Partner/Influence</i>	<p>Sustainable regional CWMS</p> <p>Optimal CWMS strategy adopted for each member Council</p>	<ol style="list-style-type: none"> 1. Meeting CWMS user Group 28/5/2018

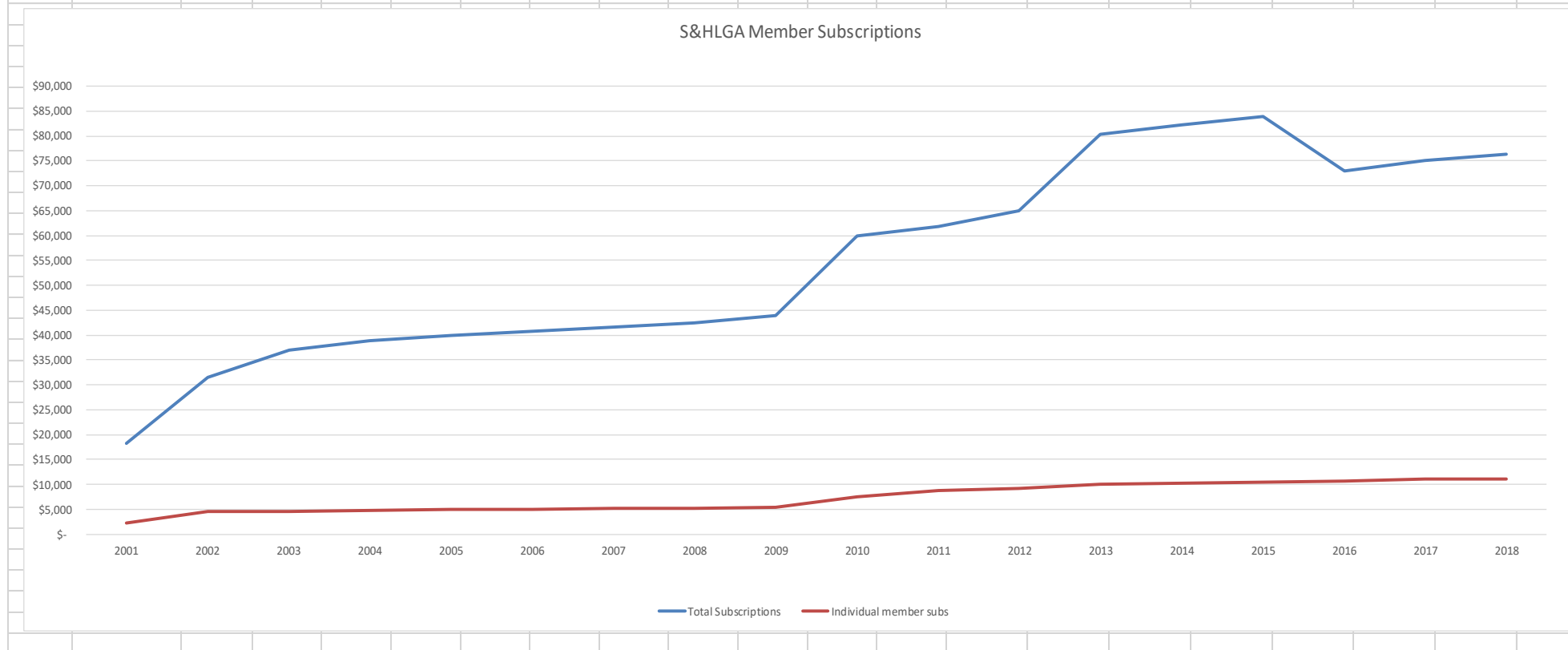
2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
	Rubble Royalties	<input checked="" type="checkbox"/> Liaise with LGA on this issue <input checked="" type="checkbox"/> Invoice LGA as necessary <input checked="" type="checkbox"/> Assess regional projects worthy of RR funding <input checked="" type="checkbox"/> Work with other Regions to review and develop an optimal system for the LG sector	Manage the region's annual revenue and expenditure from the Rubble Royalty scheme	<i>Leader/Influence</i>	Regional projects advanced from RR funding	1. First Rubble Royalty for \$11,513 received 31/08/2017 2. Rubble Royalty \$56,105 received 2/3/2018
5. To strengthen the capacity of the Association to meet its service obligations.	LGA Grants	<input checked="" type="checkbox"/> Acquit and apply for the LGA Regional Capacity Building Grant <input checked="" type="checkbox"/> Acquit and apply for LGA Outreach Grant	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	<i>Advocate/Control</i>	LGA Regional Capacity Building Grant successfully applied for LGA Outreach Grant successfully applied for	1. July 2017 – LGA Regional 2016-2017 capacity grant acquitted and 2017-2018 Grant applied for. 2. 2017-2018 Capacity Grant for \$39,777 received August 2017 3. July 2017 – LGA Outreach grant acquitted and 2017-2018 Grant applied for. 4. \$55,000 Grant received August 2017
	Revenue & Membership	<input checked="" type="checkbox"/> S&HLGA Membership negotiations with Onkaparinga to continue	Continue to Review the membership base of the S&HLGA and explore the possibility of a Peri Urban Region or identify additional members	<i>Information Provider/Concern</i>		1. Meeting with Onkaparinga CEO 25 August 2017 2. LGA meeting re: future peri-urban option 15 March 2018 3. S&HLGA Strategic GAROC/SAROC direction discussion paper developed June 2018

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
Objective	Item	Key Actions	Description	Role & Responsibility	Key Outputs & Outcomes	
	Sustainability	<input checked="" type="checkbox"/> Benchmarking with Workshop participation and Progress and Outcome Reports to the Board <input checked="" type="checkbox"/> Continued Project implementation & management with LKS Quaero of the Fleurieu Futures Project (FFP)	Benchmark and review the Long term financial sustainability of Councils including future growth trends, alternative revenue options and optimal size and boundaries FFP final report presented to the S&HLGA Board	<i>Information /influence</i>	Improved financial performance by member Councils	1. 4 x S&HLGA Councils signed up with LG professionals Benchmark study 1. FFP Common Purpose next steps workshop conducted for Sept 2017 2. Common Purpose workshop completed 12 Sept 2017 3. LKS/LGA meeting 19 March 2018
	Charter	Complete comprehensive review of the S&HLGA Charter	Review the Charter and benchmark /model against other Regional Organisations	<i>Owner/Custodian</i>	Charter reviewed and amendments adopted by the constituent Councils	1. Charter Review progress report presented to the S&HLGA Board Dec 2017
	State Government & opposition Policies	<input checked="" type="checkbox"/> Participate in SAROC/LGA task groups, reports and negotiations <input checked="" type="checkbox"/> Keep the S&HLGA Board fully informed via EO reports	Partner LGA in efforts to progress action on Rate capping, NRM levy collection and Funding, Elected member and Council staff Training, Waste Levy freeze, Rate rebates for Community Housing and PD and Financial Assistance Grants indexing	<i>Partner/Concern</i>	State Government policies reflect the wishes of the region	

2013-2017 Business Plan	Action Plan 2017 - 2018					Achievements
<i>Objective</i>	<i>Item</i>	<i>Key Actions</i>	<i>Description</i>	<i>Role & Responsibility</i>	<i>Key Outputs & Outcomes</i>	
	Temporary Population impacts	<input checked="" type="checkbox"/> Participate and/or lead presentations, workshops and submissions	Lead the Region in action on a review of FAGs methodology to better incorporate temporary population impact	<i>Information /Concern</i>		

S&HLGA Membership Fee history

Financial Year ended	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	\$ 11,200
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	\$ 76,373
\$ 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	\$1,200
% 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%	1.6%
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 2018

	Notes	2018 \$	2017 \$
Income			
Subscriptions	1.8	75,173	72,995
Operating Grants		89,777	182,506
Investment Income	1.7	3,164	2,634
Other		90,280	21,736
Total Income	1.4	258,394	279,871
Expenditure			
Contractual Services	3	163,911	168,080
Finance Charges		3,482	3,326
Other		51,410	64,692
Total Expenditure		218,803	236,098
Surplus (Deficit) from Operations		39,591	43,773

The above Income Statement should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2018

	2018	2017
Notes	\$	\$
Current Assets		
Investments	126,959	97,928
Debtors	6,000	0
Total Current Assets	<u>132,959</u>	<u>97,928</u>
Current Liabilities		
Accounts Payable	<u>60</u>	<u>4,620</u>
Total Current Liabilities	<u>60</u>	<u>4,620</u>
Net Current Assets	<u>132,899</u>	<u>93,308</u>
Net Assets	<u>132,899</u>	<u>93,308</u>
Equity		
Accumulated Surplus	<u>132,899</u>	<u>93,308</u>
Total Equity	<u>132,899</u>	<u>93,308</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 2018

	2018	2017
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	93,308	49,535
Net Surplus / (Deficit)	39,591	43,773
Balance at end of period	132,899	93,308
Total Equity	132,899	93,308

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 2018

	Notes	2018	2017
		\$	\$
Cash Flows from Operating Activities			
Receipts		280,753	304,961
Payments		(252,299)	(276,694)
GST Paid (received)		(2,587)	(2,570)
Interest Receipts		3,164	2,634
		29,031	28,331
Net Cash Provided by (Used in) Operating Activities		29,031	28,331
Net increase/(decrease) in Cash Held		29,031	28,331
Cash at the beginning of the reporting period		97,928	69,597
Cash at the end of the reporting period		126,959	97,928

Reconciliation of Change in Net Assets to Cash from operating activities

		2018	2017
			\$
Net Surplus		39,591	43,773
Add			
Net Decrease in Debtors		0	0
Less			
Net Decrease in Accounts Payable		(10,560)	(15,442)
Net Cash provided by Operating Activities		29,031	28,331

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 2018

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 Yankalilla.

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 recognised as they accrue.

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions (not levies) by Constituent Councils are equal.

Constituent Council Subscription 2018	\$11,000
Constituent Council Subscription 2017	\$10,685

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	%	
2018	39,777	78,338	118,115	45.7%	160,692	73.4%	(42,577)
2017	157,506	75,776	233,282	83.4%	160,053	67.7%	73,229

Projects

2018	50,000	70,789	120,789	46.8%	49,442	22.6%	71,347
2017	25,000	4,229	29,229	10.4%	73,787	31.3%	(44,558)

Transport and Communication

2018	0	19,490	19,490	7.5%	8,669	4.0%	10,821
2017	0	17,360	17,360	6.2%	2,258	1.0%	15,102

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							
2018	89,777	168,617	258,394	100.0%	218,803	100.0%	39,591
2017	182,506	97,365	279,871	100.0%	236,098	100.0%	43,773

3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

		2018	2017
Consultants:	LKS Quaero	\$12,682	\$2,500
	Grange Advisors Pty Ltd	\$142,560	\$139,080
	HDS Australia Pty Ltd	\$8,669	\$1,500
	RDA H&C	\$0	\$25,000
	Totals	\$163,911	\$168,080

4. Comparison of Budget and Actual Results

	2018		2017	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	202,369	118,115	192,033	233,282
Projects	0	120,789	0	29,229
Transport and Communication	18,350	19,490	17,600	17,360
Total Revenue	220,719	258,394	209,633	279,871
Expenditure				
Administration	170,190	160,692	166,950	160,053
Projects	25,250	49,442	30,250	73,787
Transport and Communication	13,000	8,669	12,000	2,258
Total Expenditure	208,440	218,803	209,200	236,098
Surplus (Deficit)	12,279	39,591	433	43,773

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 2018 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 30th July 2018



Graeme Martin
EXECUTIVE OFFICER



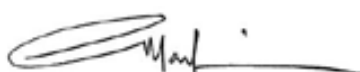
Mayor Keith Parkes
PRESIDENT

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 2018, 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 30th July 2018



Graeme Martin
EXECUTIVE OFFICER



Mayor Keith Parkes
PRESIDENT

TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 June 2018**

I confirm that, for the audit of the financial statements of Southern & Hills Local Government Association for the year ended 30 June 2018, 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 Audit (SA) Pty Ltd
Chartered Accountants**



**Jon Colquhoun
Director**

**Adelaide, South Australia
25 August 2018**

**Independent Auditor's Report
To the Members of Southern & Hills Local Government Association**

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Southern & Hills Local Government Association ("the Association") which comprises the balance sheet as at 30 June 2018, 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, and the certification of financial statements.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Association as at 30 June 2018, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act SA 1999*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards and the *Local Government Act SA 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 Association 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 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 Association'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 Association or to cease operations, or have no realistic alternative but to do so.

Board Member are responsible for overseeing the Association'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

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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 Association'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 Association'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 Association 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 Board Member 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 Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
25 August 2018



Jon Colquhoun
Director

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