



Adelaide Hills
COUNCIL

2019-20
Annual Report





Welcome

This is our Annual Report for 2019-20 which provides an account of our performance over the financial year 1 July 2019 to 30 June 2020 and highlights our achievements against the goals we set in *Your Adelaide Hills* Strategic Plan and Annual Business Plan 2019-20.

The Annual Report meets the requirements of the Local Government Act 1999, and is provided for our ratepayers, residents, business operators, visitors, government agencies and other interested parties.

ISBN 978-0-646-81909-9

Cover photo: Peramangk Shield carving, Woorabinda Bushland Reserves. Credit: Lynne Griffiths.

Contents

| | | | |
|----|------------------------------------|----|--|
| 03 | From the Mayor | 14 | Delivering on our Plans |
| 03 | From the Chief Executive Officer | | Goal 1: People and business prosper |
| 04 | About us | | Goal 2: Activities and opportunities to connect |
| | Our District | | Goal 3: Places for people and nature |
| | Our Council | | Goal 4: Explore ideas and work with others |
| | Our Organisation | | Organisational sustainability |
| 08 | Our 2019-20 Performance Highlights | 27 | Our focus in 2020-21 |
| | Financial Performance Highlights | 28 | Our Governance |
| | 2019-20 Capital Works Program | 45 | Appendix 1: Financial Statements |
| | Customer Service Standards | 97 | Appendix 2: Subsidiary Annual Reports |
| | Our Events | | Easte Waste Management Authority |
| | | | Gawler River Floodplain Management Authority |
| | | | Southern and Hills Local Government Association |
| | | | Adelaide Hills Region Waste Management Authority |

Council acknowledges that we undertake our business on the traditional lands and waters of the Peramangk and Kurna people.

We pay our respects to Elders past, present and emerging as the Custodians of this ancient and beautiful land.

An online version of this Annual Report can be 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

We want our community to continue to feel safe and supported; to connect with each other; to enjoy our unique natural environment and local culture; to feel pride of place; and to be ambitious for a brighter future.

The 2019-20 financial year brought a unique set of challenges. Together, we continue to navigate the challenging road to recovery from the Cudlee Creek Bushfire in December 2019 and the ongoing impacts of the 2020 global Coronavirus (COVID-19) pandemic. Like others across the world we are having to adapt to a new reality of changing cultural norms and the ongoing impact of climate change and Council's role is to provide the community with the necessary tools and environment to survive and thrive in this new world without surrendering the community values that unite us.

Our new *Strategic Plan 2020-24: A brighter future* maps out initiatives, goals and priorities that balance the four pillars of recovery: our community, natural environment, local economy, and built environment and infrastructure.

This Annual Review, with our Long Term Financial Plan, demonstrates how we are delivering on our strategic vision through essential services and infrastructure necessary for a healthy and safe community.

As a result of our substantial bushfire recovery efforts we've had to accommodate a deficit for 2019-20 of \$2.542 million. Council received \$1.225 million in upfront Federal funding and expect our application for \$1.550 million in emergency funding will be forthcoming, allowing us to forecast a budget surplus in the 2020-21 financial year. This keeps us on track with our Long Term Financial Plan.

Unlike many other Councils, 85 per cent of our revenue comes from rates. The average general rate increase of 2.95 per cent aligns with current State and Local Government economic advice. It will allow us to maintain financial sustainability as well as fund our initiatives to support businesses and community members impacted by the bushfire and COVID-19, while also stimulating the local economy.

Australia in general, and South Australia in particular, have done well to avoid the repeat national and regional COVID lockdowns causing dismay and unrest elsewhere in the world but we must not lapse into complacency. Climate change continues to impact weather patterns and with the ongoing threat of bushfire and COVID-19, everyone needs to stay vigilant to stay safe. As your Council we are committed to helping you through these crises with actions such as those outlined in this review.

Congratulations and thank you once more to everyone who has supported our community through the trials of the bushfire, lockdowns and our ongoing recovery journey. We are emerging stronger and more connected each day as we look towards a brighter future.



From the CEO

The service we in local government provide has been more essential than ever during this difficult and restricted period.

The first half of the past financial year was vastly different to the second. Council experienced a dramatic shift in focus from delivering on our strategic goals to emergency response and recovery, as a result of the Cudlee Creek Bushfire and ongoing impacts of the global pandemic.

An Incident Management Team (IMT) of staff was formed in the days leading up to the bushfire that started on 20 December 2019 (a day forecast to be catastrophic). This team was prepared for an emergency response to bushfire, with many of our staff directly involved and personally impacted by the eventual disaster.

In recovery mode, an IMT was then formed in mid-March 2020 to address the COVID-19 crisis. Council staff and volunteers were committed to providing as many of our services as possible, to as many people as possible, for as long as we could.

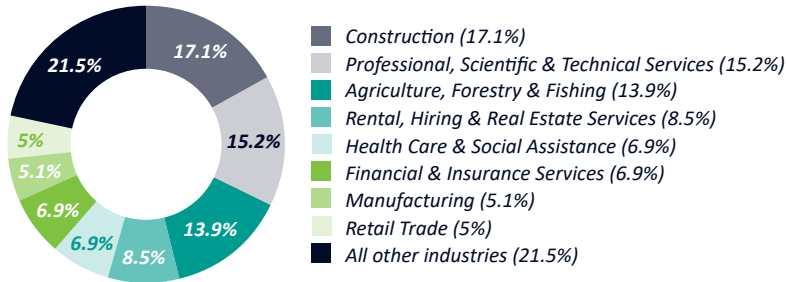
In order to deliver services safely and appropriately we needed to be innovative, agile, and work closely with emergency response agencies and local community groups. This allowed us to react rapidly and effectively to an ever-changing set of emergency circumstances, and provide much needed support to community members and local businesses.

Over 280 care packages were delivered to our Positive Ageing Centre clients during lockdown, and 135 priority development applications for bushfire affected residents were approved. We also maintained our commitment to essential service delivery, environmental sustainability, and community development. We established a 'click and collect' library service, delivered programs online, and ensured our range of parks and infrastructure maintenance could continue with social distancing protocols. Road works to the value of \$4.2 million were completed, over 50 per cent of waste collected was diverted from landfill as recyclable material, and 18 community and recreation facility grants were awarded totalling \$105,000.

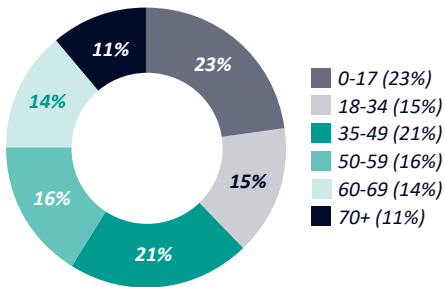
I thank our Mayor and Council Members for their strength and support. I'm also incredibly proud of the way our staff swiftly established and embraced the changes needed to deliver our diverse range of essential services in the past 12 months. It's because we care - for each other; our volunteers; and for the people we serve.

Our District

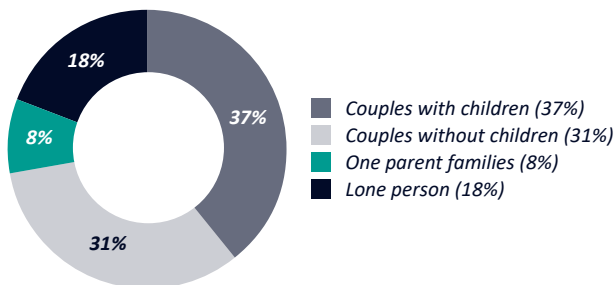
Number of registered businesses by Industry



Age Profile of Adelaide Hills Council



Household Types



Population Density
0.5 Persons / hectare

83%
own or are
buying a home

Households
15,478

44
Median
Age

3%
need help
at home

Playgrounds
38

Volunteers
32%

District Area
795km²

Total Population
39,793

Townships & Localities
57

local jobs
11,222

Education
29% have a
university education
19% have a
trade qualification

There are 4058 businesses in total and 98% of them have less than 20 employees

Our Council Members

Council elections were held in November 2018 with a popularly-elected Mayor and 12 Councillors elected under two wards: the Valleys Ward and the Ranges Ward.

Mayor

Dr Jan-Claire Wisdom

Ranges ward

Councillor Ian Bailey

Councillor Kirrilee Boyd

Councillor Nathan Daniell

Councillor John Kemp

Councillor Leith Mudge

Councillor Mark Osterstock

Councillor Kirsty Parkin

Valleys ward

Councillor Pauline Gill

Councillor Chris Grant

Councillor Linda Green

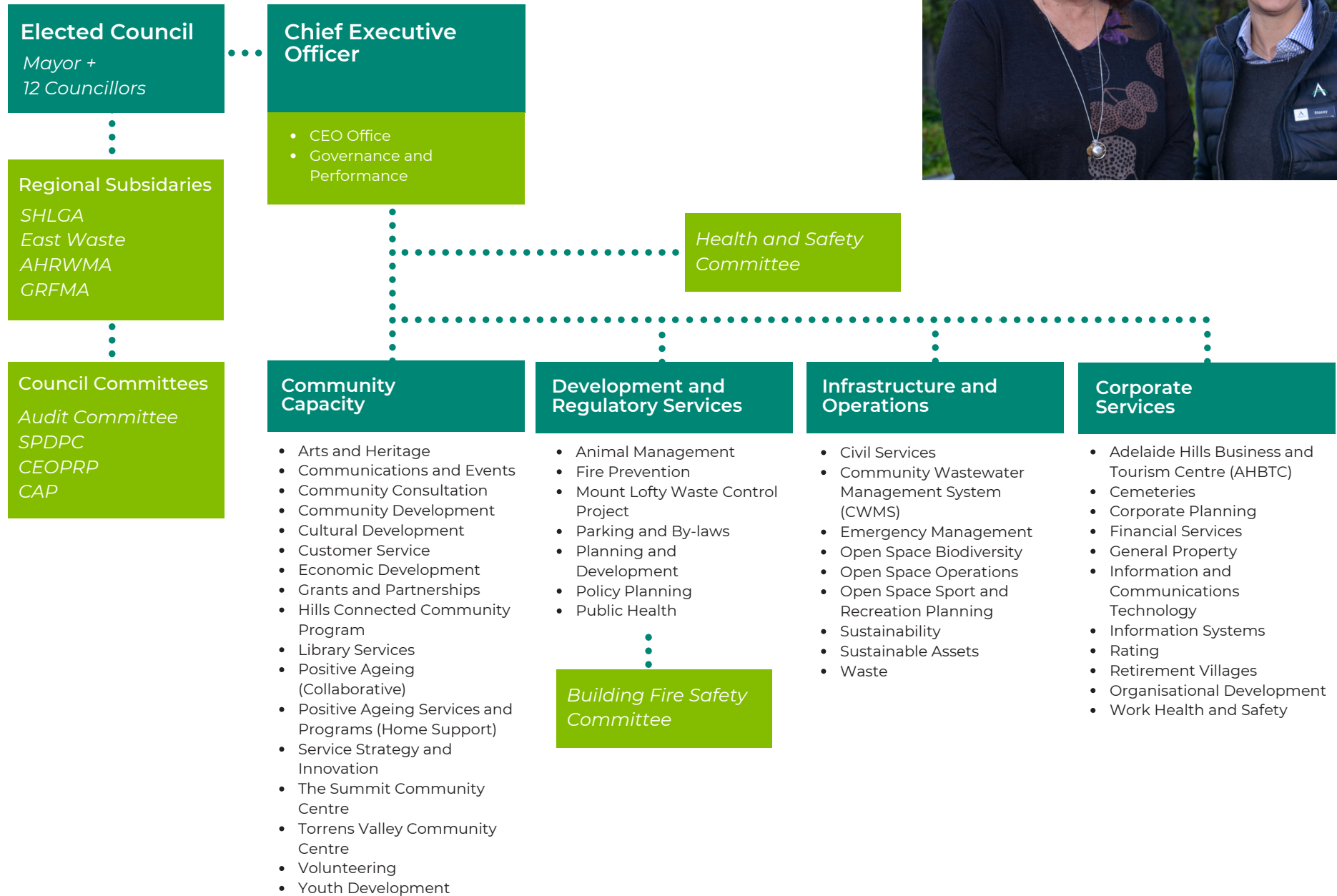
Councillor Malcolm Herrmann

Councillor Andrew Stratford

Image (from left to right): Cr Malcolm Herrmann, Cr Andrew Stratford, Cr Ian Bailey, Cr Leith Mudge, Cr Pauline Gill, Cr Mark Osterstock, Mayor Jan-Claire Wisdom, Cr Nathan Daniell (Deputy Mayor), Cr Kirsty Parkin, Cr Kirrilee Boyd, Cr John Kemp, Cr Chris Grant, Cr Linda Green



Our Organisation



Our Organisation

Council and Committees

The Elected Council's role is to provide for the governance and management of the Council area. It does this through:

- representing the interests of the community
- providing and coordinating public services and facilities
- encouraging and developing initiatives to improve the community's quality of life, and
- undertaking its responsibilities and functions as prescribed in legislation and strategic management plans.

A number of committees have been established in accordance with legislation to assist the Council to discharge its responsibilities in specific areas. These are the Strategic Planning & Development Policy Committee (SPDPC), the Audit Committee, the Chief Executive Officer Performance Review Panel (CEOPRP), the Council Assessment Panel (CAP), the Building Fire Safety Committee and the Health & Safety Committee.

Administration

The Council's Administration is led by a Chief Executive Officer appointed by the Council.

The Chief Executive Officer appoints staff to carry out the functions and duties delegated to them and to implement Council decisions. The Administration is organised into directorates with specific areas of focus (see diagram, page 6), that are led by an executive leadership team consisting of four directors and two executive managers. The arrangement of the directorates provides for the separation of the regulatory activities (into the Development and Regulatory Services Directorate) from the other activities of the Council.

Regional Subsidiaries

CCouncil is a member of four regional subsidiaries which are responsible for certain functions and duties assigned to them through their charters. The subsidiaries are the:

- Southern and Hills Local Government Association (SHLGA)
- Eastern Waste Management Authority (East Waste)
- Adelaide Hills Region Waste Management Authority (AHRWMA), and
- Gawler River Floodplain Management Authority (GRFMA).

Our 2019-20 Performance Highlights

Helping our community

135 priority development applications approved for bushfire affected residents



280 sunshine care packs delivered to our Positive Aging Centre members during lockdown



300+ check-in calls made to vulnerable clients following the Cudlee Creek Bushfire



18 Community and recreation facility grants were awarded totalling

\$105K



Aged home support



6,188 hours of in home support



11,406 hours of social support



1,392 transport trips

Community programs

28,499

and events

12,321

attendees at our community programs



attendees at Fabrik programs, events and workshops

Community Online Engagement



Library program participants **3** times higher since providing online programs.



93% growth in Social media followers



1,073 people participated in online campaigns
34,385 project page views

Economy

1.19m day trips taken to the region



\$170m spent by visitors



Average of **194** volunteers across the year



13,644

volunteer hours provided across libraries, community centres, assisting in aged support and in youth development

Arts activities and events



Exhibitions
10



Music performances
4



Arts workshops and activities
54

Our 2019-20 Performance Highlights

Library



Physical visits
229,649



Physical loans
542,383



Digital loans
230,472



98.2%

of all Council decisions
were made in meetings
open to the public

Animal management



Dog registrations

8,658

(8.6% increase since 2018-19)



Cat registrations

415

(59.6% increase from 2018-19)

Biodiversity, environment and sustainability

31ML 
Volume of
recycled water

Replaced **900**
public street lights with
LED reducing emissions
by **98 tonnes**
of CO2 per year 

Partnered with
local schools and
kindies to plant
2,682 plants
and trees at **10**
restoration sites 

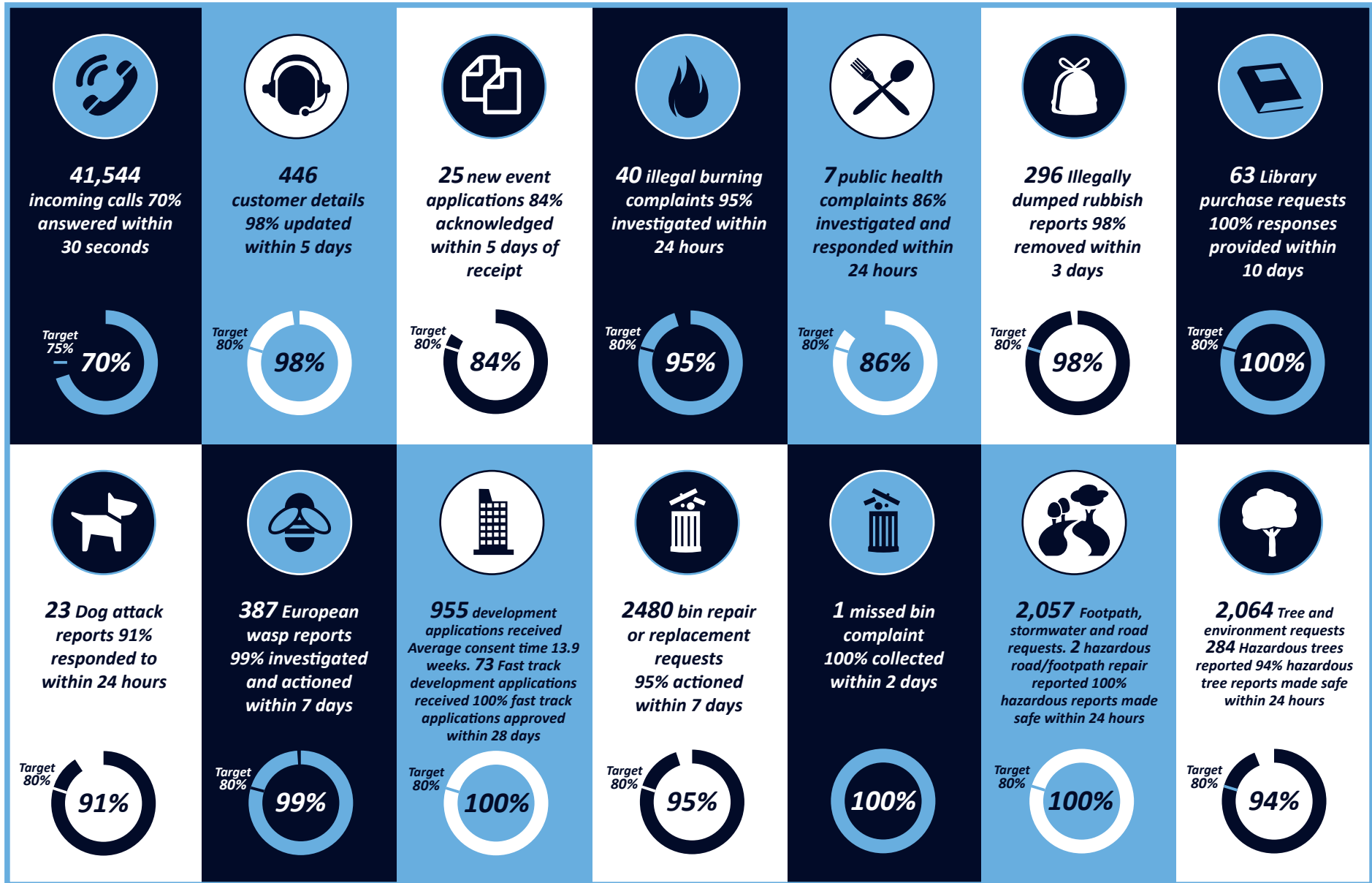

28 Bush for life
sites (95.3 ha)
where volunteers
have contributed
over **2,000**
hours of work 


Inspected almost
7,500 private
properties as part of
the annual bushfire
prevention activities 

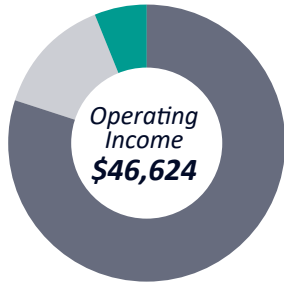
51% of waste
collected was
diverted from
landfill as
recyclable material 

Collected **107kg** of Mobile phone
components at our recycling depot and drop
off points. Received the "Top Recycler Award
for South Australia in MobileMuster's Local
Government Awards 2020" 

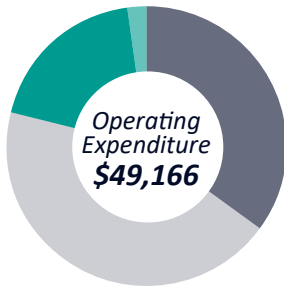
Customer Service Standards



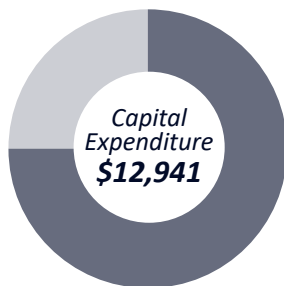
Financial Performance Highlights



- General rates income \$38,547 (83%)
- Grants income \$5,245 (11%)
- other \$2,832 (6%)















- Employee costs \$17,433 (35%)
- Materials, contracts & other expenses \$21,927 (44%)
- Depreciation \$9,207 (19%)
- Other \$599 (2%)



- Renewal & replacement of assets \$9,718 (75%)
- New or upgrades \$3,223 (25%)

Expenditure Highlights

| | |
|---|--|
|  Library Services \$1.7m |  Civil services \$5.1m |
|  Bushfire Recovery \$3.3m |  Waste & Recycling \$5.2m |
|  Community, Cultural & Youth Development \$532,000 |  Biodiversity & Sustainability \$717,000 |
|  Aged Care Support \$1.1m |  Open Space - Operations \$4.4m |
|  Animal Management \$404,000 |  Property Management \$1.6m |
|  Planning & Development \$1.9m |  Economic Development \$420,000 |

2019-20 Capital Works Program



Road Works \$4.2 million

- Lower Hermitage Road, road widening project completed
- 26 unsealed roads re-sheeted – 20.5km
- 183m of new sealed roads completed
- 11.4km of road renewed



Footpaths \$956,000

- Amy Gillet Bikeway extension completed at Woodside
- 6 new footpaths – 704m
- 14 footpaths renewed – 2.9km



Storm Water \$717,000

- Project at the Junction Rd Balhannah and Kiln Ct Woodforde completed
- 529m of new stormwater
- 314m of stormwater renewed



Buildings \$1,067,000

- Public toilet upgrades at Lenswood Park, Stonehenge Reserve and Crafers Hall
- New shelter and new lawn burial section at Kersbrook Cemetery
- Upgrades to number of community halls including Longwood Institute Hall, Mylor Hall and Crafers Hall.



Other Capital Projects \$1,064,000

- Pedestrian crossing added to Milan Terrace
- 6 new or upgraded bus stops



CMWS Community Wastewater Management System \$956,000

- Renewal of pumps, including at Birdwood and Stirling.



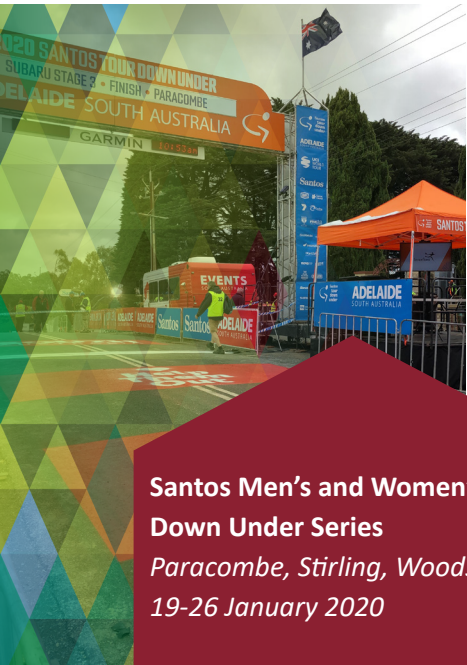
Sport and Recreation \$873,000

- 2 playspaces upgraded at Birdwood and Paracombe



Our Major Events and Awards

The Adelaide Hills remains a destination of choice for arts and community events. In 2019-20 we supported 104 community events including music festivals, markets, Stirling Fringe, and the Santos Tour Down Under, and supported even more through the challenges of responding to the Cudlee Creek Bushfire and COVID-19 pandemic.



Santos Men's and Women's Tour Down Under Series
Paracombe, Stirling, Woodside
19-26 January 2020

The 2020 Women's race returned to excitement, colour and even bigger crowds in Birdwood and Stirling. The Men's race featured more of the Adelaide Hills than ever before, with a Woodside start, and finishes in Stirling and Paracombe. The district showed its true colours winning ten Best Dressed Awards.



Stirling Fringe
Stirling
2-12 March 2020

Kicking off with a massive opening night full of free family entertainment, the fourth Stirling Fringe featured 60 shows across ten days.



Fifth Sunday Markets
Federation Park, Gumeracha
29 September 2019

Council supported the establishment of a new community market featuring unique handcrafted goods.



BMX, Skate and Scooter Series
Woodside, Gumeracha, Stirling
3, 10, 24 November 2019

This three-part event saw Adelaide Hills children out on all kinds of wheels with workshops, demonstrations, and free rides alongside food and music.

Delivering on our plans

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 the *Long Term Financial Plan*, *Infrastructure and Asset Management Plan*, and *Corporate Plan*, all of which are critical to ensuring Council’s long-term sustainability. The following performance information in this Annual Report is aligned with the 2016-2020 Strategic Plan and the 2019-20 Annual Business Plan (ABP) strategy and goals.



Goal 1 People and business prosper

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

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.

Goal 3 Places for people and nature

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

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 5 Open, transparent and responsive

Outcome: We strive for accountable and strategic decision-making and pursue excellence and equity in service delivery.

Prosper

Goal 1 People and business prosper

What success looks like

Thriving businesses that uniquely say “Adelaide Hills”. Healthy and happy people.

What we have achieved

Strategy 1.1 We will pursue World Heritage Listing for the Mount Lofty Ranges as a working agricultural landscape.

- Completed the Digital Knowledge Bank Project and associated website in December 2019.
- Conducted an Expert review which concluded we have a case for World Heritage Listing and provided a road map for additional research to be undertaken.
- Explored the opportunity to collaborate with the City of Adelaide on a joint bid.

Strategy 1.2 We will work with Governments and industry to achieve Pest Free Area Status for the Adelaide Hills’ primary production area.

- Consulted with the Apple and Pear Growers Association of South Australia who advised that no action was required at this stage as pest free status within the region has not yet been achieved.

Strategy 1.3 We will work towards making the Adelaide Hills the favoured tourism destination in the state.

- Worked with operators to build their digital capacity:
 - 120 operators involved in training resulting from online digital assessments.



- 20 operators involved in digital audits and mentoring.
- 6 bushfire recovery workshops and mentoring for operators.
- 50 digital audits of wineries, 35 one-on-one Adelaide Hills Tourism visits to wineries, experience development workshops and mentoring.
- Developed a mobile-first regional tourism website (www.visitadelaidehills.com.au) that is fully integrated with the Australian Tourism Data Warehouse, and that aligns motivational content with interactive maps.
- Engaged with more people online with more than:
 - 15,100 total fans/page likes on Facebook reaching more than 1.4 million people. An increase of 34% in fans/page likes and 16% in reach over the previous financial year.
 - 28,500 followers on Instagram reaching more than 2.1 million people. An increase of 44% in followers and 120% in reach over the previous financial year.

Strategy 1.5 We recognise that small and micro business is the backbone of our regional economy and will work with stakeholders to make it easier to do business in the Hills.

- May Business Month 2020 was cancelled due to COVID restrictions.

Strategy 1.6 We will work with other levels of government to address transport needs for business.

- Continued to advocate and promote the transport needs of the region to all levels of government.

Strategy 1.7 We will connect key walking trails and cycling routes to make it easier for people to keep active in the Hills.

- Undertook an audit of all existing and proposed walking and cycling routes throughout the region to inform future trails and cycling policy, service levels, and help us understand maintenance requirements.
- Developed an “assessment tool” that will allow staff to assess and respond to trail and cycling enquiries better.
- Completed the connection of the Amy Gillett Bikeway in Woodside.

Strategy 1.8 We will amend the Development Plan to make farming in the Hills easier.

- Made a submission to the State Government on the draft Planning and Design Code to advocate for changes which would provide value adding opportunities for primary producers in the district.

Strategy 1.9 We will work to make the district more age-friendly.

- Continued to provide a range of services and opportunities including home support, shopping access, social events, advocacy and information.
- Increased basic home maintenance Home support services in line with additional government funding.
- Improved our website presence and developed a bi-monthly digital newsletter.
- Ran classes and groups focussed on memory loss and brain health.
- Adjusted our services during the bushfires and COVID-19 disruptions to provide support, contact and information to vulnerable residents.
- Delivered wellbeing and reablement training to aged care service providers across the region through our funded sector support program.

Strategy 1.10 We will use the amended Development Plan to encourage more housing opportunities for first home buyers and those wishing to age in our community.

- Approved developments which will see increased provision of housing opportunities in the district, and commented on the State Government’s proposed zoning changes as part of the roll out of the new Planning and Design Code.

Strategy 1.11 We will embrace nature play concepts in play space developments.

- Upgraded play spaces at Birdwood and Paracombe to include equipment that complements that natural environment and surroundings, as well as providing opportunities for open ended and unstructured play on elements like rocks, logs, walls and in trees.

Strategy 1.12 We will seek opportunities to increase the wellbeing and resilience of our community to withstand, recover and grow in the face of challenges.

- Facilitated more than 300 check-in calls to vulnerable clients living in the bushfire area following the Cudlee Creek Bushfire.
- Adjusted Council services to ensure accessibility and support to our community through the Cudlee Creek Bushfire and COVID-19 pandemic.
- Secured a \$50,000 grant to progress the development of community wellbeing indicators.
- Progressed the Community Wellbeing Alliance Pilot to provide a regional approach to wellbeing initiatives and opportunities.
- Commenced the incorporation of new public health data into our public health planning.
- Undertook food safety training with local businesses to ensure compliance.
- Supported the establishment of the Bushfire Recovery Centre at Fabrik in Lobethal, and continued to identify and progress key bushfire recovery initiatives in collaboration with federal and state governments.
- Established development application priority processing for bushfire-affected residents rebuilding homes and damaged structures.

- Reviewed how Council provides support to the community and emergency services during natural disasters such as bushfires. As a result, Council adopted an ‘Incident Operations Manual’ in October 2019. The manual was utilised for the first time to guide the response activities undertaken by Council for the Cudlee Creek Bushfire and later the COVID-19 pandemic.
- Modified our service provision six times in response to forecasts of extreme and catastrophic fire danger days to ensure the safety of our community and staff.
- Engaged 200 registered AHC volunteers in more than 13,000 hours of community support.
- Undertook a targeted approach to inspecting on-site waste water systems to ensure that they are not polluting the environment and water catchment.

Strategy 1.13 We will work with other levels of government to improve safety for road users (including pedestrians and cyclists).

- Obtained funding under the State Road Black Spot Program for Morgan Road and Paracombe Road. Morgan Road shoulder sealing and delineation improvement were completed while Paracombe Road widening and reconstruction commenced in June.
- Completed an assessment of the current road rent arrangements and, where applicable, entered into new agreements.

Performance Measures

| MEASURE | TARGET | ACTUAL |
|---|---|--------------------------------|
| Percentage of businesses in the Adelaide Hills supported | Baseline to be established from first quarter 2019-20 onwards | No data is currently available |
| Growth in attendees at May Business Month | 12.5% | May Business Month cancelled |
| Percentage rating of applicants of the overall level of service received for the development application process. | 85% excellent or good | 80% |
| Adelaide Hills self-reported wellbeing | Measure to be developed (community perception survey dependent) | Measure to be developed |
| Positive ageing wellbeing score | Average of at least 7 across the client group | 6.09* |

*COVID-19 has had a severe impact on the average level of self-determined wellbeing (on a scale of 1-10).



Connect

Goal 2 Activities and opportunities to connect

What success looks like

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

What we have achieved

Strategy 2.1 We recognise and respect Aboriginal culture and the descendants of our First Nations People. We will implement a Reconciliation Action Plan.

- Established the Adelaide Hills Reconciliation Working Group in partnership with Mount Barker District Council to provide support and advise as we work towards the development of an Innovate Reconciliation Action Plan.
- Offered activities celebrating Aboriginal culture, and recognising National Reconciliation Week in a way that also responded to the changing needs of the pandemic. These included online workshops, Indigenous radio programs and online art exhibitions and public art projects.

Strategy 2.2 We recognise diversity in the community is one of our greatest strengths and we will support and promote opportunities for social inclusion.

- Offered activities and workshops at libraries and community centres to encourage learning and social inclusion. These events were impacted by the COVID-19 restrictions in limiting face-to-face interactions, however, where possible, the events continued by utilising online options instead.
- Commenced the development of the Library Services Strategic Plan, which is considering how learning and community engagement can be incorporated into future planning.



- Undertook a volunteer engagement survey, which showed high levels of satisfaction from volunteers across council and has assisted in making improvements to our volunteer management systems.
- Collaborated with Mount Barker District Council to progress the volunteer connect platform, which is in place to support groups, organisations and volunteers to connect in the hills.

Strategy 2.3 We will establish a community leadership program to help unlock the potential of people in the community to improve the community.

- Provided a series of Community Leadership workshops and seminars as well as the Youth Leadership Program.
- Incorporated community leadership programs into community centre offerings in line with community feedback, and developed a webpage to support community groups in obtaining information to run a group effectively.

Strategy 2.4 We will implement the Adelaide Hills Business and Tourism Centre (Old Woollen Mill) Masterplan to stimulate local job creation, boost tourism and create a vibrant cultural hub.

- Presented a wide range of programs throughout the Fabrik site, welcoming more than 12,000 visitors to exhibitions, workshops, markets and events. More than 300 artists exhibited, offered work for sale or participated in business development opportunities.
- Supported bushfire-affected community by offering space to the Bushfire Recovery Centre within Fabrik and expanding activities to include Creative Recovery activities.
- Produced a Facilities Development Plan to create a vision for the physical redevelopment of the site.

Strategy 2.5 We will support opportunities for learning in our community to increase the confidence, wellbeing and health of our citizens.

- Increased our digital content of eAudio and eBook loans, film streaming downloads and language learning logins through increased donations.
- Moved children's programs and school holiday activities online to allow continued access during the COVID restrictions.
- Increased local history content online through the continued digitisation by the Mount Lofty Districts Historical Society of their collection.
- Introduced 'click and collect', and increased home services to ensure safe access to our physical collection for those with less access to technology.

Strategy 2.6 We will seek to bring events to our district that have social, cultural, environmental and economic benefits.

- Supported 104 community events to promote arts, heritage and culture including music festivals, markets, Stirling Fringe and the Santos Tour Down Under.

Strategy 2.7 We will seek opportunities to improve transport options for those who need it most.

- Worked with neighbouring councils to maintain the provision of transport assistance through the Hills Community Transport program.
- Obtained State Government funding to review our social support transport offerings with a view to increasing availability and achieving best practice for driver and vehicle accreditation.

Strategy 2.8 We will improve the engagement and participation of younger people in our district.

- Celebrated the graduation of youth leaders from the inaugural Youth Leadership Program. Young people reported a high level of satisfaction with the learning and development they gained, with some showing interest in becoming program mentors for the next group who commenced in June 2020.
- Provided a modified suite of youth opportunities via an increase in our online offerings.
- Undertook a range of youth engagement activities to help us develop future offerings.

Performance Measures

| MEASURE | TARGET | ACTUAL |
|--|---|---|
| Percentage of staff training participants who have increased appreciation of Aboriginal heritage and culture | Baseline to be established during 2019-20 | No staff training completed |
| Percentage of residents who view the Adelaide Hills as a welcoming and inclusive community | Measure to be developed (community perception survey dependent) | Measure to be developed |
| Library service visits per capita compared with the state average | 30% above | No data available yet, state statistics come out in March |
| Library loans per capita (state average for 2017-18 was 8.41%) | Above 13% per year | No data available yet, state statistics come out in March |
| Overall satisfaction with library service | 90% satisfied or very satisfied | 95% |
| Community Program attendance (including Library, Community Development/Youth) | Baseline to be established | 28,499 |
| Percentage of participants who agree that Council's community development programs/events have increased their feeling of community connection | 80% | 88% |
| Attendance at programs, events, and workshops at Fabrik Arts + Heritage (target increases over first six years of establishment) | 50% | 80% |



Place

Goal 3 Places for people and nature

What success looks like

Vibrant places which contribute to increased wellbeing. Thriving ecosystems.

What we have achieved

Strategy 3.1 We will work with our community to encourage sustainable living and commercial practices.

- Conducted workshops to explore approaches to sustainable living.
- Continued to explore water reuse for irrigation at Woodside Recreation Ground.
- Inspected almost 7500 private properties as part of the annual bushfire prevention activities.

SP3.2 We will strive for carbon neutrality as an organisation and encourage our community to do likewise.

- Adopted the Corporate Carbon Management Plan which includes the goals of Council using 100% renewable energy by 2024 and continuing to strive toward carbon neutrality.
- Installed solar PV panels on the Summit Community Centre as part of the ongoing energy efficient program.
- Replaced vehicles in Council's fleet with hybrid vehicles that were 5-star safety rated to maximise fuel efficiency.

SP3.3 We will complete the road reserves and reserve assessments Native Vegetation Marker System (NVMS), leading the nation in conservation and biodiversity management practices.

- Completed 363 baseline surveys (Bushrat surveys) out of a total of 461 NVMS sites as part of the ongoing program which aims to survey 75 sites per year.
- Monitored approximately 10 reserves through environmental consultants as part of our ongoing Reserve Monitoring Assessment Program.



- Adopted the Biodiversity Strategy to help secure improved outcomes for the community.

SP3.4 We will work with State Government to complete the Amy Gillett Bikeway.

- Completed the connection of the Amy Gillett Bike track in Woodside to provide walkers and cyclists with a safer journey. The new track runs between Onkaparinga Valley Road and Tiers Road along the old rail corridor.

SP3.5 We will take a proactive approach, and a long-term view, to infrastructure maintenance and renewal.

- Continued to develop the Enterprise Asset Management System which provides better understanding of the asset condition, and plans for future maintenance and renewal.
- Expanded the Kersbrook Cemetery to ensure certainty for the community regarding burial capacity.
- Secured grant funding of approximately \$1 million for projects such as the Heathfield Oval change room and Cricket Net Project to enable upgrades to facilities.
- Adopted a Community Land Register and new Community Land Management Plan.

- Undertook initial stages of community consultation on the Community and Recreation Facility Framework. Results are being analysed and draft service levels developed for consideration.

SP3.6 We will reduce the impact of cats on native flora and fauna.

- Prepared community education and awareness material regarding cat confinement.
- Engaged a consultant to design cat cages at the Heathfield Depot with expected completion in late 2020.
- Commenced planning for feral cat study anticipated to be undertaken in late 2020.

SP3.7 We will drive further reduction in waste consigned to landfill.

- Procured a polystyrene recycling machine for Heathfield Resource Recovery Centre to fill the gap identified via a reassessment of soft plastic recycling services.
- Completed four kerbside bin audits.
- Undertook public place recycling trials to explore additional recycling opportunities. Results considered alongside information from industry partners have led to no further action at this time.
- Opened the free Household Chemical and Paint Drop-off Facility at the Heathfield Resource Recovery Centre.

SP3.9 We will encourage community-led place making approaches to enhance townships and public spaces.

- Finalised the detailed design for the streetscape upgrade in close consultation with the Gumeracha Main Street Group. Undergrounding of power lines design was finalised and SAPN engaged local contractor Schwarz Excavations for major works. Due to COVID-19 restrictions, construction commenced in June.
- Completed the Stirling Village Mainstreet Design Guidelines.

Performance Measures

| MEASURE | TARGET | ACTUAL |
|---|--|--|
| Energy usage: decrease Council's kilowatt hour use and increase solar PV generation | Kilowatt hour use - 5% below the 2010 baseline | 39.5% |
| Diversion rate of recyclable material away from landfill | >48% | 51% |
| Percentage delivery of Arboriculture (Tree) Zone Maintenance Program | 90% | 64% Southern Program* 67.9% Northern Program* |
| Availability of Council-owned sports grounds (condition assessment) | 95% | 100% |
| Percentage delivery of civil capital works program | 90% | 77% |
| Percentage operational tasks completed within the Civil Zone Maintenance Program | 80% | 52.5% |

*Delivery impacted by Cudlee Creek Bushfire and COVID-19 restrictions.

Explore

Goal 4 Explore ideas and work with others

What success looks like

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

What we have achieved

Strategy 4.1 We will embrace contemporary methods of engagement so it's easy for everyone to have their say.

- Increased our social media audience by 93%, which included the addition of several Facebook and Instagram platforms, and YouTube for Council and Libraries.
- Increased subscribers to e-communications by 83%, bringing the total increase in our digital community to 87%.
- Updated the Public Consultation Policy and planning commenced to produce a Community Engagement Framework.
- Utilised video throughout the year as an effective and integral part of Council communications.

Strategy 4.2 We will explore the opportunities that emerging technologies present to people living, working, visiting or doing business in our district.

Progressed with procurement of 'Internet of Things' gateways and undertook location assessments in key areas of the district to maximise network coverage.

Prepared for the 2020-21 implementation of the state's new Planning System.

Rolled out an updated Geographical Information System (GIS) platform for field and planning staff to access more real-time Council data.



Strategy 4.3 We will offer greater access to services and realise business efficiencies through online services.

- Continued integration of the Customer Relationship Management System with our Enterprise Asset Management System to improve how we are interacting with customers.
- Improved the task management and responses to customers through the progressive roll-out of devices to field teams.
- Developed an end-to-end electronic development assessment process incorporating the online payment portal. This provides the ability to lodge development applications, pay associated application fees and search through applications quickly and easily.
- Provided Food Safety Training program using an online platform through Council's website, enabling owners of food businesses to learn about best practice food handling and preparation.

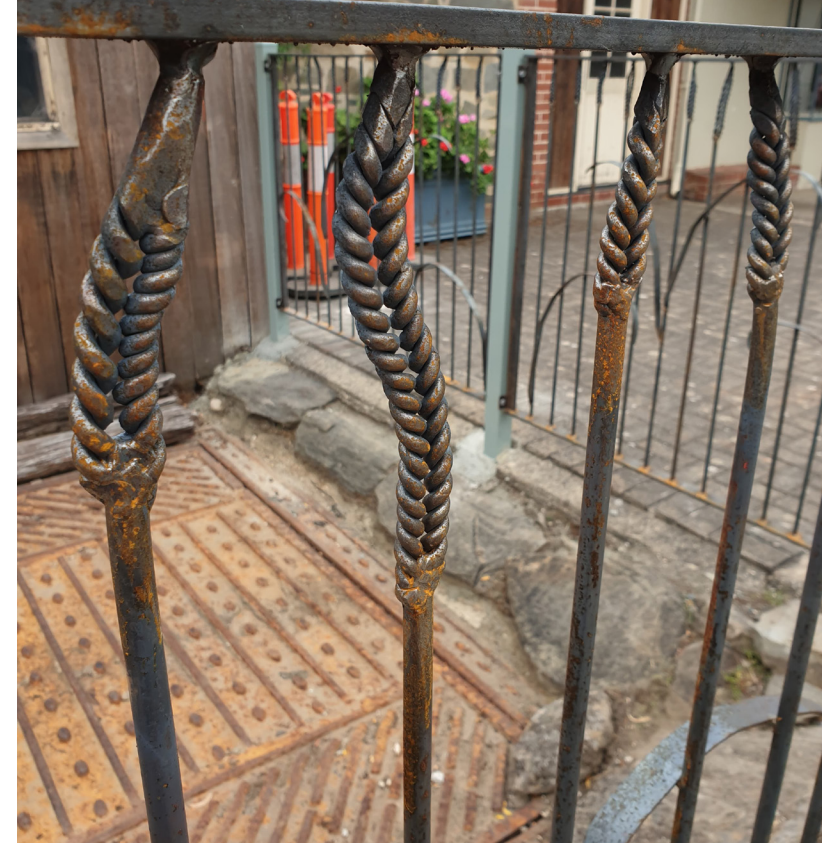
Strategy 4.4 We will foster creativity in the community and embrace it as an organisation.

- Offered a wide range of Arts activities including online and COVID-safe alternatives to support creative recovery in relation to the Cudlee Creek bushfires at Fabrik, Community Centres and Libraries.

- Adopted an Arts and Heritage Collection Policy.
- Completed the Birdwood Weighbridge project, which included the creation of a hand-crafted art barrier.
- Undertook a significant public art project in Gumeracha recognising the Aboriginal heritage of our area.
- Delivered Raining Poetry in the Hills in partnership with Adelaide University.

Strategy 4.5 We will work with neighbouring councils and stakeholders to ensure Council boundaries best serve our communities.

- Completed a Council Boundary Change Proposal Survey of residents and ratepayers in Rostrevor (AHC) and Woodforde.
- Engaged a consultant to undertake a high-level review of Council’s boundaries to identify boundary reform options. The final report is anticipated to be presented in late 2020.
- Developed a draft Strategic Boundary Review Report which was workshopped with Council and discussed with neighbouring councils to review the suggested outcomes. The final report is anticipated to be presented in late 2020.



Performance Measures

| MEASURE | TARGET | ACTUAL |
|--|---|--|
| Percentage satisfaction with Council’s consultation and engagement efforts | Measure to be developed (community perception survey dependent) | Dependent on the community perception survey, which has been deferred to 2020-21 |
| Percentage growth in Council’s social media community | 20% | 93% |

Organisational Sustainability

Goal 5 Open, transparent and responsive

What success looks like

We strive for accountable and strategic decision-making and pursue excellence and equity in service delivery.

What we have achieved

Leadership

- Provided training to further develop People Leaders' Work Health and Safety knowledge.

People

- Implemented a work from home strategy that allowed 140 staff to continue working, while creating a safe environment for those remaining on site, including field teams, in response to COVID-19 restrictions. This incorporated the development and implementation of a working from home e-learning resource.
- Reviewed Performance Management process incorporating internal and external feedback. Results and improvements are being considered for implementation in 2020-21 financial year.

Strategy and Policy

- Adopted our Strategic Plan 2020-24: A brighter future and Long Term Financial Plan (2020-2030) to shape our future direction.
- Developed and implemented an Incident Operations Manual, which drove Council's response to the Cudlee Creek Bushfire and supported our COVID-19 response. This manual has been used as a leading example by other councils and states.
- Implemented a Procurement Framework and associated procedures which was delivered to staff through group and targeted training sessions.
- Developed a draft Project Management Framework in readiness for consultation and progression in the 2020-21 financial year.



Partnerships and Resources

- Utilised electronic solutions such as Skytrust for storing and managing Work Health and Safety procedures and documents, and providing better access across the organisation.
- Migrated data from retired systems into the Organisational Information Management System, known internally as Records Hub, in a phased approach, with further work continuing in the 2020-21 financial year.
- Obtained a new Legislative Delegations Management System to improve record keeping and user experience in the delegation management process.

Processes, systems and customer service

- Improved our internal systems for better integration of customer requests and actions.
- Implemented customer experience surveys at first point of contact and after enquiry. resolution to assess customer sentiment and level of satisfaction. Survey response has been positive with an average response rate of 15%.

Results

- Developed and implemented quarterly performance reporting aligned with Strategic and Annual Business Plans to ensure improved transparency and accountability to the community.

Performance Measures

| MEASURE | TARGET | ACTUAL |
|--|---------|---------------------------|
| Employee turnover | 7-15% | 8.29% |
| Number of Lost Time Injuries | 0 | 2 |
| Operating Surplus Ratio | 0-10% | -5.5% |
| Net Financial Liabilities Ratio | 0-100% | 43% |
| Asset Renewal Funding Ratio | 90-110% | 106% |
| Technology: serviceability rating (performance against response service standards) | 90% | 85.7% |
| Overall Customer Satisfaction | 75% | 74% |
| Overall Net Ease Score | 50 | No data - every two years |
| Percentage of decisions considered in open session by Council | 95% | 97.4% |
| Percentage of attendance of Council Members at Ordinary Meetings | 95% | 91% |

Our Focus in 2020-21

In April 2020 we adopted the new Strategic Plan 2020-24, *A Brighter Future*. In addition to continuing our day to day services and programs, we are implementing strategic initiatives to further develop and support our region to recover and grow. Some highlights are included under each of the following long-term goals.

A functional Built Environment

We aim for all decisions regarding the built environment to recognise our unique character and natural environment, to maintain and enhance liveability for our community. This includes:

- Continuing to implement our Corporate Carbon Management Plan
- Implementing the state's new Planning Code
- Implementing a new Cemetery Management System
- Delivering our road safety program, including addressing known problem areas via the Australian Government Black Spot funding program, and
- Preparing revised Asset Management Plans.

Community Wellbeing

We want to build an inclusive and prosperous community with the capacity to flourish and fulfil their potential through opportunities to engage, connect, participate and enhance wellbeing. This includes:

- Implementing the Bushfire Recovery Action Plan
- Providing support for community events related to both the Cudlee Creek Bushfire and COVID-19 recovery efforts
- Implementation of the Multicultural Action Plan
- Development of a Disability Access and Inclusion Plan, and
- Progressing the Community and Recreation Facilities Framework.

A prosperous Economy

Our goal is for our region's economy to be diverse and sustainable with a reputation for quality, niche products, services and experiences underpinned by a culture of creativity and innovation. This includes:

- Funding and supporting preparation for tourism restart across the region
- Financial support to assist the business and community to recover from bushfires and/or COVID-19
- Updating the Economic Development Plan, and
- Progressing our World Heritage Bid.

A valued Natural Environment

Our plan is to continue to shape and support our natural environment which contributes significantly to the character of the region and is greatly valued by our local community and visitors. This includes:

- Developing a masterplan for Lobethal Bushland Park
- Continuing the review of our Roadside Marker Program
- Conducting a Feral Cat Study and implementation of an action plan
- Continuing our focus on property inspections and education as part of bushfire prevention strategies, and
- Further enhancing our emergency management response.

A progressive Organisation

We want Council to be recognised for its skilled and agile workforce, for its representative and accountable governance, its commitment to cost effectiveness and efficient service delivery. This includes:

- Undertaking a cyber security audit to assess whether the necessary systems and strategies are in place to mitigate the threat of cyber attacks
- Broadcasting Council meetings and exploring additional opportunities for community access
- Undertaking a review of the Corporate Plan, and
- Changing our services and the way we do things to accommodate COVID-19 impacts.

Our Governance

Governance refers to the rules, practices and processes by which Council is directed and controlled. Adelaide Hills Council continuously strives for best practice in Governance by being:

- Accountable, transparent and responsive
- Effective and efficient
- Participatory, equitable and responsible, and
- By meeting legislative obligations.

The following information reports on our governance activity during 2019-20.

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 Council Members. Council meetings were held 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 2019-20:

- 12 ordinary meetings
- Three special meetings

Council Committee meetings held in 2019-20:

- Four Special SPDPC meetings
- Five Audit Committee meetings
- Six Council Assessment Panel meetings
- Five CEO Performance Review Panel meetings

The attendance of the Mayor and Councillors at 2019-20 Council and Committee meetings is detailed in the table, pictured right.

| Council Meeting Type | Ordinary Council | | Special Council | | Special SPDPC | | Audit Committee | | CAP | | CEO PRP | |
|--------------------------------|------------------|---|-----------------|---|---------------|---|-----------------|---|----------|---|----------|---|
| | P | A | P | A | P | A | P | A | P | A | P | A |
| Total Meetings Held | 12 | | 3 | | 4 | | 5 | | 6 | | 5 | |
| Mayor Jan-Claire Wisdom | 10 | 2 | 3 | 0 | 1 | 3 | - | - | - | - | 4 | 1 |
| Cr Nathan Daniell | 12 | 0 | 3 | 0 | 4 | 0 | - | - | - | - | 3 | 2 |
| Cr Ian Bailey | 11 | 1 | 3 | 0 | 4 | 0 | - | - | - | - | - | - |
| Cr Kirrilee Boyd | 8 | 4 | 3 | 0 | 2 | 2 | - | - | - | - | - | - |
| Cr Pauline Gill | 12 | 0 | 3 | 0 | 4 | 0 | - | - | - | - | - | - |
| Cr Chris Grant | 11 | 1 | 3 | 0 | 3 | 0 | - | - | - | - | - | - |
| Cr Linda Green | 12 | 0 | 3 | 0 | 4 | 0 | - | - | 5 | 0 | - | - |
| Cr Malcolm Herrmann | 11 | 1 | 3 | 0 | 4 | 0 | 5 | 0 | - | - | - | - |
| Cr John Kemp | 9 | 3 | 3 | 0 | 4 | 0 | - | - | 1 | 0 | - | - |
| Cr Leith Mudge | 12 | 0 | 3 | 0 | 4 | 0 | 5 | 0 | - | - | - | - |
| Cr Mark Osterstock | 11 | 1 | 3 | 0 | 3 | 1 | - | - | - | - | 4 | 1 |
| Cr Kirsty Parkin | 12 | 0 | 3 | 0 | 2 | 2 | - | - | - | - | 4 | 1 |
| Cr Andrew Stratford | 11 | 1 | 3 | 0 | 3 | 1 | - | - | - | - | - | - |

P = Present (number of meetings attended)

A = Apology (number of meetings not attended)

CAP = Council Assessment Panel

SPDPC = Strategic Planning & Development Policy Committee

CEO PRP = CEO Performance Review Panel

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.

Professional development training sessions have been held periodically 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 available included:

- Duties of Public Officers for the Public Interest Disclosures Act 2018
- Fabrik Overview and Tour
- Public Interest Disclosure Act 2018
- Asset Management, and
- Local Government Risk Services Due Diligence Training.

Good Governance is participatory, equitable and responsible

Allowance 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 2019-20.

| Period | 01/07/2019 - 08/11/2020 | 09/11/2020 - 30/06/2020 |
|--|-------------------------|-------------------------|
| Mayor/Principal Member | \$69,080 | \$71,768 |
| Deputy Mayor/Presiding Member of a Prescribed Committee* | \$21,587 | \$22,390 |
| Other Council Members | \$17,270 | \$17,912 |

*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.

- 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), and
 - 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
 - Provide reimbursement for mobile phone costs
 - Reams of paper for printing
 - Stationery (such as pads, pens, diaries, etc.), and
 - Meals and beverages provided in association with attendance at prescribed meetings.

In addition to these, Council 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, and
- Access to administrative officer services.

The Chief Executive Officer maintains a Register of Allowances and Benefits provided to Council Members which is available to the public online or in our service centres.

Local Government Act 1999 Section 41 Committees

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

1. The Strategic Planning and Development Policy Committee.
2. The Audit Committee.
3. The CEO Performance Review Panel.

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, risk management and asset management, liaise with the external auditor, and foster the Organisation's ethical development.

There are five members of the Audit Committee, three independent members and two Council Members. Membership at 30 June 2020 was:

- Cr Malcolm Herrmann (Presiding Member)
- Cr Leith Mudge
- Peter Brass (Independent member)
- Paula Davies (Independent member)
- David Moffatt (Independent member)

Five ordinary meetings were held during 2019-20. The Presiding Member receives an allowance equivalent to that received by Presiding Members of Prescribed Committees in accordance with the Remuneration Tribunal's determination. Sitting fees were paid to independent members of the Audit Committee at \$400 per meeting.

Strategic Planning and Development Policy Committee

The Strategic Planning and Development Policy Committee (SPDPC), formed pursuant to Section 101A of the Development Act 1993, includes 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 district.

No ordinary meetings of the SPDPC were held in 2019-20, but four special meetings were. The Presiding Member received an allowance equivalent to that received by Presiding Members of Prescribed Committees in accordance with the Remuneration Tribunal's determination. There are no sitting fees payable to members of the Strategic Planning and Development Policy Committee.

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.

In 2019-20 an internal process was undertaken to review the CEO's performance against the position description requirements and the agreed set of key performance indicators for the year. External advice was also received on the remuneration package payable.

Membership of the CEOPRP at 30 June 2020:

- Cr Mark Osterstock (Presiding Member)
- Mayor Jan-Claire Wisdom
- Cr Nathan Daniell
- Cr Kirsty Parkin
- Ms Paula Davies (Independent Member)

Five ordinary meetings were held in 2019-20. The Presiding Member receives an allowance equivalent to that received by Presiding Members of Prescribed Committees in accordance with the Remuneration Tribunal's determination.

Sitting fees were paid to the Independent Member of the CEOPRP at \$400 per meeting.

Council's Assessment Panel (CAP)

As a result of the State Government's rollout of the Planning Reform for South Australia, Adelaide Hills Council established a Council Assessment Panel (CAP) as required by Sections 82 and 83 of the Planning, Development and Infrastructure Act 2016 (PDI Act). This CAP replaced the former Council Development Assessment Panel and membership comprises one Council Member, four Independent Members (which includes an Independent Presiding Member) and a Specialist Independent Member.

Members at 30 June 2020 were:

- Geoff Parsons (Independent Presiding Member)
- Ross Bateup (Independent Member)
- David Brown (Independent Member)
- Piers Brissenden (Independent Member)
- Karla Billington (Specialist Independent Member)
- Cr John Kemp

The Panel considers certain 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. It also hears submissions lodged in relation to publicly notified development applications. CAP meetings are generally held in Stirling on the second Wednesday of each month from 6:30pm. In 2019-20, six meetings of the Panel were held.

Sitting fees paid to independent members of the CAP were:

- Independent Presiding Member: \$500 per meeting
- Independent Ordinary Member: \$380 per meeting.
- Council Member: \$190 per meeting

Council's Advisory Groups

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

Adelaide Hills Council's Advisory Groups are:

- Biodiversity
- Bushfire
- Cemetery Advisory Group
- Property Advisory Group
- Rural Land Management
- Stirling Linear Park
- Sustainability
- Community and Recreation Facility Framework Internal Working Group
- AHR Reconciliation Working Group

These Groups do not report directly to Council.

Building Fire Safety Committee

Council's Building Fire Safety Committee is comprised of the following members:

- Peter Harmer (Building Surveyor)
- Julian Aggiss, (CFS Representative)
- Jeff Grinnell, Council staff
- Deryn Atkinson, Council staff
- Darren Chapman (Deputy CFS Representative)

The Committee held five (5) meetings during the year to review the adequacy of fire safety for large buildings in the district.

The Committee conducted 11 inspections and considered 18 buildings during the year, working with building owners to improve their buildings in relation to fire exits, emergency lighting, fire-fighting equipment, water supply, hydrant coverage, access for fire services, and bushfire survival plans. Three Notices of Fire Safety Required Works were issued.

Informal Gatherings

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

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

Informal Gatherings held in 2019-20

CDIG = Closed Designated Informal Gathering
 ODIG = Open Designated Informal Gathering
 CIG = Closed Information Gathering
 OIG = Open Information Gathering
 CF = Community Forum

| Date | Topic | Type |
|------------|---|------|
| 09/07/2019 | Department for Infrastructure and Transport (DPTI) Planning Reforms Overview and Update | ODIG |
| | Customer Relationship Manager (CRM) Integration | ODIG |
| | CEO Update and LED Street Lighting | CDIG |
| | CEO Briefing on CEO Performance including Targets for July 2019 - June 2020 | ODIG |
| 16/07/2019 | Duties of Public Officers for the Public Interest Disclosures Act 2018 | CDIG |
| | Festivals and Events Policy | ODIG |
| | Unreasonable Complaints | ODIG |
| | CEO Update | CDIG |
| 13/08/2019 | Community Energy Program | ODIG |
| | Heathfield Oval Masterplan | ODIG |
| | Overview of the Planning Reforms | ODIG |
| | CEO Update | CDIG |
| 20/08/2019 | Fabrik Overview and Tour | CDIG |
| | Old Stirling School | CDIG |
| | Asset Management | ODIG |
| | Fabrik Development Proposal | CDIG |
| | CEO Update | CDIG |

| Date | Topic | Type |
|------------|--|------|
| 03/09/2019 | Community Forum - Boundary Reform Process | ODIG |
| 10/09/2019 | Catch-up Training Session - Public Interest Disclosure Act 2018 | CDIG |
| | Public Forum | OIG |
| | AHC submission to Bird in Hand mining lease application | ODIG |
| | Stirling Urban Design and Development Guidelines | ODIG |
| | Information session on EPA Minor Review of the Local Nuisance & Litter Control Act | ODIG |
| | Circular Procurement Pilot Project | ODIG |
| | CEO Update | CDIG |
| 17/09/2019 | Reforming Local Government submission | ODIG |
| | Strategic Plan – Status Update | ODIG |
| | Boundary Reform | CDIG |
| | Asset Management | ODIG |
| | CEO Update | CDIG |
| 02/10/2019 | Crafers Urban Design Framework and Key Site Feasibility Analysis | ODIG |
| | CEO Update | CDIG |
| | The Hut - Presentation | ODIG |
| | Stirling Library Lawn Rotunda Replacement | ODIG |
| 08/10/2019 | Council Borrowings to assist capital renewal escalation | ODIG |
| | Public Forum | OIG |
| | Wine Capital Cycle Trail Project | ODIG |
| | Draft Local Heritage Grant Fund | ODIG |

| Date | Topic | Type |
|------------|--|------|
| 08/10/2019 | Stage 2 Local Heritage Development Planning A | CDIG |
| | CEO Update | CDIG |
| 15/10/2019 | Asset Management | ODIG |
| | Trails Strategy Review - Update | ODIG |
| | Local Government Risk Services Due Diligence Training | CDIG |
| | CEO Update | CDIG |
| 12/11/2019 | Strategic Plan - Priorities Development | CDIG |
| | Strategic Asset Management Update | CDIG |
| | CEO Update | CDIG |
| 19/11/2019 | Code of Practice for Meeting Procedures Review | ODIG |
| | Crafers Main Street Urban Design Framework and Key Site Feasibility Analysis | ODIG |
| | Planning and Design Code - Briefing (1/3) | ODIG |
| | CEO Update | CDIG |
| 10/12/2019 | Youth Action Plan | ODIG |
| | Planning and Design Code Briefing (2/3) | ODIG |
| | CEO Update | CDIG |
| 14/01/2020 | Cudlee Creek Bushfire - briefing on AHC response efforts | CDIG |
| | Red Cross Disaster Recovery Training | CIG |
| | Cudlee Creek Bushfire - community recovery efforts | CDIG |
| 11/02/2020 | Planning and Design Code - Briefing (3/3) | ODIG |
| | Strategic Plan Consultation Feedback and Budget Development Options | ODIG |

| Date | Topic | Type |
|------------|---|------|
| 11/02/2020 | CEO Update | CDIG |
| 18/02/2020 | Emergency Resilience Partnership Program | OIG |
| | CEO Update | CDIG |
| 10/03/2020 | Art and Heritage Collection Report | ODIG |
| | Community Perception Survey | ODIG |
| | Stirling Cemetery | ODIG |
| | SA 2019/2020 Bushfire Review | ODIG |
| | CEO Update | CDIG |
| 17/03/2020 | Strategic Boundary Review - draft proposals | ODIG |
| | Cudlee Creek Bushfire(CCBF) Community Recovery Update | ODIG |
| | COVID-19 Update | ODIG |
| | CEO Update | CDIG |
| 21/04/2020 | AHRWMA 2020/2021 Annual Plan and Budget | ODIG |
| | East Waste 2020/2021 Annual Plan and Budget | ODIG |
| | CEO Update | CDIG |
| 12/05/2020 | Annual Business Plan Development | CDIG |
| | CEO Update | CDIG |
| 19/05/2020 | Acknowledgement of Country | ODIG |
| | COVID-19 Economic and Community Recovery | CDIG |
| | CEO Update | CDIG |
| 09/06/2020 | Local Roads and Community Infrastructure Program | CDIG |

| Date | Topic | Type |
|------------|--|------|
| 09/06/2020 | Discuss proposed 2020-2021 CEO Performance Targets | CDIG |
| | Crafrers Village Mainstreet Design Guidelines | CDIG |
| | CEO Update | CDIG |
| 16/06/2020 | AHRWMA Charter Review | ODIG |
| | Financial support to assist business and community recover from bushfires and COVID-19 | CDIG |
| | ABP Feedback (received to date) | CDIG |
| | Corporate Performance Indicators | CDIG |
| | CEO Update | CDIG |

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 run as 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 at Council's service centres and libraries, and can be downloaded from Council's website.

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

During 2019-20, 24 items were considered in closed session in accordance with Section 90(2) of the Local Government Act 1999. Of these, 13 items were released in full and 11 remained in confidence, in accordance with Section 91(7) of the Act. Details below and overleaf.

| Date | Council/Committee | Item No. | Title | LGA 1999 Section | New confidentiality recommendation/ Date released | Status as at 30 June 2020 |
|------------|------------------------------|----------|--|------------------|---|--|
| 22/04/2014 | Council | 18.2.1 | AHRWMA | 90(3)(b,d,i) | | Retained in confidence |
| 25/10/2016 | Council | 19.1 | CWMS Expression of Interest | 90(3)(d) | | Retained in confidence |
| 28/02/2017 | Council | 19.1 | Community Wastewater Management Systems Review | 90(2)(b) | | Retained in confidence |
| 22/08/2017 | Council | 19.1 | Adelaide Hills Region Waste Management Authority Tender Landfill Compactor | 90(3)(d) | | Retained in confidence |
| 26/09/2017 | Council | 19.2 | Community Wastewater Management Systems Review | 90(3)(b) | Partially released 13 February 2017 | Partially released; partially retained in confidence |
| 27/02/2018 | Council | 19.2 | Adelaide Hills Swimming Centre Shade Sail | 90(3)(i) | | Retained in confidence |
| 19/06/2018 | Special Council | 6.1.1 | Community Wastewater Management Systems (CWMS) Expression of Interest Outcomes | 90(3)(b) | Partially released 5 July 2018 | Partially released; partially retained in confidence |
| 01/08/2018 | Special Council | 7.2.1 | Retirement Village Review | 90(3)(b) | | Retained in confidence |
| 07/05/2019 | Special Council | 19.1 | Unsolicited Approach to Purchase Community Land | 90(3)(d) | | Retained in confidence |
| 08/08/2019 | CEO Performance Review Panel | 10.1 | 2018-2019 CEO Performance Review | 90(3)(a) | Released 16 September 2019 | Released |
| 08/08/2019 | CEO Performance Review Panel | 10.2 | 2019 CEO Remuneration Review | 90(3)(a) | Released 16 September 2019 | Released |
| 27/08/2019 | Council | 19.1 | CEO Performance and Remuneration Review | 90(3)(a) | Released 16 September 2019 | Released |

| Date | Council/Committee | Item No. | Title | LGA 1999 Section | New confidentiality recommendation/ Date released | Status as at 30 June 2020 |
|------------|------------------------------|----------|---|------------------|--|---------------------------|
| 27/08/2019 | Council | 19.2 | Roundabout Landscaping Upgrade | 90(3)(d) | Released 22 October 2019 | Released |
| 22/10/2019 | Council | 19.1 | 19.1.2 Electricity Procurement Contract Post 31 December 2019 for below 160 MWh sites | 90(3)(d) | Released 10 January 2020 | Released |
| 26/11/2019 | Council | 302/19 | Appointment of Audit Committee Independent Members | 90(3) | Released 19 February 2020 | Released |
| 17/12/2019 | Council | 331/19 | Citizen of the Year Award 2020 | 90(3)(a) | Released 19 February 2020 | Released |
| 17/12/2019 | Council | 19.2.3 | Appointment of East Wast Chair | 90(3)(a) | Released 19 February 2020 | Released |
| 28/01/2020 | Council | 19.1.1 | Open Office Pty Ltd Contract Navation Deed | 90(3)(d) | | Retained in confidence |
| 04/06/2020 | CEO Performance Review Panel | 10.1.1 | Advice on preferred Consultant to undertake CEO Performance and Remuneration Review | 90(3)(d) | Released 4 June 2020 | Released |
| 23/06/2020 | Council | 18.1.1 | Event Opportunity | 90(3)(j) | | Retained in confidence |
| 30/06/2020 | Special Council | 8.1.1 | Sealed Roads Renewal Contract | 90(3)(k) | Released 7 September 2020 | Released |
| 28/07/2020 | Council | 18.2 | Appointment of Independent Member to Council Assessment Panel | 90(3)(a) | Released 7 September 2020 | Released |
| 03/09/2020 | CEO Performance Review Panel | 10.1.2 | CEO Performance Review and Remuneration Review - Confidential | 90(3)(a) | Released 16 October 2020 | Released |
| 22/09/2020 | Council | 18.1.1 | 2020 CEO Performance and Remuneration Reviews | 90(3)(a) | Released 16 October 2020 | Released |

Public involvement in Council business

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

Public Forum

A 10-minute segment at each Council and SPDPC meeting is allocated to enable members of the public 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 10 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 these are presented at the next meeting of Council following receipt. Petitions must be in the format set out in legislation; Council's Petitions Policy provides guidelines on these requirements as well as on submission.

Written Requests

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

Chief Executive Officer
Adelaide Hills Council
PO Box 44, Woodside, SA 5244
mail@ahc.sa.gov.au

Community Engagement

The Adelaide Hills Council engages with local residents about many issues that may affect their neighbourhoods. Formal consultations are guided by Council's Public Consultation Policy which was renewed and adopted on 10 February 2020. Anyone can have their say using the Your Say website at engage.ahc.sa.gov.au, by emailing engage@ahc.sa.gov.au, post, calling 8400 0400 or attending online or face-to-face drop in sessions. Over the last financial year there were 11,600 visits to the Your Say website and 41 community engagement projects for contributions.

Community Forums

Local community members and groups are invited to attend Community Forums across the district and to address Council on new initiatives or topics of concern. Holding the forums in different townships in the Council area is an important method of providing residents with opportunities to speak in person with Council Members and senior staff.

Three Community Forums were held in 2019-20
(separate from Ordinary Council Meetings):

- 30 July 2019 in Gumeracha
- 3 September 2019 at Woodforde
- 29 October 2019 in Norton Summit

Forums scheduled for early 2020 were cancelled due to COVID-19 and will be re-scheduled for 2021.

Internal review of Council decisions

At the beginning of 2019-20 Council had four applications in progress for internal review of a Council decision. These were in relation to road closures, roadside rubbish collection, removal of a street tree, and relocation of stormwater pipes. The review regarding road closures was paused pending the outcome of a Freedom of Information application and has been carried forward to the 2020-21 financial year. The review regarding roadside rubbish collection was completed during the year. The decision was not upheld and several recommendations were identified and agreed to through the review process. The request for tree removal review was completed during the year and the decision was upheld. The review regarding the relocation of stormwater pipes was carried forward to the 2020-21 year.

Council received three applications during the year. Applications regarding the contents of an officer's report to the Council Assessment Panel and the issuing of a permit for a community event were refused as they were deemed frivolous and/or vexatious. A request for review of a decision that a certain activity did not require development approval was withdrawn by the applicant and was not proceeded with following requests by Council for further information.

At the conclusion of the financial year, two applications remained in progress relating to road closures and the relocation of stormwater pipes.

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

Freedom of Information requests

Seventeen requests for information were made under the Freedom of Information Act 1991 in 2019-20; a decrease from 21 received 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.

| FOI Requests | Number |
|--------------------------------------|--------|
| Outstanding from previous period | 2 |
| New applications | 17 |
| Total to be processed | 19 |
| Transferred in full | 0 |
| Determined - Full release | 11 |
| Determined - Partial release | 6 |
| Determined - Refused | 0 |
| Outstanding at the end of the period | 2 |
| External review pending | 2 |

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 is possible through the 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 has been adopted by Council to provide guidance in managing these risks.

Council adopted a Public Interest Disclosure Policy to facilitate the disclosure of public interest information and provide guidance on the management and investigation of disclosures. This Policy and associated procedures have been developed in accordance with the Public Interest Disclosures Act 2018 which replaced the Whistleblowers Protection Act 1993 from 1 July 2019.

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) and this is visible on Council's website. Delegations are reviewed in accordance with the legislative requirements being within 12 months of a general election.

Council's Representation Quota

The Adelaide Hills Council's total representation quota (the number of electors for each Council Member including Mayor) in 2019-20 is 1 for every 2294 electors. The total number of electors is 29,807.

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 27,899) = 1:2,146
- City of Norwood Payneham and St Peters (electors 25,344) = 1:1810
- Burnside (electors 31,624) = 1:2432
- City of Unley (electors 27,247) = 1:2095.

Information provided by the Electoral Commission of SA, current as at February 2020

The next representation review is scheduled to commence April 2024, at which time electors will be advised of the process to make submissions on representation under the Local Government Act 1999.

Good Governance involves meeting our legislative obligations

Registers, codes and policies

Documents available for public inspection are as follows.

Registers

- LG Act Section 63 | Gifts and Benefits Register – Council Members and Staff
- LG Act Section 68 | Members' Register of Interests
- LG Act Section 79 | Members' Register of Allowances and Benefits
- LG Act Section 90 | Confidential Items
- LG Act Section 105 | Officers' Register of Salaries
- LG Act Section 188 | Fees and Charges
- LG Act Section 196 | Community Management Plans
- LG Act Section 207 | Community Land
- LG Act Section 231 | Public Roads
- LG Act Section 252 | By-laws
- Development Regulations 2008 Section 98 | Development Applications Register

Codes and Policies

Administration

- Mandatory Code of Conduct for Council Employees (LG Act section 110)

Community

- Arts and Heritage Collection
- Cemetery Operating
- Burials Outside Cemeteries
- Community Group Use of Photocopiers
- Community Information Display
- Community Loans

- Festivals and Events
- Flags
- Grant Giving
- Liquor Licensing
- Outdoor Dining
- Play Space
- Public Consultation (LG Act section 50)
- Public Transport
- Roadside Trading
- Safe Environments
- School Parking and Associated Facilities
- Sport and Recreation

- Tributes for Commemorative Services
- Volunteer Engagement
- Wastewater System Application Fee Refunds
- Petitions
- Public Interest Disclosure (Public Interest Disclosure Act section 12(4), LG Act section 50)

Corporate Governance

- Advisory Group Operation and Conduct
- Caretaker (LG Election Act section 91A(1))
- Code of Practice for Access to Council and Council Committee Meetings and Documents (LG Act section 92)
- Code of Practice for Meeting Procedures (LG Act Regulation 6)
- Complaint Handling (LG Act section 270(a1)(b))
- Enforcement
- Freedom of Information Statement (LG Act Schedule 4, 1(gb))
- Fraud Corruption Misconduct and Maladministration
- Informal Council and Committee Gatherings and Discussions (LG Act section 90(8a))
- Internal Audit (LG Act section 125)
- Internal Review of Council Decisions (LG Act section 270(1))
- Order Making (LG Act section 259)
- Public Interest Disclosure Procedure
- Procurement (LG Act section 49)
- Prudential Management (LG Act section 48)
- Records and Information Management
- Request for Services (LG Act section 270 (a1) (a))
- Risk Management
- Unreasonable Complainant Conduct

Council Member

- Council Member Conduct (LG Act section 63)
- Council Member Training and Development (LG Act section 80A)
- Council Member Allowances and Support (LG Act section 77(1) (b))
- Mayor Seeking Legal Advice
- One Team Communication Protocols

Development and Engineering

- Accredited Professionals
- Buffers
- Building and Swimming Pool Inspection (Development Act section 71A(1))

- Delegations Policy for the Determination of Development Applications by CAP
- Development Application Fee Refunds
- Development Application Fee Waiver
- Development Applications Involving Regulated Tree(s)
- Development Application Document Reproduction
- Management of Built Heritage
- Public Place and Road Naming (LG Act section 219(5))
- Privately Funded Development Plan Amendments
- Provision of Physical Models for Major Development Proposals
- Unsealed Roads

Finance

- Acceptance of External Funding Policy
- Debt Recovery (inc. CWMS Customer Hardship Policy) (LG Act section 144)
- Disposal of Assets (LG Act section 49(1d))
- Rating
- Treasury

Infrastructure and Assets

- Asset Management
- Occasional Hiring of Council Meeting Rooms
- Road Rents
- Street Lighting

Environment and Open Space

- Directional Signage
- Burning Permit
- Genetically Modified Crops
- Telecommunications Installation Small Cell Stobie Pole Mounted Antennae
- Tree Management
- Waste and Resource Recovery Service

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 for no charge.

Community Land Management Plans

A new Community Land Management Plan was adopted by Council on 24 September 2019. The plan has been prepared for each category of community land, defining ownership details, location, area, principal usage and user groups.

Data verification of community land has been completed with all community land assigned to the appropriate category in the new Community Lands Register. The register will be reviewed on an annual basis. It lists community lands and does not include any lands revoked or excluded under the Local Government Act 1999.

Competitive tendering

In 2019-20 Council determined that a number of services it provides could be more efficiently provided by external contractors. Where services are outsourced a tender process is used to achieve best value for Council.

Details of the tendering process can be found in Council's Procurement and Purchasing Policy. In 2019-20, 63 services were subjected to a competitive bidding process.

Purchase of local goods and services

Council is committed to maximising the positive impact of its activities to benefit the local economy and its community and will endeavour to meet its procurement needs in a way that achieves value for money whilst generating benefits not only to council, but also to our community, local economy, and the environment.

When goods and services are required by Council, local suppliers are encouraged to tender in line with Council's Procurement Policy and Framework. 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 Competition and Consumer Act 2010.

National Competition Policy

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 2019-20 no complaints were received with regard to competitive neutrality.

Our people

Council's success relies on the experience and skills of staff to provide services to the community. As at 30 June, Council's workforce consisted of 194.04 FTE (full-time equivalent) people managing a diverse range of services and programs.

Employee turnover levels remain within a healthy range between 7-15 percent, with a turnover during 2019-20 of 8.3 percent.

Employees continue to focus on customer experience and service improvement across the organisation and continually review and refine processes to enable a better experience for our community.

Employee Performance

By enabling our people to be skilled, knowledgeable and capable, we empower them to undertake their roles effectively. Support and guidance is offered by People Leaders, helping employees manage the requirements of their role through six-monthly performance discussions where conversations are held with each staff member to:

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

Leadership Development

Leadership Development sessions are provided to our People Leaders who is anyone who manages employees as part of their role.

Over the past year, with many COVID restrictions reducing the ability to run live training sessions, the focus has been on working with People Leaders on different ways to engage with their people, how they provide support with people they're in limited physical contact with, and how to care for their people working outside of their normal environment. Supporting People Leaders in managing a more flexible workforce as an ongoing practice has been undertaken as more people returned to an AHC site.

Diversity and inclusion

Council has continued its journey towards being a diverse and inclusive organisation. Processes continue to be reviewed with the aim of improving our ability to be responsive to individual needs while managing expectations and successful outcomes for each role.

Our Recruitment Processes

Council facilitates merit-based selection processes to ensure that it provides equal opportunity for people to be employed. This includes ensuring that our positions are advertised through Disability Employment Service providers to enable better access to those people living with a disability.

Council recognises that selecting the right person for each role has a significant impact on their team, the effectiveness of work undertaken, and services provided to our community. Effective and fair recruitment is critically important.

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 regularly to ensure Council is managing its due diligence requirements and maintaining safe systems of work.

The Executive Leadership Team, with the Health and Safety Committee, promotes safe work practices that focus 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 through regular audit processes. These audits allow for the development of action plans and organisational improvement, and are managed through the Organisational Development Team. An annual rebate is available for assessed completion of activities through the Action Plan.

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 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.

Remuneration payable to Council's auditor

Remuneration payable for the annual audit of the Adelaide Hills Council Annual Financial Statements, the Internal Financial Controls for 2019-20, and a number of grant acquittals and declarations was \$23,930.

Appendix One

Financial Statements

Adelaide Hills Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



General Purpose Financial Statements

for the year ended 30 June 2020

| Contents | Page |
|---|-----------|
| 1. Council Certificate | 2 |
| 2. Principal Financial Statements: | |
| Statement of Comprehensive Income | 3 |
| Statement of Financial Position | 4 |
| Statement of Changes in Equity | 5 |
| Statement of Cash Flows | 6 |
| 3. Notes to and forming part of the Principal Financial Statements | 7 |
| 4. Independent Auditor's Report – Financial Statements | 46 |
| 5. Independent Auditor's Report – Internal Controls | 48 |
| 6. Certificates of Audit Independence | |
| Council Certificate of Audit Independence | 50 |
| Audit Certificate of Audit Independence | 51 |

Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2020

Certification of Financial Statements

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

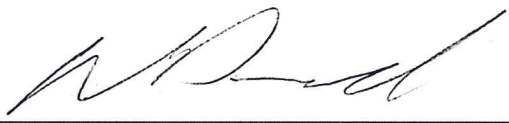
In our opinion:

- 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 2020 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

Date 27/10/2020



Nathan Daniell
Acting Mayor

Statement of Comprehensive Income

for the year ended 30 June 2020

| \$ '000 | Notes | 2020 | 2019 |
|--|-------|----------------|---------------|
| Income | | | |
| Rates | 2a | 38,547 | 36,915 |
| Statutory Charges | 2b | 1,180 | 1,172 |
| User Charges | 2c | 704 | 1,007 |
| Grants, Subsidies and Contributions | 2g | 5,245 | 5,123 |
| Investment Income | 2d | 42 | 41 |
| Reimbursements | 2e | 228 | 516 |
| Other income | 2f | 605 | 648 |
| Net Gain - Equity Accounted Council Businesses | 19 | 73 | 138 |
| Total Income | | 46,624 | 45,560 |
| Expenses | | | |
| Employee costs | 3a | 17,433 | 15,923 |
| Materials, Contracts and Other Expenses | 3b | 21,927 | 19,231 |
| Depreciation, Amortisation and Impairment | 3c | 9,207 | 8,826 |
| Finance Costs | 3d | 589 | 623 |
| Net loss - Equity Accounted Council Businesses | 19 | 10 | 6 |
| Total Expenses | | 49,166 | 44,609 |
| Operating Surplus / (Deficit) | | (2,542) | 951 |
| Physical Resources Received Free of Charge | 2h | 970 | 1,982 |
| Asset Disposal & Fair Value Adjustments | 4 | (1,757) | (95) |
| Amounts Received Specifically for New or Upgraded Assets | 2g | 556 | 425 |
| Net Surplus / (Deficit) | | (2,773) | 3,263 |
| Other Comprehensive Income | | | |
| Amounts which will not be reclassified subsequently to operating result | | | |
| Changes in Revaluation Surplus - I,PP&E | 9a | (4,485) | 59,526 |
| Share of Other Comprehensive Income - Equity Accounted Council Businesses | 19 | - | 240 |
| Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve | 9a | - | (184) |
| Other Equity Adjustments - Equity Accounted Council Businesses | | 78 | 139 |
| Total Amounts which will not be reclassified subsequently to operating result | | (4,407) | 59,721 |
| Total Other Comprehensive Income | | (4,407) | 59,721 |
| Total Comprehensive Income | | (7,180) | 62,984 |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2020

| \$ '000 | Notes | 2020 | 2019 |
|--|---------|----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash & Cash Equivalent Assets | 5a | 518 | 2,025 |
| Trade & Other Receivables | 5b | 2,761 | 2,541 |
| Inventories | 5c | 18 | 19 |
| Non-Current Assets Held for Sale | 20b(ii) | – | 1,530 |
| Total current assets | | 3,297 | 6,115 |
| Non-current assets | | | |
| Equity Accounted Investments in Council Businesses | 6 | 1,491 | 1,350 |
| Infrastructure, Property, Plant & Equipment | 7a | 422,745 | 424,101 |
| Total non-current assets | | 424,236 | 425,451 |
| TOTAL ASSETS | | 427,533 | 431,566 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 8a | 5,254 | 5,446 |
| Borrowings | 8b | 7,285 | 62 |
| Provisions | 8c | 3,588 | 3,048 |
| Total Current Liabilities | | 16,127 | 8,556 |
| Non-Current Liabilities | | | |
| Borrowings | 8b | 5,446 | 10,000 |
| Provisions | 8c | 1,528 | 1,398 |
| Total Non-Current Liabilities | | 6,974 | 11,398 |
| TOTAL LIABILITIES | | 23,101 | 19,954 |
| Net Assets | | 404,432 | 411,612 |
| EQUITY | | | |
| Accumulated surplus | | 138,645 | 141,348 |
| Asset revaluation reserves | 9a | 265,206 | 269,691 |
| Other reserves | 9b | 581 | 573 |
| Total Equity | | 404,432 | 411,612 |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2020

| \$ '000 | Notes | Accumulated surplus | Asset revaluation reserve | Other reserves | Total equity |
|---|-------|------------------------|---------------------------------|-------------------|-----------------|
| 2020 | | | | | |
| Balance at the end of previous reporting period | | 141,348 | 269,691 | 573 | 411,612 |
| Net Surplus / (Deficit) for Year | | (2,773) | – | – | (2,773) |
| Other Comprehensive Income | | | | | |
| - Gain (Loss) on Revaluation of I,PP&E | 7a | – | (4,485) | – | (4,485) |
| - IPP&E Impairment (Expense) / Recoupments Offset to ARR | 7a | – | – | – | – |
| - Share of OCI - Equity Accounted Council Businesses | 19 | – | – | – | – |
| - Other Equity Adjustments - Equity Accounted Council Businesses | 19 | 78 | – | – | 78 |
| Other comprehensive income | | 78 | (4,485) | – | (4,407) |
| Total comprehensive income | | (2,695) | (4,485) | – | (7,180) |
| Transfers between Reserves | | (8) | – | 8 | – |
| Balance at the end of period | | 138,645 | 265,206 | 581 | 404,432 |
| 2019 | | | | | |
| Balance at the end of previous reporting period | | 137,081 | 210,121 | 1,426 | 348,628 |
| Net Surplus / (Deficit) for Year | | 3,263 | – | – | 3,263 |
| Other Comprehensive Income | | | | | |
| - Gain (Loss) on Revaluation of I,PP&E | 7a | – | 59,526 | – | 59,526 |
| - IPP&E Impairment (Expense) / Recoupments Offset to ARR | 7a | – | (184) | – | (184) |
| - Share of OCI - Equity Accounted Council Businesses | 19 | 12 | 228 | – | 240 |
| - Other Equity Adjustments - Equity Accounted Council Businesses | 19 | 139 | – | – | 139 |
| Other comprehensive income | | 151 | 59,570 | – | 59,721 |
| Total comprehensive income | | 3,414 | 59,570 | – | 62,984 |
| Transfers between Reserves | | 853 | – | (853) | – |
| Balance at the end of period | | 141,348 | 269,691 | 573 | 411,612 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2020

| \$ '000 | Notes | 2020 | 2019 |
|---|-------|-----------------|----------------|
| Cash flows from operating activities | | | |
| <u>Receipts</u> | | | |
| Rates Receipts | | 38,288 | 37,094 |
| Statutory Charges | | 1,180 | 1,172 |
| User Charges | | 704 | 1,007 |
| Grants, Subsidies and Contributions (operating purpose) | | 5,121 | 5,183 |
| Investment Receipts | | 42 | 41 |
| Reimbursements | | 228 | 516 |
| Other Receipts | | 929 | 622 |
| <u>Payments</u> | | | |
| Finance Payments | | (589) | (623) |
| Payments to Employees | | (16,703) | (15,723) |
| Payments for Materials, Contracts & Other Expenses | | (22,410) | (18,950) |
| Net cash provided by (or used in) Operating Activities | 11b | <u>6,790</u> | <u>10,339</u> |
| Cash flows from investing activities | | | |
| Amounts Received Specifically for New/Upgraded Assets | | 556 | 425 |
| Sale of Replaced Assets | | 714 | 497 |
| Sale of Surplus Assets | | 117 | 7,942 |
| Sale of Investment Property | | 1,530 | 1,204 |
| Repayments of Loans by Community Groups | | – | 72 |
| <u>Payments</u> | | | |
| Expenditure on Renewal/Replacement of Assets | | (9,718) | (10,090) |
| Expenditure on New/Upgraded Assets | | (3,223) | (3,877) |
| Net cash provided (or used in) investing activities | | <u>(10,024)</u> | <u>(3,827)</u> |
| Cash flows from financing activities | | | |
| <u>Payments</u> | | | |
| Repayments of Borrowings | | (62) | (77) |
| Repayment of Lease Liabilities | | (211) | – |
| Repayment of Bonds & Deposits | | – | (1) |
| Net Cash provided by (or used in) Financing Activities | | <u>(273)</u> | <u>(78)</u> |
| Net Increase (Decrease) in Cash Held | | <u>(3,507)</u> | <u>6,434</u> |
| plus: Cash & Cash Equivalents at beginning of period | | 2,025 | (4,409) |
| Cash and cash equivalents held at end of period | 11a | <u>(1,482)</u> | <u>2,025</u> |
| Additional Information: | | | |
| plus: Investments on hand – end of year | 6b | – | – |
| Total Cash, Cash Equivalents & Investments | | <u>(1,482)</u> | <u>2,025</u> |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Principal Financial Statements
for the year ended 30 June 2020

Contents of the Notes accompanying the General Purpose Financial Statements

| Note | Details | Page |
|------|--|------|
| 1 | Summary of Significant Accounting Policies | 8 |
| 2 | Income | 16 |
| 3 | Expenses | 18 |
| 4 | Asset Disposal & Fair Value Adjustments | 20 |
| 5 | Current Assets | 21 |
| 6 | Non-Current Assets | 21 |
| 7 | Infrastructure, Property, Plant & Equipment | 22 |
| 8 | Liabilities | 26 |
| 9 | Reserves | 27 |
| 10 | Assets Subject to Restrictions | 28 |
| 11 | Reconciliation to Statement of Cash Flows | 28 |
| 12a | Functions | 30 |
| 12b | Components of Functions | 31 |
| 13 | Financial Instruments | 32 |
| 14 | Capital Expenditure and Investment Property Commitments | 36 |
| 15 | Financial Indicators | 37 |
| 16 | Uniform Presentation of Finances | 38 |
| 17 | Leases | 39 |
| 18 | Superannuation | 40 |
| 19 | Interests in Other Entities | 41 |
| 20 | Non-Current Assets Held for Sale & Discontinued Operations | 42 |
| 21 | Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet | 43 |
| 22 | Events after the Balance Sheet Date | 43 |
| 23 | Related Party Transactions | 44 |

Notes to the Financial Statements

for the year ended 30 June 2020

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 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.

1.3 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 Mount Barker Road, Stirling. 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 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.

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

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 |
|---------|-----------------------|-------------------|------------|
| 2017/18 | \$1,597,298 | \$1,520,627 | + \$76,671 |
| 2018/19 | \$1,526,078 | \$1,537,852 | - \$11,774 |
| 2019/20 | \$1,640,046 | \$1,564,152 | +\$75,894 |

In addition, the 2019/20 and 2020/21 Supplementary Local Road Grants of \$690,138 was paid in advance in June 2019.

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 distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

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. 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 are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(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, except for trade receivables from a contract with a customer, which are measured at the transaction price. 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

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 |
| Park & Playground Furniture & Equipment | \$2,000 |
| Buildings - new construction/extension | \$5,000 |
| CWMS extensions & household connections | \$5,000 |
| Paving & footpaths, Kerb & Gutter | \$5,000 |
| Road construction & reconstruction | \$5,000 |
| Stormwater, gravity mains and culverts | \$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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

Plant, Furniture & Equipment

| | |
|--------------------------------|---------------|
| Office Furniture and Equipment | 5 to 10 years |
| Vehicles and Heavy Plant | 5 to 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 |
| Benches, seats, etc | 10 to 20 years |
| Park Structures – masonry | 50 to 100 years |
| Park Structures – other construction | 20 to 40 years |
| Playground equipment | 5 to 15 years |

Infrastructure

| | |
|-----------------------------------|-----------------|
| Bores | 20 to 40 years |
| Bridges | 80 to 100 years |
| Culverts | 50 to 75 years |
| CWMS Pipes | 70 to 80 years |
| Dams and Lagoons | 80 to 100 years |
| Flood Detention Systems | 80 to 100 years |
| Irrigation Pipes and Systems | 25 to 75 years |
| Paving & Footpaths, Kerb & Gutter | 80 to 100 years |
| Pumps & Telemetry | 15 to 25 years |
| Road Pavement | 65 to 180 years |
| Sealed Roads – Surface | 15 to 25 years |
| Stormwater and Gravity Mains | 80 to 100 years |
| Unsealed Roads | 10 to 20 years |

Other Assets

| | |
|---------------------|--------------|
| Artworks | indefinite |
| Right-of-Use Assets | 2 to 5 years |

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.

Notes to the Financial Statements

for the year ended 30 June 2020

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

Accounting policy applicable from 01 July 2019

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

11.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

| | |
|--------------------------|---------------|
| Computers & IT Equipment | 3 to 5 years |
| Building Occupancy | Up to 3 years |

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(12) 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.

(13) GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(14) 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.

Adelaide Hills Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

Adelaide Hills Council early adopted AASB 15 and AASB 1058, from the year ended 30 June 2018 and as such the application of these are included in the preparation of this financial report as well as that for the previous year.

AASB 16 Leases

The Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, Council has no leases to which this treatment will need to be applied."

Adoption of AASB 16 Leases (AASB 16)

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

Council has lease contracts for various items of plant, equipment, and computers. Before the adoption of AASB 16, the Council classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Council adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as at 1 July 2019 and comparatives have not been restated.

The Council recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

| | \$'000 |
|--|---------------|
| Assets | |
| Infrastructure, Property, Plant and Equip. | |
| - Right-of-Use-Assets | 239 |
| Total Assets | 239 |
| Liabilities | |
| Interest-bearing loans and borrowings | 239 |
| - Other | 239 |

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

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

Effective for NFP annual reporting periods beginning on or after 1 January 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

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

- AASB 17 Insurance Contracts

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2014-10 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(15) COVID-19 Pandemic

The COVID-19 pandemic has impacted the 2019-20 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic or due to the mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

This included:

- Reduced revenue from Events and venue hire
- Waiving of outdoor dining fees
- Business support in the form of temporary suspension of:
 - Fines & Interest
 - Penalties
 - Debt recovery actions
- Additional costs for
 - Cleaning
 - Equipment hire to maintain social distancing
 - Health and Safety initiatives
 - Hibernation costs for Council Venues

COVID-19 is not expected to have a significant financial impact on Council. Council estimates that the reduction in revenue and the increase in expenditure resulted in a decrease of approximately \$112k in the 2019-20 net result. It is expected further financial impacts will flow into the 2020-21 financial year. However, Council had determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

(16) Cudlee Creek Bushfire Impact

The Cudlee Creek Bushfire recovery effort undertaken by Council also has impacted the 2019-20 financial statements with the fire directly impacting some 30 per cent of the Adelaide Hills Council district.

Council infrastructure has had minimal damage, with the most serious impact to land including Lobethal Bushland Park.

As a result, Council has spent nearly \$3.0m in roadside tree clean-up in the 2019-20 financial year as well as other costs including road repairs, fixing fences, repairing recreational trails, restoring fauna habitat and helping the community rebuild.

To offset this Council received \$1.225m in upfront Federal funding and has put in an application to State Government to claim an additional \$1.550m through the Local Government Disaster Recovery Assistance Arrangements. These financial statements do not recognise the \$1.550m of funding as State Government confirmation has yet to be received.

Council estimates that the net impact of the Cudlee Creek bushfire in terms of grants received and increase in expenditure resulted in a decrease of approximately \$2.150m in the 2019-20 net result but anticipates that the 2020-21 surplus will be increased by the National Disaster Assistance funding once received.

In addition there is likely to be further costs incurred in relation to:

- tree management and further road tree works and debris clean up
- additional resources to manage the development applications the Council expects to receive over the next 2-3 years for people rebuilding destroyed assets.
- biodiversity protection and regeneration work over the next 3 years including managing weed incursion in places that were completely burnt through such as Lobethal Bushland Park and more than 70 significant roadside vegetation sites.

It is therefore expected that further financial costs, in the order of \$400k, will also flow into the 2020-21 and future financial years. However, Council has considered the consequences of this and similar events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Council's ability to continue as a going concern.

(17) 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.

(18) Disclaimer

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2. Income

| \$ '000 | 2020 | 2019 |
|--|---------------|---------------|
| (a) Rates | | |
| General Rates | | |
| General Rates | 35,942 | 34,523 |
| Less: Mandatory Rebates | (275) | (241) |
| Less: Discretionary Rebates, Remissions & Write Offs | (134) | (247) |
| Total General Rates | 35,533 | 34,035 |
| Other Rates (Including Service Charges) | | |
| Natural Resource Management Levy | 980 | 975 |
| Community Wastewater Management Systems | 1,730 | 1,646 |
| Separate & Special Rates | 6 | 4 |
| Stirling Business Association Separate Rate | 95 | 85 |
| Total Other Rates (Including Service Charges) | 2,811 | 2,710 |
| Other Charges | | |
| Penalties for Late Payment | 150 | 106 |
| Legal & Other Costs Recovered | 53 | 64 |
| Total Other Charges | 203 | 170 |
| Total Rates | 38,547 | 36,915 |
| (b) Statutory Charges | | |
| Development Act Fees | 559 | 526 |
| Animal Registration Fees & Fines | 428 | 407 |
| Parking Fines / Expiation Fees | 28 | 38 |
| Other Licences, Fees & Fines | 105 | 112 |
| Searches | 60 | 89 |
| Total Statutory Charges | 1,180 | 1,172 |
| (c) User Charges | | |
| Cemetery/Crematoria Fees | 334 | 278 |
| Community Centres | 98 | 123 |
| Sundry | 73 | 82 |
| Adelaide Hills Business and Tourism Centre (AHBTC) | 162 | 397 |
| Retirement Villages | 37 | 127 |
| Total User Charges | 704 | 1,007 |
| (d) Investment Income | | |
| Interest on Investments | | |
| - Local Government Finance Authority | 7 | 6 |
| - Banks & Other | 35 | 33 |
| - Loans to Community Groups | - | 2 |
| Total Investment Income | 42 | 41 |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2. Income (continued)

| \$ '000 | 2020 | 2019 |
|---|---------------------|---------------------|
| (e) Reimbursements | | |
| AHBTC | 193 | 413 |
| Other Properties | 10 | 11 |
| Private Works | 10 | 15 |
| Other | 15 | 77 |
| <u>Total Reimbursements</u> | <u>228</u> | <u>516</u> |
| (f) Other income | | |
| Insurance & Other Recoupments - Infrastructure, IPP&E | 162 | 284 |
| Public Lighting SLUOS Refund | 97 | – |
| Sundry | 346 | 364 |
| <u>Total Other income</u> | <u>605</u> | <u>648</u> |
| (g) Grants, Subsidies, Contributions | | |
| Amounts Received Specifically for New or Upgraded Assets | 556 | 425 |
| Total Amounts Received Specifically for New or Upgraded Assets | <u>556</u> | <u>425</u> |
| Community Wastewater Management Systems Contributions | 86 | 24 |
| Home and Community Care Grant | 942 | 948 |
| Library and Communications | 292 | 283 |
| Natural Disaster Recovery Funding | 1,225 | 393 |
| Roads to Recovery | 699 | 368 |
| Sundry | 361 | 546 |
| Supplementary Local Roads Funding | – | 1,035 |
| Untied - Financial Assistance Grant | 1,640 | 1,526 |
| Total Other Grants, Subsidies and Contributions | <u>5,245</u> | <u>5,123</u> |
| <u>Total Grants, Subsidies, Contributions</u> | <u>5,801</u> | <u>5,548</u> |
| The functions to which these grants relate are shown in Note 12. | | |
| (i) Sources of grants | | |
| Commonwealth Government | 4,488 | 3,483 |
| State Government | 964 | 1,724 |
| Other | 349 | 341 |
| Total | <u>5,801</u> | <u>5,548</u> |
| (ii) Individually Significant Items | | |
| Grant Commission (FAG) Grant Recognised as Income | 912 | 836 |
| Supplementary Local Roads Grants in Advance Recognised as Income | – | 690 |
| (h) Physical Resources Received Free of Charge | | |
| Land & Improvements | 970 | 1,982 |
| <u>Total Physical Resources Received Free of Charge</u> | <u>970</u> | <u>1,982</u> |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Expenses

| \$ '000 | Notes | 2020 | 2019 |
|---|-------|---------------|---------------|
| (a) Employee costs | | | |
| Salaries and Wages | | 14,537 | 13,409 |
| Employee Leave Expense | | 2,048 | 1,848 |
| Superannuation - Defined Contribution Plan Contributions | 18 | 1,244 | 1,156 |
| Superannuation - Defined Benefit Plan Contributions | 18 | 284 | 232 |
| Workers' Compensation Insurance | | 405 | 374 |
| Personal Income Protection Insurance | | 262 | 242 |
| Other | | 69 | 112 |
| Less: Capitalised and Distributed Costs | | (1,416) | (1,450) |
| Total Operating Employee Costs | | 17,433 | 15,923 |
| Total Number of Employees (full time equivalent at end of reporting period) | | 194 | 183 |
| (b) Materials, Contracts and Other Expenses | | | |
| (i) Prescribed Expenses | | | |
| Auditor's Remuneration | | | |
| - Auditing the Financial Reports | | 24 | 25 |
| - Other Auditors | | 13 | - |
| Elected Members' Expenses | | 421 | 417 |
| Election Expenses | | 13 | 59 |
| Lease Expense - Low Value Assets / Short Term Leases | | 308 | 299 |
| Subtotal - Prescribed Expenses | | 779 | 800 |
| (ii) Other Materials, Contracts and Expenses | | | |
| Bank Fees | | 88 | 84 |
| Contractors | | 5,047 | 5,648 |
| Contractors - Bushfire Recovery | | 3,038 | - |
| Contract Labour | | 556 | 982 |
| Contributions & Donations | | 1,211 | 710 |
| Energy | | 554 | 710 |
| Insurance | | 605 | 580 |
| Landfill Remediation | | 442 | 170 |
| Legal Expenses | | 198 | 278 |
| Levies - Other | | 579 | 559 |
| Levies Paid to Government - NRM levy | | 972 | 966 |
| Licencing - ICT | | 100 | 108 |
| Parts, Accessories & Consumables | | 2,605 | 2,737 |
| Professional Services | | 60 | 106 |
| Sundry | | 544 | 424 |
| Telephone (incl data) | | 266 | 228 |
| Waste | | 4,283 | 4,076 |
| Work-in-Progress Write-off | | - | 65 |
| Subtotal - Other Material, Contracts & Expenses | | 21,148 | 18,431 |
| Total Materials, Contracts and Other Expenses | | 21,927 | 19,231 |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Expenses (continued)

| \$ '000 | 2020 | 2019 |
|--|--------------|--------------|
| (c) Depreciation, Amortisation and Impairment | | |
| (i) Depreciation and Amortisation | | |
| Buildings | 1,148 | 1,242 |
| Infrastructure | | |
| - Stormwater | 454 | 482 |
| - Community Wastewater Management Systems | 413 | 398 |
| - Roads | 4,197 | 3,803 |
| - Bridges | 291 | 284 |
| - Footpaths | 312 | 403 |
| - Retaining Walls | 169 | 146 |
| - Guardrails | 146 | 140 |
| - Kerb & Gutter | 327 | 396 |
| - Traffic Controls | 25 | 41 |
| - Street Furniture | 71 | 83 |
| - Sport & Recreation | 326 | 337 |
| - Playgrounds | 69 | 83 |
| - Cemeteries | 31 | 35 |
| Right-of-use Assets | 214 | - |
| Plant & Equipment | 943 | 870 |
| Furniture & Fittings | 71 | 83 |
| Subtotal | 9,207 | 8,826 |
| Total Depreciation, Amortisation and Impairment | 9,207 | 8,826 |
| (d) Finance Costs | | |
| Interest on Overdraft and Short-Term Drawdown | 10 | 50 |
| Interest on Loans | 568 | 573 |
| Charges on Finance Leases | 11 | - |
| Total Finance Costs | 589 | 623 |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 4. Asset Disposal & Fair Value Adjustments

| \$ '000 | 2020 | 2019 |
|---|----------------|----------------|
| Infrastructure, Property, Plant & Equipment | | |
| (i) Assets Renewed or Directly Replaced | | |
| Proceeds from Disposal | 714 | 497 |
| Less: Carrying Amount of Assets Sold | (2,380) | (1,719) |
| Gain (Loss) on Disposal | (1,666) | (1,222) |
| (ii) Assets Surplus to Requirements | | |
| Proceeds from Disposal | 117 | 11,235 |
| Less: Carrying Amount of Assets Sold | (138) | (7,994) |
| Less: Other Amounts Relating to the Sale of Surplus Assets | (70) | (2,059) |
| Gain (Loss) on Disposal | (91) | 1,182 |
| Non-Current Assets Held for Sale | | |
| Proceeds from Disposal | 1,530 | 1,204 |
| Less: Carrying Amount of Assets Sold | (1,530) | (1,259) |
| Gain (Loss) on Disposal | - | (55) |
| Net Gain (Loss) on Disposal or Revaluation of Assets | (1,757) | (95) |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Current Assets

| \$ '000 | 2020 | 2019 |
|---|-------------------|---------------------|
| (a) Cash & Cash Equivalent Assets | | |
| Cash on Hand at Bank | 143 | 1,651 |
| Short Term Deposits & Bills, etc. | 375 | 374 |
| <u>Total Cash & Cash Equivalent Assets</u> | <u>518</u> | <u>2,025</u> |

(b) Trade & Other Receivables

| | | |
|---|---------------------|---------------------|
| Rates - General & Other | 1,503 | 1,278 |
| Council Rates Postponement Scheme | 129 | 95 |
| Accrued Revenues | 540 | 577 |
| Debtors - General | 253 | 363 |
| Other Levels of Government | 196 | 72 |
| Prepayments | 140 | 156 |
| Subtotal | <u>2,761</u> | <u>2,541</u> |
| <u>Total Trade & Other Receivables</u> | <u>2,761</u> | <u>2,541</u> |

(c) Inventories

| | | |
|---------------------------------|------------------|------------------|
| Stores & Materials | 18 | 19 |
| <u>Total Inventories</u> | <u>18</u> | <u>19</u> |

Note 6. Non-Current Assets

| \$ '000 | Notes | 2020 | 2019 |
|--|-------|---------------------|---------------------|
| Equity Accounted Investments in Council Businesses | | | |
| Gawler River Floodplain Management Authority (GRFMA) | 19i | 937 | 878 |
| Eastern Waste Management Authority (EWMA) | 19i | 138 | 101 |
| Adelaide Hills Regional Waste Management Authority (AHRWMA) | 19i | 416 | 371 |
| <u>Total Equity Accounted Investments in Council Businesses</u> | | <u>1,491</u> | <u>1,350</u> |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

(a) Infrastructure, Property, Plant & Equipment

| | as at 30/06/19 | | | | Asset movements during the reporting period | | | | | | | | | | | as at 30/06/20 | | | | | | |
|--|------------------|----------------|---------------|--------------------------|---|---------------------------------|-------------------------------|--------------------------|------------------------|--------------------------------|---|---------------|-------------------------|---|---|---|---|---------------|----------------|--------------------------|------------------|----------------|
| | Fair Value Level | At Fair Value | At Cost | Accumulated Depreciation | Carrying amount | Transition adjustment - AASB 16 | Asset Additions New / Upgrade | Asset Additions Renewals | WDV of Asset Disposals | Depreciation Expense (Note 3c) | Impairment Loss (recognised in Equity) (Note 9) | WIP Transfers | Adjustments & Transfers | Other 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 | Accumulated Depreciation | Carrying amount | |
| Capital Work in Progress | | | 2,997 | | 2,997 | | 3,223 | 9,718 | | | (12,389) | | | | | | | | 3,550 | | 3,550 | |
| Land - Community | | 88,615 | | | 88,615 | | | | (138) | | | | | | | (1,386) | | 87,091 | | | 87,091 | |
| Buildings | 3 | 65,282 | | (24,777) | 40,505 | | | | (198) | (1,148) | 224 | | | | | | 223 | 65,187 | | (25,581) | 39,606 | |
| Infrastructure | | | | | | | | | | | | | | | | | | | | | | |
| - Stormwater | 3 | 39,600 | | (11,348) | 28,252 | | | | | (454) | 901 | | 285 | | | (359) | | 40,097 | | (11,472) | 28,625 | |
| - Community Wastewater Management Systems | 3 | 20,253 | | (6,298) | 13,955 | | | | (28) | (413) | 166 | | | | | (139) | | 20,191 | | (6,650) | 13,541 | |
| - Roads | 3 | 285,788 | | (103,271) | 182,517 | | | | (1,170) | (4,197) | 4,773 | | 267 | | | (3,701) | | 264,156 | | (85,667) | 178,489 | |
| - Bridges | 3 | 18,210 | | (8,320) | 9,890 | | | | (4) | (291) | 255 | | | | | (101) | | 18,239 | | (8,490) | 9,749 | |
| - Footpaths | 3 | 14,828 | | (6,794) | 8,034 | | | | (41) | (312) | 934 | | 127 | | | | 91 | 15,131 | | (6,298) | 8,833 | |
| - Retaining Walls | 3 | 11,275 | | (3,588) | 7,687 | | | | (120) | (169) | 175 | | | | | | 259 | 11,421 | | (3,589) | 7,832 | |
| - Guardrails | 3 | 6,564 | | (1,339) | 5,225 | | | | (30) | (146) | 164 | | | | | (1,770) | | 4,316 | | (873) | 3,443 | |
| - Kerb & Gutter | 3 | 32,728 | | (17,472) | 15,256 | | | | (19) | (327) | 534 | | 291 | | | | 2,344 | 40,381 | | (22,302) | 18,079 | |
| - Traffic Controls | 3 | 2,124 | | (806) | 1,318 | | | | (63) | (25) | 54 | | | | | | 7 | 1,848 | | (557) | 1,291 | |
| - Street Furniture | 3 | 2,446 | | (956) | 1,490 | | | | (8) | (71) | 618 | | | | | | 5 | 3,026 | | (992) | 2,034 | |
| - Sport & Recreation | 3 | 17,496 | | (9,911) | 7,585 | | | | (26) | (326) | 417 | | | | | | 28 | 16,597 | | (8,919) | 7,678 | |
| - Playgrounds | 3 | 1,753 | | (683) | 1,070 | | | | | (69) | 467 | | | | | | 5 | 2,229 | | (756) | 1,473 | |
| - Cemeteries | 3 | 2,041 | | (1,306) | 735 | | | | | (31) | 95 | | | | | | 9 | 1,699 | | (891) | 808 | |
| - Other Infrastructure | 3 | | 2,196 | (628) | 1,568 | | | | | | | | | | | | | | 2,196 | (628) | 1,568 | |
| Right-of-Use Assets | | | | | | 239 | | | | (214) | | | | | 703 | | | | 942 | (214) | 728 | |
| Plant & Equipment | | | 12,543 | (5,556) | 6,987 | | | | (673) | (943) | 2,508 | | | | | | | | 13,700 | (5,821) | 7,879 | |
| Furniture & Fittings | | | | 2,748 | (2,333) | 415 | | | | (71) | 104 | | | | | | | | 2,851 | (2,403) | 448 | |
| Total Infrastructure, Property, Plant & Equipment | | 609,003 | 20,484 | (205,386) | 424,101 | 239 | 3,223 | 9,718 | (2,518) | (9,207) | - | - | - | 970 | 703 | - | (7,456) | 2,971 | 591,609 | 23,239 | (192,103) | 422,745 |
| Comparatives | | 532,392 | 18,288 | (179,865) | 370,815 | | 3,877 | 10,090 | (11,772) | (8,826) | (184) | | 123 | 1,982 | | (1,530) | (419) | 59,945 | 609,003 | 20,484 | (205,386) | 424,101 |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment

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.

Highest and best use

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

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 2: The majority of land is based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset. Land assets revaluation was undertaken by Council officers based on the Valuer General's site values as at 1 January 2018.

Land - Level 3: Crown Land which is subject to restriction for its use or sale has been valued by Council officers based on the Valuer General's site values as at 1 January 2018 less allowances for the restriction on sale (requiring Ministerial consent) which are unobservable inputs that have a significant effect on valuation.

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.
- Since the detailed valuation undertaken at 1 July 2017, valuations have been updated annually by Council Officers at depreciated current replacement cost based on Australia Bureau of Statistics Time Series data, Tables 17 (Construction Industries) movements specific to Adelaide for the period since valuation to June 2020

Infrastructure

- 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.

Roads

- Valuations were derived as at June 2019 referencing individual rates in Rawlinsons and Council Contracts to determine an overall rate for Council assets including road seal and road pavement by Steve Walker, Principal, Asset Engineering.
- Road Seals rates were established by using Council's recent contract rates for resealing which includes profiling, raising top stones, supply and laying of asphaltic concrete and supply and laying of spray seal
- Road Pavement rates were established by using rates from Rawlinsons applicable to the reconstruction of road pavements and compared against Council's actual costs
- During 2019-20 Council undertook a review of its sealed road components following an external review by Jeff Roorda, TechnologyOne, regarding components for road pavements. The assessment resulted in road pavement being componentised into a pavement base-course (layer immediately under the seal component) and a sub-base (bottom layer of road pavement). The base course layer retained the same useful life and the sub-base useful life was increased based on industry knowledge and standards. Given this useful life change, the sub-base was subsequently revalued from the asset construction date and hence the written down value of the assets adjusted downwards. As part of this process, the overall unit rate was also reallocated between the base-course and sub-base components.
- Since the detailed valuation using unit rates undertaken at June 2019, valuations have been updated by Council Officers at depreciated current replacement cost based on Australia Bureau of Statistics Time Series data, Tables 17 (Construction Industries) movements specific to Adelaide for the period since valuation to June 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

Footpaths & Retaining Walls

- Valuations were derived as at June 2019 referencing individual rates in Rawlinsons and Council Contracts to determine an overall rate for Council assets including footpaths and retaining walls by Steve Walker, Principal, Asset Engineering.
- Footpath rates were established by using rates from Council's schedule of rates contract to establish rates for brick paved, asphaltic concrete and concrete.
- Retaining Wall rates were established by using rates from Rawlinsons for retaining walls on a square metre basis for differing heights and referenced against Council's actual constructions in previous years
- Since the detailed valuation undertaken at June 2019, valuations have been updated by Council Officers at depreciated current replacement cost based on Australia Bureau of Statistics Time Series data, Tables 17 (Construction Industries) movements specific to Adelaide for the period since valuation to June 2020

Kerb & Gutter and Guardrails (safety barriers)

- Valuations were derived as at June 2020 referencing individual rates in Rawlinsons and Council Contracts to determine an overall rate for Council assets for kerb & gutter and safety barriers including guard rails by Steve Walker, Principal, Asset Engineering.
- Rates from Councils 2018 schedule of rates contract have been used to establish rates for barrier kerb, semi mountable, pinned semi mountable mountable kerb with stone inlay. A BPI rate of 1.06 has been used to adjust rates from 2018 to 2020.
- Rates from Rawlinsons (2020), have been used to establish rates for safety barriers and terminal treatments. These estimated rates have been adjusted and checked against Councils recent actual costs and relate well.

Stormwater, Bridges, Traffic Controls, Street Furniture, Sport and Recreation Facilities (S&R), Playgrounds and Cemeteries

- Valuations were performed by Council Officers at depreciated current replacement cost at at 30 June 2020 based on Australia Bureau of Statistics Time Series data, Tables 17 (Construction Industries) specific to Adelaide for June 2020.

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
- Since the detailed valuation undertaken at 1 July 2017, valuations have been updated annually by Council Officers at depreciated current replacement cost based on Australia Bureau of Statistics Time Series data, Tables 17 (Construction Industries) movements specific to Adelaide for the period since valuation to June 2020

Plant & Equipment

- Basis of valuation: Historic Cost

Furniture & Fittings

- Basis of valuation: Historic Cost

All Other Assets

- Basis of valuation: Deemed Cost

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Liabilities

| \$ '000 | 2020 Current | 2020 Non Current | 2019 Current | 2019 Non Current |
|--|---------------------|---------------------|---------------------|---------------------|
| (a) Trade and Other Payables | | | | |
| Goods & Services | 2,624 | – | 3,351 | – |
| Payments Received in Advance | 799 | – | 622 | – |
| Accrued Expenses - Employee Entitlements | 711 | – | 425 | – |
| Accrued Expenses - Other | 331 | – | 197 | – |
| Aged Care Facility Deposits | 782 | – | 782 | – |
| Deposits, Retentions & Bonds | 4 | – | 4 | – |
| Other | 3 | – | 65 | – |
| <u>TOTAL Trade and Other Payables</u> | <u>5,254</u> | <u>–</u> | <u>5,446</u> | <u>–</u> |

| \$ '000 | Notes | 2020 Current | 2020 Non Current | 2019 Current | 2019 Non Current |
|--------------------------------|-------|---------------------|---------------------|------------------|----------------------|
| (b) Borrowings | | | | | |
| Bank Overdraft | | 2,000 | – | – | – |
| Loans | | 5,000 | 5,000 | 62 | 10,000 |
| Lease Liabilities | 17 | 285 | 446 | – | – |
| <u>TOTAL Borrowings</u> | | <u>7,285</u> | <u>5,446</u> | <u>62</u> | <u>10,000</u> |

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

(c) Provisions

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| Employee Entitlements (including oncosts) | 3,338 | 129 | 2,843 | 109 |
| Future Reinstatement / Restoration, etc | 250 | 1,399 | 205 | 1,289 |
| <u>TOTAL Provisions</u> | <u>3,588</u> | <u>1,528</u> | <u>3,048</u> | <u>1,398</u> |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Reserves

| \$ '000 | as at 30/06/19 | | Transfers | Impairments | as at 30/06/20 | |
|--|-----------------|-------------------------|-----------|-------------|-----------------|--|
| | Opening Balance | Increments (Decrements) | | | Closing Balance | |
| (a) Asset Revaluation Reserve | | | | | | |
| Land - Community | 61,264 | (1,386) | – | – | 59,878 | |
| Buildings | 32,055 | 223 | – | – | 32,278 | |
| Infrastructure | | | | | | |
| - Stormwater | 19,476 | (359) | – | – | 19,117 | |
| - Community Wastewater Management Systems | 5,626 | (139) | – | – | 5,487 | |
| - Roads | 117,794 | (3,701) | – | – | 114,093 | |
| - Bridges | 4,393 | (101) | – | – | 4,292 | |
| - Footpaths | 114 | 91 | – | – | 205 | |
| - Retaining Walls | 4,511 | 259 | – | – | 4,770 | |
| - Guardrails | 3,105 | (1,770) | – | – | 1,335 | |
| - Kerb & Gutter | 14,044 | 2,344 | – | – | 16,388 | |
| - Traffic Controls | 564 | 7 | – | – | 571 | |
| - Street Furniture | 1,235 | 5 | – | – | 1,240 | |
| - Sport & Recreation | 2,941 | 28 | – | – | 2,969 | |
| - Playgrounds | 108 | 5 | – | – | 113 | |
| - Cemeteries | 2,233 | 9 | – | – | 2,242 | |
| JV's / Associates - Other Comprehensive Income | 228 | – | – | – | 228 | |
| Total Asset Revaluation Reserve | 269,691 | (4,485) | – | – | 265,206 | |
| Comparatives | 210,121 | 59,754 | – | (184) | 269,691 | |

| \$ '000 | as at 30/06/19 | | Tfrs to Reserve | Tfrs from Reserve | Other Movements | as at 30/06/20 | |
|---|-----------------|------------|-----------------|-------------------|-----------------|-----------------|--|
| | Opening Balance | | | | | Closing Balance | |
| (b) Other Reserves | | | | | | | |
| Community Wastewater Management Systems | 188 | 107 | – | – | – | 295 | |
| Torrens Valley Community Centre | 137 | – | – | (36) | – | 101 | |
| Library | 1 | – | – | – | – | 1 | |
| Scott Creek Progress Association | 6 | – | – | – | – | 6 | |
| Environmental Fund Reserve | 232 | – | – | (54) | – | 178 | |
| Significant Trees Reserve | 9 | – | – | (9) | – | – | |
| Total Other Reserves | 573 | 107 | (99) | – | – | 581 | |
| Comparatives | 1,426 | 2 | (200) | (655) | – | 573 | |

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 the Financial Statements

for the year ended 30 June 2020

Note 10. Assets Subject to Restrictions

| \$ '000 | 2020 | 2019 |
|---|------------|------------|
| <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 Government | | |
| Community Wastewater Management Systems Investigations | 354 | 351 |
| Total Cash & Financial Assets | 354 | 351 |
| Total Assets Subject to Externally Imposed Restrictions | 354 | 351 |

Note 11. Reconciliation to Statement of Cash Flows

| \$ '000 | Notes | 2020 | 2019 |
|---|-------|----------------|--------------|
| (a) Reconciliation of Cash | | | |
| <p>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:</p> | | | |
| Total Cash & Equivalent Assets | 5 | 518 | 2,025 |
| Less: Short-Term Borrowings | 8 | (2,000) | – |
| Balances per Statement of Cash Flows | | (1,482) | 2,025 |

Notes to the Financial Statements

for the year ended 30 June 2020

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

| \$ '000 | 2020 | 2019 |
|---|--------------|---------------|
| (b) Reconciliation of Change in Net Assets to Cash from Operating Activities | | |
| Net Surplus/(Deficit) | (2,773) | 3,263 |
| Non-Cash Items in Income Statements | | |
| Depreciation, Amortisation & Impairment | 9,207 | 8,826 |
| Equity Movements in Equity Accounted Investments (Increase)/Decrease | (63) | (132) |
| Non-Cash Asset Acquisitions | (970) | (1,982) |
| Grants for capital acquisitions treated as Investing Activity | (556) | (425) |
| Net (Gain) Loss on Disposals | 1,757 | 95 |
| Other | (71) | – |
| | <u>6,531</u> | <u>9,645</u> |
| Add (Less): Changes in Net Current Assets | | |
| Net (Increase)/Decrease in Receivables | (220) | 292 |
| Net (Increase)/Decrease in Inventories | 1 | (6) |
| Net (Increase)/Decrease in Other Assets | – | (2) |
| Net Increase/(Decrease) in Trade & Other Payables | (192) | 96 |
| Net Increase/(Decrease) in Unpaid Employee Benefits | 515 | 168 |
| Net Increase/(Decrease) in Other Provisions | 155 | 149 |
| Net Increase/(Decrease) in Other Liabilities | – | (3) |
| Net Cash provided by (or used in) operations | <u>6,790</u> | <u>10,339</u> |

| \$ '000 | Notes | 2020 | 2019 |
|--|-------|------------|--------------|
| (c) Non-Cash Financing and Investing Activities | | | |
| Acquisition of assets by means of: | | | |
| Physical Resources Received Free of Charge | 2h | 970 | 1,982 |
| Amounts recognised in Income Statement | | <u>970</u> | <u>1,982</u> |
| Total Non-Cash Financing and Investing Activities | | <u>970</u> | <u>1,982</u> |

(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 | 750 | 750 |
| LGFA Cash Advance Debenture Facility | 10,200 | 10,200 |

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12a. Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 12b.

| \$ '000 | INCOME | | EXPENSES | | OPERATING SURPLUS (DEFICIT) | | GRANTS INCLUDED IN INCOME | | TOTAL ASSETS HELD (CURRENT & NON-CURRENT) | |
|-----------------------------------|---------------|---------------|---------------|---------------|-----------------------------|------------|---------------------------|--------------|---|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Functions/Activities | | | | | | | | | | |
| Business Undertakings | – | – | – | – | – | – | – | – | 427,533 | 431,566 |
| Community Capacity | 1,768 | 1,727 | 6,851 | 6,755 | (5,083) | (5,028) | 1,472 | 1,440 | – | – |
| Corporate Services | 40,155 | 38,089 | 12,153 | 9,664 | 28,002 | 28,425 | 839 | 817 | – | – |
| Infrastructure & Operations | 3,453 | 4,537 | 26,608 | 24,712 | (23,155) | (20,175) | 2,850 | 2,783 | – | – |
| Development & Regulatory Services | 1,248 | 1,207 | 3,554 | 3,478 | (2,306) | (2,271) | 84 | 83 | – | – |
| Total Functions/Activities | 46,624 | 45,560 | 49,166 | 44,609 | (2,542) | 951 | 5,245 | 5,123 | 427,533 | 431,566 |

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12b. Components of Functions

The activities relating to Council functions are as follows:

COMMUNITY CAPACITY

Communications, Engagement & Events, Community Capacity Director's Office, Community Development (Management & Partnerships), Community Grants, Community Programs, Cultural Development, Customer Service, Economic Development, FABRIK Arts and Heritage Hub, Library Services, Positive Ageing (Home and Social Support), Positive Ageing Project (Collaborative), Service Strategy & Innovation, The Summit Community Centre, Torrens Valley Community Centre, Volunteering and Youth Development.

CORPORATE SERVICES

Adelaide Hills Business Tourism Centre, Cemeteries, Corporate Services Director's Office, Financial Services, Governance & CEO Office, ICT, Information Management, Organisational Development & Work Health & Safety, Property Management and Retirement Villages.

INFRASTRUCTURE & OPERATIONS

Civil Services, Community Wastewater Management System (CWMS), Emergency Management, Infrastructure & Operations Director's Office, Open Space Biodiversity, Open Space Operations, Open Space - Sport & Recreation Planning, Sustainability, Sustainable Assets and Waste.

DEVELOPMENT & REGULATORY SERVICES

Animal Management, Development & Regulatory Services Director's Office, Fire Prevention, Mt Lofty Waste Control Project, Parking and By-Laws, Planning & Development, Policy Planning and Public Health.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 0.45% and 0.75% (2019: 1.25% and 1.75%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 5.2% (2019: 6.6%). 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:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

Receivables - Retirement Home Contributions

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities - Creditors and Accruals

Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

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:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between **4.6%** and 6.75% (2019: **4.6%** and **6.75%**).

Carrying Amount:

Approximates fair value.

Liabilities - Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 17.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

| \$ '000 | Due < 1 year | Due > 1 year & ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|------------------------------------|---------------|-----------------------------|---------------|------------------------------------|--------------------|
| 2020 | | | | | |
| Financial Assets | | | | | |
| Cash & Equivalents | 518 | – | – | 518 | 518 |
| Receivables | 2,621 | – | – | 2,621 | 2,621 |
| Total Financial Assets | 3,139 | – | – | 3,139 | 3,139 |
| Financial Liabilities | | | | | |
| Payables | 3,744 | – | – | 3,744 | 3,744 |
| Current Borrowings | 7,636 | – | – | 7,636 | 7,285 |
| Non-Current Borrowings | 230 | 6,380 | – | 6,610 | 5,446 |
| Total Financial Liabilities | 11,610 | 6,380 | – | 17,990 | 16,475 |
| 2019 | | | | | |
| Cash & Equivalents | 2,024 | – | – | 2,024 | 2,025 |
| Receivables | 2,385 | – | – | 2,385 | 2,385 |
| Total Financial Assets | 4,409 | – | – | 4,409 | 4,410 |
| Financial Liabilities | | | | | |
| Payables | 4,401 | – | – | 4,401 | 4,399 |
| Current Borrowings | 65 | – | – | 65 | 62 |
| Non-Current Borrowings | 568 | 6,257 | 5,230 | 12,055 | 10,000 |
| Total Financial Liabilities | 5,034 | 6,257 | 5,230 | 16,521 | 14,461 |

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

| \$ '000 | 2020 | | 2019 | |
|----------------------|-------------------------------|-------------------|-------------------------------|-------------------|
| | Weighted Avg Interest Rate | Carrying Value | Weighted Avg Interest Rate | Carrying Value |
| Overdraft | 2.20% | (2,000) | 3.35% | – |
| Fixed Interest Rates | 5.68% | 12,731 | 5.68% | 10,062 |
| | | 10,731 | | 10,062 |

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

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 impairment. All Council investments are made with the SA Local Government Finance Authority and NAB. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Capital Expenditure and Investment Property Commitments

| \$ '000 | 2020 | 2019 |
|--|--------------|--------------|
| (a) Capital Commitments | | |
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: | | |
| Infrastructure | 1,900 | 1,750 |
| Plant & Equipment | 94 | 304 |
| | 1,994 | 2,054 |
| These expenditures are payable: | | |
| Not later than one year | 1,994 | 2,054 |
| | 1,994 | 2,054 |
| (b) Other Expenditure Commitments | | |
| Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities: | | |
| Audit Services | – | 24 |
| | – | 24 |
| These expenditures are payable: | | |
| Not later than one year | – | 24 |
| | – | 24 |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Financial Indicators

| \$ '000 | Amounts | Indicator | Prior periods | |
|---------|---------|-----------|---------------|------|
| | 2020 | 2020 | 2019 | 2018 |

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 | (2,542) | (5.5)% | 2.1% | 1.0% |
| Total Operating Income | 46,624 | | | |

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

2. Net Financial Liabilities Ratio

| | | | | |
|---------------------------|--------|-----|-----|-----|
| Net Financial Liabilities | 19,822 | 43% | 34% | 55% |
| Total Operating Income | 46,624 | | | |

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

| | | | | |
|------------------------|---------|--------|------|------|
| Operating Surplus | (2,273) | (4.8)% | 0.6% | 1.0% |
| Total Operating Income | 46,893 | | | |

Adjusted Net Financial Liabilities Ratio

| | | | | |
|---------------------------|--------|-----|-----|-----|
| Net Financial Liabilities | 19,553 | 42% | 34% | 55% |
| Total Operating Income | 46,893 | | | |

3. Asset Renewal Funding Ratio

| | | | | |
|---|-------|------|-----|------|
| Net Asset Renewals | 9,718 | 106% | 93% | 128% |
| Infrastructure & Asset Management Plan required expenditure | 9,207 | | | |

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Uniform Presentation of Finances

| \$ '000 | 2020 | 2019 |
|--|----------------|--------------|
| <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 | 46,624 | 45,560 |
| less Expenses | (49,166) | (44,609) |
| Operating Surplus / (Deficit) | (2,542) | 951 |
| Net Outlays on Existing Assets | | |
| Capital Expenditure on Renewal and Replacement of Existing Assets | (9,718) | (10,090) |
| add back Depreciation, Amortisation and Impairment | 9,207 | 8,826 |
| add back Proceeds from Sale of Replaced Assets | 714 | 497 |
| | 203 | (767) |
| Net Outlays on New and Upgraded Assets | | |
| Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments) | (3,223) | (3,877) |
| add back Amounts Received Specifically for New and Upgraded Assets | 556 | 425 |
| add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale) | 1,647 | 9,146 |
| | (1,020) | 5,694 |
| Net Lending / (Borrowing) for Financial Year | (3,359) | 5,878 |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Leases

(i) Council as a lessee

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

| \$ '000 | Right of Use | Total |
|------------------------------------|--------------|------------|
| 2020 | | |
| Adoption of AASB 16 at 1 July 2019 | 239 | 239 |
| Additions to right-of-use assets | 703 | 703 |
| Depreciation charge | (214) | (214) |
| Balance at 30 June 2020 | 728 | 728 |

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

| \$ '000 | 2020 | 2019 |
|---------------------------|------------|----------|
| Balance at 1 July | 239 | – |
| Additions | 703 | – |
| Accretion of interest | 11 | – |
| Payments | (221) | – |
| Balance at 30 June | 732 | – |
| Classified as: | | |
| Current | 286 | – |
| Non Current | 446 | – |

The maturity analysis of lease liabilities is included in Note 13.

Council had total cash outflows for leases of \$529k.

The following are the amounts recognised in profit or loss:

| | | |
|--|------------|----------|
| Depreciation expense of Right-of-Use Assets | 214 | – |
| Interest expense on lease liabilities | 11 | – |
| Expense relating to short term leases | 308 | – |
| Total amount recognised in profit or loss | 533 | – |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Superannuation

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 2019/20; 9.50% in 2018/19). 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 2018/19) 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in Other Entities

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

| \$ '000 | Council's Share of Net Income | | Council's Share of Net Assets | |
|--|-------------------------------|------------|-------------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Council's Share of Net Income | | | | |
| Joint Ventures | 63 | 132 | 1,491 | 1,350 |
| Total Council's Share of Net Income | 63 | 132 | 1,491 | 1,350 |

(i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

| \$ '000 | Principal Activity | 2020 | 2019 |
|---|-----------------------|--------------|--------------|
| Eastern Waste Management Authority | Waste Management | 138 | 101 |
| Gawler River Floodplain Management Authority | Floodplain Management | 937 | 878 |
| Adelaide Hills Regional Waste Management Authority | Waste Management | 416 | 371 |
| Total Carrying Amounts - Joint Ventures & Associates | | 1,491 | 1,350 |

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

| \$ '000 | Interest in Operating Result | | Ownership Share of Equity | | Proportion of Voting Power | |
|--|------------------------------|--------|---------------------------|--------|----------------------------|--------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Eastern Waste Management Authority | 14.29% | 14.29% | 14.29% | 14.29% | 14.29% | 14.29% |
| Gawler River Floodplain Management Authority | 4.23% | 3.92% | 4.23% | 3.92% | 16.67% | 16.67% |
| Adelaide Hills Regional Waste Management Authority | 34.40% | 33.10% | 40.52% | 41.41% | 25.00% | 25.00% |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in Other Entities (continued)

(c) Movement in Investment in Joint Venture or Associate

| \$ '000 | Eastern Waste Management Authority | | Gawler River Floodplain Management Authority | | Adelaide Hills Regional Waste Management Authority | |
|---|------------------------------------|------------|--|------------|--|------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Opening Balance | 101 | 69 | 878 | 600 | 371 | 169 |
| Share in Operating Result | 28 | 19 | (10) | (6) | 45 | 119 |
| Share in Other Comprehensive Income | – | 5 | – | 229 | – | 7 |
| Adjustments to Equity | 9 | 8 | 69 | 55 | – | 76 |
| Council's Equity Share in the Joint Venture or Associate | 138 | 101 | 937 | 878 | 416 | 371 |

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

| \$ '000 | 2020 | 2019 |
|---------|------|------|
|---------|------|------|

Carrying Amounts of Assets and Liabilities

AssetsInfrastructure, Property, Plant & Equipment (Northern side of AHBTC) – 1,530**Total Assets** **– 1,530****Net Assets** **– 1,530**

Notes to the Financial Statements

for the year ended 30 June 2020

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 EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 4 appeals against planning 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.

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2020, 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.

COVID-19 has been classified as a global pandemic by the World Health Organisation and has developed rapidly in 2020. Measures taken by the Federal and State governments have affected South Australia's economic activity and Council's operations.

At this stage, the financial impacts on Council's operations have not been significant and Council expects that further impacts on Council's operations to flow into the 2020/21 financial year will not be significant. We refer to Note 1.15 providing details of the financial impacts caused by COVID-19 during the 2019/20 financial year.

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

Retirement Villages

In August 2018, Council resolved to sell its Retirement Village portfolio to Clayton Church Homes (CCH). As a result of contract negotiations and due diligence it was discovered that a portion of the Bridgewater Village is the subject of an unregistered charitable trust and is Community Land. As such, it was necessary to excise the Bridgewater village from the transaction at that time. However, Council has provided CCH with a first right of refusal to purchase the Bridgewater Village if the Trust is able to be varied and the community land classification revoked.

As a result, there is a number of contractual conditions precedent still to be fulfilled prior to the sale of Bridgewater Village being unconditional. Given the 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Related Party Transactions

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.

| \$ '000 | 2020 | 2019 |
|---|--------------|--------------|
| The compensation paid to Key Management Personnel comprises: | | |
| Short-Term Employee Benefits | 1,590 | 1,544 |
| Long-Term Benefits | 116 | 112 |
| Total | 1,706 | 1,656 |

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

Receipts from Key Management Personnel comprise:

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

| | | |
|--|----------|----------|
| Planning and Building Application Fees | 1 | – |
| Total | 1 | – |

Five Key Management Personnel are a Board Members/Deputy Board Members of entities, namely the State Libraries Board, Local Government Association of SA, Local Government Professionals SA, Adelaide Hills Regional Waste Management Authority and The Hutt Community Centre respectively, which have had some dealings with Council but it is not considered that those members control or jointly control those organisations.

During the financial year the Adelaide Hills Council:

- received grants for materials of \$159,756 and operating \$131,827 from Arts SA for a Public Libraries Grant and paid \$13,830 for library management software
- paid to LGA of SA an amount of \$56,928 for Membership and \$21,132 for Training, Seminar/Forum and Tenders & Contracts
- paid an amount of \$5,254 to LG Professionals SA for bronze memberships and \$8,716 for conferences and training
- paid to AHRWMA \$1.3m for collection and disposal of waste and associated services

One Key Management Person received salary and wages from the Hut Community Centre Inc. During the 2019-20 financial year, Council paid \$186,055 to The Hut Community Centre relating to the following:

- Funding for Provision of Community Home Support Program of \$12,650
- Funding \$167,890
- Reimbursement of volunteer expenses of \$ 4,823
- Reimbursement of 80% electricity \$692

Five Key Management Personnel received income from five entities, namely Summit Health, University of SA, Ecodynamics, Electoral Commission and Gawler River Flood Plain Management during the 2019-20 financial year.

During the financial year Council paid:

- \$1,100 in a Grant contribution to Summit Health
- \$2,200 for Library review to University of SA
- \$314 to Ecodynamics for the supply of plants
- \$14,331 to the Electoral Commission for Roll maintenance costs
- \$28,206 to the Gawler River Flood Plain Management Authority, being a Council subsidiary for 19/20 Subscription

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Related Party Transactions (continued)

Five Key Management Personnel are members on six management committees of groups that received contributions from Adelaide Hills Council. Details of those contributions are as follows:

- Birdwood High School, \$150 donation
- Kersbrook Public Hall Inc, who received:
 - \$6,551 relating to a contribution for public toilet maintenance
 - \$1,382 as a rate rebate
 - \$992 Community Development Grant
- RSL Gumeracha Sub branch who received a minor grant of \$300
- Woodside Hall who received \$1,905 for reimbursement of insurance
- Old School Community Garden who received a \$2,500 grant
- Adelaide Hills (War Memorial) Swimming Centre Inc who received a Maintenance Grant of \$93,404

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
Daniel Moon CA



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

Liability limited by a scheme approved
under Professional Standards Legislation

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 2020, 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 2020, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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

29 October 2020

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renee Nicholson CA
Tim Muhlhauser CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

Liability limited by a scheme approved
under Professional Standards Legislation

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 2019 to 30 June 2020 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 2019 to 30 June 2020.

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 2019 to 30 June 2020. 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 2019 to 30 June 2020. 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

29 October 2020

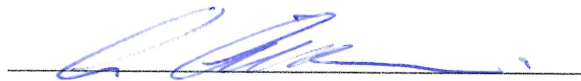
Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2020

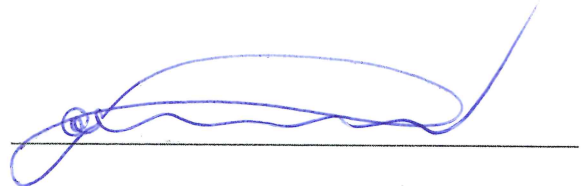
Certification of Auditor Independence

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 2020, 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



Malcolm Herrmann
Presiding Member, Audit Committee

Date: 20 OCTOBER 2020

Galpins

Accountants, Auditors
& Business Consultants

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
Daniel Moon CA



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

Liability limited by a scheme approved
under Professional Standards Legislation

ADELAIDE HILLS COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2020

Statement by Auditor

I confirm that, for the audit of the financial statements of Adelaide Hills Council for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, 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) Regulation 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Tim Muhlhausler'.

Tim Muhlhausler CA, Registered Company Auditor

Partner

14 October 2020

Appendix Two

Subsidiary Annual Reports

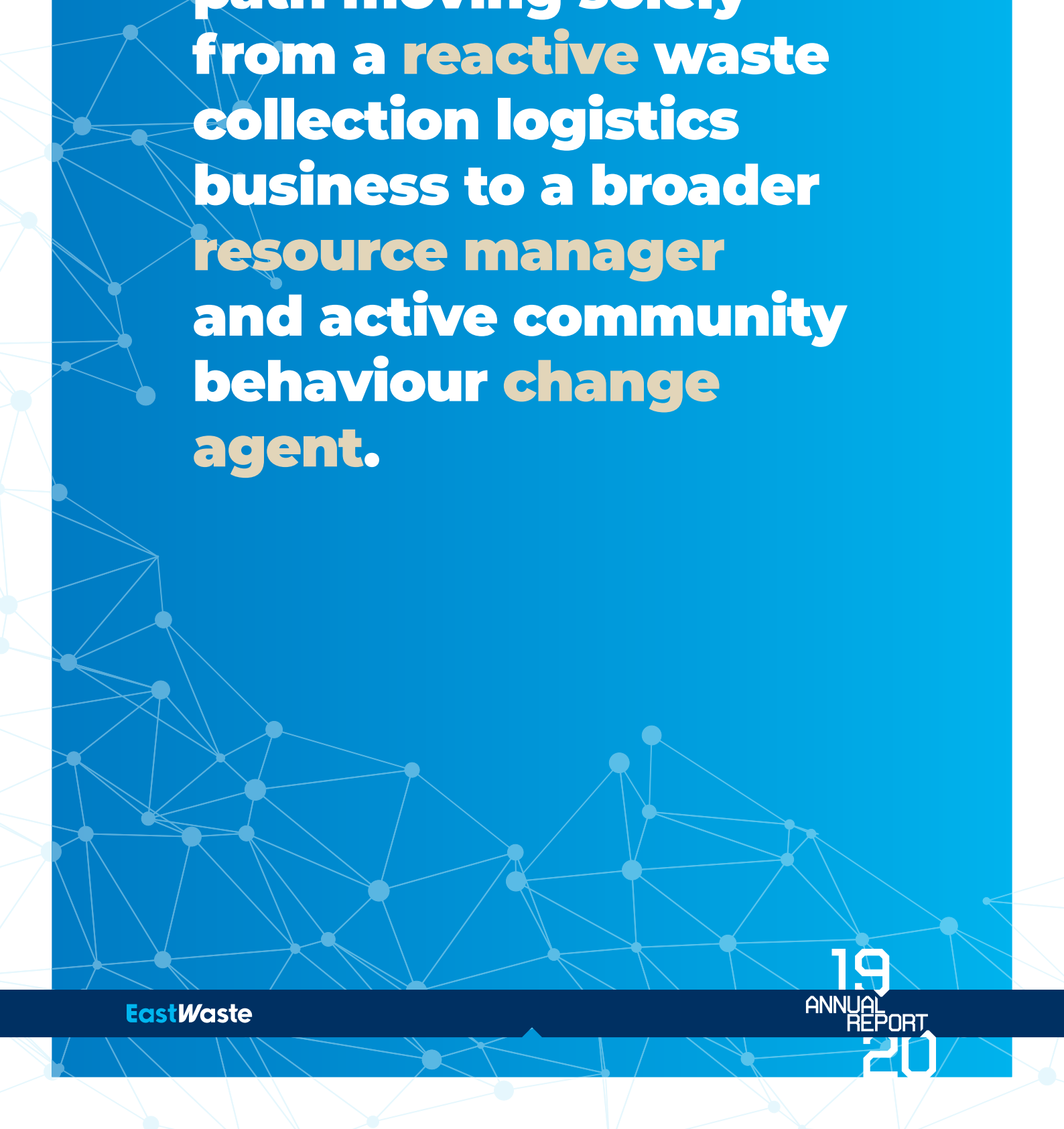
EastWaste

19

**ANNUAL
REPORT**

20





**East Waste is on a
transformational
path moving solely
from a reactive waste
collection logistics
business to a broader
resource manager
and active community
behaviour change
agent.**

CONTENTS

2019-2020

- 4 EAST WASTE SERVICE AREA
- 5 CHAIRPERSON'S REPORT
- 11 GENERAL MANAGER'S REPORT
- 16 GOVERNANCE
- 19 FINANCIAL STATEMENTS





CHAIRPERSON'S REPORT

I am pleased to be able to contribute to, and commend, my first Annual Report for East Waste. I was fortunate enough to be appointed Independent Chairperson of East Waste, commencing February 2020. My appointment coincided with the onset of COVID-19 and so my first few months as Chairperson have not been as I initially envisaged - they were more dynamic!

I will talk further to this later in my report, but before I refer to some highlights of the 2019/2020 Financial Year, I would like to acknowledge and express my thanks to some people. Firstly, I would like to thank East Waste's out-going Independent Chairperson, Mr Brian Cunningham. Brian served as Chairperson for six (6) consecutive years and in that time oversaw and directed some significant outcomes at East Waste. Brian's leadership throughout his tenure has seen East Waste in the strong position it is today, as both a business and industry leader.

On behalf of the East Waste Board, East Waste staff and Member Councils, I thank Brian for his contribution, and wish him well for the future. I would also like to thank Mr Paul Di Iulio, Deputy Chair of the East Waste Board for acting as the Independent Chairperson for a number of months prior to my appointment, whereby he oversaw a number of significant decisions and outcomes. Paul is a very strong leader, whose ongoing committed contribution to the East Waste Board has been evident over the years and has continued in my time as Chairperson.

East Waste has also seen some movement within the membership of its Audit and Risk Management Committee. After a successful six (6) years on the Committee, Mr Leigh Hall, Independent Member has completed his tenure. I would like to thank Mr Hall for his contribution to East Waste throughout his tenure. Replacing Mr Hall, is Ms Sandra Di Blasio, who commenced as Independent Member on the Committee in February 2020. Sandra is an experienced

executive, who sits on a number of Boards and Committees as a Non-executive Director, and East Waste is fortunate to have Sandra's contribution to the Committee.

Strategic Direction

East Waste has earned a reputation as a leader in waste management and with an engaged Board and Member Councils and it has a clear direction to continue this momentum. A clear mandate for East Waste is to drive value back to the communities we serve, and we can do this in many ways.

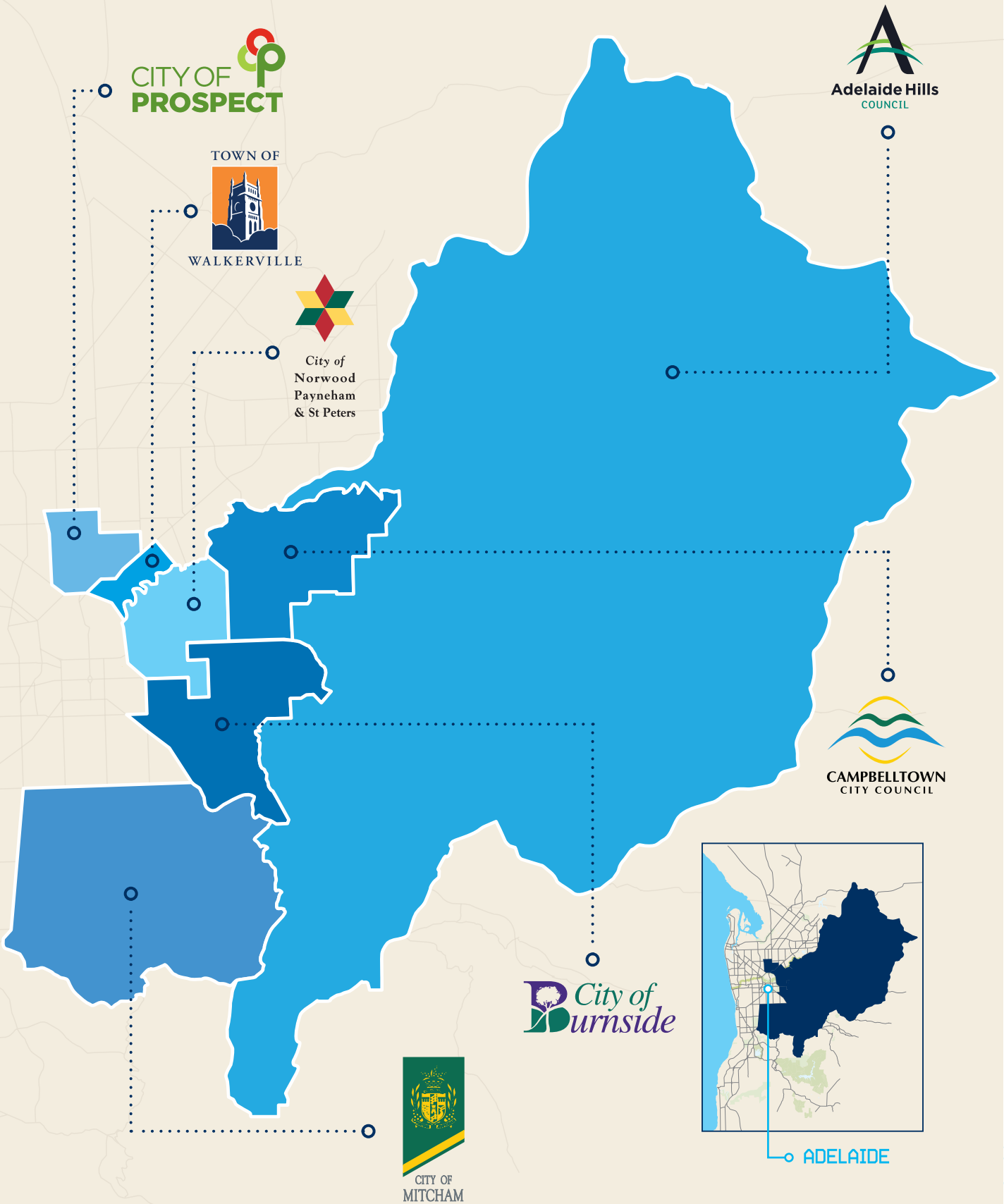
The waste industry finds itself in a dynamic space at the moment, with many unknowns continuing to present themselves. This presents a great opportunity for East Waste to outline and deliver a robust strategic direction, which identifies clear objectives with opportunities to enhance advocacy and foster growing partnerships with like-minded organisations to establish efficiencies and create sustainable behavioural change practices that ensure waste minimisation targets are met.

East Waste's soon to be released Strategic Direction 2030 will outline the objectives and targets to attain our Strategic goals.

Partnerships

In support of these thoughts regarding East Waste's Strategic intent, I am excited to be able to report on a significant partnership agreement that East Waste has entered into during the 2019/2020 Financial Year. East Waste has partnered with the Fight Food Waste Cooperative

CURRENT SERVICE AREA



CHAIRPERSON'S REPORT

Research Centre, Adelaide University and Green Industries South Australia with the intention of identifying behavioural change initiatives that eliminate food waste being disposed of to landfill.

East Waste's target is 100 percent (by weight) of total food waste collected from residential premises, to be collected separately and recycled by 2030. The partnerships aim to nurture behavioural change trials, that are supported by robust data, comprehensive bin audits and technology that is able to report on household disposal habits and behaviours.

for the 2019/2020 Financial Year. In a year that has been heavily impacted by COVID-19, this is a pleasing result to be able to report. As readers and stakeholders can appreciate, the waste industry saw a significant increase in the volumes of household waste, recyclables and green organics being collected in the months of March, April and May 2020, which ultimately saw East Waste's drivers working significant hours to meet this increase.

Not only did the drivers perform particularly well during this time, it is a credit to East Waste's



The elimination of food waste being disposed of to the general waste will not only have major positive impacts on the environment i.e. reduction in greenhouse gas emissions, it will also considerably reduce kerbside collection costs for all households.

I look forward to being able to report on the progress of this project in the near future.

Financial Performance

I am pleased to be able to report that East Waste has delivered an operating surplus of \$193,000

Board, Audit and Risk Management Committee and Executive Staff for delivery of a healthy operating surplus.

Thank you

I would like to thank the East Waste Board and Audit and Risk Management Committee for their strong leadership and decision-making during my early tenure and the year of COVID-19.

To East Waste Member Councils, thank you for your engagement, support and leadership in working with East Waste to deliver its Annual

CHAIRPERSON'S REPORT



Plan, our new initiatives and service delivery model throughout a challenging year. I have observed the strong relationships each Member Council has with East Waste and look forward to working with you.

To East Waste's General Manager, Mr Rob Gregory, thank you for your leadership of East Waste throughout a challenging and tumultuous time.

Your care and empathy towards your staff has been evident and has been the ongoing key to your success in operating the business throughout the 2019/2020 Financial Year.

You lead a great team that I had the pleasure

of working directly with during some very challenging times in Q1 of this year.

I commend the 2019/2020 East Waste Annual Report to you.



Fraser Bell
East Waste Chair



110,000 TOTAL TONNAGES COLLECTED



8,000,000 ANNUAL BIN COLLECTIONS



3,200 HARD WASTE TONNES CONVERTED TO FUEL



56% OF MATERIAL DIVERTED FROM LANDFILL



45 COLLECTION VEHICLES



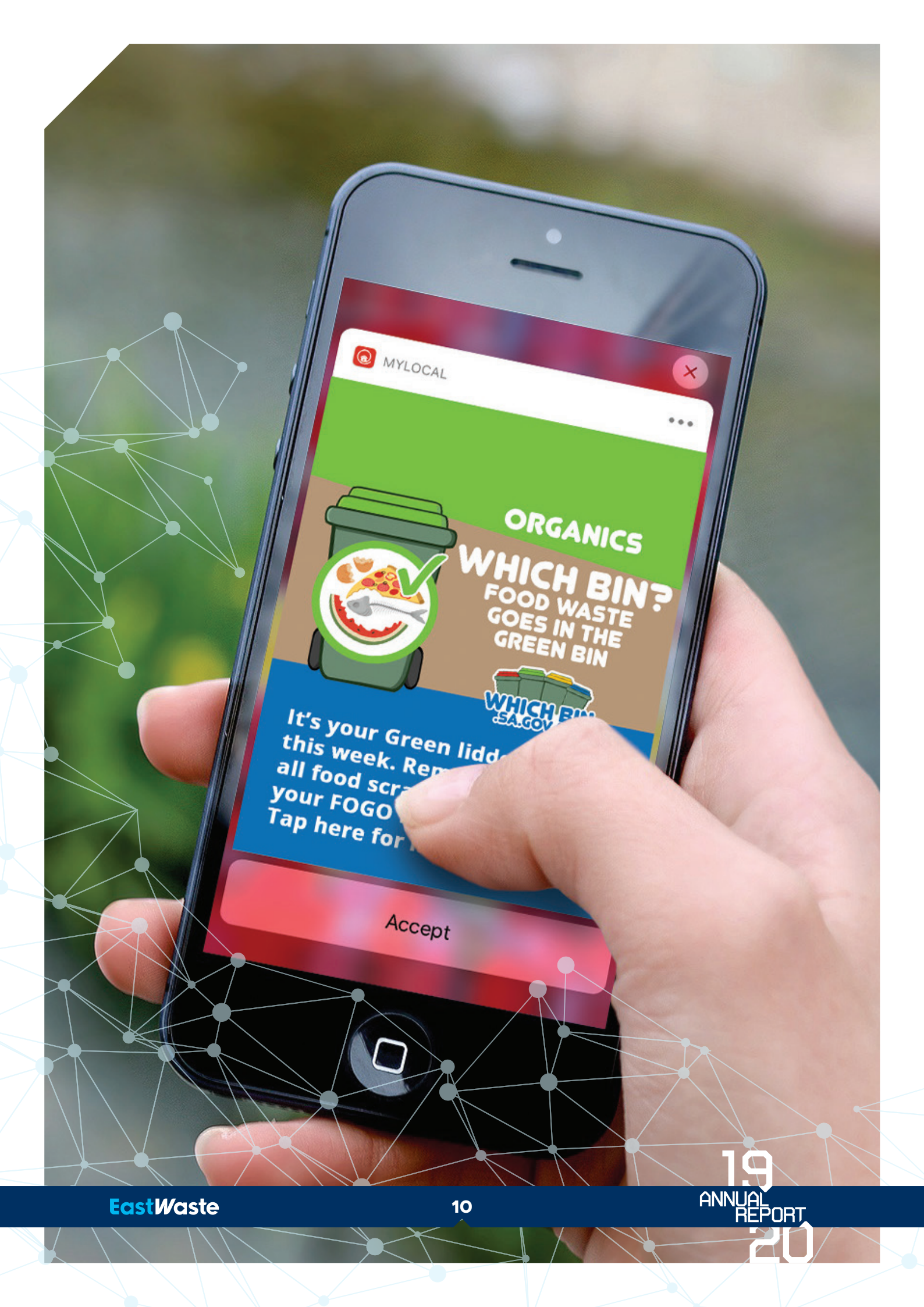
7,500 BIN REPAIRS UNDERTAKEN BY THE MOBILE TEAM



3,000 BIN DELIVERIES UNDERTAKEN PER YEAR



2,000+ ENQUIRIES RECEIVED & RESOLVED EACH WEEK



MYLOCAL



ORGANICS

WHICH BIN?
FOOD WASTE
GOES IN THE
GREEN BIN



It's your Green lidd
this week. Rem
all food scr
your FOGO
Tap here for

Accept

GENERAL MANAGER'S REPORT

Like everyone else in the world, East Waste has not been immune to impacts of COVID-19. As an essential service, it was critical that East Waste responded quickly to the ever-changing environment. I am extremely pleased to report that East Waste responded very early and decisively to COVID-19 impacts.

With a focus on staff well-being, hygiene practices, contingency planning and continuation of service delivery, I am proud to be able to say that East Waste did, and continues to do so, deliver 100% of services to our Member Councils and their residents.

The months of March, April and May saw increases in residential disposal of waste, recyclables and green organics, as most residents were working from home. In the month of April, East Waste saw an increase of 35% in green organics tonnes collected and a 15% increase in recyclables tonnes collected, compared to the same time last year. In addition, East Waste saw an increase in Hard Waste collections, as again, most residents were working from home and took the opportunity to undertake early spring cleaning.

East Waste rose to the challenge, at the same time adhering to and responding to the daily or weekly restriction and social-distancing requirements being imposed. This was only possible with the commitment and flexibility of our fantastic staff.

All East Waste staff have worked together, shown compassion, empathy for each other and simply got the job done. I would therefore like to express my sincere thanks to the entire East Waste team and their families who continue to support them.

I provide the following highlights to you:

Kerbside Bin Audit

In October/November 2019, East Waste undertook the largest, most in-depth kerbside bin audit ever undertaken in South Australia.

Over 2,100 kerbside bins were randomly selected across East Waste's seven (7) Member Council areas, with 29 tonnes of material audited across all kerbside streams (general waste, recyclables and green organics).

The audit took a deep dive analysis of food waste disposal, types of food being disposed of, and to which bin.

The audit identified that more than 27% of the general waste bin was food which ends up in landfill and causes greenhouse gas emissions and is expensive for Councils and residents. Therefore, the glaring opportunity identified is to get this food recycled into the green organics bin, where it can be turned into valuable compost. By doing this, East Waste Member Councils and their residents could save up to \$3M per annum.

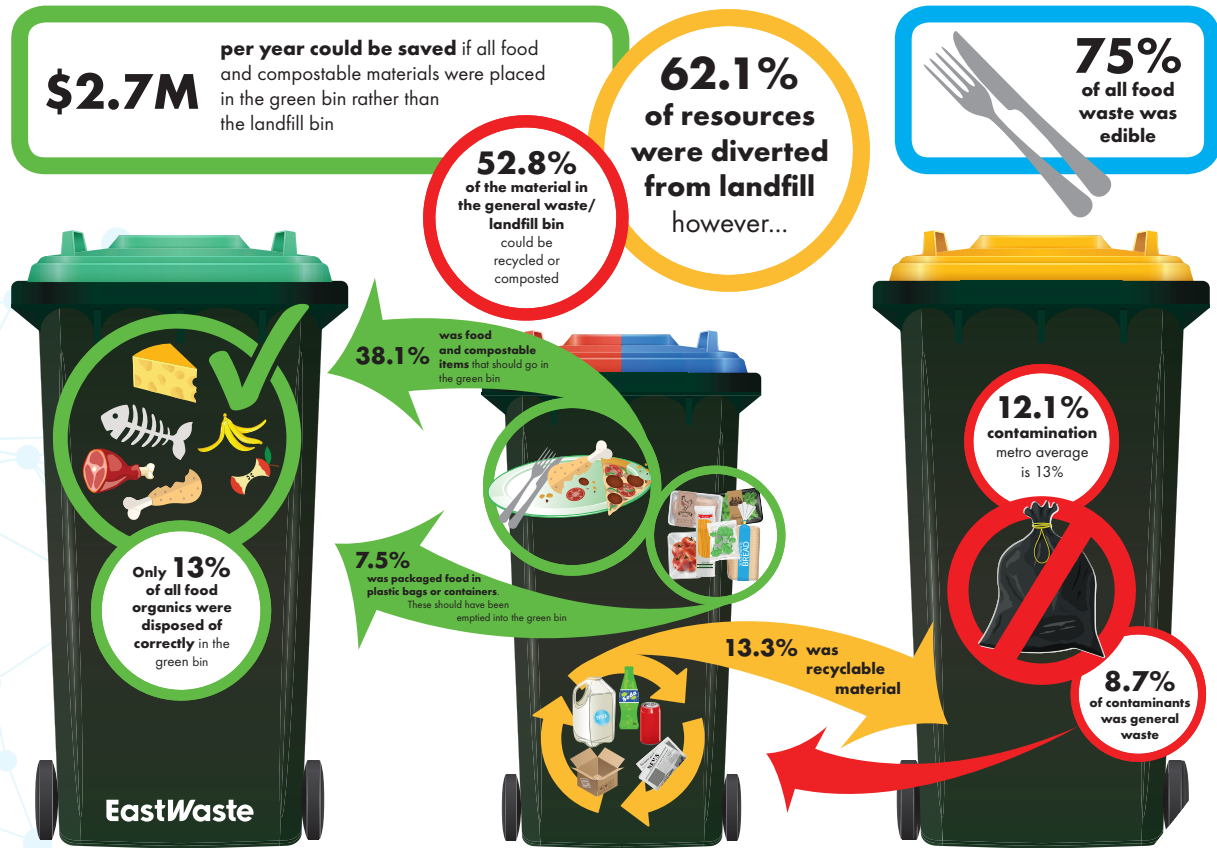
The audit also confirmed that contamination within the yellow bin continues to be at a high level. Soft plastics, textiles and general waste remain the key contaminants that we will continue to target through our education program.

These opportunities are and will be pursued in East Waste's Strategic direction and identified projects.

Increase in diversion from landfill rate

East Waste collected more tonnes this financial year than it did last financial year, and that increase can be attributed to COVID-19 whereby residents were working from home, thus generating more waste than usual and due to a large increase in green organics tonnes collected, primarily due to weather conditions and again,

GENERAL MANAGER'S REPORT



residents working from home and undertaking more gardening than usual.

Whilst the tonnes collected this financial year have increased, I am pleased to report that the overall diversion from landfill rate across East Waste's service area, has increased this financial year to 56%, compared with 54% last year. This is a great result as it means that less tonnes are going to landfill and more tonnes are being recycled.

This result can be attributed to East Waste's successful and on-going waste minimisation education focus and message delivery through media.

100% recycled

The recycling commodity market continues to be a challenging one, with the impacts of the China bans still being felt. A tighter commodity market has resulted in reduced demand and prices being received for recyclables. Unfortunately,

in some Australian states, some collected recyclables have ended up in landfill due to there not being a market for the amount collected.

I am pleased to report however that this has not been the case in South Australia, whereby all kerbside recyclables collected by East Waste have been recycled through our Recycling Disposal contractor, Northern Adelaide Waste Management Authority (NAWMA), who have and continue to do a great job processing all the recyclables that they receive.

Electric Vehicle

Earlier in the 2019/2020 financial year, East Waste purchased South Australia's first fully electric collection vehicle. To ensure a full commitment to on-going sustainability and green initiatives, East Waste installed a rooftop solar system at its depot, which ensures the charging of the electric vehicle is 100% undertaken through solar energy.

GENERAL MANAGER'S REPORT



The electric vehicle is being used to service East Waste Member Council, City of Prospect, predominantly due to its location and layout. Whilst there have been some challenges at times in the operation of the vehicle, when in operation and undertaking a full collection run, it is a pleasure to run and operate.

Advocacy

For varying reasons through the financial year, East Waste has seen itself garnering media interest, particularly around audit outcomes, electric vehicle operations, education initiatives and recycling contamination messaging.

As a kerbside collection operator that undertakes collections for approximately 20% of the Adelaide market, East Waste is seen as a thought leader within the industry. East Waste has this year set

about to reach a wider audience and advocate for its Member Councils, its stakeholders and the industry with respect to positive resource recovery opportunities, and particularly promoting initiatives that will lead to less waste going to landfill.

In my capacity as General Manager, I have seen a real increase in interest from the media, the waste industry and all levels of government as to what East Waste has to offer, and I would like to express my thanks to the East Waste Board and Member Councils for their support in increasing our footprint within the advocacy space.

Thanks

The 2019/2020 financial year has been a particularly challenging one, with bushfires impacting East Waste's service area in the

GENERAL MANAGER'S REPORT



Adelaide Hills and the impacts of COVID-19, however, I am very proud to be able to say that East Waste staff have responded exceptionally well to the challenges presented and have continued to perform their roles at a high level, with no disruption to our services levels.

This is a real credit to all East Waste and their supportive families. Thank you all.

Finally, I would like to thank our previous Chairman Mr Brian Cunningham for his guidance and support over my initial years at East Waste and I am fortunate that this great support has continued with our current Chair Mr Fraser Bell. Also to the East Waste Board, Audit and Risk Management Committee and all Member

Councils for their support, hard work, guidance and leadership over this past year.

East Waste enjoyed another successful year, in what has been one of the most challenging years I have experienced, so it is credit to everyone.



Rob Gregory
General Manager

KERBSIDE TONNAGES COLLECTED



| Member Council | Recyclables | Organics | Waste |
|---------------------------------------|-------------|----------|---------------------|
| Adelaide Hills Council | 3,574 | 4,265 | 7,549 |
| City of Burnside | 4,043 | 6,975 | 7,499 |
| Campbelltown City Council | 4,174 | 7,023 | 9,921 |
| City of Mitcham | 5,901 | 10,266 | 11,692 ¹ |
| City of Norwood, Payneham & St Peters | 3,468 | 5,006 | 7,076 |
| City of Prospect | 1,787 | 2,943 | 4,016 |
| Town of Walkerville | 704 | 1,164 | 1,358 |

¹ City of Mitcham undertakes the collection of waste for its residents.



EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the Local Government Act, the East Waste Charter, and various other policies and codes.

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 eight formal meetings over the 2019 – 2020 financial year. The table below details Board Member attendance.

| BOARD MEMBER | MEETINGS |
|---|----------|
| Mr Brian Cunningham (Chair) *Term Expired 30/09/2019 | 0/1 |
| Mr Fraser Bell (Chair) *Appointed 10/02/2020 | 5/5 |
| Cr Linda Green (Adelaide Hills Council) | 6/8 |
| Mr Simon Bradley (City of Prospect) | 6/8 |
| Cr Grant Piggott (City of Burnside) *Term expired 30/12/2019 | 3/3 |
| Cr Julian Carbone (City of Burnside) *Appointed 01/01/2020 | 5/5 |
| Mr Paul Di Iulio (Campbelltown City Council) | 6/8 |
| Mayor Heather Holmes-Ross (City of Mitcham) | 7/8 |
| Mr Mario Barone (City of Norwood, Payneham & St Peters) | 8/8 |
| Cr Rob Ashby (Corporation of the Town of Walkerville) | 6/8 |

| DEPUTY DIRECTOR ATTENDANCE | MEETINGS |
|---|----------|
| Mr John McArthur (Adelaide Hills Council) | 2/2 |
| Cr Paul Huebl (City of Burnside) | 0/0 |
| Cr Stephen Fisher (City of Mitcham) *Resignation effective 20 January 2020 | 1/1 |
| Mr Andrian Wiguna (Campbelltown City Council) | 0/0 |
| Cr Norm Coleman (Corporation of the Town of Walkerville) | 0/0 |

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 2019 – 2020 financial year. The table below details Audit Committee Member attendance.

| AUDIT & RISK MANAGEMENT COMMITTEE MEMBER | MEETINGS |
|--|----------|
| Mr Paul Di Iulio (Acting Chair) *Term expired 30/09/2019 | 2/2 |
| Mr Fraser Bell (Chair) *Appointed 10/02/2020 | 3/3 |
| Mr Mario Barone (City of Norwood, Payneham & St Peters) | 5/5 |
| Cr Linda Green (Adelaide Hills Council) *Appointed 28/11/2019 | 2/3 |
| Mr Tim Muhlhausler (Independent Member) | 5/5 |
| Ms Sandra Di Blasio (Independent Member) *Appointed 01/01/2020 | 3/3 |
| Cr Grant Piggott (City of Burnside) *Term expired 30/12/2019 | 2/2 |

The Audited Financial Statements for the year ending 30 June 2020 are provided at page 20.

EastWaste

19

**FINANCIAL
STATEMENTS**

20



FINANCIAL STATEMENTS CONTENTS

| | |
|--|-----------|
| Certification of Financial Statements | 20 |
| Principal Financial Statements | |
| Statement of Comprehensive Income | 21 |
| Statement of Financial Position | 22 |
| Statement of Changes in Equity | 24 |
| Statement of Cash Flows | 25 |
| Notes to, and forming part of, the Principal Financial Statements | |
| Note 1 - Significant Accounting Policies | 26 |
| Note 2 - Income | 34 |
| Note 3 - Expenses | 34 |
| Note 4 - Asset Disposal | 36 |
| Note 5 - Current Assets | 36 |
| Note 6 - Property, Plant & Equipment | 37 |
| Note 7 - Liabilities | 38 |
| Note 8 - Reconciliation to Cash Flow Statement | 39 |
| Note 9 - Financial Instruments | 40 |
| Note 10 - Commitments for Expenditure | 42 |
| Note 11 - Leases | 42 |
| Note 12 - Events Occurring After Reporting Date | 42 |
| Note 13 - Disclosures of Related Party Transactions | 43 |
| Member Council Certification of Auditor Independence | 45 |
| Certification of Auditor Independence | 46 |
| Independent Auditor's Report | 47 |

FINANCIAL STATEMENTS 2019-2020

CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020

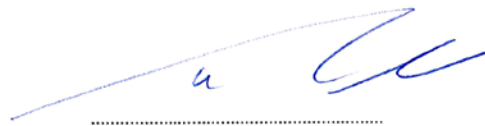
CERTIFICATION OF FINANCIAL STATEMENTS

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 2020 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
General Manager



Fraser Bell
Chairperson

Date:

FINANCIAL STATEMENTS 2019-2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

| | Notes | 2020 \$'000 | 2019 \$'000 |
|---|-------|----------------|----------------|
| INCOME | | | |
| User charges | 2 | 16,756 | 15,440 |
| Investment income | 2 | 21 | 32 |
| Grants, subsidies and contributions | | - | 38 |
| Other | 2 | 677 | 684 |
| Total Income | | 17,454 | 16,194 |
| EXPENSES | | | |
| Employee costs | 3 | 5,851 | 5,580 |
| Materials, contracts & other expenses | 3 | 9,120 | 8,229 |
| Finance costs | 3 | 281 | 290 |
| Depreciation & amortisation | 3 | 2,069 | 1,959 |
| Total Expenses | | 17,321 | 16,058 |
| OPERATING SURPLUS | | 133 | 136 |
| Asset disposal & fair value adjustments | 4 | 60 | 32 |
| NET SURPLUS | | 193 | 168 |
| Other Comprehensive Income | | - | - |
| Total Other Comprehensive Income | | - | - |
| TOTAL COMPREHENSIVE INCOME | | 193 | 168 |

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

FINANCIAL STATEMENTS 2019-2020

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2020

| | Notes | 2020 \$'000 | 2019 \$'000 |
|--------------------------------------|-------|----------------|----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 2,322 | 1,967 |
| Trade & other receivables | 5 | 1,019 | 717 |
| Total Current Assets | | 3,341 | 2,684 |
| Non-current Assets | | | |
| Property, Plant & Equipment | 6 | 7,652 | 6,100 |
| Total Non-current Assets | | 7,652 | 6,100 |
| Total Assets | | 10,993 | 8,784 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 7 | 1,205 | 771 |
| Provisions | 7 | 597 | 540 |
| Borrowings | 7 | 1,929 | 1,987 |
| Total Current Liabilities | | 3,731 | 3,298 |
| Non-current Liabilities | | | |
| Trade & Other Payables | 8 | - | - |
| Borrowings | 7 | 6,221 | 4,702 |
| Provisions | 7 | 77 | 78 |
| Total Non-current Liabilities | | 6,298 | 4,780 |
| Total Liabilities | | 10,029 | 8,078 |
| Net Assets | | 964 | 706 |
| EQUITY | | | |
| Accumulated Surplus | | 964 | 706 |
| Total Equity | | 964 | 706 |

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



FINANCIAL STATEMENTS 2019-2020

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

| | Accumulated Surplus \$'000 | Total Equity \$'000 |
|---|----------------------------------|---------------------------|
| Balance at start of period - 1 July 2019 | 706 | 706 |
| Net Surplus for Year | 193 | 193 |
| Other Comprehensive Income | | |
| Contributed Equity | 65 | 65 |
| Distributions to Member Councils | - | - |
| Balance at end of period - 30 June 2020 | 964 | 964 |
| | | |
| Balance at start of period - 1 July 2018 | 473 | 473 |
| Net Surplus for Year | 168 | 168 |
| Other Comprehensive Income | | |
| Contributed Equity | 65 | 65 |
| Distributions to Member Councils | - | - |
| Balance at end of period - 30 June 2019 | 706 | 706 |

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

FINANCIAL STATEMENTS 2019-2020

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

| | Notes | 2020 \$'000 | 2019 \$'000 |
|--|-------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating receipts | | 17,136 | 16,572 |
| Investment receipts | | 16 | 32 |
| Employee costs | | (5,795) | (5,555) |
| Materials, contracts & other expenses | | (8,677) | (8,260) |
| Finance payments | | (291) | (309) |
| Net cash provided by operating activities | 8 | 2,389 | 2,480 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Sale of replaced assets | 4 | 81 | 35 |
| Expenditure on renewal/replacement of assets | 6 | (2,297) | (1,897) |
| Net cash used in investing activities | | (2,216) | (1,862) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Capital contribution by member councils | | 65 | 65 |
| Proceeds from Borrowings | | 2,171 | 1,814 |
| Repayments of Borrowings | | (1,834) | (1,906) |
| Repayment of lease liabilities | | (220) | - |
| Net cash provided by (used in) financing activities | | 182 | (27) |
| Net Increase (Decrease) in cash held | | 355 | 591 |
| Cash & cash equivalents at beginning of period | 5 | 1,967 | 1,376 |
| Cash & cash equivalents at end of period | 5 | 2,322 | 1,967 |

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

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 and is incorporated under the SA Local Government Act 1999. Its principal place of business is at 1 Temple Court Ottoway.

3 Income Recognition

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset that has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

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

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.

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".

5.2 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.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

| Asset Class | Estimated Useful Lives | Capitalisation Threshold |
|------------------------------|-------------------------------|--------------------------|
| Plan, Machinery & Equipment | 3-10 Years | >\$1,000 |
| Buildings & Other Structures | 5-20 Years | >\$1,000 |
| Right-of-use-assets | Over period of expected lease | n/a |

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

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.

6 Payables

6.1 Goods & Services

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

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme).



FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Scheme has 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 (9.5% in 2019/20; 9.5% in 2018/19). No further liability accrues to the Authority 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. The Authority makes employer contributions as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2018/19) of 'superannuation' salary.

In addition, the Authority 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), the Authority 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 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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 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.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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 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.

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.

12 New Accounting Standards

As a result of the introduction of AASB 15 and AASB 1058 as from 1 July 2019, there was no impact to the historical accounting policies of the Authority that required to be adjusted.

The Authority has applied AASB 16 for the first time from 1 July 2019. AASB 16 superseded AASB 117 Leases, Interpretation 4 Determining whether an arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentations and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The Authority has lease contracts for its building facility. Before the adoption of AASB 16, the Authority classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of the date of initial application and leases of low-value assets. The right-of-use-assets for all leases were recognised based on the amount equal to the lease liabilities.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption of AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

| | \$'000 |
|-----------------------------|--------------|
| Assets | |
| Property, Plant & Equipment | 1,345 |
| Total Assets | 1,345 |
| Liabilities | |
| Borrowings | 1,345 |
| Total Liabilities | 1,345 |
| Accumulated Surplus | nil |

The following is the impact on the profit and loss in the current year as a result of the introduction of AASB 16:

| | \$'000 |
|---|-----------|
| Interest Expense – Lease Borrowings | 34 |
| Amortisation – right-of-use-assets | 256 |
| Lease Expenses | (255) |
| Net increase in Expenses Recognised in Profit & Loss | 35 |

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.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 - INCOME

| | Notes | 2020 \$'000 | 2019 \$'000 |
|---|-------|----------------|----------------|
| USER CHARGES | | | |
| Waste Collection Income | | 12,159 | 11,768 |
| Waste Processing Income | | 4,509 | 3,456 |
| Administration | | 225 | 216 |
| Member Council Waste Collection Rebate | | (137) | - |
| | | 16,756 | 15,440 |
| INVESTMENT INCOME | | | |
| Interest on investments | | | |
| Local Government Finance Authority | | 21 | 32 |
| | | 21 | 32 |
| OTHER INCOME | | | |
| Bin Supply | | 203 | 201 |
| Replacement Bins | | 457 | 439 |
| Sundry | | 17 | 44 |
| | | 677 | 684 |
| NOTE 3 - EXPENSES | | | |
| EMPLOYEE COSTS | | | |
| Salaries and Wages | | 4,599 | 4,434 |
| Employee leave expense | | 56 | 25 |
| Superannuation | | 381 | 369 |
| Wages Casual Agency | | 467 | 522 |
| Workers' Compensation Insurance | | 196 | 120 |
| Other | | 152 | 110 |
| Total Employee Costs | | 5,851 | 5,580 |
| <i>Number of FTE Employees as at reporting date</i> | | 59 | 55 |

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3 - EXPENSES (Cont.)

| | Notes | 2020 \$'000 | 2019 \$'000 |
|--|-------|----------------|----------------|
| MATERIALS, CONTRACTS & OTHER EXPENSES | | | |
| Auditor's Remuneration | | 10 | 9 |
| Board Expenses | | 33 | 26 |
| Lease costs | | - | 316 |
| Waste Processing Costs | | 4,532 | 3,479 |
| Electricity | | 27 | 25 |
| Fuel, Gas & Oil | | 1,076 | 1,180 |
| GPS Expenses | | 4 | 17 |
| Legal Expenses | | 34 | 88 |
| Maintenance | | 2,123 | 1,815 |
| Parts, Accessories & Consumables | | 11 | 9 |
| Printing, Stationery & Postage | | 24 | 55 |
| Professional Services | | 449 | 440 |
| Registration & Insurance - Trucks | | 364 | 358 |
| Sundry | | 392 | 370 |
| Telephone | | 41 | 42 |
| | | 9,120 | 8,229 |
| FINANCE COSTS | | | |
| Interest on Loans | | 247 | 290 |
| Interest on Leases | | 34 | - |
| | | 281 | 290 |
| DEPRECIATION & AMORTISATION | | | |
| Buildings & Other Structures | 6 | 25 | 8 |
| Plant, Machinery & Equipment | 6 | 1,788 | 1,951 |
| Right-of-use assets | 6 | 256 | - |
| | | 2,069 | 1,959 |

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4 - ASSET DISPOSAL

| | Notes | 2020 \$'000 | 2019 \$'000 |
|--------------------------------------|-------|----------------|----------------|
| Proceeds from disposal | | 81 | 35 |
| Less: Carrying amount of assets sold | | (21) | (3) |
| Gain (Loss) on disposal | | 60 | 32 |

NOTE 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

| | | | |
|--------------------------|--|--------------|--------------|
| Cash on Hand and at Bank | | 1,160 | 1,548 |
| Deposits at Call | | 1,162 | 419 |
| | | 2,322 | 1,967 |

TRADE & OTHER RECEIVABLES

| | | | |
|-------------------|--|--------------|------------|
| Debtors - general | | 1,013 | 716 |
| Accrued Income | | 6 | 1 |
| | | 1,019 | 717 |

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

| | Notes | 2020 \$'000 | 2019 \$'000 |
|--|-------|----------------|----------------|
| Buildings & Other Structures - At Cost | | 162 | 106 |
| Accumulated Depreciation | | (82) | (56) |
| | | 80 | 50 |
| Plant, Machinery & Equipment - At Cost | | 16,573 | 15,068 |
| Accumulated Depreciation | | (10,090) | (9,018) |
| | | 6,483 | 6,050 |
| Right-of-use-assets | | 1,345 | - |
| Accumulated Depreciation | | (256) | - |
| | | 1,089 | - |
| Total Property, Plant & Equipment | | 7,652 | 6,100 |

| | 2019 \$'000 | Movement in Property, Plant & Equipment during the financial year | | | | | 2019 \$'000 |
|------------------------------|----------------|---|---------|-------------|----------------|----------|----------------|
| | Carrying Value | Additions | | Disposals | Depreciation | Transfer | Carrying Value |
| | | New/ Upgrade | Renewal | | | | |
| Buildings & Other Structures | 50 | 55 | - | - | (25) | - | 80 |
| Plant, Machinery & Equipment | 6,050 | 2,242 | - | (21) | (1,788) | - | 6,483 |
| Right-of-use-asset | - | 1,345 | - | - | (256) | - | 1,089 |
| | 6,100 | 3,642 | - | (21) | (1,813) | - | 7,652 |
| 2019 | 6,165 | 1,897 | - | (3) | (1,959) | 1 | 6,100 |

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7 - LIABILITIES

| | 2020 \$'000 | | 2019 \$'000 | |
|-----------------------------------|----------------|--------------|----------------|--------------|
| | Current | Non-current | Current | Non-current |
| TRADE & OTHER PAYABLES | | | | |
| Goods & Services | 998 | - | 554 | - |
| Accrued expenses - other | 207 | - | 217 | - |
| | 1,205 | - | 771 | - |
| BORROWINGS | | | | |
| Loans | 1,692 | 5,334 | 1,987 | 4,702 |
| Lease Liabilities | 237 | 887 | - | - |
| | 1,929 | 6,221 | 1,987 | 4,702 |
| PROVISIONS | | | | |
| Annual Leave | 304 | - | 236 | - |
| Long Service Leave | 293 | 77 | 304 | 78 |
| | 597 | 77 | 540 | 78 |

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8 - RECONCILIATION TO CASH FLOW STATEMENT

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 Statement of Financial Position as follows:

| | 2020 \$'000 | 2019 \$'000 |
|----------------------------------|----------------|----------------|
| Total cash & equivalent assets | 2,322 | 1,967 |
| Less: Short-term borrowings | - | - |
| Balances per Cash Flow Statement | <u>2,322</u> | <u>1,967</u> |

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

| | | |
|---|--------------|--------------|
| Net Surplus (Deficit) | 193 | 168 |
| Non-cash items in Income Statement | | |
| Depreciation & amortisation | 2,069 | 1,959 |
| Net increase (decrease) in unpaid employee benefits | (56) | 25 |
| Net increase (decrease) accrued interest charges | (15) | (32) |
| (Gain) / Loss on Disposal | (60) | (19) |
| | <u>2,131</u> | <u>2,101</u> |
| Add (Less): Changes in Net Current Assets | | |
| Net (increase) decrease in receivables | (297) | 410 |
| Net increase (decrease) in trade & other payables | 443 | (31) |
| Net increase (decrease) in other provisions | 112 | - |
| Net Cash provided by (or used in) operations | <u>2,389</u> | <u>2,480</u> |

(b) Financing Arrangements

| | | |
|--|-------|-------|
| Corporate Credit Cards | 15 | 15 |
| Cash Advance Debenture Facility - LGFA | 1,000 | 1,000 |

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost.

Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 0.4% - 0.45% (2019: 1.25% - 1.85%).

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Waste Collection Fees & Associated Charges

Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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: initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate.

Terms & conditions: secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 2.55% - 5.35% (2019: 3.5% - 5.35%).

Liabilities - Leases

Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 11.

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.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9 - FINANCIAL INSTRUMENTS (Cont.)

Liquidity Analysis

| 2020 | ≤ 1 year | Maturity | | Non-Interest Bearing | Total |
|------------------------------|--------------|--------------------|--------------|----------------------|--------------|
| | | > 1 year ≤ 5 years | > 5 years | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Financial Assets</i> | | | | | |
| Cash & Equivalents | 2,322 | - | - | - | 2,322 |
| Receivables | - | - | - | 1,013 | 1,013 |
| Total | 2,322 | - | - | 1,013 | 3,335 |
| <i>Financial Liabilities</i> | | | | | |
| Payables | - | - | - | 998 | 998 |
| Borrowings | 1,929 | 5,460 | 726 | - | 8,115 |
| Total | 1,929 | 5,460 | 726 | 998 | 9,113 |
| | | | | | |
| 2019 | ≤ 1 year | Maturity | | Non-Interest Bearing | Total |
| | | > 1 year ≤ 5 years | > 5 years | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Financial Assets</i> | | | | | |
| Cash & Equivalents | 1,967 | - | - | - | 1,967 |
| Receivables | - | - | - | 716 | 716 |
| Total | 1,967 | - | - | 716 | 2,683 |
| <i>Financial Liabilities</i> | | | | | |
| Payables | - | - | - | 554 | 554 |
| Borrowings | 1,987 | 3,390 | 1,312 | - | 6,689 |
| Total | 1,987 | 3,390 | 1,312 | 554 | 7,243 |

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10 - COMMITMENTS FOR EXPENDITURE

Expenditure Commitments

The Authority has expenditure commitments relating to fleet replacement totalling \$2.3M as at reporting date.

NOTE 11 - LEASES

Authority as a lessee

Right-of-use-assets

The Authority leases its administrative and depot facilities at Ottoway.

| | Buildings & Other Structures \$'000 | Total \$'000 |
|----------------------------------|---|-----------------|
| At 1 July 2019 | 1,345 | 1,345 |
| Additions of right-of-use-assets | - | - |
| Depreciation Charge | (256) | (256) |
| At 30 June 2020 | 1,089 | 1,089 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | 2020 \$'000 |
|------------------------|----------------|
| At 1 July 2019 | 1,345 |
| Additions | - |
| Accretion of interest | 34 |
| Payments | (255) |
| At 30 June 2020 | 1,124 |
| Current | 237 |
| Non-Current | 887 |

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

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

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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:

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Salaries, allowances & other short term benefits | 476 | 467 |
| TOTAL | 476 | 467 |

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 | 3,370 | 128 | Provision of kerbside waste collection and hardwaste |
| City of Burnside | 2,943 | 165 | Provision of kerbside waste collection and hardwaste |
| City of Mitcham | 3,029 | 281 | Provision of kerbside waste collection and hardwaste |
| City of Norwood, Payneham & St Peters | 2,709 | 144 | Provision of kerbside waste collection and hardwaste |
| City of Prospect | 1,429 | 86 | Provision of kerbside waste collection and hardwaste |
| Corporation of the City of Campbelltown | 3,218 | 178 | Provision of kerbside waste collection and hardwaste |
| Corporation of the Town of Walkerville | 589 | 28 | 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.

Why waste it?
HARD RUBBISH
MADE EASY



EastWaste

BOOK A FREE COUNCIL COLLECTION
PHONE 8347 5111



FINANCIAL STATEMENTS 2019-2020

MEMBER COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

EASTERN WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2020

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 for the year ended 30 June 2020, the Authority's Auditor, Bentleys SA Audit Partnership, 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
Adelaide Hills Council

Date: 29 September 2020



Chris Cowley
Chief Executive Officer
City of Burnside

Date: 29/9/2020




Paul Di Iulio
Chief Executive Officer
Campbelltown City Council

Date:




Matthew Pears
Chief Executive Officer
City of Mitcham

Date: 30/09/2020



Mario Barone PSM
Chief Executive Officer
City of Norwood, Payneham & St Peters

Date: 28.09.2020



Nigel McBride
Chief Executive Officer
City of Prospect

Date: 29/09/2020



Kiki Cristol
Chief Executive Officer
Town of Walkerville

Date: 28/9/2020

FINANCIAL STATEMENTS 2019-2020

CERTIFICATION OF AUDITOR INDEPENDENCE



Bentleys SA Audit Partnership

Level 5
63 Pirie Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900
F +61 8 8372 7999

admin@adel.bentleys.com.au
bentleys.com.au

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 2020, 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 25th September 2020

FINANCIAL STATEMENTS 2019-2020

INDEPENDENT AUDITOR'S REPORT

**Bentleys SA Audit Partnership**

Level 5
63 Pirie Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900
F +61 8 8372 7999

admin@adel.bentleys.com.au
bentleys.com.au

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 2020, the statement of 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 2020, 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.

FINANCIAL STATEMENTS 2019-2020

INDEPENDENT AUDITOR'S REPORT



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', written over a light blue grid background.

DAVID PAPA
PARTNER

Dated at Adelaide this 30th day of September 2020

“

The waste industry finds itself in a disruptive space at the moment, with many unknowns continuing to present themselves.

This presents a great opportunity for East Waste to outline and deliver a robust strategic direction, that identifies clear objectives, advocacy enhancement and growing partnerships with like-minded organisations to efficiencies and sustainable behavioural change practices that ensure waste minimisation targets are met.”

Fraser Bell
East Waste Chair



EastWaste

 1 Temple Court
Ottoway SA 5013

 PO Box 26
Mansfield Park SA 5012

 08 8347 5111

 east@eastwaste.com

 EastWasteSA

 @East_Waste

 East Waste - Eastern Waste
Management Authority

 eastwaste.com.au



The Barossa Council

ANNUAL REPORT 2019-20

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

Gawler



Contents

| | Page |
|--|-------------|
| 1. Chair Report | 3 |
| 2. Gawler River Floodplain Management Authority (GRFMA) | 7 |
| 3. Governance | 8 |
| 4. Evaluation of Performance Against the Business Plan | 14 |
| 5. Financial Statements 2019-20 | 19 |

Chair Report

The past year of the Gawler River Floodplain Management Authority's (GRFMA) operation has been challenging across many fronts. The impact of COVID-19 in the last half of the report year primarily presenting difficulties with communications for the 13-member Board representing the six constituent councils forming the GRFMA (i.e. Adelaide Hills, Adelaide Plains, Barossa, Gawler, Light and Playford), State and Federal governments and other stakeholders having interest in the protection of the Gawler River floodplain.

The GRFMA Board conducted six (6) Ordinary meetings and convened two (2) Special meetings during the report period. Further, the GRMA's Audit Committee met on four (4) occasions.

The GRFMA Audit Committee provides an important role between the Authority, its management and its constituent Councils. The committee provides suggestions and recommendations to the GRFMA Board about actions to be taken to enhance financial and operational governance, considered to be in the best interests of the subsidiary and its constituent Councils.

Numerous Committee and Working Group meetings were also undertaken enabling the progression of activities identified necessary by the GRFMA Board.

Sincere thanks are extended to all who have been available for e-meetings and alternate means of communication allowing the business of the GRFMA to progress effectively. Special mention is also made of the assistance of the Town of Gawler Council which provided staff and associated IT, permitting the scheduling and conduct of e-meetings as required.

Notwithstanding the above, there have been a number of significant achievements throughout the report period, some of which are briefly outlined below.

Charter and Governance – Charter Review 2 Review Implementation

As reported in 2019, a periodic review of the Charter and associated governance (Charter Review 1) had been primarily completed with a legal review of proposed amendments having to be taken prior to adoption by the GRFMA's Board which occurred on the 28 January 2020.

This stage of the review was undertaken to make provision for some immediate amendments to the Charter necessary for continuing operation.

A number of amendments were proposed and supported with the following identified as the most important:

- Increasing the Audit Committee's GRFMA Board member representation,
- Clear prescription of the powers, functions, and duties to be undertaken by the Executive Officer,
- Setting the constituent council's percentage share contributions for capital works having a maximum value of \$1 million, and
- Making provision for the GRFMA's to prepare a Strategic Plan, Long-term Financial Plan, Asset Management Plan, Annual Business Plan, and associated budget documentation.

A more comprehensive review (Charter Review 2) commenced in April 2020 with Jeff Tate Consulting being engaged to undertake the required work. This work which will explore further governance and operational processes including options for alternative management (i.e., other than the Authority) for the Gawler River and supporting financial arrangements. This work is due for completion and report to the Authority in December 2020. Following consultation and subsequent approval process with constituent councils it is intended any new Charter arrangements will be operational from 1 July 2021.

Northern Floodway Project Advocacy and Progress

Since endorsing the Northern Floodway Project, the GRFMA has maintained constant advocacy initiatives pursuing funding for the project.

Recognising the need to continue liaison with the Federal and State Governments, the GRFMA Board requested that a further Advocacy program be implemented. Working in conjunction with Mr Phil Harrison, Playford Council's Advocacy Officer, the Chair and Chief Executive Officers visited three (3) Federal Government Ministers, four (4) SA Senators, three (3) local Federal Government Members of Parliament, three (3) State Members of the Legislative Council and three (3) State Members of Parliament advising of the work undertaken by the GRFMA to progress the Northern Floodway Project and seeking financial support.

All politicians engaged with acknowledged the importance of fixing this recurring flooding issue. To date funding sources remain unclear.

Other activities undertaken recently importantly include:

- Liaison with the South Australian Stormwater Management Authority (SMA) indicating the need for a Stormwater Management Plan (SMP) to be undertaken for the greater Gawler River from its convergence with the North and South Para Rivers to its outfall with the sea. The work is deemed necessary to satisfy the requirements of the SMA and future applications for funding for the Northern Floodway Project and any other flood mitigation associated works.
- GRFMA Board decision to pursue application for funding from the SMA for portion of the cost of the required SMP and associated Stage 1 scope and 30% design for the proposed Northern Floodway Project.
- A Working Group is to be formed to work with the SMA to scope investigative works required to develop the required SMP.

Bruce Eastick North Para Flood Mitigation Dam (BENPFMD) Operation and Safety Activities

The following activities have been pursued:

- **Safety Emergency Plan:**
The GRFMA endorsed partnership with the Local Government Association of South Australia Council Ready Program which aims to support councils with emergency management planning, and activities that strengthen disaster resilience in communities. The program is being centrally coordinated by the Local Government Association of South Australia (LGA-SA), with a team of project facilitators providing tailored assistance to councils between 2019 and 2021. The report is due for completion in December 2020.
- The LGA Mutual Liability Scheme assisted in facilitating an initial and separate Strategic Risk Workshop with GRFMA Board Members to identify relevant strategic risks associated with management of the Authority, in relation to the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River.
- **Operations and Maintenance Manual:**
AURECON Engineering Consultants were engaged to prepare an updated dam operations and maintenance plan which was completion in June 2020
- **Site Environmental Management:**
The GRFMA and Light regional Council have commenced work with the Natural Resources Adelaide and Mount Lofty Ranges Landscape Board for the establishment of a revegetated zone around the land comprising the BENPFMD.

Gawler River UNHaRMED Management Tool (GRUMP)

In 2019 the GRFMA entered into partnership with the Bushfire and Natural Hazards CRC and the University of Adelaide to develop a decision support tool (UNHaRMED) to explore how to manage flood risk into the future. The model tool once developed will also be available to other local government authorities and floodplain managers responsible for flood-associated social, environmental, and economic risk modelling and subsequent management.

The Executive Officer and the GRFMA Project Management team has worked with other partners during the year to progress the development of the tool. It is expected that work will be completed by December 2020.

Chair and Executive Officer Review and Re-appointment

Reviews were undertaken of the Chair and Executive Officer's positions with the following decisions being confirmed by the GRFMA:

- Chair and Independent Member – re-appointed for a period of three (3) years pursuant to the relative provisions of the GRFMA Charter.
- Executive Officer – Contract of Employment continued for an additional two (2) years.

Outgoing and New GRFMA Board Members

Acknowledgement is made of Cr Stephen Coppins assistance and service to the GRFMA as City of Playford Board Member from November 2018 – November 2019 and the Board welcomed replacement Board Member Cr Peter Rentoulis and new Deputy Member Cr Clinton Marsh.

Audit Committee Membership

The GRFMA re-appointed the following members of the Audit Committee for a further two years until 30 June 2022):

- Mr Peter Brass – Chair and Independent Member
- Cr Malcolm Herrmann (Adelaide Hills Council) – Committee Member
- Mr Greg Pattinson (City of Playford) – Committee Member

The GRFMA continues to prioritise the delivery of the Northern Floodway Project to provide increased protection for the lower reaches of the Gawler River.

An overall objective remains, to provide 1:100 Average Recurrence Interval protection for the Gawler River floodplain.

Ian J. Baldwin
Chair and Independent Member
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.

The Authority has been established for the purpose of coordinating the planning, construction, operation, and maintenance of flood mitigation infrastructure for the Gawler River, and for the following functions:

- 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 flooding of the Gawler River;
- to advocate on behalf of the Constituent Councils and their communities where required to State and Federal Governments for legislative policy changes on matters related to flood mitigation and management and associated land use planning with Gawler River flood mitigation;
- to facilitate sustainable outcomes to ensure a proper balance between economic, social, environmental, and cultural consideration; and
- to provide advice as appropriate to the Constituent Councils in relation to development applications relevant to the Authority's roles and functions.



Governance

The Board

The Authority is governed by the Board of management

The Board comprises of

- 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.
- Two persons appointed from each of the six constituent councils (12 members in total). Council appointees comprise of the Council CEO, or delegate and one Elected Member.
- Deputy Board members as appointed by each constituent council

The Members of the Board are:

| Council | Board Members | Deputy Board Members |
|---|---|------------------------------------|
| Chairperson & Independent Member | Mr Ian Baldwin | |
| Adelaide Hills Council | Cr Malcolm Herrmann Mr Marc Salver | Cr Pauline Gill |
| Adelaide Plains Council | Cr Terry-Anne Keen Mr James Miller | Cr John Lush Mr Robert Veitch |
| The Barossa Council | Mayor Bim Lange Mr Gary Mavrinac | Cr Russell Johnstone |
| Town of Gawler | Cr Paul Koch Mr Sam Dilena | Cr Nathan Shanks Mr Ben DeGilio |
| Light Regional Council | Cr William Close Mr Brian Carr | Mr Andrew Philpott |
| City of Playford | Cr Agapios (Peter) Rentoulis Mr Greg Pattinson | Cr Clinton Marsh |

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 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 one Special Meeting was held during the year as follows:

- Thursday 15 August 2019 Gawler
- Thursday 17 October 2019 Mallala (Adelaide Plains)
- Thursday 12 December 2019 Playford
- Thursday 27 February 2020 Kapunda (Light)
- Thursday 16 April 2020 Video Conference (required for COVID-19 protocols)
- Tuesday 12 May 2020 Video Conference (Special Meeting) (required for COVID-19 protocols)
- Thursday 11 June 2020 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 Ingrid Franssen, Manager Flood Management, DEWNR
- Dr Moji Kan, Principal Engineer Dams, 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

No meetings of the Panel were held during the year, however, email out of session consideration was undertaken to consider proposed repairs to the Lower Level Outlet Pipe and Baffle Block replacement at the Bruce Eastick North Para Flood Mitigation Dam.

Audit Committee

An Audit Committee has been appointed to review:

- the annual financial statements to ensure that they present fairly the situation 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:

- 09 August 2019
- 27 November 2019
- 12 February 2020
- 09 June 2020

The members of the Committee are:

- Mr Peter Brass, Independent Member
- Mr Greg Pattinson, City of Playford
- Cr Malcolm Herrmann, Adelaide Hills Council

At the 16/4/2020 Ordinary meeting the GRFMA Board resolved to reappoint the current membership of the GRFMA Audit Committee for a further two years (1 July 2020 until 30 June 2022).

Executive Officer

Mr David Hitchcock has been appointed Executive Officer on a contract basis (part time) to 31 December 2021.

External Auditor

Dean Newbery and Partners have been appointed as the external auditor for the financial year period 2019/20 until 2023/24.

Charter and Governance Review Working Group

On 16/8/18 the Authority endorsed commencement of a GRFMA Charter and Governance Review to be undertaken in two phases consisting of:

1. A charter review to be undertaken as a shorter-term action; and
2. Following completion of the charter review a further process to scope and consider other contemporary governance arrangements be undertaken.

Charter Review 1 has now been completed and key elements of changes to be affected in the new charter are:

| Clause | Change |
|--------|---|
| 1.2 | Provision of Definitions |
| 3.1.4 | New wording to facilitate sustainable outcomes to ensure a proper balance between economic, social, environmental, and cultural considerations. |
| 4.3.11 | New options to identify Board and Deputy Board Members. |
| 4.5.1 | New process for appointment of Chairperson three-year term. |
| 6. | Reworded and reorganised to reflect Role and Functions and provision for a new Code of Practice for Meeting Procedures |
| 7.2 | Clarifies obligations of the Authority regarding Register of Interest and Related Party Disclosures |
| 8.4.2 | Sets limit of overdraft facility. |
| 8.5.2 | Provides direction on draw down of loan funds. |

| Clause | Change |
|-----------------|---|
| 9.4.1 and 9.4.2 | Establishment of Committees - Provides opportunity for more than one independent Audit Committee member and term of appointment. |
| 11.1 | Requires separate funding agreement with constituent councils where capital or maintenance costs exceed \$1 Million in any one year. |
| 12 | Provision for Annual Business Plan and Annual Budget - clarification that Council approve the Budget as a whole. |
| 13 | New Management Framework requiring a Long-Term Financial Plan, a Strategic Plan and an Asset Management plan as well as annual budget. |
| 21 | Clarifies dispute resolution process between Authority and one or more constituent councils. |
| 23.3 | No change to financial contributions by constituent councils. Depreciation falls within the scope of the Authorities operational costs. |
| 24 | New identification of non-derogation and Direction by constituent councils. |

The new Charter (Charter Review 1) commenced from 28 January 2020 and a transition program will be undertaken to affect the new GRFMA Management Framework requiring a Long-Term Financial Plan, a Strategic Plan, and an Asset Management plan as well as annual budget.

The Authority has now separately initiated Charter Review 2 of the Charter review so as to facilitate a process to scope and consider other contemporary governance arrangements that the GRFMA might, with constituent council support, adopt in seeking to deliver its purpose of coordinating the planning, construction, operation and maintenance of flood mitigation infrastructure for the Gawler River.

This process is to also examine percentage rate contributions (subscriptions) pursuant to the current Charter (2015), Clause 10. Financial Contributions to the Authority (now Clause 11 in the proposed Charter, Stage 1, 2019).

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.

Meetings

All meetings of the GRFMA and its committees are open to the public, except for 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 – S90(3) | Purpose | Order for docs to remain confidential - S91(7) | % |
|----------------------------|--------------------------------|--|---|--|---|
| Board | 131 | 6 | Possible commercial advantage of a Person | 6 | 4 |
| Technical Assessment Panel | 0 | 0 | N/A | 0 | 0 |
| Audit Committee | 23 | 0 | N/A | 0 | 0 |

Evaluation of Performance Against the Business Plan

Part A: Funding

| Performance Targets: | Timings: | To be measured by: | Actual Achievements: |
|-----------------------------|--------------|---|--|
| Grant Claims | At all times | Lodge claims monthly for the payment of Commonwealth and State Government Grants. | <input checked="" type="checkbox"/> Claims lodged according to grant conditions |
| Maintain positive Cash Flow | At all times | Positive bank account balances at all times. | <input checked="" type="checkbox"/> Positive cash flow maintained |

Part B: Proposed Flood Mitigation Scheme Works

| South Para Works Completed 2012 |
|--|
| <p>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 was completed September 2005</p> <p>Detailed hydrology study of the catchment completed by Department of Transport, Energy, and Infrastructure March 2007.</p> <p>Practical completion of the modification works to the dam wall and spillway was achieved June 2012.</p> |

| Gawler River Flood Mitigation Scheme | |
|---|--|
| One | What will the Mark Two Scheme Include? (Note these steps may occur concurrently and not necessarily in the following order). |
| Two | <p>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. <i>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.</i></p> <p>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. <i>The Findings Report 2016 advised 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 Project proposal. Noting feasibility of raising the height of the Bruce Eastick Dam is still a strategic consideration. Both the Northern Floodway Project and raising the height of the Bruce Eastick Dam will entail considerable financial costs beyond the annual budget of the GRFMA.</i></p> |
| Three | The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be upgraded to include recent works such as the Northern Expressway works and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the Adelaide Plains Council. <i>Completed.</i> |
| Four | To further develop the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and develop a levee strategy for Virginia to a robust design standard with a staging plan. Undertake a cost benefit study for each stage of the plan. <i>Currently being considered in association with the Northern Floodway Project proposal.</i> |
| Five | Establish a protocol with the Floodplain Councils that where development of land in areas identified as ‘at risk of flooding’ is planned to proceed by the implementation of a local area levee that mapping of the proposed levees on the Gawler River Floodplain Mapping Study Model will be required. <i>It is anticipated the Gawler River Unharmful Mitigation Project, currently underway, will contribute to understanding of this issue and relevant strategies.</i> |

| | |
|---|---|
| Six | Maintain a working relationship with the Australian Rail Track Corporation to ensure that any changes to Railtrack infrastructure of culverts and rail heights are mapped on the Gawler River Floodplain Mapping Study Model to identify any changes to flooding impacts. Ongoing – new modifications to the rail bridge commenced June 2020. |
| Gawler River Flood Mitigation Scheme | |
| Seven | Develop a funding strategy for flood protection that is delivered by local area levees on the questions of who should own and maintain the levees and whether local area levees are regional works that the GRFMA should fund or are they local works that are the responsibility of the local Council. Currently being considered in association with the Northern Floodway Project proposal. |
| Eight | Investigate opportunities for funding partners and grants to undertake the necessary assessments and designs. Ongoing. |
| Nine | The Scheme will also seek to clarify, through the Local Government Association, the policy and legal framework around maintenance of rivers and creeks where those rivers and creeks are part of the regional flood management plan. Under current legislation a landowner is responsible for the condition of a creek or waterway on private land. Currently under review by Department Environment and Water. GRFMA submission provided. |

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 | <ul style="list-style-type: none"> ☑ Comprehensive Dam inspection (Newman Engineering) carried out Jan 2018 ☑ Dam Break Consequence study completed June 2019. ☑ Road Access Repairs completed February 2019. ☑ Dam Survey Monument (5 year) Survey completed April 2019. ☑ Lower Level Outlet Pipe and stilling basin dewatered and inspections undertaken March 2019. |

Part C: Operation of the Regional Subsidiary

| Performance Targets: | Timings: | To be measured by: | Actual Achievements: |
|---------------------------------------|--|---|---|
| Reports to Stakeholders | Bi-Monthly | Key Outcomes Summary to be published following each Board Meeting | <input checked="" type="checkbox"/> Key Outcomes Summary prepared following GRFMA meetings |
| Charter Review 1 and Charter Review 2 | December | The performance of the Executive Officer be reviewed annually Charter Review | <input checked="" type="checkbox"/> Review conducted in December 2020 <input checked="" type="checkbox"/> GRFMA Charter Review (1st stage) completed June 2019 <input checked="" type="checkbox"/> GRFMA Charter Review (2nd stage) commenced April 2020 |
| | August | The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations, and policies be reviewed annually. | <input checked="" type="checkbox"/> New External Auditor 2019-2024 appointed June 2019 <input checked="" type="checkbox"/> Appropriate levels of insurance reviewed in July 2019 |
| 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 2019 – Business Plan 2019-2023 adopted <input checked="" type="checkbox"/> June 2019 – Achievements against the Business Plan 2019-23 presented |
| Budget 20/21 | 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 2020 – Council consultation <input checked="" type="checkbox"/> Budget 2020-2021 adopted at June 2019 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 |

| Performance Targets: | Timings: | To be measured by: | Actual Achievements: |
|--------------------------------|---|---|---|
| Report to Constituent Councils | Following each Board meeting By 30 th September | The receipt of the following reports by Councils, Board Meeting Key Outcomes 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. |
| Governance | Ongoing | Policies and new management framework documents developed and reviewed | <input checked="" type="checkbox"/> Draft new Fraud and Corruption and Public Interest Disclosure Policies <input checked="" type="checkbox"/> Strategic Plan, Asset Management Plan and Long Term Financial Plan to be developed |
| Annual Operations | | <p>Advocacy for construction of Northern Floodway project.</p> <p>Completion of the detailed Dam Failure Consequence. Assessment of the Dam pursuant to ANCOLD guidelines.</p> <p>Review of Dam Safety Emergency Plans and Operation and Maintenance Manuals.</p> <p>Dewatering and repair of the low-level inlet pipe and stilling basin.</p> <p>Scheduled inspection.</p> <p>Environmental management of land associated with the Dams location.</p> <p>GRUMP decision support tool to manage flood risk.</p> <p>Revegetate land zone around the Bruce Eastick North Para Flood Mitigation Dam.</p> | <input checked="" type="checkbox"/> Ongoing – Still to realise actual funding commitment by State and Federal Government <input checked="" type="checkbox"/> Completed <input checked="" type="checkbox"/> Completion June 2020 <input checked="" type="checkbox"/> On hold till late 2020 discussion with contractors <input checked="" type="checkbox"/> Periodic inspections GRFMA officer level <input checked="" type="checkbox"/> Annual land management lease in place <input checked="" type="checkbox"/> Nearing completion due end June 2020 – delayed due to COVID-19 <input checked="" type="checkbox"/> Commenced June 2020 |


Financial Statements 2019-20

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020
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:

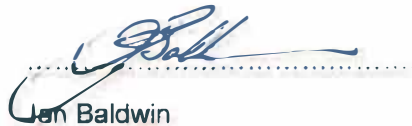
- the accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2020 and the results 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

EXECUTIVE OFFICER

13/8/20



Jan Baldwin

CHAIRMAN

13/8/20

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2020

| | Notes | 2020 \$ | 2019 \$ |
|--|----------|------------------|------------------|
| INCOME | | | |
| Subscriptions | 4 | 230,300 | 231,577 |
| Investment income | 1(d) | 1,042 | 1,718 |
| State Government Grants | 3 | 98,980 | - |
| Other Income | | 100 | 5,024 |
| Total Income | | <u>330,422</u> | <u>238,319</u> |
| EXPENSES | | | |
| Contractual Services | 5 | 235,881 | 129,856 |
| Depreciation | 1(h), 11 | 321,163 | 233,081 |
| Other | | 21,155 | 16,746 |
| Total Expenses | | <u>578,198</u> | <u>379,684</u> |
| OPERATING SURPLUS / (DEFICIT) | | <u>(247,776)</u> | (141,365) |
| NET SURPLUS / (DEFICIT) | | <u>(247,776)</u> | (141,365) |
| 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 | | - | 5,830,163 |
| Total Other Comprehensive Income | | - | 5,830,163 |
| TOTAL COMPREHENSIVE INCOME | | <u>(247,776)</u> | <u>5,688,798</u> |

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION
as at 30 June 2020

| ASSETS | Notes | 2020 | 2019 |
|---|----------|--------------------------|-------------------|
| | | \$ | \$ |
| Current Assets | | | |
| Cash and cash equivalents | 1(d) | 151,764 | 66,902 |
| Trade and Other Receivables | | 32,152 | 1,958 |
| Total Current Assets | | <u>183,916</u> | <u>68,860</u> |
| Non-current Assets | | | |
| Infrastructure | 10 | 25,329,000 | 25,329,000 |
| Accumulated Depreciation Infrastructure | 1(h), 10 | (3,795,163) | (3,474,000) |
| Land | 10 | 477,000 | 477,000 |
| Total Non-current Assets | | <u>22,010,838</u> | <u>22,332,000</u> |
| Total Assets | | <u>22,194,753</u> | <u>22,400,860</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & other payables | | 41,669 | - |
| Borrowings | | - | - |
| Total Liabilities | | <u>41,669</u> | <u>-</u> |
| NET ASSETS | | <u>22,153,084</u> | <u>22,400,860</u> |
| EQUITY | | | |
| Accumulated Surplus | | 13,471,111 | 13,718,887 |
| Asset Revaluation Reserves | 1(g) | 8,681,973 | 8,681,973 |
| TOTAL EQUITY | | <u>22,153,084</u> | <u>22,400,860</u> |

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2020

| 2020 | Notes | Accumulated Surplus \$ | Asset Revaluation Reserve \$ | TOTAL EQUITY \$ |
|---|-------|------------------------------|---------------------------------------|-----------------------|
| Balance at end of previous reporting period | | 13,718,887 | 8,681,973 | 22,400,860 |
| Restated opening balance | | 13,718,887 | 8,681,973 | 22,400,860 |
| Net Surplus / (Deficit) for Year | | (247,776) | - | (247,776) |
| Other Comprehensive Income | | | | |
| Gain on revaluation of infrastructure, property, plant & equipment | | - | - | - |
| Balance at end of period | | 13,471,111 | 8,681,973 | 22,153,084 |
| | | | | |
| 2019 | | | | |
| Balance at end of previous reporting period | | 13,860,252 | 2,851,810 | 16,712,062 |
| Restated opening balance | | 13,860,252 | 2,851,810 | 16,712,062 |
| Net Surplus / (Deficit) for Year | | (141,365) | - | (141,365) |
| Other Comprehensive Income | | | | |
| Gain on revaluation of infrastructure, property, plant & equipment | | - | 5,830,163 | 5,830,163 |
| Balance at end of period | | 13,718,887 | 8,681,973 | 22,400,860 |

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CASHFLOWS
for the year ended 30 June 2020

| | Notes | 2020 \$ | 2019 \$ |
|---|-------|-----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 299,175 | 236,374 |
| Interest Receipts | | 1,055 | 1,800 |
| Payments | | <u>(215,367)</u> | <u>(146,602)</u> |
| Net Cash provided by (or used in) Operating Activities | | 84,863 | 91,572 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| <u>Payments</u> | | | |
| Expenditure on new/upgraded assets | | - | (84,081) |
| Net Cash provided by (or used in) Investing Activities | | - | (84,081) |
| Net Increase (Decrease) in cash held | 8.1 | 84,863 | 7,491 |
| Cash & cash equivalents at beginning of period | | <u>66,902</u> | <u>59,412</u> |
| Cash & cash equivalents at end of period | 8.2 | <u>151,764</u> | <u>66,902</u> |

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

UNIFORM PRESENTATION OF FINANCIAL STATEMENTS

for the year ended 30 June 2020

| | 2020 | 2019 |
|---|----------------------|---------------------|
| | Notes | |
| | \$ | \$ |
| Operating Revenues | 330,422 | 238,319 |
| Less: Operating Expenses | <u>(578,198)</u> | <u>(379,684)</u> |
| Operating Surplus/(Deficit) before Capital Amounts | (247,776) | (141,365) |
| Less Net Outlays in Existing Assets | | |
| Capital Expenditure on renewal and replacement of Existing Assets | - | - |
| Less Depreciation Amortisation and Impairment | (321,163) | (233,081) |
| Less Proceeds from Sale of Replaced Assets | <u>-</u> | <u>-</u> |
| | (321,163) | (233,081) |
| Less Net Outlays on New and Upgraded Assets | | |
| Capital Expenditure on New and Upgraded Assets | - | 84,081 |
| Less Amounts received specifically for New and Upgraded Assets | - | - |
| Less Proceeds from Sale of Surplus Assets | <u>-</u> | <u>-</u> |
| | - | 84,081 |
| Net Lending / (Borrowing) for Financial Year | <u>73,386</u> | <u>7,635</u> |

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

**Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020**

Note 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, The Barossa Council, Town of Gawler, Light Regional Council, Adelaide Plains 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 Authority has no employees.

d) 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.

e) 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.

f) 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 and was revalued by Asset Valuation and Consulting Pty Ltd in May 2017 for part lot 750 Kemp Road Kingsford.

**Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020**

g) Revaluation

The Board sought an independent valuation to be applied as at 30th June 2019, 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 \$25.245 million at June 2019. 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.

h) Depreciation

The depreciation period for the Bruce Eastick North Para Flood Mitigation Dam is based straight line depreciation with an expected life of 80 years.

The depreciation period for the Access Road is based on straight line depreciation with an expected life of 15 years.

i) Revenue

Revenue from the Subscriptions 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.

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

**Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020**

Note 2 - Schedule of Constituent Council's Interest in Net Assets as at 30th June 2020

Prepared to meet the requirements of Clause 16.6 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 2020. 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 | \$ 183,916 |
| Infrastructure | \$ 21,533,837 |
| Land | <u>\$ 477,000</u> |
| | \$ 22,194,753 |

Less Liabilities

| | |
|------------------------------|----------------------|
| Accounts Payable / Creditors | <u>\$ 41,669</u> |
| NET EQUITY | \$ 22,153,084 |

Allocation of Councils Interest in Net Assets

| Constituent Councils | Accumulated Subscriptions for Operations to 30 June 2020 | Accumulated Subscriptions for Maintenance to 30 June 2020 | Accumulated Subscriptions for Scheme Works to 30 June 2020 | All Subscriptions to 30 June 2020 | Percentage of Contributions to the Total | Council's Interests in Net Assets |
|------------------------|--|---|--|-----------------------------------|--|-----------------------------------|
| Adelaide Hills Council | \$147,760 | \$5,481 | \$70,988 | \$224,229 | 4.23% | \$937,075 |
| The Barossa Council | \$147,760 | \$27,452 | \$354,951 | \$530,163 | 10.01% | \$2,217,524 |
| Town of Gawler | \$147,760 | \$54,864 | \$709,892 | \$912,516 | 17.23% | \$3,816,976 |

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020

| | | | | | | |
|-------------------------|------------------|------------------|--------------------|--------------------|-------------|---------------------|
| Light Regional Council | \$147,760 | \$27,452 | \$354,951 | \$530,163 | 10.01% | \$2,217,524 |
| Adelaide Plains Council | \$147,760 | \$91,538 | \$1,183,146 | \$1,422,444 | 26.85% | \$5,948,103 |
| City of Playford | \$147,764 | \$109,810 | \$1,419,763 | \$1,677,337 | 31.67% | \$7,015,882 |
| | \$886,564 | \$316,597 | \$4,093,691 | \$5,296,852 | 100% | \$22,153,084 |

Schedule of Constituent Councils' Interests in Net Assets' as at the 30th June 2020 adopted by the Board in accordance with Clause 16.6 of the Charter on 13 August 2020.

Note 3 - 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)

| | Year | Revenue | | Expenses | | Surplus (deficit) |
|--------------------|------|----------|-----------|---------------|----------------|-------------------|
| | | Grants | Other | Total Revenue | Expenses Total | |
| Administration | 2020 | - | \$146,042 | \$146,042 | \$90,152 | \$55,890 |
| | 2019 | - | \$148,842 | \$148,842 | \$75,351 | \$73,491 |
| Other Environment: | 2020 | \$98,980 | \$ 85,400 | \$184,380 | \$166,883 | \$17,497 |
| Flood Mitigation | 2019 | - | \$ 89,477 | \$ 89,477 | \$71,251 | \$32,251 |
| Total | 2020 | \$98,980 | \$231,442 | \$330,422 | \$257,035 | \$73,387 |
| | 2019 | - | \$238,319 | \$102,028 | \$146,602 | \$91,717 |

Note 4 - Subscriptions

The following subscriptions were levied on the Constituent Councils in accordance with Clause 11.2 of the Charter for the year:

| Constituent Council | Maintenance | | Operations | | TOTALS | |
|-------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Adelaide Hills Council | \$ 1,476 | \$ 1,548 | \$24,166 | \$23,683 | \$25,642 | \$25,231 |
| The Barossa Council | \$ 7,396 | \$ 7,758 | \$24,166 | \$23,683 | \$31,562 | \$31,441 |
| Town of Gawler | \$14,791 | \$15,515 | \$24,166 | \$23,683 | \$38,957 | \$39,198 |
| Light Regional Council | \$ 7,396 | \$ 7,758 | \$24,166 | \$23,683 | \$31,562 | \$31,441 |
| Adelaide Plains Council | \$24,660 | \$25,868 | \$24,166 | \$23,683 | \$48,826 | \$49,551 |
| City of Playford | \$29,581 | \$31,030 | \$24,170 | \$23,683 | \$53,751 | \$54,713 |
| TOTAL | \$85,300 | \$89,477 | \$145,000 | \$142,098 | \$230,300 | \$231,575 |

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020

Note 5- Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

| Consultants | 2020 | 2019 |
|------------------------------|-----------|-----------|
| I Baldwin * | \$0 | \$770 |
| David Hitchcock | \$58,681 | \$49,253 |
| Ball PR | \$0 | \$5,000 |
| Water Technology | \$2,270 | \$1,080 |
| Entura | \$0 | \$8,100 |
| REMO Contractors | \$0 | \$14,540 |
| Norman Watehouse | \$500 | \$0 |
| HARC | \$0 | \$38,360 |
| HWL Ebswoth Lawyers | \$1,633 | \$0 |
| Business Risk A S Solutions | \$2,600 | \$2,600 |
| Steed Surveyors | \$0 | \$4,050 |
| Floodplain Management | \$900 | \$0 |
| SMEC | \$16,991 | \$0 |
| Safecom | \$27,714 | \$0 |
| Aurecon Australasia | \$5,102 | \$0 |
| Succession Ecology | \$4,292 | \$0 |
| Bushfire Natural Hazards CRC | \$101,266 | \$0 |
| Jeff Tate | \$6,875 | \$0 |
| HLB Mann Judd | \$7,057 | \$6,103 |
| TOTALS | \$235,881 | \$129,856 |

* Payment of Chair Honorarium is noted
in Note 15 Related Party Disclosures

Note 6 - Comparison of Budget and Actual Results (excluding depreciation)

| | 2020 | | 2019 | |
|---|-----------|-----------|-----------|-----------|
| | Budget | Actual | Budget | Actual |
| Revenue | | | | |
| Administration | \$146,400 | \$146,042 | \$148,536 | \$148,842 |
| Other Environment: Flood Mitigation | \$0 | \$100 | \$0 | \$0 |
| State Grant | \$110,980 | \$98,980 | \$0 | \$0 |
| Maintenance | \$85,300 | \$85,300 | \$89,476 | \$89,477 |
| Other Environment: Flood Mitigation Capital | \$0 | \$0 | \$0 | \$0 |
| Total Revenue | \$342,680 | \$330,422 | \$238,012 | \$238,319 |
| Expenditure | | | | |
| Administration | \$89,095 | \$90,152 | \$78,622 | \$75,351 |
| Other Environment: Flood Mitigation | \$25,150 | \$27,858 | \$0 | \$0 |
| Maintenance | \$158,475 | \$139,025 | \$157,400 | \$71,251 |
| Other Environment: Flood Mitigation Capital | | | | |
| Total Expenditure | \$272,720 | \$257,035 | \$236,022 | \$146,602 |
| Surplus (deficit) | \$69,960 | \$73,387 | \$1,990 | \$91,717 |

**Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020**

Note 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 2021.

Note 8 - Reconciliation Statement of Cash Flows

| Cash Flows from Operating Activities | 2020 | 2019 |
|--|------------------|----------------|
| Net deficit from operations | (\$247,776) | (\$139,496) |
| Adjust for non-cash items | | |
| Depreciation | \$321,163 | \$231,213 |
| Decrease in Debtors | (\$ 30,194) | (\$146) |
| Increase in Creditors | \$ 41,669 | \$0 |
| Works on Access Road | \$ 0 | (\$84,227) |
| Net Cash Increase from operating activities | \$ 84,862 | \$7,344 |

8.2 Cash and cash equivalents

| | | |
|--|------------------|-----------------|
| Balance at bank | \$ 6,873 | \$3,034 |
| Balance at LGFA | \$144,891 | \$63,868 |
| Total cash and cash equivalents | \$151,764 | \$66,902 |

Note 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 27th February 2020 at page 474.

The Gawler River Floodplain Management Authority (GRFMA) is dependent upon subscriptions levied on the Constituent Councils in accordance with Clause 11.1of the Charter for its continued existence and ability to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River.

No other payments have been made to Key Management Personnel of the Gawler River Floodplain Management Authority.

**Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020**

Note 10 - Non-Current Assets Summary

| | Fair Value Level | 2020 | | | | 2019 | | | |
|--------------------------------------|------------------|---------------------|----------|----------------------|---------------------|---------------------|-----------|----------------------|---------------------|
| | | At Fair Value | At Cost | Accum Dep'n | Carrying Amount | At Fair Value | At Cost | Accum Dep'n | Carrying Amount |
| Land and easements | - | \$477,000 | - | - | \$477,000 | \$477,000 | - | - | \$477,000 |
| North Para Dam Access Roads | 3 | \$84,000 | - | (\$8,600) | \$75,400 | \$84,000 | - | (\$3,000) | \$81,000 |
| North Para Dam | 3 | \$25,245,000 | - | (\$3,786,563) | \$21,458,437 | \$25,245,000 | - | (\$3,471,000) | \$21,774,000 |
| Total Infrastructure and Land | | \$25,806,000 | - | (\$3,795,163) | \$22,010,837 | \$25,806,000 | - | (\$3,474,000) | \$22,332,000 |
| Comparatives | | \$25,806,000 | - | (\$3,474,000) | \$22,332,000 | \$18,823,364 | \$139,323 | (\$2,311,850) | \$16,650,837 |

| | 2019 | Carrying Amount Movements During the Year | | | | | | | 2020 |
|--|---------------------|---|----------|-----------|--------------------|------------|-----------|---------------|---------------------|
| | Carrying Amount | Additions | | Disposals | Depreciation | Impairment | Transfers | Net Valuation | Carrying Amount |
| | | New Upgrade | Renewals | | | | | | |
| Land and easements | \$477,000 | - | - | - | - | - | - | - | \$477,000 |
| Access Roads | \$81,000 | - | - | - | (\$5,600) | - | - | - | \$75,400 |
| Infrastructure - North Para Dam | \$21,774,000 | - | - | - | (\$315,563) | - | - | - | \$21,458,437 |
| Total Infrastructure, Property, Plant & Equipment | \$22,332,000 | - | - | - | (\$321,163) | - | - | - | \$22,010,837 |
| Comparatives | \$16,650,837 | \$84,081 | - | - | (\$233,081) | - | - | \$5,830,163 | \$22,332,000 |

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020

Note 11 - Financial Instruments

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

| | |
|--|---|
| Bank, Deposits at Call, Short Term Deposits | <p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 0.25% and 1.25% (2019: 1.25% and 1.5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p> |
| Receivables - Fees & other charges | <p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authorities boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p> |
| Liabilities - Creditors and Accruals | <p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p> |

Liquidity Analysis

| 2020 | Due < 1 year | Due > 1 year ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|------------------------------|-----------------|-------------------------------|------------------|------------------------------------|--------------------|
| <u>Financial Assets</u> | \$ | \$ | \$ | \$ | \$ |
| Cash & Equivalents | 151,764 | - | - | - | 151,764 |
| Receivables | 32,152 | - | - | - | 32,152 |
| Total | 183,916 | - | - | - | 183,916 |
| <u>Financial Liabilities</u> | | | | | |
| Payables | 41,669 | - | - | - | 41,669 |
| Total | 41,669 | - | - | - | 41,669 |
| 2019 | Due < 1 year | Due > 1 year; ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
| <u>Financial Assets</u> | \$ | \$ | \$ | \$ | \$ |
| Cash & Equivalents | 66,902 | - | - | - | 66,9602 |
| Receivables | 1,958 | - | - | - | 1,958 |
| Total | 68,860 | - | - | - | 68,860 |

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020

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 Authority is the carrying amount, net of any impairment. 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 Authorities 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 Authorities 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 Authority 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.

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.

Note 12 Uniform Presentation of Financial Statements

| | | 2020 | 2019 |
|---|-------|------------------|------------------|
| | Notes | \$ | \$ |
| Operating Revenues | | 330,422 | 238,319 |
| Less: Operating Expenses | | (578,198) | (379,684) |
| Operating Surplus/(Deficit) before Capital Amounts | | (247,776) | (141,365) |
| Less Net Outlays in Existing Assets | | | |
| Capital Expenditure on renewal and replacement of Existing Assets | | - | - |
| Less Depreciation Amortisation and Impairment | | (321,163) | (233,081) |
| Less Proceeds from Sale of Replaced Assets | | - | - |
| | | (321,163) | (233,081) |
| Less Net Outlays on New and Upgraded Assets | | | |
| Capital Expenditure on New and Upgraded Assets | | - | 84,081 |
| Less Amounts received specifically for New and Upgraded Assets | | - | - |
| Less Proceeds from Sale of Surplus Assets | | - | - |
| | | - | 84,081 |
| Net Lending / (Borrowing) for Financial Year | | 73,386 | 7,635 |
| This Statement is to be read in conjunction with the attached Notes | | | |

**Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30th June 2020**

Note 13 – Contingencies & Assets & Liabilities not recognised in the Balance Sheet

There are no contingencies, asset or liabilities not recognised in the financial statements for the year ended 30 June 2020.

Note 14 - Events Occurring After Reporting Date

There were no events subsequent to 30 June 2020 that need to be disclosed in the financial statements.

Note 15 - Related Parties Disclosures

Key Management Personnel

The Key Management Personnel of the Gawler River Floodplain Management Authority (GRFMA) include the Chair, Board Members, Deputy Board Members and Executive Officer. In all Key Management Personnel were paid the following total compensation:

| | 2020 | 2019 |
|---|-----------------|-----------------|
| | \$ | \$ |
| Salaries, honorarium allowances & Other Short Term Benefits | \$66,930 | \$57,012 |
| TOTAL | \$66,930 | \$57,012 |

| | Amounts received from Related Party during the financial year | Amounts outstanding from Related Party at the end of the financial year |
|-------------------------|--|--|
| | 2020 | 2019 |
| | \$ | \$ |
| Adelaide Hills Council | \$25,642 | \$0 |
| The Barossa Council | \$31,562 | \$0 |
| Town of Gawler | \$38,957 | \$0 |
| Light Regional Council | \$31,562 | \$0 |
| Adelaide Plains Council | \$48,826 | \$0 |
| City of Playford | \$53,751 | \$0 |
| TOTAL | \$230,300 | \$0 |

The Authority has been established for the following purposes:

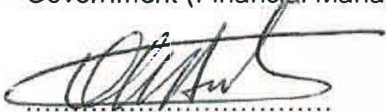
1. To co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
2. To raise finance for the purpose of developing, managing and operating and maintaining works approved by the board;
3. To provide 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;
4. Upon application of one or more Constituent Councils pursuant to clause 3.2:
 1. 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
 2. to enter into agreements with one or more of the Constituent Councils for the purpose of managing and developing the Gawler River.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

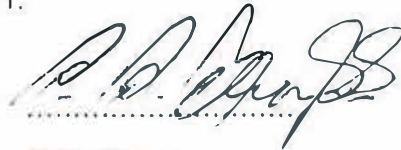
CERTIFICATION OF AUDITOR INDEPENDENCE

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 2020 the Authority's Auditor Dean Newbery and Partners 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

4/8/2020




Ian Baldwin
CHAIR GRFMA

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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 2020 the Authority's Auditor Dean Newbery and Partners 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 (Aug 7, 2020 17:51 GMT+9.5)
 Aug 7, 2020
 Andrew Aitken
 Chief Executive Officer
 Adelaide Hills Council


 Aug 11, 2020
 James Miller
 Chief Executive Officer
 Adelaide Plains Council


Henry Inat (Aug 7, 2020 10:42 GMT+9.5)
 Aug 7, 2020
 Henry Inat
 Chief Executive Officer
 Town of Gawler


 Aug 8, 2020
 Martin McCarthy
 Chief Executive Officer
 The Barossa Council


 Aug 10, 2020
 Sam Green
 Chief Executive Officer
 City of Playford


 Aug 14, 2020
 Brian Carr
 Chief Executive Officer
 Light Regional Council



214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
F: (08) 8239 0895
E: admin@deannewbery.com.au

ABN: 30 164 612 890

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Gawler River Floodplain Management Authority for the year ended 30 June 2020, 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*.

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

Jim Keogh

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated the 18th day of August 2020

Liability limited by a scheme approved under Professional Standard Legislation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Opinion

We have audited the financial report of the Gawler River Floodplain Management Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the 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.

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

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. The Authority's responsibility includes establishing and maintaining internal control relevant to preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the Authority'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 Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Authority'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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS



JIM KEOGH
PARTNER

Signed on the 18th day of August 2020,
at 214 Melbourne Street, North Adelaide



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

2019-2020



This page is intentionally left blank

Area of 8,656 Km²



Population
127,975



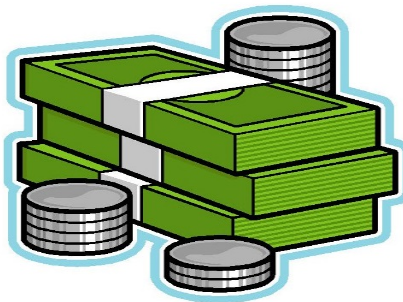
Prominent retirement
destination



Coastline 652 Kilometres



Total Council revenue
\$182.4 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 127,000 people as at 30th June 2018.
- ☑ 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

July 2019

| Council | Elected Member Representative | Council Staff Representative |
|---------------------------------------|-------------------------------|------------------------------|
| | | |
| Adelaide Hills | Mayor Jan – Claire Wisdom | CEO Andrew Aitken |
| | | |
| Alexandrina Council | Mayor Keith Parkes | CEO Glenn Rappensberg |
| | | |
| Kangaroo Island Council | Mayor Michael Pengilly | CEO Greg Georgopolous |
| | | |
| Mt Barker District Council | Mayor Ann Ferguson | CEO Andrew Stuart |
| | | |
| City of Victor Harbor | Mayor Moira Jenkins | CEO Victoria MacKirdy |
| | | |
| District Council of Yankalilla | Mayor Glen Rowlands | CEO Nigel Morris |
| | | |

| Council | Proxy Representative | Role |
|---------------------------------------|----------------------|------------------------------|
| | | |
| Adelaide Hills | Lachlan Miller | Executive Manager Governance |
| | | |
| Alexandrina Council | | |
| | | |
| Kangaroo Island Council | Bob Teasdale | Deputy Mayor |
| | | |
| Mt Barker District Council | Samantha Jones | Deputy Mayor |
| | | |
| City of Victor Harbor | | |
| | | |
| District Council of Yankalilla | Simon Rothwell | Deputy Mayor |
| | | |

Office Bearers 2019 – 2020

| | | |
|--|--|--------------------------------|
| President | Mayor Keith Parkes, Alexandrina Council | |
| Deputy President | *Mayor Moira Jenkins, City of Victor Harbor (* from February 2020) Mayor Glen Rowlands, District Council of Yankalilla | |
| Executive Officer | Mr Graeme Martin | |
| Auditor | Mr Nathan Saluja, HLB Mann Judd | |
| Elected under the provisions of the Constitution of the Local Government Association | | |
| Delegates to LGA Board | Mayor Keith Parkes Mayor Jan – Claire Wisdom (via Metro/GAROC) | |
| Delegates to SAROC | Mayor Keith Parkes | Alexandrina Council |
| | *Mayor Moira Jenkins | City of Victor Harbor |
| | Mayor Glen Rowlands | District Council of Yankalilla |

President's Report

It has been my pleasure to once again serve as President and Chair during 2019-2020.

The second half of the year has been punctuated by extreme events. The region first endured devastating Bushfires only to be followed by the COVID19 virus pandemic. The latter's impact has been far reaching and yet to play out in full.

I wish to thank all S&HLGA member councils for their unfailing efforts to support each other and their own communities during this most disruptive time.

Core activities and focus 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, developing regional CWMS strategies with our CWMS user Group, supporting the establishment of the SA Coastal Councils Alliance as well as maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and tracking our current 2017-2021 Business Plan. These activities are all designed to drive and improve the wellbeing of our communities.

I would point out the S&HLGA Value proposition report documents a consistent four figure percentage return on member Council subscriptions demonstrating amazing value for member councils.

S&HLGA has been an active participant on the LGA regional SAROC committee.

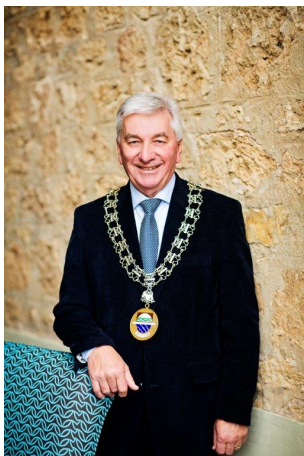
We acknowledge and continue to work with our many regional stakeholders as we continue to confront the many impacting regional issues.

Thank you to our Executive Officer, Graeme Martin for his co-ordination and management and drive in supporting the body. He has been ably supported during 2019-2020 by project officers Jen St.Jack and Penny Worland

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:

| Date | Host |
|-----------------|-----------------------|
| 23 August 2019 | Mt Barker |
| 25 October 2019 | Adelaide Hills |
| 6 December 2019 | Alexandrina |
| 7 February 2020 | Kangaroo Island |
| 30 April 2020 | Video Conference |
| 19 June 2020 | City of Victor Harbor |

Key Issues acted on by the Board included:

- o Transferring, updating and maintaining of the S&HLGA Website to the new LGA Squiz platform
- o Monitoring and implementing the S&HLGA Regional Public Health Plan.
- o Monitoring and implementing the S&HLGA Regional Climate Change Adaptation Plan.
- o Supervising the DEW sponsored Resilient Regions Central Co-ordinator pilot project.
- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to implement the 2019 Regional Public Transport study, develop the regional Infrastructure Priority Plan, and support the region in its response to the severe summer bushfires and the ongoing COVID19 impacts.
- o **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 continues to support the Governance process by attending the meetings, 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.
- 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 in anticipation of the new 2030 Regional Transport Plan as well as the advocacy of the South Coast Freight Corridor and Public Transport in the region.
- o Having input into and supporting the LGA in developing and highlighting Local Government reform issues and advocacy with the State Government
- o Review and input into the SA Grants Commission Local Government Grants methodology

Regional Consultations and briefings were coordinated to occur on the day of Board meetings.

9 various speakers addressed meetings of the Board.

The Board reviewed its achievements to date via the 2019-2020 Key Action Plan, tracked the Actual performance against Budget and developed a new Budget and Action Plan for 2020-2021

At the commencement of 2019-2020 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance covering the previous period.

S&HLGA Value proposition

The S&HLGA provided a report back to its Council members on the estimated value of their membership. This is based on the same methodology utilised by the LGA in determining its membership value.

The value from membership in a regional organisation can be summarised in the following key categories; advocacy and representing the region, establishing and implementing high level regional partnerships and links, developing and strengthening regional capacity.

The table1 below summarise the ongoing value per council and for the region as a total.

| 2020 Summary | Value per Council | Value for the S&HLGA region |
|-----------------------|-------------------|-----------------------------|
| General advocacy | \$20,000 | \$120,000 |
| Programs and Projects | \$374,939 | \$1,900,500 |
| Capacity building | \$6,870 | \$41,221 |
| Total | \$401,809 | \$2,061,721 |

Table 1

The table 2 below summarises and compares the S&HLGA membership subscriptions and levies total with the value per S&HLGA member Councils as measured in the value proposition over the past three years

| | 2018 | 2019 | 2020 |
|-----------------------|-----------|-----------|-----------|
| Av Council membership | \$12,529 | \$12,279 | \$13,536 |
| Value per Council | \$427,871 | \$430,953 | \$401,809 |
| Return on Investment | 3,375% | 3,385% | 2,968% |

Table 2

Committees and Working/Task Groups

The S&HLGA EO was a member of the following Committees 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 |
| Regional Economic Development Officers | Committee member | Every 2 months | ongoing |
| Regional EO Management Group | Committee member | Every 2 months | Precedes SAROC |
| S&HLGA Advisory Group | Secretarial/Administration | Every 2 months | Precedes S&HLGA Board |
| 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 |
| SAROC | Advisor/Observer | Every 2 months | ongoing |

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 the main RWP meeting in April 2020. 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
- Co-ordinate the application process of Councils to the SLRP.
- Make recommendations for the SLRP 2020 – 2021 based on the final draft of the 2020 Transport Plan.
- Review and plan the update of the S&HLGA Roads Database that comprises the roads nominated by Councils under the policy of the 2020 Transport Plan.
- Continue the complete review and update of the 2020 Transport Plan as the seed regional Infrastructure Plan
- Review and plan the next 2030 S&HLGA Transport plan due for completion March 2021
- Further the South Coast Freight Corridor concept

- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2020 – 2021

| Project | Council | Total Project Cost for this stage | SLRP request | Council contribution | comment |
|-----------------------|--------------------------------|-----------------------------------|--------------------|----------------------|--------------|
| Springs Rd | Mt Barker | \$1,340,000 | \$893,000 | \$447,000 | Stage 4 of 4 |
| Wedgewood/Hickmans Rd | Kangaroo Island | \$1,255,004 | \$816,670 | \$438,334 | Stage 3 of 4 |
| Forktree Rd | District Council of Yankalilla | \$450,000 | \$300,000 | \$150,000 | Stage 1 of 2 |
| Total | | \$3,045,004 | \$2,009,670 | \$1,035,334 | |

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.

The S&HLGA CWMS Committee has been reviewing options for CWMS assets and focuses on:

- Facilitate knowledge sharing across Councils operating CWMS
- Identification of regional capacity and skills gaps
- Assist with ensuring efficient and compliant ongoing operations and maintenance
- Identify opportunities for shared resources and procurement
- Monitor new policy directions
- Assist with strategic analysis and direction options for CWMS

The CWMS User group held meetings on:

| Date | Host |
|-------------------|------------------|
| 12 September 2019 | LGA House |
| 24 June 2020 | Video Conference |

S&HLGA Regional Public Health Plan

Executive Officer Role: Secretary and Task group member - Implementation and Monitoring of a Regional Public Health Plan for S&HLGA:

- Committee meetings (preparation Agendas & Minutes)
- Liaise with LGA Public Health Program Manager
- Liaise with SA Public Health Office
- Represent the region at Forums and workshops
- Liaise with Public Health Researchers
- Prepare funding submissions for regional Public Health projects

Of significant importance was the co-ordination and administration of the Community Wellbeing alliance Pilot study for the LGA. In addition the region successfully applied for two ILC grants for disability and inclusion programs for Communications and Destinations

The S&HLGA Regional Public Health Committee held meetings on:

| Date | Host |
|-----------------|--------------------------|
| 3 July 2019 | City of Victor Harbor |
| 21 August 2019 | City of Victor Harbor |
| 16 October 2019 | City of Victor Harbor |
| 4 December 2019 | Alexandrina, Strathalbyn |

S&HLGA Regional Climate Change Adaptation Committee

Executive Officer Role: Committee member (Resilient Hills and Coast) - Implementation and Monitoring of the Regional Climate Change Adaptation Plan for S&HLGA:

- Committee meetings
- S&HLGA presentations
- Liaise and co-ordinate with Project Manager
- Monitor and administer the “Where we build, What we build” project
- Represent the region at forums and workshops

Importantly S&HLGA was appointed to co-ordinate and administer the Resilient Regions Central Co-ordinator Pilot study for the Department of Water and Environment.

The S&HLGA Regional Climate Change Adaptation Committee (Resilient Hills & Coast) held meetings on:

| Date | Host |
|------------------|-----------------------|
| 8 August 2019 | Mt Barker |
| 18 October 2019 | Kangaroo Island |
| 13 February 2020 | City of Victor Harbor |
| 1 April 2020 | Video Conference |
| 11 June 2020 | Video Conference |

Regional Economic Development Network Committee

The S&HLGA has strongly supported the activities and research of the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and worked closely with RDA officers to partner with the organisation in the general Economic Development of the region.

Executive Officer Role: Committee member - A Working Group has been formed with the Economic Development Officers from the S&HLGA Member Councils. - The principal activity is to share information, achieve procurement and resource sharing efficiencies and develop a regional infrastructure Plan by:

- Identify and collating infrastructure projects from Council plans
- Grade them according to Local, District or Regional category, dollar value and impact and probability
- Review the criteria to insure relevant social and environmental impacts are captured

The RDA Economic Development Network Committee held meetings on:

| Date | Host |
|------------------|--------------------------|
| 5 August 2019 | Alexandrina, Strathalbyn |
| 4 November 2019 | Alexandrina, Strathalbyn |
| 17 February 2020 | Alexandrina, Strathalbyn |
| 18 May 2020 | Video Conference |

In conjunction with the CEO and Chair of the RDA, the EO S&HLGA met regularly with the regions State government MPs (Finniss, Kavel and Heysen) to discuss key priorities and policy impact for the region.

Regional LGA Organisations EO Management Group

Executive Officer Role: Committee member – To provide input into the sector, develop capacity, share knowledge and develop co-operation between the regions:

- Have input into SAROC Business Plan and the Agenda
- Develop a working relationship with the LGA Management team
- Have input into sector issues
- Advocate on behalf of the regions
- Share information and provide collegiate support
- Develop a priority issues and action list

The Regional LGA Organisations EO Management Group held meetings on:

| Date | Host |
|-------------------|------------------|
| 18 September 2019 | LGFA Offices |
| 30 October 2019 | Adelaide Oval |
| 16 January 2020 | LGA House |
| 27 February 2020 | Watervale |
| 6 April 2020 | Video Conference |
| 29 April 2020 | Video Conference |

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:

- Review of the 2019 SAROC Annual Business Plan and development of the 2020 SAROC Annual Business Plan
- Working with the State Government on the management and control of abundant pest species particularly Little Corellas
- Assist and input into the SA Productivity Commission review of Local Government costs and efficiency
- Continued working on Coastal Council Alliance project and the development of its Governance structure and strategic plan
- Taking a leadership position on Waste and recycling strategy including the ban of single use plastics
- Lobbying the State Government on support for the second tranche of Climate Change and adaptation sector partner agreements

- Liaising with the State Government and SA Grants commission to develop and identify a statewide priority Roads database and map
- Identifying and working with the State Government on the role of the LG sector in any economic recovery and stimulus programs

Regional Research Papers and Submissions

The following Papers and Submissions have been prepared on behalf of Member Councils during the course of the year:

- 2020 Value proposition
- Review of the SA Grants Commission methodology
- GM Crop legislation
- Response and input into the draft Planning and Design code

Workshops and seminars

The Executive officer represented the member Councils at various workshops and seminars during the course of the year:

- LGA AGM
- Coastal Council Alliance Task Group meetings
- Phase 2 Ratings Equity Task Group meetings
- Northern Freight Bypass Committee update workshop
- Bushfire Forum KI
- Carbon neutral transport options for Council Fleets workshop
- GM crops Task Group

Rubble Royalties

The S&HLGA received the final top up funds from Rubble Royalties in 2019-2020. The S&HLGA has member Council Kangaroo Island as the sole contributor to this scheme. During the year funds were allocated to:

- S&HLGA Strategic directions
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.
- KI Bushfire forum

LGA Board

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.

Resources

The continuation of the capacity building grant from the Local Government Research and Development Scheme 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 and project outcomes 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 committees and various reports, submissions and forums throughout the year.

Mr Graeme Martin has provided Executive Officer services to the Association.

Jen St Jack has provided under contract, project oversight of the Resilient Hills and Coast Climate Change Adaptation committee as well as the inaugural Resilient Regions Central Co-ordinator for the DEW sponsored pilot.

Penny Worland has provided under contract, project oversight of the S&HLGA Community Wellbeing Alliance pilot program sponsored by the LGA.



KEY CATEGORIES & THEMES

THE 2017-2021 S&HLGA BUSINESS PLAN



















| OBJECTIVE |
|--|
| 1. To provide leadership and advocacy for Member Councils on regional issues. |
| 2. To market & promote the Southern & Hills Local Government Association |
| 3. To support sustainable economic, environmental and social development in the region |
| 4. To improve infrastructure to meet the community's needs. |
| 5. To strengthen the capacity of the Association to meet its service obligations. |

THE 2019-2020 S&HLGA ANNUAL KEY ACTION PLAN

| Theme | Items & Actions |
|---|--|
| General Administration (sound financial and compliance management) | Budget, Charter Review, Board meetings, Subscriptions and Levies, Key Actions, Audit, Annual Report, Grant reporting & acquittals, Meeting Agenda format review, 3 year forward financial forecast |
| Projects and support (sustainability and development) | Regional Public Health Plan review, Community Wellbeing Pilot, Resilient Hills & Coast Climate adaptation Plan, Community Energy Scheme, Where we build, What we build, Resilient Regions Central Co-ordinator, Regional Transport Plan, Grants Commission review. |
| Leadership, advocacy and marketing | LGA Peri-Urban Governance, LG reform, Relationship building with State Government MPs, Website maintenance |
| Opportunities (capacity and infrastructure) | CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, LGA R&D and External Funding, Telecommunications |

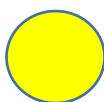


| Theme | Items & Actions | Item | Status | Comment |
|--|---|----------------|---------------------------------------|---|
| General Administration (sound financial and | Budget, Charter Review, Board meetings, Subscriptions and Levies, | Budget | ● | 2019-2020 Budget Adopted. 2020-21 Budget tabled |
| | | Charter review | ● | Due December 2020 |

| | | | | |
|--|---|---|---|--|
| compliance management) | Key Actions, Audit, Annual Report, Grant reporting & acquittals, 3 year S&HLGA forward forecast | Subscriptions & levies |  | Members invoiced July 2019 |
| | | Audit |  | Completed 24 August 2019 |
| | | Annual Report |  | Completed and distributed 30 September 2019 |
| | | LGA Grants |  | Annual LGA Regional Capacity application submitted and received 30 Sept 2019 |
| | | 3 Year forward forecast |  | Draft presented October 2019 |
| Projects and support (sustainability and development) | Regional Public Health Plan, Resilient Hills & Coast Climate adaptation Plan, Regional Transport Plan | Regional Public Health Plan |  | Commenced LGA Community Wellbeing pilot / /Committee regularly meeting. Seeking to defer review. |
| | | Resilient Hills & Coast Climate adaptation Plan |  | Committee meeting regularly. CEP project completed, What we build where we build project near completion, Successful Resilient Regions Co-ordinator role application and funding. AMLR funding application submitted and successful 26 Sept. |
| | | Grants Commission Review Project |  | Meeting with Grants Commission completed Sept 2019. Ongoing dialogue |
| | | Regional Transport Plan |  | SLRP applications submitted and successful. South Coast Freight corridor concept review |
| Leadership, advocacy and marketing | LGA Peri-Urban Governance review, New Government Policies and LG Reform, Relationship building with State Government MPs, Website maintenance | LGA peri Urban Governance review |  | Peri-urban regional organisation to be investigated |
| | | LG reform |  | LG reform on hold due to COVID19 |
| | | Relationship with MPs |  | Regularly meeting |
| | | Website |  | Updated now migrated to LGA squiz platform. Addition of committee agenda and minutes to be completed |
| Opportunities (capacity and infrastructure) | CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, External Funding, | CWMS |  | Committee meeting regularly |
| | | Waste |  | Meeting with Fleurieu waste CEO. Regional waste strategy commenced with Regional LGAs |
| | | Infrastructure Plan |  | RDA priority project forum/ Committee meeting regularly. Infrastructure SA state strategy released May 2020 |
| | | External funding |  | Project based and WIP. Overabundant species research required via SAROC |
| | | Telecommunications |  | |



= Not on track / yet to commence



= on track



= completed / no further action

| Category | S&HLGA Role | Item | Comment/Description |
|---|-------------|---|--|
| Administration | Active/Lead | Charter Review | Draft issued Dec 2019. Project to be completed by Dec 2020 |
| | Active/Lead | Budget 2019-2020 | Endorsed by Board 26/04/2019. New 2020-21 Budget tabled April 2020 |
| | Active/Lead | Draft Key Action 2019-2020 | Endorsed August 2019 |
| | Active/Lead | Regional Capacity grant acquittal 2018-2019 | submitted July 2019, received Sept 2019 |
| | Active/Lead | Audit 2018-2019 | Completed Aug 2019 |
| | Active/Lead | Annual Report 2018-2019 | Completed Aug 2019 |
| | Active/Lead | 3 year forward financial forecast | First draft issued Oct 2019 for discussion. COVID 19 impact has necessitated this project be postponed. |
| | | | |
| Projects – Lead/S&HLGA Committee | Active/Lead | Regional Public Health Plan | <u>Community Wellbeing Alliance Pilot</u> funding of \$75,000 received. 12 month delivery timeframe from July 1 2019. Consultant contractor appointed and work plan developed. LGA R&D application for LG <u>Community Wellbeing indicator project</u> successful Sept 2019. RFQ for indicator project issued 6 Nov 2019. Consultant appointed Jan 2020. Commencement late Jan 2020 but now pushed back till March 2021. <u>ILC grants</u> successful. |
| | Active/Lead | Resilient Hills & Coast | <u>Community Energy Scheme</u> to stop at current position and be wound up with the resources developed under the project to be published for use by the community, industry and local government. |
| | Active/Lead | | <u>Where we build, what we build project</u> has received \$95,000 Natural disaster Program grant and \$40,000 Insurance Council of Australia grant commitment. Milestones 1,2, 3,4 & 5 completed. Final milestone due June 2020 |
| | | | Resilient Regions Central Co-ordinator 12 month trial funding of \$80,000 received from DEW. S&HLGA to manage this trial. Completion June 2020 |
| | | | Extension of Resilient Hills & Coast project officer until June 30 2020 via AMLR Water Sustainability grant funding. |

| Category | S&HLGA Role | Item | Comment/Description |
|---------------------------|------------------------|--------------------------------------|---|
| | Active/Lead | Road Works Party | Completed HV assessment of South Coast Freight Corridor. Issues with Middleton main street traffic to be resolved. Further work and advocacy suspended until the demand profile completed in 2020-21. Developing a new Roads database and new 2030 Transport Plan for 2020-2021 |
| | Active/Lead | CWMS | Committee now active with regular meetings scheduled. Key focus is on audit/description of each Council scheme and then seek common ground for efficiencies around operations and procurement. Last meeting completed after 12 Sept 2019. Legatus Group now leading sector review |
| | | | |
| Projects – Lead | Active/Lead | Grants Commission methodology review | March 2019 - Completed submission to SA Grants Commission. Review meeting with the Commission completed Sept 2019. Commission response received March 2020. S&HLGA Committee via AHC seeking further response and dialogue |
| | Active/Lead | Regional Native Vegetation Plan | Reviewing cost and opportunity for some external contributory funding although revised Guidelines may prove to be sufficient for S&HLGA member Councils |
| | Lead/Partner/Influence | Regional LGA Management Group | Regular meeting of the LGA EOs and development of priority projects in conjunction with SAROC. S&HLGA to take the lead on Overabundant Species management. Regular Meetings with SAROC |
| Projects - Partner | Partner/Influence | Coastal Alliance project | We have a significant interest in this but S&HLGA role is largely information provision via steering committee and input into the report. Adam Gray appointed as project consultant Jan 2020 |
| | Partner/Advocate | Telecommunications | Advocating for regional black spot funding and ready for 5G |
| | Partner/Influence | Economic Development Officers Forum | RDA lead but focus on Regional Infrastructure plan and Public |

| Category | S&HLGA Role | Item | Comment/Description |
|----------------------|-----------------------|---------------------------------------|---|
| | | | Transport. Note Infrastructure SA strategy release May 2020 |
| | Partner/Influence | Ratings Equity Impact study (phase 2) | EO on the Steering Committee. Project completed and with State Govt for action |
| | | | |
| Relationships | Active/Lead/Influence | State MPs/Federal MP | Continue regular catch ups during 2019-2020 |
| | Active/Lead/Influence | Peri –Urban Group | Advocate and seek input from potential expanded Council members into a larger peri – urban Regional Organisation. Meeting convened by Gawler Council August 2019. Information conveyed to Adelaide Plains Mayor Nov 2019 Planned meeting with Barossa in Jan 2020. On hold due to COVID19 impact. |

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 |
| GAROC..... | Greater Adelaide Region of Councils |
| GM..... | Genetically Modified |
| 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 |
| SA..... | South 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 |
|----------------------------|---|---|--|
| 2019 – 2020 | Mayor Keith Parkes | Alexandrina Council | Graeme Martin |
| 2018 - 2019 | Mayor Keith Parkes | Alexandrina Council | Graeme Martin |
| 2017 – 2018 | Mayor Keith Parkes ^g | 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 | | |

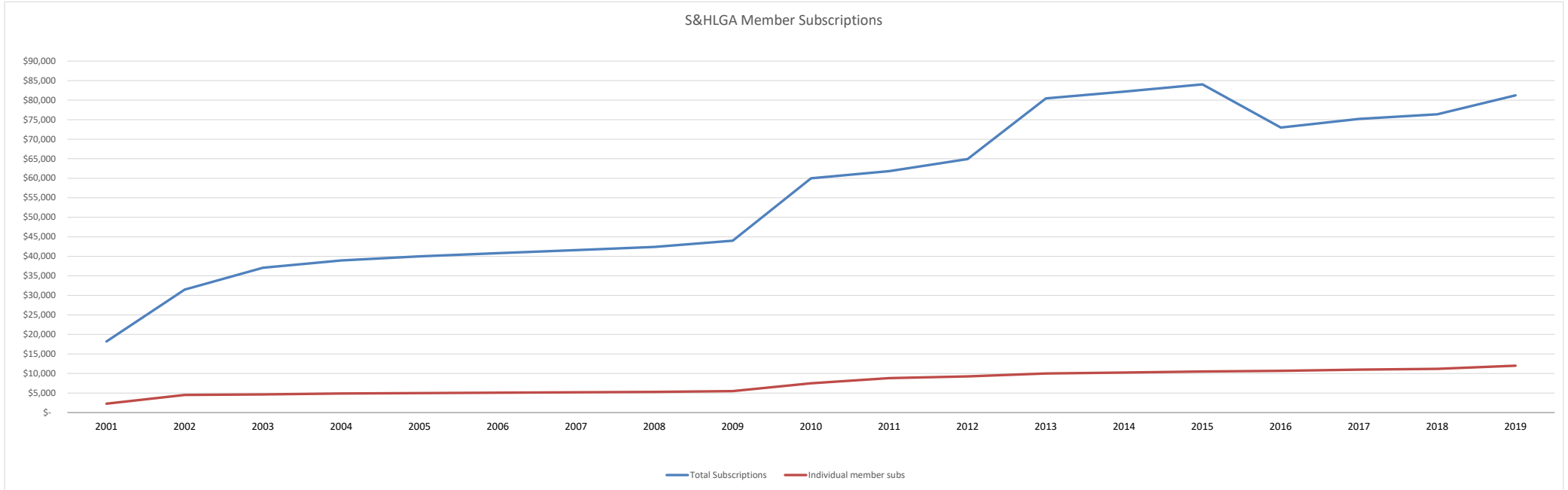
Attendance register maintained for annual and half yearly conferences from 1968 to 1990

^a Until 12th May 2003 ^b Executive Officer ^c From February 2011 ^d To December 2011 ^e From January 2012

^f From February 2015 ^g From December 2017

| Financial Year ended | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 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 | \$ 12,000 | \$ 13,667 |
| 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 | \$ 81,214 | \$ 91,214 |
| \$ 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 | \$4,841 | \$10,000 |
| % 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% | 6.3% | 12.3% |

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 2020

| | Notes | 2020 \$ | 2019 \$ |
|--|-------|----------------|---------------|
| Income | | | |
| Subscriptions | 1.8 | 81,214 | 76,373 |
| Operating Grants | 2.2 | 423,581 | 261,239 |
| Investment Income | 1.7 | 2,282 | 4,456 |
| Other | | 54,478 | 28,655 |
| Total Income | 1.4 | 561,555 | 370,723 |
| Expenditure | | | |
| Contractual Services | 3 | 243,951 | 167,523 |
| Finance Charges | | 3,958 | 3,763 |
| Other | | 173,850 | 104,707 |
| Total Expenditure | | 421,759 | 275,993 |
| Surplus (Deficit) from Operations | | 139,796 | 94,731 |

The above Income Statement should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2020

| | 2020 | 2019 |
|----------------------------|----------------|----------------|
| Notes | \$ | \$ |
| Current Assets | | |
| Investments | 376,271 | 181,281 |
| Debtors | 10,450 | 147,675 |
| | <hr/> | <hr/> |
| Total Current Assets | 386,721 | 328,956 |
| | <hr/> | <hr/> |
| Current Liabilities | | |
| Accounts Payable | 14,300 | 21,326 |
| Grants in Advance | 0 | 80,000 |
| Employee provisions | 8,429 | 0 |
| GST/PAYG | (3,419) | 0 |
| Rounding | (15) | 0 |
| | <hr/> | <hr/> |
| Total Current Liabilities | 19,295 | 101,326 |
| | <hr/> | <hr/> |
| Net Current Assets | 367,426 | 227,630 |
| | <hr/> | <hr/> |
| | <hr/> | <hr/> |
| Net Assets | 367,426 | 227,630 |
| | <hr/> | <hr/> |
| Equity | | |
| Accumulated Surplus | 367,426 | 227,630 |
| | <hr/> | <hr/> |
| Total Equity | 367,426 | 227,630 |
| | <hr/> | <hr/> |

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 2020

| | 2020 | 2019 |
|--------------------------------|----------------|----------------|
| Notes | \$ | \$ |
| Accumulated Surplus | | |
| Balance at beginning of period | 227,630 | 132,899 |
| Net Surplus / (Deficit) | 139,796 | 94,731 |
| | <hr/> | <hr/> |
| Balance at end of period | 367,426 | 227,630 |
| | <hr/> | <hr/> |
| Total Equity | 367,426 | 227,630 |
| | <hr/> | <hr/> |

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 2020

| | Notes | 2020 | 2019 |
|--|-------|----------------|----------------|
| | | \$ | \$ |
| Cash Flows from Operating Activities | | | |
| Receipts | | 678,147 | 328,452 |
| Payments | | (448,083) | (269,962) |
| GST Paid (received) | | (33,398) | (4,987) |
| Finance Costs | | (3,958) | (3,637) |
| Interest Receipts | | 2,282 | 4,456 |
| | | 194,990 | 54,322 |
| Net Cash Provided by (Used in) Operating Activities | | 194,990 | 54,322 |
| Net increase/(decrease) in Cash Held | | 194,990 | 54,322 |
| Cash at the beginning of the reporting period | | 181,281 | 126,959 |
| Cash at the end of the reporting period | | 376,271 | 181,281 |

Reconciliation of Change in Net Assets to Cash from operating activities

| | | 2020 | 2019 |
|--|--|----------------|---------------|
| | | | \$ |
| Net Surplus | | 139,796 | 94,731 |
| Decrease / (Increase) in Debtors | | 137,225 | (147,675) |
| (Decrease) / Increase in Accounts Payable | | (2,031) | 27,266 |
| (Decrease) / Increase in Grants in Advance | | (80,000) | 80,000 |
| Net Cash provided by Operating Activities | | 194,990 | 54,322 |

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 2020

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 one employee having converted the EO from contractor to employee in February 2019.

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 2020 | \$12,000 |
| Constituent Council Subscription 2019 | \$11,200 |

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.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

| Year | Revenue | | | % | Expenses | | Surplus (Deficit) |
|-----------------|---------|---------|------------------|-------|-------------------|-------|----------------------|
| | Grants | Other | Total Revenue | | Expenses Total | % | |
| 2020 | 104,959 | 120,640 | 225,599 | 40.2% | 176,808 | 41.9% | 48,791 |
| 2019 | 106,989 | 80,829 | 187,818 | 50.7% | 184,528 | 66.9% | 3,290 |
| Projects | | | | | | | |
| 2020 | 318,622 | 17,334 | 335,956 | 59.8% | 244,951 | 58.1% | 91,005 |
| 2019 | 154,250 | 12,255 | 166,505 | 44.9% | 68,020 | 24.7% | 98,485 |
| Total | | | | | | | |
| 2020 | 423,581 | 137,974 | 561,555 | 100% | 421,759 | 100% | 139,796 |
| 2019 | 261,239 | 109,484 | 370,723 | 100% | 275,993 | 100% | 94,731 |

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

| | 2020 | 2019 |
|--------------------------|-----------|-----------|
| Consultants: | | |
| Jeanette Pope | \$0 | \$0 |
| Grange Advisors Pty Ltd | \$0 | \$85,239 |
| HDS Australia Pty Ltd | \$5,653 | \$23,444 |
| RH&C (CVH) | \$0 | \$45,000 |
| Seed Consulting | \$117,182 | \$0 |
| Jack Jensen | \$60,222 | \$0 |
| Penny Worland Consulting | \$60,894 | \$13,840 |
| Totals | \$243,951 | \$167,523 |

4. Comparison of Budget and Actual Results

| | 2020 | | 2019 | |
|-------------------|----------|---------|----------|---------|
| | Budget | Actual | Budget | Actual |
| | \$ | \$ | \$ | \$ |
| Revenue | | | | |
| Administration | 152,914 | 225,599 | 174,273 | 187,818 |
| Projects | 20,033 | 335,956 | 20,050 | 182,905 |
| Total Revenue | 172,947 | 561,555 | 194,323 | 370,723 |
| Expenditure | | | | |
| Administration | 175,750 | 176,808 | 170,000 | 184,529 |
| Projects | 77,400 | 244,951 | 68,050 | 91,464 |
| Total Expenditure | 253,150 | 421,759 | 238,050 | 275,993 |
| Surplus (Deficit) | (80,203) | 139,796 | (43,727) | 94,731 |

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 2020 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 31st August 2020



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 2020, 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 31st August 2020



Graeme Martin
EXECUTIVE OFFICER



Mayor Keith Parkes
PRESIDENT

The Board
C/- Graeme Martin
Executive Officer
Southern & Hills Local Government Association
13 Ringmer Drive
Burnside SA 5066

TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2020**

I confirm that, for the audit of the financial statements of Southern & Hills Local Government Association for the year ended 30 June 2020, 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**

A handwritten signature in blue ink, appearing to read 'Jon Colquhoun'.

**Jon Colquhoun
Director**

**Adelaide, South Australia
31 August 2020**

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071
T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

Independent Auditor's Report to the Members of Southern & Hills Local Government Association

Opinion

We have audited the financial report of Southern & Hills Local Government Association ("the Entity") which comprises the Balance Sheet as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2020, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards.

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 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 Board Members 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Board Members are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071

T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board Members 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
31 August 2020



Jon Colquhoun
Director

hlb.com.au

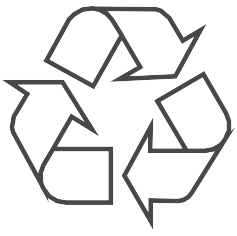
HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

169 Fullarton Road, Dulwich SA 5065 | PO Box 377, Kent Town SA 5071

T: +61 (0)8 8133 5000 | F: +61 (0)8 8431 3502 | E: reception@hlbsa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.



2019-20

Annual Report



Adelaide Hills
COUNCIL



Bridge to Opportunity

The Rural City of
**MURRAY
BRIDGE**



ALEXANDRINA



MOUNT BARKER
DISTRICT COUNCIL

CONTENTS

| | |
|-------------------------------------|----|
| ABOUT AHRWMA | 3 |
| REPORT FROM THE CHAIR | 4 |
| AHRWMA SERVICE AREA MAP | 5 |
| STRATEGIC DIRECTION | 6 |
| GOVERNANCE | 7 |
| 2019/20 ACHIEVEMENTS | 10 |
| LANDFILL OPERATIONS | 13 |
| RESOURCE RECOVERY CENTRE OPERATIONS | 15 |
| KERBSIDE COLLECTION SERVICES | 18 |
| ORGANISATION CHART | 21 |
| AUDITED FINANCIAL STATEMENTS | 22 |

ABOUT AHRWMA

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.

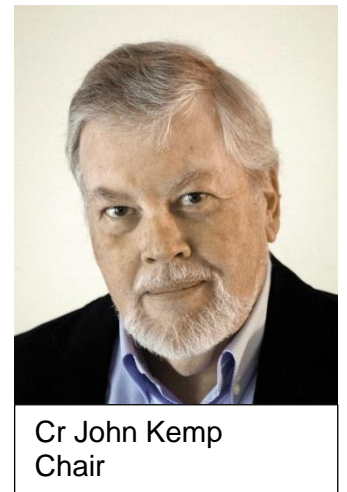
The Authority undertakes landfill operations, resource recovery centre management, hooklift truck transport services, mobile crushing and recyclables baling for the benefit of its Member Councils. The AHRWMA provides an avenue for Member Councils to be represented in relevant forums and provides technical 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 Strategic Resource Recovery Coordinator for three of the Member Councils and more recently a Waste to Resource Officer for two 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

I would like to thank our Member Councils for their support throughout the year.

In 2018/19 we welcomed several new Board Members and I was pleased to be re-elected to the Chairperson position at the June 2019 AGM.



2019/20 has been a challenging, yet successful year for the Authority:

- We successfully defended a long running legal claim with the judgement delivered on 15 November 2019.
- We advertised the position of Executive Officer and appointed Leah Maxwell to that position for a three-year contract term.
- A Charter review process was completed, with a revised Charter endorsed by the Board and submitted to Member Councils.
- We underwent a WHS & risk audit via the LGRS and are now focused on implementing the actions identified via this audit.
- We continued to assist Member Councils with managing the impacts of the China Sword Policy.
- In late 2019 the region was impacted by the Cudlee Creek fires and the Authority assisted Member Councils with waste management aspects of this.
- We established measures in response to the COVID-19 pandemic, ensuring waste management services were uninterrupted throughout this time.
- Tonnes to the landfill have remained steady and the Authority has continued to provide effective and efficient landfill and resource recovery services to its Member Councils.

In my time as Chair I have recognised the ongoing commitment that the Authority's Executive Officer and Board Members hold in striving to achieve the best outcomes for the AHRWMA and its Member Councils. I would like to thank the Executive Officer for her efforts in managing the Authority and assistance provided to me as Chair.

The AHRWMA continues to focus on improved governance and risk management across all areas of operation while assisting its Member Councils' with efficient and effective waste and resource management services. Along with core services the Authority continues to enhance its representation within the industry and represents its Member Councils in relevant forums.

AHRWMA SERVICE AREA MAP



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 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:

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

GOVERNANCE

Board

The AHRWMA is administered by a Board in accordance with the *Local Government Act (1999)* and AHRWMA Charter. The Board consists of eight Members, being one Elected Member appointed by each Constituent Council and one employee appointed by each Constituent Council. Each Constituent Council also appoints a Deputy Board Member.

The Chairperson and Deputy Chairperson of the Board are elected by ballot of the whole Board from those Board Members who are Elected Members.

The Board held 5 ordinary and 3 special meetings in 2019/20. The Board is responsible for managing all activities of the Authority, ensuring that the Authority acts in accordance with its Charter. The Board's responsibilities include development of strategic and business directions and strategies aimed at improving the business of the Authority. The Board appoints an Executive Officer responsible for implementing the decisions made by the Board and managing the day-to-day operations of the Authority.

2019-20 Board Members (Current)

Rural City of Murray Bridge

Heather Barclay, General Manager Assets & Infrastructure
Cr Mat O'Brien (vacated position on 14th October 2019)
Cr Fred Toogood (Commenced 14th October 2019)
Malcolm Downie, Manager City Assets, Deputy Board Member

Mount Barker District Council

Greg Parker, General Manager Community Services
Cr Harry Seager (Deputy Chairperson)
Cr Simon Westwood, Deputy Board Member

Alexandrina Council

Elizabeth Williams, General Manager Resources
Cr Mike Farrier
Cr John Carter, Deputy Board Member

Adelaide Hills Council

John McArthur, Manager Waste & Emergency Services
Cr John Kemp (Chairperson)
Cr Ian Bailey, Deputy Board Member

Current Board Members



Cr John Kemp
Chair
AHC



Cr Harry Seager
Deputy Chair
MBDC



Cr Mike Farrier
Alexandrina



Cr Fred Toogood
RCMB



Cr Simon
Westwood
Dep. Member
MBDC



Cr Ian Bailey
Dep. Member
AHC



Heather Barclay
General Manager
Assets &
Infrastructure
RCMB



Greg Parker
General Manager
Assets &
Community
Services
MBDC



John McArthur
Manager, Waste &
Emergency
Management
AHC



Elizabeth Williams
General Manager
Resources
Alexandrina



Cr John Carter
Dept. Member
Alexandrina



Malcolm Downie
Dep. Member
Manager City
Assets
RCMB

Audit Committee

In accordance with the Local Government Act (1999) the AHRWMA has an Audit Committee. The principal objective of the Audit Committee is to add value to and improve AHRWMA's operations, by assisting the Board to meet its legislative and probity requirements as required by the Local Government Act 1999 and other relevant Legislation, Standards and Codes. The Audit Committee is comprised of two Board Members as determined by resolution of the Board and one Independent Member, who is also the Chair.

The Audit Committee meets as required and at least once every four months, prior to Board Meetings.

The Current Audit Committee Members include;

Independent Member: Peter Brass

Board Members: Greg Parker, Elizabeth Williams

Management & Operations Committee

In 2018/19 the Board re-established the Management and Operations Committee. The Committee includes a staff member from each Constituent Council and provides valuable support to the Executive Officer. The Committee meets as required to discuss strategic and operational matters.

The current Management & Operations Committee Members include;

Malcolm Downie – Rural City of Murray Bridge

Greg Parker – Mount Barker District Council

John McArthur – Adelaide Hills Council

Elizabeth Williams – Alexandrina Council

2019/20 ACHIEVEMENTS

Landfill & Operations

- Fees and charges have been reviewed and updated, taking into account the waste disposal levy increases for the period.
- The landfill site is being surveyed regularly to ensure adequate cell management.
- A phytocap landfill design is being developed and trialled.
- The landfill cell 8/9 - stage two was constructed and approved for use in March 2020.
- A street sweeping bay was installed at the Brinkley site, directing street sweeping green organics away from landfill and to composting.
- A review of C&D operations has commenced across all sites and the Recycled Products Plan for this material is being updated.

Governance

- The Charter review process was finalised in 2019/20, with the AHRWMA Board adopting the revision and forwarding the revised Charter to Constituent Councils for consideration. Three of the four Constituent Councils have endorsed the revised Charter and one Council will consider it in the coming months.
- A risk evaluation of the AHRWMA was completed by Local Government Risk Services in December 2019 and an action plan addressing this evaluation is now being actioned.



Waste disposal services
are provided at the
Brinkley Landfill.

Resource Sharing, Resource Recovery Centres & Value Add

- Free greens days have been held across the RRCs.
- Hooklift waste and recycling transport services continue to be provided across the Region.
- Positive working relationships have been maintained with Constituent Councils, commercial and non-member local government customers.
- Assistance has continued to be 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.
- The AHRWMA has continued to participate in a high-level education working group assisting Green Industries SA with the implementation of a state wide education program titled “Which Bin”.
- The Household Paint and Chemical Facility (funded by Green Industries SA) was commissioned at the Heathfield RRC. This facility provides a valuable free service to users across the region.
- The Region was impacted by fire in December 2020, which significantly impacted the Adelaide Hills Council and Mount Barker District Council. The Authority assisted Member Councils with the waste management aspects of this.
- The Authority assisted the Adelaide Hills Council with obtaining finding from Green Industries SA to purchase a polystyrene processing machine, which is soon to be commissioned.



Encouraging food waste composting through the green bin service where available.



Finances

- The Audited financials have been completed for the year 2019/20 and are attached.
- The year to 30 June 2020 ended with the AHRWMA achieving a total surplus of \$131,481, compared to a third quarter budget review of net surplus \$27,000.
- The Brinkley Resource Recovery Centre finished \$14,542 ahead of budget for the financial year, while the Heathfield Resource Recovery Centre finished over budget by -\$13,895.

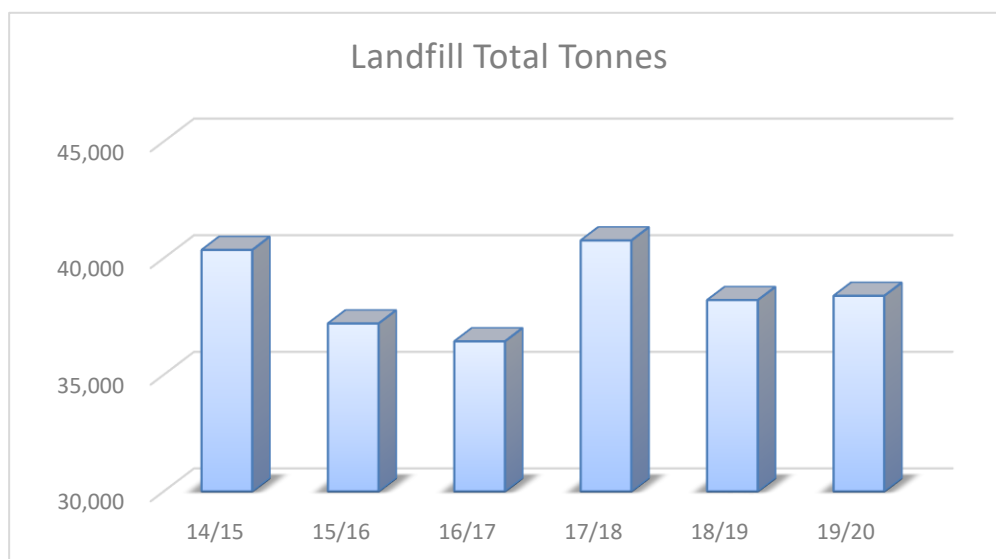
Household Chemical & Paint Facility at the Heathfield RRC.



LANDFILL OPERATIONS

Brinkley Landfill Statistics

Waste disposed to landfill increased by 182 tonnes in the 19/20 financial year. Overall landfill tonnes are showing an increasing trend, while total Member Council tonnes to landfill have decreased by 466 tonnes.



Non-member Local Government tonnes maintained consistent this financial year while commercial tonnes increased.

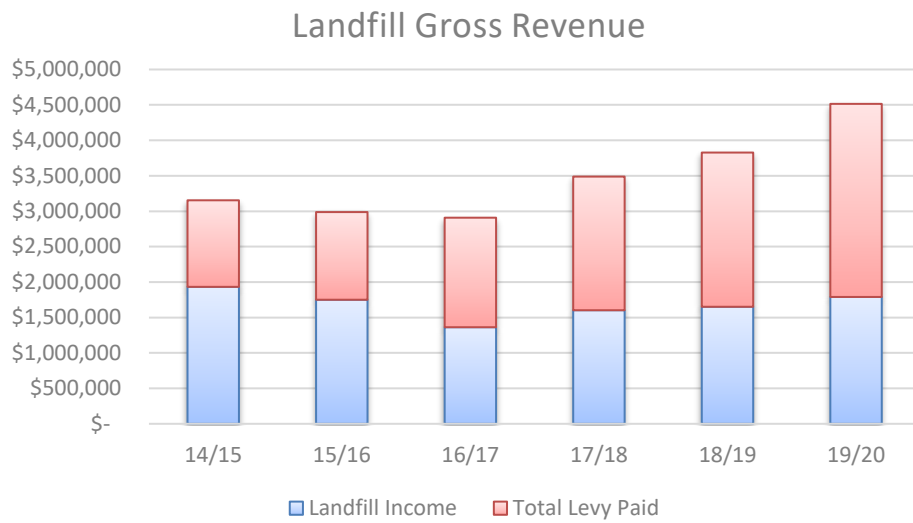
The Authority continues to focus on providing quality service and looking at opportunities to value add for customers.

Revenue

Landfill gross revenue increased in 2019/20, which is partially due to the increase in the Solid Waste Disposal Levy.

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 2019/20 the State Government announced a two staged levy increase, the first on July 1, 2019 and the second on January 1, 2020. In July 2020 the levy increased from \$50 to \$55 for non- metropolitan waste, then to \$70 per tonne in January. The Metropolitan Adelaide rate was increased from \$100 to \$110 in July 2019 and then to \$140 per tonne as of 1 January 2020.



Financial Indicators

The Authority adopted financial indicators for 2019/20 which are outlined in the table below. The operating surplus ratio exceeded target due to an increase in surplus. The Asset Sustainability Ratio did not meet target as budgeted purchase of a loader did not occur, due to a lack of suitable machines within budget. This purchase will occur in 2020/21. All other targets were met or exceeded.

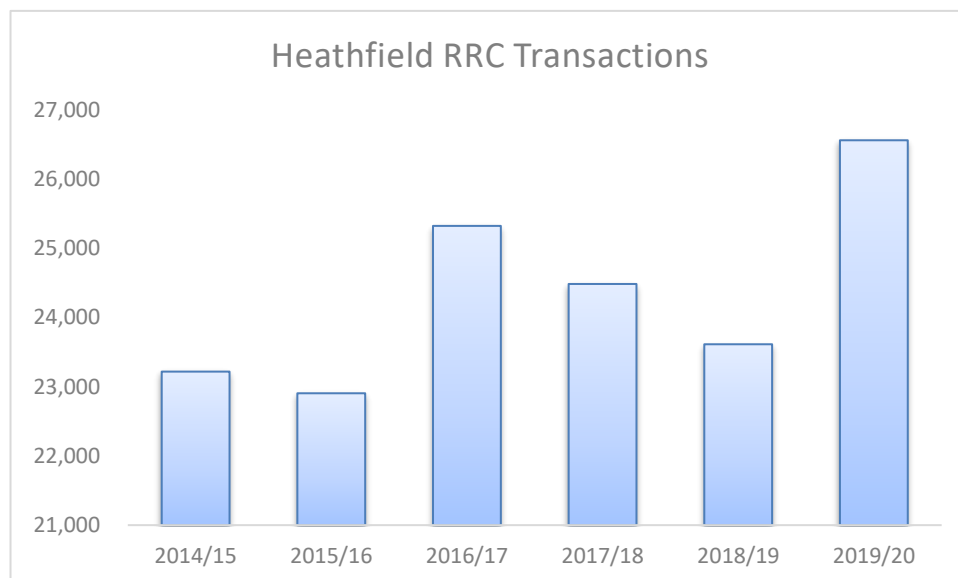
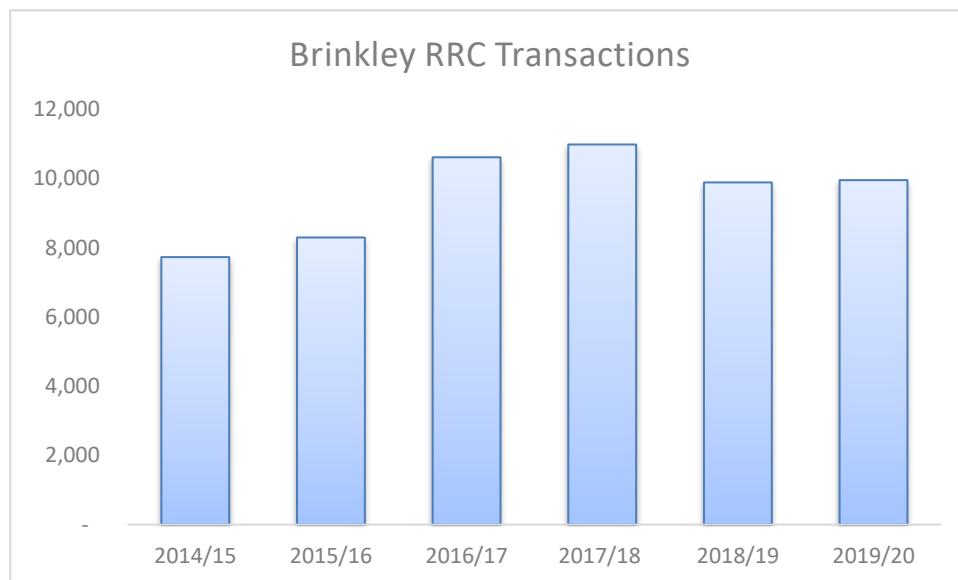
| | Budget | Actual | Short term Adopted Target |
|--|--------|--------|---------------------------|
| Operating Surplus Ratio - Indicator 1 | 0% | 2% | 0% |
| Net Financial Liabilities Ratio - Indicator 2 | 59% | 60% | 70% |
| Interest Cover Ratio - Indicator 3 | 1% | 1% | 1.50% |
| Asset Renewal Funding Ratio - Indicator 4 | 100% | 55% | 100% |

RESOURCE RECOVERY CENTRE OPERATIONS

The Authority manages two Resource Recovery Centres (RRCs) on behalf of its Member Councils. These sites are the Heathfield RRC, which serves the Adelaide Hills Council area with an approximate population of 40,000 people and the Brinkley RRC, which serves the Rural City of Murray Bridge area with an approximate population of 22,000 people.

Site Usage

Both facilities have shown strong customer growth since the Authority commenced operations. The Heathfield customer numbers increased substantially in 2019/20, which is likely a result of increased services, such as the chemical drop off, fire waste disposal and free green organics days.



Tonnes to Landfill

The tonnes of waste disposed to landfill from the Heathfield site increased in 2019/20, while Brinkley reduced. It is likely that the increased tonnes at Heathfield is likely a result of increased customer numbers. The Adelaide Hills Council determined to assist their residents with waste disposal in relation to the Cudlee Creek fires and this also resulted in increased tonnages to the site.

The Brinkley RRC waste disposed to landfill reduced as a result of a street sweepings initiative, whereby the street sweepings are now recovered and composted offsite.

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 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
| Heathfield | 2,010 | 1,840 | 1,562 | 1,533 | 1,719 |
| Brinkley | 1,682 | 1,818 | 1,719 | 1,623 | 1,138 |

Financials

The Brinkley RRC exceeded the 2019/20 budget target, finishing the year with a net loss of approximately \$19,500, compared to a budgeted loss of \$34,000, a positive variance of \$14,500. The Heathfield site finished the year a net loss of approximately \$33,900, compared to a budget of \$20,000, a negative variance of \$15,290.

The Authority will continue to monitor the Resource Recover Centre budgets and adjust operations where required, aiming to minimise the losses across the site. It is recognised that the sites are operated for community benefit and we aim to recover costs at the sites and work towards a break-even position, without significantly increasing user fees.

We create mulch from greens materials dropped off at our RRCs which is then sold to customers.



**Community
Chemical and
Paint Drop-off
Centre**

Since opening in August 2019, the new chemical & paint drop off facility at Heathfield has received

27,712kg of materials, which include

- Water based paint (30%)
- Coolant (20.91%)
- Solvent based paint (8.27%)
- Waste oil (8.13%)
- Gas bottles lpg (6.99%)
- Flammable liquids (6.76%)

We recycled
852 tonnes of
metal and E-
waste across
the RRC sites

We collect asbestos, Drummuster containers and tyres across our RRCs for recycling or appropriate disposal at licenced facilities.



KERBSIDE WASTE & RECYCLING COLLECTIONS

Adelaide Hills, Mount Barker & Murray Bridge

The Authority facilitates the shared Strategic Resource Recovery Coordinator (previously the Waste Strategy Coordinator) resource across three of three of the Member Councils: Adelaide Hills Council, Mount Barker District Council and the Rural City of Murray Bridge. The Strategic Resource Recovery Coordinator manages waste services on behalf of the councils.

2019-20 Highlights

In conjunction with our Member Councils the Strategic Resource Recovery Coordinator

Implemented:

- The Mount Barker District Council Waste to Resources Management Plan 2018 – 2025.
- The Circular Procurement Pilot Project, including assisting Council staff to amend procurement processes and documentation to prioritise the purchase of products with recycled-content.
- Educational displays under the Green Industries SA Which Bin brand at the Murray Bridge library and Local Government Centre as per funding received from GISA (Recycle Right Grant).

Gained funding from Green Industries SA for:

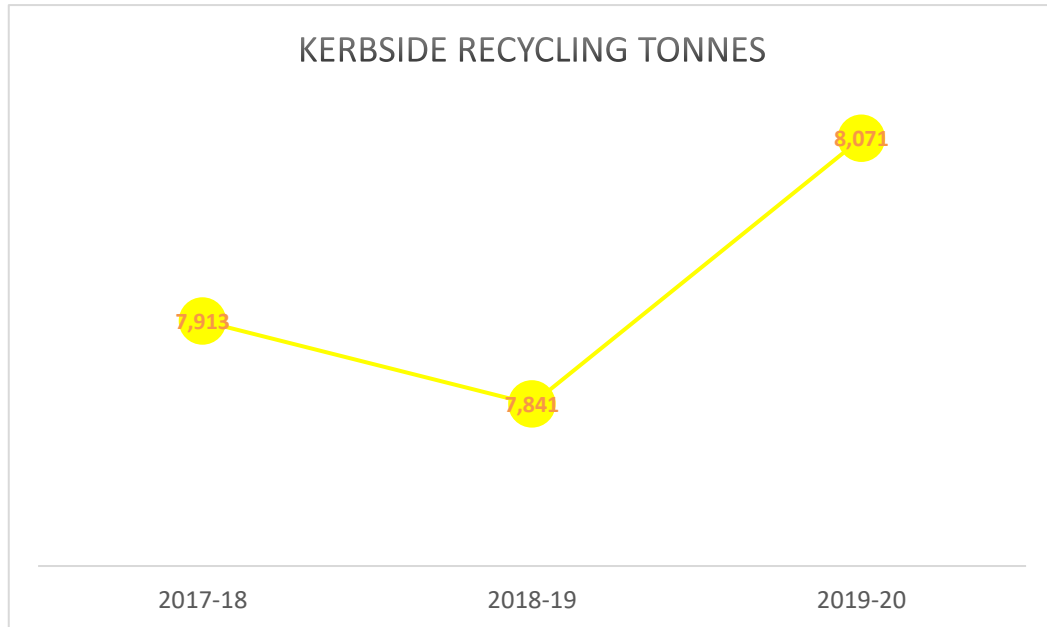
- The Regional Transport Subsidies Program for Mount Barker and Murray Bridge Councils to support their continued recycling efforts in response to the challenges presented by China's National Sword Policy.
- The provision of FOGO kitchen caddy bins and compostable bags, including educational and promotional materials to assist with diverting food waste from landfill for Murray Bridge Council. Conducted a 6-month trial to provide fully biodegradable compost bags to residents as part of efforts to reduce landfill and promote the use of green bins for food/organic waste.
- The procurement of a polystyrene (foam) machine at Heathfield Resource Recovery Centre.

Coordinated and Managed:

- Environmental monitoring at various operating and closed sites. Successfully surrendered EPA licence for Mount Charles former landfill for Adelaide Hills Council and reduced frequency of reporting for the Heathfield Resource Recovery Centre.
- The establishment of free green days at Brinkley Waste and Recycling Facility for 2020.
- Ongoing advice and support with negotiating the kerbside collection contracts at Mount Barker and Murray Bridge Councils in relation to the impact of the China National Sword Policy for recyclables.

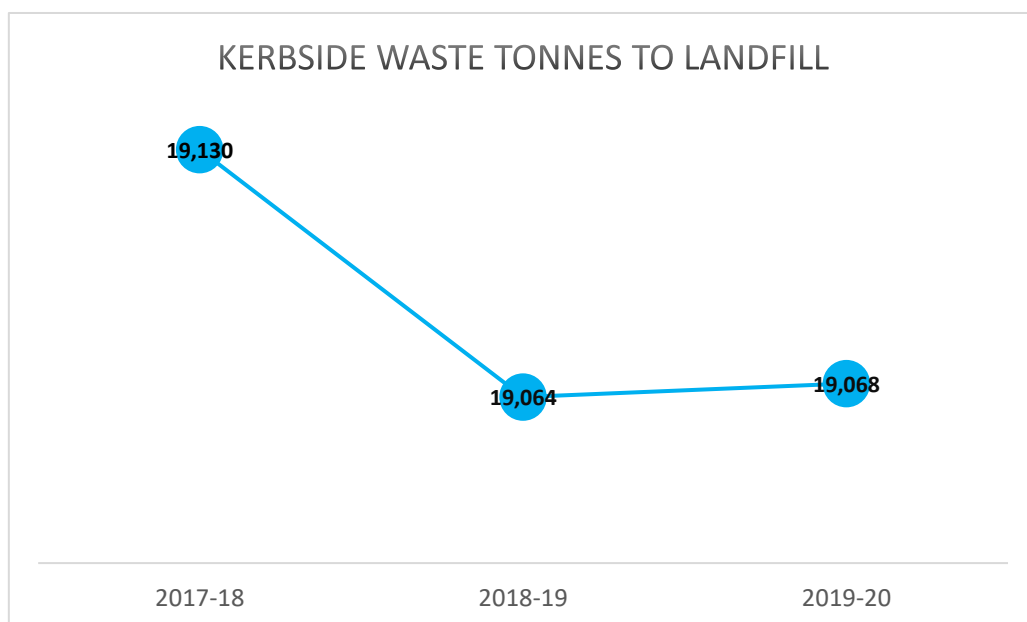
Recycling Service

Across the three Councils a total of 8,071 tonnes of recycling was collected via the kerbside service, which is an increase of 231 tonnes (2.94%) compared to the 2018/19 year (where as there was a decrease of 72 tonnes from the previous 2017/18 year).



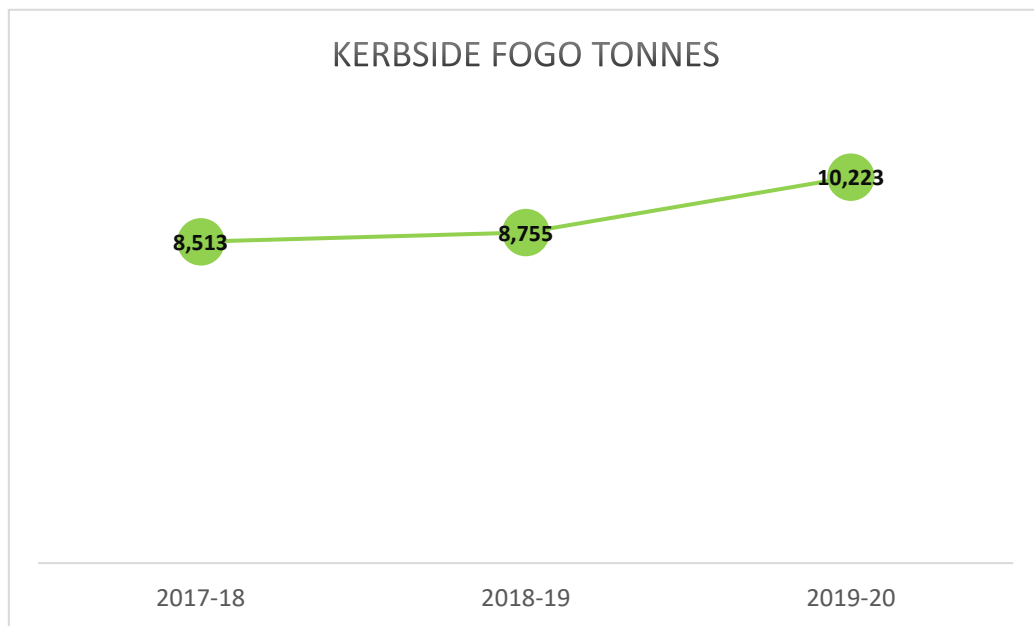
Waste Service

Total kerbside waste disposed to landfill from within the three Member Council regions has remained stable and increased by 4 tonnes (0.02%) in comparison to the previous year, while the population continues to grow.

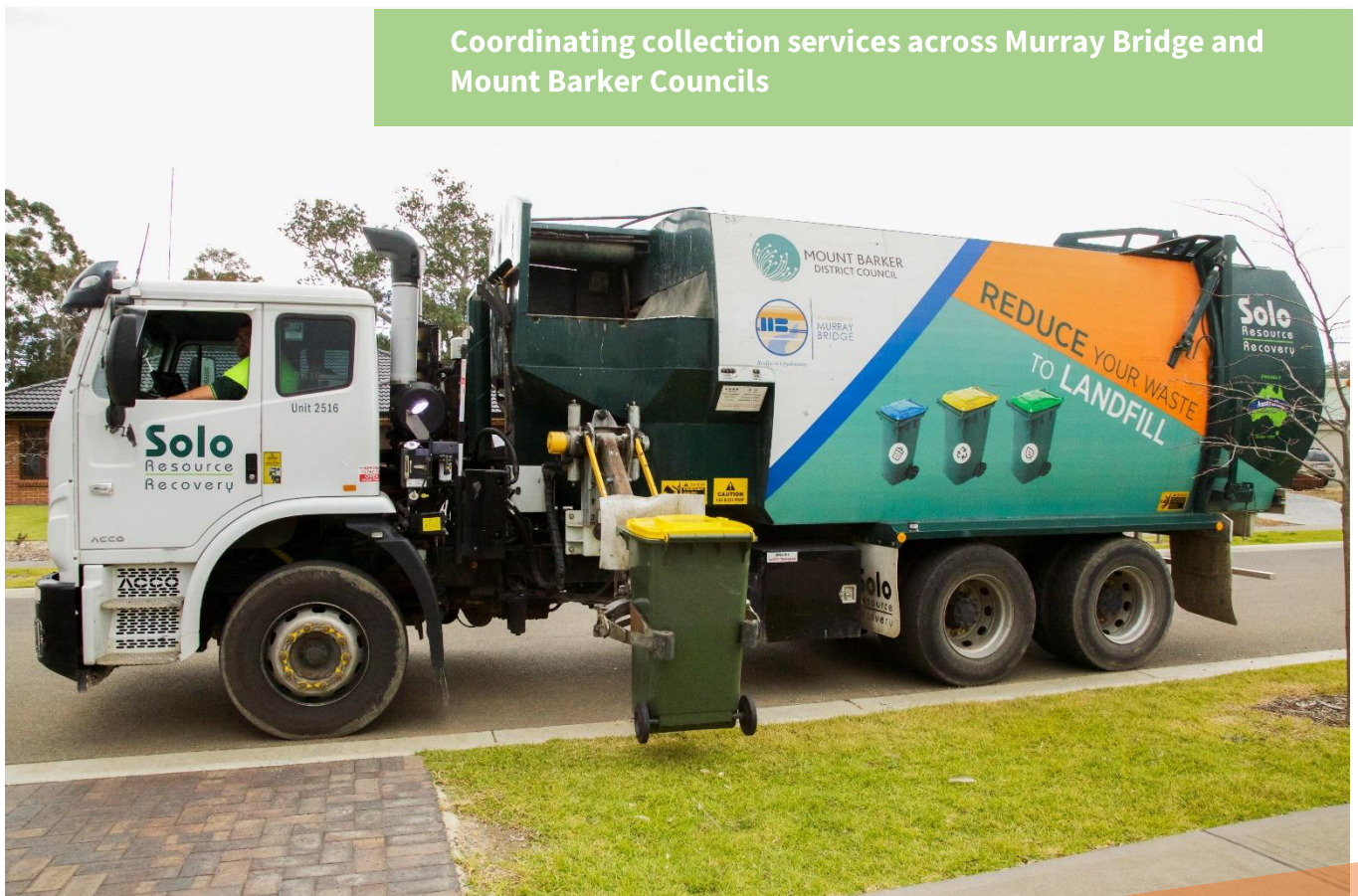


Kerbside Green Organics (FOGO)

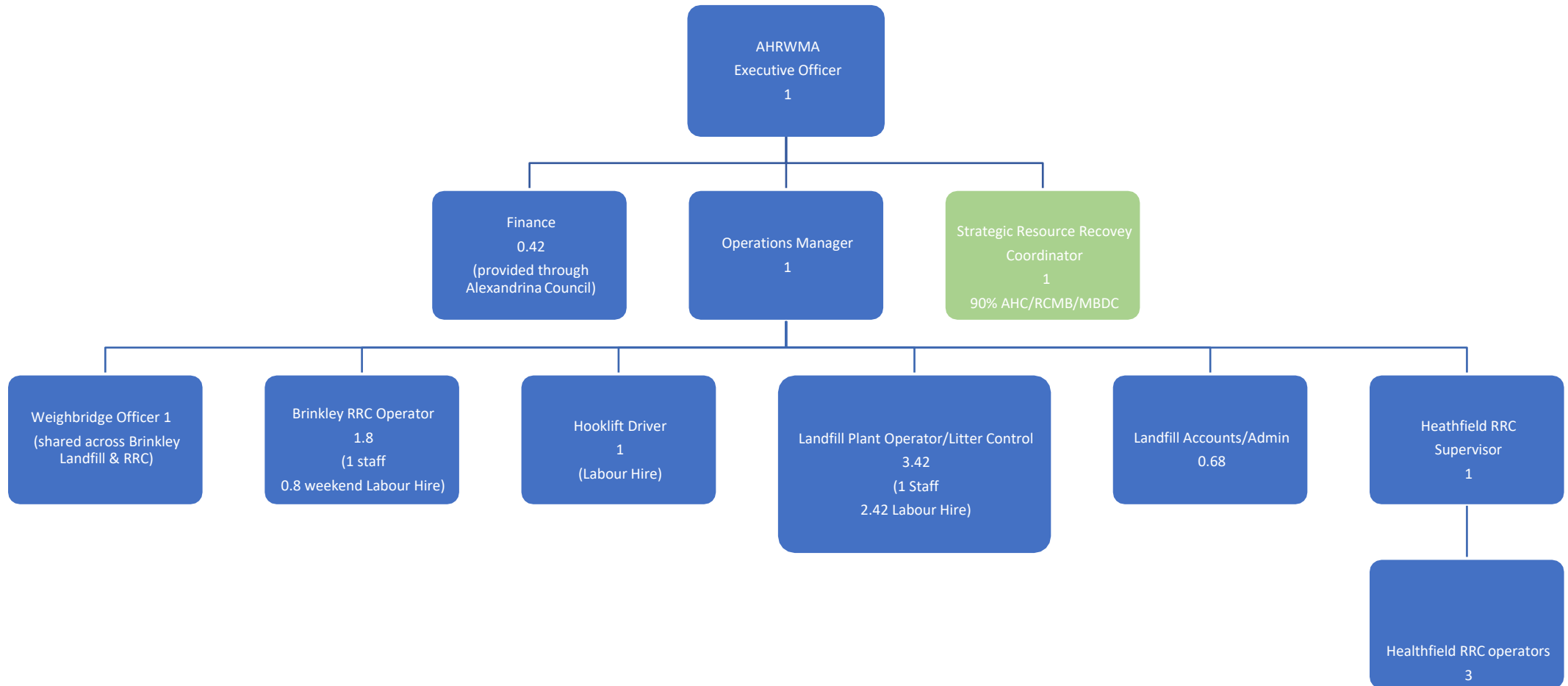
Properties within the Township areas of the three Councils are entitled to a green bin service, which also accepts food waste. The green organics tonnes collected has continued to increase significantly. The 2019/20 financial year saw an increase in green organics of 1,469 tonnes (16.78%) from the previous 2018/19 financial year. It is possible that COVID-19 resulting in an increase in gardening due to people being at home and therefore an increase in green organics.



Coordinating collection services across Murray Bridge and Mount Barker Councils



Organisation Chart 2019/20



Adelaide Hills Region Waste Management Authority
General Purpose Financial Reports
for the year ended 30 June 2020

Table of Contents

| | Page # |
|--|-------------------|
| Certification of Financial Statements | 1 |
| | |
| Principal Financial Statements | |
| Statement of Comprehensive Income | 2 |
| Statement of Financial Position | 3 |
| Statement of Changes in Equity | 4 |
| Statement of Cash Flows | 5 |
| | |
| Notes to, and forming part of, the Principal Financial Statements | |
| Note 1 - Significant Accounting Policies | N6 |
| Note 2 - Income | N12 |
| Note 3 - Expenses | N13 |
| Note 4 - Asset Disposal & Fair Value Adjustments | N15 |
| Note 5 - Current Assets | N16 |
| Note 6 - Infrastructure, Property, Plant & Equipment & Investment Property | N17 |
| Note 7 - Liabilities | N19 |
| Note 8 - Reserves & Equity | N20 |
| Note 9 - Reconciliation of Cash Flow Statement | N21 |
| Note 10 - Financial Instruments | N22 |
| Note 11 - Expenditure Commitments | N24 |
| Note 12 - Contingent Assets & Contingent Liabilities | N24 |
| Note 13 - Events Occurring After Reporting Date | N24 |
| Note 14 - Uniform Presentation of Finances | N25 |
| Note 15 - Operating Leases | N26 |
| Note 16 - Related Party Disclosures | N27 |
| | |
| Constituent Councils Certificate of Audit Independence | |
| Audit Certificate of Audit Independence | |

Adelaide Hills Region Waste Management Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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 2020 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 John Kemp
CHAIR PERSON

Date: 10/9/20

Adelaide Hills Region Waste Management Authority
Statement of Comprehensive Income
for the year ended 30 June 2020

| | Notes | 2020 \$ | 2019 \$ |
|--|-------|------------------|------------------|
| INCOME | | | |
| User charges | 2 | 4,451,469 | 3,827,815 |
| Grants, subsidies and contributions | 2 | - | 11,887 |
| Investment income | 2 | 140 | 262 |
| Other income | 2 | 2,035,916 | 2,135,142 |
| Total Income | | 6,487,525 | 5,975,106 |
| EXPENSES | | | |
| Employee costs | 3 | 1,120,733 | 1,121,692 |
| Materials, contracts & other expenses | 3 | 4,586,109 | 3,953,400 |
| Depreciation, amortisation & impairment | 3 | 599,696 | 481,832 |
| Finance costs | 3 | 50,925 | 57,531 |
| Total Expenses | | 6,357,463 | 5,614,455 |
| OPERATING SURPLUS / (DEFICIT) | | 130,062 | 360,651 |
| Asset disposal & fair value adjustments | 4 | 1,419 | 272 |
| Amounts received specifically for new or upgraded assets | 2 | - | 20,000 |
| NET SURPLUS / (DEFICIT) (transferred to Equity Statement) | | 131,481 | 380,923 |
| Total Other Comprehensive Income | | - | - |
| TOTAL COMPREHENSIVE INCOME | | 131,481 | 380,923 |

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 2020

| ASSETS | Notes | 2020 | 2019 |
|---|--------------|------------------|------------------|
| | | \$ | \$ |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 267,497 | 309,592 |
| Trade & other receivables | 5 | 614,549 | 403,816 |
| Inventories | 5 | 2,256 | 3,791 |
| Total Current Assets | | 884,302 | 717,199 |
| Non-current Assets | | | |
| Infrastructure, property, plant & equipment | 6 | 4,936,546 | 4,214,420 |
| Total Non-current Assets | | 4,936,546 | 4,214,420 |
| Total Assets | | 5,820,848 | 4,931,619 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & other payables | 7 | 878,205 | 661,953 |
| Borrowings | 7 | 1,471,228 | 1,579,500 |
| Provisions | 7 | 276,221 | 244,212 |
| Total Current Liabilities | | 2,625,654 | 2,485,665 |
| Non-current Liabilities | | | |
| Borrowings | 7 | 236,989 | - |
| Provisions | 7 | 1,931,780 | 1,551,010 |
| Total Non-current Liabilities | | 2,168,769 | 1,551,010 |
| Total Liabilities | | 4,794,423 | 4,036,675 |
| NET ASSETS | | 1,026,425 | 894,944 |
| EQUITY | | | |
| Accumulated Surplus | | 1,026,425 | 894,944 |
| TOTAL EQUITY | | 1,026,425 | 894,944 |

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 2020

| | | Accumulated Surplus | TOTAL EQUITY |
|---|-------|------------------------|-----------------|
| 2020 | Notes | \$ | \$ |
| Balance at end of previous reporting period | | 894,944 | 894,944 |
| Net Surplus / (Deficit) for Year | | 131,481 | 131,481 |
| Balance at end of period | 8 | 1,026,425 | 1,026,425 |
| 2019 | | | |
| Balance at end of previous reporting period | | 514,021 | 514,021 |
| Net Surplus / (Deficit) for Year | | 380,923 | 380,923 |
| Balance at end of period | 8 | 894,944 | 894,944 |

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 2020

| CASH FLOWS FROM OPERATING ACTIVITIES | Notes | 2020 | 2019 |
|---|--------------|------------------|------------------|
| | | \$ | \$ |
| Receipts: | | | |
| User charges | | 4,724,188 | 4,189,399 |
| Investment receipts | | 140 | 262 |
| Other revenues | | 1,895,953 | 2,079,900 |
| Payments: | | | |
| Employee costs | | (1,103,698) | (1,169,212) |
| Materials, contracts & other expenses | | (4,707,074) | (4,969,660) |
| Finance payments | | (55,661) | (55,707) |
| Net Cash provided by (or used in) Operating Activities | | 753,848 | 74,982 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Receipts: | | | |
| Amounts specifically for new or upgraded assets | | - | 20,000 |
| Sale of replaced assets | | 53,000 | 78,364 |
| Payments: | | | |
| Expenditure on renewal/replacement of assets | | (202,037) | (59,146) |
| Expenditure on new/upgraded assets | | (452,000) | (343,781) |
| Net Cash provided by (or used in) Investing Activities | | (601,037) | (304,563) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts: | | | |
| Proceeds from borrowings | | 100,000 | 407,317 |
| Payments: | | | |
| Repayments of borrowings | | (252,645) | (140,500) |
| Repayment of lease liabilities | | (42,261) | - |
| Net Cash provided by (or used in) Financing Activities | | (194,906) | 266,817 |
| Net Increase (Decrease) in cash held | | (42,095) | 37,236 |
| Cash & cash equivalents at beginning of period | 9 | 309,592 | 272,356 |
| Cash & cash equivalents at end of period | 9 | 267,497 | 309,592 |

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 2020

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 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 recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Income is measured at the fair value of the consideration received or receivable. 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. The Authority's does not receive Grants Commission funding.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

The Authority recognises revenue under AASB 1058 *Not-for-Profit-Entities* (AASB 1058). AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

The Authority never recognises revenue under AASB 15 *Revenue from Contracts with Customers* (AASB 15) as the Authority never enters into contracts with customers or Constituent Councils.

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 |
| Landfill Assets | \$1,000 |
| Road Construction & Reconstruction | \$10,000 |

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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.

| | |
|------------------------------|--------------|
| Plant, Furniture & Equipment | |
| Office Equipment | 3 - 5 years |
| Other Plant & Equipment | 3 - 10 years |
| Infrastructure | |
| 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 has been brought to account and capitalised as of 1 July 2019. Cell amortisation is calculated by amortising total consumed airspace. Used airspace is surveyed monthly by an independent surveyor. In prior years the Authority has calculated landfill amortisation on estimated remaining useful life. Accordingly the change to amortisation based on airspace consumption is considered to be a more accurate representation of written down value.

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.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

9.2 Superannuation

The Authority makes employer superannuation contributions in respect to 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 2019/20). The Authority does not have any employees who are members of defined benefit funds therefore, no further liability accrues to the employer as the superannuation fund benefits accruing to the employees are represented by their share of the net assets of the Fund.

The Authority also make contribution 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.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

Golders Associates Pty Ltd undertook an assessment of the estimated capping costs of existing landfill cells at the Brinkley site in July 2019. As a result of the work conducted, the Authority updated its capping liability estimates in Note 7 which resulted in a net increase to the cell capping provision. Part of this movement saw non cash income amount, totalling \$141,451, recognised in the Statement of Comprehensive Income in 2018/19. A corresponding increase to the cell capping asset had also been recorded in accordance with the requirements under AASB 116. No movement was recognised in the Statement of Comprehensive Income in 2019/20.

The Authority recognises a capping liability for all past and present active landfill cell operational areas. For which capping rehabilitation works have not yet been completed.

The Authority recognises a capping liability for a historical cell given it is believed that it will be responsible for capping this area in future years and has accordingly recognised a liability. The Authority however is not presently obligated to undertake this work given the liability to cap the cell resides with the existing owners of the site.

The Authority has calculated the liability based on an alternate capping design being accepted by the Environmental Protection Authority South Australia (EPA) which is in the process of being approved. Should there be an unfavourable outcome from the alternate capping plan application process, this may result in further increases to the liability needing to be recorded in future periods.

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 Leases

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, being the land leased at Brinkley Landfill.

i) Right-of-use assets

The Authority recognises right-of-use assets as at 1 July 2019. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life.

ii) Lease liabilities

At the commencement date, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of accumulated surplus as at 1 July 2019 and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of the date of initial application and leases of low-value assets. The right-of-uses assets for all leases were recognised based on the amount equal to the lease liabilities.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

The effect of adoption of AASB 16 as at 1 July 2019 (increase/decrease) is as follows:

Asset

| | |
|-----------------------------|------------------|
| Property, Plant & Equipment | <u>\$323,623</u> |
| Total Assets | \$323,623 |

Liabilities

| | |
|----------------------------|------------------|
| Borrowings | <u>\$323,623</u> |
| Total Liabilities | \$323,623 |
| Accumulated Surplus | NIL |

The following is the impact on the statement of comprehensive income in the current year as a result of the introduction of AASB 16:

| | |
|--|-------------------|
| Interest Expense – Lease Borrowings | \$6,000 |
| Amortisation – right-of-use assets | \$48,543 |
| Lease Expense | <u>(\$50,675)</u> |
| Net increase in expenses recognised in the Statement of Comprehensive Income | \$3,868 |

Adelaide Hills Region Waste Management Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 2 - INCOME

| | Notes | 2020 \$ | 2019 \$ |
|--|-------|------------------|------------------|
| RATES REVENUES | | | |
| USER CHARGES | | | |
| Waste disposal fee - Adelaide Hills Council | | 334,123 | 318,093 |
| Waste disposal fee - Alexandrina Council | | 94,227 | 90,008 |
| Waste disposal fee - Mount Barker District Council | | 335,936 | 308,351 |
| Waste disposal fee - Rural City of Murray Bridge | | 211,019 | 249,544 |
| Waste disposal fee - Other Customers | | 751,530 | 685,771 |
| EPA waste levy collected | | 2,724,634 | 2,176,048 |
| | | <u>4,451,469</u> | <u>3,827,815</u> |
| INVESTMENT INCOME | | | |
| Interest on investments: | | | |
| Banks & other | | 140 | 262 |
| | | <u>140</u> | <u>262</u> |
| OTHER INCOME | | | |
| Consultancy service | | 3,447 | 1,140 |
| Waste officer contribution | | 116,802 | 121,387 |
| Waste transfer station income | | 1,443,863 | 1,407,851 |
| Waste transfer station recuperation | | 53,353 | 88,385 |
| Transport income | | 234,143 | 206,204 |
| Fuel tax rebate | | 43,865 | 48,825 |
| Machinery charge out | | 113,159 | 92,066 |
| Recycled income | | 2,997 | 1,078 |
| Movement in landfill liabilities | | - | 141,451 |
| Sundry | | 24,287 | 26,755 |
| | | <u>2,035,916</u> | <u>2,135,142</u> |
| GRANTS, SUBSIDIES, CONTRIBUTIONS | | | |
| Amounts received specifically for new or upgraded assets | | - | 20,000 |
| Other grants, subsidies and contributions | | | |
| Sundry | | - | 11,887 |
| | | <u>-</u> | <u>11,887</u> |
| | | <u>-</u> | <u>31,887</u> |
| Sources of grants | | | |
| Other | | - | 31,887 |
| | | <u>-</u> | <u>31,887</u> |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE

| | Notes | 2020 | 2019 |
|---|--------------|-------------------------|------------------|
| | | \$ | \$ |
| EMPLOYEE COSTS | | | |
| Salaries and Wages | | 838,688 | 848,816 |
| Employee leave expense | | 115,200 | 120,183 |
| Superannuation | | 88,821 | 86,821 |
| Workers' Compensation Insurance | | 44,773 | 31,472 |
| Other | | 33,251 | 34,400 |
| Total Operating Employee Costs | | <u>1,120,733</u> | <u>1,121,692</u> |
| | | | |
| Total Number of Employees | | 11 | 11 |
| <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 | | 4,702 | 7,663 |
| | | | |
| <u>Other Materials, Contracts & Expenses</u> | | | |
| Materials, contractors & other | | 236,106 | 261,878 |
| Waste transfer station expenses | | 988,957 | 986,892 |
| Consultants | | 51,359 | 42,609 |
| Administration & accountancy service | | 82,138 | 63,047 |
| EPA licence fee | | 9,430 | 5,329 |
| Land lease | | - | 49,681 |
| Repairs & maintenance | | 189,031 | 185,269 |
| Insurance & legal | | 126,621 | 25,887 |
| EPA waste levy paid | | 2,724,634 | 2,176,048 |
| Parts, accessories & consumables | | 161,519 | 141,962 |
| Sundry | | 11,612 | 7,135 |
| Subtotal - Other Materials, Contracts & Expenses | | <u>4,581,407</u> | <u>3,945,737</u> |
| | | <u>4,586,109</u> | <u>3,953,400</u> |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE con't

| | 2020 | 2019 |
|--|------------------|----------------|
| Notes | \$ | \$ |
| DEPRECIATION, AMORTISATION & IMPAIRMENT | | |
| Depreciation | | |
| Road Infrastructure | 5,534 | 5,534 |
| Buildings | 13,458 | 12,012 |
| Vehicles | 16,654 | 19,269 |
| Plant & equipment | 258,579 | 231,843 |
| Landfill cells | 110,533 | 132,873 |
| Lechate pond | 8,697 | 8,697 |
| Landfill rehabilitation | 50,232 | 20,045 |
| Landfill cell capping | 87,466 | 51,559 |
| Right of Use Assets | 15 48,543 | - |
| | 599,696 | 481,832 |
| FINANCE COSTS | | |
| Interest on overdraft and short-term drawdown | 42,511 | 57,531 |
| Interest on Leases | 8,414 | - |
| | 50,925 | 57,531 |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

| | | 2020 | 2019 |
|--|-------|---------------|--------|
| | Notes | \$ | \$ |
| INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT | | | |
| <i>Assets renewed or directly replaced</i> | | | |
| Proceeds from disposal | | 53,000 | 78,364 |
| Less: Carrying amount of assets sold | 6 | 51,581 | 78,092 |
| Gain (Loss) on disposal | | 1,419 | 272 |
| NET GAIN (LOSS) ON DISPOSAL OF ASSETS | | 1,419 | 272 |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 5 - CURRENT ASSETS

| | Notes | 2020 \$ | 2019 \$ |
|--------------------------------------|-------|----------------|----------------|
| CASH & EQUIVALENT ASSETS | | | |
| Cash on Hand and at Bank | | <u>267,497</u> | <u>309,592</u> |
| | | 267,497 | 309,592 |
| TRADE & OTHER RECEIVABLES | | | |
| Accrued Revenues | | 53,291 | 14,986 |
| Debtors - general | | <u>561,258</u> | <u>388,830</u> |
| | | 614,549 | 403,816 |
| INVENTORIES | | | |
| Stores & Materials | | <u>2,256</u> | <u>3,791</u> |
| | | 2,256 | 3,791 |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

| | 2019 \$'000 | | | | 2020 \$'000 | | | |
|-------------------------|----------------|------------------|--------------------|------------------|----------------|------------------|--------------------|------------------|
| | Fair Value | Cost | Acc' Dep'n | Carrying Amount | Fair Value | Cost | Acc' Dep'n | Carrying Amount |
| Road Infrastructure | - | 138,352 | (33,273) | 105,079 | - | 138,352 | (38,807) | 99,545 |
| Buildings | - | 270,949 | (77,712) | 193,237 | - | 273,605 | (91,170) | 182,435 |
| Vehicles | - | 129,622 | (76,089) | 53,533 | - | 131,482 | (61,974) | 69,508 |
| Plant & equipment | - | 3,133,972 | (1,360,627) | 1,773,345 | - | 3,218,528 | (1,548,695) | 1,669,833 |
| Landfill cells | - | 2,147,038 | (1,242,555) | 904,483 | - | 2,559,142 | (1,353,088) | 1,206,054 |
| Lechate pond | - | 173,938 | (45,409) | 128,529 | - | 173,938 | (54,106) | 119,832 |
| Landfill rehabilitation | - | 691,182 | (155,137) | 536,045 | - | 602,784 | (205,369) | 397,415 |
| Landfill cell capping | - | 986,195 | (466,026) | 520,169 | - | 1,470,335 | (553,491) | 916,844 |
| Right of Use Assets | - | - | - | - | - | 323,623 | (48,543) | 275,080 |
| Total IPP&E | - | 7,671,248 | (3,456,828) | 4,214,420 | - | 8,891,789 | (3,955,243) | 4,936,546 |
| Comparatives | | 6,887,320 | (3,055,458) | 3,831,862 | - | 7,671,248 | (3,456,828) | 4,214,420 |

This Note continues on the following pages.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

| | 2019 | CARRYING AMOUNT MOVEMENTS DURING YEAR | | | | | | | | 2020 |
|-------------------------|------------------|---------------------------------------|----------------|----------------|-----------------|------------------|----------|----------------|-------------|------------------|
| | \$ | \$ | | | | | | | | \$ |
| | Carrying Amount | Net Adjust AASB 16 | Additions | | Disposals | Dep'n | Impair't | Adjustment | Net Reval'n | Carrying Amount |
| | | New / Upgrade | Renewals | | | | | | | |
| Road Infrastructure | 105,079 | - | - | - | (5,534) | - | - | - | - | 99,545 |
| Buildings | 193,237 | 2,656 | - | - | (13,458) | - | - | - | - | 182,435 |
| Vehicles | 53,533 | - | 48,950 | (16,321) | (16,654) | - | - | - | - | 69,508 |
| Plant & equipment | 1,773,345 | 37,240 | 153,087 | (35,260) | (258,579) | - | - | - | - | 1,669,833 |
| Landfill cells | 904,483 | 412,104 | - | - | (110,533) | - | - | - | - | 1,206,054 |
| Lechate pond | 128,529 | - | - | - | (8,697) | - | - | - | - | 119,832 |
| Landfill rehabilitation | 536,045 | - | - | - | (50,232) | - | (88,398) | - | - | 397,415 |
| Landfill cell capping | 520,169 | - | - | - | (87,466) | - | 484,141 | - | - | 916,844 |
| Right of Use Assets | - | 323,623 | - | - | (48,543) | - | - | - | - | 275,080 |
| Reinstatement costs | - | - | - | - | - | - | - | - | - | - |
| Total IPP&E | 4,214,420 | 323,623 | 452,000 | 202,037 | (51,581) | (599,696) | - | 395,743 | - | 4,936,546 |
| Comparatives | 3,831,862 | - | 883,335 | 59,147 | (78,092) | (481,832) | - | - | - | 4,214,420 |

This note continues on the following pages.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 7 - LIABILITIES

| | Notes | 2020 | | 2019 | |
|---|-------|-----------------------------|---------------------|------------------|------------------|
| | | Current | Non-current | Current | Non-current |
| | | \$ | \$ | \$ | \$ |
| TRADE & OTHER PAYABLES | | | | | |
| Goods & services | | 678,849 | - | 504,309 | - |
| Payments received in advance | | 20,000 | - | - | - |
| Accrued expenses - other | | 9,124 | - | 13,860 | - |
| GST Payable | | 116,568 | - | 73,632 | - |
| Other payables | | 53,664 | - | 70,152 | - |
| | | 878,205 | - | 661,953 | - |
| BORROWINGS | | | | | |
| Leases Liabilities | 15 | 44,373 | 236,989 | - | - |
| LGFA cash advance debenture facility | | 1,426,855 | - | 1,579,500 | - |
| | | 1,471,228 | 236,989 | 1,579,500 | - |
| PROVISIONS | | | | | |
| Employee entitlements (including oncosts) | | 276,221 | 15,443 | 244,212 | 30,417 |
| Future reinstatement / restoration, etc | | - | 602,784 | - | 696,183 |
| Cell capping | | - | 1,313,553 | - | 824,410 |
| | | 276,221 | 1,931,780 | 244,212 | 1,551,010 |
| Movements in Provisions - 2020 year only <i>(current & non-current)</i> | | <i>Future Reinstatement</i> | <i>Cell capping</i> | <i>Total</i> | |
| Opening Balance | | 696,183 | 824,410 | 1,520,593 | |
| Add (Less) Additional amounts recognised | | (5,002) | 5,002 | - | |
| Add (Less) Remeasurement Adjustments | | (88,398) | 484,141 | 395,743 | |
| Closing Balance | | 602,784 | 1,313,553 | 1,916,336 | |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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.

| | 2020 | 2019 |
|--|-------------|-------------|
| Volumes of waste dumped (in tonnes) | % | % |
| Adelaide Hills Council | 34.4% | 33.1% |
| Alexandrina Council | 9.1% | 8.9% |
| Mount Barker District Council | 35.0% | 32.3% |
| Rural City of Murray Bridge | 21.5% | 25.7% |
| | <u>100%</u> | <u>100%</u> |

Distribution in accordance with the above percentages

| | \$ | \$ |
|-------------------------------|----------------|----------------|
| Adelaide Hills Council | 45,282 | 125,941 |
| Alexandrina Council | 11,931 | 33,720 |
| Mount Barker District Council | 46,048 | 123,185 |
| Rural City of Murray Bridge | 28,220 | 98,077 |
| | <u>131,481</u> | <u>380,923</u> |

DISTRIBUTION SHARE OF EQUITY

| | | |
|---|----------------|----------------|
| Adelaide Hills Council | | |
| Balance at end of previous reporting period | 370,578 | 244,637 |
| Distribution | 45,282 | 125,941 |
| Balance at end of period | <u>415,860</u> | <u>370,578</u> |

| | | |
|---|----------------|---------------|
| Alexandrina Council | | |
| Balance at end of previous reporting period | 98,844 | 65,124 |
| Distribution | 11,931 | 33,720 |
| Balance at end of period | <u>110,775</u> | <u>98,844</u> |

| | | |
|---|----------------|----------------|
| Mount Barker District Council | | |
| Balance at end of previous reporting period | 368,901 | 245,716 |
| Distribution | 46,048 | 123,185 |
| Balance at end of period | <u>414,949</u> | <u>368,901</u> |

| | | |
|---|---------------|---------------|
| Rural City of Murray Bridge | | |
| Balance at end of previous reporting period | 56,621 | (41,456) |
| Distribution | 28,220 | 98,077 |
| Balance at end of period | <u>84,841</u> | <u>56,621</u> |

| | | |
|--|------------------|----------------|
| TOTAL EQUITY AT END OF REPORTING PERIOD | 1,026,425 | 894,944 |
|--|------------------|----------------|

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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 Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

| | Notes | 2020 \$ | 2019 \$ |
|----------------------------------|-------|----------------|----------------|
| Total cash & equivalent assets | 5 | <u>267,497</u> | <u>309,592</u> |
| Balances per Cash Flow Statement | | <u>267,497</u> | <u>309,592</u> |

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

| | | | |
|---|--|-----------------------|----------------------|
| Net Surplus (Deficit) | | 131,481 | 380,923 |
| Non-cash items in Income Statement | | | |
| Depreciation, amortisation & impairment | | 599,696 | 481,832 |
| Net increase (decrease) in unpaid employee benefits | | 17,035 | 41,855 |
| Movement in landfill liabilities | | - | (141,451) |
| Grants for capital acquisitions treated as Investing Activity | | - | (20,000) |
| Net (Gain) Loss on Disposals | | <u>(1,419)</u> | <u>(272)</u> |
| | | 746,793 | 742,887 |
| Add (Less): Changes in Net Current Assets | | | |
| Net (increase) decrease in receivables | | (210,733) | (36,184) |
| Net (increase) decrease in inventories | | 1,535 | 585 |
| Net increase (decrease) in trade & other payables | | <u>216,252</u> | <u>(632,306)</u> |
| Net Cash provided by (or used in) operations | | <u>753,847</u> | <u>74,982</u> |

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

| | | | |
|---|--|----------------|----------------|
| Estimated future reinstatement etc. costs | | <u>395,744</u> | <u>398,104</u> |
|---|--|----------------|----------------|

(d) Financing Arrangements

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

| | | | |
|--------------------------------------|--|-----------|-----------|
| Corporate Credit Cards | | 10,000 | 8,000 |
| LGFA Cash Advance Debenture facility | | 1,650,000 | 1,650,000 |

The cash advance debenture facility 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 2020 the Authority has drawn down \$1,426,855.

Adelaide Hills Region Waste Management Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 10 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

| | |
|--|---|
| Bank, Deposits at Call | <p>Accounting Policy: carried at lower of cost and net realisable value, interest is recognised when earned.</p> <p>Terms & conditions: deposits at call have an average maturity of 90 days and an average interest rate of 0.45% (2019: 90 days 1.25%)</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p> |
| Receivables - Fees & other charges | <p>Accounting Policy: carried at nominal values less any allowances for doubtful debts.</p> <p>Terms & conditions: unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p> |
| Liabilities - Creditors and Accruals | <p>Accounting Policy: liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: liabilities are normally settled on 30 days after the month of invoice.</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Interest Bearing Borrowings | <p>Accounting Policy: carried at the principle amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, interest is payable quarterly and principle due at CAD end date.</p> <p>Carrying amount: approximates fair value.</p> |
| Liabilities - Overdraft | <p>Accounting Policy: carried at the principle amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, interest is charged at an average variable rate of 2.6%.</p> <p>Carrying amount: approximates fair value.</p> |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

| 2020 | Due < 1 year | Due > 1 year ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|-------------------------------------|------------------|---------------------------|------------------|------------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| <u>Financial Assets</u> | | | | | |
| Cash & Equivalents | 267,497 | | | 267,497 | 267,497 |
| Receivables | 614,549 | - | - | 614,549 | 614,549 |
| Total | 882,046 | - | - | 882,046 | 882,046 |
| <u>Financial Liabilities</u> | | | | | |
| Payables | 869,081 | - | - | 869,081 | 869,081 |
| Current Borrowings | 1,426,855 | - | - | 1,426,855 | 1,426,855 |
| Lease Liabilities | 44,373 | 236,989 | - | 281,362 | 281,362 |
| Total | 2,340,309 | 236,989 | - | 2,577,298 | 2,577,298 |

| 2019 | Due < 1 year | Due > 1 year; ≤ 5 years | Due > 5 years | Total Contractual Cash Flows | Carrying Values |
|-------------------------------------|------------------|----------------------------|------------------|------------------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| <u>Financial Assets</u> | | | | | |
| Cash & Equivalents | 309,592 | | | 309,592 | 309,592 |
| Receivables | 403,816 | - | - | 403,816 | 403,816 |
| Total | 713,408 | - | - | 713,408 | 713,408 |
| <u>Financial Liabilities</u> | | | | | |
| Payables | 648,093 | - | - | 648,093 | 648,093 |
| Current Borrowings | 1,579,500 | - | - | 1,579,500 | 1,579,500 |
| Total | 2,227,593 | - | - | 2,227,593 | 2,227,593 |

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

| | 30 June 2020 | | 30 June 2019 | |
|----------------------|--------------------------------------|-------------------|--------------------------------------|-------------------|
| | Weighted Average Interest Rate | Carrying Value | Weighted Average Interest Rate | Carrying Value |
| | % | \$ | % | \$ |
| Overdraft | 2.6 | 1,426,855 | 3.57 | 1,579,500 |
| Non interest bearing | | 869,081 | | 648,093 |
| | | 2,295,936 | | 2,227,593 |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10 - FINANCIAL INSTRUMENTS (con't)

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 Note 5 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 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 Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a range of 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. 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

Note 11 - COMMITMENTS FOR EXPENDITURE

The Authority as at 30 June 2020 had no obligation for expenditure.

Note 12 - CONTINGENCIES, ASSETS & LIABILITIES NOT RECOGNISED

The Authority has been successful in defending a claim as a defendant in Supreme Court proceedings which has been disclosed as a contingent liability in previous financial years. As at reporting date, the Authority has received an Order for costs from the Court which is still in negotiations.

Note 13 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2020 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 2020

Note 14 - 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 Authority entities in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Authority entities provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

| | 2020 | 2019 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Income | 6,487,525 | 5,975,106 |
| Expenses | <u>(6,357,463)</u> | <u>(5,614,455)</u> |
| Operating Surplus / (Deficit) | 130,062 | 360,651 |
| Net Outlays on Existing Assets | | |
| Capital Expenditure on renewal and replacement of Existing Assets | (202,037) | (59,146) |
| Add back Depreciation, Amortisation and Impairment | 599,696 | 481,832 |
| Proceeds from Sale of Replaced Assets | <u>53,000</u> | <u>78,364</u> |
| | 450,659 | 501,050 |
| Net Outlays on New and Upgraded Assets | | |
| Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i> | (452,000) | (343,781) |
| Amounts received specifically for New and Upgraded Assets | - | 20,000 |
| Proceeds from Sale of Surplus Assets <i>(including investment property and real estate developments)</i> | - | - |
| | <u>(452,000)</u> | <u>(323,781)</u> |
| Net Lending / (Borrowing) for Financial Year | 128,721 | 537,920 |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 15 - OPERATING LEASES

The Authority as a Lessee

Right of Use Asset

Set out below are the carrying amounts (written down value) of right of use assets recognised within Infrastructure Property, Plant & Equipment

| Carrying Value | Land |
|------------------------|-----------------|
| At 1 July 2019 | 323,623 |
| Additions | - |
| Disposals | - |
| Depreciation Charge | (48,543) |
| At 30 June 2020 | 275,080 |

Set out below are the carrying amounts of lease liabilities (including under interest bearing loans and borrowings) and the movements during the period:

| | 2020 |
|------------------------|-----------------|
| At 1 July 2019 | 323,623 |
| Additions | - |
| Accretion of Interest | 8,414 |
| Payments | (50,675) |
| At 30 July 2020 | 281,362 |

The following are amounts recognised on profit or loss:

| | |
|---|---------------|
| Depreciation expense right of use asset | 48,543 |
| Interest expense on lease liabilities | 8,414 |
| Expenses relating to short term leases | - |
| Expenses relating to leases of low value assets | - |
| Variable lease payments | - |
| Total amount recognised in profit and loss | 56,957 |

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 16 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Chair, the Board and the Executive Officer prescribed officers under section 112 of the Local Government Act 1999. In all, key management personnel were paid the following total compensation:

| | 2020 | 2019 |
|--|----------------|---------|
| | \$ | \$ |
| Salaries, allowances & other short term benefits | 142,170 | 145,397 |
| Post-employment benefits | - | - |
| Long term benefits | 13,506 | 13,813 |
| Termination benefits | - | - |
| TOTAL | 155,676 | 159,210 |

The following transactions occurred with related parties:

| | Sale of Goods & Services | Amounts Outstanding |
|--|---|--------------------------------|
| | \$,000 | \$,000 |
| Adelaide Hills Council - provision of waste processing and disposal service | 334 | 26 |
| Alexandrina Council - provision of waste processing and disposal service | 94 | 7 |
| Mount Barker District Council - provision of waste processing and disposal service | 335 | 29 |
| Rural City of Murray Bridge - provision of waste processing and disposal service | 212 | 17 |
| TOTAL | 975 | 79 |

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 Constituent Councils. Constituent 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 Constituent Council individually has control of the policies.

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020**

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 2020, 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 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
Adelaide Hills Council

Date: *22 July 2020*

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY**

Opinion

We have audited the financial report of the Adelaide Hills Region Waste Management Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the 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.

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

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. The Authority's responsibility includes establishing and maintaining internal control relevant to preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the Authority'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 Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Authority'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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**JIM KEOGH
PARTNER**

Signed on the 16th day of September 2020,
at 214 Melbourne Street, North Adelaide

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020**

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 2020, 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 2011 made under that Act.

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



.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 17 July 2020

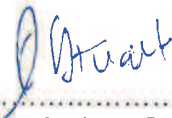
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020**

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 2020, 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 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 Stuart

CHIEF EXECUTIVE OFFICER
Mount Barker District Council

Date: 23/7/20

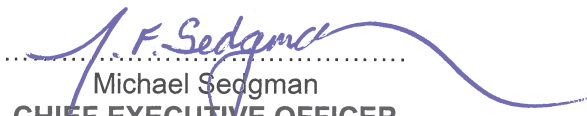
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020**

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 2020, 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 2011 made under that Act.

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


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

Date: 11.08.2020

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Adelaide Hills Region Waste Management Authority for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



Jim Keogh

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated the 8th day of July 2020