

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 26 November 2019
AGENDA BUSINESS ITEM**

Item: 12.7

Originating Officer: Lachlan Miller, Executive Manager Governance & Performance

Responsible Director: Terry Crackett, Director Corporate Services

Subject: 2019-20 Draft Annual Report

For: Decision

SUMMARY

The purpose of this report is to provide the *draft 2018-19 Annual Report* (the Annual Report) for the Council's consideration and adoption.

The preparation and adoption of an Annual Report is a legislative requirement under s131 of the *Local Government Act 1999*. Notwithstanding its compliance roots, the Annual Report provides a good opportunity to demonstrate to the community, in a transparent and accountable manner, the level of achievement against the Council's *Strategic Plan* and the *2018-19 Annual Business Plan and Budget*.

RECOMMENDATION

Council resolves:

1. That the report be received and noted.
 2. The 2018-19 Annual Report, as contained in Appendix 1, be adopted.
 3. That the Chief Executive Officer be authorised to make minor content, formatting or design changes necessary for publication purposes.
-

1. GOVERNANCE

➤ **Strategic Management Plan/Council Policy**

Goal	Organisational Sustainability
Strategy	Governance
Strategy	Financial Sustainability
Strategy	Risk and responsibility

The production of an Annual Report is fundamental to demonstrating the transparency and accountability of local government.

The Annual Report is the primary mechanism for reporting achievements against the Council's *Strategic Plan, Corporate Plan and Annual Business Plan and Budget*.

➤ **Legal Implications**

Section 131 of the *Local Government Act 1999* requires councils to produce annual reports. It must be prepared and adopted by the Council by 30 November.

Various sections of the Act and associated Regulations set out the particulars of what must be contained in the annual report.

➤ **Risk Management Implications**

The review of the draft Annual Report will assist in mitigating the risk of:

Non-compliance with statutory requirements leading to a loss of confidence in the Council.

Inherent Risk	Residual Risk	Target Risk
High (4C)	Medium (3C)	Medium

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

There are no financial implications arising from considering the draft Annual Report.

Production of the Annual Report has involved mainly existing staff resources. A creative design consultant was engaged to produce the final document and a small number of hard copies will be printed.

➤ **Customer Service and Community/Cultural Implications**

The Annual Report provides an overview of performance against targets including for Council's Customer Service Standards. It highlights potential areas for improvement in addition to those performing well.

➤ **Environmental Implications**

Not applicable.

➤ **Engagement/Consultation with Committee, Regional Subsidiary, Advisory Group and Community**

Council Committees: At its meeting held on 18 November 2019, the Audit Committee considered a draft of the Annual Report.

Council Workshops: Not applicable

Advisory Groups: Not applicable.

Administration: Council’s Executive Leadership Team and relevant Managers and Officers were consulted during preparation of the Annual Report.

Community: Engagement with the community is not applicable for the development of the Annual Report. However, the Annual Report itself, once finalised, is one way of communicating key achievements and Council performance to the community.

2. BACKGROUND

The draft Annual Report has been prepared with an emphasis on reporting achievements against the Council’s *Strategic Plan, Corporate Plan* and the *2018-19 Annual Business Plan and Budget*.

It should be noted that the Audit Committee considered the draft financial statements and the draft Annual Report at its meeting held on 18 November 2019. The Audit Committee endorsed the draft Annual Report as presented and some members provided informal/editorial advice on aspects of the documents.

The resolution of the Audit Committee was as follows:

7.4. 2018-19 Draft Annual Report

Moved Peter Brass
S/- Paula Davies

42/AC19

The Audit Committee resolves that the:

1. Report be received and noted.
2. Draft 2018-19 Annual Report, as contained in Appendix 1, be endorsed – and recommend to Council for adoption recognising the need for subsequent inclusion of the General Purpose Financial Statements and Council’s Regional Subsidiaries Annual Reports.

Carried

3. ANALYSIS

The draft Annual Report, contained in **Appendix 1**, provides an overview of Council’s achievements and activities during the reporting year.

The Report provides a summary of achievements against commitments made in the *2018-19 Annual Business Plan and Budget*. It also contains highlights of other activities of note.

The financial statements are also incorporated in the Annual Report, these are being considered as a separate item in the 26 November 2019 agenda and therefore an analysis of the financial results will not be included in this agenda item.

Much of the content in the Annual Report addresses statutory requirements, particularly those set out in Section 131 and Schedule 4 of the *Local Government Act 1999* and Regulation 35 of the *Local Government (General) Regulations 2013*.

The draft Annual Report also contains the Annual Reports of each of Council's regional subsidiaries. Whilst the Act requires the inclusion of these reports in the Council's Annual Report, the adoption of the regional subsidiary reports is a matter for the regional subsidiary boards.

Should the Annual Report be adopted, staff will forward copies to the respective people and bodies mentioned earlier in this report.

4. OPTIONS

Council has the following options:

- I. Resolve to adopt the 2018-19 Annual Report as presented (***Recommended***)
- II. Resolve to adopt the 2018-19 Annual Report with amendments (***Not Recommended***). Given the requirement to finalise the Annual Report by 30 November, significant amendment may result in the Council not meeting its legislative obligations.

5. APPENDIX

- (1) Draft 2018-19 Annual Report

Appendix 1

Draft 2018-19 Annual Report



Adelaide Hills
COUNCIL

2018-19
Annual Report



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Cover photo: *Acacia myrtifolia* Credit: Tonia Brown

Welcome to our Annual Report for 2018-19

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

Image: Houghton Oval

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

This Annual Report provides our ratepayers, visitors, government agencies, and wider community with an account of our achievements and performance for the financial year 1 July 2018 to 30 June 2019. The Report documents how we have performed against our targets and outlines the future direction of Council. Audited financial statements follow the performance report.

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

We hope that this Report makes interesting reading and demonstrates our commitment to customer service and accountability.

Where to get copies

An online version of the Adelaide Hills Council 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

“I want residents of the Adelaide Hills Council to feel proud of their community, safe in their community, and ambitious for their community.”

Our community elected a new Council including a new Mayor and five new Councillors in November 2018. As your new Mayor I’m proud to report after twelve months in office this new Council has developed into a cohesive team while bringing many different community perspectives to the decision-making table.

Effective planning for your future is critical and this year we commenced a Strategic Plan review. Community engagement is an important part of the process and a new plan will be in place by mid-2020.

We must regularly reseal roads, upgrade drains and tackle weeds but just as important are community developed initiatives, long-term infrastructure projects and environmental wellbeing. To do this we need to be financially healthy.

Council reviewed its Long-Term Financial Plan during 2018-19 to ensure goals are fully funded. We divested five of the six Council retirement villages enabling us to significantly reduce our debt by over \$7 million and are currently on track to meet our service delivery and asset management commitments effectively for the long-term.

Council rates income is essential for maintaining vibrant, clean and safe communities. In line with our Financial Plan we have kept average rate rises to within 1% of the increase in the Consumer Price Index while also achieving a modest surplus for the 2018-19 financial year.

We have listened to community feedback and the environmental health of our district is a priority for Council. In response to climate change we have developed a Carbon Management Plan with the goal of achieving 100% renewable energy use for the organisation by 2024 and we continue to strive for carbon neutrality in our operations as well as reducing, re-using and recycling waste.

Diversity, arts, heritage and opportunities to connect and

learn keep our community engaged and enrich the lives of many. Fabrik – our new arts and heritage hub at Lobethal – commenced an exciting program of events. We hosted stages of the men’s and women’s Tour Down Under and supported many local community events.

It’s important to nurture community leadership and our Youth Leadership Program will shortly graduate its first cohort. Furthermore over 225 people attended our adult Leadership Program workshops. Our Community Centres and Libraries continue to do fantastic work assisted by the essential contribution of our passionate volunteers.

Small business owners play a big part in the Adelaide Hills economy and our third May Business Month provided over 400 business participants with the chance to learn and network.

I believe Councillors and Council staff are rightfully proud of the community they serve, that the community is in safe hands, and that our decisions reflect your ambitions for progress.

On behalf of Councillors I thank our staff, community partners and volunteers, all of whom have worked with passion and professionalism to help us achieve so much this year.

**Jan-Claire Wisdom
Mayor**



From the Chief Executive Officer

Achieving positive outcomes for our community requires an efficient and accountable organisation, but it also relies on the passion and expertise of administration staff.

Over the past year Council's administration has worked closely with Council to build organisational sustainability and deliver on our strategic goals.

Attracting the right people for the right jobs and supporting their development is critical to achieving these goals and meeting our service commitments. During the past 12 months we have implemented a number of people-focussed initiatives including mental health awareness training, people leader development, WHS internal auditing, a mentoring and coaching pilot, and the introduction of an online integrated Safety Management System.

Financial sustainability underpins everything we do; without it we cannot deliver our services and programs. In 2018-19 we delivered a capital works program of \$12.6 million, processed 1,092 development applications, and awarded \$143,588 through our Council Grants Program to help 20 local groups and sporting clubs build capacity and improve facilities.

Our commitment to the environment remains strong with the management of waste and recycling a continuing challenge. Over 1.5 million bins are lifted per year in our district and education around bin use and reducing waste to landfill is a key focus, especially given the impacts of China Sword and the unprecedented forty per cent increase in the state's Solid Waste Levy.

Our resourceful team of staff and volunteers are dedicated to supporting our community - and they've been busy! Our libraries loaned over half a million items and our

“Our people are our strength and are critical to achieving our vision and strategic goals.”

outdoor staff developed, upgraded, and maintained over 1,000km of roads. From award-winning towns decked out during the Santos Tour Down Under, to establishment of our Youth Leadership Program; from the signing of the Woorabinda Heritage Agreement, to development of a vibrant arts and heritage hub at Fabrik in the former Onkaparinga Woollen Mill, it has been an exciting year.

Much has been achieved as you will see in this report, enhancing and maintaining our beautiful Hills environment, and delivering one of our largest capital works program ever to improve open spaces, infrastructure and liveability.

I'd like to acknowledge our ratepayers, visitors, staff, volunteers, and the many partners who contribute so much to making the Adelaide Hills a great place to live, work and play. I'd also like to thank our Council for their enthusiasm, collaboration and commitment.

Andrew Aitken
CEO

Our Dynamic Adelaide Hills

The Adelaide Hills region is valued by residents and loved by visitors for its abundance of natural environment, quality local produce, scenic beauty, and outstanding food and beverage experiences. It is a destination famed nationally and abroad for its vibrant arts offerings and cultural heritage.

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

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

Our district extends from Mount Bold Reservoir in the south, to the South Para Reservoir in the north, and from the hills face in the west, to the eastern escarpment of the Mount Lofty Ranges. Council's area is peri-urban and is considered to be part of the Greater Adelaide region.

Our district is known for being one of the most liveable in the country. Adelaide Hills communities are defined

by their strong commitment to their townships and a great sense of pride in where they live. The passion of our communities to realise their region's highest capabilities is demonstrated in our high levels of volunteering, and community-led initiatives such as Gumeracha Main Street Project, Imagine Uraidla and Love Woodside.

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

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

Fast facts: our area

Adelaide Hills Council provides services for nearly 40,000 residents and nearly 500,000 domestic day-trip visitors annually.

Our Population

- Population 39,734*
- Median age 44
- Home owners 11,870
- Households with vehicles 13,266

Our Area

- Number of townships 57
- Number of dwellings 15,454
- Population density 49/km²
- Area 795km²
- Council sealed roads 640km
- Council unsealed roads 396km

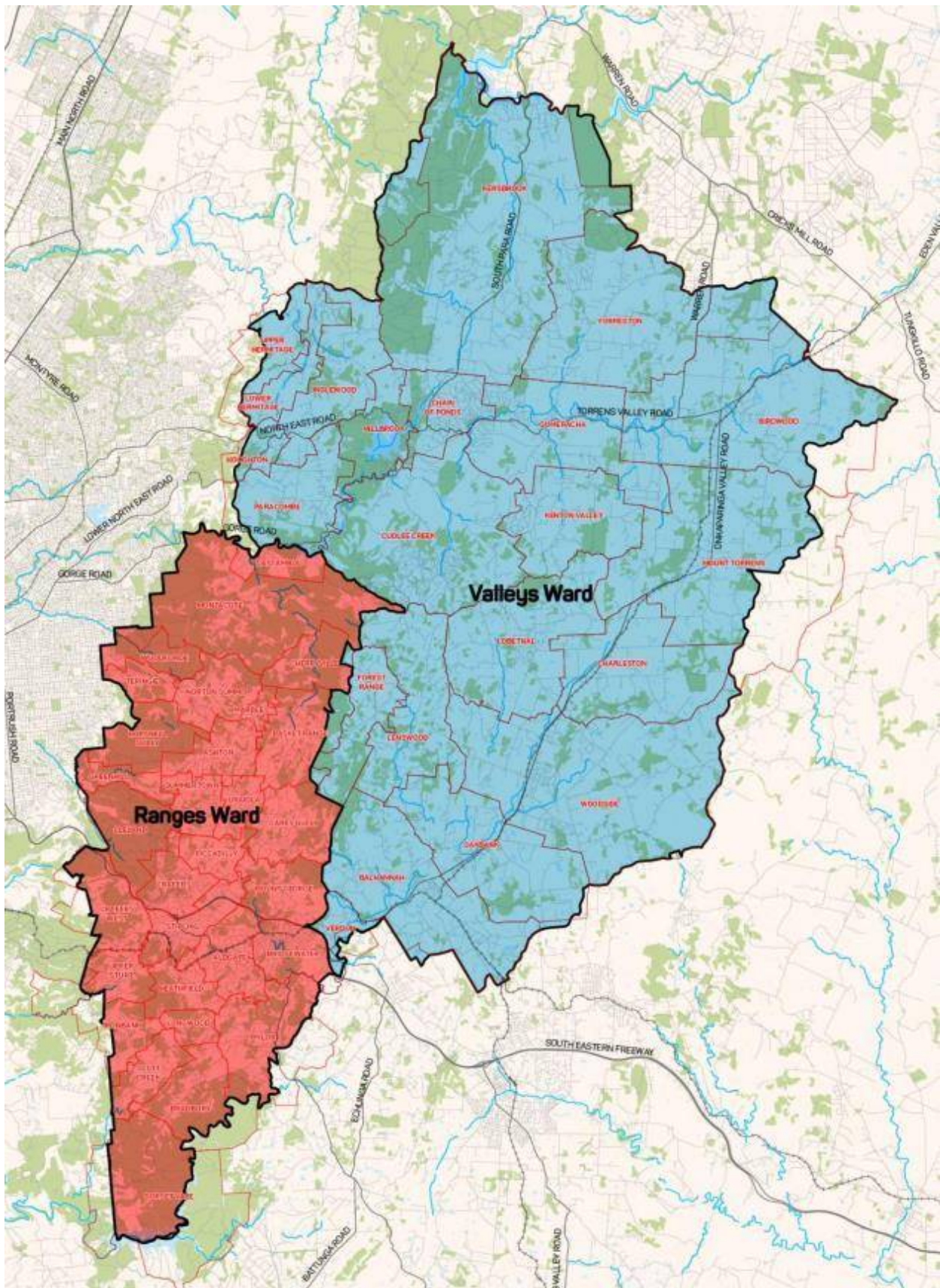
Our employment and businesses

- Businesses in the area 4,001
- Employed residents 22,283
- Local jobs 11,634
- Visitors to the area 474,000 average annual domestic day trips

*ABS 2018 Estimated Resident Population

Adelaide Hills Council Two Ward Map

In place since the November 2018 Local Government Election



Our Council and Organisation

Our Council history

Adelaide Hills Council was established on 1 July 1997 through the amalgamation of the District Councils of East Torrens, Gumeracha, Onkaparinga, and Stirling. Council has a Mayor and 12 Council Members elected to represent the community across two wards. Elections for Local Government are held every four years, with the next election to occur in November 2022.



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

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



Woorabinda Reserve, Stirling

Our Executive Team

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

CEO



Andrew Aitken

Directors

Community Capacity Corporate Services



David Waters



Terry Crackett

Infrastructure and Operations



Peter Bice

Development and Regulatory Services



Marc Salver

Executive Managers

Governance and Performance



Lachlan Miller

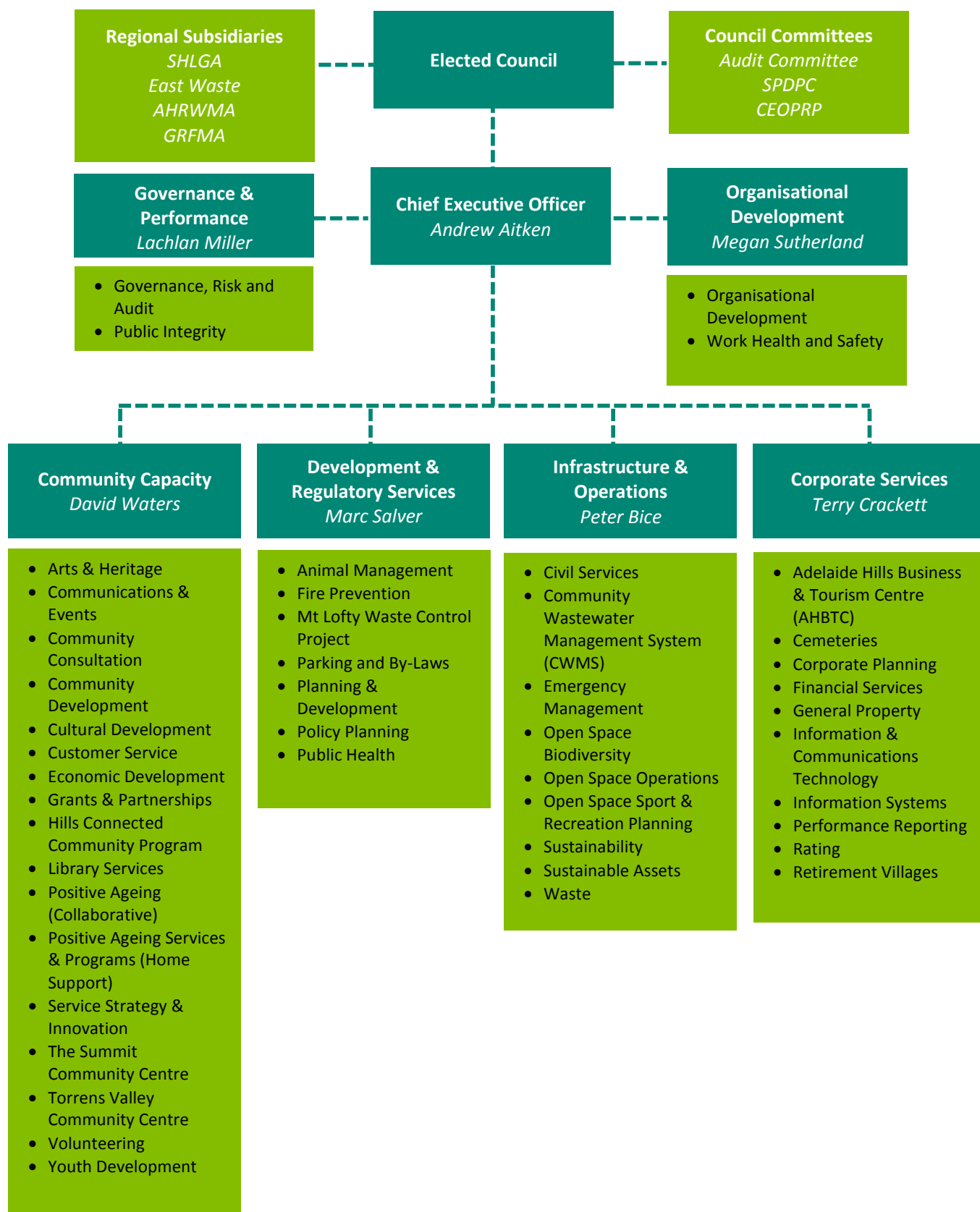
Organisational Development



Megan Sutherland

Adelaide Hills Council Organisational Structure

as at 30 June 2019





Council's Quick Response Team in Uraidla

Our 2018-19 Performance Highlights

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

\$12.56 million

Used to deliver a sustainable *capital works program* for the Adelaide Hills community.



Effective Recycling Practices

Council managed the China Sword uncertainty through committed partnership with South Australian resource recovery services.



512,508 loans

Loans provided via our libraries at Stirling, Woodside and Gumeracha and via our mobile and home delivery services, improving literacy in our community.



11,191

Customer requests and enquiries

managed through our customer service system in 2018-19, ensuring that our community's needs are met.



Youth Leadership Program established

A professionally facilitated course for young people in the district that provided leadership skills and enhanced employability for participants.



Launch of Fabrik Arts + Heritage

Fabrik is building a network in the arts community, holding exhibitions, workshops and immersive experiences to establish an exciting arts and heritage hub in the former Woollen Mill at Lobethal.

 **198** people volunteered

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

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

450 Members of the community who attended 30 workshops and seminars

held during May Business Month. This included 20 creative business entrepreneurs who attended new workshops held at Fabrik.



6,323

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



1,092 Development applications processed during 2018-19 with a total construction value of **\$148 million.**

\$143,588 council grants



awarded across the district to 20 local groups for community initiatives and facility developments to improve community capacity through

- Cultural development,
- health and wellbeing,
- environmental enhancements
- and Social welfare needs.

Reconciliation Working Group established

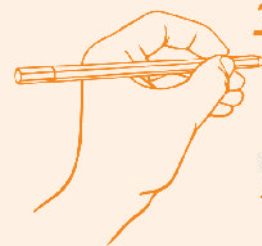


A group of **nine local representatives** who will assist Adelaide Hills councils in the development and implementation of **Reconciliation Action Plans.**



Action taken to protect Rakali

New interpretive signage installed at relevant creeks to **alert the community** to our protected species of native water rat. Other environmental groups continue to replicate the information and expand our communication across the hills.



10 Local artists participated in **30 days** of drawing for **The Big Draw Festival**, and the local community joined **15 workshops** as part of this **international event.**



6,502



Domestic assistance and home maintenance hours of support

to assist older people to continue to live independently in our community.

A further **24,000 hours** coordinating and delivering social support group programs.

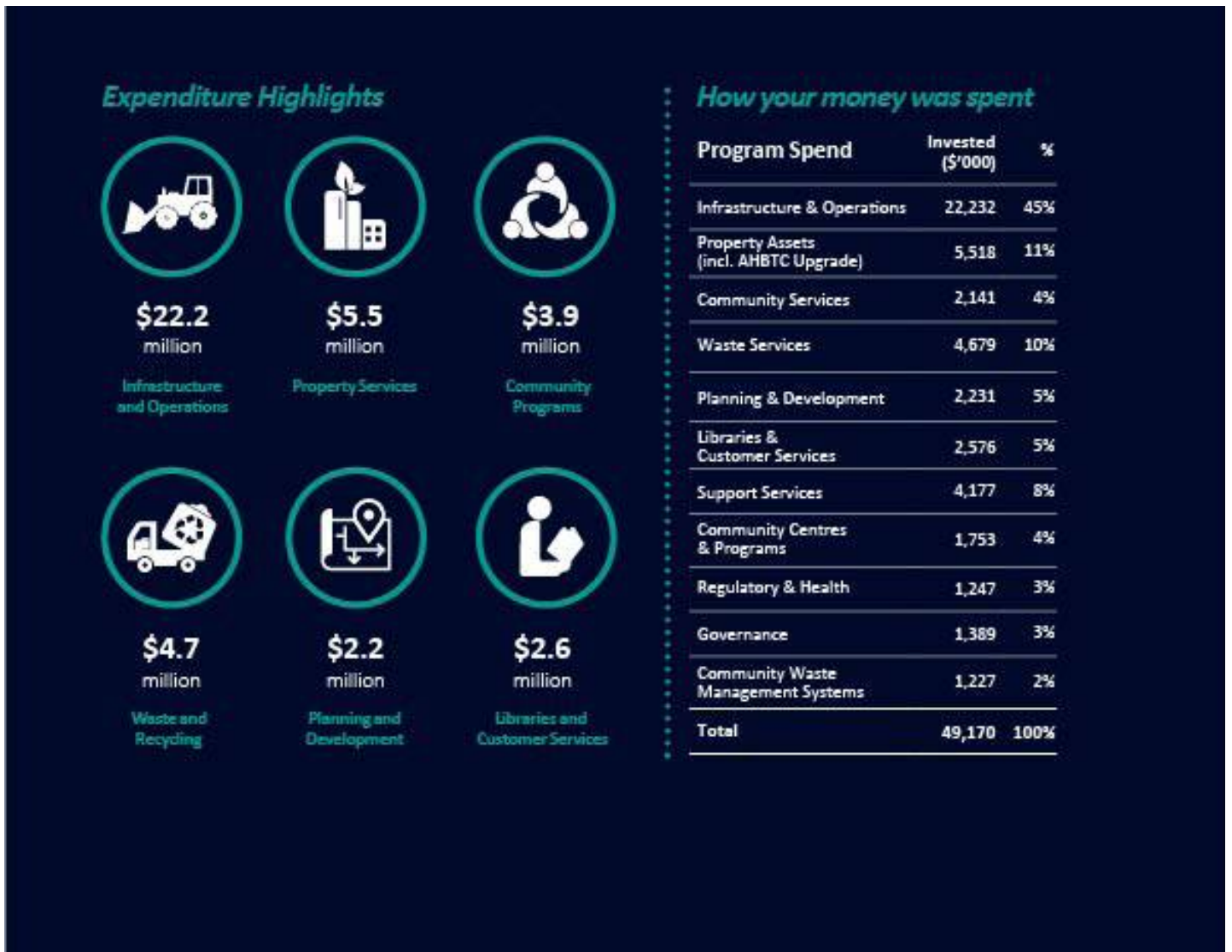
Over 1,000kms

Roadways developed, upgraded and maintained during 2018-19 (including **607km of sealed road and 401km of unsealed road**). Council also managed **45 bridges; 53 large road culverts** and **110km** of sealed and unsealed **footpath** across our district.



Financial Performance Highlights

Council’s income for 2018-19 was over \$50 million with the majority coming from rates revenue. This funding supported our existing services and infrastructure, as well as investment in new strategic priorities. Our financial spending remains in line with our 2018-19 Annual Business Plan.



2018-19 Capital Works Program

As part of our 2018-19 Capital Works program we delivered design, construction and improvement projects for a total of \$12.56 million. Below is a list of Council's major completed projects.



Road Works \$4.7 million

Main projects include Frick Street and Mattner Road reconstructions, 14km of sealed roads resurfaced and 28km of unsealed roads resurfaced.



Bridges \$243,000

Main projects include a floodway upgrade at Sires Road East, Kersbrook.



Stormwater \$1.03 million

Included the Spring Street Kersbrook and Stirling Oval storm water renewal and upgrade, and the Bridgewater Oval creek rectification and upgrade works.



Footpath construction program \$1.1 million

Included footpaths on Mount Barker Road and Pomona Road Stirling, Townsend Street and Terlinga Road Mount Torrens, Murray Street and Wellington Street Gumeracha, and the Heathfield High School pedestrian crossing on Longwood Road.



Community Wastewater Management System (CWMS) \$580,000

Main projects include work on the Birdwood rising main (sewer drain), from Church Street to the Treatment Plant, and a waste water upgrade to the Piccadilly Valley Community Recreational Centre.



Other capital projects \$2.6 million

Included the replacement and upgrade of a retaining wall at Heathfield Oval, and court resurfacing in Cherryville, Montacute and Greenhill. Also an upgrade to the Mount Torrens Reserve Archive building and shelter, and kerb renewal works across the region.



Children's Program, Coventry Library
Credit: Narrative Marketing

Customer Service Standards

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

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

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

Our service standards were reviewed in December 2016 and new standards were developed for implementation from 1 July 2017. The new standards more accurately reflect service delivery priorities and realistic performance timeframes and targets.

Results for the 2018-19 financial year show over 30,000 phone calls received through our call centre and addressed by customer service staff. We also had 3,361 requests for bin repair and bin maintenance, and 263 reports of European Wasp nests in the area.

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

Updating Customer Details

We will update your details within 5 days

Volume **445**
Target **80%**
Result **97%**
Last year 89%



Dog Attacks

We will respond to reported dog attacks within 24 hours

Volume **26**
Target **80%**
Result **92%**
Last year 86%



Illegal Burning Complaints

We will investigate reported illegal burning within 24 hours

Volume **23**
Target **80%**
Result **87%**
Last year 91%



New Event Applications

We will acknowledge receipt of new applications within five days

Volume **39**
Target **80%**
Result **85%**
Last year 90%



Wasps

We will investigate and action reported European Wasp nests within seven days

Volume **263**
Target **80%**
Result **98%**
Last year 76%



Request for bin repair or replacement

We will action requests for bin repair or replacement within seven days

Volume **3361**
Target **80%**
Result **94%**
Last year 78%

Footpath Repairs – Hazardous*

We will respond and make safe hazardous footpath issues within 24 hours

Volume **1**
Target **80%**
Result **100%**
Last year 0%



Development Applications

We will, on average, make a decision on planning consent within 12 weeks of receipt of the application

Volume **897**
Target **12 weeks**
Result **Average: 17 weeks/Median: 10 weeks**
Last year **Average: 16 weeks/Median: 10 weeks**



Stormwater Repairs – Hazardous*

We will respond and make safe hazardous stormwater and flooding issues within 24 hours

Volume **1**
Target **80%**
Result **100%**
Last year 0%



Health Complaints

We will investigate and respond to reported food complaints within 24 hours

Volume **7**
Target **80%**
Result **100%**
Last year 100%



Development Applications

We will approve fast-track Development Applications within 28 days

Volume **101**
Target **80%**
Result **95%**
Last year 75%



Trees – Hazardous

We will respond and make safe hazardous tree issues within 24 hours

Volume **94**
Target **80%**
Result **64%**
Last year 97%

Illegally Dumped Rubbish

We will remove illegally dumped rubbish within 3 days

Volume **224**
Target **80%**
Result **83%**
Last year **63%**



Missed Bins

We will collect missed domestic bins within two days

Volume **7**
Target **80%**
Result **100%**
Last Year 97%



Answering incoming phone calls

We will answer 75% of calls to our contact centre within 30 seconds

Volume **31,784**
Target **75%**
Result **75%**
Last Year **N/A**



Footpath/Road/ Stormwater/ Tree - other

We will repair other footpath/road/stormwater/tree issues in accordance with our general maintenance program KPI: Average/Median time taken to resolve enquiries and requests

Volume **2579**
Result **Average 135 days / Median 21 days**
Last year **Average 46 days / Median 5 days**



Road Repairs – Hazardous*

We will respond and make safe hazardous road and pothole issues within 24 hours

Volume **0**
Target **80%**
Result **No Incidents**
Last year 50%



Library Services

We will respond to requests to purchase materials within 10 days

Volume **121**
Target **80%**
Result **99%**
Last Year **99%**

* Reported by a customer as an immediate risk to life and property

Our major events and awards

Council supported 115 community events in 2018-19 including markets, festivals, and major crowd-pleasers like bonfire nights, renaissance fairs, and the Santos Tour Down Under, ensuring that the Adelaide Hills remains a destination of choice.

Our Events

Mill Square Christmas Music Festival

15-16 December 2018

Santos Women's Tour Down Under Stage 1 Finish, Birdwood

10 January 2019

Santos Women's Tour Down Under Stage 3 Finish, Stirling

12 January 2019

Santos Tour Down Under Stage 3 Start, Lobethal and Finish, Uraidla

17 January 2019

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

26 January 2019

Stirling Fringe

22 January – 3 March 2019

Hills Harmony Picnic

23 March 2019

Volunteer Movie Day (with Mount Barker District Council)

24 May 2019

Pets and Livestock Education Workshop Series

March – May 2019

Weaving Stories: a light projection display

Fabrik arts + heritage

3-25 May 2019

Peramangk Campfire Story Telling

15-16 May 2019

Pome Fest (with SA Apple & Pear Growers Association)

31 May – 1 June 2019

Our Awards

Public Engagement and Community Planning Award | 16 May 2019

(SA Planning Institute)

Adelaide Hills Council, the Gumeracha Main Street Project and Jensen PLUS

This award acknowledges the extensive consultation undertaken for this community-led initiative.

Delivering on the Strategic Plan

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

Your Adelaide Hills is supported by our Long Term Financial Plan, Infrastructure and Asset Management Plan, and Corporate Plan, all of which are critical to ensuring Council's long-term sustainability. An online version of the Adelaide Hills Strategic Plan can be downloaded at ahc.sa.gov.au. Performance information in this Annual Report is aligned with our Strategic Plan and the 2018-19 Annual Business Plan (ABP).

Prosper	Goal 1 People and business prosper	Outcome: Thriving businesses that uniquely say 'Adelaide Hills'. Healthy and happy people.
Connect	Goal 2 Activities and opportunities to connect	Outcome: A welcoming and inclusive community where people support, respect and celebrate each other for their differences as much as for their shared values.
Place	Goal 3 Places for people and nature	Outcome: Vibrant places which contribute to increased wellbeing. Thriving ecosystems.
Explore	Goal 4 Explore ideas and work with others	Outcome: Council working with our community and others to pursue new ideas and address emerging needs.
Organisational Sustainability	Goal 5 Open, transparent and responsive	Outcome: We strive for accountable and strategic decision-making and pursue excellence and equity in service delivery.

Goal 1

People and business prosper

Prosper

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

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

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

The Hills has one of the highest proportions of small and micro businesses in South Australia. We consider these the backbone of our economy.

To ensure future prosperity Council has been working in 2018-19 on building the profile of the region as the tourism destination of choice, attracting new business and making it easier to do business in the area, and improving its liveability for older people.



Gumeracha Medieval Fair

Key Achievements 2018-19

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

We will continue to invest \$50,000 per annum for the next two years in visitor information servicing in the Adelaide Hills, bringing the total investment in Adelaide Hills Tourism to \$100,000 for each of the next two years. With a big emphasis on digital technology, we will work with Adelaide Hills Tourism and Mount Barker District Council to ensure visitors to our region know what is on offer and how to get there.

In 2018-19 we contributed \$100,000 to support the programs and activities of Adelaide Hills Tourism. Focussing largely on improving and enhancing visitor information servicing through digital platforms some key activities have included:

- customer journey mapping to inform a mobile first regional website
- the appointment of Svelte Studio to build a mobile first, “information kiosk” regional website including an itinerary builder by the end of 2019
- the reprinting and distribution of high-demand A3 tear off maps to key visitor information outlets
- the wide distribution of digital and hard copy Adelaide Hills visitor guides
- the development of VisitAdelaideHills branded online media through social media and website posts reflecting the key messages of the Adelaide Hills Interpretation plan.

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 is an annual initiative of the Adelaide Hills Council and Mount Barker District Council. It aims to raise awareness within the region of services and training opportunities available to small business, and to encourage participation as good business practice. Through workshops, seminars and networking events, the month-long program provides opportunities for businesses to network, learn new skills, and update their knowledge.

Both councils are dedicated to encouraging and supporting business growth and new investment into their respective districts and it made sense to provide a program with cross-regional benefits at the local level.

The third annual May Business Month raised awareness within the region of services and training opportunities available to small business, and to encourage participation as good business practice. More than 450 participants enrolled in a variety of workshops, seminars, and networking events throughout the month-long program. May Business Month is a joint initiative with Mount Barker District Council.

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.

The Council’s Development Plan has now been amended to allow for a wider variety of housing opportunities in the district. We will be commencing with the conversion

of our Development Plan into the new State Planning and Design Code over the next two years to assist with the transition to the new State Planning System. This will also include the roll out of an electronic Development Application system by the State Government in order to streamline assessment processes and improve processing efficiencies for new homes.

Council's amended Development Plan provides for a wider variety of housing opportunities in the district. A number of information sessions were held in January and February 2019 about the new Mixed Residential Zone located around Stirling and Crafers and highlighted the desired development outcomes for new housing there. Further amends to our Development Plan in line with the State Government's Planning and Design Code will occur before implementation on 1 July 2020, at which time the new State Development Application system will also become fully electronic. We are well placed for this change as Council has been proactive in developing an electronic system over the past 18 months to help us manage the transition to the state system.

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

Following the success of the Bridgewater Playground redevelopment in 2016 we've made an allocation for play space developments in other parts of the district. Areas of greatest need will be identified and natural play elements will be incorporated to ensure play spaces have the right mix of fun, risk, and adventure.

Play spaces at the Birdwood and Paracombe Ovals were identified for upgrade as part of the 2018-19 Annual Business Plan. Construction is yet to commence at the sites however draft designs include natural elements and integration with the existing natural surrounds.

Other highlights:

We will continue to work with our Rural Land Management Advisory Group to identify what barriers exist to the region achieving 'pest free' accreditation.

We will continue to progress the World and National Heritage bids for the Mount Lofty Ranges Region as a working agrarian landscape.

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

The Federal Government has announced funding to upgrade roads to establish a B-Double freight route from Murray Bridge to Lobethal. We will work with the State and Federal Governments to ensure community needs are identified and addressed through this process and that the upgrade supports economic development and job growth in the region.

With other partners we will progress a scoping study for a northern freight train bypass.

We will continue to provide advice and opportunities for businesses to network and grow in the district.



Nature Play, Uraidla

Strategic Goal 1 People and Business Prosper

Service Area/Service Description	2017-18 Actual	2018-19 Target	2018-19 Actual
Community Development			
Number of community leadership training opportunities provided	8	10	21
Community Buses Provided for programs	4	4	4
Economic Development			
Number of attendees at Business Month in May events	350	400	450
Number of E-newsletter subscriptions	3,497	3,600	6,323
Grants and Partnerships			
Number of grants made to community groups	20	25	20
Number of trips conducted by Hills Community Passenger Network	N/A	1,150	1,875
Hills Connected Communities Program			
Hills Connected Communities Program participants with increased social connections	95%	95%	90%
Positive Ageing Services and Programs (Home Support)			
Number of hours of service provided to Positive Ageing clients.	5,489	4,620	4,604
Number of trips provided to Positive Ageing clients.	2,478	2,760	2,868
Number of hours of service provided to Positive Ageing clients.	2,222	1,836	1,898
Number of hours of service provided to Positive Ageing clients (total client hours).	25, 617	21,228	24,680
Community Centres			
Number of regular programs, short courses or workshops per term at The Summit Community Centre	115	125	148
Number of different types of services offered at The Summit Community Centre, e.g. transport, JP (of varied frequency each term)	11	12	12
Number of regular programs, short courses or workshops per term at Torrens Valley Community Centre.	175	190	202
Number of different types of services offered at Torrens Valley Community Centre, e.g. transport, JP (of varied frequency each term)	14	15	15
Volunteering			
Number of volunteer recognition events held.	2	2	8
The percentage of volunteers who are actively engaged within 20 days of application.	N/A	70%	N/A
Youth Development			
Number of youth participating in Youth Drivers Awareness Course	19	26	17
Number of Youth Development workshops delivered and number of participants	N/A	4 workshops, 30 participants	9 workshops, 12 participants
Animal Management			
Total number of dogs impounded	70	60	32
Attendance to reports of currently occurring dog attacks within two hours	85%	90%	100%
Response to reported dog attacks within 24 hours	90%	80%	92%
Investigation and action of reported European wasp nests within seven days	80%	80%	98%
Total dog registrations	7,600	8,000	7,967
Response to cat nuisance complaints within 24 hours	No data	80%	No Data

Strategic Goal 1 People and Business Prosper

Service Area/Service Description	2017-18 Actual	2018-19 Target	2018-19 Actual
Fire Prevention			
Number of Section 105f notices issued for fire prevention hazard reduction on private land	481	450	388
Number of private property inspections undertaken (first round and follow up after Section 105f notices issued) by 30 November each year	700	720	1,450
Investigation of reported illegal burning complaints within 24 hours	87%	80%	87%
Mount Lofty Waste Control Project			
Number of failed wastewater systems approved for upgrading annually as identified for review as part of the Mount Lofty Waste Control Project	42	50	20
Planning and Development			
Decision on planning consent within 12 weeks of lodgement (average)	16.2 weeks	12 weeks	17 weeks
All new approved swimming pools inspected within one week of notification of pool completion	100%	90% compliance	71% compliance
Approve fast track Development Applications within 28 days	89%	80%	95%
Public Health			
Investigate and respond to food safety complaints within 24 hours	100%	80%	100%
Number of food businesses inspected annually	345	320	344
Number of wastewater applications assessed annually	180	180	206
Number of high risk manufactured water systems inspected annually	26	26	16



Looking forward to 2019-20

People and Business PROSPER: Key Initiatives

Examine the feasibility of joining the Small Business Friendly Council scheme run by the Small Business Commissioner.

Complete the review of our cycling and trail strategies.

Continue advocating for a northern freight bypass to improve efficiency and reduce freight movements through the Hills.

Advocate for change to development policies to allow value-add activities to farming properties.

Goal 2

Activities and opportunities to connect

Connect

What success looks like:

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

In an increasingly fast-paced and technological world, opportunities for genuine connection are crucial.

Connection can be with a place, people, activities or ideas. A connected community is inclusive and welcoming, engaged, empowered and dynamic. Adelaide Hills is renowned for community spirit and has one of the highest rates of digital connectivity in Australia, with 89 percent of dwellings having access to internet at home.

Continuing to build our connected community has been a priority in 2018-19. During the year we have been enhancing our youth development program and activities, developed our Multicultural Action Plan, implemented the Adelaide Hills Business and Tourism Centre (Old Woollen Mill) Masterplan at Lobethal, utilised emerging technologies to enhance learning opportunities, and implemented our Reflect Reconciliation Action Plan.



Key Achievements 2018-19

Strategy 2.1 | We recognise and respect Aboriginal culture and the descendants of our first people. We will implement a Reconciliation Action Plan.

The initial focus for our Reconciliation Action Plan is to reflect on the past, develop a better understanding of Aboriginal culture, and make better connections with Aboriginal people. In 2018-19 Aboriginal people and their representatives were invited to be part of a working/reference group.

In partnership with Mount Barker District Council we have established the Adelaide Hills Reconciliation Working Group to advise on the development and implementation of Reconciliation Action Plans and on matters that impact the local Aboriginal and Torres Strait Islander community. This group, made up of seven community members who identify as Aboriginal and an elected member from each Council, held its first meeting in April 2019. An Adelaide Hills Council Reconciliation Working Group has also been created with staff to develop our Innovate Reconciliation Action Plan.

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.

In 2018-19 we continued to pursue activities arising from our Multicultural Action Plan in an effort to make the district more welcoming to people from diverse backgrounds. We enhanced the profile of the Hills Harmony Picnic, celebrating Harmony Day, and rolled out cultural diversity awareness programs for young people through our libraries.

The Hills Harmony Picnic was held in March 2019 and was attended by an estimated 350 to 400 people including locals and multicultural and new arrival groups, the latter receiving transport assistance to enable their attendance. The event included live performances by ballet and Indian Classical Dance schools and the Burundian Drummers, as well as face painting, henna painting, and locally run BBQs. In June 2019 we ran an interactive theatre-based anti-racism program, Generation of Change, at Oakbank Area School in partnership with Act Now Theatre. High school students from Oakbank, Heathfield and Birdwood attended.

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

Our existing Community Leadership Workshop Series was refined to more effectively support community leaders and groups to reach their full potential.

Through our Community Leadership Workshop Series, 17 workshops were delivered to 229 local participants. Workshops covered topics relevant to community groups and volunteer leaders and included grant writing, resilience, strategic planning, committee structures and constitutions, volunteer recruitment and retention, and refugee awareness, as well as formal training for Traffic Control Marshals and Child Safe Officers. A Community Associations Forum was also held and a section of the website was dedicated to building the capacity of local groups and leaders through free downloadable resources.

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.

The district's first Arts and Heritage Hub has been established at the former Onkaparinga Woollen Mill in Lobethal as part of an overall economic and social improvement plan for the precinct. The growing total employment trend at the site is expected to continue as businesses purchase and invest in elements of the site.

In October 2018 a name was selected for the Arts and Heritage Hub: Fabrik. It connects the sense of textiles formerly produced at the site (fabric), the German settler history of Lobethal and the former use of the site as a mill (Fabrik is a German word meaning factory). Activation of the site saw a range of activities take place including participation as a venue for the South Australian Living Artists Festival and Adelaide Fringe, implementation of artistic workshops, and a history project with artist in residence that collected and presented stories about the Onkaparinga Woollen Mill for the South Australian History Festival. These initial activities in 2018-19 provide baseline figures for an evaluation framework. Design for the first stage of capital improvements has also been developed with the design of stage two improvements underway.

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

Reliance on digital technologies and online services is a modern reality. As a result we are investing more in digital

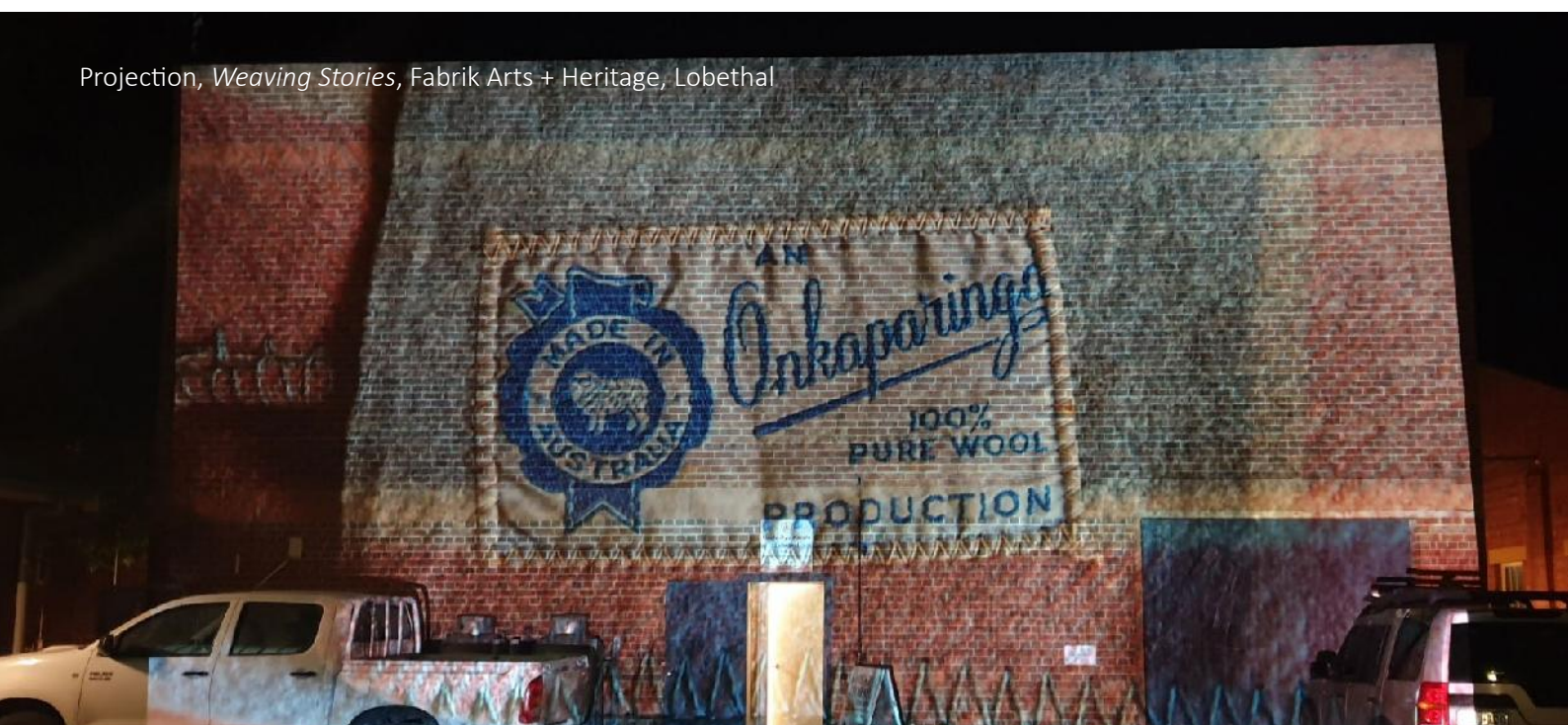
literacy services through our libraries with a focus on enabling people of all ages to be confident 'digital citizens'. We continue to align childrens' school holiday programs with school curriculum trends around science, technology and innovation.

Adding the role of a Digital Learning Officer to staff in 2018-19 enabled us to introduce 33 S.T.E.A.M. based programs for 208 children and teenagers (S.T.E.A.M. stands for Science, Technology, Engineering, Arts, and Maths). This included programs on robotics, coding, electronics, website creation, animation and augmented reality. Initial steps were also taken to integrate scientific concepts such as osmosis to our Toddler StoryTime sessions. Adult learning was addressed with one-on-one training or group sessions in the use of digital devices and personal computers, with 174 people participating across the year. Furthermore, several community groups were introduced to eResources available via our library catalogue on their own digital devices. General access to online learning included real time homework help for 224 students and Computer School tutorials accessed by 1,045 library members. Learning tutorials were accessed on LyndaLibrary for a further 1,045 library members.

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

In 2018-19 we began to grow our involvement in the Women's Santos Tour Down Under, while continuing our proud involvement in the Men's Tour. We have invested more in supporting small community events and continue to work with community members and groups to run

Projection, *Weaving Stories*, Fabrik Arts + Heritage, Lobethal



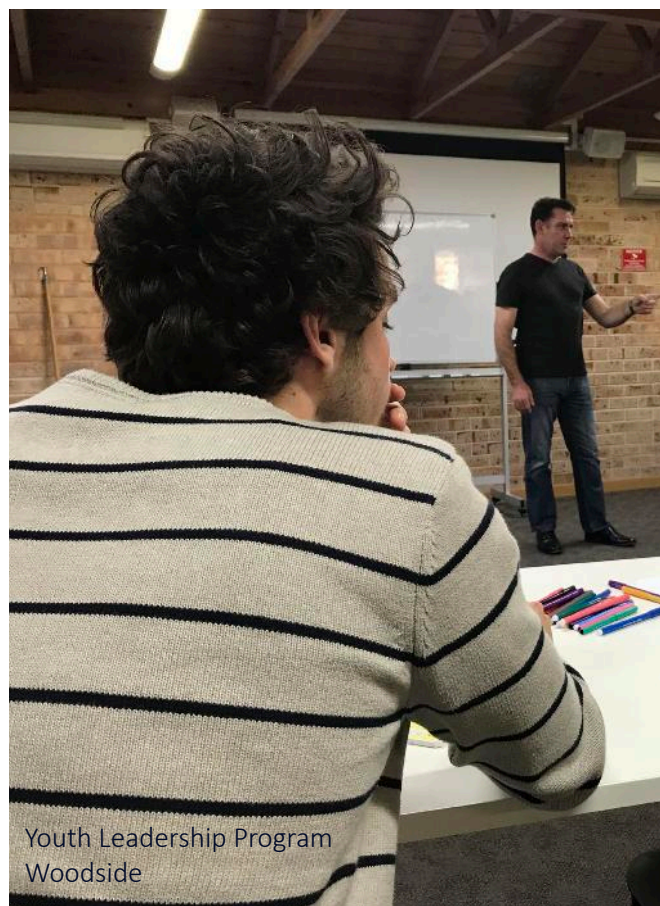
sustainable events.

In January 2019 we hosted two stages of the Women's Santos Tour Down Under, in Birdwood and Stirling, with great crowd participation and support from the local community. We also hosted a Men's Tour stage from Lobethal to Uraidla with large crowds and event participation from local business and community groups throughout. Over 100 small community events such as school fairs, history days, sports finals and community meetings were provided with material support. Sustainable waste management practices such as increased use of compostable materials were a focus of Council event organisation. We encourage the same awareness at Council-supported events.

SP2.8 – We will improve the engagement and participation of younger people in our district.

This year we committed to review the Youth Advisory Committee for effectiveness and relevance to ensure young people can actively participate in Council processes. The result was to have an increased focus on developing young people as the leaders of tomorrow through a new youth leadership development program.

Our Youth Advisory Committee as a tool for youth engagement was determined not to be the most effective option for our aims. The committee was replaced with a Youth Leadership Program, with a focus on the development of leadership, professional, and social skills through structured, professionally facilitated workshops. From April to June 2019, eight sessions were conducted on topics including effective communication, goal setting, peer consultation, entrepreneurship and public speaking to around a dozen young participants. The new-look program and its activities have attracted a lot of positive attention from schools and young individuals in the district.



Other highlights:

We have reviewed library services, including our mobile library, to ensure service provision is meeting the needs of the community effectively and efficiently.

We have continued to develop library collections and programs that promote and support social inclusion.

We have undertaken a volunteer engagement survey and review of volunteer management processes to increase the effectiveness of recruitment, support and recognition.

Strategic Goal 2 Activities and Opportunities to Connect

Service Area/Service Description	2017-18 Actual	2018-19 Target	2018-19 Actual
Arts and Heritage Hub			
Studio rental space occupancy at Fabrik	N/A	25%	75%
Number of public exhibitions held at Fabrik	N/A	6	5 exhibitions, 2 major events
Cultural Development			
Number of staff and Council Members receiving cultural awareness training	N/A	35	46
Number of community events developed to celebrate cultural diversity	2	2	2
Library Services			
Number of attendees at library programs	16,092	16,500	21,911
Number of attendees at digital literacy support programs	202	250	386
Response rate for requests to purchase new library materials within 10 days	100%	80%	100%
Number of hours of homework help provided online, free of charge	149	150	224



Burundian Drummers, Hills Harmony Picnic 2019
Credit: Lucy Ellis

Looking forward to 2019-20

Activities and Opportunities to CONNECT: Key Initiatives

Start development of a new Reconciliation Action Plan (Innovate).

Seek contributory funding for the first stage capital development of Fabrik.

Develop a library services strategy.

Increase focus on developing young people through our Youth Leadership Program.

Goal 3

Places for people and nature

Place

What success looks like:

Vibrant places which contribute to increased wellbeing. Thriving ecosystems.

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

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

Council plays an important role in enhancing our natural and built environments and has delivered a number of outcomes in 2018-19. These include implementing our environmentally friendly steam weeding program, as well as our Native Vegetation Marker System Monitoring and Management program.

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



Key Achievements 2018-19

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

We are striving for carbon neutrality and encourage our community to do likewise, so we're putting more money aside to develop a Carbon Neutrality Plan whilst continuing our investment in Sustainability Incentive Grants. We are investigating water reuse opportunities and, where possible, designing and implementing various Water Sensitive Urban Design initiatives including creek restoration and bio-filtration. We are also undertaking research and analysis on a Community Energy Program across the region through our membership of the Resilient Hills and Coasts Climate Change Adaptation Project Group.

In 2018-19 we completed our Corporate Carbon Management Plan which includes key goals of achieving 100% renewable electricity use by 2024 and continuing to strive towards carbon neutrality. Through the ongoing energy efficiency program we have installed solar PV panels on The Summit Community Centre and undertaken an energy audit to identify further energy saving potential. Through our Council Grants Program, we provided funding for the installation of a solar panel system on the Uraidla and Summertown Show building and the SA Australian Pistol and Shooting clubrooms. We have continued our investigation into possible reuse opportunities for the Woodside Recreation Ground and also commenced restoration of the creek line. Water Sensitive Urban Design initiatives have been undertaken at the Stirling Oval and also along Onkaparinga Valley Drive at Woodside. The Resilient Hills and Coasts group was successful in obtaining funding from the Local Government Association of SA to prepare a toolkit on legal, risk management, governance, and community engagement aspects of the continuing

investigation into a possible community energy program across the region. A community information session was held in June 2019 and further work is continuing on its potential.

Strategy 3.3 | We will complete the road reserves and reserve assessments Native Vegetation Marker System (NVMS), leading the nation in conservation and biodiversity management practices.

We recognise the importance of remnant native vegetation on roadsides and reserves. Accordingly, we have increased our investment in the Native Vegetation Marker System (NVMS). These sites will receive ongoing monitoring and active management to protect and conserve areas of high biodiversity value.

In the year 2018-19 we achieved 78 baseline assessments across 54 NVMS sites. Baseline surveys have now been completed for 325 of 463 sites. Additional funding was used to progress the implementation of initiatives protecting the highest value roadside sites identified through the NVMS Program and additional high value NVMS sites have been selected for management of weed invasion. This has enabled greater collaboration with Adelaide Mount Lofty Ranges NRM.

Strategy 3.5 | We will take a proactive approach, and a long term view, to infrastructure maintenance and renewal.

We continue to invest heavily in renewing the assets we already have before they deteriorate below a serviceable standard. In 2018-19 we conducted the upgrade of retirement villages to replace old fit-outs and make

facilities more age-friendly. We have also developed business workflows in our Asset Management System that enable real time defect information to be logged in the field as they are discovered. We also commenced the development of guiding frameworks for strategic investment across Sport and Recreation Assets.

In 2018-19 we continued to undertake the renewal of assets including resurfacing 14km of sealed road and 28km of unsealed road. We continued to invest in our system integration and the use of field devices for tree and playground related enquiries. The Community and Recreational Facility portion of our Council Grants Program provided \$98,000 to 14 groups across the district specifically for improvements to their built assets.

Strategy 3.6 | We will reduce the impact of cats on native flora and fauna.

In light of the review of our Animal Management Plan, and considering feedback received from the community, we have completed a review of our Cats By-law that considered any changes that may reduce the impact of cats on our environment and biodiversity.

The review of our Cats By-law was completed in July 2018 and the new By-law became operational in December. As part of the adoption of the new By-law, Council granted a period of time before compulsory cat confinement would be enforced. A communications campaign was begun to inform and educate the community of this new requirement before it comes into effect in January 2022. A study into the impact of cats on native flora and fauna is anticipated to be undertaken by Council in 2020-21.

Strategy 3.7 | We will drive further reduction in waste consigned to landfill.

In conjunction with East Waste, and in line with our Waste and Resource Management Strategy, we have been exploring the potential for soft plastic recycling within our Council area. We also undertook kerbside bin audits and explored opportunities for further recycling services within prominent public places.

A trial of broad recycling at community events was undertaken at the Stirling Market on Druid Avenue, the Uraidla and Summertown Country Show, and the Sustainability Fair. The trials involved providing the public and any stall holders with green organic and recycling disposal options with the aim of reducing waste to landfill. Resulting contamination rates showed that education in regards to waste separation at events needs to be continued. To assist with the waste education process, Council worked with Kesab to complete kerbside bin audits of approximately 200 properties. Bin content was assessed for contamination and/or good recycling practices and educational material was placed on the bins to congratulate or help educate home occupants for future waste decisions.

Strategy 3.9 | We will encourage community-led place making approaches to enhance townships and public spaces.

In 2018-19 the Mount Torrens Heritage Reserve redevelopment was completed with heavy input from the local community. We have also continued to work with the Gumeracha community to develop a masterplan for



Tree Planting with Crafers Primary School | Credit: Tonia Brown

the Gumeracha main street and surrounds with a focus on creating a precinct conducive to business, tourism and social activities.

The project to redevelop the Mount Torrens Heritage Reserve was completed as part of Council's capital improvement program. Infrastructure, an archival storage shed and community shelter was built on the site, and improvements were made to an existing retaining wall, footpaths, rainwater tanks, electrical works, and water systems. The project was completed in consultation with the Mount Torrens and District Community Association. The Gumeracha Main Street Masterplan was finalised in conjunction with the community-led Gumeracha Main Street Project Group and consultant Jensen PLUS. The extensive community engagement process undertaken for this Masterplan resulted in a Planning Institute of Australia award for the project. The design details are now to be prepared for implementation. Further to this, grant funding was successfully obtained for moving powerlines underground on the Gumeracha main street and implementing the Masterplan. Overall construction will commence in mid-2020.



Mt Barker Road, Stirling

Other highlights:

A comprehensive review and consultation of our Biodiversity Strategy was undertaken, with the new strategy approaching approval in late 2019.

We continued to work with the State Government to complete the Amy Gillett Bikeway from Mount Torrens to Birdwood, and on to Mount Pleasant in the Barossa. Additionally, we are exploring opportunities for a broader Inter-regional Cycle Network, to create links between key economic and tourist destinations in the state.

We have undertaken community education around mandatory dog and cat microchipping and desexing requirements, while supporting the introduction of the new Dogs and Cats Online (DACO) system for pet registrations.

We have continued to offer food safety training to food businesses and community organisations.

We finalised the review of Council's By-laws.

Strategic Goal 3 Places for people and nature

Service Area/Service Description	2017-18 Actual	2018-19 Target	2018-19 Actual
Adelaide Hills Business & Tourism Centre			
Separate tenancy areas under management	44	24	24
Number of commercial tenants	16	6	6
Number of community group tenants	5	5	5
Cemeteries			
Number of Interment Rights issued	68	70	57
Number of interments	112	120	114
General Property			
Number of Crown Land Parcels dedicated to Council	77	60	88
Number of reserves owned and maintained by Council	133	133	133
Number of buildings managed and maintained by Council for community and operational use	185	185	185
Retirement Villages			
Number of units upgraded	5	5	0
Number of units vacant for greater than four months	4	1	1
Civil Services			
Civil Projects- total actual expenditure vs total budgeted expenditure.		90%	81%
Development Engineering Designs that were reviewed within two weeks of receipt	Not collected	80%	Not collected
Response and action on hazardous footpath issues within 24hrs.	0%	80%	100%
Response and action on hazardous road and pothole issues within 24hrs	50%	80%	No incidents
Response and action on hazardous stormwater and flooding issues within 24 hrs	0%	80%	100%
Removal of illegally dumped rubbish within three days.	63%	80%	83%
Sweeping of all kerbed roads at least twice a year.	100%	100%	100%
Community Wastewater Management System (CWMS)			
Number of septic tanks desludged annually	374	383	380
Open Space & Biodiversity			
Native Vegetation Marker System BushRAT Assessments	91	75	54
BushRAT assessment of High Biodiversity Reserves	14 sites	10 sites	11 sites
Minimal Disturbance Bushcare works	10 sites	10 sites	23 sites
Bush For Life and AHC Partnership and Funding Agreement service to 28 sites	28 sites	28 sites	28 sites
Collaborative annual review and implementation of the NRAMLR/AHC Roadside Vegetation Work Plan.	273 sites	273 sites	245 sites
Woody Weed Control Program- fuel reduction undertaken in sites of high biodiversity value.	17 sites	17 sites	16 sites
Open Space Operations			
Response and action on hazardous tree issues within 24 hours	97%	80%	64%
Other tree issues resolved in accordance with our general maintenance program	N/A	N/A	N/A
Investigation and action on high risk/hazardous playground enquiries as a matter of priority	80%	80%	Average response of 2 days
All works on road reserve applications actioned in a reasonable timeframe	20 Days	20 days	16 days

Strategic Goal 3 Places for people and nature

Service Area/Service Description	2017-18 Actual	2018-19 Target	2018-19 Actual
Open Space Sport & Recreation Planning			
Deliver club development workshops	2	3	10
Deliver Community & Recreation Facility Grants	1	1	1
Sustainability			
Preparation of Master Plans	1	1	100%
Work with communities to facilitate community-led approach	1	1	100%
Sustainable Assets			
30% of Unsealed Road network condition rated		100%	100%
Confirm Enterprise Wide Asset Management System		80% of asset classes fully operational within system	100%
Kerb and gutter condition audit completed		100%	50%
Waste			
Total bin lifts (waste, recyclables, green organics) per year = 1,547,000	1,547,000	1,567,000	1,547,600
Number of vehicles through gates on free green organic drop off days	3,872	3,950	3,696
Number of kerbside hard waste collections taken up by residents	970	980	1,411
Diversion rate of recyclable material away from landfill	47%	48%	51%
A minimum of four community-wide advertising and education campaigns undertaken annually to promote community education information and the waste and recycling management services provided by Council.	6	4	5
Collection of missed domestic bins within two days	94%	80%	100%
Requests for bin repair or replacement actioned within seven days	99%	80%	94%
Reduction of the kerbside recycling contamination rate	13.44%	12.50%	14%



Gumeracha | Credit: Narrative Marketing

Looking forward to 2019-20

PLACES for people and nature: Key Initiatives

Continue sustainability workshops within our community centres to encourage sustainable living and commercial practices.

Educate schools, community groups and the wider community on ways to minimise waste to landfill.

Roll out the Corporate Carbon Management Plan to assist our striving for carbon neutrality as an organisation.

Progress the development of our Community and Recreation Facility Framework through creation of an internal working group.

Goal 4

Explore ideas and work with others

Explore

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

Collaboratively exploring ideas with others is central to understanding and meeting our community's needs, and delivering outcomes that have long term benefits for our area.

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

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

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

During 2018-19 Council has actively engaged with our community, capitalised on emerging technology, supported our creative industries, and worked with other Councils, levels of government, and industry for the best outcomes for our community.



Library volunteer, Jenny

Key Achievements 2018-19

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

We have continued to improve and grow our digital communication channels and have been exploring new channel opportunities. Engagement has consistently been offered through a variety of 'traditional' communication methods and online engagement processes. A review of the Community Consultation Policy and the Community Engagement Framework, to ensure alignment of both documents and alignment with contemporary practice, has commenced.

Our e-communications community grew in 2018-19 by over 50 per cent through word of mouth and the addition of new online newsletters. We also achieved 24 per cent organic growth in our social media community by focusing on topical, relevant, and engaging content. A community engagement specialist was employed to help improve our engagement methods and processes and review our Community Consultation Policy.

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

A network known as the Internet of Things (IOT) has been established in our district using sensor technology. With the completion of this installation we are now well-placed to conduct a trial of these sensors to determine the technology's usefulness for improving decision making.

During 2018-19 Council progressed with the research and investigation phase of the capital program to better understand our options. We have worked with a number

of IOT providers on possible uses for the network, such as reports on public toilet patronage, smart parks, water monitoring, and smart bins. The remainder of this project, as well as the capital funding, has been reallocated to the 2019-20 financial year, where the outcomes will be finalised and the project will be completed.

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

An investigation has been undertaken into the potential for moving our cemetery maps online for customers to search and identify specific graves and internments. We have also improved business efficiency through changes to the process for raising and actioning customer requests through our website.

In 2018-19 a detailed survey of all our cemeteries was undertaken to ensure accurate data of gravesites and memorials. The survey included drone imaging, GPS grave location, and pictorial capture of memorials. This information will progressively become available after a cemetery management system is implemented in 2019-20.

SP4.4 – We will foster creativity in the community and embrace it as an organisation.

We have continued the encouragement of public art and placemaking activities through the provision of grant funding.

Through the 2018-19 Community Development Grants we supported placemaking by funding a nature play space at the Old School Community Garden, Stirling, and the provision of props and decorations that will add

community atmosphere and value to Santa’s Cave at the Lights of Lobethal. We also undertook planning and the commission of a public art piece at the Birdwood Weighbridge that will be completed in 2019-20.

Other highlights:

- We have led by example by purchasing more efficient vehicles that have enhanced safety features (all fleet vehicles are now 5 star ANCAP rated).
- We continue to explore and actively promote online channels of enquiry and self-service for 24 hour solutions.
- We continued our support of Stirling Fringe.
- We have expanded our engagement through increased use of video.

Collaborating for outcomes

Strategic collaboration and partnerships between Adelaide Hills Council and other councils, the State and Commonwealth Governments, businesses and others are vital to help shape and deliver outcomes for our community. We share borders with nine other councils and have a long history of working together successfully. Through strategic alliances and other partnerships we work to jointly plan and advocate for our region, share resources, and improve alignment with state and federal priorities. A selection of our strategic collaborations from 2018-19 is outlined below.



Steel work in progress
Credit: Will Sexton, Stag Fox Forge

Strategic Initiative	Collaboration Description
Mount Lofty Ranges National and World Heritage Bids	Collaboration with nine local councils, the University of Adelaide, and Regional Development Australia Barossa to pursue National and World Heritage listing bids for the Mount Lofty Ranges region. The Project Team has completed the Digital Knowledge Bank project and is developing a new website which is due to be completed in late 2019. Further, a World Heritage Expert Review was completed and establishes a road map for the project going forward.
Planning and Development Policy	We have worked with the Department of Planning, Transport and Infrastructure on the proposed changes to the planning policy in relation to rural/primary production areas and the conversion of our Development Plan into the proposed State Planning and Design Code. This is a work in progress due to be completed by 1 July 2020.
Region profile and priorities	We have attended regular meetings with Federal and State Members of Parliament to raise the profile of and build understanding and support for the priorities of Adelaide Hills Council and the region.

Strategic Initiative	Collaboration Description
Adelaide Hills Visitor Information Servicing Strategy.	Collaboration with SA Tourism, Adelaide Hills Tourism, Mount Barker District Council, as well as tourism operators and industry bodies to implement the Adelaide Hills Visitor Information Servicing Strategy.
Resilient Hills & Coasts	Resilient Hills & Coasts is a partnering project between local government, NRM Boards, and state and federal governments to implement actions from the Regional Climate Change Adaptation Plan for the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island region. Key priorities include exploring possible design and delivery of a regional community energy program, undertaking a climate change risk and governance assessment, and preparing information on 'Where we Build, What we Build'.
Adelaide Wine Capital Cycle Trail	Councils, Regional Development Australia, and Seppeltsfield Business Alliance have been working together to develop an Inter-regional Cycle Network to be titled the Adelaide Wine Capital Cycle Trail. It identifies key routes to connect a shared path from the Clare Valley, through the Barossa and Adelaide Hills to Mount Barker, and on to McLaren Vale.
Bushfire resilience	In 2018-19, and in cooperation with Council, the Department of Environment and Water (DEW) conducted prescribed burns at seven sites: Heathfield Stone Reserve, Crafers West RAA Tower site, Lobethal Bushland Park, Yanagin Reserve, Melville Reserve (Upper Sturt Tennis Courts), Mylor Oval, and Heathfield Waste Facility. These burns are conducted to protect and build resilience to major bushfires.
May Business Month	In partnership with Mount Barker District Council, Adelaide Hills Council delivered May Business Month to support entrepreneurs and local businesses in the region.
Regional Development Australia	We are working with Regional Development Australia, Adelaide Hills, Fleurieu and Kangaroo Island to build partnerships with governments, regional development organisations, local businesses, community groups and key regional stakeholders.
Regional passenger transport study	In partnership with Regional Development Australia and other regional councils we undertook a public transport study across the Fleurieu and Adelaide Hills looking at future demands and developing ideas to increase public transport patronage.
Regional Health Plan	Through the Regional Health Plan Working Group, Council worked to deliver the Regional Health Plan, focusing on providing healthy environments, supporting healthy lifestyles, and plans and partnerships relating to improving public health across the region. The Southern and Hills LGA received a letter of appreciation from the State's Chief Public Health Officer for the collaborative efforts of the group of councils in developing and implementing the Plan. He noted that through these reports, ongoing and emerging issues have been identified across all councils relating to building supportive environments, the prevalence of preventable chronic disease risk factors including smoking, alcohol and other drugs, physical inactivity and obesity, and the management of increasing community demand for local government services. Further, our Council was successful in securing funding to employ a Regional Community Wellbeing Officer for a 12 month pilot ending in 2020. This role will look at ways to improve health and wellbeing outcomes in the community through collaborative approaches.

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

Strategic Goal 4 Explore ideas and work with others

Service Area/Service Description	2017-18 Actual	2018-19 Target	2018-19 Actual
Communications & Events			
Growth of social media community (i.e. followers) across Facebook, Twitter, Instagram and LinkedIn.	6,356	15% increase 7,309	24% increase 7,880
Number of subscribers to regular electronic communications.	7,679	8,500	11,722 (note: additional subscriber streams incl. Fabrik, Library etc)
Number of community and other external events supported.	83	85	115
Percentage of event applications acknowledged within five days of receipt.	80%	80%	85%
Community Consultation			
Percentage of consultations undertaken online (in addition to other methods where applicable) with outcomes also published online.	100%	100%	100%
ICT			
Number of devices supported	1,342	1,400	1,350
Number of supported network users	180	250	233
Number of technology service (help) desk tickets	1,403	1,350	1,677
Technology systems availability	99.97%	99.50%	99.98
Number of helpdesk tickets closed out within one business day (average of all categories)	65%	75%	67%
Information Systems			
Section 7 searches completed within legislative timeframe	100%	100%	100%
Proportion of Freedom of Information requests completed within legislated timeframes	100%	100%	100%
Hard copy and digital customer requests received and digitised into line of business system within one day	24,000	25,500	84,567
Ensure all 'core' software line of business systems are within test environment for UAT following release	80%	90%	100%



Looking forward to 2019-20 **EXPLORE ideas and work with others: Key Initiatives**

An expansion of tools available via our online engagement platform to give the community different options for providing feedback.

A continuing expansion to the range of services which customers can access online, including application for burning permits.

The trial and evaluation of a range of Internet Of Things sensor technologies.

A continuation of collaboration with neighbouring councils and stakeholders to ensure that our Council boundaries best serve our communities.

Organisational Sustainability

Our people are supported and safe. Our organisation is financially sustainable. Our decision-making is open, transparent, and accountable. Excellence and equity in service delivery that meets our legislative obligations and community needs.

Adelaide Hills Council recognises that our people are our strength. This team is critical in achieving our vision and desired outcomes.

We aim to support and develop our people whilst building on our high-performing and service-based culture. Our financial modelling and budgeting processes are aligned with our strategic and business plans to ensure long term financial sustainability.

Trust is paramount in our organisation; we operate in a highly regulated and scrutinised sector. We acknowledge this responsibility through open, transparent and accountable decision-making and administrative processes. We identify, evaluate and manage our risks and legislative obligations and these are monitored through our Audit Committee and subsequently by Council.

Key priorities for 2018-19 in building our organisational sustainability have been reviewing our Corporate Plan, the establishment of our mentoring and coaching and Take 5 for Safety programs , and our diversity and inclusion initiatives . A major review of our Long Term Financial Plan, the development of our Community Loans Policy and Corporate Planning and Performance Framework have also been priorities.



Children's Program, Coventry Library
Credit: Narrative Marketing

Key Achievements 2018-19

Corporate Plan

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

The Plan has six main elements: (i) leadership; (ii) people; (iii) strategy and policy; (iv) partnerships and resources; (v) processes, systems and customer service; and (vi) results. Progress against the Corporate Plan has been modest and details of achievements are contained in the following pages.

Customer Experience

CRM Integration

We enhanced the use of our Customer Relationship Management system (CRM) by integrating CRM with asset management software and Contact Centre software to enable more seamless management of customer enquiries and requests. The new Contact Centre software, implemented in September 2018, now enables calls to be more efficiently turned into customer cases and for customer details and history to be more readily available to staff. The new Contact Centre software also enables enhanced reporting and analysis regarding the volume, type and subject matter of calls handled by our team.

Integration between the Asset Management System (Confirm) and the CRM system was implemented in December 2018 with a pilot phase for customer requests

relating to trees. A further category of requests relating to playground maintenance went live in June 2019. This integration allows field crews to receive maintenance jobs in real time on a mobile device and respond more efficiently and effectively to customer requests.

Customer Experience Survey

A Customer Experience Survey of 400 customers was conducted during September 2018 to determine levels of satisfaction and identify opportunities for improvement. The survey looked at phone-based interactions with Council and used a sample of people who had interacted with us by phone. A number of South Australian councils participated in a group survey scheme and the results were benchmarked against each other. Analysis of our results led to a survey Action Plan and revisions to our Customer Experience Action Plan. This data was presented to Council Members at a workshop in May 2019.

A 'customer channel management' approach was also developed to plot how customers access our services, and how we can best provide experiences across phone, digital, in-person, and social media channels.

Our people, our safety

Our people are the heart of our organisation. Attracting the right people for the right jobs and supporting their development is critical to ensuring that we meet our service commitments and continue to grow as an organisation. Diversity and inclusion is encouraged; we recognise that diversity brings a blend of knowledge, skills and perspectives, and an inclusive culture is one where everyone feels respected and able to fully contribute. Safety is also a number one priority and we adopt a proactive approach to work health and safety.

During 2018-19 we implemented a number of initiatives to support our people, including a continuation of our Take 5 for Safety campaign, this year focussing on mental health, people leader training and development, and a WHS internal auditing program.

Work Health and Safety

Our focus on work health and safety has continued to develop our systems and educate our people.

Our 2018-19 Take 5 for Safety campaign on Mental Health included mental health awareness training for all staff, activities to destigmatise ill mental health and self-care practices.

A further campaign about the importance of keeping limber focused on being more aware of how staff use their bodies to undertake work and how strains and injury can be reduced and even eliminated through effective movement and stretching.

Working in the Adelaide Hills means that our people must understand how to act in the event of a bushfire. In 2018-19 we have improved our processes, implemented further site inspection and preparation processes, and educated employees and volunteers through Bushfire Awareness sessions to ensure our knowledge is relevant and timely.

Four public and one organisational defibrillator have been purchased and installed across our sites with the aim of helping to save lives. This initiative provides first responders with intuitive equipment that may be needed in emergency situations.

Our internal auditing processes in 2018-19 have led to the reviews of several procedures, including High Risk Construction, Hazardous Manual Tasks, and Emergency Management. Audits are critical in identifying areas for improvement so that associated plans can be developed and implemented.

Leadership Development

Our People Leaders undertake the important work of leading and managing our wider staff. Effective leadership of our people enables clear performance expectations, improved employee wellbeing, and greater employee engagement. People Leader development has been continued in 2018-19 through participation in quarterly workshops focused on developing skills and knowledge, and providing feedback to improve organisational processes. Important development areas looked at this year included Performance Conversations and Corrective Coaching, Performance Conversations: Managing Unsatisfactory Performance, and WHS Roles and Responsibilities.

The graphic is a 5x2 grid of orange and white squares. The left column contains a large image of hands clasped together and the text 'Take 5 for Mental Health'. The right column contains five numbered steps with small images: 1. 'If you don't know about it, learn about it.' (image of people talking); 2. 'Are you ok?' (image of a person looking thoughtful); 3. 'Help is available - just ask.' (image of people sitting and talking); 4. 'Take time out.' (image of a person resting); 5. 'Cultivate mental wellness - look after your body and mind.' (image of a person stretching). At the bottom right is the Adelaide Hills Council logo and the text 'Take 5 FOR SAFETY'.



Lenswood | Credit: Marc LeBrun

Financial sustainability

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

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

During 2018-19 we again undertook a review of our LTFP to ensure all strategies and initiatives in our Strategic Plan and functional strategies were covered, and alignment with our current asset management plans and a savings/efficiency plan was established. This review is essential to ensure that we can meet our service delivery commitments and manage our assets effectively for the long term.

We also updated our Procurement Policy, which refers to the methods Council uses to purchase goods and services.

- We improved clarification and gave greater detail in relation to the scope of the Policy
- We made additions including acquisition of land, unsolicited proposals and negotiation positions, as well as defining procurement terminology
- We made minor changes to the definition and consideration of environmental sustainability within the broader definition of Procurement Sustainability
- We increased the emphasis of Council's commitment to Work, Health and Safety

In addition, operational elements of the current Policy were moved to the newly developed Procurement Framework and procedures. This Framework provides procedural guidance to Council in operating an effective and efficient procurement function.

Organisational Sustainability

Service Area/Service Description	2017-18 Actual	2018-19 Target	2018-19 Actual
Customer Service			
Number of phone calls answered within 30 seconds	N/A	75%	75%
Customer contact details updated within five days	87%	80%	97%
Service Strategy and Innovation			
Percentage of Tier 1 Service Standards for which reporting is in place	94%	100%	90%
Number of completed continuous improvement activities/projects	6	8	8
Financial Services			
Payment of invoices within 30 days of the End of Month	95%	95%	88%
Issuance of monthly financial reports	10 Working Days	7 Working Days	10%
Processing of Section 187 Certificates within three days	90%	90%	100%
Process requests of change of address to Rates Notices within three days	80%	80%	95%
All financial legislative timeframes met	TBC	100%	100%
Governance and CEO Office			
Council agendas are produced and distributed in accordance with Code of Practice for Meeting Procedure timeframes	TBC	75%	98%
Corporate Performance Report is provided for Council	N/A	Quarterly	0
Strategic risks reassessed and reported	Quarterly	Quarterly	Quarterly
Number of internal audits per annum	5	5	0
Policies reviewed on or before review date	TBC	80%	88%
Number of Council Member professional development sessions delivered	TBC	18	17
Organisational Development and Work Health and Safety			
Number of Lost Time Injuries (LTI) per year	1	3	2
Amount of WHS KPI Action Plan outcomes completed annually	96%	95%	100%



Looking forward to 2019-20 **Organisational Sustainability: Key Initiatives**

Implement new customer surveys for regular and ongoing feedback to better understand customer experiences and identify ways we can improve service delivery.

Collaborate with residents and ratepayers to review the Council's Strategic Plan and set the direction for services and infrastructure provision in the medium-term.

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

Develop an organisation-wide Project Management Framework to improve consistency and quality of project delivery across the organisation.



Ladybird beetle (*Coccinellidae*)
Credit: Kylie Caruso

Our governance

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

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

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

The following information reports on our governance activity during 2018-19.

Good governance is accountable, transparent and responsive

Council Meetings

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

Council meetings were held in Stirling on the fourth Tuesday of every month. All Council and Council Committee meetings are open to the public unless specific provisions in the *Local Government Act 1999* are satisfied to require the closing of the meeting under a confidentiality order.

Council meetings held in 2018-19

- 12 ordinary meetings
- 9 special meetings

Council Committee meetings held in 2018-19

- 0 SPDPC meetings
- 3 Special SPDPC meeting
- 6 Audit Committee meetings
- 12 Council Assessment Panel meetings
- 2 CEO Performance Review Panel meetings

The attendance of the Mayor and Councillors at 2018-19 Council and Committee meetings is detailed in the tables below. The two tables represent the Council Members on either side of the Local Government Election in November 2018.

From 1 July 2018 to 19 November 2018

Council Meetings	Ordinary Council		Special Council		SPDPC		Special SPDPC		Audit Committee		CAP		CEO Performance Review Panel	
	P	A	P	A	P	A	P	A	P	A	P	A	P	A
Total Meetings	4		6		0		2		3		4		1	
William (Bill) Spragg	3	1	5	1	-	-	2	0	-	-	-	-	0	1
Ronald Nelson	4	0	5	1	-	-	2	2	-	-	-	-	-	-
Jan-Claire Wisdom	4	0	5	1	-	-	0	2	-	-	-	-	1	0
Ian Bailey	4	0	6	0	-	-	2	0	-	-	-	-	-	-
Jan Loveday	2	2	2	4	-	-	1	1	-	-	-	-	1	0
Kirrilee Boyd	3	1	3	3	-	-	2	0	-	-	-	-	-	-
Nathan Daniell	4	0	5	1	-	-	1	1	-	-	-	-	-	-
John Kemp	4	0	6	0	-	-	2	0	3	0	1#	-	-	-
Val Hall ¹														
Lynton Vonow	4	0	5	1	-	-	2	0	-	-	-	-	-	-
Andrew Stratford	4	0	2	4	-	-	2	0	-	-	-	-	-	-
Linda Green	4	0	6	0	-	-	2	0	-	-	3	1	1	0
Malcolm Herrmann	4	0	5	1	-	-	2	0	3	0	-	-	-	-

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

P: Present

A: Apology

¹ Val Hall passed away in February 2018

CAP Deputy Member

SPDPC: Strategic Planning & Development Policy

CAP: Council Assessment Panel

From 19 November 2018 to 30 June 2019

Council Meetings	Ordinary Council		Special Council		SPDPC		Special SPDPC		Audit Committee		CAP		CEO Performance Review Panel	
	8		3		0		1		3		8		1	
Total Meetings	P	A	P	A	P	A	P	A	P	A	P	A	P	A
Jan-Claire Wisdom	7	1	3	0	0	0	0	1	-	-	-	-	0	1
Ian Bailey	8	0	3	0	0	0	1	0	-	-	-	-	-	-
Kirrilee Boyd	6	2	2	1	0	0	1	0	-	-	-	-	-	-
Nathan Daniell	7	1	3	0	0	0	1	0	-	-	-	-	1	0
Pauline Gill	8	0	2	1	0	0	1	0	-	-	-	-	-	-
Chris Grant	8	0	3	0	0	0	1	0	-	-	-	-	-	-
Linda Green	8	0	3	0	0	0	1	0	-	-	-	-	-	-
Malcolm Herrmann	8	0	2	1	0	0	1	0	3	0	-	-	-	-
John Kemp	8	0	3	0	0	0	1	0	-	-	-	-	-	-
Leith Mudge	8	0	3	0	0	0	1	0	3	0	2#	-	-	-
Mark Osterstock	8	0	3	0	0	0	0	1	-	-	-	-	1	0
Kirsty Parkin	7	1	3	0	0	0	1	0	-	-	6	2	1	0
Andrew Stratford	7	1	3	0	0	0	0	1	-	-	-	-	-	-

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

CAP Deputy Member
SPDPC: Strategic Planning & Development Policy
CAP: Council Assessment Panel



Council's Assessment Panel

Good governance involves remunerating fairly and responsibly

Allowances paid to Council Members

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

Pursuant to the Remuneration Tribunal's determination, the following amounts were prescribed for Council Members for 2018-19:

	01/07/2018 to 06/11/2018	07/11/2018 to 30/06/2019
Mayor / Principal Member	\$66,304 per annum	\$69,080 per annum
Deputy Mayor / Presiding Member of a Prescribed Committee	\$20,720 per annum	\$21,587 per annum
Other Council Members	\$16,576 per annum	\$17,270 per annum

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

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

In addition to the allowance paid under section 76 of the *Local Government Act 1999*, Council Members were entitled to receive the following under Council's 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)
 - Conference, seminar and training course fees and associated travel expenses.

- Provision of the following to assist Members in performing their official functions:
 - An iPad (or similar tablet computer), associated software and 4G connection for document management (including Council Agenda and Minutes), communication and research (both Council workspace and internet)
 - A Council email address
 - A mobile phone (including SIM)
 - Reams of paper for printing
 - Stationery (such as pads, pens, diaries, etc.)
 - Meals and beverages provided in association with attendance at prescribed meetings.

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

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

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

Good governance is effective and efficient

Council Member training and development

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

Mayor Jan-Claire Wisdom attended:

- National General Assembly, 16-19 June 2019
- LGA Ordinary General Meeting, 12 April 2019
- Mayor & Chairperson's Forum, 30 November 2018
- Media Training (LGA), 21 March 2019

Councillor Pauline Gill attended:

- National General Assembly, 16-19 June 2019

Councillor Malcolm Herrmann attended:

- Audit Committee training, 25 March 2019

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

- Tourism and Councils
- Elected Members Leadership Session
- Mayors' and Chairpersons' Leadership Session
- Media Skills for Mayors and Chairpersons
- Reputation and Media for Elected Members
- Policy Development and Strategic Thinking
- Community Engagement for Elected Members
- CEO Performance Management
- Building Effective Relationships
- Emotional Intelligence 101 for Elected Members
- Public Speaking
- Strategy and Risk Management
- Negotiating and Influencing Skills
- Dispute Resolution
- Audit Committees - General Overview
- Audit Committees - for Audit Committee Members
- Code of Conduct
- Conflict of Interest
- Council/Committee Meeting Procedures, Chairing Skills and Chamber Etiquette for Elected Members
- Fraud and Corruption
- Information Management for Elected Members - Part 1: Securing the Digital Highway
- Information Management for Elected Members - Part 2: Social Media Etiquette & Branding
- Planning Act Essentials
- Council Assessment Panel
- Economic Development - Nurturing your Local Economy
- Public Health and Community Well-Being
- Emergency Management

Council's Assessment Panel

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

Members from 1 July 2018 until 8 May 2019 were:

- Prof Stephen Hamnett (Presiding Independent Member until 8 May 2019)
- Mr Simon Bradley (Independent Member until 8 May 2019)
- Piers Brissenden (Independent Member until 8 May 2019)
- Mr Rob McBryde (Independent Member until 8 May 2019)
- Cr Linda Green.

Members appointed from 12 June 2019 were:

- Mr Geoff Parsons (Presiding Independent Member)
- Mr Ross Bateup (Independent Member)
- Mr David Brown (Independent Member)
- Ms Karla Billington (Specialist Independent Member)
- Cr Linda Green.

Additionally, two Deputy Council Members were appointed in 2018-19:

- Cr John Kemp (Deputy Council Member from 1 July 2018)
- Cr Leith Mudge (Deputy Council Member from 1 December 2018).

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

CAP meetings are generally held in Stirling on the second Wednesday of each month from 6:30pm. In 2018-19, twelve 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.

It was resolved by Council at its meeting on 23 April 2019 that the Council Member or Deputy Council Member on the CAP be paid a sitting fee of \$190 per attended meeting.

Good governance is participatory

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, and
3. the CEO Performance Review Panel.

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 2018-19, but three special meetings were. Cr John Kemp was the presiding member from June to October 2018 and Cr Linda Green was the presiding member from November 2018 to June 2019.

There are no sitting fees payable to members of the Strategic Planning and Development Policy Committee.

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 2019 was:

- Cr Malcolm Herrmann (Presiding Member from November 2018)

- Cr Leith Mudge
- Ms Paula Davies (Independent Member)
- Mr Peter Brass (Independent Member)
- Mr Geoff Purdie (Independent Member).

Six ordinary meetings were held during 2018-19. Sitting fees were paid to independent members of the Audit Committee, with a change in sitting fee from 23 April 2019.

Sitting fees 1 July 2018 to 23 April 2019:

- Independent Presiding Member: \$525 per meeting
- Independent Member: \$380 per meeting.

Sitting fees 23 April 2019 to 30 June 2019:

- Independent Presiding Member: \$550 per meeting
- Independent Member: \$400 per meeting.

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 2018-19 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 2019:

- Cr Mark Osterstock (Presiding Member from November 2018)
- Deputy Mayor Nathan Daniell
- Cr Kirsty Parkin
- Ms Paula Davies (Independent Member).

Five ordinary meetings were held in 2018-19. 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 1 July 2018 to 23 April 2019:

- Independent Presiding Member: \$525 per meeting
- Independent Member: \$380 per meeting.

Sitting fees 23 April 2019 to 30 June 2019:

- Independent Presiding Member: \$550 per meeting
- Independent Member: \$400 per meeting.

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 2018-19

CDIG – Closed Designated Informal Gathering

ODIG – Open Designated Informal Gathering

CIG – Closed Informal Gathering

OIG – Open Informal Gathering

10/07/2018	Recreation Land Puzzle	ODIG
10/07/2018	Lobethal Freight Access Project Update	ODIG
10/07/2018	Reconciliation Action Plan Working Group	ODIG
17/07/2018	Master Planning at AHC	ODIG
17/07/2018	Boundary Adjustment Reform consultation	ODIG
1/08/2018	CWMS Review	CDIG
1/08/2018	Training in new PA System	CIG
14/08/2018	Community Energy Program Update	ODIG
14/08/2018	CWMS Review Workshop	CDIG
21/08/2018	CEO Performance Review	CDIG
21/08/2018	Caretaker Policy - refresher	ODIG
21/08/2018	Regional Transport Studies	CDIG
9/10/2018	Mayors/Chairpersons Seeking Legal Advice (LGA s78A) - Policy Review	ODIG
9/10/2018	Council Member Allowances and Benefits Policy	ODIG
9/10/2018	Council Members Training and Development	ODIG
9/10/2018	A hub with no name	ODIG
9/10/2018	Proposed changes to the NRM in South Australia	ODIG
16/10/2018	Workshop on DPTI Discussion Papers	ODIG
16/10/2018	Stirling District Centre Urban Design Framework & Guidelines	ODIG
16/10/2018	Advisory Groups Review	ODIG
16/10/2018	Accommodation Planning	ODIG
20/11/2018	Photographs, Oath of Office, ICT Equipment	OIG
24/11/2018	Council Member Workshop - Induction	ODIG
4/12/2018	District demographics (economic and social profile)	ODIG
4/12/2018	South Australian Planning System	ODIG
11/12/2018	Gumeracha Precinct and Mainstreet Masterplanning	ODIG
11/12/2018	LTFP and ABP Induction	ODIG
11/12/2018	Community Forums - the Future	ODIG
29/01/2019	Community & Recreation Facility Framework and Playspace Framework	CDIG
29/01/2019	AHC Sport and Rec Strategic Planning Session	CDIG
5/02/2019	Sustainability achievements and next steps	ODIG
5/02/2019	Council and Committee Meetings - Mandatory Introduction to Local Government - Mandatory	ODIG

12/02/2019	Recreation Precinct Options including Stonehenge, Piccadilly Upper Sturt and Heathfield	ODIG
12/02/2019	Public Consultation Policy Review	ODIG
12/02/2019	Productive Economy Policy Discussion Paper presentation and consultation	ODIG
19/02/2019	Legal Responsibilities - Mandatory Module 2	ODIG
19/02/2019	Economic Development Overview	ODIG
12/03/2019	Library Services - input to service delivery review and intro to library services	CDIG
12/03/2019	Festivals and Events Policy Review	ODIG
12/03/2019	Stirling Urban Design Framework + Guidelines - Key Findings and Background Paper Presentation	CDIG
19/03/2019	Community Land Management Plans	ODIG
19/03/2019	Recycling Strategy	ODIG
19/03/2019	Strategic Plan Review	ODIG
29/03/2019	ABP & Budget Workshop	ODIG
30/03/2019	ABP & Budget Workshop Continued	ODIG
9/04/2019	Crown Land Review	CDIG
9/04/2019	Stonehenge Reserve Consultation Outcomes	ODIG
9/04/2019	Carbon Management Plan	ODIG
16/04/2019	Conflict Of Interest & ICAC Training	ODIG
16/04/2019	Woodside Recreation Ground masterplan	ODIG
7/05/2019	Strategic Approach to Courts	CDIG
14/05/2019	Introduction to Customer Service Framework and outcomes from the 2018 Customer Experience Survey	ODIG
14/05/2019	Strategic Plan Review - Environmental Scan Findings	ODIG
21/05/2019	Cultural Awareness Training	ODIG
21/05/2019	Strategic Plan Review - Key Themes	ODIG
4/06/2019	CWMS Review Update	ODIG
4/06/2019	Recycling Strategy	ODIG
11/06/2019	Biodiversity Strategy	ODIG
11/06/2019	Update on Carbon Management Plan	ODIG
11/06/2019	Library Services Review outcomes	CDIG
18/06/2019	Boundary Reform	ODIG
18/06/2019	ABP/Strategic Plan Feedback	ODIG
18/06/2019	Rating Policy	ODIG
18/06/2019	Roundabout designs	ODIG

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 the Council's website.

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

During 2018-19, 20 items were considered in closed session in accordance with Section 90(2) of the Local Government Act 1999. Of these, 11 items were released in full and 9 remained in confidence, in accordance with Section 91(7) of the Act.

See table below for details.

Council 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:

- Adelaide Hills Business & Tourism Centre (ceased 18 December 2018)
- Biodiversity
- Bushfire
- Cemeteries
- Property
- Rural Land Management
- Social Planning (ceased 18 December 2018)
- Sport and Recreation (ceased 18 December 2018)
- Stirling Linear Park
- Sustainability
- Youth (ceased 18 December 2018)

These Groups do not report directly to Council.

Date	Council/Committee	Item No.	Title	LGA 1999 Section	New Confidentiality Recommendation or Date Released	Status as at 30 June 2019
01/08/18	Special Council	7.1.1	Stonehenge Reserve Masterplan Update	90(3)(b)	Released 28 September 2018	Released
01/08/18	Special Council	7.2.1	Retirement Village Review	90(3)(b)	Partially released 01 August 2018	Partially released Partially retained in confidence
09/08/18	CEO PRP	10.1.1	2018 CEO Performance Review	90(3)(a)	Released 31 August 2018	Released
09/08/18	CEO PRP	10.2.1	2018 CEO Performance Review	90(3)(a)	Released 31 August 2018	Released
28/08/18	Council	19.1.2	CEO Performance and Remuneration Reviews	90(3)(a)	Released 31 August 2018	Released
11/09/18	Special Council	7.11	Ashton Landfill	90(2)		Retained in Confidence
18/12/18	Council	19.1	Australia Day Awards 2019	91(7)	Released 29 January 2019	Released
22/01/19	Council	19.1	Road Shoulder Renewal Contract	90(2) 90(3)(d)	Partially released 29 January 2019	Partially released Partially retained in confidence
26/02/19	Council	19.1	Reconciliation Working Group Appointment of Council Member & Community Members	90(2)90(3)(a)	Released 09 May 2019	Released
26/03/19	Council	19.1	Sale of land at the former Onkaparinga Woollen Mills site at Lobethal – Exclusion of the Public	90(2)90(3)(d)		Retained in Confidence
23/04/19	Council	19.1	East Waste Kerbside Recycling Grant	90(3)(d)		Retained in Confidence
23/04/19	Council	19.2	Appointment of Independent Council Assessment Panel Members	90(3)(a)	Released 16 May 2019	Released
23/04/19	Council	19.3	Appointment of Advisory Group Independent Members	90(3)(a)	Released 16 May 2019	Released
07/05/19	Special Council	19.1	Unsolicited Approach to Purchase Community Land	90(3)(d)		Retained in Confidence
28/05/2019	Council	19.1	Electricity Procurement	90(3)(d)		Retained in Confidence
4/06/2019	Special Council	9.1.1	Event Opportunity	90(3)(j)	Released 22 July 2019	Released
25/06/2019	Council	19.1	2018-2019 Play Space Upgrades	90(3)(d)		01 November 2019
25/06/2019	Council	19.2	Lower Hermitage Road Widening Contract	90(3)(d)		01 November 2019
25/06/2019	Council	19.3	Land Acquisition Lower Hermitage Road	90(3)(d)		25 June 2020
25/06/2019	Council	19.4	Sale of Land for non-payment of Rates	90(3)(i)	Released 22 August 2019	Released

Council's Representation Quota

The Adelaide Hills Council's total representation quota (the number of electors for each Council Member including Mayor) in 2018-19 is 1 for every 2,261 electors. The total number of electors is 29,405.

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

- City of Holdfast Bay (electors 27,935) = 1:2,127
- City of Norwood Payneham and St Peters (electors 25,443) = 1:1,793
- Burnside (electors 31,816) = 1:2,419
- City of Unley (electors 27,688) = 1:2,106.

(Information provided by the Electoral Commission of SA, current as at February 2019)

Public involvement in Council business

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

Public Forum

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

Deputations

With the permission of the Mayor or Committee Presiding Member, a member of the public can address a Committee or the Council personally or on behalf of a group of residents as a deputation. Each deputation is usually limited to a maximum of ten minutes. People wishing to access this opportunity should make prior arrangements through the Mayor's Office on (08) 8408 0438.

Petitions

Written petitions can be addressed to Council on any issue within the Council's jurisdiction and 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 Consultation

The Adelaide Hills Council consults with local residents about issues that may affect their neighbourhoods in accordance with the Public Consultation Policy. These consultations can be interacted with in many formats, including our online consultation portal at engage.ahc.sa.gov.au.

Community Forums

Local community members and groups are invited to attend Community Forums and 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.

Two Community Forums were held in 2018-19 (separate from Ordinary Council Meetings):

- 7 August 2018 in Montacute
- 30 April 2019 in Houghton/Inglewood/Hermitage.

Internal review of Council decisions

At the beginning of 2018-19 Council had three applications in progress for internal review of a Council decision. These were in relation to stormwater management, footpath construction, and tree plantings. The reviews were completed during the year and decisions were upheld for footpath construction and tree planting, with the identification of opportunities for improvements in process. The review decision regarding stormwater management led to the negotiation and implementation of actions to mitigate concerns.

Council received two applications about local nuisance legislation and the issuing of a permit for a community event. In both cases the original decisions were upheld and opportunities for process improvement identified.

A further two applications were received relating to decisions of the Council Assessment Panel and the appointment of an investigator under the Internal Review of Council Decisions Policy. The former was refused as it was outside the scope of the Internal Review Policy, and the latter also refused as it was deemed frivolous and/or vexatious.

At the conclusion of the financial year four applications remained in progress relating to road closures, roadside rubbish collection, removal of a street tree, and relocation of stormwater pipes.

Internal Review of Council Decisions	Number
Outstanding from previous period	3
Reviews completed	5
Refused	2
New applications	8
In progress	4

Freedom of Information requests

Twenty one requests for information were made under *the Freedom of Information Act 1991* in 2018-19; an increase from 15 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	Total
Outstanding from previous period	1
New applications	21
Total to be processed	22
Transferred in full	0
Determined*	18
Outstanding at the end of the period	2
External review pending	2

* Full release: 8
Partial release: 8
Refused: 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 has also 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.

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

Delegations and sub-delegations

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

Good governance involves meeting our legislative obligations

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. As a minimum, delegations are reviewed annually.

Registers, codes and policies

Documents available for public inspection are as follows.

Local Government Act 1999 Registers

- Section 68 | Members' Register of Interests
- Section 79 | Members' Register of Allowances and Benefits
- Section 90 | Confidential Items
- Section 105 | Officers' Register of Salaries
- Section 188 | Fees and Charges
- Section 196 | Community Management Plans
- Section 207 | Community Land
- Section 231 | Public Roads
- Section 252 | By-laws

Local Government Act 1999 Statutory Policies

- Building & Swimming Pool Inspection (Dev Act s71A(1))
- Caretaker (LGEA s91A(1))
- Code of Conduct for Council Employees (LGA s110)
- Code of Practice for Access to Council Meetings, Committees & Documents (LGA s92)
- Code of Practice for Meeting Procedures (LGPAMR r6)
- Complaints Handling (LGA s 270(a1)(b))
- Council Member Allowance and Benefits (LGA s 77(1)(b))
- Council Member Conduct (LGA s63)
- Council Member Training and Development (LGA s 80A)
- Debt Recovery (inc. CWMS Customer Hardship Policy) (LGA s144)

- Delegations Policy for the Determination of Development Applications by CAP
- Disposal of Assets (LGA s49(1d))
- Freedom of Information Statement (LGA Schedule 4, 1(gb))
- Informal Council Gatherings (LGA 90(8a))
- Internal Audit (LGA s125)
- Internal Review of Council Decisions (LGA s 270(1))
- Order Making (LGA s259)
- Procurement (LGA s49)
- Prudential Management (LGA s48)
- Public Consultation (LGA s50)
- Public Place & Road Naming (LG Act s219(5))
- Request for Service (LGA s270 (a1) (a))

Local Government (Elections) Act 1999

- Part 14 | Campaign Donation Returns prepared by candidates

Freedom of Information Act 1991

- Section 9 | Information Statement

Council Discretionary Policies as at 30 June 2019

- Acceptance of External Funding
- Advisory Group Operation and Conduct
- Asset Management
- Buffers
- Burials Outside Cemeteries
- Burning Permit Policy
- Cemetery Management
- Community Group Use of Photocopiers
- Community Information Display
- Community Loans
- Development Application Document Reproduction
- Development Application Fee Refunds
- Development Application Fee Waiver
- Development Applications Involving Regulated Trees
- Directional Signage
- Enforcement Policy
- Festivals & Events
- Flags
- Fraud & Corruption Prevention (ICAC)
- Genetically Modified Crops
- Grant Giving

- Lease & Licencing
- Liquor Licensing
- Management of Built Heritage
- Mayors/Chairpersons Seeking Legal Advice (LGA s78A)
- One Team Communication Protocols
- Outdoor Dining
- Petitions
- Play Space
- Privately Funded Development Plan Amendments
- Provision of Physical Models or other Visual Representation Tools for Major Development Proposals which require Public Notification
- Public Interest Disclosure
- Public Transport
- Rating (LGA Chpt 10)
- Records and Information Management
- Risk Management
- Road Rents
- Roadside Trading (Use of Public Road Verges for Business Purposes)
- Safe Environments
- School Parking and Associated Facilities
- Street Lighting
- Telecommunications Installation - Small Cell Stobie Pole Mounted Antennae
- Treasury
- Tree Management
- Tributes for Commemorative Services
- Unreasonable Complainant Policy (NEW)
- Unsealed Roads
- Volunteer Engagement
- Waste and Resource Recovery Service
- Wastewater System Application Fee Refunds

Access to Council documents

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

Many of these documents can be accessed on Council's website for no charge.

Community Land Management Plans

A Community Land Management Plan was adopted by Council in September 2004. The current version dated January 2010 is available on Council's website. In 2018-19 a review of the Community Land Management Plan has been progressed.

Draft new categories of community land have been developed taking into account the implications of the Coastal Ecology Protection Group Inc & Ors v City of Charles Sturt [2017] SASC 136 (Coast Park decision).

Data verification of community land has been completed with all community land assigned to the appropriate category in a new draft Community Lands Register. New draft Community Land Management Plans have been prepared for Council for each category of community land, defining ownership details, location, area, principal usage and user groups.

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

Competitive tendering

In 2018-19 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 2018-19, 42 services were subjected to a competitive bidding process.

Purchase of local goods and services

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

All tenders are considered on an equal basis in accordance with the principles of fair trading and the requirements of National Competition Policy and the *Competition and Consumer Act 2010*.

National Competition Policy

Competitive neutrality.

Principles of competitive neutrality are designed to neutralise any net competitive advantage that a government or local government agency engaged in significant business activities would otherwise have,

by virtue of its control by the government or local government, over private businesses operating in the same market.

During 2018-19 Council sold five of its six retirement villages to Clayton Church Homes Inc. Clayton Church Homes is a not for profit organisation that commenced delivery of services in the retirement village and aged care sector in South Australia in 1968.

Council has a complaints mechanism in place and in 2018-19 no complaints were received with regard to competitive neutrality.

Litter control

State Government legislation, the *Local Nuisance and Litter Control Act 2016 (the Act)*, requires Council to manage local litter, illegal dumping, and nuisance complaints in its area. Litter requirements commenced 1 February 2016 and nuisance requirements began on 1 July 2017.

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

During 2018-19, there were 419 incidents of local nuisance and littering reported to Council. One abatement notice was issued, and no expiation notices. The breakdown of reported incidents is outlined below.

Issue	Number
Illegal dumping	215
Noise	38
Air pollution	14
Graffiti	55
Littering	33
Nuisance/vandalism	40
Water pollution	7

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

Air quality policy

The Environment Protection Authority's Policy came into effect on 23 July 2016 and required Council to establish a Burning Permit Policy for the burning of green waste on properties located within townships and urban areas (e.g. Aldgate, Bridgewater, Balhannah, Crafers, Oakbank, Stirling, Woodside, etc). The permit requirements do not apply to non-metropolitan rural areas. During 2018-19 Council issued 600 burning permits that enabled people to burn dry green waste in preparation for the annual bushfire season. Two applications were refused for reasons such as inappropriate materials being present (e.g. plastics and general household waste).

Our people

Council's success relies on its staff providing services to the community. Council's budgeted workforce in 2018-19 of 191.5 FTE (full-time equivalent) people managed a diverse range of services and programs. Employees are experienced, and possess the skills and abilities to deliver exceptional service.

Employee turnover levels remain within a healthy range between 7-15 percent, with a turnover during 2018-19 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 better service 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
- Undertake development opportunities, either through on-the-job activities working with others or attending formal training.

Leadership Development

Leadership development sessions over the past year have involved all of our People Leaders: anyone who manages employees as part of their role.

The focus of these sessions was on gaining a better understanding of organisational provisions used in managing people, developing abilities to have real and honest conversations with employees about their performance, identifying when coaching or more formal performance management may be required, and further development in work health and safety requirements. The decisions of our People Leaders affect the people they manage, so improving the behaviour and abilities of all People Leaders has a lasting and wide-ranging impact on our teams.

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 whilst 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.

Key activities undertaken in 2018-19 include:

- The continuation of the Take 5 for Safety initiative with campaigns in Mental Health Awareness and Ergonomics
- Commencement of a new WHS Improvement Plan
- Delivery of a Health and Wellbeing Program that included annual health checks, flu vaccinations and skin screening
- Ongoing use of the WHS Directors and Managers Checklist, with an increase in action required of our leaders to effectively manage their WHS responsibilities
- Implementation of Skytrust, the system being used to manage WHS, commencing with the incident and hazard reporting and investigation modules
- Quarterly reporting through the Executive Leadership Team on WHS across the organisation and completion of activities against required timeframes
- Commencement of an Emergency Planning Committee across our sites
- Further development of emergency management with Bushfire and Survival Plans and kits implemented for each worksite
- The roll out of five defibrillators across the council district
- Completion of three internal procedure reviews: High Risk Construction, Hazardous Manual Tasks, and Emergency Management
- A completion result of 100 percent for our Key Performance Indicator Action Plan.

A number of learning opportunities were implemented including:

- Procedure training including Contractor Management
- First Aid Officer training
- Health and Safety Representative training
- Mental Health Awareness training
- Bushfire Awareness training
- Limber Up training (part of ergonomics)

- Workzone Traffic Management refresher training
- Incident Investigation training
- Hazardous Chemical Awareness training
- Asbestos Awareness training.

From an injury management perspective Council received four Return to Work claims, of which three were for lost-time injuries. Three workers were referred for return to work support. Council has a sound process that enables the quick return to work and normal duties.

Executive Leadership Team Arrangements

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

The Chief Executive Officer, four Directors, and two Executive Managers have salary packages that incorporate 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 for 2018-19 was \$23,460.

No other remuneration was paid.



Longwood | Credit: Claire Punter

Rating information

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

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

Local Government rates are based on the value of the property and a rate in the dollar plus a fixed charge.

Under the *Local Government Act 1999*, Councils may use one of three valuation methodologies:

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

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

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

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

Basis of Rating

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

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

Council has applied a separate rate for businesses in Stirling for a number of years. In 2018-19 \$85,000 was raised for distribution to the Stirling Business Association. This revenue is used to promote Stirling as the 'Gateway to the Hills'.

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

The Fixed Charge

The rating system provides for a fixed charge and a rate in the dollar which is applied against the property value. The fixed charge for 2018-19 was set at \$634.

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

Rate Capping

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

Annual rates notices include a rate capping application form, and applications are invited from any eligible ratepayer. *(Note: where recent improvements to a property have exceeded \$20,000 or the ownership/land*

use has changed, capping is not available. It is intended only to relieve existing ratepayers from sharp upwards capital re-valuations outside of their control.)

Rate deferment for Retirees

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

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

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

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

BASIS OF RATING

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

THE FIXED CHARGE

The rating system provides for a fixed charge and a rate in the dollar which is applied against the property value. The fixed charge for 2018-19 was set at \$634.

RATE CAPPING

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

RATE DEFERMENT FOR RETIREES

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

Rebate of rates

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

Mandatory Rebates

A mandatory rebate of 100 percent applies to:

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

A mandatory rebate of 75 percent applies to:

- Land occupied by a government school under a lease or licence and being used for educational purposes
- Land occupied by a non-government school registered under Part 5 of the *Education Act 1972* and being used for educational purposes
- Land being used by a university or university college to provide accommodation and other forms of support for students on a not-for-profit basis
- Land predominantly used for service delivery or administration by a community service organisation as defined under Section s 161(3) & 161(4) of the *Local Government Act 1999* (as amended)
- All properties owned by registered community housing associations.

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

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

Discretionary Rebates

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

rebates and in accordance with that legislation Council should give reasonable consideration to the granting of rebates and not adopt a policy that excludes the consideration of applications for rebates based on their merits.

When rate rebates are applied to properties, those rates foregone must then be redistributed to the rest of the community.

Having considered this, Council is of the view that except in very specific circumstances outlined below, the maximum discretionary rebate should be 75 per cent to ensure ratepayers contribute some amount towards basic service provision.

Council's specific policy positions to meet discretionary rate rebates eligibility are as follows:

- An organisation needs to meet one of the criteria listed under Section 166
- An organisation needs to be not-for-profit
- A rebate of 100 per cent will only be granted where community organisations seeking a rebate provides a service that would be required to be provided by Council if not undertaken by the organisation
- A rebate of 75 per cent will be granted if the organisation provides a community service that support the disadvantaged or sections of the community that require assistance, as defined
- Where an organisation does not meet the above criteria, it is still eligible for a 75 per cent rebate where it meets all of the following criteria:
 - It has limited capacity to raise funds;
 - It meets a "community need", as defined; and
 - It undertakes services and activities that are not primarily the responsibility of Federal or State Government.



Mayor Wisdom with members of the Mount Lofty Devils Football Club

Glossary of terms

AHBTC	Adelaide Hills Business & Tourism Centre
CEOPRP	Chief Executive Officer Performance Review Panel
CIG	Closed Informal Gathering
CPI	Consumer Price Index
CWMS	Community Wastewater Management Systems
CAP	Council Assessment Panel
DPA	Development Plan Amendment
DPTI	Department of Planning, Transport and Infrastructure
EPA	Environment Protection Authority
ICT	Information & Communication Technology
KPI	Key Performance Indicator
LTFP	Long Term Financial Plan
ODIG	Open Designated Informal Gathering
OIG	Open Informal Gathering
SPDPC	Strategic Planning and Development Policy Committee
WHS	Work Health & Safety
WHS & IM	Work Health & Safety and Injury Management

Appendix 1

Financial Statements

Year ended 30 June 2019

Adelaide Hills Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Adelaide Hills - A place for everyone



Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

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Adelaide Hills Council

General Purpose Financial Statements

for the year ended 30 June 2019

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 2019 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

Jan-Claire Wisdom
MAYOR

Date:

Adelaide Hills Council

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Income			
Rates Revenues	2a	36,915	35,512
Statutory Charges	2b	1,172	1,069
User Charges	2c	1,007	1,479
Grants, Subsidies and Contributions	2g	5,123	5,508
Investment Income	2d	41	30
Reimbursements	2e	516	447
Other Income	2f	648	488
Net Gain - Equity Accounted Council Businesses	19	138	-
Total Income		45,560	44,533
Expenses			
Employee Costs	3a	15,923	14,956
Materials, Contracts & Other Expenses	3b	19,231	19,961
Depreciation, Amortisation & Impairment	3c	8,826	8,246
Finance Costs	3d	623	646
Net loss - Equity Accounted Council Businesses	19	6	216
Total Expenses		44,609	44,025
Operating Surplus / (Deficit)		951	508
Asset Disposal & Fair Value Adjustments	4	(95)	(2,401)
Amounts Received Specifically for New or Upgraded Assets	2g	425	867
Physical Resources Received Free of Charge	2h	1,982	2,068
Net Surplus / (Deficit) ¹		3,263	1,042
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	59,526	55,488
Share of Other Comprehensive Income - Equity Accounted Council Businesses		240	20
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	(184)	-
Other Equity Adjustments - Equity Accounted Council Businesses		139	32
Total Other Comprehensive Income		59,721	55,540
Total Comprehensive Income		62,984	56,582

¹ Transferred to Statement of Changes in Equity

Adelaide Hills Council

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	2,025	491
Trade & Other Receivables	5b	2,541	2,853
Inventories	5c	19	13
Subtotal		4,585	3,357
Non-Current Assets Held for Sale	20	1,530	1,260
Total Current Assets		6,115	4,617
Non-Current Assets			
Financial Assets	6a	-	50
Equity Accounted Investments in Council Businesses	6b	1,350	838
Infrastructure, Property, Plant & Equipment	7a	424,101	370,815
Total Non-Current Assets		425,451	371,703
TOTAL ASSETS		431,566	376,320
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	5,446	8,645
Borrowings	8b	62	4,918
Provisions	8c	3,048	3,478
Total Current Liabilities		8,556	17,041
Non-Current Liabilities			
Borrowings	8b	10,000	10,000
Provisions	8c	1,398	651
Total Non-Current Liabilities		11,398	10,651
TOTAL LIABILITIES		19,954	27,692
Net Assets		411,612	348,628
EQUITY			
Accumulated Surplus		141,348	137,081
Asset Revaluation Reserves	9a	269,691	210,121
Other Reserves	9b	573	1,426
Total Council Equity		411,612	348,628

Statement of Changes in Equity
for the year ended 30 June 2019

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2019					
Balance at the end of previous reporting period		137,081	210,121	1,426	348,628
a. Net Surplus / (Deficit) for Year		3,263	-	-	3,263
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	59,526	-	59,526
- IPP&E Impairment (Expense) / Recoupmnts 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
c. Transfers between Reserves		853	-	(853)	-
Balance at the end of period		141,348	269,691	573	411,612
2018					
Balance at the end of previous reporting period		135,571	154,633	1,842	292,046
a. Net Surplus / (Deficit) for Year		1,042	-	-	1,042
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	55,488	-	55,488
- Share of OCI - Equity Accounted Council Businesses	19	20	-	-	20
- Other Equity Adjustments - Equity Accounted Council Businesses	19	32	-	-	32
Other Comprehensive Income		52	55,488	-	55,540
Total Comprehensive Income		1,094	55,488	-	56,582
c. Transfers between Reserves		416	-	(416)	-
Balance at the end of period		137,081	210,121	1,426	348,628

Adelaide Hills Council

Statement of Cash Flows

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		37,094	35,348
Statutory Charges		1,172	1,069
User Charges		1,007	1,479
Grants, Subsidies and Contributions (operating purpose)		5,183	6,322
Investment Receipts		41	30
Reimbursements		516	447
Other Receipts		622	246
<u>Payments</u>			
Payments to Employees		(15,723)	(15,199)
Payments for Materials, Contracts & Other Expenses		(18,950)	(17,386)
Finance Payments		(623)	(646)
Net Cash provided by (or used in) Operating Activities	11b	10,339	11,710
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		425	867
Sale of Replaced Assets		497	489
Sale of Surplus Assets		7,942	-
Sale of Investment Property		1,204	-
Repayments of Loans by Community Groups		72	43
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(10,090)	(10,493)
Expenditure on New/Upgraded Assets		(3,877)	(4,251)
Capital Contributed to Equity Accounted Council Businesses		-	(18)
Net Cash provided by (or used in) Investing Activities		(3,827)	(13,363)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		-	1
<u>Payments</u>			
Repayments of Borrowings		(77)	(33)
Repayment of Bonds & Deposits		(1)	-
Repayment of Aged Care Facility Deposits		-	(90)
Net Cash provided by (or used in) Financing Activities		(78)	(122)
Net Increase (Decrease) in Cash Held		6,434	(1,775)
plus: Cash & Cash Equivalents at beginning of period	11	(4,409)	(2,634)
Cash & Cash Equivalents at end of period	11	2,025	(4,409)

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Adelaide Hills Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 63 Mt Barker Road, Stirling 5152. These financial statements

include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

3 Income Recognition

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$2,265,645	\$1,494,710	+ \$770,935
2017/18	\$1,597,298	\$1,520,627	+\$76,671
2018/19	\$1,526,078	\$1,537,852	- \$11,774

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

Note 1. Summary of Significant Accounting Policies (continued)

had the grants been paid in the year to which they were allocated.

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

5.1 Real Estate Assets Developments

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

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

5.2 Other Real Estate Held for Resale

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

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

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

Plant, Furniture & Equipment

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

Building & Other Structures

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

Infrastructure

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

Other Assets

Artworks	indefinite
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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.

Note 1. Summary of Significant Accounting Policies (continued)

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

9.2 Superannuation

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

10 Provisions for Reinstatement, Restoration and Rehabilitation

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

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

11 Leases

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

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

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

payments are charged to expense over the lease term.

12 Construction Contracts

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

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

13 Equity Accounted Council Businesses

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

14 GST Implications

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

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

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.

15 New accounting standards and UIG interpretations

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

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

Adelaide Hills Council early adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* from the year ended 30 June 2018 and as such the application of these are included in the preparation of these financial reports.

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

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

Other than AASB 15 and AASB 1058 adopted previously, Adelaide Hills Council has not applied any Australian Accounting Standards and

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

Interpretations that have been issued but are not yet effective. Council will implement them when they are effective.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. Although the effect on profit and loss will be non-material, the value of the Right of use asset, and the lease liability, to be disclosed is \$300k at 30 June 2019.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

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.

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

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

- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments

- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

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

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

16 Comparative Figures

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

17 Disclaimer

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 2. Income

\$ '000	Notes	2019	2018
(a). Rates Revenues			
General Rates			
General Rates		34,523	33,141
Less: Mandatory Rebates		(241)	(218)
Less: Discretionary Rebates, Remissions & Write Offs		(247)	(172)
Total General Rates		34,035	32,751
Other Rates (Including Service Charges)			
Natural Resource Management Levy		975	931
Community Wastewater Management Systems		1,646	1,478
Separate & Special Rates		4	5
Stirling Business Association Separate Rate		85	87
Total Other Rates		2,710	2,501
Other Charges			
Penalties for Late Payment		106	176
Legal & Other Costs Recovered		64	84
Total Other Charges		170	260
Total Rates Revenues		36,915	35,512
(b). Statutory Charges			
Development Act Fees		526	452
Animal Registration Fees & Fines		407	421
Parking Fines / Expiation Fees		38	28
Other Licences, Fees & Fines		112	103
Searches		89	65
Total Statutory Charges		1,172	1,069
(c). User Charges			
Cemetery/Crematoria Fees		278	328
Community Centres		123	127
Sundry		82	163
Adelaide Hills Business and Tourism Centre (AHBTC)		397	495
Retirement Villages		127	366
Total User Charges		1,007	1,479

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		6	6
- Banks & Other		33	16
- Loans to Community Groups		2	8
Total Investment Income		41	30
(e). Reimbursements			
Private Works		15	8
Electricity		304	227
Other		197	212
Total Reimbursements		516	447
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		284	201
Sundry		364	287
Total Other Income		648	488
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		425	867
Total Amounts Received Specifically for New or Upgraded Assets		425	867
Supplementary Local Roads Funding		1,035	353
Untied - Financial Assistance Grant		1,526	1,597
Roads to Recovery		368	1,024
Home and Community Care Grant		948	899
Library and Communications		283	285
Sundry		570	262
Natural Disaster Recovery Funding		393	1,088
Total Other Grants, Subsidies and Contributions		5,123	5,508
Total Grants, Subsidies, Contributions		5,548	6,375
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		3,483	3,093
State Government		1,724	3,068
Other		341	214
Total		5,548	6,375
(ii) Individually Significant Items			
Grant Commission (FAG) Grant in Advance Recognised as Income		836	847
Supplementary Local Roads Grants in Advance Recognised as Income		690	-

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(h). Physical Resources Received Free of Charge			
Land & Improvements		1,982	-
Roads, Bridges & Footpaths		-	129
Stormwater Drainage		-	1,100
Kerb & Gutter		-	14
Retaining Walls		-	350
Public Artwork		-	475
Total Physical Resources Received Free of Charge		1,982	2,068

Note 3. Expenses

(a). Employee Costs

Salaries and Wages		12,454	11,517
Employee Leave Expense		2,803	2,721
Superannuation - Defined Contribution Plan Contributions	18	1,156	1,054
Superannuation - Defined Benefit Plan Contributions	18	232	249
Workers' Compensation Insurance		374	435
Personal Income Protection Insurance		242	217
Other		112	27
Less: Capitalised and Distributed Costs		(1,450)	(1,264)
Total Operating Employee Costs		15,923	14,956
Total Number of Employees (full time equivalent at end of reporting period)		183	171

(b). Materials, Contracts and Other Expenses

(i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		25	18
Bad and Doubtful Debts		-	(23)
Elected Members' Expenses		417	372
Election Expenses		59	46
Operating Lease Rentals - Cancellable Leases		299	332
Subtotal - Prescribed Expenses		800	745

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(b). Materials, Contracts and Other Expenses (continued)			
(ii) Other Materials, Contracts and Expenses			
Contractors		6,897	6,649
Energy		710	697
Legal Expenses		278	255
Levies Paid to Government - NRM levy		966	920
Levies - Other		558	571
Parts, Accessories & Consumables		2,737	2,791
Professional Services		106	103
Sundry		424	519
Contributions & Donations		710	735
Insurance		580	585
Work-in-Progress Write-off		65	119
Landfill Remediation		170	1,187
Waste		3,810	3,664
Telephone (incl data)		228	224
Bank Fees		84	87
Licencing - ICT		108	110
Subtotal - Other Material, Contracts & Expenses		18,431	19,216
Total Materials, Contracts and Other Expenses		19,231	19,961
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings		1,242	1,147
Infrastructure			
- Stormwater		482	386
- Community Wastewater Management Systems		398	297
- Roads		3,803	3,689
- Bridges		284	270
- Footpaths		403	367
- Retaining Walls		146	128
- Guardrails		140	139
- Kerb & Gutter		396	390
- Traffic Controls		41	41
- Street Furniture		83	69
- Sport & Recreation		337	313
- Playgrounds		83	83
- Cemeteries		35	33
Plant & Equipment		870	865
Furniture & Fittings		83	29
Subtotal		8,826	8,246
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		8,826	8,246

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		50	76
Interest on Loans		573	570
Total Finance Costs		623	646

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		497	489
Less: Carrying Amount of Assets Sold		(1,719)	(2,890)
Gain (Loss) on Disposal		(1,222)	(2,401)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		11,235	-
Less: Carrying Amount of Assets Sold		(7,994)	-
Less: Other Amounts Relating to the Sale of Surplus Assets		(2,059)	-
Gain (Loss) on Disposal		1,182	-
Non-Current Assets Held for Sale			
Proceeds from Disposal		1,204	-
Less: Carrying Amount of Assets Sold		(1,259)	-
Gain (Loss) on Disposal		(55)	-
Net Gain (Loss) on Disposal or Revaluation of Assets		(95)	(2,401)

Note 5. Current Assets

(a). Cash & Cash Equivalents			
Cash on Hand at Bank		1,651	124
Short Term Deposits & Bills, etc.		374	367
Total Cash & Cash Equivalents		2,025	491

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 5. Current Assets (continued)

\$ '000	Notes	2019	2018
(b). Trade & Other Receivables			
Rates - General & Other		1,278	1,476
Council Rates Postponement Scheme		95	76
Accrued Revenues		577	712
Debtors - General		363	297
Other Levels of Government		72	132
Prepayments		156	140
Loans to Community Organisations		-	22
Subtotal		2,541	2,855
Less: Allowance for Doubtful Debts		-	(2)
Total Trade & Other Receivables		2,541	2,853
(c). Inventories			
Stores & Materials		19	13
Total Inventories		19	13

Note 6. Non-Current Assets

(a). Financial Assets

Receivables

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

(b). Equity Accounted Investments in Council Businesses

Gawler River Floodplain Management Authority (GRFMA)	19	878	600
Eastern Waste Management Authority (EWMA)	19	101	69
Adelaide Hills Regional Waste Management Authority (AHRWMA)	19	371	169
Total Equity Accounted Investments in Council Businesses		1,350	838

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

\$ '000	Fair Value Level	as at 30/6/2018				Asset Movements during the Reporting Period										as at 30/6/2019				
		At	At	Acc.	Carrying	Asset Additions		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	At	Acc.	Carrying
		Fair Value	Cost	Dep'n	Value	New / Upgrade	Renewals										Fair Value	Cost	Dep'n	Value
Capital Work in Progress		-	2,804	-	2,804	3,877	10,090	(1,043)	-	-	(12,730)	-	-	-	-	-	2,997	-	-	2,997
Land - Community		87,161	-	-	87,161	-	-	(1,631)	-	(49)	-	-	1,982	(408)	1,560	88,615	-	-	88,615	
Buildings	3	73,614	-	25,522	48,092	-	-	(7,473)	(1,242)	(135)	1,759	-	(1,122)	-	626	65,282	-	24,777	40,505	
Infrastructure																				
- Stormwater	3	37,279	-	10,489	26,790	-	-	(5)	(482)	-	1,036	-	-	-	913	39,600	-	11,348	28,252	
- Community Wastewater Management Systems	3	19,091	-	5,708	13,383	-	-	(15)	(398)	-	580	-	-	-	405	20,253	-	6,298	13,955	
- Roads	3	213,604	-	84,119	129,485	-	-	(1,042)	(3,803)	-	4,741	(195)	-	-	53,331	285,788	-	103,271	182,517	
- Bridges	3	17,399	-	7,765	9,634	-	-	(24)	(284)	-	243	-	-	-	321	18,210	-	8,320	9,890	
- Footpaths	3	13,186	-	5,347	7,839	-	-	(90)	(403)	-	1,107	-	-	(419)	-	14,828	-	6,794	8,034	
- Retaining Walls	3	7,839	-	2,125	5,714	-	-	(1)	(146)	-	213	-	-	-	1,907	11,275	-	3,588	7,687	
- Guardrails	3	6,282	-	1,155	5,127	-	-	-	(140)	-	64	-	-	-	173	6,564	-	1,339	5,225	
- Kerb & Gutter	3	31,450	-	16,655	14,795	-	-	(66)	(396)	-	422	-	-	-	500	32,728	-	17,472	15,256	
- Traffic Controls	3	2,096	-	757	1,339	-	-	(4)	(41)	-	-	-	-	-	24	2,124	-	806	1,318	
- Street Furniture	3	3,210	-	1,289	1,921	-	-	(3)	(83)	-	91	(463)	-	-	26	2,446	-	956	1,490	
- Sport & Recreation	3	16,527	-	9,517	7,010	-	-	(4)	(337)	-	793	-	-	-	124	17,496	-	9,911	7,585	
- Playgrounds	3	1,721	-	587	1,134	-	-	-	(83)	-	-	-	-	-	19	1,753	-	683	1,070	
- Cemeteries	3	1,933	-	1,247	686	-	-	-	(35)	-	69	-	-	-	16	2,041	-	1,306	735	
- Other Infrastructure		-	-	-	-	-	-	-	-	-	-	1,568	-	-	-	-	2,196	-	628	1,568
Plant & Equipment		-	11,041	5,581	5,460	-	-	(372)	(870)	-	1,449	1,319	-	-	-	-	12,543	5,556	6,987	
Furniture & Fittings		-	3,655	2,002	1,653	-	-	-	(83)	-	163	(1,318)	-	-	-	-	2,748	2,333	415	
Public Artworks		-	788	-	788	-	-	-	-	-	-	(788)	-	-	-	-	-	-	-	
Total Infrastructure, Property, Plant & Equipment		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
Comparatives		490,115	17,205	196,287	311,033	4,251	10,493	(2,890)	(8,246)	-	-	(122)	2,068	(1,260)	-	55,488	532,392	18,288	179,865	370,815

Note 7a (ii). Investment Property

Nil

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

\$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

Other Information

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

\$ '000

Valuation of Assets (continued)

Other Information (continued)

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.

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.

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

\$ '000

Valuation of Assets (continued)

Infrastructure (continued)

Roads, 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 road seal, road pavement, footpaths and retaining walls 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.
- 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

Stormwater, Bridges, Guardrails, Kerb & Gutter, 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 2019 based on Australia Bureau of Statistics Time Series data, Tables 17 (Construction Industries) specific to Adelaide for June 2019

Community Wastewater Management Systems (CWMS)

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

Plant & Equipment

- Basis of valuation: Historic Cost

Furniture & Fittings

- Basis of valuation: Historic Cost

All Other Assets

- Basis of valuation: Deemed Cost

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 8. Liabilities

\$ '000	Notes	2019 Current	2019 Non Current	2018 Current	2018 Non Current
(a). Trade and Other Payables					
Goods & Services		3,351	-	2,936	-
Payments Received in Advance		622	-	715	-
Accrued Expenses - Employee Entitlements		425	-	391	-
Accrued Expenses - Other		197	-	351	-
Aged Care Facility Deposits		782	-	4,075	-
Deposits, Retentions & Bonds		4	-	5	-
Other		65	-	172	-
Total Trade and Other Payables		5,446	-	8,645	-
(b). Borrowings					
Bank Overdraft		-	-	4,900	-
Loans		62	10,000	18	10,000
Total Borrowings		62	10,000	4,918	10,000
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements (including oncosts)		2,843	109	2,695	89
Future Reinstatement / Restoration, etc		205	1,289	783	562
Total Provisions		3,048	1,398	3,478	651

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
(a). Asset Revaluation Reserve					
Land - Community	59,752	1,560		(49)	61,264
Buildings	31,564	626	-	(135)	32,055
Infrastructure					
- Stormwater	18,563	913	-	-	19,476
- Community Wastewater Management Systems	5,221	405	-	-	5,626
- Roads	64,463	53,331	-	-	117,794
- Bridges	4,072	321	-	-	4,393
- Footpaths	533	(419)	-	-	114
- Retaining Walls	2,604	1,907	-	-	4,511
- Guardrails	2,932	173	-	-	3,105
- Kerb & Gutter	13,544	500	-	-	14,044
- Traffic Controls	540	24	-	-	564
- Street Furniture	1,209	26	-	-	1,235
- Sport & Recreation	2,817	124	-	-	2,941
- Playgrounds	89	19	-	-	108
- Cemeteries	2,217	16	-	-	2,233
JV's / Associates - Other Comprehensive Income	-	228	-	-	228
Total Asset Revaluation Reserve	210,121	59,754	-	(184)	269,691
Comparatives	154,633	55,488	-	-	210,121

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
(b). Other Reserves					
Investment in Associates	324	-	-	(324)	-
Community Wastewater Management Systems	388	-	(200)	-	188
Retirement Village Lobethal	72	-	-	(72)	-
Retirement Village Woodside	217	-	-	(217)	-
Retirement Village Fee Bond	42	-	-	(42)	-
Torrens Valley Community Centre	137	-	-	-	137
Library	1	-	-	-	1
Scott Creek Progress Association	6	-	-	-	6
Environmental Fund Reserve	232	-	-	-	232
Significant Trees Reserve	7	2	-	-	9
Total Other Reserves	1,426	2	(200)	(655)	573
Comparatives	1,842	27	(443)	-	1,426

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).

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2019	2018
<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 State or Federal Government			
Community Wastewater Management Systems Investigations		351	345
Total Cash & Financial Assets		351	345
Total Assets Subject to Externally Imposed Restrictions		351	345

Note 11. Reconciliation to Statement of Cash Flows

(a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	2,025	491
Less: Short-Term Borrowings	8	-	(4,900)
Balances per Statement of Cash Flows		2,025	(4,409)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

\$ '000	Notes	2019	2018
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		3,263	1,042
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		8,826	8,246
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(132)	216
Non-Cash Asset Acquisitions		(1,982)	(2,068)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(425)	(867)
Net (Gain) Loss on Disposals		95	2,401
Expense of Capital Items		-	121
		9,645	9,091
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		292	(94)
Change in Allowances for Under-Recovery of Receivables		-	28
Net (Increase)/Decrease in Inventories		(6)	1
Net (Increase)/Decrease in Other Current Assets		(2)	(56)
Net Increase/(Decrease) in Trade & Other Payables		96	1,449
Net Increase/(Decrease) in Unpaid Employee Benefits		168	104
Net Increase/(Decrease) in Other Provisions		149	1,186
Net Increase/(Decrease) in Other Liabilities		(3)	1
Net Cash provided by (or used in) operations		10,339	11,710
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2h	1,982	2,068
Amounts recognised in Income Statement		1,982	2,068
Total Non-Cash Financing & Investing Activities		1,982	2,068
(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	600
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.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$ '000										
Business Undertakings	-	-	-	-	-	-	-	-	431,566	376,320
Community Capacity	1,727	1,541	6,755	5,930	(5,028)	(4,389)	1,440	1,319	-	-
Corporate Services	38,089	38,297	9,664	11,255	28,425	27,042	817	822	-	-
Infrastructure & Operations	4,537	3,312	24,712	16,401	(20,175)	(13,089)	2,783	4,139	-	-
Development & Regulatory Services	1,207	1,384	3,478	10,439	(2,271)	(9,056)	83	95	-	-
Total Functions/Activities	45,560	44,533	44,609	44,025	951	508	5,123	6,375	431,566	376,320

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.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 12b. Components of Functions

\$ '000

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.

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 1.25% and 1.75% (2018: 1.50% and 2.00%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 6.6% (2018: 6.75%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

Receivables

Retirement Home Contributions

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Retirement Home Contributions

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

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

Liabilities

Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed rates between 4.6% and 6.75% (2018: 4.6% and 6.75%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

Adelaide Hills Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
<u>Financial Assets</u>					
Cash & Equivalents	2,024	-	-	2,024	2,025
Receivables	2,385	-	-	2,385	2,385
Total Financial Assets	4,409	-	-	4,409	4,410
<u>Financial Liabilities</u>					
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
2018					
<u>Financial Assets</u>					
Cash & Equivalents	491	-	-	491	491
Receivables	2,716	-	-	2,716	2,713
Other Financial Assets	-	53	-	53	50
Total Financial Assets	3,207	53	-	3,260	3,254
<u>Financial Liabilities</u>					
Payables	7,539	-	-	7,539	7,539
Current Borrowings	4,919	-	-	4,919	4,918
Non-Current Borrowings	568	6,595	5,460	12,623	10,000
Total Financial Liabilities	13,026	6,595	5,460	25,081	22,457

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	3.35%	-	3.72%	4,900
Fixed Interest Rates	5.68%	10,062	5.56%	10,018
		10,062		14,918

Net Fair Value

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

Risk Exposures

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

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

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

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

Note 14. Commitments for Expenditure

\$ '000

Notes

2019

2018

(a). Capital Commitments

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

Infrastructure	1,750	695
Plant & Equipment	304	245
	2,054	940

These expenditures are payable:

Not later than one year	2,054	940
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	2,054	940

(b). Other Expenditure Commitments

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

Audit Services	73	97
	73	97

These expenditures are payable:

Not later than one year	24	23
Later than one year and not later than 5 years	49	74
Later than 5 years	-	-
	73	97

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 15. Financial Indicators

\$ '000	Amounts 2019	Indicator 2019	Prior Periods 2018	Prior Periods 2017
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These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	951			
Total Operating Income	45,560	2%	1%	1%

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	15,388			
Total Operating Income	45,560	34%	55%	47%

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

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio		1%	1%	(1%)
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Adjusted Net Financial Liabilities Ratio		34%	55%	48%
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3. Asset Renewal Funding Ratio

Net Asset Renewals	10,090			
Infrastructure & Asset Management Plan required expenditure	10,853	93%	128%	75%

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

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<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	45,560	44,533
<i>less</i> Expenses	(44,609)	(44,025)
Operating Surplus / (Deficit)	951	508
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(10,090)	(10,493)
<i>add back</i> Depreciation, Amortisation and Impairment	8,826	8,246
<i>add back</i> Proceeds from Sale of Replaced Assets	497	489
Subtotal	(767)	(1,758)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(3,877)	(4,251)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	425	867
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	9,146	-
Subtotal	5,694	(3,384)
Net Lending / (Borrowing) for Financial Year	5,878	(4,634)

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 17. Operating Leases

\$ '000	2019	2018
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Leases Providing Revenue to the Council

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

(i) Investment Property

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

(ii) Lease Payment Commitments of Council

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

Not later than one year	252	337
Later than one year and not later than 5 years	48	428
Later than 5 years	-	-
	<u>300</u>	<u>765</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 18. Superannuation

\$ '000

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018/19; 9.50% in 2017/18). 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 2017/18) 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.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
Joint Ventures	283	(164)	1,350	838
Total	283	(164)	1,350	838

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Eastern Waste Management Authority	Waste Management	101	69
Gawler River Floodplain Management Authority	Floodplain Management	878	600
Adelaide Hills Regional Waste Management Authority	Waste Management	371	169
Total Carrying Amounts - Joint Ventures & Associates		1,350	838

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, Prospect and Walkerville.

Gawler River Floodplain Management Authority

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

Adelaide Hills Regional Waste Management Authority

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

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2019	2018	2019	2018	2019	2018
Eastern Waste Management Authority	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%
Gawler River Floodplain Management Authority	3.9%	3.6%	3.9%	3.6%	16.7%	16.7%
Adelaide Hills Regional Waste Management Authority	33.1%	32.9%	41.4%	47.6%	25.0%	25.0%

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 19. Interests in Other Entities (continued)

\$ '000

(c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Management Authority		Gawler River Floodplain Management Authority	
	2019	2018	2019	2018
Opening Balance	69	103	600	554
Share in Operating Result	19	(47)	(6)	(8)
Share in Other Comprehensive Income	5	1	229	-
New Capital Contributions	-	18	-	-
Adjustments to Equity	8	(6)	55	54
Council's Equity Share in the Joint Venture or Associate	101	69	878	600

	Adelaide Hills Regional Waste Management Authority	
	2019	2018
Opening Balance	169	327
Share in Operating Result	119	(160)
Share in Other Comprehensive Income	7	18
Adjustments to Equity	76	(16)
Council's Equity Share in the Joint Venture or Associate	371	169

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

\$ '000

Non Current Assets & Disposal Group Assets

	2019	2018
Infrastructure, Property, Plant & Equipment (Northern side of AHBTC)	1,530	1,260
Total Non Current Assets & Disposal Group Assets	1,530	1,260

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

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

1. LAND UNDER ROADS

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. LEGAL MATTERS

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

As at 30 June 2019 an equity accounted Council business (AHRWMA) is a defendant in Supreme Court procedures in which it is asserted that the AHRWMA made some misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. AHRWMA has fully defended the claim and some legal costs might still be incurred. The trial judgement was brought down on 15 November 2019 and the claim was dismissed. Both the allocation of costs and the prospect of an appeal are yet to be determined.

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2019, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

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

Adelaide Hills Business Tourism Centre

Council entered into two separate contracts for the sale of land and buildings on the Northern side of the Adelaide Hills Business Tourism Centre site at Lobethal prior to June 2019 with settlement occurring in August 2019 and September 2019 respectively. Given that the sale was highly probable at year end and only conditional on terms normal for such property sales, an amount of \$1.530m representing the value of those land and buildings in Council's financial accounts was transferred to Non-current Assets held for Sale to recognise the financial status at 30 June 2019.

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.

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.

Adelaide Hills Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 23. Related Party Transactions

\$ '000	2019	2018
---------	------	------

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, 24 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,544	1,485
Post-Employment Benefits	112	108
Total	1,656	1,593

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	-	2
Market Stall Registration	-	1
Total	-	3

During 2018/19 four Key Management Personnel were Board Members/Deputy Board Members of six entities, namely Adelaide Hills Tourism, the Dog and Cat Management Board of SA, the Local Government Association, the Local Government Professionals SA, Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island and State Library of SA respectively but it is not considered that those members control or jointly control those organisations. During the financial year the Adelaide Hills Council:

- paid \$102,300 for Adelaide Hills Tourism for funding and \$390 for tickets for SA Tourism Awards
- received grants (materials and operating grants) amounting to \$288,500 from the SA Libraries Board and paid a materials levy of \$23,361 and \$13,680 for library management software
- paid an amount of \$58,404 to the Dog & Cat Management Board for amounts collected on behalf of DACO and recorded a levy of \$46,282
- paid an amount of \$19,419 to LG Professionals SA for coaching programs, bronze memberships, conferences and training
- paid an amount of \$79,081 to the Local Government Association for membership fees, tender and contracts usage and seminar fees
- paid an amount of \$79,913 to Regional Development Australia - Adelaide Hills, Fleurieu and Kangaroo Island representing funding contributions and subscriptions to that entity

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions (continued)

\$ '000

One Key Management Personnel received salary and wages from The Hut Community Centre Inc. During the 2018-19 financial year, Adelaide Hills Council paid the following amounts to The Hut Community Centre:

- Funding Agreement \$149,720
- Funding for the Provision of Community Home Support Program \$11,500
- Donation - Best Community Entry \$250
- Hall hire \$156
- Reimbursement of expenses of \$6,556

During 2018/19 eight Key Management Personnel were members on eleven management committees of groups that received contributions from Adelaide Hills Council. Details of those contributions are as follows:

- Adelaide Hills Swimming Centre \$84,913, being a maintenance grant
- Birdwood High School, \$150 donation for a speech night prize
- Kersbrook Public Hall Inc, which received:
 - \$6,448 relating to a public total maintenance grant and
 - \$1,302 as a rate rebate
- Lights of Lobethal \$2,500, being a community grant
- Piccadilly CFS \$2,410, being a community funding grant for a defibrillator
- Piccadilly Oval Committee (Piccadilly Valley Community Rec. Centre Inc.) which received:
 - \$3,471 for reimbursement of invoices in relation to stormwater
 - \$2,404 for reimbursement of invoices in relation to the wastewater system
 - \$30,000 as a contribution towards a new building
- RSL Gumeracha Sub branch \$300, being a minor grant to support a World War 1 centenary event
- The Scott Creek Progress Association \$5,200 being a oval maintenance grant
- Top of the Torrens Gallery which received a community grant of \$2,500
- Woodside Hall which received:
 - \$6,000 relating to a community and recreation facility grant for stormwater
 - \$1,905 for reimbursement of insurance
 - \$40 for hall hire
- The Scott Creek Progress Association \$7,050 including a \$1,900 Community Grant
- Woodside Recreation Grounds Committee, \$11,700 being a contribution for oval maintenance.

Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Financial Statements

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Financial Statements

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Internal Controls

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

Auditor's Report - Internal Controls

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Adelaide Hills Council

General Purpose Financial Statements for the year ended 30 June 2019

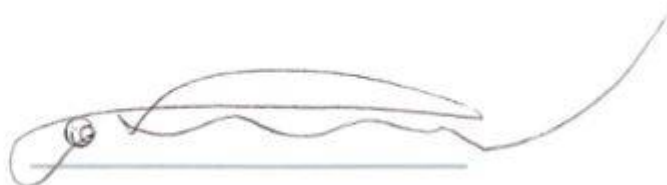
Certification of Auditor Independence

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 2019, 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: 18 November 2019

Adelaide Hills Council

General Purpose Financial Statements

for the year ended 30 June 2019

Statement by Auditor

I confirm that, for the audit of the financial statements of Adelaide Hills Council for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Tim Muhlhausler
Galpins

Dated this 8th day of November 2019.

Appendix 2

Subsidiary Annual Reports

Year ended 30 June 2019



AHRWMA

Adelaide Hills Region Waste Management Authority

“Sustainable Waste Management Through Shared Services”



2018-19 Annual Report



Adelaide Hills
COUNCIL



Bridge to Opportunity

The Rural City of
**MURRAY
BRIDGE**



ALEXANDRINA



MOUNT BARKER
DISTRICT COUNCIL

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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 Waste Strategy Coordinator resource for three of the Member Councils.

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

REPORT FROM THE CHAIR

I would like to thank our Member Councils for their support throughout the year and am pleased to report another year of achievement for AHRWMA on behalf of our Constituent Councils and their communities.

Council elections took place during 2018/19 and AHRWMA underwent a significant change in Board Membership, welcoming several new Board Members. I would like to take this opportunity to thank all previous Board Members for their commitment to the Authority, in what I understand to be a challenging time. The AHRWMA is still awaiting the outcome of a legal case that concluded in December 2017.



Chair: Cr John Kemp

The new Board was inducted and held its first meeting in January 2019 where I was pleased to be elected Chair. In my short time as Chair I have recognized the ongoing commitment the Authority's Board Members show in striving to achieve the best outcomes for AHRWMA, its Member Councils and the Environment. During the induction of new board members and the site tour, I was very impressed with the management team. I'm compelled to give thanks to the Executive Officer, Leah Maxwell who has been a great help in my role as Chair.

The Auditor General undertook a Governance review of the AHRWMA in 2017 and in response the AHRWMA continues to focus on governance improvement across all areas of operation.

The Authority continues to provide;

- Landfilling services at the Brinkley Landfill with cell 8 now in use and construction of cell 9 commencing.
- Concrete crushing services for council's construction & demolition materials.
- Bailing services for recyclables.
- Resource Recovery operations.
- Hooklift transportation services.
- Waste Strategy Coordinator services.
- General waste and resource advisory and coordination services.

With a close focus on asset management, operations and repairs and maintenance we have ensured efficient and effective service provision and have achieved a positive budget result. The operation of both the Brinkley and Heathfield Resource Recovery Centres on behalf of Murray Bridge and Adelaide Hills Councils were also undertaken within budget.

Along with core services the Authority continues to enhance its representation within the industry and represents its Constituent Councils in relevant forums.

We now move to finalizing our Charter review and update our Strategic Plan, ensuring strong guiding documents and governance into the future.

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 meets as required and at least once every four months excluding the AGM, the Board held six meetings in 2018/19. 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.

2018-19 Board Members (June 2018 – Dec 2019)

Rural City of Murray Bridge

Cr Theo Weinmann –Deputy Chairperson
Anthony Brown, General Manager Corporate Services (Vacated position at Council Feb 2019)
Cr Jerry Wilson, Deputy Board Member

Mount Barker District Council

Greg Parker, General Manager Community Services
Cr Lindsay Campbell – Chairperson
Cr Greg Morrison, Deputy Board Member

Alexandrina Council

Simon Grenfell
Cr Jim Davis
Cr Ben Brazzalotto, Deputy Board Member

Adelaide Hills Council

Marc Salver, Director Strategy and Development
Cr Nathan Daniel
John McArthur, Manager Waste, Health & Reg Services, Deputy Board Member

2018-19 Board Members (Current)

Rural City of Murray Bridge

Heather Barclay, General Manager Assets & Infrastructure
Cr Mat O'Brien
Malcolm Downie, Manager City Assets (Deputy)

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 Mat O'Brien
RCMB



Cr Simon
Westwood
Dep. Member
MBDC



Cr Ian Bailey
Dep. Member
AHC



Heather Barclay
General Manager
Assets &
Infrastructure
RCMB



Greg Parker
General Manager
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

2018/19 ACHIEVEMENTS

Landfill & Operations

- A new litter collection vacuum was purchased, enabling efficient collection of litter across the landfill and site boundary.
- Line marking has been undertaken across the site, ensuring adequate traffic management.
- Fees and charges have been reviewed and updated, taking into account the waste disposal levy increases for the period.
- Focus has been placed on regularly surveying the landfill site and landfill cell management.
- Landfill construction planning has been undertaken, ensuring staged construction in line with airspace and budget requirements.
- A Landfill Gas generation review and assessment has been completed, which will inform an updated Landfill Gas Management Plan.
- A Draft Capping & Closure Plan was submitted to the EPA and a review of capping methodology undertaken in order to inform the final plan development.
- Significant clean up has been undertaken of soil and concrete stockpiles in conjunction with the Rural City of Murray Bridge.
- Site processes have been established to recover steel and recyclables from the landfill cell – where these items are included within mixed waste loads destined for landfill.
- The Authority assisted the Rural City of Murray Bridge with obtaining funding from Green Industries SA for a street sweepings pad at the Brinkley Transfer Station. This pad will enable the Council to deposit their street sweepings for transportation to a licenced composting facility, rather than being disposed to landfill.

Litter Vacuum in use at the Brinkley Landfill



Governance

- The Charter review process is continuing, with consultation with Constituent Council CEOs.
- The Governance action plan continues to be implemented.
- Several policies have been reviewed including;
 - Annual Budget Policy
 - Treasury Management Policy
 - Corporate Credit Card Policy
 - Purchasing Policy & Delegations
 - Code of Conduct
 - Entertainment Policy
 - Asset Code of Tendering Policy
- WHS is being reviewed across all operations.
- A Draft Asset Management Plan has been established and the AHRWMA has continued to focus on improved asset management practices.

Resource Sharing, Resource Recovery Centres & Value Add

- Asbestos is now received at Brinkley and Heathfield Resource Recovery Centres (RRC).
- Free greens days have been held across the RRCs.
- Positive working relationships have been maintained with Constituent Councils, commercial and non-member local government customers.
- The new hooklift vehicle is now in place and providing waste transport services across the region.
- 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 participated in a high level education working group assisting Green Industries SA with the implementation of a state wide education program titled "Which Bin".
- A Household Paint and Chemical Facility (funded by Green Industries SA) has been established at the Heathfield RRC which will be commissioned mid-2019. This facility will provide a valuable free service to users across the region.
- The Authority assisted three of our Member Councils with participation in the Local Government Association sustainable procurement pilot program. This initiative is an important step in encouraging a circular economy within South Australia.
- With Green Industries SA Funding support the Authority's Waste Strategy Coordinator project managed a bin tagging education program across three of our Member Councils, fulfilling a project outlined within the Councils Waste & Resource Strategies.
- The Waste Strategy Coordinator also assisted with obtaining funding from Green Industries SA for Member Councils to continue the provision of kitchen caddy bins and compostable bags, including educational and promotional materials to assist with diverting food waste from landfill.

Finances

- The Audited financials have been completed for the year 2018/19 and are attached.
- The year to 30 June 2019 ended with the AHRWMA achieving a total surplus of \$380,923 compared to a May 2019 budget review projecting a \$290,000 surplus.
- The Brinkley Resource Recovery Centre achieved very close to budget and the Heathfield Resource Recovery Centre finished ahead of budget for the year.



Newly completed Household Chemical & Paint Facility at the Heathfield RRC.*

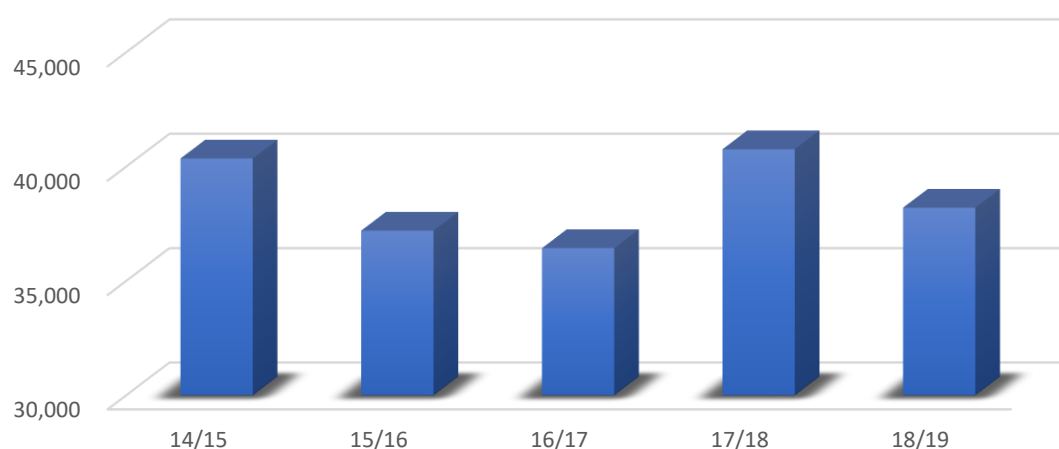
*The facility will be commissioned in 19/20

LANDFILL OPERATIONS

Brinkley Landfill Statistics

Waste disposed to landfill reduced by 2,556 tonnes in the 18/19 financial year. This is largely due to the receipt of fire impacted material from a one-off event in 17/18 and is an increase of 1,768 tonnes on the 16/17 year. Overall landfill tonnes are showing an increasing trend, while total Member Council tonnes to landfill have decreased.

Landfill Total Tonnes



Non-member Local Government tonnes maintained consistent this financial year, with a slight increase of 67 tonnes on 17/18 and commercial tonnes also remained steady for the period.

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

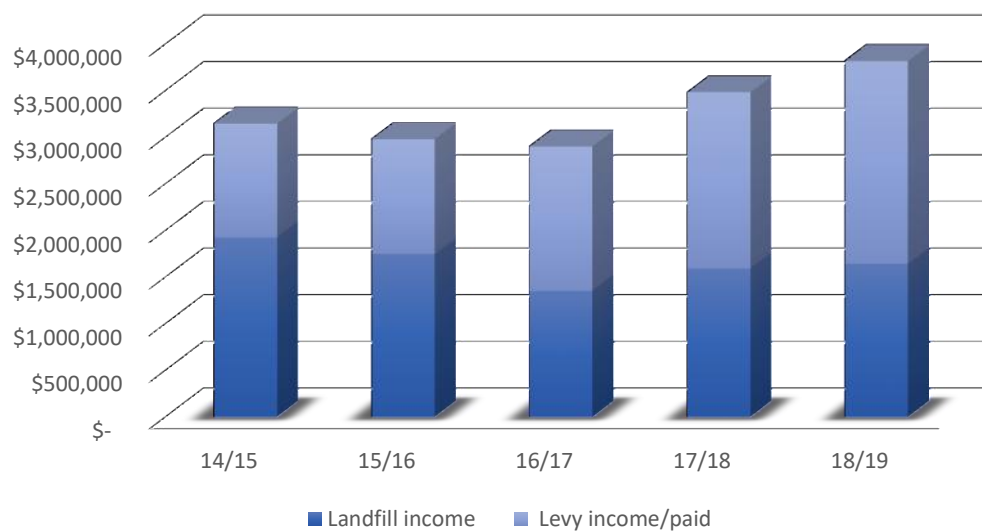
Revenue

Landfill gross revenue increased in 2018/19, 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 2018/19 the Levy increased to \$100 per tonne for metropolitan waste and \$50 for non-metropolitan waste, an increase of close to 15% on the previous year.

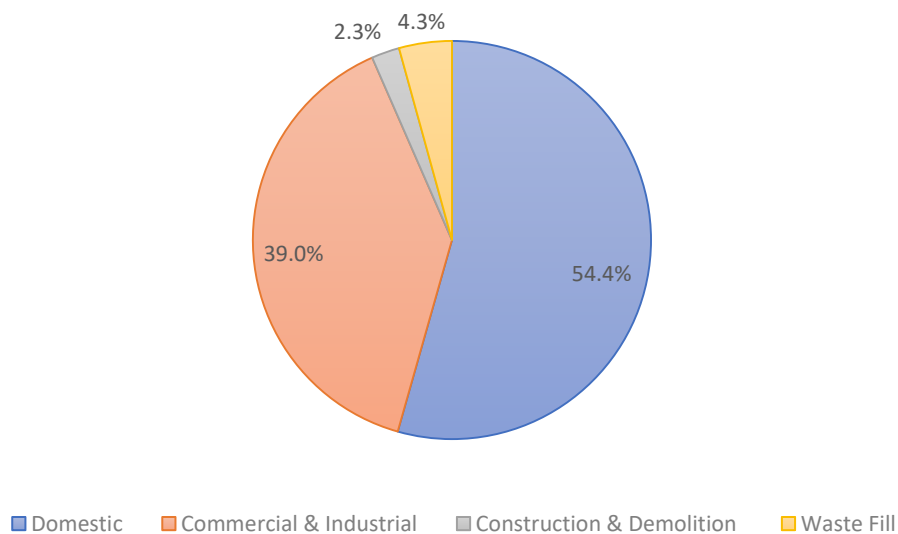
Landfill Gross Revenue



Waste Streams

Over 50% of the material disposed to landfill is made up of domestic waste from kerbside collection services. 39% of the material disposed is from the commercial and industrial sector, which includes material from Member and non- member Local Government transfer stations or resource recovery centres and commercial customers, some of which collect skip bins etc. throughout the member council regions or on behalf of Member Councils. A small portion of material is C&D waste, where recovery is not possible and is disposed directly to landfill and approximately 4% is waste fill, which is used for daily cover and will be utilised for capping material.

Waste streams to landfill





Recovering steel from mixed waste material destined for landfill

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. This has been assisted by the continued and consistent use of the facilities by the Council’s operations area and joint projects to produce quality road base materials from recycled products, particularly within the Adelaide Hills Council area. The AHRWMA and Murray Bridge Council have formed a strong working relationship and continue to positively manage Murray Bridge Council soil and concrete stockpiles at the Brinkley site. In 2018/19 patronage across both sites dropped slightly on 2017/18.

HEATHFIELD RRC TRANSACTIONS



BRINKLEY RRC TRANSACTIONS



*WE COLLABORATE WITH OUR
CONSTITUENT COUNCILS TO FOCUS ON
RESOURCE RECOVERY AND BUILDING A
CIRCULAR ECONOMY WITHIN OUR
REGION.*

Tonnes to Landfill

The tonnes of waste disposed to landfill from both the Brinkley and Heathfield sites have reduced in 2018/19. The AHRWMA maintains a strong focus on diversion of waste from landfill and achieves a diversion rate across the sites of approximately 80%.

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

Resource Recovery Sites - Waste Tonnes to Landfill				
	2015/16	2016/17	2017/18	2018/19
Heathfield	2,010	1,840	1,562	1,533
Brinkley	1,682	1,818	1,719	1,623

Financials

The Heathfield RRC exceeded the 2018/19 budget target, finishing the year with a net loss of approximately \$34,100, compared to a budgeted loss of \$45,000, a positive variance of approximately \$10,900. The Brinkley site finished the year on budget with a net loss of approximately \$54,000.

The Authority will continue to monitor the Transfer Station 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.





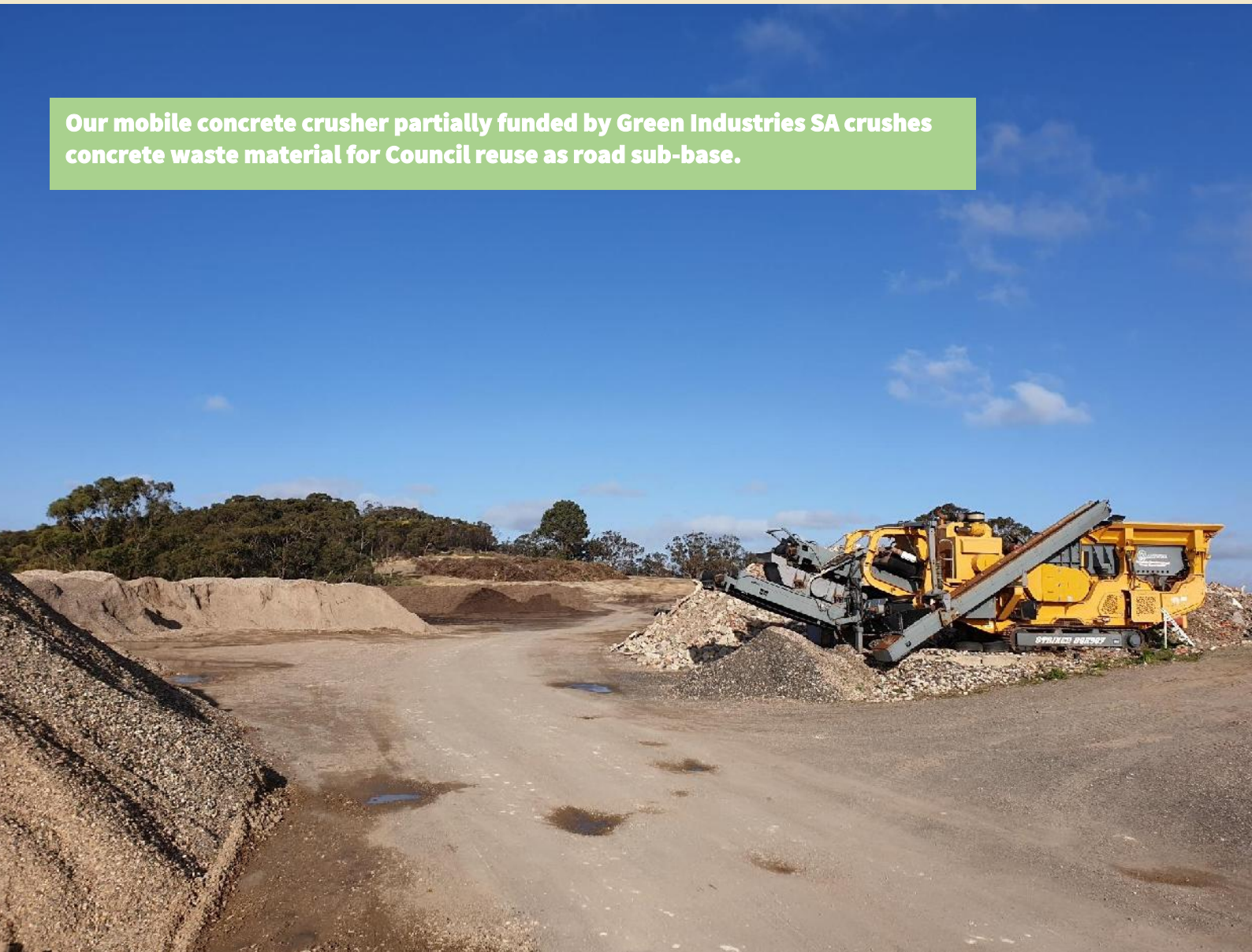
We remove tyre rims for efficient & cost effective processing. Recovering steel, decreasing disposal costs and generating income for the sites.

***IN 2018/19 WE RECOVERED:
52 TONNES OF E-WASTE
794 TONNES OF METALS &
259 TONNES OF CARDBOARD
FOR RECYCLING ACROSS OUR RRCS***



We collect asbestos, Drummuster containers and tyres across our RRCS for recycling or appropriate disposal at licenced facilities.

Our mobile concrete crusher partially funded by Green Industries SA crushes concrete waste material for Council reuse as road sub-base.



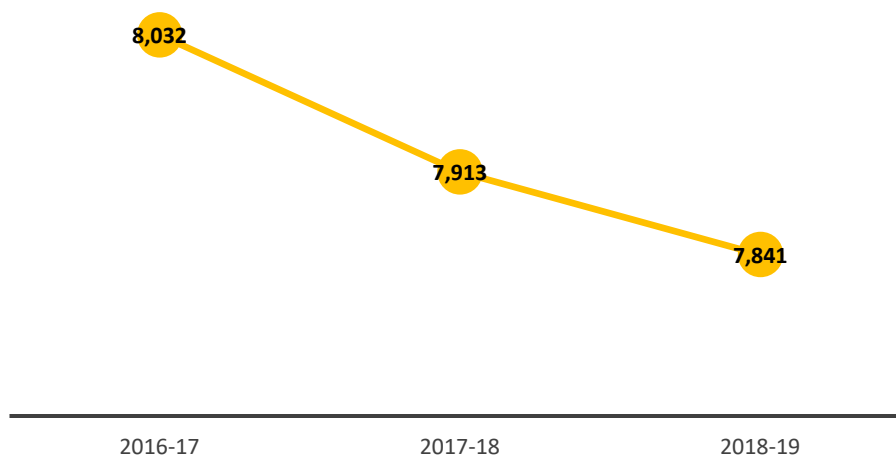
KERBSIDE WASTE & RECYCLING COLLECTIONS Adelaide Hills, Mount Barker & Murray Bridge

The Authority facilitates a shared Waste Strategy Coordinator resource across three of the Member Councils: Adelaide Hills Council, the Mount Barker District Council and the Rural City of Murray Bridge. The Waste Strategy Coordinator manages waste & resource services on behalf of the councils.

Recycling Service

Across the three Councils a total of 7,841 tonnes of recycling was collected via the kerbside service, which is a decrease of 72 tonnes compared to the 2017/18 year, compared to a decrease of 191 tonnes from the previous 2016/17 year. The impact of the National China Sword Policy may influence resident's recycling behavior.

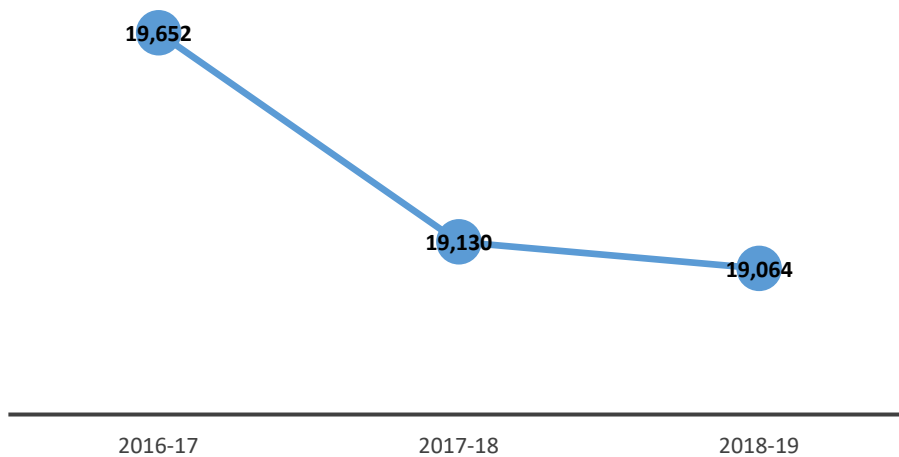
Kerbside Recycling Tonnes



Waste Service

Total kerbside waste disposed to landfill from within the three Member Council regions has decreased by a total of 66 tonnes in comparison to the previous year, while the population continues to grow.

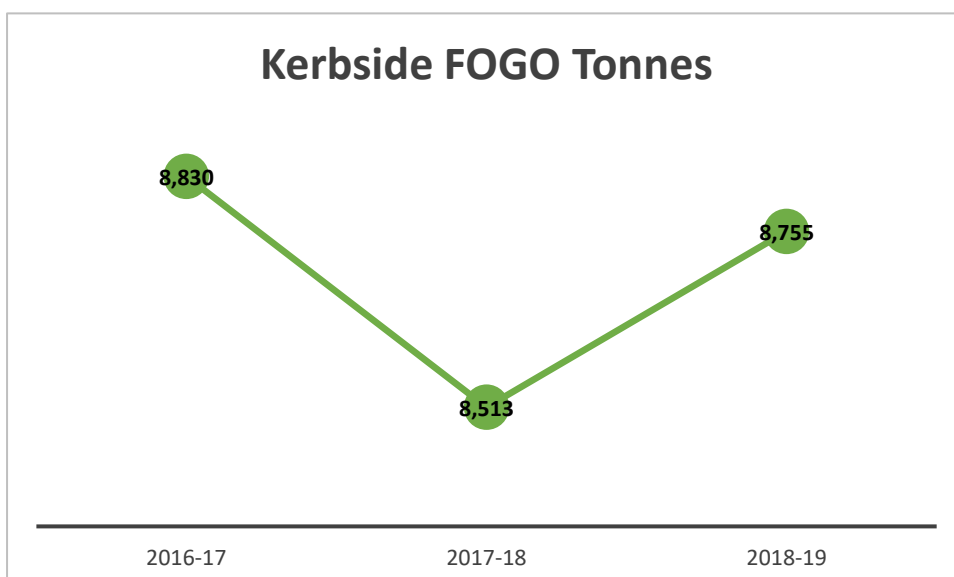
Kerbside Waste Tonnes to Landfill



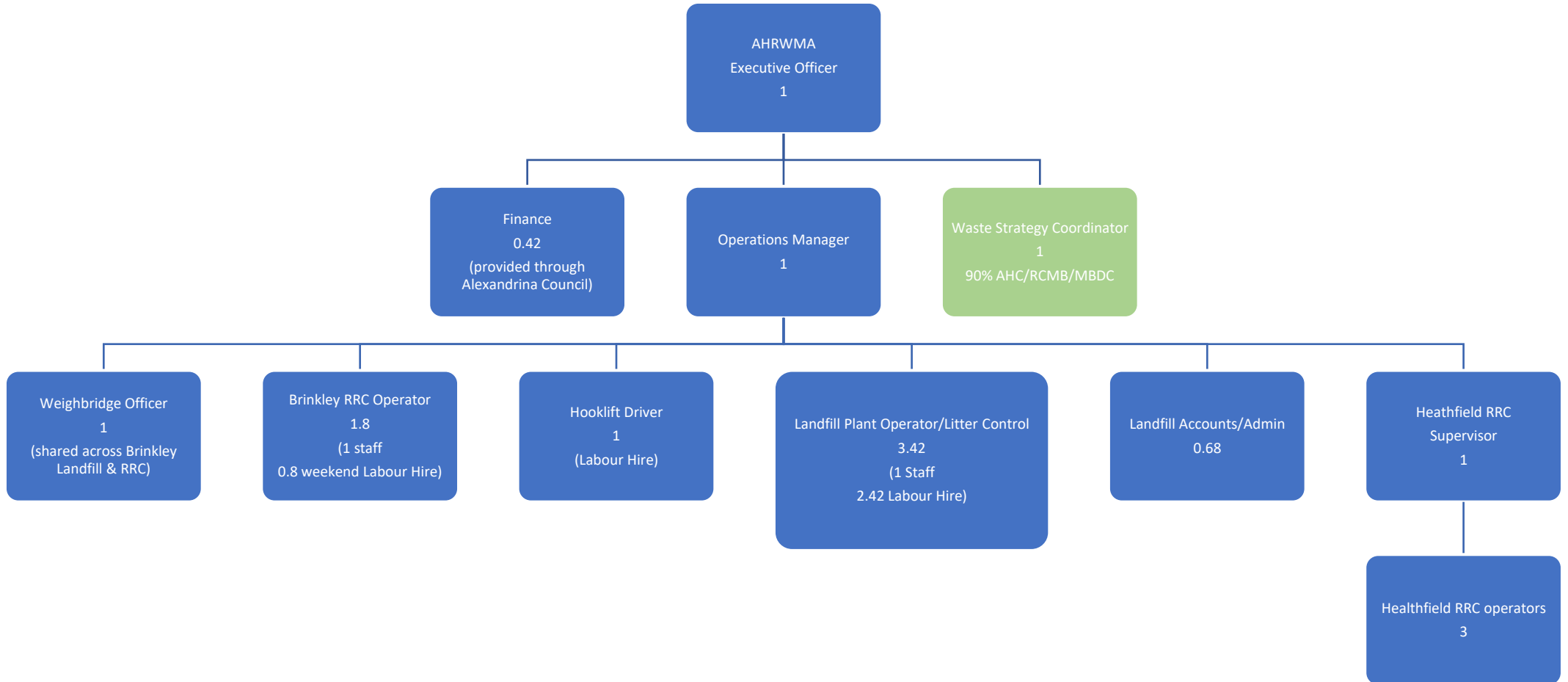
Kerbside Green Organics (FOGO)

Properties within the Township areas of the three Councils are entitled to a green bin service, which also accepts food waste (FOGO). The 2018/19 financial year saw an increase of green organics of 241 tonnes from the previous 2017/18 financial year. Green organics can be heavily dependent on rainfall, however BOM data suggests rainfall recorded within the Mount Barker area in 2018 was lower than 2017 indicating an increase in FOGO independent of climatic conditions.

Kerbside FOGO Tonnes



Organisation Chart 2018/19



Adelaide Hills Region Waste Management Authority

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Adelaide Hills Region Waste Management Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
User charges	2	3,827,815	3,488,750
Grants, subsidies and contributions	2	11,887	-
Investment income	2	262	586
Other income	2	2,135,142	1,938,670
Total Income		<u>5,975,106</u>	<u>5,428,006</u>
EXPENSES			
Employee costs	3	1,121,692	955,444
Materials, contracts & other expenses	3	3,953,400	4,489,959
Depreciation, amortisation & impairment	3	481,832	426,238
Finance costs	3	57,531	43,031
Total Expenses		<u>5,614,455</u>	<u>5,914,672</u>
OPERATING SURPLUS / (DEFICIT)		360,651	(486,666)
Asset disposal & fair value adjustments	4	272	55,419
Amounts received specifically for new or upgraded assets	2	20,000	-
NET SURPLUS / (DEFICIT)		380,923	(431,247)
transferred to Equity Statement			
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>380,923</u>	<u>(431,247)</u>

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

Adelaide Hills Region Waste Management Authority

STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

ASSETS	Notes	2019	2018
		\$	\$
Current Assets			
Cash and cash equivalents	5	309,592	272,356
Trade & other receivables	5	403,816	367,632
Inventories	5	3,791	4,376
Total Current Assets		<u>717,199</u>	<u>644,364</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	4,214,420	3,831,862
Total Non-current Assets		<u>4,214,420</u>	<u>3,831,862</u>
Total Assets		<u>4,931,619</u>	<u>4,476,226</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	661,953	1,294,259
Borrowings	7	1,579,500	1,312,683
Provisions	7	244,212	163,646
Total Current Liabilities		<u>2,485,665</u>	<u>2,770,588</u>
Non-current Liabilities			
Provisions	7	1,551,010	1,191,617
Total Non-current Liabilities		<u>1,551,010</u>	<u>1,191,617</u>
Total Liabilities		<u>4,036,675</u>	<u>3,962,205</u>
NET ASSETS		<u>894,944</u>	<u>514,021</u>
EQUITY			
Accumulated Surplus	8	894,944	514,021
TOTAL EQUITY		<u>894,944</u>	<u>514,021</u>

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

Adelaide Hills Region Waste Management Authority

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2019

	Notes	Accumulated Surplus	TOTAL EQUITY
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		894,944	894,944
2018			
Balance at end of previous reporting period		945,268	945,268
Net Surplus / (Deficit) for Year		(431,247)	(431,247)
Balance at end of period		514,021	514,021

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 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		6,269,299	6,040,322
Investment receipts		262	624
<u>Payments</u>			
Operating payments to suppliers & employees		(6,138,872)	(5,856,566)
Finance payments		(55,707)	(34,579)
Net Cash provided by (or used in) Operating Activities	9	74,982	149,801
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		20,000	-
Sale of replaced assets	4	78,364	112,091
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(59,146)	(699,137)
Expenditure on new/upgraded assets		(343,781)	(497,452)
Net Cash provided by (or used in) Investing Activities		(304,563)	(1,084,498)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		407,317	1,250,000
<u>Payments</u>			
Repayments of Borrowings		(140,500)	(337,317)
Net Cash provided by (or used in) Financing Activities		266,817	912,683
Net Increase (Decrease) in cash held		37,236	(22,014)
Cash & cash equivalents at beginning of period	9	272,356	294,370
Cash & cash equivalents at end of period	9	309,592	272,356

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 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

3 Income recognition

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

Where grants, contributions and donations recognised as income during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as income in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period. The Authority's does not receive Grants Commission funding.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policy applied to financial instruments forms part of Note 10.

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Road Construction & Reconstruction	\$10,000

6.3 Depreciation of Non-Current Assets

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

Plant, Furniture & Equipment

Office Equipment	5 years
Other Plant & Equipment	5 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 for this year has been capitalised and will be amortised over the estimated filling life of the cell. Any further expenditure on the cell to complete its useful life will be amortised over that remaining life.

6.4 Impairment

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

6.5 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

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

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

9.2 Superannuation

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

Accumulated fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2017/18). No further liability accrues to the employer as the superannuation benefits accruing to the employees are represented by their share of the net assets of the Fund.

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

10 Rehabilitation

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

Golders Associates Pty Ltd have undertaken an assessment of the estimated capping costs of existing landfill operation sites at the Brinkley Landfill in July 2019. As a result of the work conducted, the Authority has updated its capping liability estimates in Note 7 which resulted in a net increase to the cell capping provision of \$102,821. Part of this movement saw non cash income amount, totalling \$141,451, recognised in the Statement of Comprehensive Income. A corresponding increase to the cell capping asset has also been recorded in accordance with the requirements under AASB 116.

The Authority recognises a capping liability for all past and present active landfill cell operational areas. The Authority is as at reporting date constructing a cell which will result in additional capping liability being realised once the cell becomes operational in future periods.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

11 Revenue from Contracts with Customers

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

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

12 Leases

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contract – except leases with a maximum term of 12 months and leases for non-materials amount – 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, The Authority has no leases to which this treatment will need to be applied.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$	2018 \$
USER CHARGES			
Waste disposal fee - Adelaide Hills Council		1,009,573	883,933
Waste disposal fee - Alexandrina Council		202,767	192,082
Waste disposal fee - Mount Barker District Council		720,287	674,476
Waste disposal fee - Rural City of Murray Bridge		581,874	459,895
Waste disposal fee - Other Customers		<u>1,313,314</u>	<u>1,278,364</u>
		<u>3,827,815</u>	<u>3,488,750</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		262	586
		<u>262</u>	<u>586</u>
OTHER INCOME			
Consultancy service		1,140	3,962
Waste officer contribution		121,387	134,838
Waste Transfer Station Income		1,407,851	1,380,918
Waste Transfer Station Management		88,385	74,580
Transport Income		206,204	180,602
Fuel Tax Rebate		48,825	53,967
Machinery Charge Out		92,066	100,932
Recycled Income		1,078	258
Movement in Landfill Liabilities	1.10	141,451	0
Sundry		26,755	8,613
		<u>2,135,142</u>	<u>1,938,670</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		20,000	-
Other grants, subsidies and contributions			
Sundry		11,887	-
		<u>31,887</u>	<u>-</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 3 - EXPENSES

	Notes	2019 \$	2018 \$
EMPLOYEE COSTS			
Salaries and Wages		848,816	729,082
Employee leave expense		120,183	106,210
Superannuation		86,821	74,196
Workers' Compensation Insurance		31,472	22,164
Other		34,400	23,793
Total Operating Employee Costs		1,121,692	955,444
 Total Number of Employees		 11	 11
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		7,663	4,205
 <u>Other Materials, Contracts & Expenses</u>			
Contractors		261,878	249,291
Waste Transfer Station Expenses		986,892	963,056
Repairs and Maintenance		185,269	191,010
Research and Development		42,609	1,873
Administration and Accountancy Service		63,047	113,770
EPA Waste Levy		2,176,048	1,885,851
EPA Licence Fees		5,329	8,100
Land Lease		49,681	48,788
Insurance and Legal		25,887	762,159
Professional Services		-	98,568
Parts, accessories & consumables		141,962	150,896
Sundry		7,135	12,392
Subtotal - Other Materials, Contracts & Expenses		3,945,737	4,485,754
		3,953,400	4,489,959

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 3 - EXPENSES (cont)

	Notes	2019 \$	2018 \$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Road Infrastructure	6	5,534	5,534
Buildings	6	12,012	13,879
Vehicles	6	19,269	19,048
Plant & Equipment	6	231,843	190,468
Landfill Cells	6	132,873	143,126
Lechate Ponds	6	8,697	8,697
Landfill Rehabilitation	6	20,045	13,990
Landfill Cell Capping	6	51,559	31,496
		<u>481,832</u>	<u>426,238</u>
FINANCE COSTS			
Interest on borrowings		<u>57,531</u>	43,031
		<u>57,531</u>	<u>43,031</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2019 \$	2018 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		78,364	112,091
Less: Carrying amount of assets sold	6	<u>78,092</u>	<u>56,672</u>
Gain (Loss) on disposal		<u>272</u>	<u>55,419</u>
NET GAIN (LOSS) ON DISPOSAL OF ASSETS		<u>272</u>	<u>55,419</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 5 - CURRENT ASSETS

	2019	2018
CASH & EQUIVALENT ASSETS		
	Notes	
Cash on Hand and at Bank	\$	\$
	<u>309,592</u>	<u>272,356</u>
	<u>309,592</u>	<u>272,356</u>
TRADE & OTHER RECEIVABLES		
Accrued Revenues	14,986	-
Debtors - general	<u>388,830</u>	<u>367,632</u>
	<u>403,816</u>	<u>367,632</u>
INVENTORIES		
Stores & Materials	3,791	4,376
	<u>3,791</u>	<u>4,376</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2018				2019			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Road Infrastructure	-	138,352	(27,739)	110,613	-	138,352	(33,273)	105,079
Buildings	-	266,763	(65,700)	201,063	-	270,949	(77,712)	193,237
Vehicles	-	92,963	(56,820)	36,143	-	129,622	(76,089)	53,533
Plant & Equipment	-	3,019,850	(1,224,580)	1,795,270	-	3,133,972	(1,360,627)	1,773,345
Landfill Cells	-	2,072,965	(1,109,682)	963,283	-	2,147,038	(1,242,555)	904,483
Lechate Ponds	-	173,938	(36,712)	137,226	-	173,938	(45,409)	128,529
Landfill Rehabilitation	-	395,900	(135,092)	260,808	-	691,182	(155,137)	536,045
Landfill Cell Capping	-	726,589	(399,133)	327,456	-	986,195	(466,026)	520,169
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	6,887,320	(3,055,458)	3,831,862	-	7,671,248	(3,456,828)	4,214,420
<i>Comparatives</i>		5,447,809	(2,968,001)	2,479,808		6,887,320	(3,055,458)	3,831,862

This Note continues on the following page.

* Please note Landfill Cells includes an amount relating to Cell 9 which is in WIP.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

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

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR							2019
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Adjustments	Net Revaluation	CARRYING AMOUNT
	New/Upgrade	Renewals							
Road Infrastructure	110,613	-	-	-	(5,534)	-	-	-	105,079
Buildings	201,063	4,186	-	-	(12,012)	-	-	-	193,237
Vehicles	36,143	-	36,659	-	(19,269)	-	-	-	53,533
Plant & Equipment	1,795,270	265,522	22,488	(78,092)	(231,843)	-	-	-	1,773,345
Landfill Cells	963,283	74,073	-	-	(132,873)	-	-	-	904,483
Lechate Ponds	137,226	-	-	-	(8,697)	-	-	-	128,529
Landfill Rehabilitation	260,808	295,282	-	-	(20,045)	-	-	-	536,045
Landfill Cell Capping	327,456	244,272	-	-	(51,559)	-	-	-	520,169
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	3,831,862	883,335	59,147	(78,092)	(481,832)	-	-	-	4,214,420
<i>Comparatives</i>	2,479,808	825,741	1,009,223	(56,672)	(426,238)	-	-	-	3,831,862

* Please note Landfill Cells includes an amount relating to Cell 9 which is in WIP.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 7 - LIABILITIES

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		577,941	-	1,236,014	-
Accrued expenses - other		13,860	-	12,036	-
Other		70,152	-	46,209	-
		<u>661,953</u>	<u>-</u>	<u>1,294,259</u>	<u>-</u>
 BORROWINGS					
Cash Advance Debenture		1,579,500	-	1,312,683	-
		<u>1,579,500</u>	<u>-</u>	<u>1,312,683</u>	<u>-</u>
 PROVISIONS					
Annual Leave		113,179	-	102,818	-
Long Service Leave		131,033	30,417	60,828	69,128
Future reinstatement / restoration		-	696,183	-	395,900
Cell Capping		-	824,410	-	726,589
		<u>244,212</u>	<u>1,551,010</u>	<u>163,646</u>	<u>1,191,617</u>
 Movements in Provisions - 2019 year only (current & non-current)					
			<i>Future Reinstatement</i>	<i>Cell Capping</i>	<i>Total</i>
Opening Balance		400,900	721,589		1,122,489
Add Additional amounts recognised		295,283	102,821		398,104
Closing Balance		<u>696,183</u>	<u>824,410</u>		<u>1,520,593</u>

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

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.

	2019	2018
Volumes of waste dumped (in tonnes)	%	%
Adelaide Hills Council	33.1%	32.9%
Alexandrina Council	8.9%	9.4%
Mount Barker District Council	32.3%	32.0%
Rural City of Murray Bridge	25.7%	25.7%
	<u>100%</u>	<u>100%</u>

Distribution in accordance with the above percentages

	\$	\$
Adelaide Hills Council	125,941	(141,880)
Alexandrina Council	33,720	(40,537)
Mount Barker District Council	123,185	(137,999)
Rural City of Murray Bridge	98,077	(110,831)
	<u>380,923</u>	<u>(431,247)</u>

DISTRIBUTION SHARE OF EQUITY

Adelaide Hills Council		
Balance at end of previous reporting period	244,637	386,517
Share of surplus	125,941	(141,880)
Balance at end of period	<u>370,578</u>	<u>244,637</u>
Alexandrina Council		
Balance at end of previous reporting period	65,124	105,661
Share of surplus	33,720	(40,537)
Balance at end of period	<u>98,844</u>	<u>65,124</u>
Mount Barker District Council		
Balance at end of previous reporting period	245,716	383,715
Share of surplus	123,185	(137,999)
Balance at end of period	<u>368,901</u>	<u>245,716</u>
Rural City of Murray Bridge		
Balance at end of previous reporting period	(41,456)	69,375
Share of surplus	98,077	(110,831)
Balance at end of period	<u>56,621</u>	<u>(41,456)</u>
TOTAL EQUITY AT END OF REPORTING PERIOD	894,944	514,021

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2019	2018
		\$	\$
Total cash & equivalent assets	5	<u>309,592</u>	<u>272,356</u>
Balances per Cash Flow Statement		<u>309,592</u>	<u>272,356</u>

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

Net Surplus (Deficit)		380,923	(431,247)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		481,832	426,238
Net increase (decrease) in unpaid employee benefits		41,855	42,537
Movement in landfill liability		(141,451)	-
Grants for capital acquisitions treated as Investing Activity		(20,000)	-
Net (Gain) Loss on Disposals		<u>(272)</u>	<u>(55,419)</u>
		742,887	(17,891)
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(36,184)	44,285
Net (increase) decrease in inventories		585	(838)
Net (increase) decrease in other current assets		-	-
Net increase (decrease) in trade & other payables		(632,306)	124,245
Net increase (decrease) in other provisions		-	-
Net Cash provided by (or used in) operations		<u>74,982</u>	<u>149,801</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Estimated future reinstatement etc. costs		<u>398,104</u>	<u>328,289</u>

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:			
Cash Advance Debenture Facility (CAD)		1,650,000	1,650,000
Corporate Credit Cards		8,000	8,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice, this facility is provided by the Local Government Finance Authority of SA.

As at 30 June 2019 the Authority has drawn down \$1,579,500 of the available CAD limit.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 10 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits at call have an average maturity of 90 days and an average interest rate of 1.25% (2018: 90 days, 1.5%).</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Overdraft	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues interest is charged at an average variable rate of 3.57%.</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 2019

Note 10 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	309,592	-	-	309,592	309,592
Receivables	403,816	-	-	403,816	403,816
Total	713,408	-	-	713,408	713,408
Financial Liabilities					
Payables	648,093	-	-	648,093	648,093
Borrowings	1,579,500	-	-	1,579,500	1,579,500
Total	2,227,593	-	-	2,227,593	2,227,593
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	272,356	-	-	272,356	272,356
Receivables	367,632	-	-	367,632	367,632
Total	639,988	-	-	639,988	639,988
Financial Liabilities					
Payables	1,282,223	-	-	1,282,223	1,282,223
Borrowings	1,312,683	-	-	1,312,683	1,312,683
Total	2,594,906	-	-	2,594,906	2,594,906

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

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Overdraft	3.57	1,579,500	3.56	1,312,683
Non Interest Bearing	-	648,093		1,282,223
		2,227,593		2,594,906

Net Fair Value

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

Risk Exposures

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

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

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

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

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 11 - COMMITMENTS FOR EXPENDITURE

The Authority as at 30 June 2019 had no commitments for expenditure.

Note 12 - OPERATING LEASES

The Authority as at 30 June 2019 has a commitment to lease the land on which the Brinkley landfill presides. The current lease expires on the 13th February 2021, with one right of extension of 5 years.

Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2019 is a defendant in Supreme Court proceedings in which it is asserted that the Authority made misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. The claim for damages is approximately \$2.5 million plus legal costs. The Authority's legal advisors have stated the claim is denied and has been fully defended. Trial for this action concluded December 2017 and is currently waiting judgement. The Authority's legal advisors anticipate that a judgement will be delivered by October 2019.

Note 14 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2019 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 2019

Note 15 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

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

	2019	2018
Salaries, allowances & other short term benefits	\$ 145,397	\$ 223,168
Post-employment benefits	\$ -	\$ -
Long term benefits	\$ 13,813	\$ 12,983
Termination Benefits	\$ -	\$ -
TOTAL	\$ 159,210	\$ 236,151

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Adelaide Hills Council	1,010	63	Provision of waste processing and disposal services.
Alexandrina Council	197	15	Provision of waste processing and disposal services.
Mount Barker District Council	598	70	Provision of waste processing and disposal services.
Rural City of Murray Bridge	582	37	Provision of waste processing and disposal services.

Amounts recorded as outstanding from Related Parties are recorded in trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as 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 those policies.

Adelaide Hills Region Waste Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 16 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2019	2018
	\$	\$
Income	5,975,106	5,428,006
Expenses	<u>(5,614,455)</u>	<u>(5,914,672)</u>
Operating Surplus / (Deficit)	360,651	(486,666)
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(59,146)	(699,137)
Add back Depreciation, Amortisation and Impairment	481,832	426,238
Proceeds from Sale of Replaced Assets	<u>78,364</u>	<u>112,091</u>
	501,050	(160,808)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(343,781)	(497,452)
Amounts received specifically for New and Upgraded Assets	20,000	-
	<u>(323,781)</u>	<u>(497,452)</u>
Net Lending / (Borrowing) for Financial Year	<u>537,920</u>	<u>(1,144,926)</u>

Adelaide Hills Region Waste Management Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

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 2019 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: 9 September 2019

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

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 2019, 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:

5/8/2019

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

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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: 07/08/2019

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

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This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Andrew Stuart
CHIEF EXECUTIVE OFFICER
Mount Barker District Council

Date: 16/5/19


**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

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This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.


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

Date: 16.07.2019

EastWaste



**ANNUAL
REPORT
2018-2019**

A TOTAL OF 105,328

KERBSIDE TONNES

COLLECTED



CONTENTS



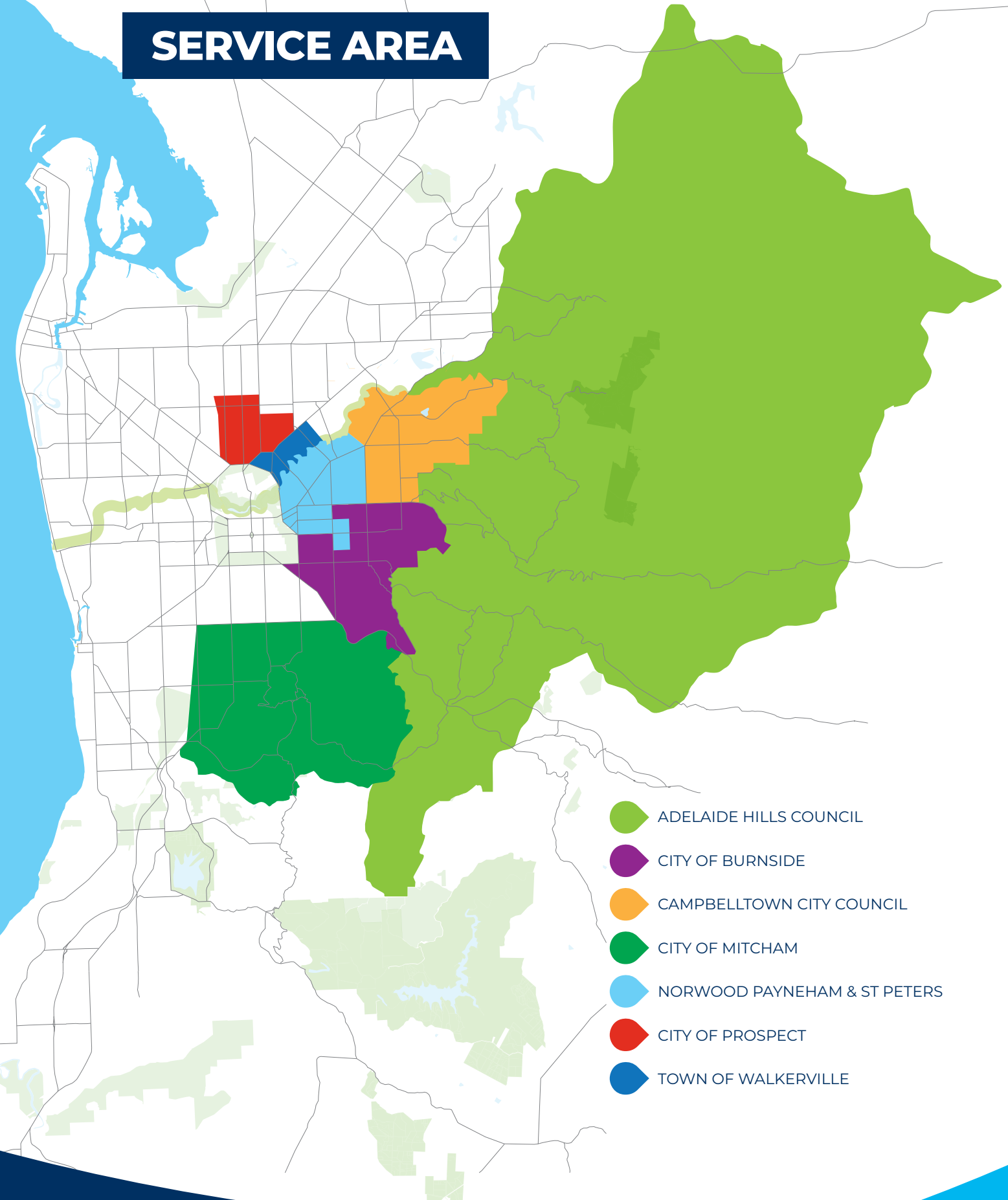
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EAST WASTE

SERVICE AREA



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

CHAIRPERSON'S

REPORT



The public interest and momentum within the resource recovery industry continues and from an environmental and cost perspective, responsible organisations are strongly focused on recovering kerbside materials that can be recycled and re-purposed, and diverting any collected materials from going to landfill.

As such, East Waste continues to show leadership in shaping the future of the sector in a range of areas. Throughout this Report, (and East Waste's General Manager Rob Gregory's Report), we will highlight what East Waste is doing to reduce material going to landfill and how we are doing it.

In my last year as Chairperson of East Waste, it is my pleasure to be able to bring to your attention the accomplishments of East Waste in this Report for the 2018/19 financial year.

Education and Behaviour Change Initiatives

East Waste's on-going "Why waste it?" education campaign continues to build on its success of recent years. As part of East Waste's education focus, stakeholders and residents may be aware of East Waste's whichbin.com.au website, which provides a detailed A-Z guide, assisting the community in knowing what items go in 'which bin' and how to divert many resources from going to landfill.

The success of this A-Z guide has garnered considerable interest, which prompted the

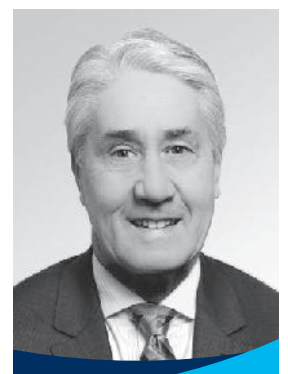
South Australian Government to approach East Waste seeking to take over the ownership of the website and A-Z guide, with the intention of targeting residents and providing consistent information to all South Australians.

The East Waste Board were more than happy to hand over the whichbin.com.au website and A-Z guide to the State Government, as it was seen as a positive step forward in providing a consistent education recycling message to all South Australian's.

The State Government's whichbin.com.au website can be found at: whichbin.sa.gov.au

Strategic Focus

The 2018/19 Financial Year has seen East Waste review its 10 Year Business Plan. East Waste has consulted with its Member Councils, its Board, staff and industry experts to assist in shaping and identifying its future strategic direction.



Mr Brian Cunningham
Independent Chairperson

CHAIRPERSON'S REPORT

The focus of this plan, and one that is supported by the abovementioned stakeholders, is the identification of residential/community behaviour change initiatives that will result in the reduction of materials/resources going to landfill.

Of particular focus within the strategic direction, is identifying and putting into practice tangible plans that will get food scraps out of the kerbside general waste bins and into the green organics bin, whereby it can be processed into organic products such as compost and mulch. I look forward to the endorsed Strategic Plan being released in the 2019/20 Financial Year and guiding the Organisations exciting future.

Well done to East Waste's Board, Audit and Risk Management Committee and Executive Staff for overseeing a positive result for East Waste's Member Councils.

Thank you, and farewell

My tenure as Chairperson of East Waste has come to its conclusion, therefore this is my last East Waste Annual Report. Having been initially appointed as Chairperson in 2013, I have been privileged to be able occupy this position for the past six (6) years.

In this time, the East Waste Board has overseen significant positive change across its entire



Financial Performance

I am pleased to be able to report that East Waste has delivered an operating surplus of \$136,000 for the 2018/19 Financial Year. In a year that has seen ever increasing fuel prices, this is an outstanding result and is a testament to the robust financial policies, practices and governance arrangements East Waste has established to ensure strict management of its annual budgets.

business and service delivery to its Member Councils. The maturity and growth of East Waste as an organisation and industry advocacy leader has been extremely satisfying, and I am genuinely proud of who East Waste is today.

I would like to thank the East Waste Board and Audit and Risk Management Committee for their continued commitment to deliver strong leadership and positives outcomes for East Waste during my tenure.

ADSHEL

Soft plastic is not fantastic.

COMPOST



whichbin.com.au

AVOID RE-USE RECYCLE COMPOST

EastWaste

**5,500 RESIDENTS RECEIVING
THE 'SPOTLIGHT ON WASTE'
WEEKLY NOTIFICATIONS**

CHAIRPERSON'S REPORT



Both the Board and Committee members were always collegial in their approach and put the interests of East Waste before anything else. This approach, and the conduct of all members, has put East Waste in the position it is in today.

To East Waste Member Councils, thank you for your support and leadership in working with East Waste to deliver its vision of growth and improvement. It has been a pleasure to oversee the delivery of service to all Member Councils.

To East Waste's General Manager, Mr Rob Gregory, thank you for your leadership of the

East Waste staff and your unwavering work ethic to see East Waste continue to provide leadership within the waste/resource recovery industry.

As I depart, I am confident in the future of the East Waste business under Rob's leadership. I look forward to watching East Waste's journey from afar.

I commend the 2018/19 East Waste Annual Report to you.

Brian Cunningham
Independent Chairperson



EAST WASTE ARE

EDUCATING RESIDENTS

AT COMMUNITY EVENTS

RECYCLE

EastWaste
Don't let contamination make our recyclables go to waste!

As a proud waste Australia we are the best recyclers in the nation. We can still do better by reducing our contamination.

Placing incorrect items in the recycling bin causes contamination, contamination causes problems during the sorting process, as well as decreasing the quality of the bins we collect. We have created a series of guides to help you understand how to use your recycling bin correctly.

The top 12 items we need to keep out of our yellow labeled recycling bin:

- PLASTIC BAGS:** We hate to see a bag, so please don't place your recycling in a bag!
- Household appliances:** To be used and often goes to waste. Not a bin or can be recycled. Please keep appliances in your car or arrange for collection by getting caught in the waste stream as well as bringing proper machinery to the recycling facility. Appliances may include: Dishwashers, freezers, refrigerators, and more.
- PLASTIC BOTTLES:** Plastic bottles can be placed in the yellow bin. However, glass bottles are not accepted. The only plastic bottles accepted are those that are clean, empty, and have no caps.
- E-WASTE:** Household electronics are not the place to recycle or place your electronic waste!
- TEXTILES:** No clothes please - no clothes/fabrics in the recycling bin!
- FOOD AND LIQUID:** Your recycling bin is not a trash can. It's not a place to put your food or liquid.

GENERAL MANAGER'S

REPORT



My Report in the 2017/18 East Waste Annual Report referred to the busy year that was 2017/18. The 2018/19 Financial Year has been no different, with considerable interest and focus on the waste/resource recovery industry and the local government/subsidiary environment.

Australia's Recycling industry continued to be impacted by the China Sword decision and flow-on affects throughout the 2018/19 Financial Year. East Waste has not been immune to the impacts, however, later in my report I will highlight East Waste's leadership and response to the disruption to the recycling industry.

I provide the following highlights to you:

Farewell to East Waste's Chairperson

Those that know about East Waste will be aware that Mr Brian Cunningham has been the Independent Chairperson for the past 6 years. Brian's tenure as Chairperson of East Waste has now concluded, and I would like to take this opportunity to express our (East Waste and its Member Councils) enormous gratitude to Brian.

Brian's tenure can only be described as highly successful. Brian has provided strong leadership to not only the Board but also to East Waste staff during his time. Brian's extensive leadership experience, network and capabilities genuinely shaped East Waste into the strong, mature business that we see today.

For all his success, whether in business or on the football field, Brian is a truly humble and respectful person who showed genuine care and belief in the Board, Committee's, staff, Member Councils and all other stakeholders. East Waste will truly miss Brian's contribution to East Waste and we wish him well for the future.

Turning a challenge into an opportunity

East Waste collects approximately 23,000 tonnes of kerbside (yellow bin) recyclables on behalf of its seven (7) Member Councils annually and holds the head contract on behalf of all Member Councils for the disposal of the collected recyclables.

The impacts of the world-wide recycling challenges resulted in East Waste having to undertake a procurement process with the intention of entering into a contract for the receipt and processing of recyclables.



Mr Rob Gregory
General Manager

GENERAL MANAGER'S REPORT



East Waste and its Member Councils entered into this process with a clear edict that any potential contractor would need to demonstrate transparency in how collected materials are processed and where they end up, on-shore processing where possible, commitment to a circular economy and a risk share approach to the management of the contract.

I am pleased to report, that after a robust process, the Board and all Member Councils resolved to enter into a contract with the Northern Adelaide Waste Management Authority (NAWMA) for the receipt and processing of recyclables. NAWMA holds a clear vision for the on-shore processing of the materials they receive, and they have a strong commitment to a circular economy here in South Australia.

The contract entered into is a first in Australia for its type and I look forward to the partnership with NAWMA.

Education

East Waste has operated in various iterations for over 90 years, principally in waste logistics, but is now evolving from predominately waste

collection to 'resource managers and educators' on behalf of our Member Councils. East Waste has in recent years been industry leaders in the waste education space thanks to passionate staff and as detailed in the Chairman's report resulted in the State Government taking ownership of our highly successful WhichBin? Branding for a statewide rollout. East Waste will continue delivering waste education as we seek to go an important step further and influence meaningful behaviour change practices.

East Waste were instrumental in working with the Local Government Association to expand the delivery of waste education and messaging via the My Local Services App across all South Australian Councils. If you haven't yet downloaded the free App I strongly encourage you to do so, so that you never miss bin night and you receive important waste disposal reminders at the same time.

Safety & Wellbeing

East Waste has and will continue its pursuit of improvement and implementation of innovative technology in order to advance the services

THE 'WHICH BIN' CAMPAIGN TO GO

STATEWIDE

clothes
textiles
lease.

hbin.com.au

Please don't
taint it with
wet paint.

whichbin.com.au

Empty Waste

Not in a
bag, leave
it loose.

Empty &
rinse, then
recycle.

whichbin.com.au

Soft plastic
is not
fantastic!

whichbin.com.au

Not the place
for electronic
waste.

whichbin.com.au

Beware of
the dreaded
shredded
paper!

whichbin.com.au

Wood
is not
for
recycling.

whichbin.com.au

GENERAL MANAGER'S REPORT



provided to our Member Councils. Underpinning this and all that we do is our principle of 'Safety First.' East Waste proactively embraced the requirements of the National Heavy Vehicle Legislation and this was formally recognised late last year by being awarded a WHS Best Practice Merit Award through the Local Government Association Workers Compensation Scheme.

This is but one of a number of significant improvements that we continue to implement to ensure all East Waste staff and other road users remain safe and free from injury.

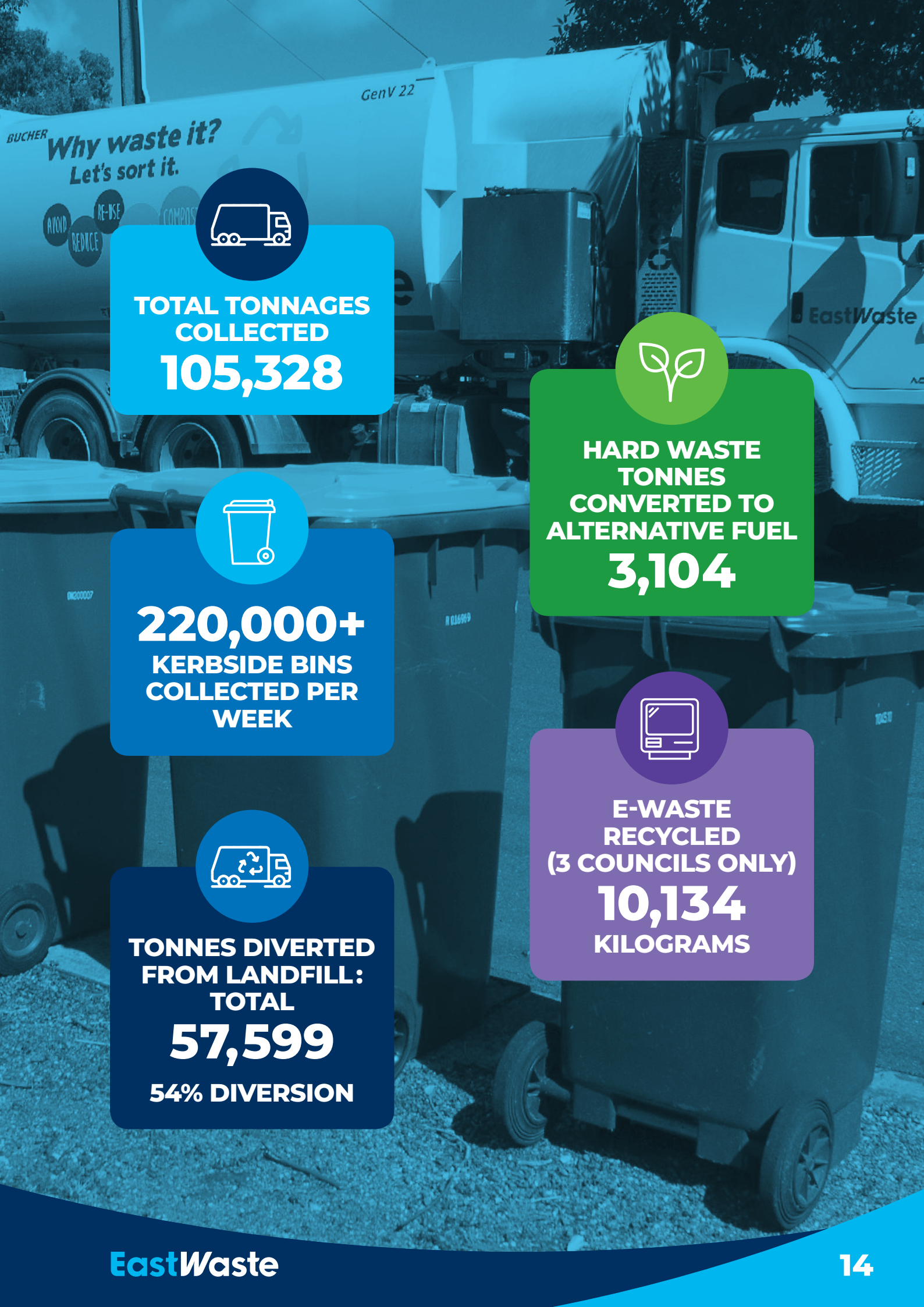
Thanks

The 2018/19 Financial Year has been busy and challenging one, however was ultimately a successful one, particularly with respect to the positive deliverables and strong operating results. This success would not have been possible without the commitment and work ethic of the East Waste Board, Audit and Risk Management Committee, Member Councils and importantly the East Waste staff.

I would like to thank the Board, Member Councils and the East Waste Executive Team for their support and guidance over the past 12 months.

East Waste has a number of exciting developments as part of the 2019/20 adopted Annual Plan and Budget and I look forward with great excitement to working with Member Councils, the Board and staff to deliver these over the coming 12 months.

Rob Gregory
General Manager



**TOTAL TONNAGES
COLLECTED
105,328**



**220,000+
KERBSIDE BINS
COLLECTED PER
WEEK**



**TONNES DIVERTED
FROM LANDFILL:
TOTAL
57,599
54% DIVERSION**



**HARD WASTE
TONNES
CONVERTED TO
ALTERNATIVE FUEL
3,104**



**E-WASTE
RECYCLED
(3 COUNCILS ONLY)
10,134
KILOGRAMS**

KERBSIDE TONNAGES

COLLECTED 2018-2019



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,473	3,863	7,027
City of Burnside	4,004	6,649	7,570
Campbelltown City Council	4,103	6,328	9,123
City of Mitcham	5,913	9,373	11,867 ¹
City of Norwood, Payneham & St Peters	3,332	4,526	6,839
City of Prospect	1,682	2,663	3,911
Town of Walkerville	633	1,058	1,392

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 1999*, 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 eleven formal meetings over the 2018 – 2019 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	6/11*
Cr Linda Green (Adelaide Hills Council)	11/11
Cr Grant Piggott (City of Burnside)	9/11
Mr Paul Di Iulio (Campbelltown City Council)	7/11
Cr Karen Hockley (City of Mitcham) *Term expired 25/11/2018	3/4
Mr Matthew Pears (City of Mitcham) *Appointed 25/11/2018 until 12/2/19	2/2
Mayor Heather Holmes-Ross (City of Mitcham) *Appointed 12/2/2019	4/5
Mr Mario Barone (City of Norwood, Payneham & St Peters)	11/11
Cr Gianni Busato (Corporation of the Town of Walkerville) *Term expired 23/11/2018	2/4
Cr Rob Ashby (Corporation of the Town of Walkerville) *Appointed 26/11/2018	6/7
Ms Cate Hart (City of Prospect) *Resignation effective 28 June 2019	8/10

*In order to appropriately manage a conflict of interest through the recycling tender process, Brian excused himself from meetings where the sole business related to the recycling tender.

EAST WASTE GOVERNANCE

DEPUTY DIRECTOR ATTENDANCE	MEETINGS
Mr Simon Bradley (City of Prospect)	2/11
Cr Stephen Fisher (City of Mitcham)	2/11
Mr Andrian Wiguna (Campbelltown City Council)	1/11
Cr Graham Webster (Corporation of the Town of Walkerville)	1/11

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 2018 – 2019 financial year.

The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	4/5
Mr Mario Barone (City of Norwood, Payneham & St Peters)	5/5
Cr Karen Hockley (City of Mitcham) *Term expired 25/11/2018	1/1
Cr Grant Piggott (City of Burnside) *Appointed 13 December 2018	3/3
Mr Tim Muhlhausler (Independent Member)	5/5
Mr Leigh Hall (Independent Member)	3/5

The Audited Financial Statements for the year ending 30 June 2019 are provided at page 19.

Recycling Review Technical Working Committee

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

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

Membership of the Committee is as follows:

RECYCLING REVIEW TECHNICAL WORKING COMMITTEE

Cr Karen Hockley (Chair)

Mr Grant Piggott (City of Burnside)

Mr Paul Di Iulio (Campbelltown City Council)

Mr Jeff Tate (Independent Member)

Mr Rob Gregory (East Waste)

Mr Shane Raymond (East Waste)

The Committee held two formal meetings in the 2018 – 2019 financial year.

MY LOCAL SERVICES APP

AVAILABLE TO RESIDENTS

THROUGH 2018-2019



Due to local success, East Waste facilitated a statewide rollout of the waste spotlights on the My Local Services App.



**FINANCIAL
STATEMENTS
2018-2019**

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FINANCIAL STATEMENTS 2018-2019

CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

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 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



Rob Gregory
EXECUTIVE OFFICER



Paul Di Iulio
ACTING CHAIRPERSON

Date: 26/09/2019

FINANCIAL STATEMENTS 2018-2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
INCOME			
User charges	2	15,440	12,689
Investment income	2	32	19
Grants, subsidies and contributions		38	15
Other	2	684	413
Total Income		16,194	13,136
EXPENSES			
Employee costs	3	5,580	5,605
Materials, contracts & other expenses	3	8,229	5,776
Finance costs		290	321
Depreciation, amortisation & impairment	3	1,959	1,767
Total Expenses		16,058	13,469
OPERATING SURPLUS / (DEFICIT)		136	(333)
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	32	10
Amounts received specifically for new/upgraded assets		-	-
NET SURPLUS / (DEFICIT)		168	(323)
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		168	(323)

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

FINANCIAL STATEMENTS 2018-2019

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,967	1,376
Trade & other receivables	5	717	1,127
Total Current Assets		2,684	2,503
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	6,100	6,165
Total Assets		8,784	8,668
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	771	821
Provisions	7	540	530
Borrowings	7	1,987	2,007
Total Current Liabilities		3,298	3,358
Non-current Liabilities			
Borrowings	7	4,702	4,774
Provisions	7	78	63
Total Non-current Liabilities		4,780	4,837
Total Liabilities		8,078	8,195
NET ASSETS		706	473
EQUITY			
Accumulated Surplus		706	473
TOTAL EQUITY		706	473

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

FINANCIAL STATEMENTS 2018-2019

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2019		
Balance at end of previous reporting period	473	473
Net Surplus/ (Deficit) for Year	168	168
Other Comprehensive Income		
Contributed Equity	65	65
Distributions to Member Councils	-	-
Balance at end of period	706	706

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

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

FINANCIAL STATEMENTS 2018-2019

STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Operating receipts		16,572	12,400
Investment receipts		32	20
<i>Payments</i>			
Employee costs		(5,555)	(5,548)
Materials, contracts & other expenses		(8,260)	(5,808)
Finance payments		(309)	(320)
Net Cash provided by (or used in) Operating Activities	8	2,480	744
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Sale of replaced assets	4	35	11
Sale of surplus assets	4	-	-
<i>Payments</i>			
Expenditure on renewal/replacement of assets	6	(1,897)	1,887
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	-
Net Cash provided by (or used in) Investing Activities		(1,862)	(1,876)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
Capital contribution by member councils		65	185
Proceeds from Borrowings		1,814	1,971
<i>Payments</i>			
Repayments of Borrowings		(1,906)	(1,632)
Net Cash provided by (or used in) Financing Activities		(27)	524
Net Increase (Decrease) in cash held		591	(608)
Cash & cash equivalents at beginning of period	5	1,376	1,984
Cash & cash equivalents at end of period	5	1,967	1,376

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



EastWaste

EastW

EAST WASTE COLLECTED

34,459 TONNES OF

ORGANIC WASTE

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood, Payneham & St Peters, City of Prospect and the Corporation of the Town of Walkerville. The seven Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 and Section 25 of the Local Government Implementation Act 1999.

3 Income Recognition

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

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

5 Property, Plant & Equipment

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

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

5.2 Materiality

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

5.3 Depreciation of Non-Current Assets

Property, plant and equipment assets are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

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

Plant & Equipment	5 - 10 years
Buildings & Other Structures	5 - 20 years

5.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

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

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2018/19; 9.5% in 2017/18). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial.

The most recent full actuarial investigation conducted by the Scheme's actuary, 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 the Authority's contribution rates at some future time.

FINANCIAL STATEMENTS 2018-2019**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018****NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

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

8 Leases

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

In respect of finance leases, where the Authority substantially carries all the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets.

Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

9 GST Implications

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

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

10 Comparative Information

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

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.

FINANCIAL STATEMENTS 2018-2019

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

12 New Accounting Standards

Certain new accounting standards have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

The Authority is of the view that AASB 16 Leases will have an immaterial impact on the future financial performance and position of the Authority. It is estimated that AASB 16 will result in the Authority recognising an additional \$44,000 operating expense in FY2020 to account for different accounting treatment of its operating leases compared to the current adopted accounting policies of the Authority.

The Authority is expected to record a 'Right-of-Use' asset and a corresponding liability of equal value of \$1.32 million as at 1 July 2019 as a result of the introduction of AASB 16.

13 Highbury Landfill Authority Inc.

The Authority, originally known as the East Torrens Municipal Destructor Trust, was established on 19 July 1928 (the name change took place in 1993). As at 1 July 2004, the Authority comprised of 3 Member Councils, being the City of Norwood, Payneham & St Peters, City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham & St Peters, the City of Burnside and the Corporation of the Town of Walkerville established the Highbury Landfill Authority Inc. Its purpose included the facilitation of the closure and the post closure of the Highbury Landfill site, as well as managing the joint interests and liability of the Councils in relation to the closure of the site.

On 31 December 2004 the property known as the Highbury Landfill site was transferred from East Waste to Highbury Landfill Authority Inc.

On 1 January 2005, the Authority's Charter was amended to include the three new Member Councils – the City of Mitcham, the City of Campbelltown and the Adelaide Hills Council.

On 1 January 2005 a loan was created between the Authority and the Highbury Landfill Authority that represented the net value of assets in East Waste prior to 1 January 2005. This was an At Call Loan and interest had been capitalised until the loan was called in by the Highbury Landfill Authority in November 2008. The loan amount was

\$873,000 and the Authority borrowed the money from the National Australia Bank with an Interest Only Loan. This loan has now been re-financed through the Local Government Finance Authority, to be repaid in 10 years.

The Board of the Authority resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2006 Charter.

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2 - INCOME

	Notes	2019 \$'000	2018 \$'000
USER CHARGES			
Waste Collection Income		11,768	11,215
Waste Processing Income		3,456	1,643
Administration		216	239
Recycle Rebate		-	306
Recycle Rebate - Member Councils		-	(306)
Member Council Waste Collection Rebate		-	(408)
		15,440	12,689
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		32	19
		32	19
OTHER INCOME			
Bin Supply		201	106
Replacement Bins		439	271
Sundry		44	36
		684	413
NOTE 3 - EXPENSES			
EMPLOYEE COSTS			
Salaries and Wages		4,434	4,120
Employee leave expense		25	38
Superannuation		369	330
Wages Casual Agency		522	787
Workers' Compensation Insurance		120	166
Other		110	164
Total Employee Costs		5,580	5,605
<i>Total Number of Employees (Full Time Equivalent as at reporting date)</i>		55	50

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3 - EXPENSES (Cont.)

	Notes	2019 \$'000	2018 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		9	9
Board Expenses		26	28
Lease costs		316	316
Subtotal - Prescribed Expenses		<u>351</u>	<u>353</u>
<i>Other Materials, Contracts & Expenses</i>			
Waste Processing Costs		3,479	1,657
Electricity		25	41
Fuel, Gas & Oil		1,180	971
GPS Expenses		17	63
Legal Expenses		88	70
Maintenance		1,815	1,736
Parts, Accessories & Consumables		9	84
Printing, Stationery & Postage		55	65
Professional Services		440	286
Registration & Insurance - Trucks		358	227
Sundry		370	176
Telephone		42	47
Subtotal - Other Materials, Contracts & Expenses		<u>7,878</u>	<u>5,423</u>
		8,229	5,776
DEPRECIATION			
Buildings & Other Structures		8	-
Plant, Machinery & Equipment		1,951	1,767
		<u>1,959</u>	<u>1,767</u>
NOTE 4 - ASSET DISPOSAL			
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		35	11
Less: Carrying amount of assets sold		(3)	(1)
Gain (Loss) on disposal		<u>32</u>	<u>10</u>
NOTE 5 - CURRENT ASSETS			
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		1,548	1,250
Deposits at Call		419	126
		<u>1,967</u>	<u>1,376</u>
TRADE & OTHER RECEIVABLES			
Debtors - general		716	1,098
Accrued Income		1	-
Prepayments		-	29
		<u>717</u>	<u>1,127</u>

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2019 \$'000	2018 \$'000
Buildings & Other Structures - At Cost		106	78
Accumulated Depreciation		(56)	(48)
		<u>50</u>	<u>30</u>
Plant, Machinery & Equipment		15,068	14,448
Accumulated Depreciation		(9,018)	(8,314)
		<u>6,050</u>	<u>6,134</u>
Work in Progress (WIP)		<u>-</u>	<u>1</u>
Total Property, Plant & Equipment		<u>6,100</u>	<u>6,165</u>

	2018 \$'000	CARRYING AMOUNT MOVEMENT DURING YEAR \$'000					2019 \$'000
	Carrying Amount	Additions		Disposals	Depreciation	Transfer	Carrying Amount
		New/ Upgrade	Renewal				
Buildings & Other Structures	30	28	-	-	(8)	1	50
Plant, Machinery & Equipment	6,134	1,869	-	(3)	(1,951)	1	6,050
Work in Progress	1	-	-	-	-	(1)	-
Total Property, Plant & Equipment	6,165	1,897	-	(3)	(1,959)	1	6,100
<i>2018 Totals</i>	<i>6,046</i>	<i>1,887</i>	<i>-</i>	<i>(1)</i>	<i>(1,767)</i>	<i>-</i>	<i>6,165</i>

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7 - LIABILITIES

	Notes	2019 \$'000		2018 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		554	-	697	-
Accrued expenses - other		217	-	124	-
		771	-	821	-
BORROWINGS					
Loans		1,987	4,702	2,007	4,774
		1,987	4,702	2,007	4,774
PROVISIONS					
Annual Leave		236	-	223	-
Long Service Leave		304	78	307	63
		540	78	530	63

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2019 \$'000	2018 \$'000
Total cash & equivalent assets	5	1,967	1,376
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		1,967	1,376

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

Net Surplus (Deficit)		168	(323)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,959	1,767
Net increase (decrease) in unpaid employee benefits		25	38
Net increase (decrease) accrued interest charges		(32)	2
(Gain) / Loss on Disposal		(19)	(10)
		2,101	1,474
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		410	(717)
Net increase (decrease) in trade & other payables		(31)	(5)
Net increase (decrease) in other provisions		-	(8)
Net Cash provided by (or used in) operations		2,480	744

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge		-	-
- Non-cash grants & contributions		-	-
<i>Amounts recognised in Income Statement</i>		-	-
- Finance Leases		-	-

Total Non-Cash Financing and Investing Activities

(d) Financing Arrangements

Corporate Credit Cards		15	15
Cash Advance Debenture Facility		1,000	1,000

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 1.25% - 1.85% (2018: 1.5%).

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

Receivables - Gate Fees & Associated Charges

Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Carrying amount: approximates fair value (after deduction of any allowance).

Liabilities - Creditors and Accruals

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

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

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

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

Liquidity Analysis

2019	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest ≤ 5 years > 1 year	Fixed Interest > 5 years	Non-Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>						
Fair Value through P&L						
Cash Assets	1,548	419	-	-	-	1,967
Loans & Receivables						
Receivables	-	-	-	-	716	716
Total	1,548	419	-	-	716	2,683
<i>Financial Liabilities</i>						
Payables	-	-	-	-	554	771
Current Borrowings	-	1,987	-	-	-	1,987
Non-Current Borrowings	-	-	3,390	1,312	-	4,702
Total	-	1,987	3,390	1,312	554	7,460
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,548	(1,568)	(3,390)	(1,312)	162	(4,777)

2018	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest ≤ 5 years > 1 year	Fixed Interest > 5 years	Non-Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>						
Fair Value through P&L						
Cash Assets	1,250	126	-	-	-	1,376
Loans & Receivables						
Receivables	-	-	-	-	1,098	1,098
Total	1,250	126	-	-	1,098	2,474
<i>Financial Liabilities</i>						
Payables	-	-	-	-	697	698
Current Borrowings	-	2,007	-	-	-	2,007
Non-Current Borrowings	-	-	3,153	1,621	-	4,774
Total	-	2,007	3,153	1,621	697	7,479
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,250	(1,881)	(3,153)	(1,621)	401	(5,005)

FINANCIAL STATEMENTS 2018-2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 10 - COMMITMENTS FOR EXPENDITURE

	Notes	2019 \$'000	2018 \$'000
Expenditure Commitments			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		-	9
Truck Fleet Replacement		-	1,810
		<u>-</u>	<u>1,819</u>
These expenditures are payable:			
Not later than one year		-	1,819
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>-</u>	<u>1,819</u>

NOTE 11 - OPERATING LEASES

Lease payment commitments of Authority

No contingent rentals were paid during the current or previous reporting periods. No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.

No lease contains any escalation clause. Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	263	252
Later than one year and not later than 5 years	1,159	834
Later than 5 years	80	603
	<u>1,502</u>	<u>1,689</u>

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

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

FINANCIAL STATEMENTS 2018-2019

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

NOTE 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 4 persons were paid the following total compensation:

	2019 \$'000	2018 \$'000
Salaries, allowances & other short term benefits	467	405
Long term benefits	-	-
TOTAL	467	405

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	2,988	107	Provision of kerbside waste collection and hardwaste
City of Burnside	2,425	128	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,438	193	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,249	96	Provision of kerbside waste collection and hardwaste
City of Prospect	1,108	49	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,658	117	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	502	23	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.



CRAIG REUCASSEL

FROM THE ABC'S

'WAR ON WASTE'

FINANCIAL STATEMENTS 2018-2019

INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EASTERN WASTE MANAGEMENT AUTHORITY INC

Opinion

We have audited the accompanying financial report of the Eastern Waste Management Authority Inc, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Eastern Waste Management Authority Inc as of 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.



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FINANCIAL STATEMENTS 2018-2019

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".

DAVID PAPA
PARTNER

Dated at Adelaide this 29th day of September 2019

EAST WASTE CONTINUED THEIR

FOCUS ON DIVERTING WASTE

FROM LANDFILL IN 2018-2019



ADSHEL

Soft plastic is
not fantastic.

COMPOST



whichbin.com.au



EastWaste

EastWaste

1 Temple Court Ottoway SA 5013
PO Box 26 Mansfield Park SA 5012

Phone: 08 8347 5111

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eastwaste.com.au

ANNUAL REPORT

2018-2019

**Gawler River Floodplain
Management Authority**

Constituent Councils:

Adelaide Hills Council

Adelaide Plains Council

The Barossa Council

Town of Gawler

Light Regional Council

City of Playford

GRFMA

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Chairman's Foreword

The Gawler River Floodplain Management Authority is unique in its structure and role in floodplain management in Australia. Representing six councils (i.e., Adelaide Hills, Adelaide Plains, Barossa, Gawler, Light and Playford), the Authority established in 2005 as a Regional Subsidiary pursuant to Section 43 of the Local Government Act, 1999 was primarily purposed with responsibility for flood mitigation protection within the Gawler River catchment.

During 2019 the Authority met on nine occasions (i.e., six Ordinary and three Special meetings) progressing activities outlined within its Business Plan 2018 – 2021 and attending to other matters received by the Board for consideration and appropriate action.

The following provides a brief outline of important actions pursued by the Authority during the report period: -

Northern Floodway Project and Associated Public Relations Strategy

The Authority has pursued endeavors to obtain State and Federal government funding for the project having an estimated \$27 million cost, on the basis of securing commitment from Federal and State Governments to fund in totality all capital costs, including the further design and development cost associated with the project

An application submitted to the Federal government seeking \$2 million from the Building Better Regions Infrastructure Scheme to undertake the first stage of the project incorporating ground-truthing investigations, preliminary design and documentation, further impacted landowner consultation, environmental and heritage surveys was unsuccessful.

With recent changes to State and Federal Government representation following respective election outcomes, it has been necessary to review strategies to engage with and seek political support for project funding. The Authority has initiated work in developing such advocacy strategies which hopefully will soon prove successful.

A recent alternative approach seeking matched contributions from State and Federal Government for \$1.8 million (i.e., \$900,000 each) has been supported by Minister David Spiers MP, and Senator Simon Birmingham in his letter to governmental colleague Minister David Littleproud MP.

Charter and Governance Review

A periodic review of the Authority's Charter and associated governance review was initiated with a Working Group formed to progress in two stages, initially to pursue a short review of the Charter to identify any immediate amendments necessary for continuing operation and immediately following, undertake a further process to scope and consider other contemporary governance arrangements to be undertaken.

The Charter Review has progressed with proposed amendments supported by the Board, referred for legal review and circulated to the constituent councils for support pending adoption and subsequent Gazettal.

The Authority acknowledges the Working Group representation provided by each of the constituent councils and in particular, assistance provided by the Playford Council with legal service review.

Policy Review

A review of the following Authority operating policies was undertaken and subsequently reindorsed:

- Internal Review Decisions
- Procurement and Operations
- Dam Valuation and Treasury Management, and
- Public Consultation

Gawler River Unharmful Mitigation Project (GRUMP)

The Authority has agreed to enter into partnership with Bushfire and Natural Hazards CRC and the University of Adelaide to further develop an existing decision support tool (UNHaRMED) to explore how to manage flood risk into the future applying an integrated and dynamic approach. The project will consider specific pilot studies and develop a methodology for integrated flood mitigation planning by this Authority. The model once developed will also be available to other councils and floodplain managers responsible for flood-associated social, environmental and economic risk modelling and subsequent management.

The project has been supported by \$98,980 in funding the National Disaster Resilience Program. A joint University of Adelaide, Government and GRFMA constituent council representative Project Steering Group has been formed to progress the project which is due to be completed in March 2020.

Reforming Natural Resource Management in South Australia

Submission was forwarded to the Hon David Spiers MP, Minister for Environment and Water regarding the State Governments proposal to establish new SA Landscapes Boards. The Authority is seeking clarification on the placement of constituent councils in the proposed regional reform and assurance that strategic flood management objectives and relevant landscape levy funding mechanisms are maintained.

Dam Break and Consequence Assessment Report

Hydrology and Risk Consulting Pty Ltd was engaged to undertake a risk assessment of the Bruce Eastick North Para Flood Mitigation Dam. The report has been received and is currently undergoing review by Board members prior to initiating any actions resulting from the recommendations contained therein.

Dam Deflection Survey

Recommendations contained within a survey report prepared by John Bested & Associates were received and identified for implementation.

Work required for the replacement of a Deep Bench Mark adjacent the dam structure was deferred for consideration within the 20/21 Budget.

Other Dam Maintenance Works Undertaken

The following works were undertaken within budgetary allocations:

- Dewatering of stilling pond and inspection of low-level outlet to remove flow restrictions
- Reinstatement of the down-stream access track (acknowledging services provided by Light Regional Council)
- Earthworks to downstream right abutment scouring

New and Outgoing Board Members

Following the outcome of the Local Government elections held in November 2018 the following constituent council elected member representations were appointed:

- Cr Stephen Coppins (Playford)
- Cr Terry-Anne Keen (Adelaide Plains)
- Cr Paul Koch (Gawler)
- Mayor Bim Lange (Barossa)

Outgoing members were acknowledged for services provided to the Board:

- Cr Denis Davey (Playford)
- Cr Mel Lawrence (Adelaide Plains)
- Cr Adrian Shackley (Gawler)
- Mayor Bob Sloane (Barossa)
- Mr. Mal Hemmerling (Playford)

The Authority maintains a short-term priority for the delivery of the Northern Floodway Project to provide increased flood protection for the lower reaches of the Gawler River.

Ultimately, resources will be aligned in providing 1:100 Average Recurrence Interval flood protection to the Gawler River catchment.

Ian J. Baldwin

Chairman 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 and the Business Plan sets down the operational plan and financial plan to achieve agreed objectives.



The Authority has been established for the following purposes:

- to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
- to raise finance for the purpose of developing, managing and operating and maintaining works approved by the Board;
- to provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation for the Gawler River;
- upon application of one or more Constituent Councils pursuant to clause 12.4:
 - to coordinate the construction, maintenance and promotion and enhancement of the Gawler River and areas adjacent to the Gawler River as recreational open space for the adjacent communities; and
 - to enter into agreements with one or more of the Constituent Councils for the purpose of managing and developing the Gawler River.

The Board

The Members of the Board are:

Council	Board Members	Deputy Board Members
Chairperson and 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 Mavrinc	Cr Russell Johnstone
Town of Gawler	Cr Paul Koch Mr. Sam Dilena	Cr Kelvin Goldstone Mr. Ben DeGilio
Light Regional Council	Cr William Close Mr. Brian Carr	Mr. Andrew Philpott
City of Playford	Cr Stephen Coppins Mr. Greg Pattinson	

Meetings of the Board are held at such time and such place as the Board decides subject only to the requirement that there will be at least one meeting in every two calendar months. A special meeting of the Board may be held at any time and may be called at the request of the Chairperson or at the written request of six members of the Board representing all of the Constituent Councils.

Ordinary meetings of the Board are generally held bi-monthly on the third Thursday of the even months commencing at 9.45 am: excepting December which is held on the second Thursday,

Meetings are hosted by the Constituent Councils on a rotational roster with six Board meetings and three Special Meetings were held during the year as follows:

- Thursday 5 July 2018 Gawler (Special Meeting)
- Thursday 16 August 2018 Gawler
- Thursday 18 October 2018 Mallala (Adelaide Plains)
- Monday 12 November 2018 Gawler (Special Meeting)
- Thursday 13 December 2018 Playford
- Thursday 7 February 2019 Kapunda (Light)
- Thursday 21 March 2019 Playford (Special meeting)
- Thursday 18 April 2019 Gumeracha (Adelaide Hills)
- Thursday 17 May 2018 Playford (Special Meeting)
- Thursday 13 June 2019 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 the Bruce Eastick Dam Break Consequence Report.

Audit Committee

An Audit Committee has been appointed to review:

- the annual financial statements to ensure that they present fairly the state of affairs of the Board, and
- the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Board on a regular basis.

The Committee held four meetings during the year:

- 13 August 2018
- 10 December 2018
- 15 March 2019
- 3 June 2019

The members of the Committee are:

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

Charter and Governance Review Working Group

A periodic review of the Authority's Charter and associated governance review was initiated with a Working Group formed to progress in two stages, initially to pursue a short review of the Charter to identify any immediate amendments necessary for continuing operation and immediately following, undertake a further process to scope and consider other contemporary governance arrangements to be undertaken.

The first stage of the Charter Review is expected to be completed by December 2019 with the governance and financial contributions review to be then initiated.

GRFMA Policies

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Procurement and Operations Policy
- Grant Policy
- Internal Review of Decisions Policy
- Public Consultation Policy
- Access to Meetings and Documents Policy
- Dam Valuation Policy
- Treasury Management Policy

The purpose of policies is to provide prudent management guidelines for the day-to-day management of the affairs of the Authority.

All meetings of the GRFMA and its committees are open to the public, with the exception of those matters to be considered under Section 90 of the Local Government Act 1999.

No Freedom of Information requests were received during the year.

Forum	Total Resolutions for the year	Resolutions to exclude the Public - Sec 90(3)	Purpose	Order for docs to remain confidential - Sec 91(7)	%
Board	99	7	Possible commercial advantage of a person	0	0
Technical Assessment Panel		0		0	0
Audit Committee	18	1		0	0

Mr David Hitchcock has been engaged to provide Executive Officer services under a services agreement until 31 December 2019. Mr Hitchcock has extensive experience in the administration of Councils and regional subsidiaries under the Local Government Act 1999.

The GRFMA has no employees and all services are engaged on a contract basis.

Evaluation of Performance against the Business Plan

Part A: Funding

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Secure Additional Project Funding	June 2016	All Councils, stakeholders and Governments agree to contribute to the project in accordance with the Plan	<input checked="" type="checkbox"/> Scheme total funding achieved to date \$21,913,859 and which includes grants of \$17,016,420
Grant Claims	At all times	Lodge claims monthly for the payment of Commonwealth and State Government Grants.	<input checked="" type="checkbox"/> Claims lodged at the end of the month
Maintain positive Cash Flow	At all times	Positive bank account balances at all times.	<input checked="" type="checkbox"/> Positive cash flow maintained

Part B: Proposed Flood Mitigation Scheme Works

South Para Works			
<p>The South Para Reservoir is under the control and management of SA Water Corporation who have agreed to undertake the required modifications to the South Para Reservoir to provide the required level of flood mitigation capacity as a cost to the Scheme.</p> <p>Dam safety review and design proposal to modify the dam wall and spillway completed September 2005</p> <p>Detailed hydrology study of the catchment using the very latest methodologies let to Department of Transport, Energy and Infrastructure completed March 2007.</p>			
Performance Targets:	Timings:	To be measured By:	Actual Achievements
Detailed design of works	December 2010	Completion of detailed design and tender documents	<input checked="" type="checkbox"/> July 2011 Final approvals granted
Construction of the works	June 2012	Completion of construction	<input checked="" type="checkbox"/> Practical completion achieved June 2012

Gawler River Flood Mitigation Scheme

- One What will the Mark Two Scheme Include? (Note these steps may occur concurrently and not necessarily in the following order)
- Two Reconfirm with the Constituent Councils that a 1 in 100-year level of protection is the protection standard that is to be pursued in the development of the Gawler River Flood Mitigation Scheme - Mark Two Strategy. N.B. The protection standard does not guarantee full protection for all flood events. ***The Findings Report 2016 advises the 1 in 100 ARI event is considered to be the minimum desirable level of flood protection for new development as well as for much of the existing floodplain development.***
- Determine if a second dam on the North Para River or modification to the Bruce Eastick North Para Flood Mitigation Dam is an option. The GRFMA Board has recently accepted a tender for a Findings Report to undertake an assessment to determine if a second dam is required and feasible. ***The Findings Report 2016 advises enlarging the existing Bruce Eastick North Para Flood Mitigation Dam on the North Para offers the greatest level of protection with least impacts and is rated as the most favoured structural mitigation option. This option deferred pending completion of the Northern Floodway Project proposal. Noting feasibility of raising the height of the Bruce Eastick Dam is still a strategic consideration;***
- Three The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be upgraded to include recent works such as the Northern Expressway works and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the Adelaide Plains Council . ***Completed.***
- Four To further develop the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and develop a levee strategy for Virginia to a robust design standard with a staging plan. Undertake a cost benefit study for each stage of the plan. ***Currently being considered in association with the Northern Floodway Project proposal.***
- 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. ***It is anticipated the Gawler River Unharmful Mitigation Project, currently underway, will contribute to understanding of this issue and relevant strategies.***
- 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***
- 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	<input checked="" type="checkbox"/> Comprehensive Dam inspection (Newman Engineering) carried out Jan 2018 <input checked="" type="checkbox"/> Dam Break Consequence study due for completion June 2019. <input checked="" type="checkbox"/> Road Access Repairs completed February 2019. <input checked="" type="checkbox"/> Dam Survey Monument (5 year) Survey completed April 2019. <input checked="" type="checkbox"/> 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	Twice yearly	The publication and distribution of a Fact Sheet to all stakeholders and affected landowners.	<input checked="" type="checkbox"/> Newsletters were forwarded to all stakeholders following completion of Findings Report. Now not required due to no Dam construction work being undertaken.
	Bi-Monthly	Key Outcomes Summary to be published following each Board Meeting to include a summary of the progress of the development of the Scheme.	<input checked="" type="checkbox"/> Key Outcomes Summary prepared following GRFMA meetings
Maintain effective Regional Subsidiary	December	The performance of the Executive Officer be reviewed annually Charter Review	<input checked="" type="checkbox"/> Next review to be conducted in December 2019. <input checked="" type="checkbox"/> GRFMA Charter Review (1st stage) completed June 2019
	August	The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually.	<input checked="" type="checkbox"/> Auditor reappointed up to 30 June 2019 <input checked="" type="checkbox"/> EOI invited in May 2019 for Auditor services 2019-2024 <input checked="" type="checkbox"/> Appropriate levels of insurance reviewed in July 2018
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 2018 – Business Plan 2018-2021 adopted <input checked="" type="checkbox"/> June 2019 – Achievements against the Business Plan 2018-2019 presented

Annual Budget	By 31 st March, June, October, December	Adopt for consultation forward to Councils- Adopt Budget – copy to Councils in 5 days- Conduct Budget Reviews	<input checked="" type="checkbox"/> March 2019 –Council consultation <input checked="" type="checkbox"/> Budget 2019–2020 adopted at June 2019 Board meeting
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Subscriptions	June December	Send half year subscriptions to Council	<input checked="" type="checkbox"/> All first half subscriptions paid <input checked="" type="checkbox"/> All Second half subscriptions paid
Report to Constituent Councils	Following each Board meeting By 30 th September	The receipt of the following reports by Councils, Board Meeting Key Outcome Summary Annual Report including Annual Financial Statements	<input checked="" type="checkbox"/> Key Outcomes Summary prepared following meetings <input checked="" type="checkbox"/> Annual Report forwarded electronically to Councils.

Financial Statements 2018-2019


1. Certification of Financial Statements
2. Financial Statements and Notes
3. Related Parties Disclosures
4. Statement of Auditors Independence
5. Certification of Auditor Independence
6. Management Letter

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019
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.

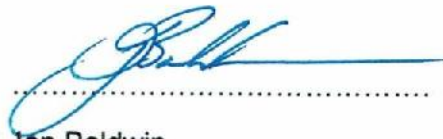
In our opinion:

- 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 2019 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
15/8/19



.....

Ian Baldwin
CHAIRMAN
15/8/19

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
Subscriptions	3	231,577	79,600
Investment income	1(d)	1,718	2,428
State Government Grants	2	-	-
Other Income		<u>5,024</u>	<u>20,000</u>
Total Income		<u>238,319</u>	<u>102,028</u>
EXPENSES			
Contractual Services	4	129,856	85,445
Depreciation	1(i), 9	233,081	231,213
Other		<u>16,746</u>	<u>15,106</u>
Total Expenses		<u>379,684</u>	<u>331,764</u>
OPERATING SURPLUS / (DEFICIT)		<u>(141,365)</u>	<u>(229,736)</u>
NET SURPLUS / (DEFICIT)		<u>(141,365)</u>	<u>(229,736)</u>
transferred to Equity Statement			(229,736)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment		<u>5,830,163</u>	-
Total Other Comprehensive Income		<u>5,830,163</u>	-
TOTAL COMPREHENSIVE INCOME		<u>5,688,798</u>	<u>(229,736)</u>

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION
as at 30 June 2019

ASSETS	Notes	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents		3,034	2,124
Investments	1(d)	63,868	57,288
Debtors		-	-
Debtors - GST		1,891	1,663
Accrued Interest		67	149
Total Current Assets		<u>68,860</u>	<u>61,225</u>
Non-current Assets			
Infrastructure	9	25,329,000	18,497,000
Accumulated Depreciation Infrastructure	1(i), 9	(3,474,000)	(2,311,850)
Land	9	477,000	465,687
Total Non-current Assets		<u>22,332,000</u>	<u>16,650,837</u>
Total Assets		<u>22,400,860</u>	<u>16,712,062</u>
LIABILITIES			
Current Liabilities			
Trade & other payables		-	-
Borrowings		-	-
Total Liabilities		-	-
NET ASSETS		<u>22,400,860</u>	<u>16,712,062</u>
EQUITY			
Accumulated Surplus		13,718,887	13,860,252
Asset Revaluation Reserves	1(h)	8,681,973	2,851,810
TOTAL EQUITY		<u>22,400,860</u>	<u>16,712,062</u>

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2019

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	TOTAL EQUITY \$
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
2018				
Balance at end of previous reporting period		14,089,988	2,851,810	16,941,798
Restated opening balance		14,089,988	2,851,810	16,941,798
Net Surplus / (Deficit) for Year		(229,736)		(229,736)
Other Comprehensive Income				
Balance at end of period		13,860,252	2,851,810	16,712,062

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CASHFLOWS
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		236,374	149,732
Interest Receipts		1,800	2,774
Payments		<u>(146,602)</u>	<u>(100,552)</u>
Net Cash provided by (or used in) Operating Activities		91,572	51,954
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Payments</u>			
Expenditure on new/upgraded assets		<u>(84,081)</u>	<u>(139,323)</u>
Net Cash provided by (or used in) Investing Activities		(84,081)	(139,323)
Net Increase (Decrease) in cash held	7.1	<u>7,491</u>	<u>(87,369)</u>
Cash & cash equivalents at beginning of period		<u>59,412</u>	146,781
Cash & cash equivalents at end of period	7.2	<u>66,902</u>	<u>59,412</u>

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

UNIFORM PRESENTATION OF FINANCIAL STATEMENTS

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Operating Revenues		238,319	102,028
Less: Operating Expenses		<u>(379,684)</u>	<u>(331,764)</u>
Operating Surplus/(Deficit) before Capital Amounts		<u>(141,365)</u>	<u>(229,736)</u>
Less Net Outlays in Existing Assets			
Capital Expenditure on renewal and replacement of Existing Assets		-	-
Less Depreciation Amortisation and Impairment		<u>(233,081)</u>	<u>(231,213)</u>
Less Proceeds from Sale of Replaced Assets		-	-
		<u>(233,081)</u>	<u>(231,213)</u>
Less Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets		84,081	139,323
Less Amounts received specifically for New and Upgraded Assets		-	-
Less Proceeds from Sale of Surplus Assets		-	-
		<u>84,081</u>	<u>139,323</u>
Net Lending / (Borrowing) for Financial Year		<u>7,635</u>	<u>(137,846)</u>

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

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Schedule of Constituent Council's Interest in Net Assets as at 30th June 2019

Prepared to meet the requirements of Clause 15.5 of the Charter

"The 'Schedule of Constituent Councils' Interests in Net Assets' will reflect the proportionate contribution each Constituent Council has made to the growth of the net assets of the Authority having regard to the proportionate contribution to subscriptions. The Schedule when updated by the Board at the end of each financial year will reflect the proportionate contribution of each Constituent Council since the commencement of the Authority and once accepted by each Constituent Council will be evidence of the agreed proportion of a Constituent Council's interests in the net assets as at 30 June in that year."

For the purposes of this Clause all subscriptions by Constituent Councils have been included.

This Schedule has been prepared on the basis that the Authority was 'wound up' on 30 June 2019. 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 the former Northern Adelaide Barossa Catchment Water Management Board that have contributed to these costs have not been deducted.

Calculation of Net Equity

Assets

Investments / Debtors	\$ 68,860
Infrastructure	\$ 21,855,000
Land	<u>\$ 477,000</u>
	\$ 22,400,860

Less Liabilities

Accounts Payable / Creditors	<u>\$ 0</u>
NET EQUITY	\$ 22,400,860

Allocation of Councils Interest in Net Assets

Constituent Councils	Accumulated Subscriptions for Operations to 30 June 2019	Accumulated Subscriptions for Maintenance to 30 June 2019	Accumulated Subscriptions for Scheme Works to 30 June 2019	All Subscriptions to 30 June 2019	Percentage of Contributions to the Total	Council's Interests in Net Assets
Adelaide Hills Council	\$123,594	\$4,005	\$70,988	\$198,587	3.92%	\$878,114
Adelaide Plains Council	\$123,594	\$66,878	\$1,183,146	\$1,373,618	27.11%	\$6,072,873
The Barossa Council	\$123,594	\$20,056	\$354,951	\$498,601	9.84%	\$2,204,245
Town of Gawler	\$123,594	\$40,073	\$709,892	\$873,559	17.24%	\$3,861,908
Light Regional Council	\$123,594	\$20,056	\$354,951	\$498,601	9.84%	\$2,204,245
City of Playford	\$123,594	\$80,229	\$1,419,763	\$1,623,586	32.05%	\$7,179,475
	\$741,564	\$231,297	\$4,093,691	\$5,066,552	100%	\$22,400,860

Schedule of Constituent Councils' Interests in Net Assets' as at the 30th June 2019 adopted by the Board in accordance with Clause 15.5 of the Charter on 15/8/19

Gawler River Floodplain Management Authority
Notes to the Financial Statements for the year ended 30th June 2019

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 Association has no employees.

d) Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

e) Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdraft.

f) Infrastructure

The Bruce Eastick North Para Flood Mitigation Dam was constructed in 2007. The valuation includes all materials, contractor's costs plus costs incidental to the acquisition, including engineering design and supervision fees and all other costs incurred.

g) Land

The dam land includes the land on which the dam is constructed, rights of way access to the land and 'right to flood' easements over the land upstream from the dam that will be inundated by dam waters for short periods of time during a flood event. The Board valuation was undertaken at 30th June 2011. Additional Land surrounding the dam was purchased in 2017/18.

h) Revaluation

The Board sought an independent valuation 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.

i) Depreciation

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

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

j) 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).

2 Functions / Activities of the Association

a) Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note b.

b) The activities of the Authority are categorised into the following function / activities:

Administration: The operations of the Authority and its Board

Other Environment: Flood Mitigation

c) Functions of the Gawler River Floodplain Management Authority (excluding depreciation)

	Revenue			Expenses		Surplus (deficit)
	Year	Grants	Other	Total Revenue	Expenses Total	
Administration	2019		\$148,842	\$148,842	\$75,351	\$73,491
	2018		\$ 63,028	\$ 63,028	\$75,431	(\$12,403)
Other	2019		\$ 89,477	\$ 89,477	\$71,251	\$32,251
Environment:						
Flood Mitigation	2018		\$ 39,000	\$ 39,000	\$25,120	\$13,880
Total	2019		\$238,319	\$238,319	\$146,602	\$91,717
	2018		\$102,028	\$102,028	\$100,551	\$1,477

3 Subscriptions

The following subscriptions were levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for the year:

Constituent Council	Scheme Works		Maintenance		Operations		TOTALS	
	2019	2018	2019	2018	2019	2018	2019	2018
Adelaide Hills Council			\$ 1,548	\$ 329	\$23,683	\$10,100	\$25,231	\$10,429
The Barossa Council			\$ 7,758	\$1,647	\$23,683	\$10,100	\$31,441	\$11,747
Town of Gawler			\$15,515	\$3,295	\$23,683	\$10,100	\$39,198	\$13,395
Light Regional Council			\$ 7,758	\$1,647	\$23,683	\$10,100	\$31,441	\$11,747
Adelaide Plains Council			\$25,868	\$5,492	\$23,683	\$10,100	\$49,551	\$15,592
City of Playford			\$31,030	\$6,590	\$23,683	\$10,100	\$54,713	\$16,690
TOTAL	-	-	\$89,477	\$19,000	\$142,098	\$60,600	\$231,575	\$79,600

4 Contractual Services

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

Consultants	2019	2018
I Baldwin	\$770	\$0
David Hitchcock	\$49,253	\$50,471
Ball PR	\$5,000	\$0
Water Technology	\$1,080	\$0
Entura	\$8,100	\$0
REMO Contractors	\$14,540	\$0
Tonkin Consulting	\$0	\$12,800
HARC	\$38,360	\$0
Tanom Legal	\$0	\$800
Business Risk A S Solutions	\$2,600	\$2,600
Steed Surveyors	\$4,050	\$0
Enviro Group Pty Ltd	\$0	\$1,765
Newman Engineering	\$0	\$6,667
Australian Water Environments	\$0	\$3,770
HLB Mann Judd	\$6,103	\$6,572
TOTALS	\$129,856	\$85,445

5 Comparison of Budget and Actual Results (excluding depreciation)

	2019		2018	
	Budget	Actual	Budget	Actual
Revenue				
Administration	\$148,536	\$148,842	\$63,600	\$63,028
Other Environment: Flood Mitigation	\$0	\$0	\$28,574	\$20,000
State Grant	\$0	\$0	\$0	\$0
Maintenance	\$89,476	\$89,477	\$19,000	\$19,000
Other Environment: Flood Mitigation Capital	\$0	\$0	\$0	\$0
Total Revenue	\$238,012	\$238,319	\$111,174	\$102,028
Expenditure				
Administration	\$78,622	\$75,351	\$96,254	\$92,000
Other Environment: Flood Mitigation	\$0	\$0	\$0	\$0
Maintenance	\$157,400	\$71,251	\$8,650	\$8,551
Other Environment: Flood Mitigation Capital				
Total Expenditure	\$236,022	\$146,602	\$104,904	\$100,551
Surplus (deficit)	\$1,990	\$91,717	\$6,270	\$1,477

6 Expenditure Commitment

- i. An agreement has been entered into with David Hitchcock to provide Executive Officer and Supervision of Consultants services to 31 December 2019.

7 Reconciliation Statement of Cash Flows

Cash Flows from Operating Activities

Net deficit from operations	(\$141,365)
Adjust for non-cash items	
Depreciation	\$233,082
Decrease in Debtors	(\$ 146)

Cash Flows from Investing Activities

Works on Access Road	(\$ 84,081)
Net Cash Increase from operating activities	\$ 7,491

8.2 Cash and cash equivalents

Balance at bank	\$ 3,034
Balance at LGFA	\$ 63,868
Total cash and cash equivalents	\$ 66,902

8 Economic Dependence

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 in August 2002, by a Charter that was amended and published in The South Australian Government Gazette on 4th June 2015 at pages 2501 to 2506.

The Gawler River Floodplain Management Authority (GRFMA) is dependent upon subscriptions levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for its continued existence and ability to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River.

9 Non-Current Assets Summary

Fair Value Level	2019				2018			
	At Fair Value	At Cost	Accum Dep'n	Carrying Amount	At Fair Value	At Cost	Accum Dep'n	Carrying Amount
-	\$477,000			\$477,000	\$326,364	139,323		\$465,687
3	\$84,000		\$3,000	\$81,000				
3	\$25,245,000		(\$3,471,000)	\$21,774,000	\$18,497,000		(\$2,311,850)	\$16,185,150
Total Infrastructure and Land	\$25,806,000	\$0	(\$3,474,000)	\$22,332,000	\$18,823,364	139,323	(\$2,311,850)	\$16,650,837
Comparatives	\$18,823,364	\$139,323	(\$2,311,850)	\$16,650,837	\$18,823,364		(\$2,080,638)	\$16,742,726

	2018		Carrying Amount Movements During the Year							2019	
	Carrying Amount		Additions		Disposals	Depreciation	Impairment	Transfers	Net Valuation	Carrying Amount	
			New Upgrade	Renewals							
Land and easements	\$465,687			\$0	\$0	\$0	\$0	\$0	\$11,313	\$477,000	
Access Roads	\$0		\$84,081	\$0	\$0	(\$1,868)	\$0	\$0	(\$1,213)	\$81,000	
Infrastructure - North Para Dam	\$16,185,150		\$0	\$0	\$0	(\$231,213)	\$0	\$0	\$5,820,063	\$21,774,000	
Total Infrastructure, Property, Plant & Equipment	\$16,650,837		\$84,081	\$0	\$0	(\$233,081)	\$0	\$0	\$5,830,163	\$22,332,000	
Comparatives	\$16,742,726		\$139,323	\$0	\$0	(\$231,213)	\$0	\$0	\$0	\$16,650,837	

Gawler River Floodplain Management Authority
Related Parties Disclosures as at 30 June 2019

The Key Management Personnel of the Gawler River Floodplain Management Authority include the Chairman, Board members, Deputy Board Members and Executive Officer.

The Authority does not have any employees.

Services of the Executive Officer are provided by contractual agreement. Payment was made to I Baldwin in lieu of Executive Officer on leave. See Note 4.

See note 5 of the Financial Statements for itemized contractual services payments.

The Chairman received an Honorarium of \$7,850 as established by the Board.

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

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

The Board
C/- David Hitchcock
Executive Officer
Gawler River Floodplain Management Authority

via email: davidehitchcock@bigpond.com

**TO THE BOARD MEMBERS OF GAWLER RIVER FLOODPLAIN MANAGEMENT
AUTHORITY**

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 June 2019**

I confirm that, for the audit of the financial statements of Gawler River Floodplain Management Authority for the year ended 30 June 2019, 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**

C.M.G.

**Corey McGowan
Director**

**Adelaide, South Australia
9 August 2019**

hlb.com.au

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HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019**

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 2019, the Authority's Auditor HLB Mann Judd has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



David Hitchcock

EXECUTIVE OFFICER



Peter Brass

PRESIDING MEMBER AUDIT COMMITTEE



Ian Baldwin
CHAIRMAN GRFMA

Gawler River Floodplain Management Authority
 266 Seacombe Road, Seacliff Park, SA 5049
 Telephone: 0407717368 Email: davidehitchcock@bigpond.com
 Website: www.gawler.sa.gov.au/grfma

Mr Corey McGowan
 HLB Mann Judd
 169 Fullarton Road
 DULWICH SA 5065

Dear Corey,

This representation letter is provided in connection with your audit of the financial report of Gawler River Floodplain Management Authority, for the year ended 30 June 2019, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 31 August 2016, for the preparation of the financial report in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and confirm that the financial report is fairly presented in accordance therewith, and is free from, material misstatement, including omissions.
2. The financial records of the entity have been kept so as to be sufficient to enable a financial report to be prepared and audited, and other records and registers required by the entity's constitution have been properly kept and are up-to-date.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We have designed, implemented and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained.
4. All transactions have been recorded in the accounting records and are reflected in the financial report.
5. The following have been properly recorded and/or disclosed in the financial report, or there are no such items requiring recording or disclosure:
 - (a) Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral);
 - (b) Arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements;
 - (c) Agreements to repurchase assets previously sold;
 - (d) Material liabilities, contingent liabilities and assets including those arising under derivative financial instruments;
 - (e) Losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.
6. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
7. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. In particular:

- (a) We consider that the measurement processes, including related assumptions and models, used by management in determining accounting estimates in the context of the applicable financial reporting framework are appropriate, and the measurement processes have been applied consistently.
 - (b) The assumptions appropriately reflect managements intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
 - (c) Disclosures related to accounting estimates are complete and appropriate under the applicable financial reporting framework.
 - (d) No subsequent event requires adjustment to the accounting estimates and disclosures included in the financial report.
9. We have assessed at the end of the reporting period whether there is any indication that an asset may be impaired, having considered, as a minimum, the impairment indicators noted in AASB 136. If any such indication exists, we have estimated the recoverable amount of the asset.
 10. We have considered the requirements of AASB 136 "Impairment of Assets" when assessing the impairment of assets and in ensuring that no assets are stated in excess of its recoverable amount.
 11. We have assessed the recoverability of all receivables, and confirm that adequate allowance has been made for any receivables which may not be collected.
 12. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
 13. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
 14. There are no known actual or possible litigation and claims whose effects should be considered when preparing the financial reporting framework.
 15. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
 16. You have not advised us of any financial report misstatements requiring correction, or uncorrected misstatements, that you detected during the audit
 17. All events occurring subsequent to the date of the financial report and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
 18. If any matter which may materially affect the financial report arises during the period from the date of the auditor's report to the date the financial report is issued, we will inform you.

Information Provided

19. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters;
 - (b) All financial records and related data and other information, explanations and assistance necessary for the conduct of the audit;
 - (c) Minutes of all meetings of members, Board, and committees of Board.
 - (d) Additional information, explanations and assistance that you have requested from us for the purposes of the audit; and
 - (e) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
20. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
21. There has been no fraud, or suspected fraud that affects the entity and involves:
 - (a) Management;
 - (b) Employees who have significant roles in internal control; or

(c) Others where the fraud could have a material effect on the financial report.

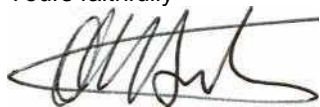
22. There have been no allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, regulators or others.
23. There have been no instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
24. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that whose effects should be considered when preparing the financial report.
25. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Other Matters

26. We have assessed the ability of the entity to continue as a going concern and are satisfied that it will so continue. We have no knowledge of events or conditions and related business risks beyond the period of this assessment that may cast significant doubt on the entity's ability to continue as a going concern.
27. There have been no non-audit services performed by HLB Mann Judd.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully



David E Hitchcock Executive Officer

Date 15/8/19



ANNUAL REPORT

2018-2019



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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

June 2019

Council	Elected Member Representative	Council Staff Representative
Adelaide Hills Council	Deputy Mayor Jan - Claire Wisdom	CEO Andrew Aitken
<i>Post November 2018 LG election</i>	Mayor Jan – Claire Wisdom	CEO Andrew Aitken
Alexandrina Council	Mayor Keith Parkes	CEO Glenn Rappensberg
Kangaroo Island Council	Mayor Peter Clements	CEO Andrew Boardman
<i>Post November 2018 LG election</i>	Mayor Michael Pengilly	CEO Greg Georgopolous
Mt Barker District Council	Mayor Ann Ferguson	CEO Andrew Stuart
City of Victor Harbor	Mayor Graham Philip	CEO Victoria MacKirdy
<i>Post November 2018 LG election</i>	Mayor Moira Jenkins	CEO Victoria MacKirdy
District Council of Yankalilla	Mayor Glen Rowlands	CEO Nigel Morris

Office Bearers 2018 – 2019

President	Mayor Keith Parkes, Alexandrina Council	
Deputy President	Mayor Glen Rowlands, District Council of Yankalilla	
Executive Officer	Mr Graeme Martin	
Auditor	Mr Jon Colquhoun, FCA, HLB Mann Judd	
Elected under the provisions of the Constitution of the Local Government Association		
Delegates to LGA Board	Mayor Keith Parkes Mayor Jan – Claire Wisdom (via Metro/GAROC)	
Delegates to SAROC	Mayor Keith Parkes Mayor Glen Rowlands	Alexandrina Council District Council of Yankalilla

President's Forward

The 2018-2019 year yet again has largely seen Southern and Hills Local Government Association consolidate its role and activities.

Core activities remain and have included the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, monitoring the S&HLGA Regional Public Health plan and implementing the region's Climate Change Adaptation Plan, working very closely with the RDA to further the Regional Infrastructure Plan, as well as maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and adopting a new 4 year Business Plan. These activities are all designed to drive and improve the wellbeing of our communities.

Critically during the year we have developed and presented the S&HLGA Value proposition which demonstrated a hugely significant 3,500% return on member Council subscriptions as well as conduct a future directions and strategy forum for the organisation.

Following on from the Local Government Association of SA governance review and restructure the S&HLGA has been an active player in the further development of its regional SAROC committee.

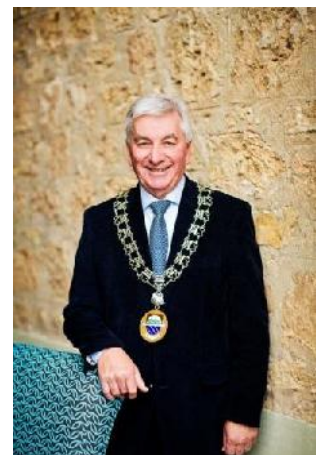
We acknowledge and continue to work with the Local Government Association of SA and State Government's Office of Local Government. We have partnered with our regional economic development organisation, Regional Development Australia as well as PIRSA and the Natural Resource Management Boards as we continue to confront the many impacting regional issues.

We were able to welcome new S&HLGA Board members in Mayors Moira Jenkins (Victor Harbor) and Michael Pengilly (KI) and new CEOs Victoria MacKirdy (Victor Harbor) and Greg Georgopolous (KI).

Thank you to our Executive Officer, Graeme Martin for his continued energy and drive in supporting the body.

In closing, I acknowledge and thank all the member councils for their support during the year, and say how much I value ongoing contribution of member Mayors and CEOs.

**Mayor Keith Parkes
President**



The Board

The Board held 6 ordinary bi-monthly meetings during the year. Board Members are generally the Mayor and Chief Executive Officer of each Council. To provide the opportunity for Board Members to gain first hand knowledge of regional issues, meetings are hosted by Member Councils on a rotational basis and were held at:

17 August 2018	–	City of Victor harbor
19 October 2018	-	Yankalilla
14 December 2018	-	Mt. Barker
8 February 2019	-	Kangaroo Island
26 April 2019	-	Yankalilla
28 June 2019	-	City of Victor Harbor

Key Issues acted on by the Board included:

- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to complete the 2019 Regional Public Transport study, develop the regional Infrastructure Priority Plan, the regional middle - east trade engagement strategy, Board governance and membership and a regional workplan in partnership with PIRSA.
- o Continued working with the Local Government Association and SAROC on lobbying on the review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards and conversion to Landscapes Boards, continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits, equitable road funding for SA, continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy, input into the LGA governance and organisational review and SAROC 2019 -2023 Strategic Plan and 2019-2020 Annual Business Plan, working with the State government on the management and control of abundant pest species particularly Little Corellas, telecommunications Black Spot funding, working on the LG Coastal Alliance project and cost shifting policies such as e-planning portal contributions, hard waste levy and the transfer of rate exempt community housing and developing and promoting the regional decentralisation and population growth strategies.
- o Monitoring and implementing the S&HLGA Regional Public Health Plan.
- o Monitoring and implementing the S&HLGA Regional Climate Change Adaptation Plan
- o Input into the SA Visitor strategy
- o Continued the updating of the Roads Database component of the regional 2020 Transport Plan, special local roads funding applications and continued the comprehensive review of the Regional Transport Plan including the development of the South Coast Freight Corridor marketing material and advocating on Public Transport issues
- o Working with the State Government and lobbying on Local Government reform around the key elements such as Council member capacity and conduct, representation, benchmarking and simpler regulation
- o Updating and maintaining of the S&HLGA Website and developing new promotional material.

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

10 various speakers addressed meetings of the Board.

In addition the CEO's group conducted several of their meetings in the morning preceding the Board meeting.

The Board reviewed its achievements to date and developed a new Action Plan for 2018-2019

At the commencement of 2018-2019 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance covering the previous period. The Board also conducted a comprehensive Strategic Futures workshop in May 2019.

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 table below summarises the 2018-2019 value per council and for the region as a total.

2019 Summary	Value per Council	Value for the S&HLGA region
General advocacy	\$20,000	\$120,000
Programs and Projects	\$375,005	\$2,003,500
Capacity building	\$35,948	\$165,692
Total	\$430,953	\$2,289,192

Task Force and Working Groups

The S&HLGA EO was a member of the following Task Force and Working Groups during the course of the year:

Committee	S&HLGA Executive Officer Role	Meeting Frequency	Comment
Regional Public Health	Secretarial/Administration	Every 2 months	ongoing
Resilient Hills & Coast - Climate change Adaptation	Committee member	Every 2 months	ongoing
Regional Economic Development Officers	Committee member	Every 2 months	ongoing
SA Coastal Alliance	Committee member	Every 2 months	Estimated phase 2 project to be complete by Dec 2020
Regional EO Management Group	Committee member	Every 2 months	Precedes SAROC
S&HLGA CEO group	Secretarial/Administration	Every 3 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 meetings in November 2018 and March 2019 to review the S&HLGA 2020 Transport Plan (Plan) Roads database priority summary list and to make recommendations on regional priorities for the Special Local Roads Program (SLRP). The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.
- Co-ordinated and supported the application process of Councils to the SLRP.
- Review and plan the update of the S&HLGA Roads Database that comprises the roads nominated by Councils under the policies of the 2020 Transport Plan
- Reviewed the next 3 year work plan for the region

- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2019 – 2020

Project	Council	Total Project Cost for this stage	SLRP request	Council contribution	comment
Waitpinga Rd	City of Victor Harbor	\$600,000	\$400,000	\$200,000	Stage 4 of 4
Springs Rd	Mt Barker	\$1,160,000	\$773,000	\$387,000	Stage 3 of 4
Wedgewood/Hickmans Rd	Kangaroo Island	\$840,649	\$560,432	\$280,217	Stage 2 of 3
Springs Rd	Mt Barker	\$1,146,000	\$774,000	\$372,000	Stage 4 of 4
Total		\$3,746,649	\$2,507,432	\$1,239,217	

CWMS Group

The S&HLGA Community Waste Water Management Systems (CWMS) User group has been formally constituted with member establishment levies set comprising a base rate plus a percentage based on the number of connections.

Following on the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, The S&HLGA Council CEO group has been reviewing options for CWMS assets in light of:

- The risk factors and increasingly time and resource consuming compliance regime associated with this critical asset management.
- The opportunity for regional scale
- Continued investment interest from the private sector
- Adopting best practice and efficient operations

The CWMS User group meeting on 28 May and 20 June 2018 as well as attending the CWMS state conference in the Barossa

S&HLGA Regional Public Health Plan

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

- Working group meetings (preparation Agendas & Minutes) 20/07/2018, 29/01/2019, 21/02/2019, 3/07/2019
- 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 successful application to run the Community Wellbeing alliance Pilot study for the S&HLGA region

S&HLGA Regional Climate Change Adaptation Committee

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

- Working group meetings 22/08/2018, 19/12/2018, 10/04/2019, 20/06/2019
- S&HLGA presentations
- Liaise and co-ordinate with Project Manager
- Prepare funding submissions for regional Climate adaptation projects

Of significant importance was the successful application to run the Resilient Regions Central Co-ordinator Pilot study for the S&HLGA region to be rolled out in 2019-2020

Regional Economic Development Officers 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.

Role: Task Group 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
- The Working group has held meetings 18/09/2018, 12/11/2018, 4/02/2019 and 6/05/2019
- 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.
- Liaise and regularly meet with GTA Consultants who were commissioned to review the region's public transport and provide strategic directions and an action plan.

Regional LGA Organisations EO Management Group

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

- Meetings were held 22/08/2018, 4/12/2018, 20/03/2019, 15/05/2019
- 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

SAROC

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that focuses on key issues affecting country Councils.

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

- Continuing lobbying and input into the ongoing review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits as well as advocating the return of appropriate Road funding for SA
- Lobbying and continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy and cost shifting policies such as e-planning portal contributions, hard waste levy, transfer of rate exempt community housing.
- Working with the State Government on the management and control of abundant pest species particularly Little Corellas
- Developing and promoting the Regional Decentralisation and population growth strategies
- Working on Coastal Council Alliance project and working with State Government on a Jetties and Wharves replacement and maintenance plan
- Member of the Regional Task Group to oversee the Ratings Equity Project
- Input into LGA Governance review and the SAROC 2019-2023 Strategic Plan and 2019-2020 Annual Business Plan
- Reviewing and having input into the SA Visitor strategy
- Taking a leadership position on Climate risk
- Developing a measurement project with the RDAs on the socio economic impact on regions of the NDIS delay and rollout

- Working with the State Government and lobbying on Local government reform around key elements such as Council member capacity and conduct, representation, benchmarking and simpler regulation.

Regional Research Papers and Submissions

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

- To the LGA on behalf of the S&HLGA region – Expression of interest for pilot study “Community Well Being Alliance regional trial”
- To Minister for the Environment on behalf of the S&HLGA region – Abundant Bird Species Management
- To SA Grants Commission on behalf of the S&HLGA region – Review of methodology
- To Department of Environment & Water – Funding application for Resilient Regions Central co-ordinator
- LGA R&D application for “Peri-Urban” research grant
- S&HLGA Value proposition paper
- To SA Health on behalf of S&HLGA Regional Public Health progress report for the period 2016 – 2018
- To EO Management Group – project briefs on Peri Urban organisation, overabundant pest species and Financial Assistance Grants reform

Workshops and seminars

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

- LGA Showcase / OGM
- LGA Conference / AGM
- LGA Smart Cities Forum
- CWMS state conference
- Yorke & Mid North Bio Energy Forum
- Commissioner for Kangaroo Island meeting
- Various Council presentations on S&HLGA Key Activities and Projects
- Australian Institute of Company Directors Economic Outlook Forum
- SA Grants Commission Forum
- LGA Rate Capping Forum x 2
- Climate Change and risk officers Forum
- Adelaide Hills and Fleurieu Peninsula Public Transport workshop

- S&HLGA Regional Community Energy Project Forum
- SAROC Planning and Business plan workshop x 2
- Goyder Economic development and resilience roundtable
- “Where we build, What we build” stakeholder inception forum
- RDA SA state conference

Rubble Royalties

The S&HLGA received top up funds from Rubble Royalties in 2018-2019. The S&HLGA has member Council Kangaroo Island as the sole contributor to this scheme. During the year funds were allocated to:

- Contribution to the Resilient Hills & Coast Climate Change Adaptation Project Officers 12 month contract extension
- S&HLGA Strategic directions forum 10 May 2019
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.

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 and the final Outreach Grant has improved the capacity of the Executive Officer that has been applied across a range of Association activities during the year.

Part of the additional capacity has supported the administrative processes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC, the regional EO group, the regional working groups and various reports, submissions and forums throughout the year.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement for the period July 2018 – February 2019.

He has continued in the role as an employee of S&HLGA from February 2019.



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 2018-2019 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 & acquitals
Projects and support (sustainability and development)	Regional Public Health Plan, Resilient Hills & Coast Climate adaptation Plan, Northern Freight Bypass Project, Fleurieu Futures Pilot, Regional Transport Plan, Grants Commission review.
Leadership, advocacy and marketing	LGA Governance review, New Government Policies (e.g Rate Capping), Relationship building with new Government MPs, Website maintenance
Opportunities (capacity and infrastructure)	CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, External Funding, Regional Development Assessment Panel

Theme	Items & Actions	Item	Status	Comment
General Administration (sound financial and compliance management)	Budget, Charter Review, Board meetings, Subscriptions and Levies, Key Actions, Audit, Annual Report, Grant reporting & acquitals	Budget		
		Charter review		
		Subscriptions & levies		
		Audit		
		Annual Report		
		LGA Grants		Successful LGA R&D \$45,000 CEP
Projects and support	Regional Public Health Plan,	Regional Public Health Plan		Successful LGA pilot region submission/2 year report

(sustainability and development)	Resilient Hills & Coast Climate adaptation Plan, Northern Freight Bypass Project, Fleurieu Futures Pilot, Regional Transport Plan			submitted/Committee regularly meeting
		Resilient Hills & Coast Climate adaptation Plan		Committee meeting regularly. \$45,000 CEP grant, \$95,000 What we build where we build grant
		Grants Commission Review Project		
		Fleurieu Futures Pilot,		Councils Seeking funding for next stage investigation
		Regional Transport Plan		
Leadership, advocacy and marketing	LGA Governance review, New Government Policies (e.g Rate Capping), Relationship building with new Government MPs, Website maintenance	LGA Governance review		Peri-urban regional organisation to be investigated
		Rate Capping		
		Relationship with MPs		Regularly meeting
		Website		Updated after Council elections
Opportunities (capacity and infrastructure)	CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, External Funding, Regional Development Assessment Panel	CWMS		Committee meeting regularly
		Waste		
		Infrastructure Plan		Recent RDA priority project forum/ Committee meeting regularly
		Procurement		
		External funding		Seeking Native Veg Plan contributions
		DAP		

= Not on track / yet to commence further action required

= on track

= completed / no

Category	S&HLGA Role	Item	Comment/Description
Administration	Active/Lead	Charter Review	Original target date Dec 2018, revised August 2019.
	Active/Lead	Draft Budget 2019-2020	Endorsed by Board 26/04/2019 out for individual Council approval. Majority approval received
	Active/Lead	Draft Key Action 2019-2020	Draft June 2019
	Active/Lead	Regional Capacity grant acquittal 2018-2019	Due July 2019
	Active/Lead	Audit 2018-2019	Due July-Aug 2019
	Active/Lead	Annual Report 2018-2019	Due Sept 2019
Projects – Lead/S&HLGA Committee	Active/Lead	Regional Public Health Plan	Community Wellbeing Alliance Pilot funding of \$75,000 received. Expect at least 18 month delivery

Category	S&HLGA Role	Item	Comment/Description
			timeframe. Consultant contractor appointed and work plan being developed
	Active/Lead	Resilient Hills & Coast	Community Energy Scheme funding \$45,000. Working through the second phase of this at present and seeking external funding for phase three (State Bank grant application unsuccessful)
	Active/Lead		Where we build, what we build project has received \$95,000 Natural disaster Program grant and \$60,000 Insurance Council of Australia grant commitment. Milestones 1&2 completed.
	Active/Lead	Road Works Party	Completed HV assessment of South Coast Freight Corridor. Issues with Middleton main street traffic to be resolved. Developing a new Roads database and new 2030 Transport Plan for 2020-2021
	Active/Lead	CWMS	Committee now active with regular meetings scheduled. Just waiting for LGA availability. Key focus is on audit/description of each Council scheme and then seek common ground for efficiencies around operations and procurement. Meeting scheduled 24 June 2019
Projects – Lead	Active/Lead	Grants Commission methodology review	March 2019 - Completed submission to SA Grants Commission
	Active/Lead	Regional Native Vegetation Plan	Reviewing cost and opportunity for some external contributory funding
	Lead/Partner/Influence	Regional LGA Management Group	Regular meeting of the LGA EOs and development of priority projects in conjunction 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.
	Partner/Advocate	Digital Maturity	S&HLGA role is largely information provision and input into the report although EO is on monitoring task group

Category	S&HLGA Role	Item	Comment/Description
	Partner/Influence	Economic Development Officers Forum	RDA lead but focus on Regional Infrastructure plan and Public Transport
Relationships	Active/Lead/Influence	New Elected members	Updated S&HLGA Value Proposition presented to all 6 member Councils 1 st May 2019
	Active/Lead	Peri –Urban Group	Advocate and seek input from potential expanded Council members into a larger peri – urban Regional Organisation

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
LGA.....	Local Government Association
MDBA.....	Murray Darling Basin Authority
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
OLG.....	Office of Local Government
PIRSA.....	Primary Industries & Regions SA
RDA.....	Regional Development Australia
SAROC.....	South Australian Regional Organisation of Councils
SEB.....	Significant Environmental Benefits
S&HLGA.....	Southern and Hills Local Government Association
SLRP.....	Special Local Roads Program

**Southern & Hills Local Government Association
Past Presidents and Secretaries / Executive Officers**

Years	President	Council	Secretary / EO
2018 - 2019	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
2017 – 2018	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
2016 - 2017	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2015 - 2016	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2014 - 2015	Mayor Bill Spragg ^f Mayor Ann Ferguson	Adelaide Hills Council DC Mount Barker	Graeme Martin
2013 - 2014	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2012 - 2013	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2011 - 2012	Mayor Ann Ferguson	DC Mount Barker	Fred Pedler ^d Graeme Martin ^e
2010 - 2011	Mayor Ann Ferguson ^c Mayor Brian Hurn OAM	DC Mount Barker The Barossa Council	Fred Pedler ^b
2009 - 2010	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2008 - 2009	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2007 - 2008	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2006 - 2007	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2005 - 2006	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2004 - 2005	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2003 - 2004	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2002 - 2003	Mayor John Crompton ^a	City of Victor Harbor	Fred Pedler ^b
2001 - 2002	Mayor John Crompton	City of Victor Harbor	Fred Pedler ^b
1999 - 2000	Mayor Bernie Eglinton APM	DC Mt Barker	Fred Pedler ^b
1998 - 1999	Mayor Bernie Eglinton APM	DC Mt Barker	Dean Gollan
1997 - 1998	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1996 - 1997	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1995 - 1996	Mayor Anita Aspinall	DC Stirling	Peter Vlatko
1993 - 1994	Cr GR Mayfield	DC Yankalilla	Malcolm Davis
1991 - 1992	Mayor Val Ball	DC Strathalbyn	John Coombe
1989 - 1990	Cr Val Bonython	DC East Torrens	Eric March
1987 - 1988	Cr PD Secker	DC Mt Barker	Dean Gollan
1985 - 1986	Mayor Leon O'Driscoll	DC Strathalbyn	Vernon Cotton
1984 - 1985	Cr CA Phieffer	DC Onkaparinga	David Seaman
1982 - 1983	Cr Brian Pym	DC Mt Pleasant	Adrian Hamiester
1980 - 1981	Cr Roy Galpin	DC Port Elliot and Goolwa	Ron Wellington
1979	Mayor M Checker	DC Gumeracha	Malcolm Anderson
1978	Mayor M Checker	DC Gumeracha	John Grosvenor
1976 - 1977	Mayor A Davidson	DC Strathalbyn	Vernon Cotton
1975	Cr Ray Orr	DC Mt Barker	Reginald Walters
1974	Cr L Hughes	DC Meadows	Wally Richards
1969-1973	No minutes available		
30 th July 1969	First Constitution for S&HLGA Adopted		

Attendance register maintained for annual and half yearly conferences from 1968 to 1990

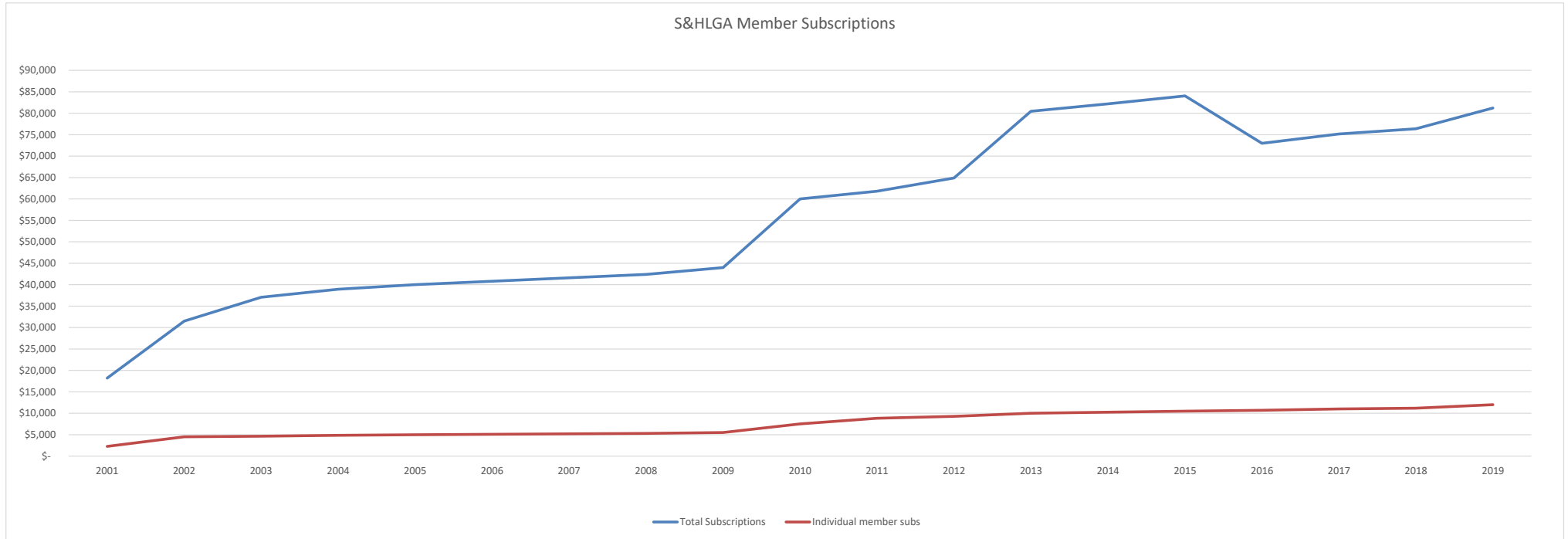
^a Until 12th May 2003 ^b Executive Officer ^c From February 2011 ^d To December 2011 ^e From January 2012

^f From February 2015

Southern and Hills LGA Membership subscription history

Financial Year ended	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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
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
\$ 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
% 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%

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 2019

	Notes	2019 \$	2018 \$
Income			
Subscriptions	1.8	76,373	75,173
Operating Grants	2.2	261,239	89,777
Investment Income	1.7	4,456	3,164
Other		28,655	90,280
Total Income	1.4	<u>370,723</u>	<u>258,394</u>
Expenditure			
Contractual Services	3	167,523	163,911
Finance Charges		3,763	3,482
Other		104,707	51,410
Total Expenditure		<u>275,993</u>	<u>218,803</u>
Surplus (Deficit) from Operations		<u>94,731</u>	<u>39,591</u>

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2019

	2019	2018
Notes	\$	\$
Current Assets		
Investments	181,281	126,959
Debtors	147,675	6,000
Total Current Assets	328,956	132,959
Current Liabilities		
Accounts Payable	21,326	60
Grants in Advance	80,000	
Total Current Liabilities	101,326	60
Net Current Assets	227,630	132,899
Net Assets	227,630	132,899
Equity		
Accumulated Surplus	227,630	132,899
Total Equity	227,630	132,899

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 2019

	2019	2018
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	132,899	93,308
Net Surplus / (Deficit)	94,731	39,591
	<hr/>	<hr/>
Balance at end of period	227,630	132,899
	<hr/>	<hr/>
Total Equity	227,630	132,899
	<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 2019

	Notes	2019	2018
		\$	\$
Cash Flows from Operating Activities			
Receipts		328,452	280,753
Payments		(273,599)	(252,299)
GST Paid (received)		(4,987)	(2,587)
Interest Receipts		4,456	3,164
		54,322	29,031
Net Cash Provided by (Used in) Operating Activities		54,322	29,031
Net increase/(decrease) in Cash Held		54,322	29,031
Cash at the beginning of the reporting period		126,959	97,928
Cash at the end of the reporting period		181,281	126,959

Reconciliation of Change in Net Assets to Cash from operating activities

		2019	2018
			\$
Net Surplus		94,731	39,591
Decrease / (Increase) in Debtors		(147,675)	0
(Decrease) / Increase in Accounts Payable		27,266	(10,560)
(Decrease) / Increase in Grants in Advance		80,000	0
		54,322	29,031
Net Cash provided by Operating Activities		54,322	29,031

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 2019

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 2019	\$11,200
Constituent Council Subscription 2018	\$11,000

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.9 Income recognition

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

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration: The operation of the Office of the Association and its decision making forums.

Special projects: The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.

Transport and Communication: The review and implementation of the S&H 2020 Transport Plan.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
2019	106,989	80,829	187,818	50.7%	184,528	66.9%	3,290
2018	39,777	78,338	118,115	45.7%	160,692	73.4%	(42,577)

Projects

2019	154,250	12,255	166,505	44.9%	68,020	24.7%	98,485
2018	50,000	70,789	120,789	46.8%	49,442	22.6%	71,347

Transport and Communication

2019	0	16,400	16,400	4.4%	23,444	8.4%	(7,044)
2018	0	19,490	19,490	7.5%	8,669	4.0%	10,821

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
Total							
2019	261,239	109,484	370,723	100%	275,993	100%	94,731
2018	89,777	168,617	258,394	100.0%	218,803	100.0%	39,591

3. Contractual Services

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

		2019	2018
Consultants:	LKS Quaero	\$0	\$12,682
	Grange Advisors Pty Ltd	\$85,239	\$142,560
	HDS Australia Pty Ltd	\$23,444	\$8,669
	RH&C (CVH)	\$45,000	\$0
	Seed Consulting	\$13,840	\$0
Totals		\$167,523	\$163,911

4. Comparison of Budget and Actual Results

	2019		2018	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	174,273	187,818	202,369	118,115
Projects (incl Transport Plan)	20,050	182,905	18,350	140,279
Total Revenue	194,323	370,723	220,719	258,394
Expenditure				
Administration	170,000	184,529	170,190	160,692
Projects	68,050	91,464	38,250	58,111
Total Expenditure	238,050	275,993	208,440	218,803
Surplus (Deficit)	(43,727)	94,731	12,279	39,591

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 2019 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 23rd August 2019



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 2019, 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 23rd August 2019



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 2019**

I confirm that, for the audit of the financial statements of Southern & Hills Local Government Association for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

HLB Mann Judd

**HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants**



**Jon Colquhoun
Director**

Adelaide, South Australia

23 August 2019

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

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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 2019, 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 2019, 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.

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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
23 August 2019



Jon Colquhoun
Director

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