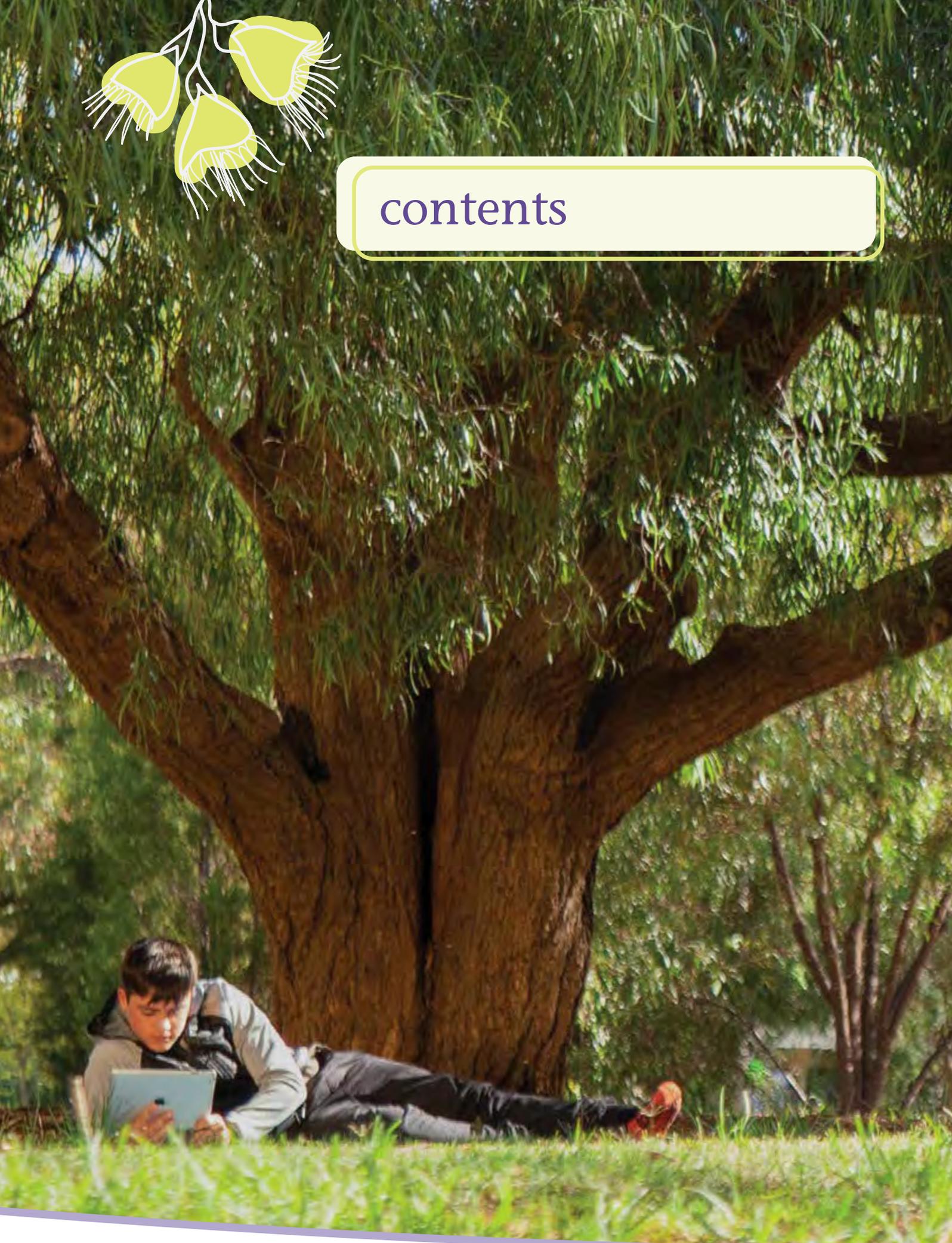


annual report
2018/19



contents



From your Mayor	4
Our City	8
Our Values	10
Our Vision	12
Financial Summary and Expenditure	14
Our Performance Highlights	16
Financial Management and Sustainability (Strategic Direction 4)	16
Our Workforce – People and Culture (Strategic Direction 4)	18
Governance and Elected Member liaison	19
Business Excellence, Strategy and Project Delivery	20
Our Structure	32
Local Government – Your Council	34
Council and Committee Meeting Attendance	48
Council Committees	50
Council Representation on Boards and Committees	52
Elected Member Training and Development	54
Reporting	57
Tenders and Contracts, Internal Review	57
Significant Business Activity, National Competition Policy	57
List of Mandatory Policies, Codes, Procedures and Registers	58
City of Burnside Financial Report	61
Eastern Waste Management Authority Annual Report 18/19	115
Highbury Landfill Authority Annual Report 18/19	161
ERA Water Annual Report 18/19	165
Eastern Health Authority Annual Report 18/19	205
BHKC Annual Report 18/19	269

from your Mayor

I am pleased to present the 2018/19 City of Burnside Annual Report in my first term as Mayor.

Firstly I acknowledge both Mayor David Parkin for his service to Council over the previous eight years and to all Elected Members under the previous term of Council for their contributions and dedication. There were significant challenges to navigate over the four year period and I thank all for providing a platform that we can continue to grow from for the betterment of this community. It has been a productive 12 months building on solid foundations with numerous positive outcomes for the City.

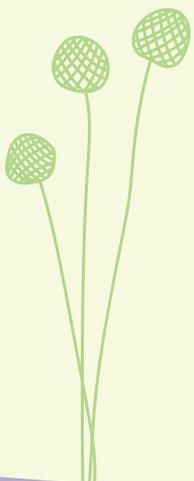
The elections held in November 2018 saw significant changes to personnel in the chamber as we welcomed seven new faces to our Council. The State too experienced a significant shift in the local government landscape in terms of gender, age and cultural representation.

The Council and its Administration, as a dedicated team, have continued to make a much appreciated contribution to the community, which is evidenced throughout this report. It affirms that our City is a green, vibrant, friendly and dynamic place to live, conduct business and work in; offering our residents, employees, businesses and visitors an enviable location and lifestyle. It is also one that looks to the future and recognises the inherent challenges ahead, which must be met with innovation, creativity and change.

This report charts our progress towards our Strategic Community Plan Be the Future of Burnside 2016-2026 which represents the shared values and aspirations of our community. In addition, the report highlights our key achievements and milestones and explains some of the challenges we faced. It measures our success against the objectives set out in the Annual Business Plan and Budget 2018/19 and includes the City of Burnside's audited Financial Statements for that period. Importantly, it also highlights the increasing role that Council has in 'non-mandatory services' and how through the activities we provide, we strive to enhance wellbeing, social inclusion, lifestyle and health outcomes in the community.

We have delivered an impressive suite of public infrastructure, redevelopment and community-building initiatives and maintained provision of more than 110 services that nurture and enrich community life. This is even more rewarding and heartening when one observes such visible and tangible progress, while also providing sound value for residents and ratepayers, with cost increases minimised where possible.

We have delivered an impressive suite of public infrastructure, redevelopment and community-building initiatives





Rates for 2018/19 were set at 2.70 per cent, accommodating for unexpected cost pressures including the Solid Waste Levy. Savings and associated strategies were successfully achieved, well in excess of expected amounts. Our ongoing positive results reaffirm our financial sustainability and responsibility in a challenging, and increasingly scrutinised, environment. Council achieved a \$2.4m Net Surplus compared to an Adopted Budget of \$0.5m, demonstrating prudent and sensible financial management and planning. Our nation's recycling industry continued to be impacted by the China Sword decision and resultant impacts throughout the 2018/19 Financial Year, with our City not being immune to these pressures and forces. The East Waste Board steered us through the challenges and intricacies that arose and Council continues to pursue ways to improve the community's understanding of the importance of disposing of waste effectively and efficiently. It is critical that the local government sector ensures the ongoing sustainability of the recycling industry in South Australia – and preserves the community's trust and faith in the recycling process – through this time of transition.

It was pleasing to see the impetus maintained on key projects and witness firsthand the progress of the Conyngham Street Depot Redevelopment, the re-opening of Constable Hyde Memorial Garden, the undergrounding of power lines for the Magill Village project and to be involved with the Administration in the delivery of such objectives, while frequently visiting our library and community centres and meeting many in the community.

On a personal level I am proud to have seen the Regal Theatre in its first year of full operation by Council. This much loved site, a heritage icon, has flourished over the period with an increased portfolio of offerings for all in the community. A true community venue, it has been pleasing to see increases in attendance in addition to work commencing to rejuvenate parts of the building. Please continue to enjoy the concerts as well as the movies, as the Regal continues to support community fundraising and aid community connections.

I was privileged to conduct my first citizenship ceremony on Australia Day where more than 80 residents from 29 countries became Australian citizens. The rich tapestry of cultures we welcome to the City contributes to making Burnside so special and I am particularly proud of our diversity. Celebrations of these different cultures continue to be engaged with by our residents in and beyond our City.

Our engagement and consultation for the Wheel Park Research project officially began to investigate possible locations for such a facility in the City of Burnside. Attending the onsite consultation days proved to be a useful opportunity to hear community perspectives and directly be in discussion with key stakeholders. While appreciating the concerns, I also acknowledge that there are benefits of having a Wheel Park within our City, including recreational, lifestyle, social and mental health considerations and look forward to continuing exploration of this project.

We have continued to interact and collaborate across other sectors of government. I would like to express my thanks to the Commonwealth Government who provided a total of \$5m in funding towards our Kensington Gardens Reserve and Magill Village projects. The Administration has continued to advocate and educate on the matter of State planning reforms with numerous submissions provided. Of paramount importance has been the need to relay our concerns and views on heritage protection and I am confident Council has undertaken the steps possible to maintain these irreplaceable assets. Population density, urban infill and development overall are increasing, bringing additional demands on facilities, infrastructure and our natural environment. Council will continue to work diligently to ensure developments are appropriate and bring long-lasting benefits where possible.



There has been a continued focus on matters relating to environmental action, conservation and protection. The implementation of the Canopy Action Plan continued, in order to address tree loss through community education and active participation in management of the urban forest. Waste management education efforts also continued with pleasing statistics and information reporting to Council and highlighted in this report. Council's annual Local Native Plant Day was held at the Biodiversity Nursery, finding new homes for more than 2,400 plants and taking in over \$4,300 in donations. The dedicated work of staff and volunteers is sincerely appreciated, with the event encouraging the community to cultivate local indigenous plants that often require less watering.

Providing relevant, efficient and quality services to support people at all ages and life stages remained a key priority. From our Home Support Program to school holiday programs, through to our Carols in the Park or hire of facilities, or our Family Fun Days or Ballroom Series and library events, we work in partnership with the community, offering learning and leisure opportunities for thousands of residents.

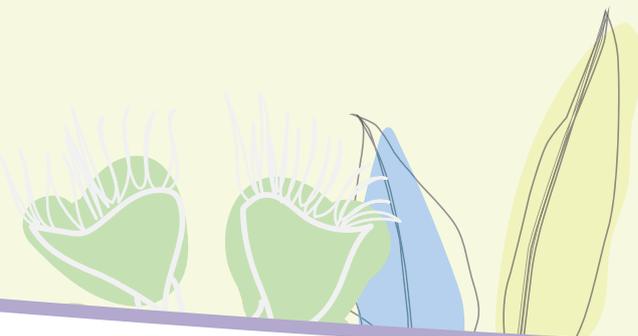
Above all, Council has strived to make the City a better place to live, work, study and conduct business in. This has been demonstrated through the breadth of services we have delivered; underpinned by astute fiscal management, judicious strategic planning and genuine, extensive community consultation and collaboration. On this note I thank everyone who has been involved in the various feedback and community engagement processes and for your contributions. You have helped us to understand your needs, desires and aspirations and how we can work to meet them. Please continue to engage with us.

Our community operates in the way it does, not solely because of the physical places we create and the assets we build, but the sincere and honest connections we adopt. People who donate their time to volunteer, who associate with a club, who frequent the community centres, library and open spaces all help to mould and shape the lifestyles we all enjoy.

I would like to take this opportunity to thank every member of the City of Burnside family, our Elected Members, our staff and volunteers for their contributions and support in consistently providing a wide range of services. Together we endeavour to make them flexible, open, accessible, and transparent and delivered in a cost-efficient and effective manner.

You should all be very proud of the contribution you have made to the City of Burnside in 2018/19.

Anne Monceaux
Mayor







our city

The City of Burnside is one of Adelaide's oldest residential areas, encompassing 28 suburbs, and is located 10 minutes from the central business district of Adelaide, found nestled at the base of the Adelaide foothills.

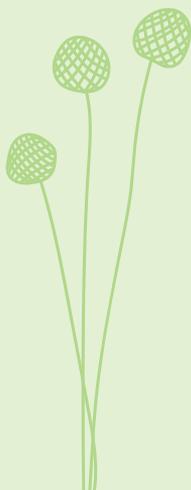
The City of Burnside acknowledges that the City is located on the traditional country of the Kaurna people of the Adelaide Plains. It recognises and respects their cultural heritage, beliefs and relationship with the land.

While population and dwelling change in the City has been relatively stable historically, reflecting the established nature of residential settlement and lack of strategic redevelopment sites, 2018/19 has seen some shifts. A factor contributing to these shifts included the substantial completion of

Stage 1 of the Cedar Woods Glenside Redevelopment, with new residents starting to move in to the completed dwellings. The Burnside Village expansion project has also continued to accelerate, with a masterplan that ensures the Village continues as South Australia's premier retail and lifestyle destination approved by the State Commission Assessment Panel in May 2019. An increasing proportion of residents with non-English speaking backgrounds, coupled with both an ageing population and an ever-increasing youth demographic are also trends which have continued over the past year.

Since early settlement, Burnside has evolved into a dynamic community; a true mix of diverse cultures, with contemporary and highly valued heritage areas, a city conscious of and respecting its past, while also appreciating the need for innovation and economic prosperity.

The Estimated Resident Population of the City of Burnside as of 30 June 2018 (obtained from Australian Bureau of Statistics) is 45,706.



The 2016 Census revealed the following statistics for the City of Burnside:



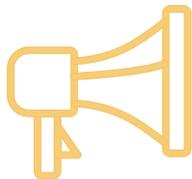
The largest increase in ancestry is **Chinese and Indian**.



26 per cent of the population reported doing some form of voluntary work in 2016.



22 per cent of people came from countries where English was not their first language.



3 per cent of the resident population have difficulty communicating in English.



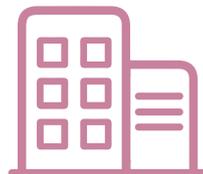
13,390 people were born overseas and **25 per cent** arrived in Australia between 2011 and 2016.



There were **2,841** couples with young children in the City of Burnside in 2016, comprising **16 per cent** of households.



20.4 per cent of the population earned an income of **\$1,750** or more per week in 2016.



34.2 per cent of the dwellings were medium or high density, compared to **26 per cent** in Greater Adelaide.



35.2 per cent of households with a mortgage were making loan repayments of **\$2,600** or more per month.



7,480 (17 per cent) were 5 to 17 year olds (primary and secondary schoolers) in the City of Burnside.



There were **7,013** households (**40 per cent**) with children.



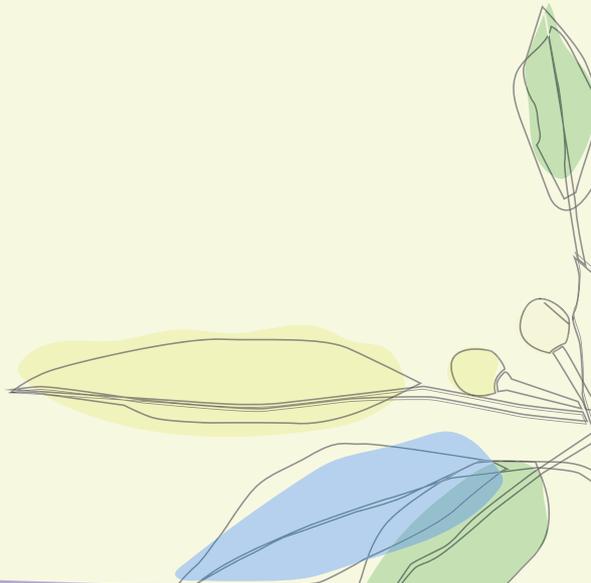
our values

Caring and supportive

Innovative and creative

Transparent and honest

Enjoyment and involvement







our vision

Established and renowned for its heritage and character, green leafy streets and open spaces, Burnside is an urban oasis.

It has a collaborative, diverse and accepting community, that together with Council, works towards building upon Burnside's historic and traditional foundations to deliver a progressive and contemporary City cognisant of its past.

Corporate and Development



261,638 Documents registered

7,168 Customer Requests

40,589 Calls handled

Seamless election process, with **7** new Council Members



348 cats registered voluntarily

5,442 dogs registered



\$1m of savings achieved



104 Permits to burn issued

1,305 development applications received

743 respondents to the 2019/20 Annual Business Plan and Budget Consultation

A **9** per cent increase to **69** per cent satisfaction for providing and maintaining street trees – Annual Community Survey 2018

2018 Annual Community Survey indicated that the community's overall satisfaction with Council's performance continues to be high (**7.1 out of a possible 10**)

92 per cent Skytrust actions completed

Urban and Community



14,882 km total length of footpaths

Completion of the LED street lighting upgrade project, with nearly **4,000** LED light replacements

>\$13m Capital Works delivery

Town Hall renovation complete

Establishment of Urban Foresters Group



4,142 Hard Waste bookings

24,059 work orders actioned

1,071 new street trees planted

11,400 native plants grown in our nursery



49,272 hours of Home Support services provided

101 new volunteers recruited



159 individuals received citizenship in 2018/19



459,843 library items borrowed

13,531 adults and kids attended library children's programs

321,168 library visitors



41,189 attendances at the Regal Theatre

4,900 people attended Family Fun Days or Outdoor Movie Nights

178,700 people utilised the Ballroom, Dulwich Community Centre and the Glenunga Hub

33,257 attendances at Pepper Street Arts Centre

108,364 attendances at George Bolton Swimming Centre Burnside for the season



Investment to renew the following in our open space areas:

4 Playgrounds

12 Benches

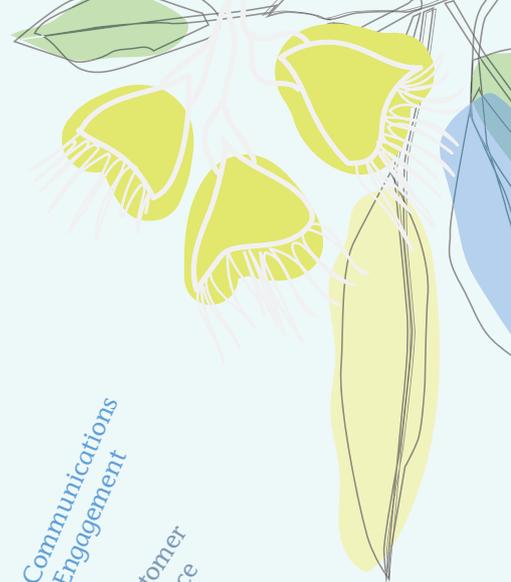
5 Bus stop shelters

3 Drinking fountains

5 Picnic tables

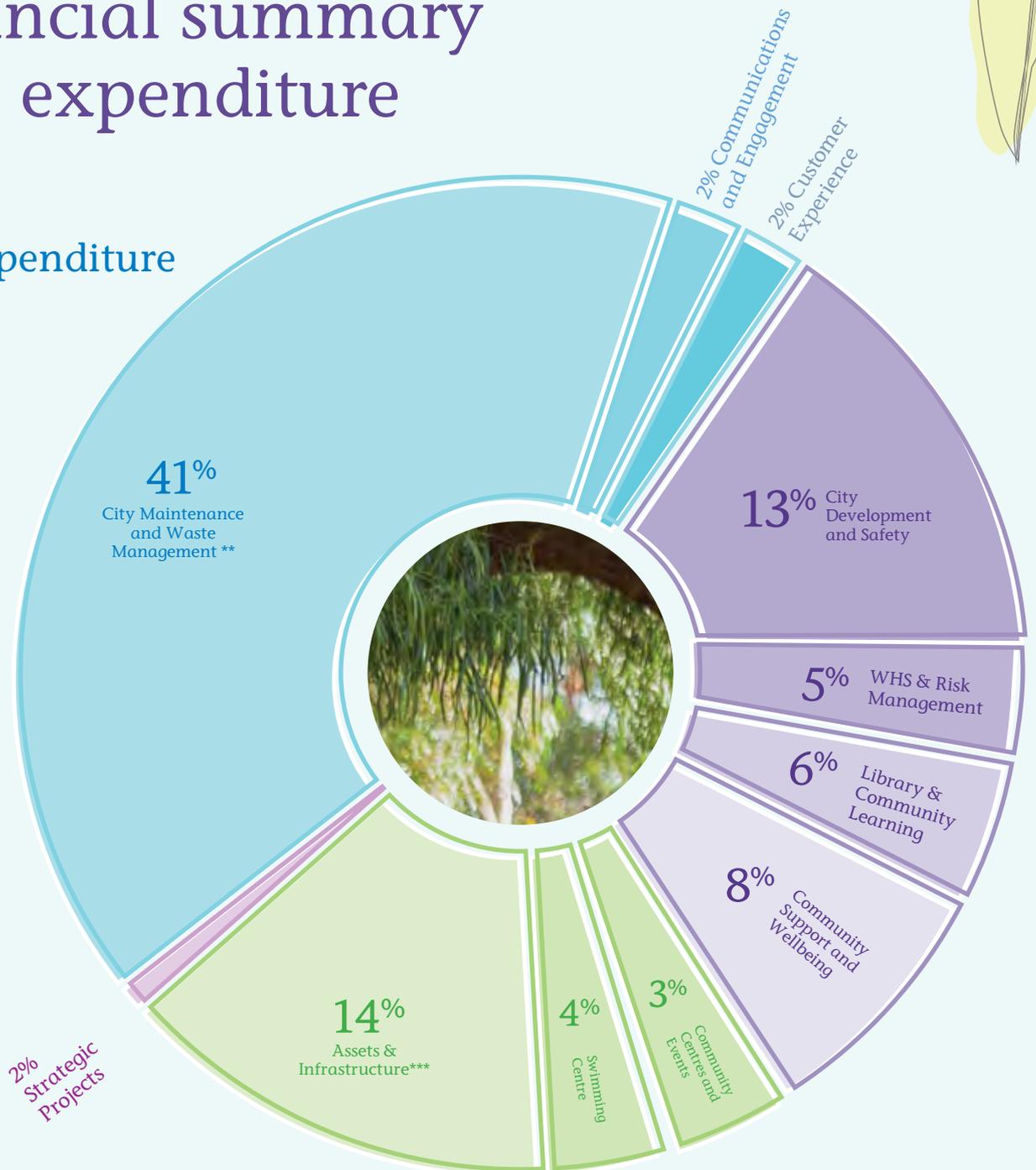
3 Tennis courts





financial summary and expenditure

Expenditure

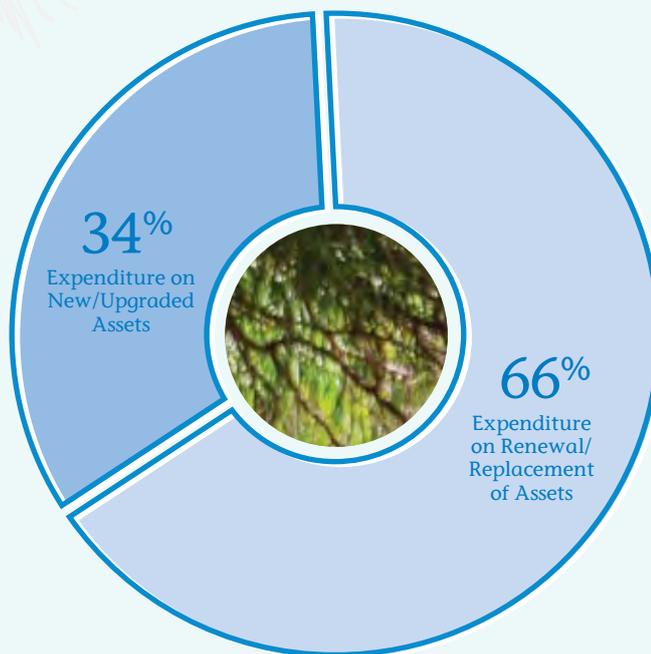


** City Maintenance includes: street sweeping, hard waste collection, planting of trees and maintenance of assets, infrastructure, parks and reserves.

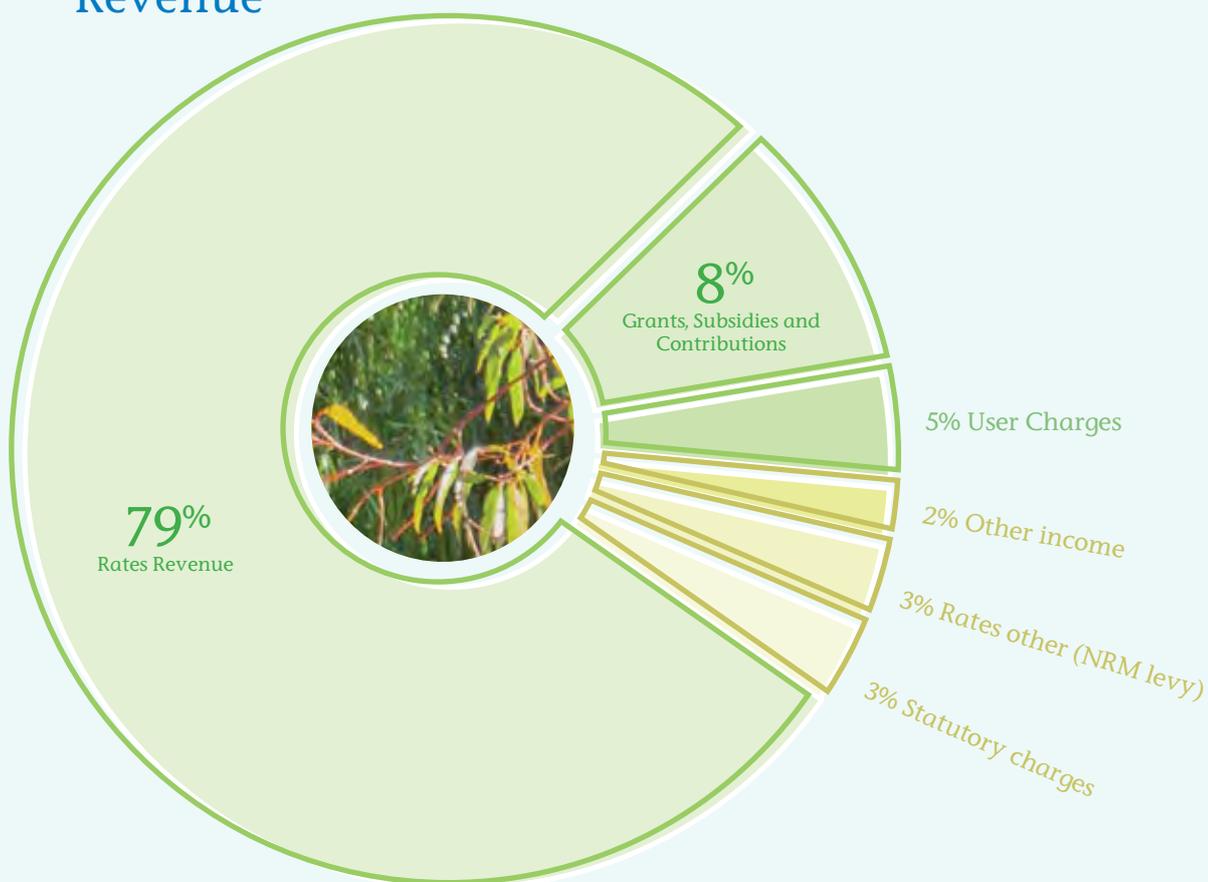
***Assets and Infrastructure relates to the operational expenditure relating to property maintenance for Council as well as a component of administrative costs which includes salaries and depreciation.



Capital Expenditure



Revenue





our performance highlights

Council's Strategic Community Plan 'Be the Future of Burnside 2016-2026' identifies four broad Strategic Directions from the which the Council undertake planning, action and evaluation; providing the overarching direction which guides the allocation of resources over the long, medium and short-term. These are:

Strategic Direction 1 | Our integrated urban form and living spaces

Strategic Direction 2 | Our protected and valued environment

Strategic Direction 3 | Our diverse, connected, happy and healthy people

Strategic Direction 4 | Our leading, inclusive and connected Council

Financial Management and Sustainability (Strategic Direction 4)

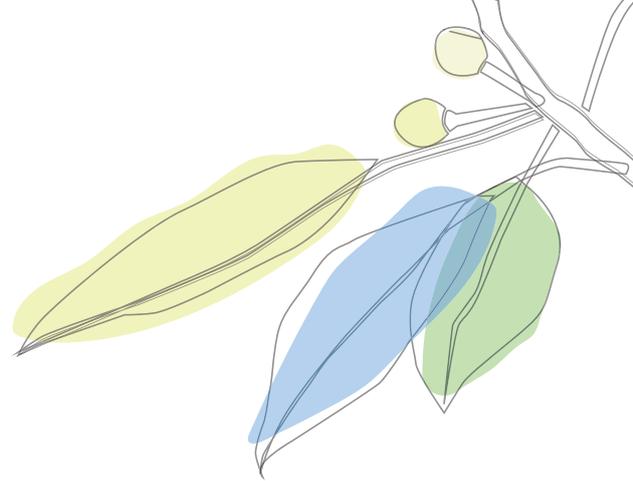
In 2018/19, Council delivered a strong outcome against the adopted Annual Business Plan and Budget and remained committed to realising savings across the organisation while simultaneously providing its services to the community. A 2.70 per cent general rate increase was delivered to residents and ratepayers, despite the cost of Council business increasing by approximately 4.20 per cent. A \$2.2m in Operating Surplus compared to an Adopted Budget of \$0.5m and Quarter 3 Forecast of \$1m demonstrates the Council's responsible fiscal management.

This strong performance was a result of Council being able to achieve savings of \$1m well exceeding the Adopted Budget Savings Target of \$590k as well as additional income from other sources.

Savings resulted from, inter alia, diligent management of employee's costs and robust vacancy management, electricity and maintenance reductions due to the roll out of the LED lighting project and procurement

efficiencies achieved through contract negotiations for a number of projects. Furthermore, a reduction in the New Footpath Construction program due to works not proceeding as a result of community consultation feedback provided additional capital savings. Taking responsibility for the daily operations and management of the iconic Regal Theatre presented an additional revenue stream to Council while fostering community participation and social cohesion. In addition, further income resulted from increased parking fines; directly linked to expanded resources and working hours.

Such targeted efforts allowed Council to continue delivery and maintain momentum of the full range and level of the 118 services previously provided to the community, as well as introducing \$433k of additional projects and new services in the 2018/19 financial year.



Operating projects included work on rejuvenating the Canopy Action Plan and education, a community representative survey, a successful pilot project for place making grants and provision for a temporary Local History and Cultural Officer. New services included hard waste promotion and provision for a short-term employee under equity and diversity.

Furthermore Council was able to deliver \$13.3m of Capital projects this financial year. This included investment in new projects, like the redevelopment of Constable Hyde Memorial Garden and contributions towards the Conyngham Street Depot and Magill Village Redevelopment, as well as investment in renewing existing assets like drainage, bus shelters, plant, fleet, open space and traffic infrastructure.

The 2018/19 financial year also brought a number of costs pressures, often external and outside the span of control of Council which directly impacted the 'cost of business' to deliver community services. These included election costs and flow-on cost increases relating to the international recyclable waste ban policy.

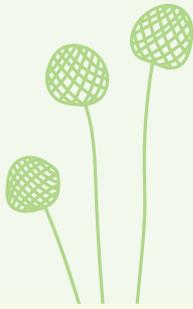
In spite of a number of cost pressures, Council was able to deliver a strong outcome for the community and achieve all its set financial indicators. In addition, Council's net debt level as at 30 June was \$12.0m, \$3.8m less than the Adopted Budget position of \$15.8m.

The City of Burnside was fortunate to be advised of successfully securing \$5m in Federal Government funding to assist in delivery of the Kensington Gardens Reserve and Magill Road projects and acknowledges the assistance from this tier of government. This injection of grant funding was a milestone moment for both projects, allowing work to accelerate on each site for the betterment of residents with a view to improving the amenity and social and recreational usage of each area.

The Executive Team also continued the rotating Executive Group Manager structure established in early 2018. This unique and innovative structure increases capacity and diversity of thought on the Executive Team, supporting equal opportunity while significantly reducing Executive and Management employee costs and is an important component of the organisation's people strategy.



Council regularly measured its performance against the Annual Business Plan and Budget through monthly reporting to Council, conducting quarterly budget reviews, annual long-term financial plan review, customer complaint and reporting systems, budget consultation processes and an annual community survey.



Our Workforce – People and Culture (Strategic Direction 4)

As at 30 June 2019 the current Full Time equivalent (FTE) staff count for the City of Burnside was 161.22 FTE.

Our People 2019-2023, a Strategic Workforce Plan, was endorsed by the Executive team in 2018/19. Recognising that the nature of the workforce is both fluid and in a time of profound change, and supporting the Administration's most valued asset – its people – this document reinforces the strategic direction of a leading, inclusive and connected Council. Leveraging evidence from the Annual Community Survey and the employee climate survey, coupled with an analysis against contemporary human resource trends and principles, and a series of employee workshops to identify future opportunities and challenges, the plan is both nimble and bold,



and will serve as a critical tool to identify priorities that will improve employee experiences and position Council an employer of choice, in addition to addressing succession planning challenges and the quest for talent. The strategy focuses on four key areas (Engage, Grow, Succeed, Advance) that support and develop people throughout their entire employee life cycle and will be a key enabling document as Council strives to meet future workforce challenges including an ageing workforce, talent management and contemporary and best practice recruitment and selection.

A new Leadership Development Program was launched in 2018/19. As an overarching program to benefit leaders of varying levels across the organisation this revised model will challenge and empower the leaders of tomorrow. The delivery of this program also supports Council's commitment to providing suitable learning and development opportunities for staff and fostering an environment of continuous learning and sharing of knowledge, coupled with a recognition of the talent management and succession planning challenges faced by the sector in general. Following a tender process, Synergy IQ was selected to deliver a series of short and contemporary courses, specifically designed to build on the constructive and dynamic leadership competencies and behaviours already founded, allowing rapid deployment of knowledge, tools and skills within the work setting. Embedded within this customised program is the 'Dare to Lead' program which will equip participants with an internationally

recognised accreditation. This development program has been designed and tailored for Council using the data from the 2018 culture and climate surveys, 360 feedback reviews, the training needs analysis and other relevant HR evidence bases and sources which have highlighted the key improvement areas and competencies to assist in cultivating, nurturing and further enhancing the Administration's leadership skills at all levels.

In 2018/19 Council staff continued to excel again in the awards field during the financial year. At the Local Government Information Technology Awards 2018, a high commendation was awarded in the Young Achievement Award category, with Council also being presented with the Community Transformation Initiative Award. The Minister for Health and Wellbeing, as part of the Public Health Excellence Awards, presented the City of Burnside in 2019 with a commendation for the Urban Forest Interactive Initiative. In addition, at the National TreeNet Symposium 2018 an award was received for 'Leadership in Urban Forestry'. The Urban Forest Interactive Initiative was also recognised as a Local Government initiative toward addressing Climate Change at the City of Adelaide 2019 'Hot Hot Hot' event. Such awards are a testament to employees' commitment to their work and to the Council and reflect the dedication of all involved and complement other human resource initiatives and attesting to their success.

Governance and Elected Member liaison

A summary of Elected Members, their terms of office, allowances, meeting attendance and related information, including committees of Council, is provided later in this document as mandated by the *Local Government Act 1999* and relevant regulations. A report on the use of Sections 90 (2) and 91 (7) by the Council and its Committees also follows in this report.

Local Government elections were held across the State in November 2018. The City of Burnside worked collaboratively with the Electoral Commission of South Australia and the Local Government Association SA to successfully execute the election process and meet legislative requirements. The council elections were conducted by postal voting and voting closed at 5 pm Friday 9 November 2018. More than 30 per cent (30.39) of voters in the City of Burnside participated in the election which was lower than the State return rate of 32.66 per cent.

Following the election, a new Elected Member body was sworn in on 20 November 2018 and the new Council held their first meeting on 27 November 2018.

The election resulted in seven new Councillors being elected in addition to a new Mayor with five Councillors being re-elected.

The new Council commenced a trial of Public Question Time and continued for the remainder of the financial year. This provided an opportunity for members of the public to further engage and become familiar with the Council and its operations at meetings and seek answers to appropriate questions. This further enhanced Council's endeavours for openness, interaction and transparency. Live streaming of meetings continued during the financial year and a comprehensive review of confidential items was undertaken ensuring that items are released where possible and providing public access.

Work has commenced on the review of the Code of Practice for Meetings and Access to Documents. Elected Members have provided feedback which identify opportunities to improve the Council's Codes of Practice.

As part of their induction all Elected Members were provided with mandatory training in accordance with the legislative requirements and a summary is provided in this report. Regular opportunities were provided for Elected Members to 'hit the ground running' for the new term, including a bus tour of key sites, induction sessions with subsidiaries and a Future Directions Forum.

The Council undertook a review of its by-laws, as required by legislation. During the consultation on the by-laws 42 submissions were received, resulting in amendments to the Dog By-law. The next mandatory review of by-laws will be in 2026. A summary of current by-laws is provided in this report.

No management plans for community land were prepared or finalised by Council in 2018/19.



Business Excellence, Strategy and Project Delivery

Regal Theatre – a local icon

Following a period of interim management, the 2018/19 financial year saw the City of Burnside assume responsibility for day-to-day management and oversight of this heritage listed and treasured attraction. This decision of Council has represented a new chapter for the iconic venue, allowing for strengthened community partnerships and interaction and acted as a further enabler towards Council's strategic direction and vision. Since the transition the Administration has actively explored opportunities to expand the community use of the theatre to include live theatre, music, community and family events, with increased private/group/charitable hire, delivering a multi-purpose facility for the community and residents.

The increased activation of the site has provided a medium for fostering community participation and involvement and brought together individuals in the City and wider community who might not otherwise have had the chance to do so. Minor works have been undertaken to replace lighting around the screen, re-painting the foyer and replacing the carpet in the foyer area. In addition, strategies and campaigns have been proactively developed to realise the benefits stemming from school holiday periods and other annual events. Over the 2018/19 financial year, the Regal Theatre saw a 35 per cent increase in attendance when compared to 2017/18. The Annual Community Survey undertaken in 2018 saw 87 per cent of respondents indicating satisfaction with Council's 'provision of the Regal Theatre as a cinema and community venue'.

Constable Hyde Memorial Garden redevelopment

The redevelopment of the southern half (Space 1) of Constable Hyde Memorial Garden was completed in 2018/19 and the park has been re-opened to the public who have warmed to the new space. This space has included development of a play space, an improved turf area with new irrigation, a little community library, additional trees, a new lizard sculpture and a new path and seating. An official event to mark the re-opening was held in April 2019 and featured a tree planting by the Mayor, in addition to the announcement of the winning name of the new blue tongue lizard sculpture, for which a competition was held (known as Tili – *Tiliqua scincoides*). The sculpture was made from a red gum that was previously damaged in a storm. Council resurrected the trunk and commissioned an artist to sculpt a blue tongue lizard, native to the Burnside area.

Following the successful redevelopment and reopening of space 1, Council was successful in obtaining a grant of \$85,000 from the Department of Planning, Transport and Infrastructure (DPTI) to assist with the redevelopment of Space 2 (northern end) with work to commence in the second half of 2019.





Conyngham Street Depot redevelopment

Located in the heart of Glenside, the Conyngham Street Depot redevelopment will turn an underutilised storage depot into a multi-purpose facility that will greatly benefit Burnside's community, especially its increasing ageing population. The redevelopment will deliver a brand new Men's Shed, Biodiversity Conservation Nursery and Community Garden, as well as a reconfigured Council Depot, allowing these operations to continue in a more efficient and better designed space. Construction commenced in March 2019 with the Mayor and government representatives conducting a 'sod turning' ceremony, with the new facilities scheduled to be officially opened in early 2020. Demolition, earthworks, soil remediation and subgrade works were completed in April 2019. The building footings and walls are nearing completion, coupled with several sections of new stormwater drainage.

The design incorporates several environmentally sustainable principles such as permeable paving, two 3,000 litre tanks to capture rainwater for use onsite and a 10kw rooftop solar array. The new site will provide a vibrant community setting, with a variety of educational and intergenerational opportunities.

The City of Burnside acknowledges the Lions Club of Glenside's donation of \$40,000 in the 2018/19 year with a commitment towards a further \$40,000 in the following year.

Kensington Gardens Reserve Master Plan

Since the endorsement of the Kensington Gardens Reserve Master Plan, work has been underway to develop a detailed design for the revitalisation of the south east corner of the Reserve, followed by an updated cost assessment. This project, through a staged approach, will replace the unsafe and polluted artificial lake with a functional wetland to treat urban water pollution entering the creek system, as well as eight reconfigured tennis courts and nature play features, providing for an improved sport and recreational offering. Design work progressed in 2018/19 and is expected to be completed in late 2019. The East Torrens Kensington Gardens Tennis Club provided written support in February 2019 for a configuration in line with the Council-endorsed Master Plan.

In addition to Federal Government funding Council was also successful in securing funding from the Natural Resources Management 2019/20 Water Sustainability Grants scheme.

Magill Village Project

The redevelopment of Magill Road is a joint project between the City of Burnside and Campbelltown City Council to deliver a revitalised streetscape, expected to result in significant economic benefit to the area, with particular focus on the retail strip from the Tower Hotel to Carey Street. This project will deliver a vastly improved shopping and consumer experience, opportunities for vibrant street life, and a safer, more attractive environment for pedestrians and cyclists. Both Councils have been working with project partners, including DPTI, to develop the design, which is expected to be completed before the end of 2019. The two councils have also finalised an agreement with SA Power Networks in December 2018 to undertake powerlines undergrounding works along Magill Road. These works commenced in January 2019 are expected to be completed by the end of 2019.



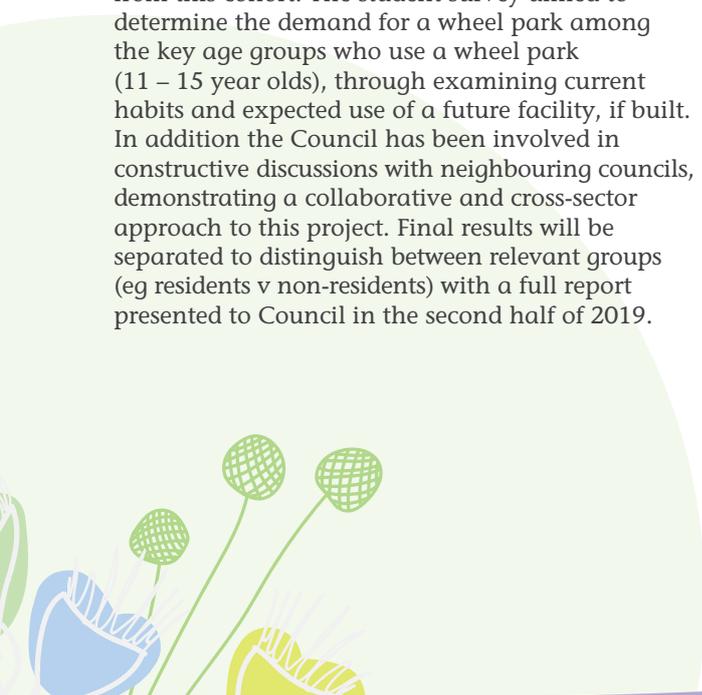




Wheel Park consultation and engagement

Council gave further consideration to the potential of developing such a facility in early 2019. This followed a period of consultation with key representatives from skate, scooter, BMX, roller sports and the 'Skate Park for Burnside' group to establish their key criteria for a successful wheel park. In the first half of 2019 an extensive consultation process was carried out across the City for four potential sites – JB Ware Reserve, Kensington Gardens Reserve, Mellor Reserve and Penfold Park – with the goal of gauging community sentiment on potentially having such a facility at one of these locations.

Although conventional methods were utilised for this exercise, the Administration also undertook extensive face-to-face communication, including door knocking of residents and holding public forums on location, with a view to dispelling many of the common myths around wheel parks, while also identifying key genuine concerns. Promotion of the consultation occurred through social media, engage.burnside, eNews, email banner, an advertisement in the Messenger East, and flyers. The Administration also met with key student representative groups from schools within the City of Burnside and facilitated, in the Council Chamber, interactive presentations from this cohort. The student survey aimed to determine the demand for a wheel park among the key age groups who use a wheel park (11 – 15 year olds), through examining current habits and expected use of a future facility, if built. In addition the Council has been involved in constructive discussions with neighbouring councils, demonstrating a collaborative and cross-sector approach to this project. Final results will be separated to distinguish between relevant groups (eg residents v non-residents) with a full report presented to Council in the second half of 2019.



Participatory Budgeting and Place Making – involving our community at the heart of decision-making

In 2018/19 two pilot programs, funded through the 2018/19 Annual Business Plan and Budget process, were promoted to the community which aimed to assist the public to identify what is important in their neighbourhood, while also enabling them to be involved in making a difference to their local area and decision-making and allow for improved social connectedness. This was the first year that both programs were initiated and have proved to be a beneficial trial and evidence base for consideration of future programs.

The Your Neighbourhood Budget provided a total of \$20,000 to spend on projects within the City of Burnside. Through an engagement process members of the community were able to nominate ideas that they were keen to see implemented in publicly accessible parks, streets or community centres. A voting process was then executed to determine the projects that received funding. A total of 226 people voted on 10 eligible submissions which were installed for the betterment of the community, ranging from a verge community garden to improved drainage solutions at the Conyngham Street dog park.

'Fund My Place' was a place-making project aiming to bring the community in unison to transform their local public spaces including streets, reserves, laneways and footpaths. Grants of up to \$2,500 were offered in order to transform public spaces, and then encourage citizens to use their own time and skills to redevelop a space or run an event. There were a total of three successful applications which included guitar lessons, water colour painting classes and development of mindfulness postcards.

All recipients were formally acknowledged at an inaugural awards ceremony presided by the Mayor in May 2019.

Community Grants – supporting our local community

Once again Council was proud in 2018/19 to be able to provide grants to the local community to help fund community projects and events with the aim of encouraging, developing and supporting programs, services, facilities and projects of a health, recreational, social, environmental and community development nature. All applications received were assessed against criteria which included benefit to the community, linkages to the adopted Connected Communities Strategy, and overall value. In May 2019 a total of \$31,854 was endorsed for Mid-Level Grants for a total of seven organisations. A total of \$18,624 was also endorsed for Minor Grants for a total of 14 organisations. Recipients included the Glenunga Tennis Club, SIDS and Kids, Eastwood Community Centre, Burnside Painting Group, Burnside Youth Concert Band, Dance for Parkinson's, the Ladies Probus Club of Burnside and a variety of others.

Digital transformation – work orders project update

During 2018/19 the Work Order system stage 1 was further embedded into the everyday business of the Operations and Environment Group. To support this across organisational group was re-established to assist with working through and solving user and system opportunities and issues. This group worked its way through over 150 outstanding opportunities and issues to enhance the experience of the users and the system data being produced. In the latter part of the financial year stage 2 was commenced which focused on the introduction of proactive scheduling. Early indications are that the automatic scheduling of work in areas such as the Workshop and Parks teams will improve the planning and management of these maintenance and service functions. Looking ahead, the stage 2 rollout will continue into all Operations and Environment Group teams that run proactive services. Through the cross organisational group further opportunities for the use of Work Orders with other groups of Council will be investigated. A workshop for Elected Members has been scheduled in late 2019. Such projects allow residents and ratepayers to be provided with timely and user-friendly systems, allowing for a responsive and proactive interaction with Council.





LED lighting

Following Council consideration in August 2019 the Light Emitting Diode (LED) upgrade project was completed in the 2018/19 financial year, seeing nearly 4,000 of City of Burnside's street lights upgraded to energy efficient LEDs and reducing the overall carbon footprint. This project will result in significantly reduced energy consumption, saving around 10,000 tonnes of greenhouse emissions and an estimated \$9 million over the life of these assets. In addition the community will benefit from improved lighting given the LEDs deliver consistent levels of light, minimise glare, are reliable and allow for improved safety at night for both pedestrians and motorists. The financial, safety and environmental savings and benefits are considerable. As an additional benefit this rollout has provided lighting that is 'smart city mobilised' for potential future applications.



Connected Cities Project – a connected and smart City

The City of Burnside has partnered with the Cities of Campbelltown, Port Adelaide Enfield, Playford and Prospect along with the University of Adelaide to source federal grant funding from the Smart Cities and Suburbs Program for the Connected Cities Project. Connected Cities has used innovative smart city technology to implement a 12 month pilot project designed to confirm this technology's capacity to provide businesses, community groups and Councils with usage data about their assets and locations that supports evidence-based decision-making.

Council is also a member of the Metropolitan Local Government Smart Cities Network (MLGSCN) which was formed to implement a Smart Cities Strategy. The Connected Cities Project is of considerable interest to the Network and is consistent with the sector-wide approach provided by the Strategy.

Each participating Council has its own sub-projects with the City of Burnside responsible for two – Magill Village and Tusmore Park. Seventeen car park sensors were installed in April 2019 at Tusmore Park. An online dashboard indicates car park occupancy in real time as well as usage rates over time for both disability and non-disability spots. Arrangements have also been made for the installation of sensors for the wading pool, barbeque's, tennis courts, toilets and playground at Tusmore Park together with pedestrian counters at Magill Village in collaboration with the City of Campbelltown. Data collected and evaluated will support Council's day-to-day asset maintenance and also asset management planning during the pilot. For example, bins can be proactively emptied when nearly full rather than reacting to complaints or fixed schedules, while patronage of the wading pool will be used to support future decisions around its potential upgrade or replacement in coming years. A major launch event for all Councils involved was held in July 2019.

Environmental Sustainability and Waste Management

In 2018/19 several significant events occurred which indirectly impacted the Kerbside Waste Collection Service for Council. These included the ongoing matter of 'China Sword' (a major reduction in acceptance of recyclable material by China), the Solid Waste Levy and entering into a new East Waste Recycling Contract with the Northern Adelaide Waste Management Authority. However, Council was still pleasingly able to make solid progress in this area with positive results relating to contamination, organics and mattress collection. Further details can be found in the East Waste Annual Report 2018/19 provided with this document.

Compostable bags were provided to 3,146 households (around 20 per cent of households), a slight increase on the previous year (19 per cent) and new initiatives to promote and provide education on the use of green bins for kitchen organics will commence in the next financial year.

The Administration also made submissions in response to consultation conducted by the State Government which included a discussion paper on a ban of single-use plastics and a consultation on 'Improving South Australia's Container Deposit Scheme'.

Regionally, the City of Burnside has continued to be a member of Resilient East, a partnership between state and local government organisations in eastern Adelaide. Recent achievements include development and release of an [Urban Heat Map](#), along with a report on urban heat mapping that explains the work and discusses how councils might respond to urban heat risks. In addition membership has provided a platform to better engage with the State Government on planning policy reform and reforms in the Natural Resources Management area, such as the creation of the Green Adelaide Board.

As a further initiative to mitigate environmental impact and be seen as a responsible corporate citizen, Council acquired two hybrid vehicles which commenced service in May 2019, replacing vehicles with conventional engines. In 2018/19 Council continued involvement in large-scale collaborative Water Sensitive Urban Design (WSUD) projects such as ERA Water and the Glenelg-Adelaide recycled water scheme, coupled with extensive smaller-scale WSUD installations, including permeable paving footpaths and carpark areas, raingardens, stormwater infiltration systems for houses in verges (B-pods), and kerbside infiltration inlets for street trees (treenet inlets). The Capital Works Program for 2018/19 included a number of projects involving application of WSUD treatments, with projects being selected in locations where they would provide a significant benefit and/or address a known issue. In the first half of 2019, Council revised its Verge Development Policy which promotes increased vegetation cover by supporting residents who wish to add vegetation to their verges and banning artificial turf (which increases urban heat and has a negative impact on the health of nearby trees by reducing the infiltration of water). The Hills Face Reserve Vegetation Management Plan was updated over the course of the year which guides future biodiversity and bushfire fuel management actions.



Progress continued to be made against Council's Canopy Action Plan with key outcomes including promotion of the Urban Forest through the Urban Forest Interactive site, social media, public conference and seminar presentations, Urban Forestry Program and bespoke industry training. In addition a community volunteer Urban Forestry Program has been developed.

As part of the implementation of actions arising from the Hazelwood Park Conservation and Management Plan, the Administration engaged Seed Consulting Services to undertake an assessment of trees within Hazelwood Park using the Zi-Tree Eco software. The purpose of this study was to commence valuing the benefits trees provide to the community and a report with comprehensive assessment was provided in August 2018.

A proposed framework and approach for the development of a revised Environment and Biodiversity Strategy (E&BS) for the City of Burnside was presented to Council in September 2018. The new E&BS will set the Council's high-level priorities for the next four years in the delivery of 'Our protected and valued environment', Strategic Direction 2 in the Strategic Community Plan.







Commencing review of the Strategic Management Plan

Preliminary work commenced in 2018/19 on the substantial task of reviewing Council's Strategic Community Plan with early efforts focused on allowing Elected Members to provide direct input into shaping upfront the direction of the new Strategic Community Plan, informed by an evidence base and prior to any development of the Plan being undertaken by the Administration. This has included workshops with Elected Members and staff, with work commencing early in the 2019/20 financial year to start some initial collection of community input through the Annual Community Survey. The development of this document and significant engagement with our community will be a key priority in 2019/20 to ensure that the plan remains relevant to, and guides the City toward a future that reflects the community's collective goals, visions and aspirations

Economic Development

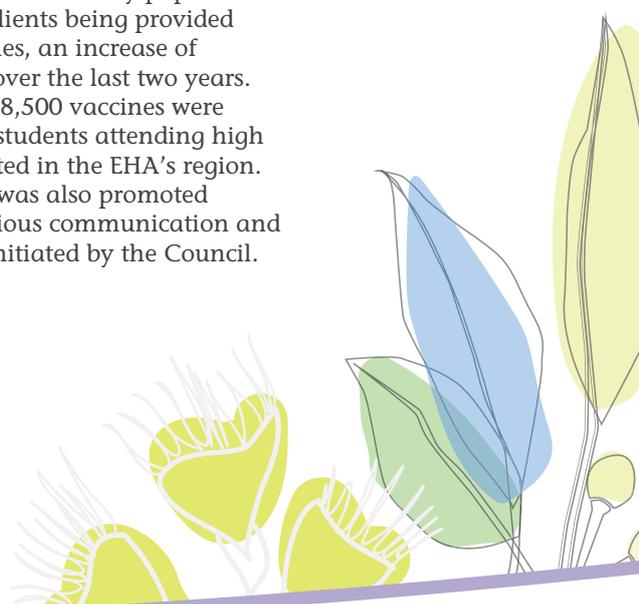
The green light to expand Burnside Village was given in April / May 2019 with development consent granted to enhance South Australia's premier shopping destination with the addition of more fashion, homewares, entertainment and dining options. The proposed development includes world-class retail design together with opportunities to expand the renowned boutique retail offerings in the distinctive Burnside Village atmosphere. Development approval not only enables Burnside Village to maintain its position as a landmark asset, it will deliver broader economic benefits by injecting more than \$297 million annually into the South Australian economy.

The General Manager Corporate and Development continued to represent Council on the Eastern Business Enterprise Centre Board. A major relaunch of this initiative was held in October 2019 and has been renamed Propel SA. A range of services are designed and offered to help local business succeed. The group can assist local businesses to grow by providing valuable low cost support to help achieve goals. Propel SA is proudly supported by the City of Burnside, Campbelltown City Council and the Town of Walkerville.

New opportunities continue to also be actively sourced for the Regal Theatre, including support and networking with relevant businesses.

Public Health and Wellbeing

Council continues to be represented on the Eastern Health Authority (EHA) Board and was directly involved in the early stages of shaping the proposed 'Better Living Better Health – Regional Health and Wellbeing Plan for the EHA Constituent Councils 2020-2025'. This document will serve as a refresh to the existing plan, last revised in 2015. The draft Regional Plan has been compiled as a more aspirational Plan which looks to promote an enhanced regional collaborative approach to public health and wellbeing. Significantly the new proposed Plan considered priority populations identified in South Australia's State Public Health Plan 2019-2024 and addresses the State's four focal strategic priorities: Promote, Protect, Prevent, and Progress. Consumers will be able to directly have input into the plan in the coming financial year. The City also continued to benefit from a robust and highly professional food safety and immunisation service. EHA's accessible public immunisation clinics remain extremely popular with 5,712 clients being provided 9,764 vaccines, an increase of 38 per cent over the last two years. In addition, 8,500 vaccines were provided to students attending high schools located in the EHA's region. This service was also promoted through various communication and marketing initiated by the Council.





ERA Water

The Eastern Region Alliance Water (ERA Water) project of stormwater harvesting for aquifer storage and recovery began irrigation of Council reserves in November 2018. Despite the performance of the project being constrained by the low rainfall of the winter of 2018, and the reduced injection capacity of the project, progress has continued to be made.

During the year connections were completed to 14 reserves of the Constituent Councils – the Corporation of the Town of Walkerville, City of Burnside, and City of Norwood, Payneham & St Peters. Tenders have been sought for connections to a further 30 reserves in the coming year.

The City of Burnside provided accounting and IT support during the year. Council also wishes to thank Mr Geoff Vogt for his services as independent member for Council on the Board. Mr Vogt will be replaced by Councillor Sarah Hughes in the 2019/20 financial year.



Government Reform – shaping the future

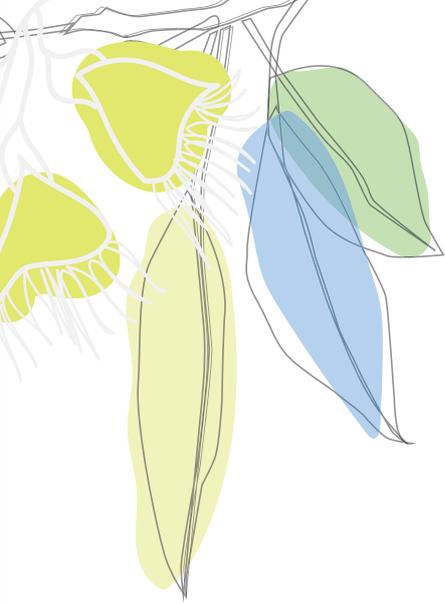
Planning Reforms

The Administration has been in the process of preparing a detailed transition project plan in regards to the State Planning Reforms and in line with the phased implementation of the Planning, Development and Infrastructure Act 2016 (PDI Act) and in advance of the new Planning and Design Code being consulted on and activated.

The Council provided submissions on the following papers released as part of the reform process in 2018/19:

- Planning and Design Code Discussion Paper
- Draft State Planning Policies for South Australia
- Integrated Movement Systems Policy Discussion Paper
- Natural Resources and Environment Policy Discussion Paper
- Productive Economy Discussion Paper
- Inquiry into heritage by the Environment Resources and Development Committee of Parliament
- Technical response to the Heritage Position Papers.

In addition, staff have continued to contribute towards responses made by the Local Government Association (LGA) SA in relation to heritage issues and the planning reforms generally. A key cornerstone of Council's position has been the importance of advocating for heritage protection and education, highlighting important concerns and technical recommendations regarding the State Government's approach to heritage policy, particularly in relation to existing Contributory Items within Historic Conservation Zones (HCZ). Issues of concern are wide and include, among other matters, suggested demolition criteria, non-identification of contributing items, insufficient consideration of the heritage inquiry and ambiguous information pertaining to demolition 'control'. Council will continue to advocate to ensure a sustainable and appropriate balance between economic growth and the preservation of our valued environment, character and culture.



The City of Burnside remains committed to recognising and celebrating the City's rich history and heritage, to maintaining and enhancing its unique historic character and to ensuring its built and natural heritage and historic streetscapes, buildings and other assets are preserved, maintained and promoted for current and future generations. A new heritage policy was prepared towards the end of the 2018/19 financial year. This key document will assist in guiding decisions and actions within the City in order to support the conservation of the City's built and natural heritage and strive to assist and educate property owners, community groups, industry and government in the management of built and natural heritage.

A proposal will also be prepared for consideration in late 2019 for a local Heritage Reference Group, allowing for expert input and community engagement.

As part of these reforms the Administration have also been identifying opportunities to include suggested actions or policy considerations relating to climate change mitigation and environmental sustainability where relevant.

Local Government Reforms

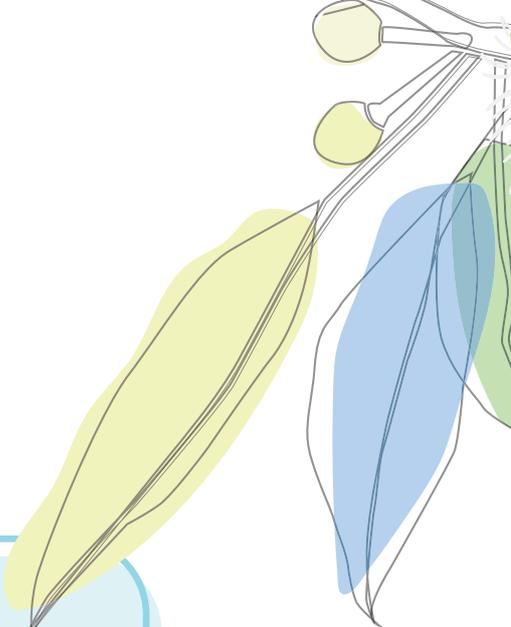
In February 2019, the Premier and Minister for Minister for Transport, Infrastructure and Local Government, The Hon Stephan Knoll MP, held a round table discussion with 45 Mayors from across South Australia to discuss local government reform, particularly the review of the *Local Government Act 1999* and related legislation. Following the roundtable meeting, in March 2019 the Minister for Local Government called for submissions and ideas on the four areas of local government reform being considered being: Stronger council member capacity and better conduct; Lower costs and enhanced financial accountability; Efficient and transparent local government representation and Simpler regulation.

Council made a submission expressing its concerns relating to overall Elected Member Code of Conduct processes and governance, in conjunction with duties of Elected Members as articulated in legislation. If these duties are to genuinely be a general expectation of council members, there should be clear, appropriate, impartial and proportionate mechanisms for addressing council member actions that breach public expectations. Elected Members had the opportunity to make direct submissions on matters such as derelict and abandoned housing and suggestions to reduce the 'red tape' across the sector.

This presents a unique opportunity for Council to communicate what changes it wants to see, what that change should look like and what reform of the *Local Government Act 1999* should achieve for councils and their communities and provides an opportunity for local government sector to work with the State Government on meaningful reform that will benefit the community.

Following the consideration of all ideas, a detailed reform paper will be released by the State Government for consultation late 2019, enabling further discussion and consultation on proposals for reform before a Local Government Reform Amendment Bill is prepared for parliament in 2020.

our structure



The Council's Administration is responsible for the coordination, implementation and management of Council decisions, services and activities in accordance with the City of Burnside's Strategic Plan.

In addition, the Administration evaluates operational matters, considering comments on policies, strategies and services prior to their review and adoption by Council.

The City of Burnside has two General Managers led by a Chief Executive Officer who establishes and maintains the organisational structure of Council Administration.

The Chief Executive Officer's office deals with issues of strategic organisational significance and business planning, including Elected Member management, liaison and support, Council and Committee Governance, intergovernmental relations and Executive support.

The General Managers lead two divisions of Administration:

- Corporate and Development
- Urban and Community.

There were no additional allowances, bonus or benefits paid to senior executive officers. An option is provided to salary sacrifice superannuation or salary sacrifice towards a Council fleet vehicle or novated lease.

Senior executive salary packages include the following benefits:

- Competitive salary
- Salary sacrifice towards a Council fleet vehicle or novated lease vehicle
- Employer-sponsored superannuation contributions
- Employee salary-sacrificed superannuation
- Tablet (IT).

All salary information is provided on Council's website through a public salary register.





local government – your council

Council Process

The City of Burnside delivers a vast range of services and it is important that those services respond to the needs of the community. The Mayor and Elected Members act as the democratic link between the Council Administration and the community it serves, to make sure citizens' voices are heard.

All major policy decisions are made by Elected Members, who then delegate the day-to-day running of the Council to its Administration. It is the Administration's job to turn the Elected Members' decisions regarding the Council's policies and priorities into action.

Composition of Council

The Council consists of the Principal Member (Mayor) and 12 Ward Councillors. The City is made up of six Wards:

Beaumont, Burnside, Eastwood and Glenunga, Kensington Gardens and Magill, Kensington Park, and Rose Park and Toorak Gardens.

Each Ward is represented by two Councillors, with the Mayor elected by the entire City. The current Council was elected in November 2018. Council elections are held every four years.

Following the November 2018 Council elections Council farewellled Mayor David Parkin, Cr Mark Osterstock, Cr Di Wilkins, Cr Felicity Lord, Cr Graham Bills, Cr Lance Bagster and Cr Peter Ford and welcomed a new Mayor and 7 new councillors.

The Council meets at the Civic Centre on the second and fourth Tuesday of each month at 7 pm unless otherwise determined. The Council considers information, reports and recommendations which are prepared by the Administration to assist Council to make decisions on the budget, strategic planning, policies, and other civic matters. Members of the public are welcome to attend Council meetings.

Council Members (as at 30 June 2019)



Mayor Anne Monceaux

Beaumont Ward



Cr Paul Huebl



Cr Harvey Jones

Burnside Ward



Cr Mike Daws



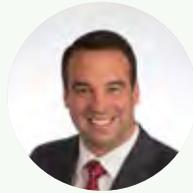
Cr Jenny Turnbull



Eastwood and Glenunga Ward



Cr Helga Lemon



Cr Julian Carbone

Kensington Gardens and Magill Ward



Cr Grant Piggott



Cr Henry Davis

Kensington Park Ward



Cr Sarah Hughes



Cr Jane Davey

Rose Park and Toorak Gardens Ward



Cr Peter Cornish



Cr Lilian Henschke

Agendas and Minutes

Agendas of Council and Committee meetings are placed on display in the Council office and in the Library no less than three clear days prior to the meetings. Minutes of the meetings are displayed in the Council office within five days after the meetings have taken place. Agendas and minutes are also available on the Burnside Council website at www.burnside.sa.gov.au

Meetings are closed to the public only if a matter is considered in confidence under Section 90 of the *Local Government Act 1999*.

For more details of Council meeting procedure refer to the 'Code of Practice – Meeting Procedures' and the 'Code of Practice for Access to Meetings and Documents'.



Elected Member and Independent Member Allowances

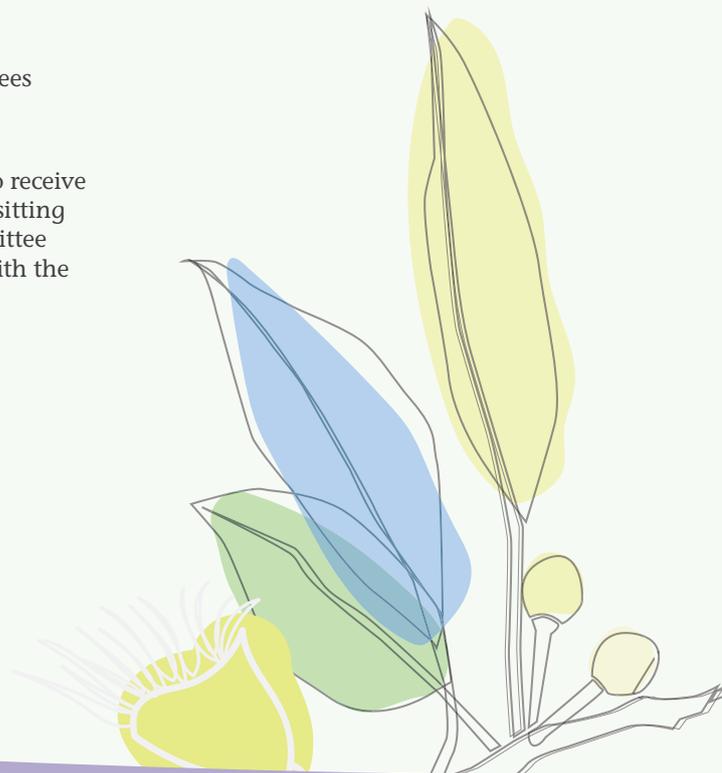
Elected Members receive an annual allowance to assist with expenses incurred undertaking their role in recognition of the role they perform. Councillors in charge of chairing a committee are paid an additional allowance.

The rate of annual allowance for Elected Members was set by the Remuneration Tribunal of South Australia on 30 August 2018 and is indexed every year in November (aside from an Election year). Members' allowances are paid monthly in arrears.

In addition, Elected Members have access to a computer and photocopier within the Civic Centre and are provided a tablet. The Mayor is provided with a mobile phone and a tablet. Council maintains a register of allowances which details the amounts and benefits paid to Elected Members. Elected Members can claim for reimbursement of further costs in accordance with Council's Elected Members' Allowances and Benefits Policy.

Some Elected Members may receive additional allowances for chairing committees or sitting fees if they represent Council on external boards.

The Council Assessment Panel (CAP) requires representation from Independent Members who receive an allowance for chairing the committee or a sitting fee. Independent Members of the Audit Committee receive an allowance for attending meetings, with the Chair receiving a distinct amount.



Elected Members

	CAP	Council	Total
Lance Bagster*		\$3588	\$3588
Retired/not elected at November 2018 Elections			
Graham Bills		\$6326	\$6326
Peter Ford		\$6326	\$6326
Felicity Lord		\$6326	\$6326
Mark Osterstock		\$6326	\$6326
David Parkin		\$15676	\$15676
Di Wilkins	1000	\$6326	\$7326
Re-elected at November 2018 Elections			
Peter Cornish		\$15600	\$15600
Jane Davey		\$15600	\$15600
Henry Davis		\$15600	\$15600
Helga Lemon		\$15600	\$15600
Grant Piggott		\$15600	\$15600
Anne Monceaux		\$42853	\$42853
Elected at November 2018 Elections			
Mike Daws		\$9085	\$9085
Lilian Henschke	1200	\$9085	\$10285
Paul Huebl		\$9085	\$9085
Sarah Hughes		\$9085	\$9085
Jennifer Turnbull		\$9085	\$9085
Julian Carbone		\$9085	\$9085
Harvey Jones		\$9085	\$9085

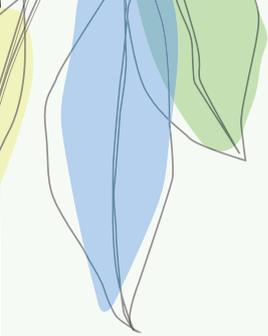
* resigned from Council 17/9/18

Independent Members

	Audit	CAP	Total
Bill Chandler		\$6000	\$6000
Ross Bateup		\$4400	\$4400
Kate Shierlaw		\$4400	\$4400
Graeme Brown		\$5000	\$5000
Roberto Bria	\$1410		\$1410
Stephen Coates (Gross)	\$1410		\$1551
David Powell	\$2950		\$2950







Representation Review

Council completed the Representation Review process in 2012/13 and the changes to the Ward boundaries took effect at the Council election in November 2014.

Council's representation is scheduled to be reviewed from June 2020 – June 2021 with Council Elections to be held in November 2022.



Representation Quota

Council's representation quota is 2,419 (the amount ascertained by dividing the number of electors for the area of the Council by the number of members who constitute the Council). Burnside is one of seven South Australian councils classified as Urban Development Medium (UDM). The average representation quota for this classification is 2,543.

Section 12 of the *Local Government Act 1999* sets out the process that councils are required to follow when undertaking an elector representation review. The commencement of the review is triggered by the release of a Representation Options Paper which outlines the representation structures available. *The Local Government Act 1999* sets out the requirements for conducting a review as well as setting timeframes to provide opportunity for members of the public to make submissions

at key stages of the review. In undertaking the review, the Council must prepare a report on the public consultation undertaken and any proposal that the council considers should be carried into effect. A final report must be compiled that includes a summary of amendments resulting from any considerations in respect of the public consultation process, with the report then submitted to the Electoral Commissioner for certification. The Electoral Commissioner must determine whether the requirements of the review have been satisfied.

It is acknowledged that changes to the provisions in the *Local Government Act 1999* that guide representation reviews may be considered within the local government reform process currently underway and highlighted in this report.



Council elected structure & representation table as at 28/02/2019	Note 1 - Electors	Note 1 - Total Members (inc. Mayor)	Note 1 - Representation quota*	Note 1 - Mayor or Chair-person M/C	Note 1 - Number of Wards	Note 1 - Number of Area Councillors	Note 2 - Aust Class. of LG (ACLG)
Clare & Gilbert Valleys	6687	10	668	M	0	0	RAL
Coorong	3754	9	417	C	3	0	RAL
Grant	5458	10	545	M	3	0	RAL
Adelaide Plains	5975	10	597	M	3	0	RAL
Mid Murray	6442	10	644	M	3	0	RAL
Naracoorte Lucindale	5830	11	530	M	0	0	RAL
Northern Areas	3382	9	375	C	4	0	RAM
Renmark Paringa	6462	9	718	M	0	0	RAL
Tatiara	4513	10	451	M	0	0	RAL
Wakefield Regional	4765	10	476	M	3	0	RAL
Barunga West	1979	9	219	C	0	0	RAM
Ceduna	2052	9	228	M	0	0	RAM
Goyder	3024	7	432	C	4	0	RAM
Kangaroo Island	3471	10	347	M	0	0	RAM
Kingston	1821	8	227	M	0	0	RAM
Lower Eyre Peninsula	3694	7	527	C	0	0	RAL
Mount Remarkable	2125	7	303	C	2	0	RAM
Peterborough	1210	9	134	M	0	0	RAS
Southern Mallee	1321	7	188	C	0	0	RAM
Tumby Bay	1985	7	283	M	0	0	RAM
Yankallilla	4203	9	467	C	2	0	RAM
Cleve	1232	7	176	C	0	0	RAS
Elliston	715	8	89	C	0	0	RAS
Flinders Rangers	1169	9	129	M	0	0	RAS
Franklin Harbour	893	6	148	C	0	0	RAS
Karoonda East Murray	741	7	105	M	0	0	RAS
Kimba	799	7	114	C	0	0	RAS
Orroroo Carrieton	674	6	112	C	0	0	RAS
Robe	1203	7	171	M	0	0	RAS
Streaky Bay	1558	8	194	C	2	0	RAM
Wudinna	837	7	119	C	0	0	RAS

Council elected structure & representation table as at 28/02/2019	Note 1 - Electors	Note 1 - Total Members (inc. Mayor)	Note 1 - Representation quota*	Note 1 - Mayor or Chair-person M/C	Note 1 - Number of Wards	Note 1 - Number of Area Councillors	Note 2 - Aust Class. of LG (ACLG)
Alexandrina	20350	12	1695	M	5	0	UFS
Barossa Council	17600	12	1466	M	0	0	UFS
Berri Barmera	7307	9	811	M	0	0	RAV
Copper Coast	11226	10	1122	M	0	0	RAV
Light regional	10316	11	937	M	4	0	RAV
Loxton Waikerie	8158	11	741	M	0	0	RAV
Murray Bridge	14334	10	1433	M	0	0	URS
Port Pirie	12790	10	1279	M	0	0	RAV
Victor Harbour	12313	10	1231	M	0	0	URS
Wattle Range	8444	12	703	M	4	0	RAV
Yorke Peninsula	8770	12	730	M	3	0	RAV
Adelaide	26679	12	2223	M	3	4	UCC
Charles Sturt	84425	17	4966	M	8	0	UDL
Marion	64219	13	4939	M	6	0	UDL
Port Adelaide Enfield	83240	18	4624	M	7	0	UDL
Salisbury	94017	15	6267	M	7	0	UDV
Tea Tree Gully	72663	13	5589	M	6	0	UDL
Burnside	31453	13	2419	M	6	0	UDM





Council Meetings held in confidence

The Council holds regular meetings throughout the year and some matters, due to their nature, may be closed to the public and considered in confidence pursuant to section 90(2) of the *Local Government Act 1999*. In some instances, Council may also make an order pursuant to section 91(7) to retain information in confidence.

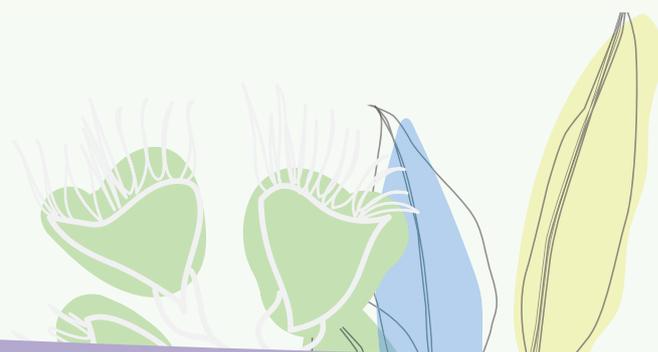
During 2018/19, 23 instances occurred where a Committee or Council were satisfied it was necessary to exclude the public and consider items in confidence.

Meeting	Subject	Provision of s90(3)	Order Scope 91(7)	Items Released
24/07/2018 Council	Appointment of Members to the Brown Hill and Keswick Creeks Stormwater Subsidiary (Operational) (18.2)	90(3)(a)	Attachments A – Expressions of Interest/ CV's of preferred Candidates for appointment	Report, minutes
24/07/2018 Council	Council Resolutions C11055, C11112, C11200 – Continuation of Correspondence Protocol (Operational) (18.1)	90(3)(g)	Report, minutes	
30/07/2018 CEO Ctee	Chief Executive Officer 360 Review (Non-Elected Member) for 2017/2018 – Final	90(3)(a)	Attachment A – Richard Altman Consulting Report – City of Burnside Chief Executive Officer – 2017/18 Performance Review Report (360 degree) July 2018 and minutes	

Meeting	Subject	Provision of s90(3)	Order Scope 91(7)	Items Released
28/08/2018 Council	Investigation Pursuant To Referral Under Section 24 (2)(A) Of The Independent Commissioner Against Corruption Act 2012 – District Court Action DCCIV-18-498 – Settlement Proposal (Operational) (18.1)	90(3)(h)	Report, Attachment F and H, audio recording	Attachment A - Correspondence from Mr Bagster dated 19 February 2018 Attachment B - Correspondence from Ombudsman SA dated 27 March 2018 Attachment C - Correspondence from the Administration to Cr Bagster dated 16 April 2018 Attachment D - Apology received from Cr Bagster dated 22 April 2018 Attachment E - Settlement proposal from Cr Bagster dated 10 July 2018 Attachment G - Apology received from Cr Bagster dated 9 August 2018 Attachment I - Settlement proposal received from Cr Bagster dated 15 August 2018 Attachment J - Correspondence from Ombudsman SA dated 21 August 2018 Minutes
28/08/2018 Council	Proposal for Ongoing Management of the Regal Theatre (Operational) (18.2)	90(3)(d); 90(3)(g)	Report, Attachment B – Galpins Report – Responses and submissions to the independent EoI process	Attachment A – Location Plan, minutes
11/09/2018 Council	Chief Executive Officer Performance Review and Remuneration Review 2017/2018	90(3)(a)	Report, Attachment and audio recording	Minutes
11/09/2018 Council	Legal Advice on Remaking of Confidential Order for Confidential Topic 41.1 – Performance of the Independent Auditor	90(3)(h)	Report, Attachment A and audio recording	Attachment B – Register of Confidential Items as at 31 August 2018, minutes
16/02/2019 Council	Complaint	90(3)(a)	Minutes, documents and audio recording	



Meeting	Subject	Provision of s90(3)	Order Scope 91(7)	Items Released
20/02/2019 Council	Receipt of Legal Advice in Respect to Complaint	90(3)(a) 90(3)(h)	Minutes, documents and audio recording	
13/03/2019 CEO Ctee	Appointment of Performance Appraisal and Remuneration Advisor (6.1)	90(3)(d) 90(3)(k)	Report, Attachments, minutes	
14/03/2019 Council	Receipt of Legal Advice (5.1)	90(3)(a) 90(3)(h)	Minutes documents and audio recording	
14/03/2019 Council	Receipt of Legal Advice	90(3)(a) 90(3)(h)	Minutes, documents audio recording	
14/03/2019 Council	Receipt of Legal Advice	90(3)(a) 90(3)(h)	Minutes, documents and audio recording	
30/04/2019 Council	East Waste Recycling Contract	90(3)(d) 90(3)(k)	Report, Attachments, minutes and audio recording	
11/06/2019 Council	Ongoing Complaint	90(3)(h) 90(3)(i)	Minutes and documents	
20/06/2019 CEO Ctee	Recruitment and Selection of Acting Chief Executive Officer (short term / locum arrangement)	90(3)(a)	Minutes and documents	
20/06/2019 CEO Ctee	Acting Chief Executive Officer (current arrangement) Remuneration	90(3)(a)	Minutes and documents	
20/06/2019 CEO Ctee	Recruitment and Selection of Chief Executive Officer (long term)	90(3)(k)	Minutes and documents	



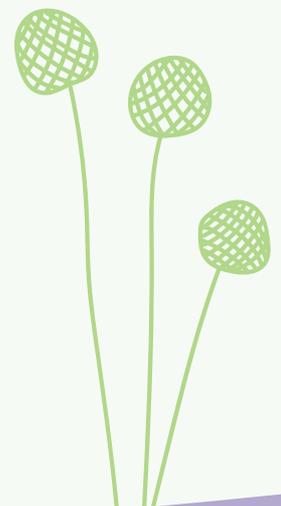


Meeting	Subject	Provision of s90(3)	Order Scope 91(7)	Items Released
25/06/2019 Council	Council Member Code of Conduct Complaint (COCC 19 – 1) (19.1)	90(3)(a)	Report, Attachment C, minutes, audio recording	Attachment A – Council Member Code of Conduct Attachment B – Council Member Code of Conduct Complaint Handling Procedure
15/07/2019 CEO Ctee	Action Items Table (6.1)	90(3)(a) 90(3)(b)	Report, Attachment A, minutes released	Minutes not retained in confidence by the CEO Committee
15/07/2019 CEO Ctee	Report on Procurement Process for the Recruitment of a Chief Executive Officer for the City of Burnside (6.3)	90(3)(k)	Report, Attachment A, Attachment B, Attachment C, minutes	
20/07/2019 Council	Proposed Plan and Timetable for Recruitment and Selection of Chief Executive Officer and Minutes of the CEO Recruitment, Performance Appraisal and Remuneration Review Committee – 15 July 2019 (19.2)	90(3)(k)	Report, Attachment A, Attachment B, minutes	
23/07/2019 Council	External Audit Appointment (19.1)	90(3)(d) 90(3)(k)	Report and Attachments	

During 2018/19, 57 of the orders expired or were revoked during the annual review of confidential items. The remaining orders will be reviewed internally twice each year and should it be deemed appropriate, the orders will be revoked.

The total number of items remaining in confidence under section 91(7) of the *Local Government Act 1999* as of 30 June 2019 stands at 126, excluding any orders made before 15 November 2010.

The full register of all items retained in confidence is published on council's website.





Freedom of Information

Requests for information that are not generally readily available to the public will be considered in accordance with the *Freedom of Information Act 1991*.

Under this legislation the application fee must be forwarded with the completed request form unless the applicant is granted a fee exemption. The fees are set by the State Government and are reviewed each year. Members of the public may apply under Freedom of Information (FOI) for access to the Council's documents concerning his or her personal affairs and for amendment of those records. The application form can be obtained from the Council office or downloaded from the Council's website.

FOI request forms and a list of fees and charges applicable to requests are available from the Council office and website. Freedom of Information enquiries and requests should be addressed to:

**Freedom of Information Officer,
City of Burnside, PO Box 9, Glenside SA 5065.**

Applicants will receive a response as soon as possible and within the statutory 30 calendar days of Council receiving the properly completed FOI request form together with the application and search fees.

During 2018/19 Council processed 17 Freedom of Information requests and provided its annual return to State Records.



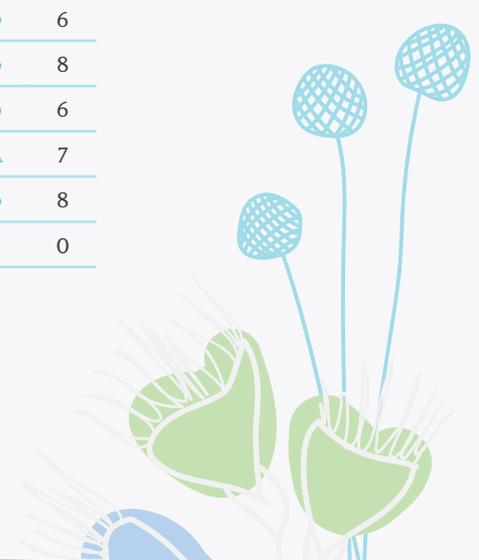


council and committee meeting attendance

A total of 28 Council meetings were held in 2018/19 which comprised of 6 Special Meetings and 22 Ordinary Meetings.

1 June 2018 – 16 November 2018
(end of caretaker period)

	23.10.18	9.10.18	25.9.18	11.9.18	28.8.18	14.8.18	24.7.18	10.7.18	Total
Mayor Parkin	●	●	●	●	●	●	●	●	8
Cr Bills	●	●	●	●	LOA	LOA	LOA	●	5
Cr Cornish	●	●	●	●	●	●	●	●	8
Cr Davey	●	●	●	●	●	●	●	●	8
Cr Davis	●	●	●	●	A	●	●	●	7
Cr Ford	●	●	●	●	●	●	●	●	8
Cr Lemon	●	●	●	●	●	●	●	●	8
Cr Lord	●	●	●	●	A	●	A	●	6
Cr Monceaux	●	●	●	●	●	●	●	●	8
Cr Osterstock	●	●	●	A	●	A	●	●	6
Cr Piggott	●	●	●	●	●	●	●	A	7
Cr Wilkins	●	●	●	●	●	●	●	●	8
Cr Bagster									0





20 November 2018 – 30 June 2019

	25.6.19	11.6.19	5.6.19	28.5.19	14.5.19	30.4.19	9.4.19	26.3.19	14.3.19	12.3.19	7.3.19	26.2.19	20.2.19	16.2.19	12.2.19	5.2.19	29.1.19	11.12.18	27.11.18	20.11.18	Total	
Mayor Monceaux	●	●	●	●	●	●	●	●	●	●	●	●	A	●	●	●	●	●	●	●	●	19
Cr Carbone	●	●	●	●	●	●	●	●	●	●	A	●	●	●	●	●	●	●	●	●	●	19
Cr Cornish	●	●	●	●	●	●	●	LOA	●	LOA	●	●	A	●	●	●	●	●	●	●	●	17
Cr Davey	●	●	●	●	●	●	●	●	A	●	A	●	●	●	●	●	●	●	●	●	●	18
Cr Davis	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	20
Cr Daws	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	20
Cr Henschke	●	●	●	●	●	●	●	●	A	●	A	●	●	●	●	●	●	●	●	●	●	18
Cr Huebl	●	LOA	●	●	●	●	●	●	●	●	●	●	●	●	●	A	●	●	●	●	●	18
Cr Hughes	●	A	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	19
Cr Jones	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	A	●	●	●	●	19
Cr Lemon	●	●	●	●	●	●	●	●	A	●	●	●	●	●	●	●	●	●	●	●	●	19
Cr Piggott	●	●	●	●	●	●	●	●	●	●	●	A	●	●	●	●	●	●	●	●	●	19
Cr Turnbull	●	●	●	●	●	LOA	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	19

A: Absent LOA: Leave of Absence

Audit Committee

	20.8.18	15.10.18	18.2.19	15.4.19	17.6.19
David Powell – Presiding Member	●	●	●	●	●
Roberto Bria	●	●	●	●	●
Stephen Coats	●	●	●	●	●
Mayor Parkin	●	●			
Cr Henry Davis	A	A			
Mayor Monceaux				●	*
Cr Lilian Henschke				●	●

The Audit Committee met five times in 2018/19.

* Cr Harvey Jones Proxy for Mayor

CEO Recruitment, Performance Appraisal and Remuneration Review Committee

	30.7.18	13.8.18	17.9.18	13.3.19	10.4.19	27.5.19	20.6.19
Mayor Parkin	●	●	●				
Cr Peter Cornish	●	●	●				
Cr Helga Lemon	●	●	●				
Cr Grant Piggott	●	●	A				
Mayor Monceaux				●	●	●	●
Cr Peter Cornish				LOA	●	●	●
Cr Mike Daws				●	●	●	●
Cr Helga Lemon				●	●	●	●

The CEO Recruitment, Performance Appraisal and Remuneration Review Committee met seven times in 2018/19.



council committees

Council Committees are created under Section 41 of the *Local Government Act, 1999*, with the exception of the Council Assessment Panel (formerly the Development Assessment Panel) which is established under Section 56 A of the *Development Act, 1993* and the Strategic Planning and Development Policy Committee established under S101A of the *Development Act, 1993*.

Council may establish committees to:

- Assist the Council in the performance of its functions.
- Inquire into, and report to the Council on, matters within the ambit of the Council's responsibilities.
- Provide advice to the Council.
- Exercise, perform or discharge delegated powers, functions or duties.

When establishing a committee, Council must determine the reporting and accountability requirements for the committee. Committees that are performing a regulatory activity of the Council must report to the Council on its activities every quarter. Members of the public are welcome to attend committee meetings.

The Audit Committee meets at least five times a year in the Council Chamber. In 2018/19, the Audit Committee comprised of two Elected Members of Council (including the Mayor) and three Independent members.

The CEO Recruitment, Performance Appraisal and Remuneration Review Committee meets as needed in the Executive Boardroom or Chamber. Its role is to perform the function of a selection panel for the position of Chief Executive Officer, to monitor the performance of the appointee and review conditions of remuneration and employment on an annual basis.



The Council Assessment Panel (CAP) – formerly the Development Assessment Panel (DAP) – meets in the Council Chamber on the first Tuesday of each month at 6 pm. The CAP is comprised of the Presiding Member, three Independent Members and one Elected Member. The CAP is established under Section 56A of the *Development Act, 1993*, for the purpose of considering and making decisions on certain types of development applications. In accordance with the *Development Act, 1993*, the Presiding Member of CAP must not be an Elected Member or Council officer.

Under section 34(23) of the *Development Act, 1993* “a council must delegate its powers and functions as a relevant authority with respect to determining whether or not to grant development plan consent under this Act to its council development assessment panel; or a person for the time being occupying a particular office or position (but not including a person who is a member of the council).” The Development Delegations Policy defines which applications will be referred to the CAP.

The Council Assessment Panel makes decisions on development applications in accordance with the requirements of the *Development Act, 1993*. It provides advice to Council about trends, issues and any other matters that may relate to the applications.



council representation on boards and committees

Mayor David Parkin

- Local Government Association Delegate – ToC
- Local Government Finance Authority Delegate – ToC
- National General Assembly (NGA) of Local Government and Local Government Managers Australia Conference Delegate – ToC
- Eastern Region Alliance Representative

Chief Executive Officer

- Highbury Landfill Authority (HLA) and HLA Audit Committee
- Eastern Region Alliance Representative
- Brown Hill Keswick Creek Stormwater Project Steering Group Representative

Mayor Anne Monceaux

- Local Government Association Delegate – ToC
- Local Government Finance Authority Delegate – ToC
- National General Assembly (NGA) of Local Government and Local Government Managers Australia Conference Delegate – ToC
- Eastern Region Alliance Representative
- Eastern Health Authority 1 July 2018 – 16 November 2018
- Burnside Retirement Services (until May 2019)

Cr Peter Cornish

- Eastern Waste Management Authority Deputy 1 July 2018 – 16 November 2018
- Eastern Health Authority 1 July 2018 – 30 July 2019

Cr Mark Osterstock

- Burnside War Memorial Hospital 1 July 2018 – 16 November 2018
- Burnside Retirement Services 1 July 2018 – 16 November 2018



Cr Julian Carbone

- East Waste Management Authority
27 November 2018 – 30 July 2019

Cr Henry Davis

- Burnside War Memorial Hospital
1 July 2018 – 16 November 2018

Cr Peter Huebl

- Eastern Health Authority
27 November 2018 – 30 July 2019

Cr Di Wilkins

- Burnside Retirement Services
1 July 2018 – 16 November 2018

Cr Jane Davey

- Burnside War Memorial Hospital
1 July 2018 – 16 November 2018

Cr Grant Piggott

- Eastern Waste Management
Authority Director 1 July 2018
– 16 November 2018

ERA Water

- Mr Geoff Vogt – Independent
Member for the City of Burnside

Eastern Health Authority

- Group Manager City Development
and Safety – Board Member
- General Manager Corporate and
Development – Deputy Board
Member for Group Manager

Adelaide Mt Lofty Ranges Bushfire Management Committee

- Team Leader Ranger Services

Eastside Business Enterprise Centre (EBEC)

- General Manager
Corporate & Development



NB: 16 November 2018 – official
conclusion of caretaker period
ToC: Term of Council



elected member training and development

The City of Burnside is committed to providing training and development for Elected Members.

It assists Council in remaining compliant with all relevant legislation, standards and codes. To broaden their knowledge and skills, Elected Members can attend training sessions, workshops and conferences throughout the year.

In 2018/19, Elected Members were invited to workshops / training sessions, noting that four of these are mandatory training modules, prescribed by legislation, following the 2018 Elections.

Date	Name of Training/Workshop
28.08.2018	Caretaker Period Training
22.11.2018	Mandatory Training – Council and Committees Meetings facilitated by Kelledy Jones Lawyers
26.11.2018	Mandatory Training – Legal Responsibilities facilitated by Norman Waterhouse
11.12.2018	Professional Relationships (including Bullying and Harassment)
22.01.2019	Mandatory Training – Financial management and reporting training facilitated by Norman Waterhouse
9.05.2019	Mandatory Training – Introduction to LG and LG fundamentals – Norman Waterhouse Lawyers
21.05.2019	Development 101 – An Introduction
30.05.2019	Development Part 2
25.07.2018	Confidential Briefing
14.08.2018	Introduction of the new Independent Chair of the ERA Water Board
6.09.2018	Candidate Briefing Session
11.09.2018	Burnside War Memorial Hospital Constitution Matters
29.01.2019	Budget and Finance – Plan and cycle for 19/20
12.02.2019	Burnside Village Development Progress and Update
16.02.2019	EM Induction Day – Subsidiaries
25.02.2019	Magill Village Master Plan and Development – Project Update
19.03.2019	Budget Workshop 1 and 2 Combined – 2019/2020 Annual Business Plan and Budget
28.03.2019	ERA Water – facilitated by ERA Water Board Chair
30.03.2019	Future Directions Forum
4.04.2019	ERA Water and Budge
16.05.2019	Street Verge Maintenance Program Service Review
13.06.2019	Budget Workshop 3
20.06.2019	Environment and Biodiversity Strategy
27.06.2019	Laurel Avenue Nursery



Specific Elected Member Training and Travel

Elected Member	Name of Training/Course	Cost (approximate) Inc. GST
Mayor Anne Monceaux	Mayors' and Chairpersons' Leadership Program	\$605
Mayor Anne Monceaux	National General Assembly of Local Government Official delegate of Council	\$2,500 (includes travel related costs and registration)
Mayor Anne Monceaux	Planning Institute of Australia – State Planning Conference	\$460
Mayor Anne Monceaux	Local Government Association Ordinary General Meeting (represented by Councillor Cornish)	\$350
Councillors Henschke and Jones	Audit Committee Training provided by Local Government Association	\$360 each





reporting

Representation Quota

Council's representation quota is 2,447 (the amount ascertained by dividing the number of electors for the area of the Council by the number of members who constitute the Council). Burnside is one of seven South Australian councils classified as Urban Development Medium (UDM). The average representation quota for this classification is 2,562.

Tenders and contracts

Council's Procurement Policy ensures that all procurement activities are underpinned by the following key governance principles:

- Value for money
- Transparent and fair competition
- Ethical behaviour and probity
- Risk management
- Financial responsibility
- Compliance with statutory obligations
- Social, economic and environmental sustainability.

Internal review

A person who may be aggrieved by a Council decision can request an internal review of the decision in accordance with Section 270 of the *Local Government Act 1999*. There was one application for internal reviews during the year as outlined below.

During 2018/19 financial year two requests for reviews received in the 2017/18 financial year were resolved and one new application for an internal review was received. This year the majority of the applications received requesting an internal review of a Council decision were outside the scope of the Section 270 review process as alternative statutory review processes were available to applicants to request a review or challenge a decision.

Significant business activity

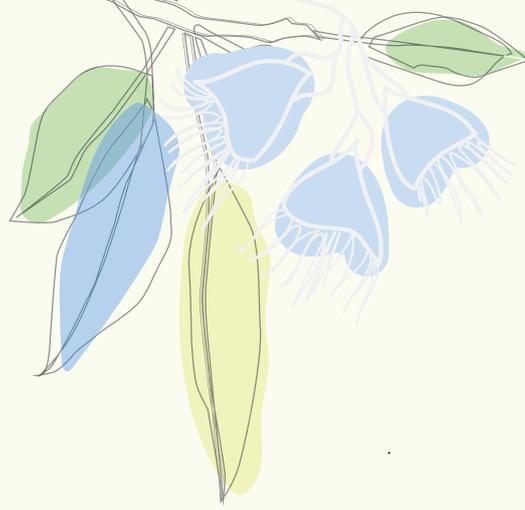
There was no significant business activity recorded for the 2018/19 financial year.

National Competition Policy

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

Council has a complaints mechanism in place and in 2018/19 no complaints were received with regard to Competitive Neutrality.





List of Mandatory Policies, Codes, Procedures and Registers

(Local Government Act 1999)

Policies

- Public Consultation Policy (Community Engagement)
- Complaint Handling
- Elected Members' Allowances and Benefits
- Elected Members' Training and Development
- Naming of Public Places
- Order Making
- Procurement Governance Framework and Policy
- Tenders and Contract Engagement
- Request for Service
- Risk Management
- Whistleblower Protection
- Prudential Project Management
- Informal Gatherings
- Internal Financial Control Framework.

Codes

- Code of Conduct – Council Members
- Code of Conduct – Council Employees
- Code of Practice – Meetings and Documents – Access and Procedures.

Procedures

- Internal Review of Council Decisions (Section 270) Procedure
- Council Member Code of Conduct Complaint Handling Procedure
- Request for Service Procedure.

Local Government (Elections) Act 1999

- Caretaker Policy
- Register of Campaign Donations Returns.



Registers

- By-laws
- Community Land
- Delegations
- Fees and Charges (list of)
- Public Roads
- Rates Assessment Record
- Register of Interests
 - Elected Members, Audit Committee and DAP Independent Members
- Register of Allowances and Benefits – Elected Members
- Register of Remuneration, Salaries and Benefits – Employees
- Register of Interests – Employees
- Conflicts of Interest Register
- Register of Gifts and Benefits for Council Members
- Register of Gifts and Benefits for Employees, Staff and Associates.

By-laws currently gazetted

The City of Burnside's by-laws were gazetted in the SA Gazette on 6 September 2018 and these came into effect on 2 January 2019.

Council's by-laws are:

- Permits and Penalties
- Moveable Signs
- Local Government Land
- Roads
- Dogs
- Waste Management
- Lodging Houses.

These by-laws expire in 2026.



financial report



City of Burnside

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

We are renowned for our City's green and leafy character and unique integrated urban form. We are highly regarded for our sense of community spirit, support for one another, social diversity and commitment to the environment.



City of Burnside

General Purpose Financial Statements for the year ended 30 June 2019

Contents	Page
1. Council Certificate	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	7
4. Independent Auditor's Report - Financial Statements	45
5. Independent Auditor's Report - Internal Controls	47
6. Certificates of Audit Independence	
- Council Certificate of Audit Independence	49
- Audit Certificate of Audit Independence	50

General Purpose Financial Statements
for the year ended 30 June 2019

Certification of Financial Statements - City of Burnside

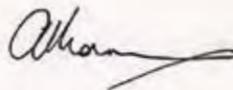
We have been authorised by the Council to certify the financial statements in their final form.

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.



Barry Cant
CHIEF EXECUTIVE OFFICER



Anne Monceaux
MAYOR

Date: 25 November 2019.

City of Burnside

Statement of Comprehensive Income for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Income			
Rates Revenues	2a	39,325	37,743
Statutory Charges	2b	1,438	1,322
User Charges	2c	2,250	1,939
Grants, Subsidies and Contributions	2g	3,998	4,141
Investment Income	2d	47	46
Reimbursements	2e	431	413
Other Income	2f	377	374
Net Gain - Equity Accounted Council Businesses	18	82	64
Total Income		47,948	46,042
Expenses			
Employee Costs	3a	15,951	15,277
Materials, Contracts & Other Expenses	3b	19,486	18,727
Depreciation, Amortisation & Impairment	3c	9,499	9,782
Finance Costs	3d	431	412
Net loss - Equity Accounted Council Businesses	18	346	214
Total Expenses		45,713	44,412
Operating Surplus / (Deficit)		2,235	1,630
Asset Disposal & Fair Value Adjustments	4	(377)	(598)
Amounts Received Specifically for New or Upgraded Assets	2g	143	173
Physical Resources Received Free of Charge	2h	4,587	78
Net Surplus / (Deficit) ¹		6,588	1,283
Other Comprehensive Income			
Changes in Revaluation Surplus - I,PP&E	9a	89,576	(98)
Share of Other Comprehensive Income - Equity Accounted Council Businesses	18	205	-
Movements in Other Reserves		152	17
Total Other Comprehensive Income		89,933	(81)
Total Comprehensive Income		96,521	1,202

¹ Transferred to Statement of Changes in Equity

City of Burnside

Statement of Financial Position as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	2,788	1,771
Trade & Other Receivables	5b	1,819	1,764
Inventories	5c	22	21
Total Current Assets		4,629	3,556
Non-Current Assets			
Financial Assets	6a	137	161
Equity Accounted Investments in Council Businesses	6b	3,616	3,209
Infrastructure, Property, Plant & Equipment	7a	669,720	572,772
Other Non-Current Assets	6c	3,083	1,621
Total Non-Current Assets		676,556	577,763
TOTAL ASSETS		681,185	581,319
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	4,823	4,670
Borrowings	8b	660	252
Provisions	8c	2,398	2,263
Total Current Liabilities		7,881	7,185
Non-Current Liabilities			
Trade & Other Payables	8a	14	9
Borrowings	8b	14,199	11,495
Provisions	8c	237	174
Liability - Equity Accounted Council Businesses	8d	1,769	1,893
Total Non-Current Liabilities		16,219	13,571
TOTAL LIABILITIES		24,100	20,756
Net Assets		657,085	560,564
EQUITY			
Accumulated Surplus		230,474	224,253
Asset Revaluation Reserves	9a	425,870	336,294
Other Reserves	9b	741	17
Total Council Equity		657,085	560,564

City of Burnside

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		224,253	336,294	17	560,564
Restated Opening Balance		224,253	336,294	17	560,564
a. Net Surplus / (Deficit) for Year		6,588	-	-	6,588
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	89,576	-	89,576
- Share of OCI - Equity Accounted Council Businesses	18	205	-	-	205
- Other Movements		-	-	152	152
Other Comprehensive Income		205	89,576	152	89,933
Total Comprehensive Income		6,793	89,576	152	96,521
c. Transfers between Reserves		(572)	-	572	-
Balance at the end of period		230,474	425,870	741	657,085
2018					
Balance at the end of previous reporting period		222,106	336,827	429	559,362
Restated Opening Balance		222,106	336,827	429	559,362
a. Net Surplus / (Deficit) for Year		1,283	-	-	1,283
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(98)	-	(98)
- Increase in Open Space Contribution Reserve		-	-	17	17
Other Comprehensive Income		-	(98)	17	(81)
Total Comprehensive Income		1,283	(98)	17	1,202
c. Transfers between Reserves		864	(435)	(429)	-
Balance at the end of period		224,253	336,294	17	560,564

City of Burnside

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		39,310	37,571
Statutory Charges		1,438	1,322
User Charges		2,250	2,115
Grants, Subsidies and Contributions (operating purpose)		3,998	4,141
Investment Receipts		47	46
Reimbursements		431	413
Other Receipts		3,563	2,982
<u>Payments</u>			
Payments to Employees		(15,819)	(15,313)
Payments for Materials, Contracts & Other Expenses		(23,986)	(20,884)
Finance Payments		(430)	(412)
Net Cash provided by (or used in) Operating Activities	10b	10,802	11,981
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		143	173
Sale of Replaced Assets		651	176
Sale of Surplus Assets		-	1,714
Repayments of Loans by Community Groups		55	52
Distributions Received from Equity Accounted Council Businesses		82	12
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(10,062)	(8,907)
Expenditure on New/Upgraded Assets		(3,246)	(4,685)
Capital Contributed to Equity Accounted Council Businesses		(520)	(180)
Net Cash provided by (or used in) Investing Activities		(12,897)	(11,645)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		3,600	327
<u>Payments</u>			
Repayments of Borrowings		(488)	(289)
Net Cash provided by (or used in) Financing Activities		3,112	38
Net Increase (Decrease) in Cash Held		1,017	374
plus: Cash & Cash Equivalents at beginning of period	10	1,771	1,398
Cash & Cash Equivalents at end of period	10	2,788	1,771

City of Burnside

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

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	13
3	Expenses	15
4	Asset Disposal & Fair Value Adjustments	17
	Current Assets	
5a	Cash & Cash Equivalents	17
5b	Trade & Other Receivables	18
5c	Inventories	18
	Non-Current Assets	
6a	Financial Assets	18
6b	Equity Accounted Investments in Council's Businesses	18
6c	Other Non-Current Assets	18
	Fixed Assets	
7a	Infrastructure, Property, Plant & Equipment	19
7b	Valuation of Infrastructure, Property, Plant & Equipment	20
	Liabilities	
8a	Trade & Other Payables	23
8b	Borrowings	23
8c	Provisions	23
8d	Liability Accounted Investments in Council Businesses	24
	Reserves	
9a	Asset Revaluation Reserve	24
9b	Other Reserves	24
10	Reconciliation to Statement of Cashflows	25
11a	Functions	27
11b	Components of Functions	28
12	Financial Instruments	29
13	Commitments for Expenditure	32
14	Financial Indicators	33
15	Uniform Presentation of Finances	35
16	Operating Leases	36
17	Superannuation	37
18	Interests in Other Entities	38
19	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	42
20	Events After the Balance Sheet Date	42
21	Related Party Transactions	43
	n/a - not applicable	

City of Burnside

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* dated 22 October 2019.

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.

As part of the revaluations conducted in 2018-19, there have been changes to accounting estimates. The nature and amount of these changes have been disclosed in Note 7b in line with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'.

1.4 Rounding

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

2 The Local Government Reporting Entity

City of Burnside is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 401 Greenhill Road, Tusmore, SA 5065. 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.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

1. Eastern Waste Management Authority Inc.
2. Highbury Landfill Authority Inc.
3. Eastern Health Authority Inc.
4. Eastern Regional Alliance Water; and
5. Brown Hill Keswick Creek Stormwater Authority.

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.

City of Burnside

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

Note 1. Summary of Significant Accounting Policies (continued)

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

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$2,062,896	\$1,371,270	+ \$701,445
2017/18	\$1,707,845	\$1,641,996	+ \$65,849
2018/19	\$2,186,306	\$1,685,393	+ \$500,913

Included in the table above is an additional Supplementary Local Road funding grant received in advance for 2019-20 of \$478,752. The remainder of the \$500,913 related to the general Financial Assistance Grant.

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

The Adjusted Operating Surplus Ratio disclosed in Note 14 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 12.

5 Inventories

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 Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$10,000
Road construction & reconstruction	\$10,000
Paving & footpaths, Kerb & Gutter	\$2,000
Drains & Culverts	\$5,000
Information Technology/Computer Equipment	\$5,000

City of Burnside

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

Note 1. Summary of Significant Accounting Policies (continued)

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 values are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land and artwork, all building, 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.

As part of the revaluations conducted in 2018-19, a review of asset componentisation has been completed which have resulted in the componentisation road assets into 'long life' and 'short life' components as shown below:

Asset Class/Category	Short Life	Long Life
Land		Indefinite
Land Improvement	10 to 60 years	Not Applicable
Buildings		
Sub Structure	40 to 60 years	150 to 195 years
Structure	40 to 60 years	100 to 200 years
Floor Coverings	5 to 20 years	Not Applicable
Fit Out	20 to 40 years	100 to 130 years
Roof	5 to 10 years	20 to 180 years
Mechanical	10 to 19 years	80 to 104 years
Fire Emergency System	10 to 13 years	40 years
Electrical	50 to 52 years	150 to 195 years
Hydraulic System	50 to 52 years	150 to 195 years
Security System	10 to 13 years	Not Applicable
Infrastructure		
Sealed Roads - Surface	4 to 70 years	Not Applicable
Sealed Roads - Pavement	100 to 125 years	200 years
Sealed Roads - Formation		Indefinite
Footpaths	5 to 50 years	Not Applicable
Kerbs & Gutters	40 to 100 years	Not Applicable
Stormwater Structure	60 to 100 years	Not Applicable
Stormwater Quality Devices	10 to 100 years	Not Applicable
Plant & Equipment		
Computer Equipments	3 to 10 years	Not Applicable
Major Plants	3 to 20 years	Not Applicable
Vehicles	2 to 10 years	Not Applicable
Other Plant & Equipments	2 to 20 years	Not Applicable
Furniture & Fittings	10 years	Not Applicable
Artworks		Indefinite

6.5 Impairment

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

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

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

City of Burnside

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

Note 1. Summary of Significant Accounting Policies (continued)

6.6 Heritage & Cultural Assets

As at the 1st July 2018 City of Burnside recognised the Burnside War Memorial Hospital (BWMH) as a Heritage and Cultural Asset per AASB116 Property, Plant & Equipment specifically the Australian implementation Guidance section. The determination was included in the land and buildings asset revaluation. See Note 7 for asset revaluation details. To recognise the BWMH as a Heritage & Cultural asset Council met the following criteria:

- Council has an adopted Heritage Policy. See Council website.
- Council has the Attunga Conservation Management Plan which includes the BWMH. This plan is implemented and monitored regularly.
- Council has regular asset condition assessments and site visits by qualified personnel to ensure the site is maintained.
- Council has an internal controls framework which monitors the policies and procedures.

The result of this determination was that the BWMH did not have a limited useful life due Councils curatorial and preservation policy. BWHM is deemed as a non-depreciating asset and the valuation impact was a fair value increment of \$22,213,543.

6.7 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

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". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting

City of Burnside

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

Note 1. Summary of Significant Accounting Policies (continued)

periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

10 Leases

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

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.

In Note 16(ii) Operating leases an accounting error was found for the previous financial year. This was due to a calculation error and an adjustment has been made to correct prior period amounts. The amount disclosed in the prior year was \$237,000 and has now been amended to \$485,000. This does not have any impact on the performance or position of Council as at 30 June 2019.

11 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".

12 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and

facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 Investments in Associates and Joint Ventures and set out in detail in Note 18.

13 GST Implications

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

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

14 New accounting standards and UIG interpretations

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

City of Burnside has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

The standards below are relevant to the City of Burnside but based on an internal assessment, are expected to have an immaterial impact upon Council's future financial statements.

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

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases

City of Burnside

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

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 1058 Income of Not-for-Profit Entities

15 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.

City of Burnside

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		37,982	36,602
Less: Mandatory Rebates		(405)	(392)
Less: Discretionary Rebates, Remissions & Write Offs		(33)	(125)
Total General Rates		37,544	36,085
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,652	1,551
Total Other Rates		1,652	1,551
Other Charges			
Penalties for Late Payment		124	103
Rates Postponed - Interest		5	4
Total Other Charges		129	107
Total Rates Revenues		39,325	37,743
(b). Statutory Charges			
Development Act Fees		500	592
Town Planning Fees		38	38
Animal Registration Fees & Fines		245	214
Parking Fines / Expiation Fees		607	419
Other Licences, Fees & Fines		48	59
Total Statutory Charges		1,438	1,322
(c). User Charges			
Hall & Equipment Hire		322	313
Property Leases		124	148
Community Program User Charges		372	330
Green Organics Collection Charges		105	110
Library Fees, Fines & Other User Charges		19	18
Other Commercial Activities		655	355
Swimming Centre User Charges		505	529
Rates Searches		50	49
Other User Charges		98	87
Total User Charges		2,250	1,939

City of Burnside

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		29	25
- Banks & Other		18	21
Total Investment Income		47	46
(e). Reimbursements			
Private Works		79	104
Insurance Rebates		279	261
Workers Compensation Claims		11	15
Other Reimbursements		62	33
Total Reimbursements		431	413
(f). Other Income			
Rebates Received		326	281
Gifts & Donations		40	-
Sale of Surplus Equipment		6	6
Income from recyclable waste		5	87
Total Other Income		377	374
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		143	173
Total Amounts Received Specifically for New or Upgraded Assets		143	173
Other Grants, Subsidies and Contributions		3,497	4,075
Grant Commission and Supplementary Local Road Grants (refer below)		501	66
Total Other Grants, Subsidies and Contributions		3,998	4,141
Total Grants, Subsidies, Contributions		4,141	4,314
The functions to which these grants relate are shown in Note 11.			
(i) Sources of grants			
Commonwealth Government		2,305	2,126
State Government		1,797	2,068
Other		39	120
Total		4,141	4,314
(ii) Individually Significant Items			
Grant Commission (FAG) Grant Recognised as Income		501	66

On 19 June 2019, Council received a payment of \$788k equivalent to the first and second instalment of the 2019/20 Grant Commission Financial Assistance and Local Roads Grants. However, \$765k of the 2018/19 grant was also paid in the prior year. As such the net 'additional' grant payment for 2018/19 is only \$23k.

An additional Supplementary Local Road funding grant was received in advance for 2019-20 & 2020-21. The amount received was \$478k. Total amount received in advance is \$501k.

page 14

City of Burnside

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			
Infrastructure		4,587	78
Total Physical Resources Received Free of Charge		4,587	78

The \$4.587m Physical Resources Received Free of Charge consist of various categories of infrastructure assets contributed by Cedar Woods Properties Development in Glenside on the 22 May 2019.

Note 3. Expenses

(a). Employee Costs

Salaries and Wages		13,866	13,360
Employee Leave Expense		567	398
Superannuation - Defined Contribution Plan Contributions	17	1,087	1,050
Superannuation - Defined Benefit Plan Contributions	17	239	218
Workers' Compensation Insurance		555	661
Other		53	63
Less: Capitalised and Distributed Costs		(416)	(473)
Total Operating Employee Costs		15,951	15,277
 Total Number of Employees (full time equivalent at end of reporting period)		 161	 161

(b). Materials, Contracts and Other Expenses

(i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		30	30
Bad and Doubtful Debts		2	6
Elected Members' Expenses		262	265
Independent Sitting Fees		41	40
Operating Lease Rentals - Non-Cancellable Leases	16		
- Minimum Lease Payments		181	151
Subtotal - Prescribed Expenses		516	492

City of Burnside

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		9,226	8,820
Energy		1,126	1,125
Legal Expenses		810	1,012
Levies Paid to Government - NRM levy		1,647	1,544
Levies - Other		84	82
Parts, Accessories & Consumables		1,350	1,219
Professional Services		456	414
Sundry Materials, Contracts & Expenses		348	361
Other Contractual Services		1,900	1,774
Water		596	629
Insurance Premiums		623	512
Contributions / Donations		210	71
Bank Fees & Charges		125	126
Advertising		74	81
Postage		125	143
Taxes		106	104
Training		197	166
Subscriptions		109	117
Less: Capitalised and Distributed Costs		(142)	(65)
Subtotal - Other Material, Contracts & Expenses		18,970	18,235
Total Materials, Contracts and Other Expenses		19,486	18,727
(c). Depreciation and Amortisation			
Land Improvements		52	-
Infrastructure			
- Stormwater Quality Devices		134	93
- Other Structures		662	642
- Recreation/Sport Structures		871	823
- Road Structures		3,622	4,531
- Traffic Control Devices		220	204
- Stormwater Structures		1,117	992
Plant & Equipment		1,453	1,462
Land		-	7
Buildings		1,312	984
Furniture & Fittings		56	44
Total Depreciation and Amortisation		9,499	9,782

City of Burnside

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 Loans		431	412
Total Finance Costs		431	412

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		651	176
Less: Carrying Amount of Assets Sold		(1,028)	(1,218)
Gain (Loss) on Disposal		(377)	(1,042)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		-	1,714
Less: Carrying Amount of Assets Sold		-	(1,270)
Gain (Loss) on Disposal		-	444
Net Gain (Loss) on Disposal or Revaluation of Assets		(377)	(598)

The Assets Surplus to Requirements balance last year relates to the transfer of land to the Department for Education and Child Development (DECD) for \$1.71m for 1a Gulfview Avenue St Georges and 70A Hewitt Avenue, Rose Park in exchange of the Constable Hyde Memorial Gardens in Leabrook for a consideration of \$2.4m.

Note 5. Current Assets

(a). Cash & Cash Equivalents			
Cash on Hand at Bank		355	335
Deposits at Call		2,433	1,436
Total Cash & Cash Equivalents		2,788	1,771

City of Burnside

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		619	622
Accrued Revenues		24	59
Debtors - General		450	218
GST Recoupment		397	426
Prepayments		287	384
Loans to Community Organisations		42	55
Total Trade & Other Receivables		1,819	1,764
(c). Inventories			
Stores & Materials		22	21
Total Inventories		22	21

Note 6. Non-Current Assets

(a). Financial Assets			
Receivables			
Council Rates Postponement Scheme		97	79
Loans to Community Organisations		40	82
Total Receivables		137	161
Total Financial Assets		137	161
(b). Equity Accounted Investments in Council Businesses			
Eastern Health Authority	18	122	116
East Waste	18	116	77
Brownhill Keswick Creek Stormwater Authority	18	737	29
ERA Water	18	2,641	2,987
Total Equity Accounted Investments in Council Businesses		3,616	3,209
(c). Other Non-Current Assets			
Capital Works-in-Progress - Buildings		1,626	106
Capital Works-in-Progress - Infrastructure		1,261	1,403
Capital Works-in-Progress - Plant & Equipment		123	29
Other		73	83
Total Other Non-Current Assets		3,083	1,621

City of Burnside

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

Note 7a. Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/6/2018				Asset Movements during the Reporting Period						as at 30/6/2019							
		At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value	Asset Additions	WDV of Asset Disposals	Degradation Expense (Note 3c)	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value		
							New / Upgrade	Renewals											
\$ '000																			
Land	3	253,284	2,418	226	-	255,476	-	-	-	-	(255,476)	-	-	-	-	-	-	-	
Land	2	-	-	-	-	-	-	-	-	-	255,162	(25,707)	65,870	295,325	-	-	-	-	295,325
Land Improvement	3	-	-	-	-	-	-	45	-	(52)	314	(220)	915	1,455	45	498	-	-	1,002
Buildings	2	33,009	5,777	20,573	-	18,213	-	-	-	-	(18,213)	-	-	-	-	-	-	-	-
Buildings	3	72,348	992	34,931	-	38,409	90	577	(9)	(1,312)	18,213	-	47,633	126,168	90	22,657	-	-	103,601
Infrastructure																			
- Stormwater Quality Devices	2	1,006	105	210	-	901	-	18	-	(67)	-	-	-	1,006	123	277	-	-	852
- Stormwater Quality Devices	3	5,458	578	1,680	-	4,356	486	675	-	(67)	42	-	-	5,458	1,783	1,749	-	-	5,492
- Other Structures	2	5,744	402	3,285	-	2,861	23	113	(24)	(159)	-	-	-	5,654	538	3,378	-	-	2,814
- Other Structures	3	21,868	3,122	10,893	-	14,097	1,316	493	(124)	(503)	208	-	-	21,600	5,183	11,305	-	-	15,477
- Recreation/Sport Structures	2	13,198	1,887	5,653	-	9,432	255	652	(133)	(727)	-	-	-	12,830	2,794	6,145	-	-	9,479
- Recreation/Sport Structures	3	2,060	334	1,441	-	953	-	267	(8)	(144)	-	-	-	2,022	601	1,555	-	-	1,068
- Road Structures	3	271,120	11,836	123,998	-	158,958	330	5,272	(131)	(3,622)	2,032	(6,263)	617	277,948	7,818	128,573	-	-	157,193
- Traffic Control Devices	2	8,492	569	6,147	-	2,914	-	133	-	(220)	-	-	-	8,492	702	6,367	-	-	2,827
- Traffic Control Devices	3	314	254	226	-	342	-	18	-	10	-	-	-	314	282	226	-	-	370
- Stormwater Structures	3	95,211	1,438	39,579	-	57,070	622	165	(56)	(1,117)	2,295	(544)	7,276	107,753	3,214	45,256	-	-	65,711
Plant & Equipment																			
Furniture & Fittings																			
Artwork	3	332	-	-	-	332	-	-	-	(56)	-	-	-	-	816	416	-	-	400
Total Infrastructure, Property, Plant & Equipment		783,444	50,778	261,450	-	572,772	3,246	10,062	(1,028)	(9,499)	4,591	(32,734)	122,310	866,356	44,625	241,261	-	-	669,720
Comparatives		788,913	36,505	253,948	-	571,470	4,685	8,907	(2,488)	(9,782)	-	(98)	-	783,444	50,778	261,450	-	-	572,772

City of Burnside

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

The majority of infrastructure and building assets are based on fair value hierarchy level 3 as there is no known market for these assets and they 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.

Transfers between fair value hierarchy levels - In the course of revaluing Land and Building assets, the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation (01/07/2018).

Highest and best use

Land

For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

City of Burnside

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)

Land (continued)

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use".

The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

Buildings

For buildings and other structures on and in the land, "highest and best use" is determined in accordance with the land on and in which they are situated.

Infrastructure

For infrastructure on and in the land, "highest and best use" is determined in accordance with the land on and in which they are situated.

The dates of the valuations for the individual asset classes are shown below.

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

Land & Land Improvements

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2018.
- Valuer: APV Valuers and Asset Management

Buildings

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2018.
- Valuer: APV Valuers and Asset Management

Council adopted the short / long life methodology that split each component of building to differentiate between the part of the component that is renewed and the part which is recycled. As they have a different useful life they are to be depreciated separately. In the assessment of the split, consideration was taken for council asset management strategy and capital renewal approach. The financial impact is a decrease in depreciation expense of \$70,000.

Infrastructure

Roads, Kerb and Gutter, Footpath, Stormwater Structure

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2018.
- Valuer: APV Valuers and Asset Management

City of Burnside

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)

Council adopted the short / long life methodology that split each component of road structure to differentiate between the part of the component that is renewed and the part which is recycled. As they have a different useful life they are to be depreciated separately. The assessment of the split, includes consideration of Council Asset Management Strategic Plans and its capital renewal approach. For instance, all road structure assets except pavement were classified short life only as the renewal approach is to replace the asset fully. The financial impact is a decrease in depreciation expense of \$161,000 for pavements, all other infrastructure assets had Nil impact.

In addition, the road formation layer was separated from pavement and introduced in the register as a non-depreciable asset to further componentise road assets in accordance AASB116 p43 and with Interpretation 1055.7 which recognises that some road earthwork assets can be assessed as not having a limited useful life. The financial impact of this is a fair value increase of \$5,655,104.

Council undertook condition assessments of Road pavements, surface & kerbs in April 2016 through IMG. Council also undertook condition assessments of Footpaths in 2014/15 internally and these have been externally validated by Assetic Pty Ltd.

Traffic Control Devices, Stormwater Quality Devices

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015.
- Valuer: Maloney Field Services

Recreation/Sporting, Other Structures (including F&F - Street/Reserve assets reclassified as Infrastructure Assets)

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015.
- Valuer: Maloney Field Services

Artworks

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2018.
- Valuer: Theodore Bruce Auctions Pty Ltd

City of Burnside

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

Note 8. Liabilities

\$ '000	Notes	2019		2018	
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		1,774	-	2,030	-
Payments Received in Advance		630	-	355	-
Accrued Expenses - Employee Entitlements		448	14	319	9
Accrued Expenses - Other		1,945	-	1,940	-
Accrued Fringe Benefits Tax		26	-	26	-
Total Trade and Other Payables		4,823	14	4,670	9

(b). Borrowings

Cash Advance Debenture		-	6,800	-	7,036
Loans		660	7,399	252	4,459
Total Borrowings		660	14,199	252	11,495

All interest bearing liabilities are secured over the future revenues of the Council.
The Cash Advance Debenture has a facility end date of 15th June 2021.

(c). Provisions

Long Service Leave Provision*		1,250	237	1,168	174
Annual Leave Provision		1,072	-	1,017	-
Rostered Days Off Provision		27	-	32	-
Other (Time Off in Lieu)		49	-	46	-
Total Provisions		2,398	237	2,263	174

Council has accrued Long Service Leave for all employees based on probability and discounting factors. Long Service Leave shown above in the 'Current' section relates to employees who are expected to take leave in the next 12 months whilst the 'Non-Current' section includes the provision for employees who are expected to take leave beyond the 12 month period.

Movements in Provisions

\$ '000					
2019 (current & non-current)					
	Other (Time Off in Lieu)	Long Service Leave Provision*	Annual Leave Provision	Rostered Days Off Provision	
Opening Balance	46	1,342	1,017	32	
Add Additional Amounts Recognised	66	333	1,006	244	
(Less) Payments	(63)	(188)	(951)	(249)	
Closing Balance	49	1,487	1,072	27	

page 23

City of Burnside

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

Note 8. Liabilities (continued)

\$ '000	Notes	2019		2018	
		Current	Non Current	Current	Non Current
(d). Liability Accounted Investments in Council Businesses					
Highbury Landfill Authority	18		1,769		1,893
Total Liability Accounted Investments in Council Businesses			1,769		1,893

Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
Infrastructure	182,070	1,086	-	-	183,156
Plant & Equipment	4,798	-	-	-	4,798
Land	116,194	40,857	-	-	157,051
Buildings	32,900	47,633	-	-	80,533
Artwork	332	-	-	-	332
Total Asset Revaluation Reserve	336,294	89,576	-	-	425,870
Comparatives	336,827	(98)	(435)	-	336,294

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
Open Space Contribution Reserve	17	-	-	-	17
Burnside Recreation Trust	-	572	-	152	724
Total Other Reserves	17	572	-	152	741
Comparatives	429	17	(429)	-	17

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).

Open Space Contribution Reserve

This reserve is used to record increments and decrements in Open Space Contributions.

City of Burnside

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

Note 9. Reserves (continued)

\$ '000

(b). Other Reserves (continued)

Burnside Recreation Trust

This reserve is used to record the increments and decrements of the Burnside Recreation Trust. This reserve was established to recognise the funds received from any lease or license to be held for the purpose of developing, maintaining, restoring, renewing, repairing and generally keeping the Kensington Park Reserve in good order and condition and to meet any public liability insurance premiums for which Burnside may become liable in respect of the land Pursuant to the charitable trust established in 1888.

Note 10. Reconciliation to Statement of Cash Flows

\$ '000

Notes

2019

2018

(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	2,788	1,771
Balances per Statement of Cash Flows		2,788	1,771

City of Burnside

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

Note 10. 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)		6,588	1,283
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		9,499	9,782
Equity Movements in Equity Accounted Investments (Increase)/Decrease		264	140
Non-Cash Asset Acquisitions		(4,587)	(78)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(143)	(173)
Net (Gain) Loss on Disposals		377	598
Other		-	38
		11,998	11,590
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(89)	(578)
Net (Increase)/Decrease in Inventories		(1)	2
Net (Increase)/Decrease in Other Current Assets		(1,462)	(664)
Net Increase/(Decrease) in Trade & Other Payables		158	1,651
Net Increase/(Decrease) in Other Provisions		198	(20)
Net Cash provided by (or used in) operations		10,802	11,981
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	4,587	78
Total Non-Cash Financing & Investing Activities		4,587	78
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		128	128
LGFA Cash Advance Debenture Facility		10,000	10,000

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

City of Burnside

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

Note 11a. 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	42	58	9	11	33	47	-	-	7,970	(721)
Community Services	2,607	2,357	4,758	4,735	(2,150)	(2,377)	1,300	1,496	-	-
Culture	289	301	1,742	1,798	(1,453)	(1,497)	130	130	-	-
Economic Development	-	-	22	22	(22)	(22)	-	-	-	-
Environment	175	273	7,122	6,566	(6,947)	(6,283)	42	42	-	-
Recreation	787	884	1,947	1,985	(1,159)	(1,101)	-	-	-	-
Regulatory Services	1,509	1,318	2,869	2,771	(1,360)	(1,453)	-	-	-	-
Transport & Communication	360	714	524	545	(164)	170	340	685	-	-
Plant Hire & Depot/Indirect	52	42	3,476	3,465	(3,424)	(3,423)	-	-	-	-
Council Administration	42,126	40,031	23,244	22,311	18,881	17,527	2,186	1,789	673,215	582,040
Total Functions/Activities	47,948	45,978	45,713	44,198	2,235	1,587	3,998	4,141	681,185	581,319

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.

City of Burnside

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

Note 11b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Private Works.

COMMUNITY SERVICES

Public Order and Safety, Crime Prevention, Emergency Services and Fire Protection, Other Public Order and Safety, Immunisation and Preventive Health Services, Elderly Citizens Facilities, Home Assistance Scheme and Other Services for the Aged and Disabled, Child Care Centres, Children and Youth Services, Community Transport, Family and Neighbourhood Support, Other Community Support, Community Amenities, Regal Theatre, Bus Shelters, Cemeteries and Public Conveniences.

CULTURE

Mobile Libraries and Housebound Services, Static Libraries, Cultural Venues, Heritage and Other Cultural Services.

ECONOMIC DEVELOPMENT

Support to Local Businesses.

ENVIRONMENT

Animal/Plant Boards, Landcare, Domestic Waste, Green Waste, Recycling, Stormwater and Drainage, Street Cleaning, Street Lighting, Streetscaping, Natural Resource Management Levy, and Other Environment.

RECREATION

Parks and Gardens, Sports Facilities – Outdoor, Swimming Centres – Outdoor and Other Recreation.

REGULATORY SERVICES

Dog and Cat Control, Building Control, Town Planning, Health Inspection, Parking Control, and Other Regulatory Services.

TRANSPORT

Footpaths and Kerbing, Roads – sealed, Roads – formed, Traffic Management, LGGC – roads (formula funded).

PLANT HIRE & DEPOT

Depot operations which includes light vehicle fleet and major fleet.

COUNCIL ADMINISTRATION

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

City of Burnside

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

Note 12. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 1.5% and 2.15% (2018: 1.50% and 2.05%). Short term deposits have an average maturity of 180 days and an average interest rate of 1.85% (2018: 90 days and 1.70%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

Unsecured, and do not bear interest. 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

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).

City of Burnside

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

Note 12. Financial Instruments

\$ '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

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 (or variable - describe) rates between 3.6% and 4.8% (2018: 3.6% and 4.8%).

Carrying Amount:

Approximates fair value.

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
Financial Assets					
Cash & Equivalents	2,788	-	-	2,788	2,788
Receivables	516	44	-	560	556
Total Financial Assets	3,304	44	-	3,348	3,344
Financial Liabilities					
Payables	4,950	-	-	4,950	4,837
Borrowings	995	11,425	4,776	17,196	14,859
Total Financial Liabilities	5,945	11,425	4,776	22,146	19,696
2018					
Financial Assets					
Cash & Equivalents	1,771	-	-	1,771	1,771
Receivables	337	86	-	423	414
Total Financial Assets	2,108	86	-	2,194	2,185
Financial Liabilities					
Payables	4,670	9	-	4,679	4,679
Borrowings	464	9,356	3,620	13,441	11,747
Total Financial Liabilities	5,134	9,365	3,620	18,120	16,426

page 30

City of Burnside

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

Note 12. Financial Instruments (continued)

\$ '000

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
Fixed Interest Rates	4.15%	14,859	4.56%	11,747
		<u>14,859</u>		<u>11,747</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the 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 values, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

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

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

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

City of Burnside

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

Note 13. 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:			
Buildings		911	-
Infrastructure*		12,532	8,713
		<u>13,443</u>	<u>8,713</u>
These expenditures are payable:			
Not later than one year		6,870	4,713
Later than one year and not later than 5 years		3,184	4,000
Later than 5 years		3,389	-
		<u>13,443</u>	<u>8,713</u>
* The current year 2019 is higher due to multi year contracts entered into during the financial year ending 30th June 2019.			
(b). Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Waste Management Services		5,069	6,554
Employee Remuneration Contracts		5,171	7,520
Other Maintenance Contracts		3,296	-
Other Contracts		1,566	406
		<u>15,103</u>	<u>14,480</u>
These expenditures are payable:			
Not later than one year		5,936	3,824
Later than one year and not later than 5 years		8,653	9,562
Later than 5 years		514	1,094
		<u>15,103</u>	<u>14,480</u>

City of Burnside

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

Note 14. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2019	2019	2018	2017

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

1. Operating Surplus Ratio

Operating Surplus	2,235			
Total Operating Income	47,948	4.7%	3.5%	4.3%

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	17,587			
Total Operating Income	47,948	36.7%	32.9%	32.0%

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	3.7%	3.4%	2.7%
-----------------------------------------	------	------	------

Adjusted Net Financial Liabilities Ratio	37.1%	33.0%	32.0%
-------------------------------------------------	-------	-------	-------

3. Asset Renewal Funding Ratio

Net Asset Renewals	10,062			
Infrastructure & Asset Management Plan required expenditure	10,382	96.9%	89.3%	105.4%

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.

In prior years, depreciation was used as a measure of calculating asset sustainability. For the 2018/19 year end results, this method has been changed to be based on adopted Asset Management Plans. However, because Council is yet to adopt AMP's for all asset classes, the following formula has been used:
Capital expenditure on renewal and replacement of 'all' assets relative to the expenditure proposed in the adopted AMP's (for those asset classes that have an AMP) and budgeted depreciation (for those asset classes which do not have an AMP).

City of Burnside

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

Note 14. Financial Indicators - Graphs (continued)

<p>1. Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>4%</td> </tr> <tr> <td>2018</td> <td>4%</td> </tr> <tr> <td>2019</td> <td>5%</td> </tr> </tbody> </table>	Year	Ratio %	2017	4%	2018	4%	2019	5%	<p>Purpose of Operating Surplus Ratio</p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p>Commentary on 2018/19 Result</p> <p>2018/19 Ratio 4.7%</p> <p>Council budgeted for an Operating Surplus of 1% (\$478,000) in 2018/19. Council received Grants in advance which has overstated the ratio. In addition, Council has a strong focus on financial discipline and a commitment toward savings. As a result, the original target has been exceeded.</p>
Year	Ratio %									
2017	4%									
2018	4%									
2019	5%									
<p>2. Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>32%</td> </tr> <tr> <td>2018</td> <td>33%</td> </tr> <tr> <td>2019</td> <td>37%</td> </tr> </tbody> </table>	Year	Ratio %	2017	32%	2018	33%	2019	37%	<p>Purpose of Net Financial Liabilities Ratio</p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p>Commentary on 2018/19 Result</p> <p>2018/19 Ratio 36.7%</p> <p>This ratio demonstrates that Council's liabilities (including debt) are within acceptable levels. The achieved target is below the 2018/19 Adopted Budget of 36.7% and within the recommended target of 0-100%. The increase on prior year is due to the new fixed loans.</p>
Year	Ratio %									
2017	32%									
2018	33%									
2019	37%									
<p>Adjusted Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>3%</td> </tr> <tr> <td>2018</td> <td>3%</td> </tr> <tr> <td>2019</td> <td>4%</td> </tr> </tbody> </table>	Year	Ratio %	2017	3%	2018	3%	2019	4%	<p>Purpose of Adjusted Operating Surplus Ratio</p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p>Commentary on 2018/19 Result</p> <p>2018/19 Ratio 3.7%</p> <p>This indicator shows Council's Operating Surplus excluding the Grants Advanced payments from both the 2019/20 Financial Assistance Grant and the supplementary local roads grant. The achievement of 3.7% has exceeded Council budgeted Operating Surplus ratio of 1%.</p>
Year	Ratio %									
2017	3%									
2018	3%									
2019	4%									
<p>Adjusted Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>32%</td> </tr> <tr> <td>2018</td> <td>33%</td> </tr> <tr> <td>2019</td> <td>37%</td> </tr> </tbody> </table>	Year	Ratio %	2017	32%	2018	33%	2019	37%	<p>Purpose of Adjusted Net Financial Liabilities Ratio</p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p>Commentary on 2018/19 Result</p> <p>2018/19 Ratio 37.1%</p> <p>This ratio demonstrates that Council's liabilities (including debt) are within acceptable levels. The adjusted ratio has not changed due to the removal of the advanced payment as it wasn't a significant change. The achieved target is below the 2018/19 Adopted Budget of 46%.</p>
Year	Ratio %									
2017	32%									
2018	33%									
2019	37%									
<p>3. Asset Renewal Funding Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>105%</td> </tr> <tr> <td>2018</td> <td>89%</td> </tr> <tr> <td>2019</td> <td>97%</td> </tr> </tbody> </table>	Year	Ratio %	2017	105%	2018	89%	2019	97%	<p>Purpose of Asset Renewal Funding Ratio</p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p>Commentary on 2018/19 Result</p> <p>2018/19 Ratio 96.9%</p> <p>This ratio demonstrates Council's capital outlay on renewing/replacing assets. Council 2018/19 Adopted budget target was 93%, the actual ratio achieved is 96.9%. Council is in line with the LGA recommended target of 90 -110%.</p>
Year	Ratio %									
2017	105%									
2018	89%									
2019	97%									

City of Burnside

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

Note 15. 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	47,948	46,042
<i>less</i> Expenses	(45,713)	(44,412)
Operating Surplus / (Deficit)	2,235	1,630
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(10,062)	(8,907)
<i>add back</i> Depreciation, Amortisation and Impairment	9,499	9,782
<i>add back</i> Proceeds from Sale of Replaced Assets	651	176
Subtotal	88	1,051
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(3,246)	(4,685)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	143	173
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	-	1,714
Subtotal	(3,103)	(2,798)
Net Lending / (Borrowing) for Financial Year	(780)	(117)

City of Burnside

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

Note 16. Operating Leases

\$ '000	2019	2018
Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:		
Not later than one year	239	221
Later than one year and not later than 5 years	885	607
Later than 5 years	1,897	1,692
	<u>3,021</u>	<u>2,520</u>

Council is the lessor of leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements.

(ii) Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of Information Technology Equipment and other plant and equipment.

No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased.

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	109	135
Later than one year and not later than 5 years	364	349
Later than 5 years	-	-
	<u>473</u>	<u>485</u> *

*In 2018 leases relating to less than one year and later than one year less than five, were incorrectly calculated amounting to \$69k and \$178K respectively in Total. The reporting error was identified in the year 2019 and only effected the disclosure note 16 (ii) lease payment commitment of council, in the prior year.

City of Burnside

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

Note 17. 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.

City of Burnside

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

Note 18. 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
Associates - Gain	82	64	1,848	1,316
Associates - Loss	(346)	(214)	-	-
Total	(264)	(150)	1,848	1,316

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Eastern Waste Management Authority Inc.	Waste Management	118	77
Highbury Landfill Authority Inc.	Discontinued Landfill	(1,770)	(1,893)
ERA Water	Water supply and sale	2,641	2,987
Brownhill Keswick Creek Stormwater Authority	Stormwater Management	737	29
Eastern Health Authority Inc.	Health	122	116
Total Carrying Amounts - Joint Ventures & Associates		1,848	1,316

Eastern Waste Management Authority Inc.

The City of Burnside is one of seven member Councils of the Eastern Waste Management Authority Inc. The other member Councils are the City of Norwood, Payneham & St. Peters, the Town of Walkerville, the City of Mitcham, the City of Campbelltown, Adelaide Hills Council and the City of Prospect.

Highbury Landfill Authority Inc.

The City of Burnside is one of the member Councils of the Highbury Landfill Authority Inc. The other member Councils are the City of Norwood, Payneham & St. Peters and the Town of Walkerville.

ERA Water

The City of Burnside is one of the member Councils of the ERA Water Regional Subsidiary. The other member Councils are the City of Norwood, Payneham & St. Peters and the Town of Walkerville. ERA Water came into operation in July 2015 and has been established to capture creekwater, disinfect and store it in aquifers and subsequently deliver it to customers.

Brownhill Keswick Creek Stormwater Authority

The City of Burnside is one of five members of Councils of the Brownhill Keswick Creek Stormwater Authority (BHKC). The other member Councils are the City of Mitcham, Adelaide City Council, the City of Unley and the City of West Torrens.

Eastern Health Authority Inc.

The City of Burnside is one of five members of Councils of the Eastern Health Authority Inc. (EHA). The other member Councils are the City of Campbelltown, the City of Norwood, Payneham & St Peters, the City of Prospect and the Town of Walkerville.

page 38

City of Burnside

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

Note 18. Interests in Other Entities (continued)

\$ '000

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 Inc.	17%	17%	17%	17%	17%
Highbury Landfill Authority Inc.	50%	50%	50%	50%	33%	33%
ERA Water	33%	33%	33%	33%	33%	33%
Brownhill Keswick Creek Stormwater Authority	20%	20%	12%	12%	12%	12%
Eastern Health Authority Inc.	25%	25%	25%	25%	20%	20%

(c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Management Authority Inc.		Highbury Landfill Authority Inc.	
	2019	2018	2019	2018
Opening Balance	77	102	(1,893)	(1,934)
Share in Operating Result	28	(55)	4	(97)
Share in Other Comprehensive Income	11	-	-	-
New Capital Contributions	-	30	120	139
Adjustments to Equity	2	-	(1)	(1)
Council's Equity Share in the Joint Venture or Associate	118	77	(1,770)	(1,893)

	ERA Water		Brownhill Keswick Creek Stormwater Authority	
	2019	2018	2019	2018
Opening Balance	2,987	3,055	29	-
Share in Operating Result	(346)	(68)	43	29
Share in Other Comprehensive Income	-	-	195	-
New Capital Contributions	-	-	470	-
Council's Equity Share in the Joint Venture or Associate	2,641	2,987	737	29

	Eastern Health Authority Inc.	
	2019	2018
Opening Balance	116	81
Share in Operating Result	6	35
Council's Equity Share in the Joint Venture or Associate	122	116

City of Burnside

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

Note 18. Interests in Other Entities (continued)

\$ '000

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Eastern Waste Management Authority Inc.		Highbury Landfill Authority Inc.	
	2019	2018	2019	2018
Cash and Cash Equivalents	1,967	1,376	85	66
Other Current Assets	717	1,128	13	28
Non-Current Assets	6,100	6,165	187	212
Total Assets	8,784	8,669	285	306
Current Trade and Other Payables	771	822	25	17
Current Financial Liabilities	1,987	2,007	25	24
Current Provisions	540	530	204	283
Non-Current Financial Liabilities	4,702	4,774	185	209
Non-Current Provisions	78	63	3,386	3,560
Total Liabilities	8,078	8,196	3,825	4,093
Net Assets	706	473	(3,540)	(3,787)

Statement of Financial Position	ERA Water		Brownhill Keswick Creek Stormwater Authority	
	2019	2018	2019	2018
Cash and Cash Equivalents	31	10	3,967	-
Other Current Assets	206	10	2,024	-
Non-Current Assets	20,919	20,783	3,209	249
Total Assets	21,156	20,803	9,200	249
Current Trade and Other Payables	237	171	3,059	6
Current Provisions	(4)	3	-	-
Non-Current Financial Liabilities	13,000	11,668	-	-
Total Liabilities	13,233	11,842	3,059	6
Net Assets	7,923	8,961	6,141	243

Statement of Financial Position	Eastern Health Authority Inc.	
	2019	2018
Cash and Cash Equivalents	743	877
Other Current Assets	168	122
Non-Current Assets	325	342
Total Assets	1,236	1,341
Current Trade and Other Payables	149	197
Current Financial Liabilities	64	64
Current Provisions	323	325
Non-Current Financial Liabilities	186	251
Non-Current Provisions	25	39
Total Liabilities	747	876
Net Assets	489	465

page 40

City of Burnside

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

Note 18. Interests in Other Entities (continued)

\$ '000

(d) Summarised Financial Information of the Equity Accounted Business (continued)

Statement of Comprehensive Income	Eastern Waste Management Authority Inc.		Highbury Landfill Authority Inc.	
	2019	2018	2019	2018
Other Income	754	428	18	23
Contributions from Constituent Councils	15,440	12,689	26	-
Interest Income	-	10	-	-
Total Income	16,194	13,127	44	23
Employee Costs	5,580	5,605	-	-
Materials, Contracts & Other Expenses	8,229	5,776	3	3
Depreciation, Amortisation and Impairment	1,959	1,767	25	25
Finance Costs	290	321	8	11
Total Expenses	16,058	13,469	36	39
Other Revenue / Expense Items	-	-	-	(179)
Operating Result	136	(342)	8	(195)

Statement of Comprehensive Income	ERA Water		Brownhill Keswick Creek Stormwater Authority	
	2019	2018	2019	2018
Other Income	181	-	-	-
Contributions from Constituent Councils	26	-	618	160
Interest Income	10	2	16	-
Total Income	217	2	634	160
Employee Costs	110	43	235	126
Materials, Contracts & Other Expenses	616	164	182	38
Depreciation, Amortisation and Impairment	266	-	2	-
Finance Costs	262	-	-	-
Total Expenses	1,254	207	419	164
Operating Result	(1,037)	(205)	215	(4)

Statement of Comprehensive Income	Eastern Health Authority Inc.	
	2019	2018
Other Income	819	835
Contributions from Constituent Councils	1,723	1,681
Interest Income	16	13
Total Income	2,558	2,529
Employee Costs	1,768	1,581
Materials, Contracts & Other Expenses	716	747
Depreciation, Amortisation and Impairment	37	46
Finance Costs	13	16
Total Expenses	2,534	2,390
Operating Result	24	139

page 41

City of Burnside

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

Note 19. 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.

At reporting date, Council controlled 261 km of road reserves of average width 8.4 metres.

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 7 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Note 20. 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 Certification of Financial Statements as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 22/10/19.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.

City of Burnside

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

Note 21. 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, 35 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Salaries, Allowances and Short-Term Employee Benefits	2,106	1,825
Post-Employment Benefits	-	145
Long-Term Benefits	-	32
Termination Benefits	30	2
Total	<u>2,136</u>	<u>2,003</u>

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

Receipts from Key Management Personnel comprise:

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

Contributions for Fringe Benefits Tax purposes	79	73
Total	<u>79</u>	<u>73</u>

Additional Disclosures:

- A Member of Council's Executive Management Team is on the Board of Directors at Eastside Business Enterprise Centre (EBEC). In accordance with the *Local Government Act 1999*, this person declares a conflict of interest and takes no part in discussions relating to matters involving EBEC. EBEC provides business advisory services to small local businesses and during the 2018/19 year, Council paid EBEC \$22,385.45 towards its membership.

Transactions with Council Regional Subsidiary entities:

The information presented below represents additional information relating to transactions recorded during the financial year with Council's Subsidiary entities. The information presented below is in addition to that already disclosed in Note 19. Council is an equity owner of each Regional Subsidiary disclosed in Note 19 along with other Member Councils.

Member Councils have equal representation on the following Subsidiary Boards (of which Council is a member):

- Eastern Waste Management Authority Inc.
- Highbury Landfill Authority Inc.
- ERA Water
- Eastern Health Authority Inc.
- Brownhill Keswick Creek Stormwater Authority

Member Councils have influence on the financial and strategic operational decisions of the Subsidiary given their equal Board member representation.

City of Burnside

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

Note 21. Related Party Transactions (continued)

\$ '000

No one Member Council individually has control over these decisions.

The following material transactions occurred with the Regional Subsidiary's during the 2018/19 financial year:

Subsidiary (\$'000)	Income from Related Party during 2018/19	Payment to Related Party during 2018/19	Outstanding Balance as at 30 June 2019
East Waste Management Inc.	110	2,883	Nil
Highbury Landfill Authority Inc.	-	120	Nil
Eastern Health Authority	Nil	492	Nil
ERA Water	Nil	91	91
Brownhill Keswick Creek	Nil	657	Nil

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the City of Burnside

Opinion

We have audited the accompanying financial report of the City of Burnside (the Council), which comprises the Statement of Financial Position as at 30 June 2019, Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

Basis for Opinion

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

Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Council's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the Council'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 Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN
PARTNER**

Signed on the 26th day of November 2019,
at 214 Melbourne Street, North Adelaide

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF BURNSIDE

Opinion

In our opinion, the Council has complied, in all material respects, with Section 129(1)(b) of the *Local Government Act 1999* in relation to the Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2018 to 30 June 2019.

Basis for opinion

We have audited the Internal Controls of the City of Burnside (the Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2018 to 30 June 2019 have been conducted properly and in accordance with law.

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3150 Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

The Council's Responsibility for the Internal Controls

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

Our Independence and Quality Control

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

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and performed our procedure to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period.

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

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

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

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

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN
PARTNER**

Signed on the 26th day of November 2019
at 214 Melbourne Street, North Adelaide, South Australia, 5006

CITY OF BURNSIDE

**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 City of Burnside for the year ended 30 June 2019, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Barry Cant
ACTING CHIEF EXECUTIVE OFFICER



David Powell
PRESIDING MEMBER
AUDIT COMMITTEE

Dated this first day of November 2019

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the City of Burnside 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*.



SAMANTHA CRETEN

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated this 26th day of November 2019





EastWaste



**ANNUAL
REPORT
2018-2019**



**A TOTAL OF 105,328
KERBSIDE TONNES
COLLECTED**

EastWaste

2

CONTENTS

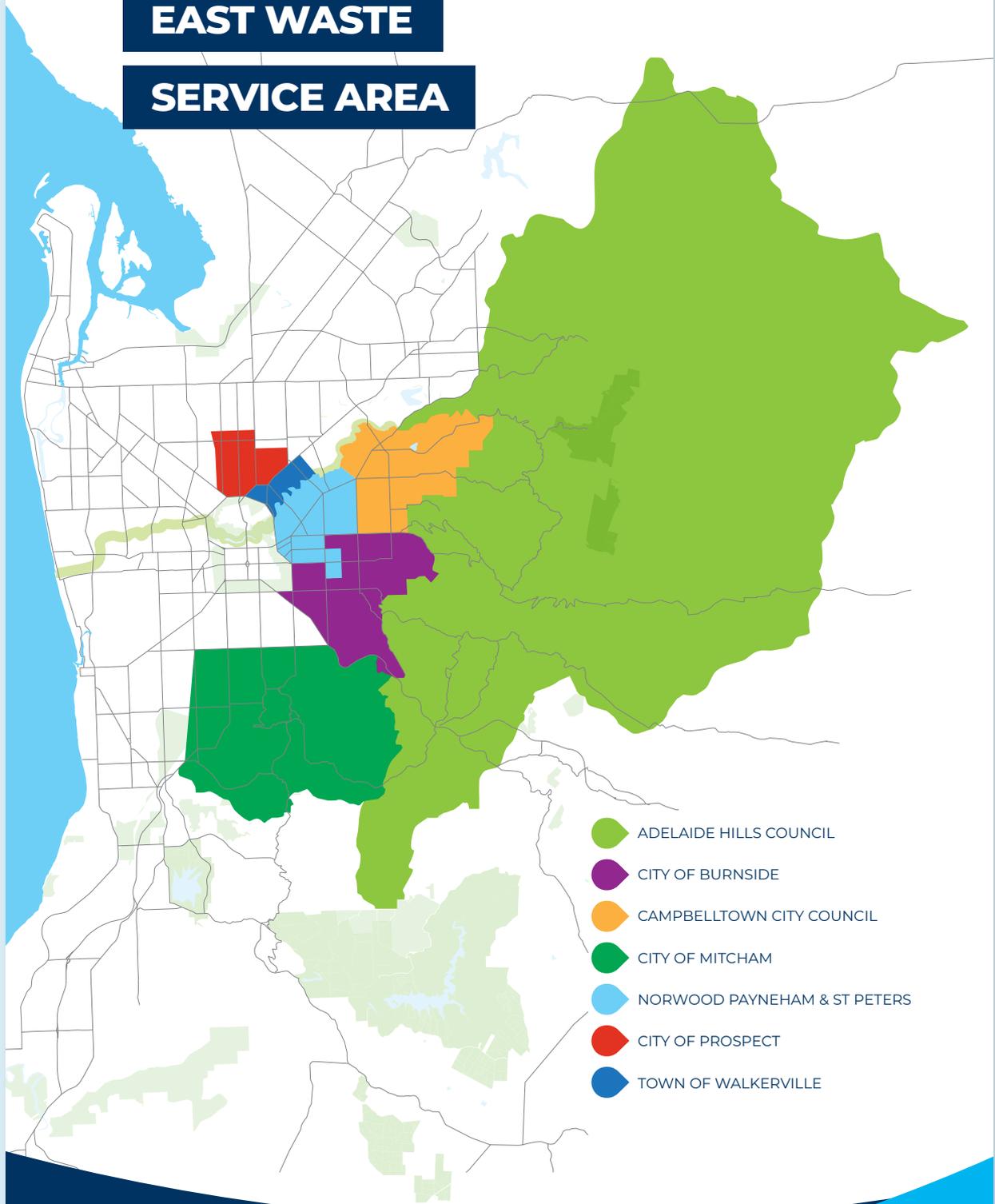


2018-2019

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



EAST WASTE SERVICE AREA



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 Organisation's 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 to 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 positive outcomes for East Waste during my tenure.



**5,500 RESIDENTS RECEIVING
THE 'SPOTLIGHT ON WASTE'
WEEKLY NOTIFICATIONS**

EastWaste

7

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

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



EastWaste

12

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.

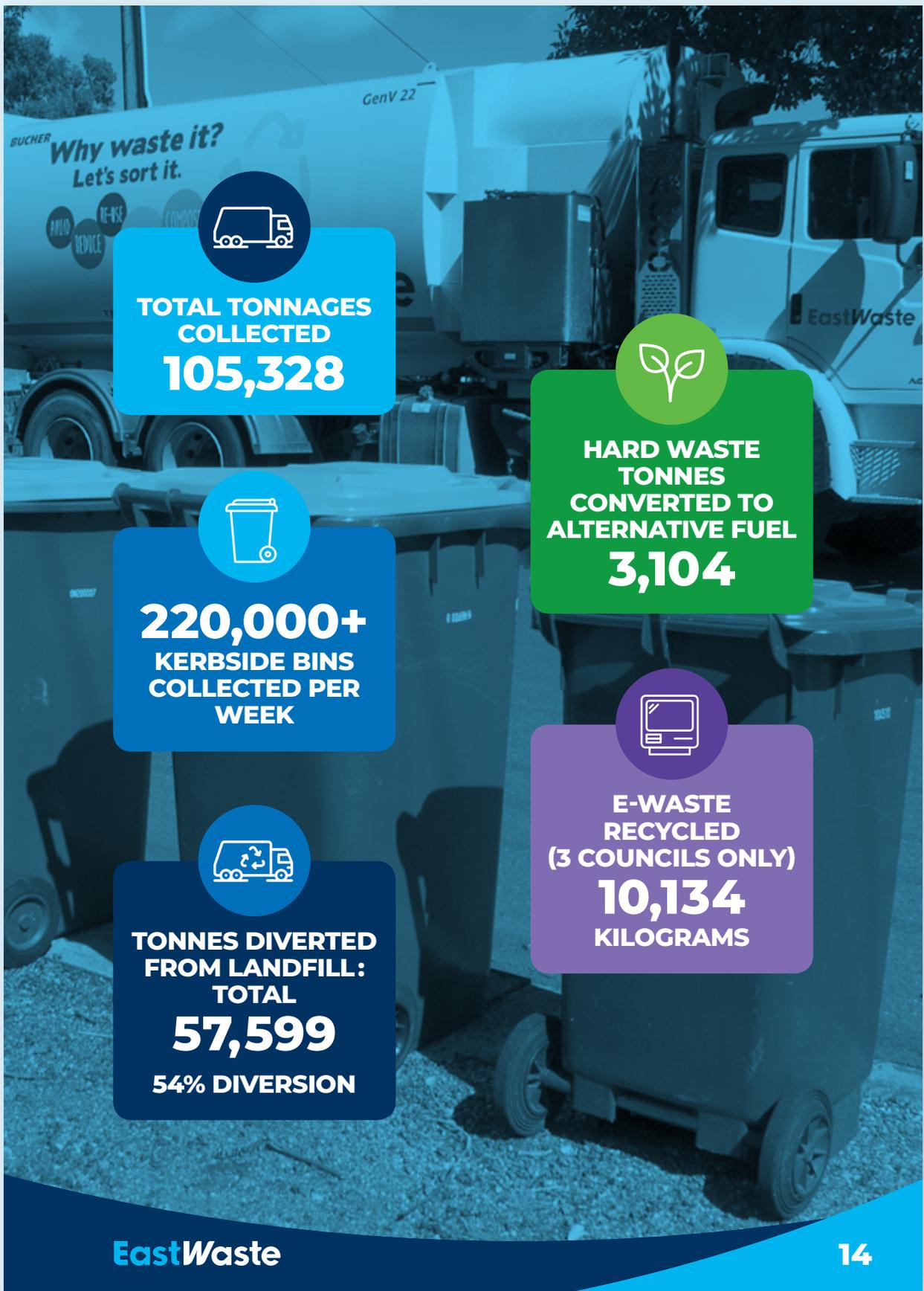
Thanks

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



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 199 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)

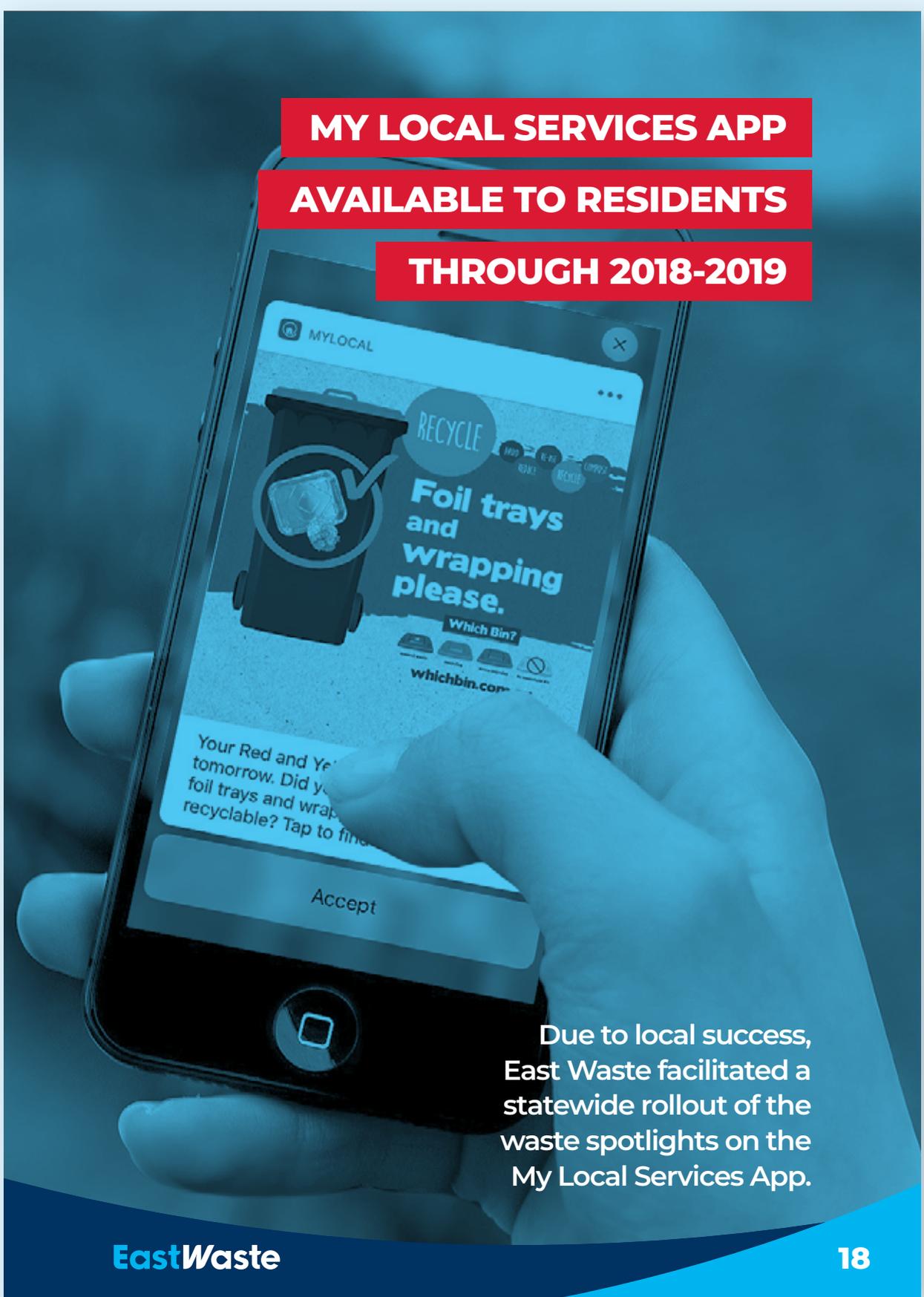
Mr Shane Raymond (East Waste)

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.

EastWaste



**FINANCIAL
STATEMENTS
2018-2019**

CONTENTS

Certification of Financial Statements	21
Principal Financial Statements	
Statement of Comprehensive Income	22
Statement of Financial Position	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	27
Note 2 - Income	32
Note 3 - Expenses	32
Note 4 - Asset Disposals	33
Note 5 - Current Assets	33
Note 6 - Infrastructure, Property, Plant & Equipment	34
Note 7 - Liabilities	35
Note 8 - Reconciliation to Cash Flow Statement	36
Note 9 - Financial Instruments	37
Note 10 - Expenditure Commitments	39
Note 11 - Operating Leases	39
Note 12 - Events Occurring After Reporting Date	39
Note 13 - Related Party Transactions	40
Independent Auditor's Report	42

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
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.



EAST WASTE COLLECTED
34,459 TONNES OF
ORGANIC WASTE

EastWaste

26

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>		<i>55</i>	<i>50</i>

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)		-	1
		<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		2018	
		\$'000		\$'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
Financial Assets						
Fair Value through P&L						
Cash Assets	1,548	419	-	-	-	1,967
Loans & Receivables						
Receivables	-	-	-	-	716	716
Total	1,548	419	-	-	716	2,683
Financial Liabilities						
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
Financial Assets						
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
Financial Liabilities						
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

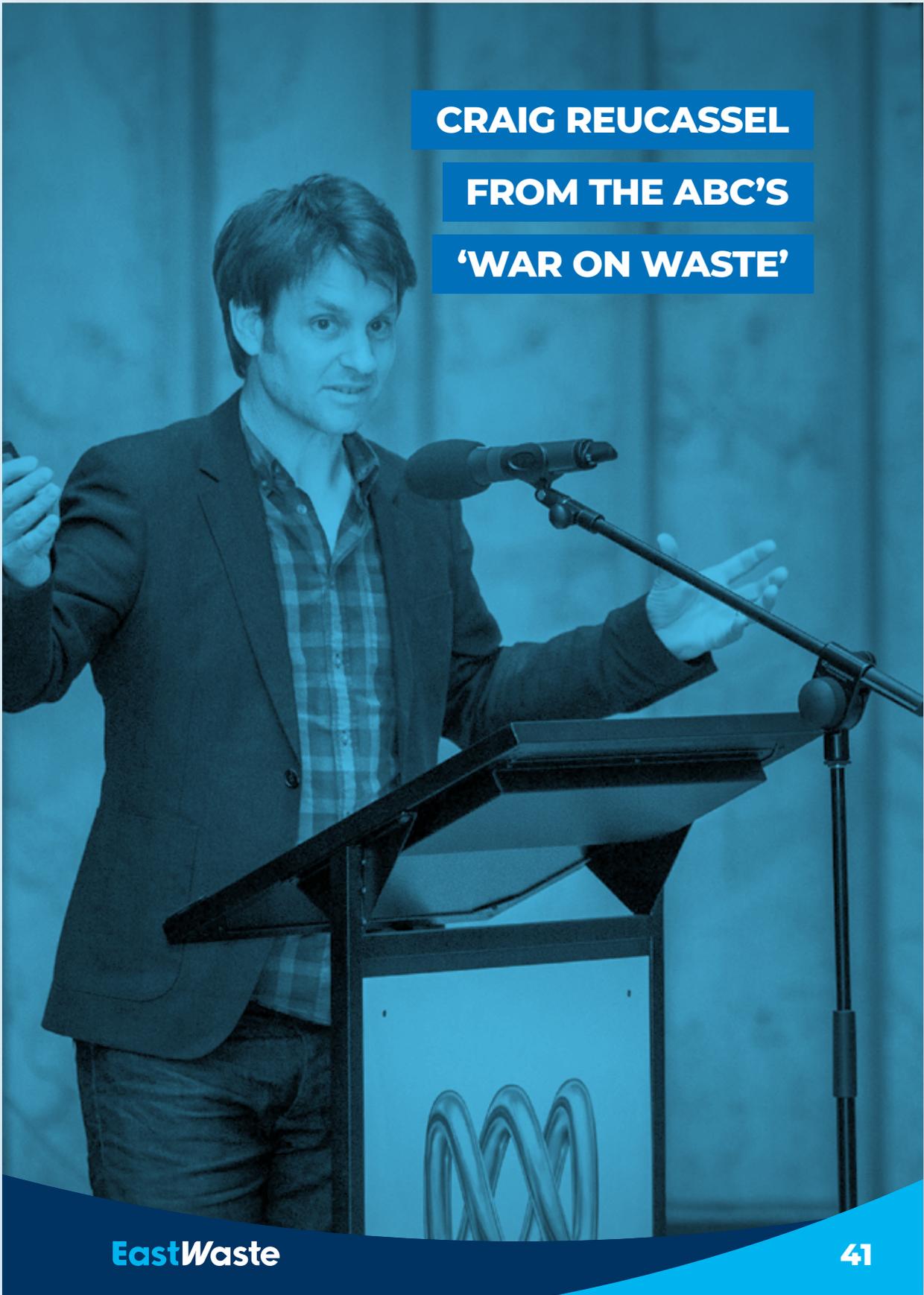
Transactions with Related Parties:

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

**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.



Bentleys
THINKING AHEAD

Bentleys SA Audit Partnership
Level 5
50/1 The Street
Adelaide SA 5000
GPO Box 938
Adelaide SA 5001
ABN 42 617 001 933
T +61 8 8372 7900
F +61 8 8375 7999
aiken@bentleys.com.au
bentleys.com.au



A member of Bentleys, a network of independent auditing and accounting firms across the globe, Bentleys, like Allinial and Core, has today as Bentleys. All members of the Bentleys network are affiliated with the accountants legislation and the regulatory authority in their respective countries. Bentleys is a member of the International Federation of Accountants (IFAC) and is a member of the International Federation of Accountants (IFAC) and is a member of the International Federation of Accountants (IFAC).



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', written over a light blue horizontal line.

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



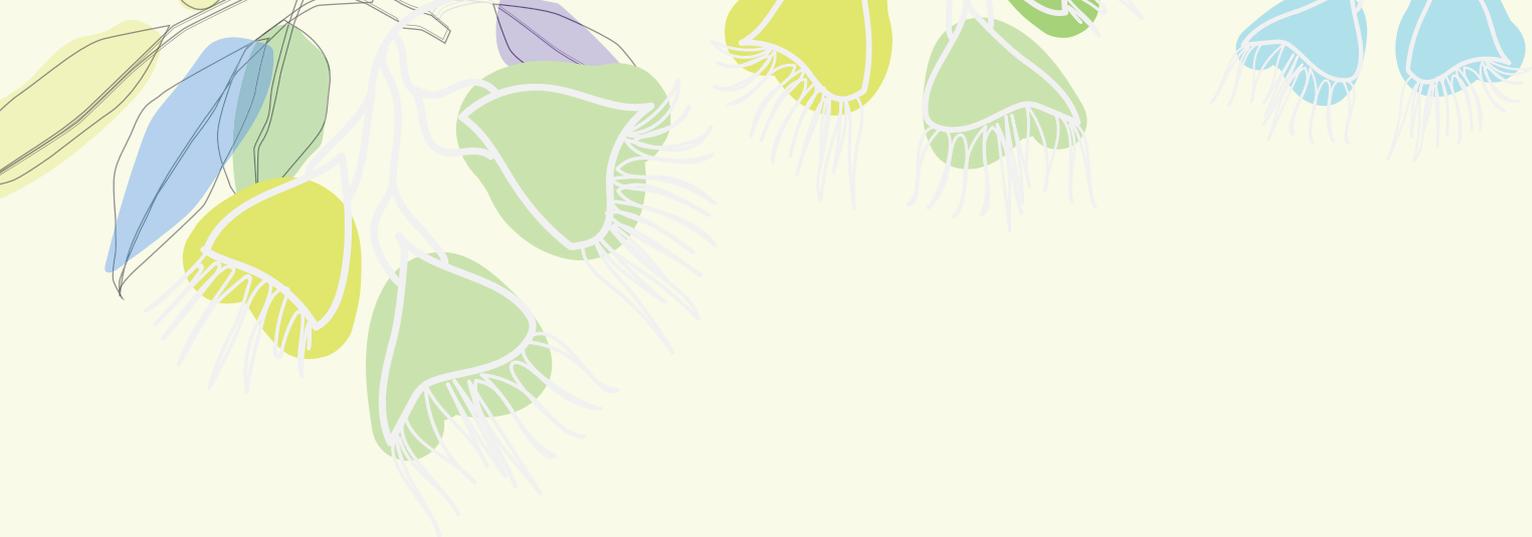
EastWaste

44



EastWaste

1 Temple Court Ottoway SA 5013
PO Box 26 Mansfield Park SA 5012
Phone: 08 8347 5111
Email: east@eastwaste.com
eastwaste.com.au



HIGHBURY LANDFILL AUTHORITY

ANNUAL REPORT 2018 / 2019

GOVERNANCE AND ADMINISTRATION

BOARD MEMBERS

BURNSIDE

Mr. Paul Deb
(Board Member)

NORWOOD, PAYNEHAM & ST PETERS

Cr John Minney
(Board Member
and Chair)

WALKERVILLE

Mr. Joshua Bowen
(Board Member)

INDEPENDENT

**MEMBER –
AUDIT COMMITTEE**
Mr. Peter Holmes

The Board of the Highbury Landfill Authority (HLA) had a new board member appointed by Walkerville, Mr Joshua Bowen, after the November 2018 Local Government elections with the remaining two Councils reappointing their members. The Board formally thanks the retiring Chair Mr. Graham Webster for his service to the Authority.

The Independent Member on the Audit Committee remained Peter Holmes from Ferrier Hodgson. TJH Management Services Pty Ltd continued to provide administration and management services to HLA.

The site is governed by the South Australian Environment Protection Authority (SA EPA) as a contaminated site covered by the Environment Protection Act 1993. The Authority has an ongoing environmental duty to manage the site and ensure that it has minimal impact on the surrounding environment. The site has remained stable and within an acceptable risk profile during the year.

The landfill gas quality continues to degrade and McMahon Services Australia Pty Ltd through its sub-contractor Biogas Systems is contracted to manage the gas field and flare the landfill gas 24 hours per day 7 days per week.



Torrens Road Entrance

The accounting standards require Highbury to estimate the future costs over an initial period of at least 25 years to meet the legislative requirements of a closed landfill in South Australia. HLA is now 9 years into the post closure management period and the provision in the accounts is a net present value (NPV) calculation of the future cash outflows to manage the remaining 16 years. As recommended by the HLA audit committee the provision calculation was reviewed by Golder Associates Pty Ltd last year and their recommendations continue to be adopted by the Board. The next review is due in 2021. There has been no material change to the provision from last year.

SPECIAL POINTS OF INTEREST:

- The Risk Management Plan continued to be the measure of how the site was managed during the year.
- The Board conducted a nationwide EOI process to explore Future Options for the closed landfill site. The board has resolved to negotiate with Joule Energy on their preferred proposal to establish a solar power plant on the site and export green energy into the electricity grid.



Monitoring Bore in the landfill



The LoCal flare installed and operating at the Highbury landfill

CLOSURE & POST-CLOSURE MANAGEMENT

The site continues to revegetate naturally and is maintained with annual spraying for noxious weeds and regular grass cutting and maintenance. In accordance with the landfill closure plan, the retention pond is being planted out with appropriate plants to further improve the quality of water discharged off site.

The EPA are provided with monthly reports on landfill gas extraction and monitoring. These reports show compliance with the risk profile for the site.



Retention Pond

FINANCIAL SUMMARY FOR THE YEAR ENDING 30 JUNE 2019

Income Statement as at 30 June 2019

Statement of Financial Position as at 30 June 2019

	2019	2018		2019	2018
	\$	\$		\$	\$
INCOME			CURRENT ASSETS		
Interest Received	121	116	Cash & Cash Equivalents	85,055	65,959
Sundry Income	18017	22,741	Trade & Other Receivables	13,197	28,251
Highbury Landfill Provision	26,244	-	Total Current Assets	98,252	94,210
TOTAL REVENUE	44,382	22,857			
EXPENSES			NON-CURRENT ASSETS		
Materials, contracts & other expenses	2,500	2,500	Infrastructure, Property, Plant	186,731	211,949
Depreciation, amortisation & impairment	25,218	25,219	Total Non-Current Assets	186,731	211,949
Finance Payments	8,312	11,173	TOTAL ASSETS	284,983	306,159
Highbury Closure Provision	-	178,785			
TOTAL EXPENSES	36,030	217,677	CURRENT LIABILITIES		
OPERATING SURPLUS/ (DEFICIT)	8,352	(194,820)	Trade and Other Payables	25,239	16,778
			Borrowings	24,647	23,748
			Provisions	203,890	283,000
			Total Current Liabilities	253,776	323,526
			NON-CURRENT LIABILITIES		
			Borrowings	184,595	209,243
			Provisions	3,385,870	3,560,000
			Total Non-Current Liabilities	3,570,465	3,769,243
			TOTAL LIABILITIES	3,824,241	4,092,769
			NET ASSETS	(3,539,258)	(3,786,610)
			EQUITY		
			Accumulated Deficit	(3,539,258)	(3,786,610)
			TOTAL EQUITY	(3,539,258)	(3,786,610)



Re-vegetation of the landfill

AERIAL MAP OF LANDFILL GAS MONITORING LOCATIONS FOR THE Highbury LANDFILL TO MONITOR COMPLIANCE WITH THE EPA LANDFILL LICENCE



LANDFILL GAS MANAGEMENT AT Highbury

- The plan opposite shows the network of monitoring bores to assist in managing landfill gas on the site.
- Boundary gas extraction bores have been established on the southern and eastern boundaries of the site.
- Landfill gas monitoring bores were monitored regularly during the year
- McMahons through their sub-contractor Biogas Systems extracted landfill gas from approximately 80 extraction bores located over the site and flared the landfill gas.
- The landfill gas quality and quantity are declining and is insufficient to generate green electricity so the gas is burnt to reduce greenhouse gas emissions.
- The ongoing flaring of the landfill gas ensures that the gas is controlled from the site to comply with the risk management plan.



ANNUAL REPORT

2018-19

ERA WATER



41
City of
Burnside

ERA WATER ANNUAL REPORT 2018-19

CONTENTS

MESSAGE FROM THE CHAIRPERSON	3
GENERAL MANAGER'S REPORT	4
ABOUT ERA WATER	5
THE CONSTITUENT COUNCILS	5
PURPOSE	5
SUPPORT FROM CONSTITUENT COUNCILS	6
BOARD OF MANAGEMENT	6
CONFIDENTIALITY	6
FREEDOM OF INFORMATION	6
STAFFING STRUCTURE	6
FY2019 BUDGET and LONG TERM FINANCIAL PLAN	8
CHARTER	8
FINANCE AUDIT COMMITTEE	8
FINANCIAL STATEMENTS	8
PROJECT	9
CONSTRUCTION	9
OPERATIONS AND MAINTENANCE	9
RAINFALL DATA	10
SUMMARY FINANCIAL STATEMENT	18
General Purpose Financial Statements for the year ended 30 June 2019	18

MESSAGE FROM THE CHAIRPERSON

The Eastern Region Alliance Water (ERA Water) project of stormwater harvesting for aquifer storage and recovery began irrigation of Council reserves in November 2018.

During the year connections were completed to 14 reserves of the Constituent Councils – the Corporation of the Town of Walkerville, City of Burnside, and, City of Norwood, Payneham & St Peters. Tenders have been sought for connections to a further 30 reserves in the coming year.

The commissioning process confirmed the design capacity of the system except for the injection bore capacity. One of the original five bores required by the project design failed to provide an adequate yield. The result of the consequently reduced injection capacity and a low rainfall year, meant that the expected volume of water injected into the aquifer was not achieved. Approval was sought and obtained from the Constituent Councils to install additional injection bore capacity and to increase the borrowing limits to fund the additional work involved.

In February 2019, the Felixstow Reserve was officially opened. The Reserve incorporates the wetland treatment system of the ERA Water project as part of an enhanced area of public amenity developed by the City of Norwood, Payneham and St Peters.

There have been a number of personnel changes during the year. In September 2018, Robin English was appointed General Manager of ERA Water and he is making a positive impact in this important role. Geoff Vogt's term as a Board member for the City of Burnside was completed in June 2019. The Board has greatly appreciated Geoff's sage advice. Burnside has appointed Cr Sarah Hughes as the city's Board member.

Dr BRYAN JENKINS

Independent Chair, ERA WATER Board

GENERAL MANAGER'S REPORT

During the year, significant progress has been made at Eastern Region Alliance Water, with commissioning completed and the first sales of water to customers having been made.

The performance of the project has however been constrained by the low rainfall of the winter of 2018, and the reduced injection capacity of the project. These two factors have limited the amount of water that was able to be harvested and stored, and therefore limited the sales of water in the summer of 2018/2019. The two risks of low rainfall and reduced injection capacity due to one of the five bores in the project not performing at its designed capacity, are anticipated risks. It is unfortunate that both have occurred in the first year of operation.

The Board has now approved an increase in bore capacity and preparations are being made to replace the inadequate bore with another. ERAW trusts that a new, successful bore will overcome the constraint on injection capacity and enable the scheme to operate as designed.

With lower than expected volumes of water available for sale during the year, ERAW was able to delay the construction of some of the connections to delivery points of the Constituent Councils so that costs could be saved by reducing the cost per connection. Late in the year, tenders were let for the construction of the remaining connections to Constituent Councils. Construction will commence early in the new year.

During the year BRM Advisory commenced providing accounting and strategic financial planning services, replacing accounting services provided by the City of Burnside. The scope of the financial information now available to the Board has been greatly improved and enabled much better decision making on the basis of sound information.

ERAW looks forward to completing the replacement injection bore and therefore being able to improve both injection and delivery of water and water sales, improving the financial viability of scheme.

ROBIN ENGLISH

ERA WATER GENERAL MANAGER

ABOUT ERA WATER

ERA Water Regional Subsidiary (ERA Water) is a regional subsidiary of the Constituent Councils established on 21 July 2015 under Section 43 of the *Local Government Act 1999*. Its Charter provides for the supply of recycled urban storm water on behalf of its Constituent Councils in the eastern suburbs of Adelaide, South Australia.

THE CONSTITUENT COUNCILS

The Constituent Councils of ERA Water are:

- The Corporation of the Town of Walkerville
- The City of Norwood, Payneham and St Peters
- The City of Burnside

PURPOSE

ERA Water was established as a result of the Waterproofing Eastern Adelaide project (the Project) which was supported through funding from the Australian Government's National Urban Water and Desalination Plan, and the Adelaide and Mount Lofty Ranges Natural Resources Management Board.

ERA Water's prime purpose, is to implement and manage a water recycling scheme which captures, treats and delivers stormwater for irrigation purposes to the Constituent Councils and other customers. The scheme included the establishment of wetlands and biofilters, aquifer recharge and recovery infrastructure, pipeline installations and water storage facilities and utilises a process known as Aquifer Storage and Recovery (ASR) - a system of harvesting, treating and injecting the cleaned water into aquifers for later use.

The scheme comprises two treatment sites (which are capable of harvesting 600 ML of stormwater per annum and yielding for use 458 ML of water per annum) as well as 46km of distribution pipe network covering each of the three Constituent Council areas. The distribution network is designed to deliver water to Constituent Council reserves as well as to other potential customers in these areas and beyond (see Attachment showing a plan of the ERA Water network).

ERA Water expects to ultimately sell 458 ML per annum of water of which 204.7 ML per annum is committed to the three Constituent Councils. An additional 253.3 ML per annum is forecast to be sold to other customers.

SUPPORT FROM CONSTITUENT COUNCILS

BOARD OF MANAGEMENT

ERA Water is governed by a Board of Management composed of an Independent Chairperson and a representative from each Constituent Council as shown in the Table below. The Board held nine formal meetings during the 2018-19 financial year. The table below details Board Member attendance at each meeting.

	Member	Meetings Attended
Independent Chairperson	Bryan Jenkins	9
City of Burnside (Independent Member)	Geoff Vogt	9
City of Norwood Payneham and St Peters	John Minney	9
Corporation of the Town of Walkerville	Kiki Magro	8

Geoff Vogt Independent Member for the City of Burnside resigned as Acting Chair and Bryan Jenkins was appointed as Independent Chair on 11 July, 2018.

Brian Maguire resigned as General Manager of ERA Water on 21 August, 2018 and Robin English was appointed as General Manager on 10 September, 2018.

CONFIDENTIALITY

During the 2018-19 financial year, the Board considered reports of a confidential nature at one meeting where it was necessary to exclude the public from discussion. The table below identifies the grounds on which the Board made this determination

Local Government Act 1999	Description	Number of times used
90(3)(d)	Information relating to commercial information of a confidential nature (not being a trade secret)	1

FREEDOM OF INFORMATION

No requests were received under the Freedom of Information Act during the 2018-19 financial year

STAFFING STRUCTURE

ERA Water appointed Robin English as General Manager on a fixed term contract, commencing on 10 September, 2018.

Apart from the General Manager, no other staff were appointed by ERA Water during the year.

The Town of Walkerville continued to provide ERA Water with financial, administrative and Board secretarial support functions and services throughout the 2018-19 financial year.

The City of Burnside provided accounting and IT support during the year.

The City of Norwood Payneham & St Peters provided office accommodation for the General Manager.

FY2019 BUDGET and LONG TERM FINANCIAL PLAN

The Budget FY2018-19 and Long Term Financial Plan (LTFP) for ERA Water were adopted by the Constituent Councils.

CHARTER

The Charter for ERA Water was approved by the Minister for Local Government on 21 July 2015. The Charter sets out the responsibilities of ERA Water including its governance, financials and its responsibilities to the Constituent Councils.

FINANCE AUDIT COMMITTEE

The ERA Water Audit Committee held three meetings in the 2018-19 financial year. The work of the Committee over the past financial year has included reviewing ERA Water's audited Financial Statements, reviewing the draft Budget and Long Term Financial Plan, providing recommendations on financial and accounting policy matters, and considering external audit matters.

The Audit Committee Members in 2018-19 were:	Meetings Attended
• Corinne Garrett (Chairperson)	2
• Peter Holmes (resigned 29 May, 2019)	3
• Roberto Bria	2
• Bryan Jenkins (appointed 22 August, 2018)	3

FINANCIAL STATEMENTS

The Audited Financial Statements for the year ending the 30 June 2019 are provided in the annual report below and show an Operating Deficit of \$ and Total Council Equity of \$

It became clear during the year that, as a result of very much dryer than average rainfall during the winter of 2018, and a lower than designed injection capacity, there would be a need for the Project to secure increased financing to enable it to continue in operation, until average rainfall returned and injection capacity could be improved to the design requirements.

Insufficient injection capacity resulted from the low yield produced by one of the five bores required in the design of the scheme, and constructed downstream of lower Portrush Road. It was initially hoped that the four successful bores would provide sufficient injection capacity to avoid the additional expense of a replacement bore. This proved not to be the case.

Board approval was therefore requested to increase to the funding financing available to ERAW, should it be required, by \$2.3 million, and this was provided by the 30th April, 2019. Funding will be drawn down as and when required.

PROJECT

CONSTRUCTION

Construction of the Project is complete and the commissioning phase commenced on 30 November, 2018, with a ceremony celebrating the first water provided by the Project to a customer and used to irrigate Levi Park at Walkerville.

There are still a number of connections to customers irrigation points to be provided. The provision of these connections was delayed by insufficient water harvesting during the extremely dry winter of 2018. It became economically efficient to delay provision of the connections to the winter of 2019.

OPERATIONS AND MAINTENANCE

Engineering management of the Project has been performed by Walbridge Gilbert Aztec, the Project's designers, for a number of years, including 2019, Operations by Guidera O'Connor and Landscaping by LCS Landscaping. The term contracts of all of these contractors had expired by the end of the year and the negotiation of future arrangements with them was well advanced. New contractual arrangements are expected to be concluded early in the new financial year. They continue to provide services under interim arrangements.

The performance of the Project continues to improve and in the event of increased rainfall, will improve further. At the end of the financial year 193.1 ML of water had been harvested at the Projects two intakes, 101.5 ML had been treated to the required standard and injected into the aquifer and 23.4 ML had been provided to the Constituent Councils for irrigation. The current winter harvest season is being constrained by a late start to the rains and high turbidity of initial streamflows.

It will be clear from references to low winter rains in 2018, and a late start to rains in 2019, that the establishment of a plume of stored water in the aquifer is not as advanced as it was planned to be by year end. As water becomes available, every effort will be made to improve the position.

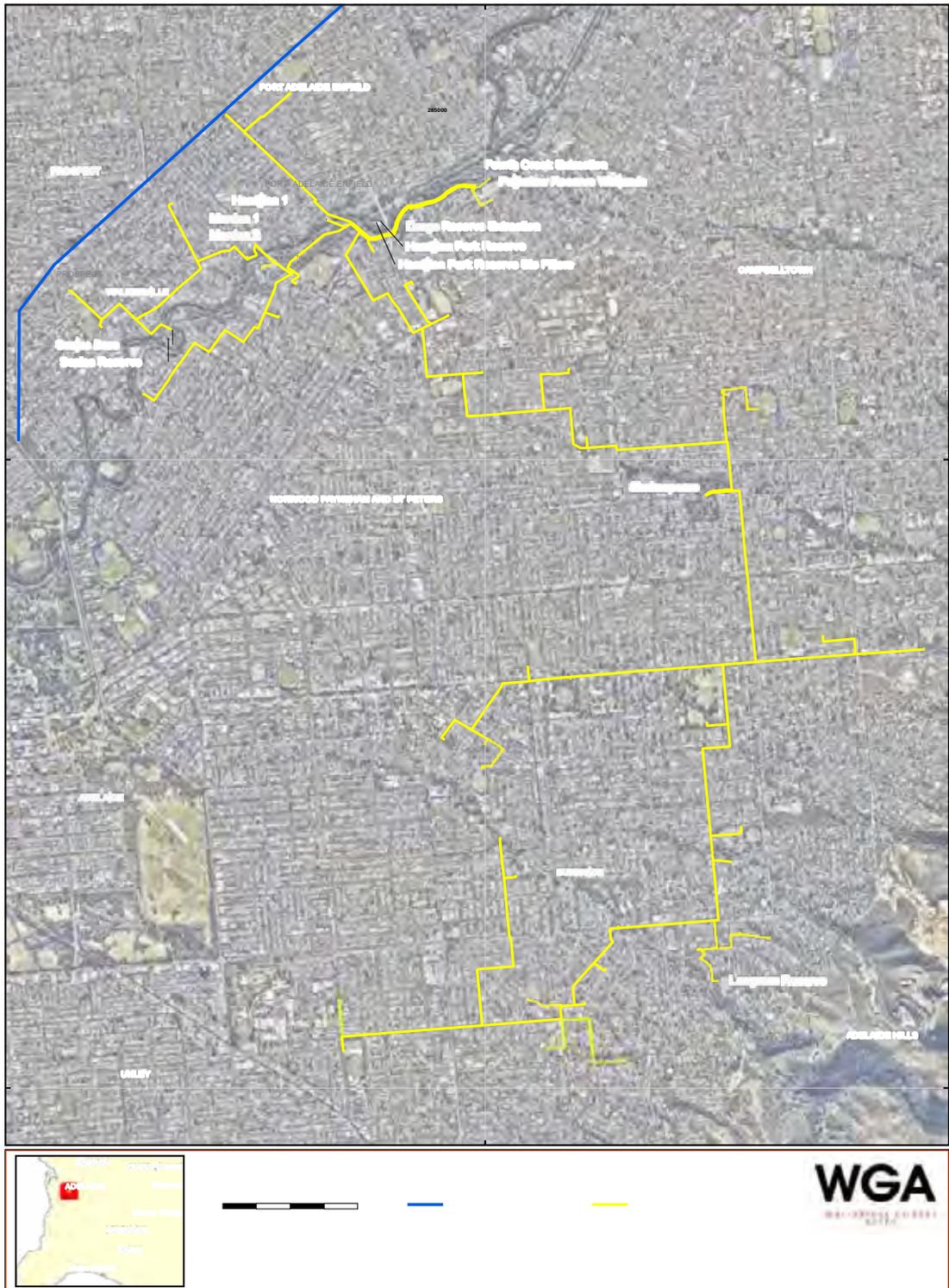
It is pleasing to report that the establishment of the Felixstow Wetland as part of the Project, jointly funded by the Project and the City of Norwood Payneham and St Peters, has been a great success. It was opened on the 10th February, 2019, and has provided greatly improved amenity for both residents in the area and those who visit from elsewhere. It is a wonderful example of the benefits that projects such as this can provide. Significantly, it is operating to design specifications and admirably performing its tasks of cleaning raw water for injection.

RAINFALL DATA

In view of the dependence of the project upon rainfall, average rainfall for Adelaide, and actual rainfall in the eighteen months to 30th June 2019, has been provided below.

The following rainfall figures have been taken from the Bureau of Meteorology's weather station at Kent Town.

Rainfall Adelaide																	
2018	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total				
Mean rainfall (mm)	20.1	15.5	26.4	38.2	61.5	77.5	77.5	68.1	58.7	41.4	29.9	28.9	543.7	40	1977		
2018	7.2	5.8	5.8	22.2	67.8	54.8	67.8	82.6	23.2	21.8	48.6	19.8	427.4				
2019	Jan	Feb	Mar	April	May	Jun											
Mean rainfall (mm)	20.1	15.5	26.4	38.2	61.5	77.5									1977		
2019	0.0	9.0	8.2	5.4	87.4	82.6											



STORMWATER HARVESTING Stormwater is harvested from Third and Fourth Creeks





TREATMENT OF STORMWATER Stormwater is treated through wetlands and biofilters





AQUIFER STORE AND RECOVERY Treated water is injected in the fractured rock aquifer for storage then recovery



RETICULATION OF RECOVERED WATER Recovered water is pumped through a pipeline network to Council reserves



IRRIGATION OF RESERVES The recovered water is connection to the irrigation system of Council reserves in place of potable water



SUMMARY FINANCIAL STATEMENT

General Purpose Financial Statements for the year ended 30 June 2019

ERA WATER



ERA Water Regional Subsidiary

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

*The Corporation of the Town of Walkerville
The City of Norwood, Payneham and St Peters
The City of Burnside*

ERA Water Regional Subsidiary

General Purpose Financial Statements for the year ended 30 June 2019

Contents	Page
1. Certification of Financial Statements	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	8
4. Certificates of Audit Independence	
- Certification of Audit Independence	19
- Statement by Auditor	20
5. Audit Report	21

ERA Water Regional Subsidiary

General Purpose Financial Statements for the year ended 30 June 2019

Certification of Financial Statements

We have been authorised by ERA Water Regional Subsidiary 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 ERA Water Regional Subsidiary's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year,
- internal controls implemented by ERA Water Regional Subsidiary provide a reasonable assurance that ERA Water Regional Subsidiary's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect ERA Water Regional Subsidiary's accounting and other records.

Robin English
General Manager

Bryan Jenkins
Chairperson

Date:

ERA Water Regional Subsidiary

Statement of Comprehensive Income

for the year ended 30 June 2019

\$	Notes	2019	2018
Income			
User Charges	2a	25,860	-
Grants, Subsidies and Contributions		-	-
Investment Income	2b	10,589	2,116
Reimbursements	2c	180,626	-
Total Income		217,075	2,116
Expenses			
Employee Costs	3a	110,407	43,223
Materials, Contracts & Other Expenses	3b	616,551	164,160
Depreciation, Amortisation & Impairment	3c	265,701	-
Finance Costs	3d	261,806	-
Total Expenses		1,254,466	207,383
Operating Surplus / (Deficit)		(1,037,391)	(205,267)
Amounts Received Specifically for New or Upgraded Assets	2b		
Net Surplus / (Deficit)		(1,037,391)	(205,267)
Total Comprehensive Income		(1,037,391)	(205,267)

ERA Water Regional Subsidiary

Statement of Financial Position for the year ended 30 June 2019

\$	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	4a	30,615	9,517
Trade & Other Receivables	4b	206,522	10,316
Subtotal		237,137	19,833
Total Current Assets		237,137	19,833
Non-Current Assets			
Other Non-Current Assets	5	20,919,166	20,783,106
Total Non-Current Assets		20,919,166	20,783,106
TOTAL ASSETS		21,156,303	20,802,939
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	237,157	170,795
Borrowings	6	13,000,000	11,668,166
Provisions	6	(4,102)	3,339
Subtotal		13,233,055	11,842,300
Total Current Liabilities		13,233,055	11,842,300
TOTAL LIABILITIES		13,233,055	11,842,300
Net Assets		7,923,248	8,960,639
EQUITY			
Accumulated Surplus		7,923,248	8,960,639
Total Council Equity		7,923,248	8,960,639

ERA Water Regional Subsidiary

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

\$	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
Balance at the end of previous reporting period		8,960,638	-	-	8,960,638
Restated Opening Balance		8,960,638	-	-	8,960,638
a. Net Surplus / (Deficit) for Year		(1,037,391)	-	-	(1,037,391)
b. Other Comprehensive Income		-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		(1,037,391)	-	-	(1,037,391)
c. Transfers between Reserves		-	-	-	-
Balance at the end of period		7,923,248	-	-	7,923,248

ERA Water Regional Subsidiary

Statement of Cash Flows for the year ended 30 June 2019

\$	Notes	2019	2018
Cash Flows from Operating Activities			
Receipts			
User Charges		10,280	-
Investment Receipts		10,589	2,116
Reimbursements		-	-
Other Receipts		-	977,503
Payments			
Payments to Employees		(117,848)	(39,884)
Payments for Materials, Contracts & Other Expenses		(558,864)	(684,085)
Finance Payments		(253,132)	-
Net Cash provided by (or used in) Operating Activities		(908,975)	255,650
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets			
Payments			
Expenditure on New/Upgraded Assets		(401,760)	(2,910,586)
Net Cash provided by (or used in) Investing Activities	7	(401,760)	(2,910,586)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings		1,331,834	2,650,000
Net Cash provided by (or used in) Financing Activities		1,331,834	2,650,000
Net Increase (Decrease) in Cash Held		21,099	(4,936)
plus: Cash & Cash Equivalents at beginning of period	7	9,516	14,451
Cash & Cash Equivalents at end of period	7	30,615	9,516
Total Cash, Cash Equivalents & Investments		30,615	9,516

ERA Water Regional Subsidiary

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

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	11
3	Expenses	11
	Current Assets	
4a	Cash & Cash Equivalents	12
4b	Trade & Other Receivables	12
	Non-Current Assets	
5	Other Non-Current Assets	12
	Liabilities	
6a	Trade & Other Payables	13
6b	Borrowings	13
7	Reconciliation to Statement of Cashflows	14
8	Financial Instruments	15
9	Uniform Presentation of Finances	16
10	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	17
11	Events After the Balance Sheet Date	17
12	Expenditure Commitments	17
13	Related Party Transactions	18

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

ERA Water is a Local Government Authority Section 43 Regional Subsidiary under the control of the Corporation of the Town of Walkerville, the City of Norwood Payneham & St Peters and the City of Burnside. The principal accounting policies adopted by ERA Water Regional Subsidiary (ERA Water) in the preparation of these 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 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 Going Concern Basis

The board of management notes that the authority has borrowings of \$13 million that it will continue to manage. The authority has a statutory guarantee from its member councils to meet all of its financial obligations and accordingly has prepared their financials on a going concern basis.

1.3 Historical Cost Convention

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

1.4 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 ERA Water'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.

1.5 Economic Dependency

Per Section 5.2 of the Authority's Charter, there may be a requirement for additional financial contributions to be made by Constituent Councils if there is insufficient

working capital available to meet ERA Water's financial obligations. The Authority may be reliant on this additional financial support being provided to enable it to continue to operate on a going concern basis.

1.6 Rounding

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

2 The Local Government Reporting Entity

ERA Water is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 66 Walkerville Terrace, Gilberton SA 5081. These financial statements include the ERA Water's direct operations.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when ERA Water 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.

4 Cash, Cash Equivalents and other Financial Instruments

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

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 8.

5 Infrastructure, Property, Plant & Equipment

5.1 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.

ERA Water Regional Subsidiary

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

Note 1. Summary of Significant Accounting Policies (cont.)

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 ERA Water includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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 ERA Water 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.

As the scheme is not yet fully operational, all costs relating to the construction and commissioning of the scheme have been capitalised.

5.3 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 ERA Water, 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.

Once the scheme is commissioned, ERA Water will assign major depreciation periods for each class of asset. Depreciation periods for infrastructure assets will be estimated based on the best information available to ERA Water.

Upon commissioning of the ERA Water scheme on 30 November 2018, the capital work in progress was evaluated and appointed into various disclosed asset classes. Depreciation commenced on 1 December 2018.

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 inflows or value in use).

5.5 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123. 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.

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.

6.2 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 ERA Water assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

7 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".

8 Employee Benefits

8.1 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.

10 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual

ERA Water Regional Subsidiary

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

Note 1. Summary of Significant Accounting Policies (cont.)

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. ERA Water's policy is to maximise recycling in extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

11 Construction Contracts

Construction works undertaken by ERA Water for third parties are generally on an agency basis where the third party reimburses ERA Water 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".

13 GST Implications

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

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

14 New accounting standards and UIG interpretations

In the current year, ERA Water 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 ERA Water's accounting policies.

ERA Water has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Generally ERA Water applies standards and interpretations in accordance with their respective

commencement dates. The retrospective application of AASB 2015-7 has exempted ERA Water from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial report, AASB 9 *Financial Instruments* and AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* are the only new accounting standards with a future application date that are expected to have a material impact on ERA Water's financial statements.

From 1 July 2018 AASB 124 *Related Party Disclosures* will apply to ERA Water, which means that ERA Water will disclose more information about related parties and transactions with those related parties.

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

ERA Water is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2018 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

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

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.

ERA Water Regional Subsidiary

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

Note 2. Income

\$	Notes	2019	2018
(a). User Charges			
Sale of water		25,860	-
Total User Charges		25,860	-
(b). Investment Income			
Interest on Investments			
- Local Government Finance Authority		41	2,116
LGFA distribution		8,604	-
LGAAMF distribution		1,944	-
Total Investment Income		10,589	2,116
(c). Reimbursements			
Reserve connections to be reimbursed by Constituent Councils		180,626	-
Total Reimbursements		180,626	-
Note 3. Expenses			
(a). Employee Costs			
Salaries and Wages		104,805	36,881
Movement in Leave Provision		(4,307)	2,839
Superannuation		9,909	3,504
Total Operating Employee Costs		110,407	43,223
(b). Materials, Contracts and Other Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		5,300	3,800
Electricity		34,013	
Insurance		74,115	53,254
Maintenance		223,565	-
Professional Services		44,020	40,050
Connection costs (to be reimbursed)		180,626	-
Other		54,913	67,056
Total Materials, Contracts and Other Expenses		616,551	164,160
(c). Depreciation, Amortisation and Impairment			
Water Assets		265,701	-
Total Depreciation, Amortisation and Impairment		265,701	-
(d). Finance Costs			
Interest on Overdraft and Short-Term Drawdown		261,806	-
Total Finance Costs		261,806	-

ERA Water Regional Subsidiary

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

\$	Notes	2019	2018
Note 4. Current Assets			
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		30,615	9,517
Total Cash & Cash Equivalents		30,615	9,517
(b). Trade & Other Receivables			
Trade debtors		7,834	-
Reimbursement of capital connection costs		198,688	-
GST Recoupment			10,316
Subtotal		206,522	10,316
Total Trade & Other Receivables		206,522	10,316

ERA Water Regional Subsidiary

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

Note 5. Non-Current Assets

\$	as at 30/6/2018			Asset Movements during the Reporting Period					as at 30/6/2019		
	Cost	Dep'n	WDV	New / Upgrade	Depreciation	Cost	Acc. Dep'n	WDV			
Capital Work in Progress	20,783,106	-	20,783,106	12,849,171	123,708	12,849,171	123,708	12,725,463			
Civil Assets	-	-	-	1,316,245	25,304	1,316,245	25,304	1,290,941			
Electronic Assets	-	-	-	213,546	8,730	213,546	8,730	204,816			
Instrumentation & Control Assets	-	-	-	2,260,502	65,931	2,260,502	65,931	2,194,571			
Mechanical Assets	-	-	-	4,346,233	36,219	4,346,233	36,219	4,310,014			
Sunk Costs	-	-	-	199,170	5,809	199,170	5,809	193,361			
Water Treatment Equipment	-	-	-	-	-	-	-	-			
Total Infrastructure, Property, Plant & Equipment	20,783,106	-	20,783,106	21,184,867	265,701	21,184,867	265,701	20,919,166			
Comparatives	17,872,520	-	17,872,520	-	-	20,783,106	-	20,783,106			

ERA Water Regional Subsidiary

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

Note 6. Liabilities

\$	Notes	2019 Current	2019 Non Current	2018 Current	2018 Non Current
(a). Trade and Other Payables					
Trade and Other Payables		57,713	-	42,840	-
Accrued Expenses - Finance Costs		113,652	-	104,978	-
Accrued Expenses - Salaries		-	-	5,269	-
Accrued Expenses - Other		65,792	-	17,709	-
Total Trade and Other Payables		237,157	-	170,795	-
(b). Borrowings					
Loans		13,000,000	-	11,668,166	-
Total Borrowings		13,000,000	-	11,668,166	-
(c). Provisions					
Employee Entitlements (including oncosts)		(4,102)	-	3,339	-
Total Provisions		(4,102)	-	3,339	-

Note 7. Reconciliation to Statement of Cash Flows

\$	2019	2018
(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	30,615	9,517
Balances per Statement of Cash Flows	30,615	9,517
(b). Reconciliation of Change in Net Assets to Cash from Investing Activities		
Net Surplus/(Deficit)	(1,037,391)	(205,267)
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	265,701	-
Net increase (decrease) in unpaid employee benefits	(7,442)	-
	(779,131)	(205,267)
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	(196,207)	977,503
Net Increase/(Decrease) in Trade & Other Payables	66,362	(516,585)
Net Cash provided by (or used in) operations	(908,975)	255,651
(c). Financing Arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
LGFA Cash Advance Debenture Facility	15,300,000	13,000,000
Undrawn balance	2,300,000	1,331,834

ERA Water Regional Subsidiary

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

Note 8. Financial Instruments

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
Financial Assets					
Cash & Equivalents	30,615	-	-	30,615	30,615
Receivables	206,522	-	-	206,522	206,522
Total Financial Assets	237,137	-	-	237,137	237,137
Financial Liabilities					
Payables	229,442	-	-	229,442	229,442
Current Borrowings	13,000,000	-	-	13,000,000	13,000,000
Total Financial Liabilities	13,229,442	-	-	13,229,442	13,229,442
2018					
Financial Assets					
Cash & Equivalents	9,517	-	-	9,517	9,517
Receivables	10,316	-	-	10,316	10,316
Total Financial Assets	19,833	-	-	19,833	19,833
Financial Liabilities					
Payables	165,063	-	-	165,063	165,063
Current Borrowings	11,668,166	-	-	11,668,166	11,668,166
Total Financial Liabilities	11,833,229	-	-	11,833,229	11,833,229

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
Other Variable Rates	3.35%	13,000,000	3.60%	11,668,166
		13,000,000		11,668,166

Financial Liabilities

Financial liabilities do not include employee benefits such as wages payable, superannuation payable, or income tax withheld.

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 ERA Water.

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 ERA Water is the carrying amount, net of any allowance for doubtful debts. All ERA Water investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of ERA Water'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 ERA Water 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. ERA Water also has available a borrowing facility that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. At the balance date, ERA Water has only variable interest rate borrowings and investments. Subsequent to balance date, the ERA Water board resolved to fix a portion of its existing debt balance on fixed term rates to reduce its exposure to interest rate risk.

ERA Water Regional Subsidiary

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

Note 9. Uniform Presentation of Finances

\$	2019	2018
The following is a high level summary of both operating and capital investment activities of ERA Water prepared on a simplified Uniform Presentation Framework basis. All Councils and subsidiaries in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
Income	217,075	2,116
less Expenses	(988,765)	(207,383)
Operating Surplus / (Deficit)	(771,690)	(205,267)
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	-	-
less Depreciation, Amortisation and Impairment	(265,701)	-
less Proceeds from Sale of Replaced Assets	-	-
Subtotal	(265,701)	-
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(136,059)	(2,910,586)
less Amounts Received Specifically for New and Upgraded Assets	-	-
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
Subtotal	(136,059)	(2,910,586)
Net Lending / (Borrowing) for Financial Year	(1,173,450)	(2,910,586)

Note 10. 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.

POTENTIAL INSURANCE LOSSES

ERA Water insures against 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. ERA Water is not aware of any such insurance claims at the reporting date. Other potential claims not reported to ERA Water may have existed at reporting date.

Note 11. 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.

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

Accordingly, the authorised for issue date is 31 August 2019.

ERA Water is unaware of any material or significant "non adjusting events" that should be disclosed.

ERA Water Regional Subsidiary

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

Note 12. Expenditure Commitments

Capital Commitments

During June 2018, ERA Water awarded a tender for the provision of reserve connections with an estimated capital value of \$395,418 (including contracted Project Management costs of \$33,585). These connections are expected to be installed between July 2019 and December 2019.

Other Expenditure Commitments

	Remaining contract	Completion Date
Project Management and scheme optimisation	117,175	June 2020
Wetland maintenance	15,000	June 2020
Scheme operations and commissioning	195,184	June 2020

Note 13. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Authority include Robin English (General Manager) and the members of the ERA Water Board including:

- Bryan Jenkins (Chairperson)
- Kiki Magro (Chief Executive - Corporation of the Town of Walkerville)
- John Minney (Councillor - City of Norwood, Payneham and St Peters)
- Geoff Vogt (Independent Member representing the City of Burnside)

Compensation paid to Key Management Personnel during the financial year:

Brian Maguire received employment entitlements to the value of \$37,385 in relation to his role as General Manager of ERA Water.

Robin English received employment entitlements to the value of \$72,692 in relation to his role as General Manager of ERA Water.

Bryan Jenkins earned \$12,000 in relation to his role as Chairperson of ERA Water during FY2019.

Kiki Magro, Geoff Vogt and John Minney received \$nil compensation from ERA Water.

Transactions with related parties:

The Related Parties disclosed below are equity owners of the Authority and are referred to as Member Councils. Member Councils have 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.

Amounts received from related parties:

Town of Walkerville provided ERA Water with Board and Audit Committee secretarial support and Bookkeeping / Accounting services for part of the financial year.

City of Norwood Payneham & St Peters provided furnished office accommodation for ERA Water General Manager for the whole of the financial year.

City of Burnside funded part of the cost of bookkeeping and financial management support provided to ERA Water by a 3rd party.

The following amounts were outstanding from member councils relating to reserve connections as at 30 June 2019:

City of Burnside	- \$91,289
Town of Walkerville	- \$46,166
City of Norwood Payneham & St Peters	- \$69,068
Total	- \$206,522.41

ERA Water Regional Subsidiary

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 ERA Water Regional Subsidiary for the year ended 30 June 2019, the Council's Auditor, Dean Newbery and Partners has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act

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

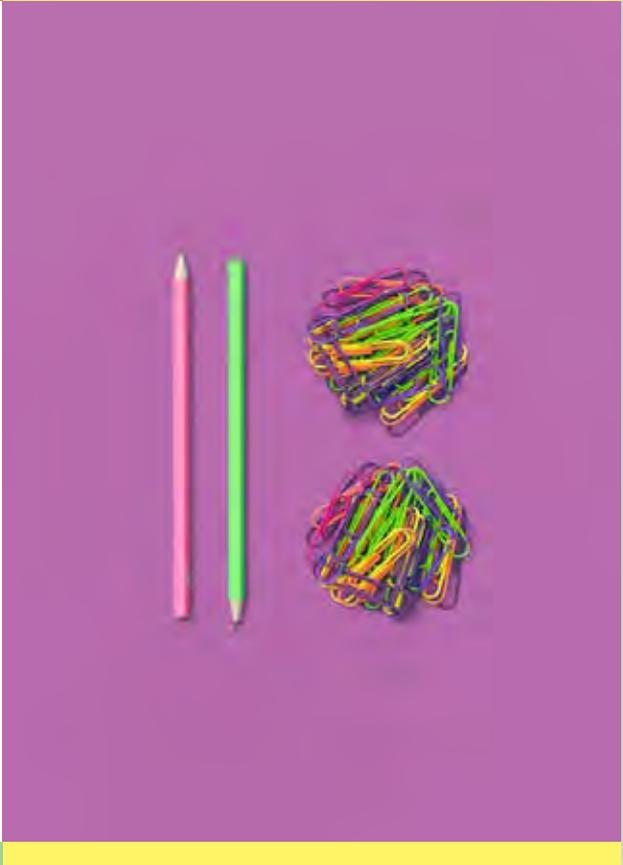
Robin English
General Manager

Corinne Garrett
Presiding Member, Audit Committee





Annual Report 2018/19



Message from the Chairperson

2



The residents and ratepayers of its five Constituent Councils have continued to benefit directly and indirectly from the impressive operations of EHA.

The Eastern Health Authority (EHA) has upheld its high standards within the Public Health sector over the past year.

The residents and ratepayers of its five Constituent Councils (the Cities of Burnside, Campbelltown, Norwood, Payneham and St Peters, Prospect and the Town of Walkerville) have continued to benefit directly and indirectly from the impressive operations of EHA.

It has been a dynamic year for the immunisation branch with improvements to the online booking system and promotional campaigns. These progressive changes combined with a dangerous influenza season, generated an unprecedented demand in our many public clinics. An additional 1,692 influenza vaccines were provided from February to June compared to the same period the previous year. The highest proportion of this increase in demand was from children up to the age of five.

The unique structure of EHA affords its residents and ratepayers involvement in important public health initiatives. During the reporting period EHA completed a two-year Meningococcal B Vaccine Herd Immunity study in partnership with The University of Adelaide and Department of Health and Wellbeing, the results of which contributed to the vaccine being placed on the SA Immunisation Schedule.

An expansion in the School Immunisation Program in 2019 with the addition of State and Federally funded Meningococcal B and ACWY doubled the number of school visits in the last six months of the financial year to 82 visits. In addition, changes to the National Immunisation Program schedule in July 2018 and October 2018 included improved access to protection against meningococcal, pneumococcal and *Haemophilus influenzae* type b diseases.

It has been a prolific year for the public and environmental health branch of EHA. Salmonella and eggs continues to be a national and state focus for the food safety agenda. EHA was an active participant with the state Food Safety and Culture Eggs project working group. This project is one that continues to ensure EHA excels on the health protection stage, whilst addressing Australia's Foodborne Illness Reduction Strategy 2018-2021. EHA continues its present education and promotion strategy for safe food processing and raw egg handling practices during all routine food safety inspections at local food businesses.

Food safety auditing and food safety plans for organisations that serve food to vulnerable people remains an exceptional service that EHA provides to food businesses within its constituent council areas as well as other council areas.

Hoarding and squalor continues to be a delicate matter to manage for EHA. These issues often involve vulnerable people that are socially isolated. EHA has a leading role with a cross government and non-government eastern hoarding and squalor working group to address the symptoms not only the resulting effects of hoarding and squalor. Through this collaborative approach EHA has witnessed a greater success rate and improved health outcomes for these vulnerable people, as well as improvement in public health.

I am thankful for the ongoing support EHA receives from its community, much of the feedback received is for its vaccination services which it engages directly. Its other services are generally overlooked but so essential so that the community maintains its trust in local food businesses, public pools, beauty and hairdressing salons.

Cr Peter Cornish
Chairperson



About Eastern Health Authority	05
Chief Executive Officer's Report	06
Governance	08
Board of Management 2019	08
Finance Audit Committee	11
Annual Business Plan	11
Structure and Staffing	11
Financial Statements	11
Immunisation	12
Public Immunisation Clinics	14
School Immunisation	16
Workplace Immunisation Program	17
Public & Environmental Health	18
Complaints and Referrals	19
Monitoring and Surveillance	20
Cooling Towers and Warm Water Systems	20
Public Swimming Pools and Spas	21
Personal Care and Body Art	21
Waste Control Systems	21
Food Safety	22
Food Safety Inspections and Enforcement	23
Audits	24
Complaints	24
Health Care & Community Services	26
Supported Residential Facilities	27
Licensing, Monitoring and Complaints	27
SRF Manager and Acting Manager Approvals	27
Summary Financial Statement 2018/19	28

With a single focus and a team of highly specialised and experienced staff, EHA is well-equipped to deal with the increasing diversity and complexity of public and environmental health.

2018-19

5,712 clients attended public vaccine clinics

4,442 vaccines administered in the workplace

1,950 food safety inspections completed

About Eastern Health Authority

Eastern Health Authority (EHA) has a proud history of promoting and enforcing public health standards in Adelaide's eastern and inner northern suburbs.

Continuing in the tradition of the East Torrens County Board, which operated from 1899, the present day regional subsidiary protects the health and wellbeing of about 160,000 residents plus visitors. EHA is an excellent example of council shared service delivery.

Established under the *Local Government Act (1999)*, EHA works across our Constituent Council areas to improve public and environmental health standards.

- City of Burnside
- Campbelltown City Council
- City of Norwood, Payneham and St Peters (NPSP)
- City of Prospect
- Corporation of the Town of Walkerville

With a single focus and a team of highly specialised and experienced staff, EHA is well-equipped to deal with the increasing diversity and complexity of public and environmental health.

During 2018-19 EHA discharged the environmental health responsibilities of its five Constituent Councils under the *South Australian (SA) Public Health Act 2011*, *Food Act 2001*, and *Supported Residential Facilities Act 1992*.

Services include the provision of immunisation services, hygiene and sanitation control, licensing and monitoring of supported residential facilities and monitoring of food safety standards, including inspection of food premises. Immunisation services are provided to the City of Unley on a user-pays basis.

Chief Executive Officer's Report

6



Environmental health protection is fundamental to public health. Improvements in sanitation, drinking water quality, disease control, housing conditions and food safety have been central to the significant improvement in quality of life and life expectancy experienced over the last hundred years.

Our community is generally not aware that their local council provides them with a vast range of services let alone environmental health protection services. Environmental health protection is fundamental to public health. Improvements in sanitation, drinking water quality, disease control, housing conditions and food safety have been central to the significant improvement in quality of life and life expectancy experienced over the last hundred years.

These improvements have come through the provision of vaccination programs, monitoring of food and drinking water to ensure their safety, appropriate sewage disposal and a range of other environmental health measures.

Many people would not be aware that their local council monitors and inspects food premises, investigates food poisoning and legionella outbreaks, monitors the water quality of public pools and vaccinate their babies and their children at school.

As an organisation whose purpose is to provide these health protection services to more than 160,000 members of the community who live within the footprint of our Constituent Councils, one of our greatest challenges is that we remain largely invisible to the communities we serve. While this invisibility may pose a challenge, the best environmental health protection is in fact invisible. It is the vaccine preventable disease you didn't contract, the food poisoning you did not get or the legionella outbreak that didn't occur.

The most effective way to protect children and adults from harmful infectious diseases is through immunisation with an estimated three million lives worldwide being saved each year by this public health intervention. While vaccine preventable diseases are uncommon today in Australia due to the success of immunisation programs, there are constant media reminders of outbreaks, illness and death that still occur in our communities. This important local government service keeps our community healthy and saves lives by contributing to herd immunity and disease reduction.

EHA's accessible public immunisation clinics remain extremely popular with 5,712 clients being provided 9,764 vaccines, an increase of 38% over the last two years. The peak of flu season was particularly challenging this year, with demand incredibly high and vaccines in limited supply.

In addition, 8,500 vaccines were provided to students attending high schools located in our area. The vaccine coverage rate at our schools continues to be above the state average which is a reflection of the quality and professional service delivered to high schools.

Our worksite immunisation program saw almost 4,500 people vaccinated against influenza, which not only improves the health of the community but assist business with an increase in productivity through reduced illness.

As consumers, we all have the right to expect that the food we eat is protected from microbiological contamination, foreign matter and poor hygiene and handling practices. One of EHA's most important roles is to monitor food safety in food premises to ensure that food safety hazards are under control, procedures are being correctly implemented and food safety compliance is followed.

Almost 2,000 food safety inspections were conducted in the reporting period which resulted in a range of enforcement actions as detailed in the body of the report. While EHA has a balanced approach to food safety enforcement preferring to work with business where we can, there were still occasions when it was necessary to issue prohibition orders to close business for periods of time to protect the public.

Responding to incidences of severe domestic squalor that pose substantial health and safety risks to people residing in the affected premises, as well as others in the community continues to be a challenge.

EHA regularly is the lead organisation in a 'person focused' collaborative approach to resolving hoarding and squalor and other related public health complaints. Where possible we lead a multi-agency approach to complex, challenging and sensitive issues that requires further investigation into the causes. EHA prides itself on going beyond the legislative requirements to achieve an outcome which minimises the reoccurrence of the issue.

It has been yet another extremely busy year for EHA. I am extremely proud of the high-quality public health protection work outlined in this report which significantly contributes to the invisible public outcomes I talked about earlier. This work is undertaken by talented and dedicated staff who all contribute to a high-quality service and delivering positive public health outcomes. I sincerely thank all staff for their efforts over the year. Thanks also to the Board of Management for their interest in public health and for continuing to be incredibly supportive and enthusiastic about the work we do on behalf of their respective councils.

Michael Livori
Chief Executive Officer

Governance

Board of Management 2019

EHA is a body corporate, governed by a Board of Management comprised of two members from each Constituent Council. The Board met six times during the year to consider EHA's business.



Board of Management 2019

City of Burnside



Cr Peter Cornish (Chair)

Attendance ●●●●●●●●



Magnus Heinrich

Attendance ●●●●

Nov 2018 – July 2019

City of Norwood Payneham & St Peters



Cr Sue Whittington (Deputy Chair)

Attendance ●●●●●●●●

Chair from July 2018 to Nov 2018



Cr Garry Knoblauch

Attendance ●●●●●●●●

Campbelltown City Council



Cr John Kennedy

Attendance ○●●●●●●●



Michelle Hammond

Attendance ●●●●

Dec 2018 – June 2019

City of Prospect



Cr Kristina Barnett

Attendance ○○●●●●●●



Nathan Cunningham

Attendance ○●●●

Nov 2018 – June 2019

Corporation of the Town of Walkerville



Andrea Caddy

July 2019 – Present



Cr Jennifer Joshi

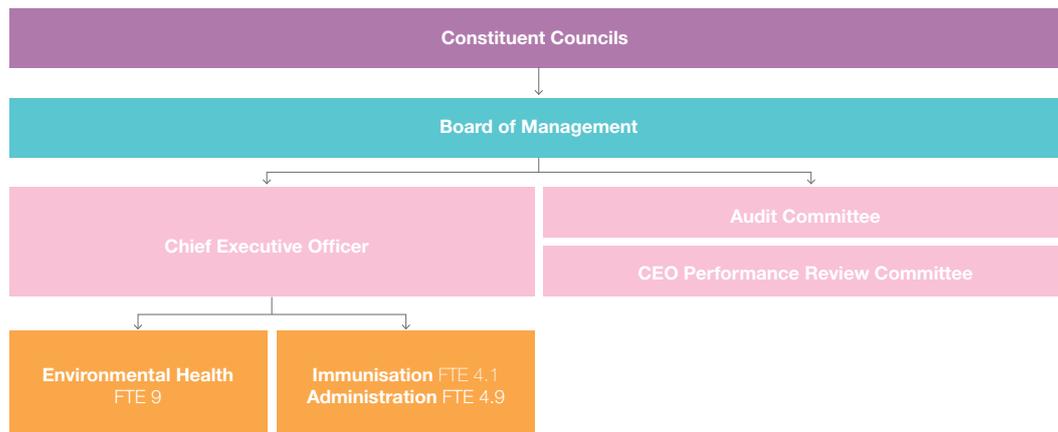
Attendance ●●●●

Nov 2018 – June 2019

Previous Board members

		Attendance
City of Burnside		
Cr Anne Monceaux	July 2018 – Nov 2018	●●●●
Campbelltown City Council		
Cr Marika Ryan	July 2018 – Nov 2018	○●●●
City of Prospect		
Cr Talis Evans	July 2018 – Nov 2018	●●●●
Corporation of the Town of Walkerville		
Cr David Shetliffe	July 2018 – Nov 2018	○●●●
Cr MaryLou Bishop	July 2018 – Nov 2018	○
Mark Kwiatkowski	Nov 2018 – Dec 2018	○





Finance Audit Committee

In accordance with the requirements of the *Local Government Act 1999*, EHA has established an Audit Committee.

Functions of the Audit Committee include: liaising with external auditors; reviewing annual financial statements; reviewing the adequacy of accounting; reporting and other financial management systems including numerous financial and governance policies.

Members of EHA's Audit Committee are Lisa Scinto (Presiding Member), Claudia Goldsmith (Independent Member), from July to November 2018 Cr Talis Evans (Board Appointed Member) and from February to June 2019 Cr Peter Cornish (Board Appointed Member). The Committee held three meetings during the reporting period.

Annual Business Plan

EHA develops an Annual Business Plan to establish strategic directions and measures to assess its performance. The core activities are undertaken to deliver the objectives of the plan as detailed in this report.

Structure and Staffing

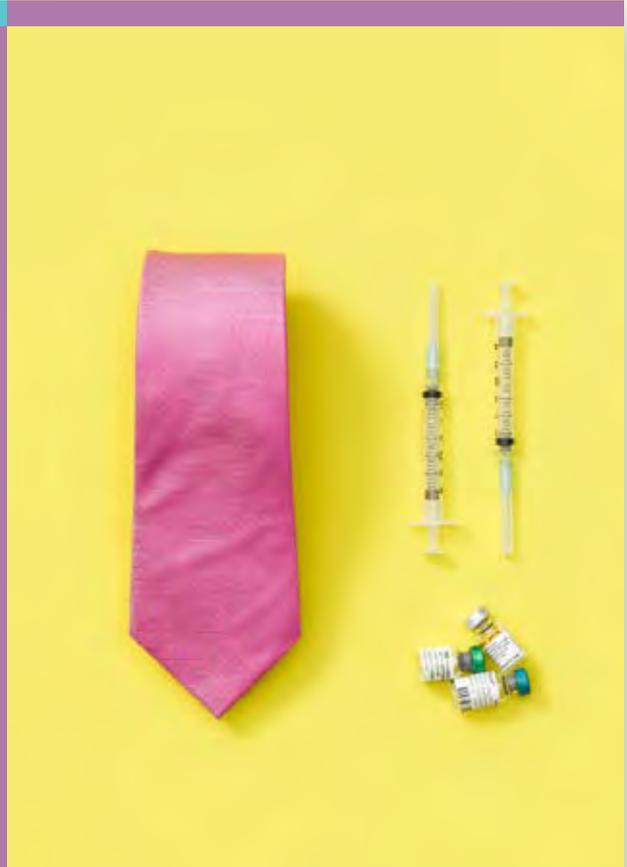
EHA comprises three functional areas – environmental health, immunisation and administration. The administration team, led by the Chief Executive Officer, supports the activities of the environmental health and immunisation teams. The Team Leader of Environmental Health and Team Leader of Administration and Immunisation have responsibilities for achieving the Annual Business Plan objectives relevant to their functional area.

Staffing as at 30 June 2019 comprised a total of 28 employees (18 FTE).

Financial Statements

The Audited Financial Statements for the year ending 30 June 2019 are provided on page 29. They show an Operating Surplus of \$24,109.

Immunisation



Immunisation is a safe and effective way of preventing the spread of infectious disease in the community.

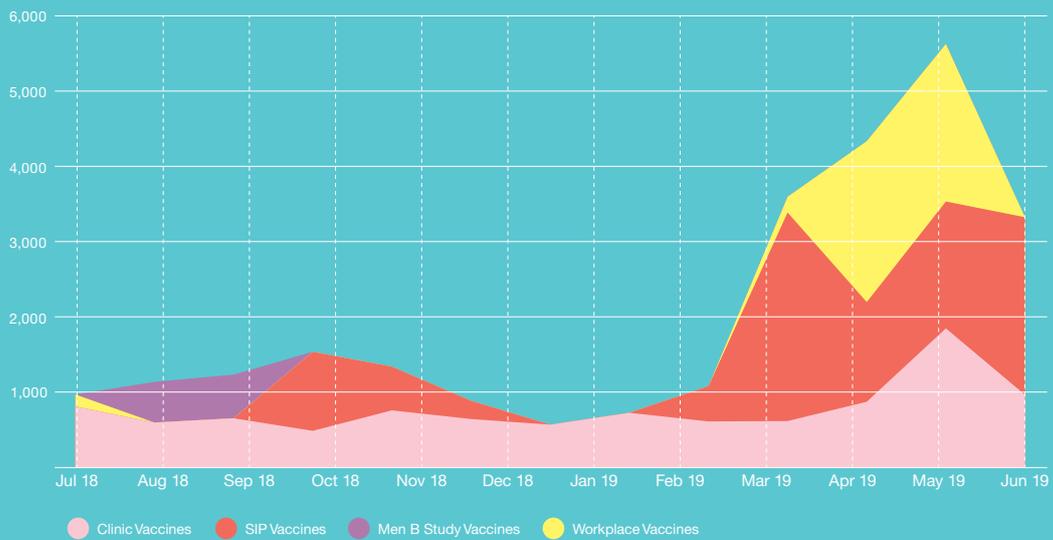
The immunisation team provides a comprehensive, specialised and convenient immunisation service to the residents of its Constituent Councils.

Immunisation Services provided by EHA are delivered at:

Public Immunisation Clinics,
School Immunisation Programs and
Workplace Influenza programs.

As demonstrated in Figure 1, peak demand for immunisation services is between March and June due to the timing of the School Immunisation Program and demand for the Influenza vaccine in Public Clinics and Workplace Influenza Programs.

Figure 1: The combined demand for all immunisation services over the last year



Public Immunisation Clinics

A total of 5,712 clients were provided with 9,764 vaccinations. This represents an increase of 847 clients (17%) in comparison to 2017-18 (Figure 2) and a 38% increase in comparison to 2016-17.

Changes to the National Immunisation Program from the 1 July 2018 saw a change in timing of vaccines and the addition of the Meningococcal ACWY vaccine to the schedule for infants.

In April 2019 the Meningococcal ACWY vaccine was also added to the schedule for adolescents (15-19) who have not been offered the vaccine at school.

A South Australian specific change in October 2018 saw Meningococcal B vaccine now being offered to children aged 6 weeks to 12 months. In addition a short term catch up program for children aged 12 months to less than 4 years of age is being offered for the period 1 October 2018 through to the end of 2019.

These changes combined with the high demand for influenza vaccines contributed to the increased number of clients and vaccines administered.

From April to June 2019, EHA experienced an extremely high demand for the influenza vaccine and public clinic client and vaccine numbers increased dramatically as indicated in Figure 2 and 3.

EHA's website continues to be a popular accessible resource for up-to-date information on immunisation, particularly during flu season. We have focused on improving the customer experience with our online appointment system which has translated into a 113% increase in use.

EHA offers residents of our Constituent Councils the unique benefit of being able to attend any of our five venues, providing flexibility on timetable and location options. Table 2 demonstrates an appreciation of this service option.

Figure 2 – Client attendance at public immunisation clinics for the last three years

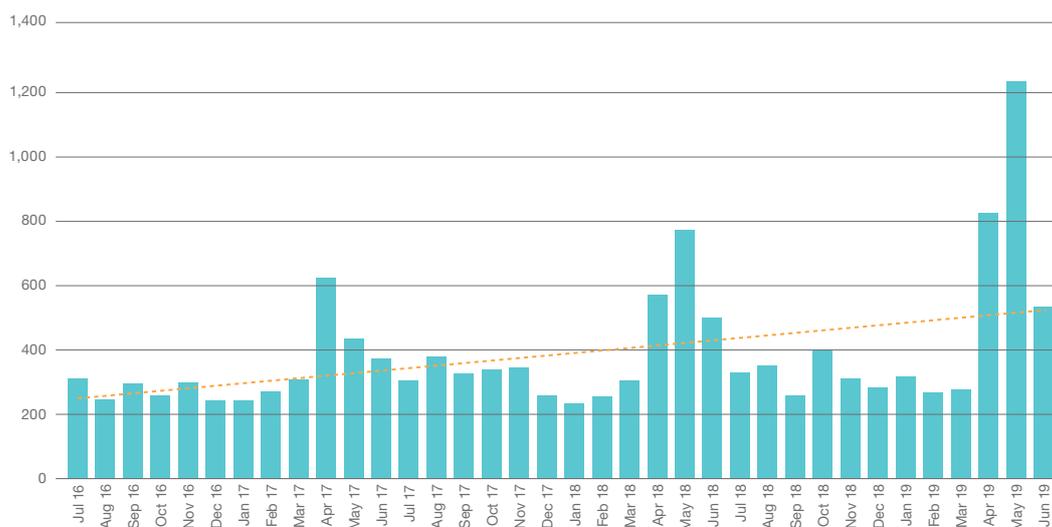
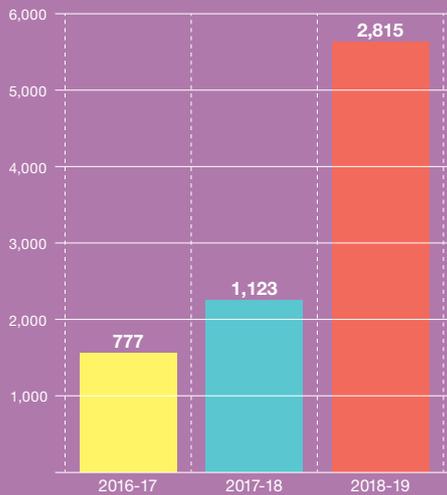


Table 2 – The number of clients per council area and their choice of clinic venue during 2018-19

Where clients reside (council area)	Where clients attended clinic (venue by %)						Total %	Number of clients (from council area)
	Burnside	Campbelltown	NPSP	Prospect*	Walkerville	Unley		
Burnside	21%	4%	65%	0%	2%	8%	100%	1,114
Campbelltown	4%	28%	63%	0%	2%	4%	100%	1,422
NPSP	3%	5%	83%	0%	4%	5%	100%	1,429
Prospect	5%	2%	79%	0%	12%	1%	100%	329
Walkerville	0%	4%	69%	0%	24%	3%	100%	275
Unley	6%	1%	30%	0%	1%	63%	100%	721
Other	3%	9%	42%	0%	6%	40%	100%	422
Total Number of Clients								5,712

* The City of Prospect clinic was temporarily relocated to our St Peters venue from January 2018 due to the redevelopment of the Prospect Civic Centre. We look forward to relocating this clinic back to the redeveloped space in the next reporting period.

Figure 3 – The number of seasonal Flu vaccines administered over the last 3 years



2018-19

5,712 clients attended vaccine clinics

⊕ 17% increase from 2017-18

9,764 vaccines administered

⊕ 19% increase from 2017-18

2,815 flu vaccines administered

⊕ 60% increase from 2017-18

School Immunisation

EHA visited high schools in the area to deliver the annual School Immunisation Program (SIP) and the second and final year of the Meningococcal B Vaccine Herd Immunity Study (the study).

During 2018, 74 visits were made to 19 high schools where a total of 8,500 vaccines were administered to Year 8, 11 and 12 students and swabs were taken as part of the study.

EHA staff are proud to have worked in partnership with SA Health and the University of Adelaide to complete the study, the largest of its kind globally, which was to assess the herd immunity impact of the Meningococcal B vaccine.

The results of the study will assist Australian and International Authorities in making policy decisions in relation to the future implementation of Meningococcal B vaccine programs.

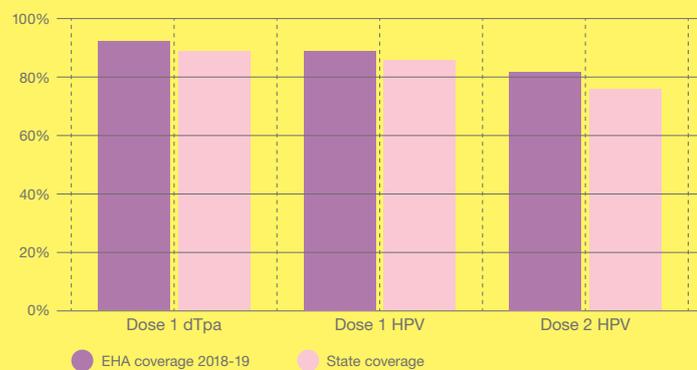
Figure 4 demonstrates how the SIP vaccine coverage rates compared to the State average in 2018.

Table 3 – The number of vaccines administered and throat swabs taken in 2018

Council	Human Papillomavirus	Diphtheria Tetanus Pertussis	Meningococcal B	2018 Total Vaccines	2018 Total Swabs
Burnside	1,202	620	247	2,069	889
Campbelltown	934	486	1,213	2,633	607
NPSP	1,024	528	859	2,411	930
Prospect	217	117	102	435	205
Unley	340	187	215	742	320
Walkerville	137	72	-*	210	132
Total	3,854	2,010	2,636	8,500	3,083

* All Meningococcal B study completed in 2017

Figure 4 – Year 8 EHA vaccine coverage rates compared with the SA State coverage rates





Workplace Immunisation Program

Our Workplace Immunisation Program assists businesses in protecting their staff from highly contagious respiratory illnesses caused by Influenza A and B.

A total of 107 workplace visits were conducted, with 4,442 vaccines administered. This was an increase of nine visits and 224 (5%) vaccines when compared to the same period last year. Due to the increased demand for bookings and the limited availability of the Influenza vaccines, bookings were closed in mid May 2019.

Upgrades continue to be made to our unique online workplace booking system which is now used by 96% of workplaces booking our services.

2018-19

107

visits were made to workplaces

4,442

vaccines administered

2017-18

98

visits were made to workplaces

4,218

vaccines administered

Public & Environmental Health



Environmental Health is the branch of public health that focuses on the interrelationships between people and their environment, promotes human health and well-being, and fosters healthy and safe communities.

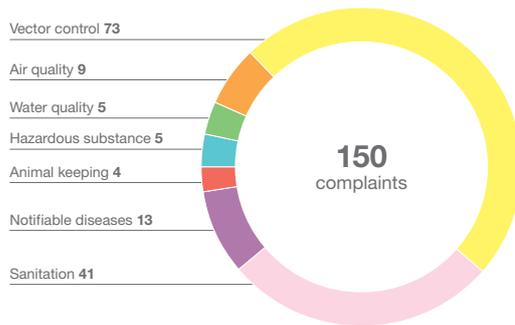
neha.org 2019

Complaints and Referrals

EHA received 150 public health related complaints/referrals from the public or State Government agencies during 2018-19.

Figure 5 shows the proportion of Environmental Health Officer (EHO) activities to administer the SA *Public Health Act 2011* during 2018-19. As shown in Figure 5, vector control relating to vermin and mosquitoes (73) and sanitation (41) accounted for a large proportion of public health complaints.

Figure 5 – Proportion of EHO activities to administer the SA *Public Health Act 2011* during 2018-19



Squalor and hoarding complaints made up 52% of sanitation complaints during 2018-19. The number of squalor investigations doubled when compared to the previous year. (Table 4). These matters are often complex and sensitive and require a holistic approach to achieve the best outcomes. EHA is committed to facilitating, where possible, a multi-disciplinary coordinated approach with other Government and non-Government agencies. This is to ensure public health risks area addressed and individuals receive appropriate support.

Table 4 – A two year comparison of the total number of sanitation, hoarding and severe domestic squalor

	2017-18	2018-19
Total number of Sanitation Complaints	38	44
Severe Domestic Squalor	6	15
Hoarding	6	8

EHA generally adopts, where possible, an informal (non-legislative) approach when addressing matters relating to hoarding and squalor. Where there is no serious and/or imminent risk to public health, individual(s) are encouraged to address conditions pertaining to hoarding and squalor within their living environment. If these options do not achieve compliance or there is a serious risk to public health, further enforcement action is taken under the SA *Public Health Act 2011*. During 2018-19 two separate properties were determined to be a breach of the General Duty under the SA *Public Health Act 2011*. Compliance Notices were also issued under Section 92 of the SA *Public Health Act 2011*, involving a serious state of domestic squalor at two separate residential properties.

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its seventh successful year and met four times. This collaborative forum for EHOs and representatives from Government and non-Government agencies allows for proactive discussion and information sharing on squalor and hoarding, as well as services and resources available to help resolve these issues.

A total of five hazardous waste complaints required investigation during the year. These complaints involved the investigation of asbestos and clandestine drug laboratories.

The SA *Public Health Act 2011* prescribes a list of diseases that are notifiable. Notification of these diseases allows for surveillance and investigation to be undertaken to protect the community from the risk of infectious disease.

'*Campylobacter* is the most commonly notified cause of gastroenteritis in Australia. Foodborne illness caused by *Salmonella* has been significantly increasing over the past 20 years and has one of the highest rates when compared to similar countries'¹.

Monitoring and Surveillance

Cooling Towers and Warm Water Systems

A total of 28 high-risk manufactured water systems (HRMWS) were registered at 17 sites within EHA's Constituent Councils under the SA *Public Health (Legionella) Regulations 2013*. All cooling HRMWS systems were inspected at least once throughout the year.

Cooling Tower Systems	Warm Water Systems
19 systems inspections	12 system inspections
1 system follow-up	5 warm water follow ups

Water samples were taken from all warm water systems and cooling towers sites during routine inspections. Testing of the samples resulted in two detections of *Legionella* at two separate sites.

Authorised Officers worked closely with the facilities that reported detections of *Legionella* to ensure the systems were shut down and decontaminations were promptly undertaken as required by the Regulations.

Three *Legionella* disease notifications were received from SA Health during the year. Two required investigation.

¹ Australia's Foodborne Illness Reduction Strategy 2018-2021+, Food Regulation Secretariat, 2018

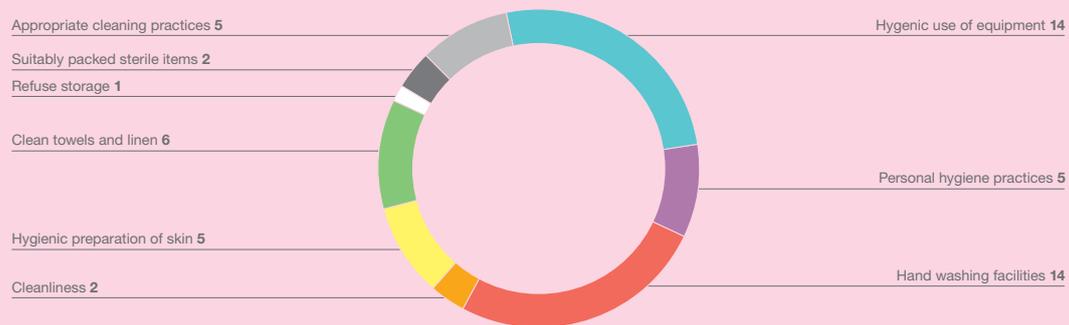
Salmonella and *Campylobacter* continue to be the most frequently reported food borne disease within EHA's five Constituent Councils.

Reductions in reported confirmed cases compared to previous year:

- ▼ 1.5% *Campylobacter*
- ▼ 46% *Salmonella*
- ▼ 76% Rotavirus
- ▼ 66% *Cryptosporidiosis*



Figure 6 – Non-compliances identified within personal care and body art practices



Public Swimming Pools and Spas

All public swimming, spa and hydrotherapy pools within EHA's Constituent Councils were assessed against the standards prescribed in the SA *Public Health (General) Regulations 2013*.

During 2018-19 inspections were undertaken at least once for all outdoor pools and twice for indoor pools during the year.

- 69 routine inspections at 28 swimming pool and spa sites
 - » 19% increase compared to 2017-18
- 36 follow-up inspections at 11 swimming pool and spa sites
 - » 50% increase compared 2017-18
- three pool sites required multiple follow up inspections
- one complaint investigation
- five swimming pool and spa sites required temporary closures

Four sites closed voluntarily; two to rectify the failing auto dosing equipment and the other due to excessive chlorination levels. One site was issued with a Compliance Notice under Section 92 of the SA *Public Health Act 2011* as a result of inadequate cyanuric acid and chlorine levels in the pool. The pool operators were instructed to close the pools to the public and undertake the necessary corrective actions. The owner of the pool resolved to close the pool permanently.

Personal Care and Body Art (PCBA)

Assessment of high-risk personal care and body art practices were assessed against the standards prescribed in the SA *Public Health (General) Regulations, 2013*.

During 2018-19:

- eight tattoo premises involving high risk skin penetration practice
 - » one tattoo premises required a follow-up inspection
- 26 beauty premises undertaking high risk treatment processes
 - » six beauty premises requiring a follow-up inspection
- three complaints were received and investigated
 - » two beauty premises
 - » one hairdresser

Waste Control Systems

A small area within EHA's catchment is not connected to SA Water Sewer or a Community Wastewater Management Scheme, requiring the installation of an approved onsite wastewater system.

Waste control system applications are assessed in accordance with the requirements of the SA *Public Health (Wastewater) Regulations 2013*.

During the year EHA received four applications:

- all aerobic waste water systems
- three pending decision
- one approval refused
- six inspections conducted to determine progress of approved wastewater works
- no complaint investigations.



Food Safety

EHA administers the *Food Act 2001* in conjunction with the Food Safety Standards to protect the public from food-borne illness and associated risks. Illnesses caused by the sale or consumption of unsafe food are preventable through education and intervention from EHO's during regular inspections, audits, investigations of complaints and where required, enforcement.

Food Safety Inspections and Enforcement

As at 30 June 2019, a total of 1,270 known food premises were operating within EHA’s jurisdiction, comparable to the previous year. Takeaways, cafes and restaurants continue to be the predominant types of food business.

Food businesses are classified on the basis of food safety risk, using the South Australian Food Business Risk Classification (FBRC) profiling framework (the Framework). The FBRC allows for the monitoring and enforcement to be aligned with the inherent food safety risk of the business, taking into account the business’ performance during inspections.

The majority of food businesses are risk classified as P1 (Figure 7). P4 food businesses selling shelf stable and pre-packaged food are considered ‘low risk’ and are only inspected if there has been a change in activity or a complaint has been received.

EHA’s food safety enforcement practice is to conduct thorough routine inspections and follow-up inspections to ensure non-compliances are rectified and appropriate food safety standards are maintained. Routine and follow-up inspections are opportunities for an EHO to provide advice and information and for businesses to demonstrate improved systems or processes.

During the year EHOs undertook a total of 1,950 food safety inspections (Figure 8).

The SA Health Food Safety Rating Scheme Checklist is used to assess business compliance with food safety standards at routine inspections. Non-compliances against the Standards can range from Minor, Major to Serious. This is dependent on the risk and seriousness of the breach. EHO’s identified a total of 6,882 non-compliances (Figure 9).

- Average of seven non-compliances per routine inspection
- 1,098 (55%) of major and serious non-compliances resulted from inspections at P1 restaurant and takeaway businesses
- 148 routine inspections resulted in multiple serious non-compliances
- six routine inspections resulted in 10 or more serious non-compliances (all resulted in further legal action)

Most common serious non-compliances identified during routine inspections in the last 12 months included:

- inadequate sanitising of food contact equipment
- poor food handler hygiene
- unsafe cooling of potentially hazardous food
- unsafe storage of potentially hazardous food on display

Figure 7 – Number of food businesses per risk classification

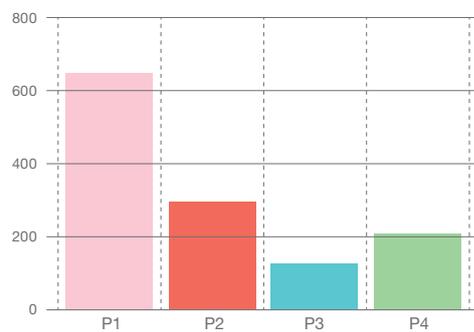


Figure 8 – Type of food safety inspections undertaken during 2018-19

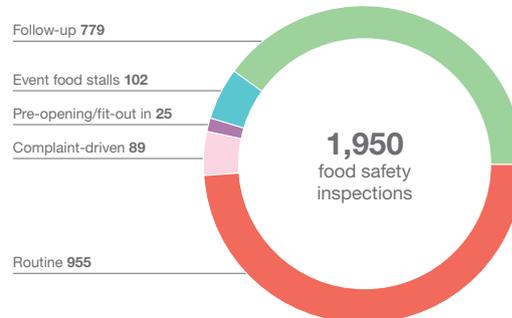
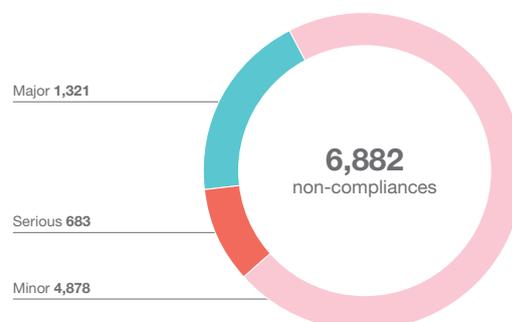


Figure 9 – Non-compliances throughout 2018-19



If repeated non-compliance continues, EHA's enforcement policy contemplates a graduated and proportionate response to be applied to either recurring or very serious food safety breaches.

Figure 10 demonstrates the graduated responses to enforcement. Legal action may be taken on repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Expiations or Prosecutions.

The majority of food businesses requiring legal action are P1 high risk businesses. Enforcement action is however not limited to high risk businesses with warning letters and Improvement Notices also issued to medium risk food businesses.

- Improvement Notices continue to account for the majority of enforcement action taken
- 125 Improvement Notices issued to 80 food businesses
- 30 businesses received more than one Improvement Notice during the year
- 14 businesses expiated for 24 offences committed under the *Food Act 2001*
- only 1.3% of inspections resulted in the issuing of an Expiation Notice
- eight Prohibition Orders were issued – comparable to the previous year
 - » significant vermin and cockroach activity
 - » extremely poor standards of cleanliness
 - » unsafe food processing and storage practices
 - » unsuitable premises

Audits

Food businesses serving food to vulnerable populations, including hospitals, aged care facilities, child care centres and delivered meal organisations are captured under Food Safety Standard 3.3.1. This Standard requires food businesses to comply with Food Safety Standard 3.2.1, and the implementation of a documented and audited Food Safety Program.

A total of 110 food safety audits were completed during 2018-19.

Within EHA	Other Councils
64 scheduled audits	46 audits
6 Follow-up audits	3 Follow-up audits

Complaints

EHA received a total of 83 food related complaints. These figures are comparable with the previous year.

- A significant proportion of complaints (62%) received related to:
 - » alleged food poisoning
 - » unclean premises
 - » poor personal hygiene or poor food handling
 - » refuse storage accounted

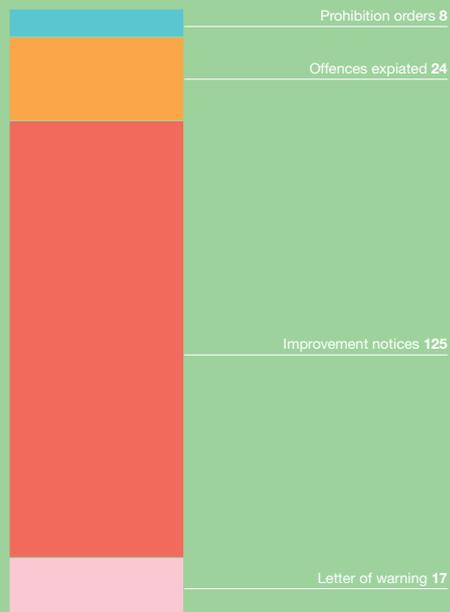
As depicted in the Table 5 there was a significant increase in the number of complaints relating to unclean premises. This may be attributed to the public's increased awareness of safe food practices and required standards, as more information is made readily available through websites and promoted via activities such as Food Safety Week.

Table 5 – Total number of complaints received 2018-19.

Type of complaints received	Total number of complaints received	
	2017-18	2018-19
Food unsuitable/unsafe due to foreign matter	0	5
Food unsuitable/unsafe due to microbial contamination/growth	9	9
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	6	3
Alleged food poisoning	10	13
Unclean premises	29	17
Poor personal hygiene or poor food handling practices	5	13
Vermin/insects/pests observed in premises	5	4
Refuse storage	11	10
Labelling issues	3	2
Other	6	7
Total	84	83



Figure 10 – The graduated response to enforcement under the Food Act 2001



2018-19

1,950 food safety inspections in total

+ 32% increase from 2017-18

6,882 non-compliances identified

110 food safety audits completed

83 food-related complaints received

Health Care & Community Services

Supported Residential Facilities are privately owned facilities providing personal care services and support a home-like environment for vulnerable people in the community.

neha.org 2019

During 2018-19 EHOs conducted:

12	unannounced routine audits
8	follow-up visits
10	additional inspections
2	complaint investigations



Supported Residential Facilities

EHA is the licensing authority for all Supported Residential Facilities (SRF) for its Constituent Councils. A total of six facilities are licensed, with three Pension Only and three retirement Village /Dual License Facilities.

Licensing, Monitoring and Complaints

EHO's conduct unannounced routine audits and where required, follow-up, additional inspections and complaint investigations.

The criteria assessed to determine compliance with the *Supported Residential Facilities Act 1992* and the *Supported Residential Facilities Regulations 2009*, included the following:

- adequacy of documentation and suitability of service plans
- level of staffing and appropriate qualifications
- nutritional quality and variety of the food provided to the residents
- solvency of the business
- public liability insurance
- structural condition of the premises
- financial management
- general amenity and cleanliness of the facility
- medication management
- privacy, dignity and respect of residents
- evidence of an up to date Visitors' Book

Each facility within the Constituent Council area was inspected

for compliance with the essential fire safety requirements by the respective Building Fire Safety Committee. Fire safety reports were provided to EHA as part of the licensing renewal process.

Non-conformances identified at the unannounced audits throughout the year were collated and reviewed prior to the re-licensing of the facilities. Where long term action was required or there were significant or persistent issues, conditions were imposed on the facility's licence for 2019-20.

Three facilities were issued licences for one year with no conditions. Two facilities were issued licences for one year with conditions. One facility was granted a short term extension to the existing SRF licence.

SRF Manager and Acting Manager approvals

One Manager and one acting manager application was approved by EHA's Chief Executive Officer under delegated authority.

Summary Financial Statement 2018/19

28



Summary Financial
Statement for the year
ending 30 June 2019

	2018 (\$)	2019 (\$)
Income		
Council contributions	1,680,870	1,723,013
Statutory charges	150,594	150,360
User charges	392,185	394,577
Grants, subsidies and contributions	270,980	257,814
Investment income	12,923	16,316
Other income	20,553	15,841
Total income	2,528,105	2,557,921
Expenses		
Employee costs	1,581,162	1,767,577
Materials, contracts and other expenses	746,550	716,069
Depreciation, amortisation and impairment	46,014	37,355
Finance costs	15,827	12,811
Total expenses	2,389,553	2,533,812
Operating surplus (deficit)		
Asset disposal and fair value adjustments	-	-
Net surplus (deficit)	138,552	24,109
Other comprehensive income	-	-
Total comprehensive income	138,552	24,109
Current assets		
Cash and cash equivalents	876,554	743,272
Trade and other receivables	122,329	168,200
Total current assets	998,883	911,472
Non-current assets		
Infrastructure, property, plant and equipment	341,914	324,192
Total non-current assets	341,914	324,192
Total assets	1,340,797	1,235,664
Current liabilities		
Trade and other payables	197,380	149,195
Borrowings	64,393	64,393
Provisions	325,421	322,578
Liabilities relating to non-current assets held for sale	-	-
Total current liabilities	587,194	536,166
Non-current liabilities		
Borrowings	250,742	186,350
Provisions	38,690	24,868
Total non-current liabilities	289,432	211,218
Total liabilities	876,626	747,384
Net assets	464,171	488,280
Equity		
Accumulated Surplus	464,171	488,280
Total equity	464,171	488,280

**Eastern Health Authority
General Purpose Financial Reports
for the year ended 30 June 2019**

Table of Contents

	Page
EHA Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	10
Note 3 - Expenses	11
Note 4 - Current Assets	13
Note 5 - Property, Plant & Equipment	14
Note 6 - Liabilities	15
Note 7 - Reconciliation of Cash Flow Statement	16
Note 8 - Financial Instruments	17
Note 9 - Expenditure Commitments	20
Note 10 - Uniform Presentation of Finances	21
Note 11 - Superannuation	22
Note 12 - Assets & Liabilities Not Recognised	23
Note 13 - Events Occurring after Balance Date	23
Note 14 - Related Party Transactions	24
Audit Report - Financial Statements	25
Audit Report - Internal Controls	26
EHA Certificate of Audit Independence	27
Audit Certificate of Audit Independence	28



EASTERN HEALTH AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Eastern Health Authority (EHA) 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 EHA'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.


 Michael Iivora
 CHIEF EXECUTIVE OFFICER


 Cr Peter Cornish
 CHAIRPERSON
 EHA BOARD OF MANAGEMENT

Date: 28/8/2019

Eastern Health Authority
Statement of Comprehensive Income
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
Council Contributions	2	1,723,013	1,680,870
Statutory charges	2	150,360	150,594
User charges	2	394,577	392,185
Grants, subsidies and contributions	2	257,814	270,980
Investment income	2	16,316	12,923
Other income	2	15,841	20,553
Total Income		2,557,921	2,528,105
EXPENSES			
Employee costs	3	1,767,577	1,581,162
Materials, contracts & other expenses	3	716,069	746,550
Depreciation, amortisation & impairment	3	37,355	46,014
Finance costs	3	12,811	15,827
Total Expenses		2,533,812	2,389,553
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		24,109	138,552
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		24,109	138,552

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

Eastern Health Authority
Statement of Financial Position
as at 30 June 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	743,272	876,554
Trade & other receivables	4	168,200	122,329
Total Current Assets		911,472	998,883
Non-current Assets			
Property, plant & equipment	5	324,192	341,914
Total Non-current Assets		324,192	341,914
Total Assets		1,235,664	1,340,797
LIABILITIES			
Current Liabilities			
Trade & other payables	6	149,195	197,380
Borrowings	6	64,393	64,393
Provisions	6	322,578	325,421
Total Current Liabilities		536,166	587,194
Non-current Liabilities			
Borrowings	6	186,350	250,742
Provisions	6	24,868	38,690
Total Non-current Liabilities		211,218	289,432
Total Liabilities		747,384	876,626
NET ASSETS		488,280	464,171
EQUITY			
Accumulated Surplus		488,280	464,171
TOTAL EQUITY		488,280	464,171

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

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

		Acc'd Surplus	TOTAL EQUITY
2019	Notes	\$	\$
Balance at end of previous reporting period		464,171	464,171
Net Surplus / (Deficit) for Year		<u>24,109</u>	<u>24,109</u>
Balance at end of period		<u>488,280</u>	<u>488,280</u>
2018	Notes	\$	\$
Balance at end of previous reporting period		325,619	325,619
Net Surplus / (Deficit) for Year		<u>138,552</u>	<u>138,552</u>
Balance at end of period		<u>464,171</u>	<u>464,171</u>

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

Eastern Health Authority
Statement of Cash Flows
for the year ended 30 June 2019

		2019	2018
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
Council contributions		1,895,314	1,848,957
Fees & other charges		157,878	150,594
User charges		372,381	446,747
Investment receipts		16,316	12,923
Grants utilised for operating purposes		257,814	346,809
Other revenues		18,497	12,506
<i>Payments:</i>			
Employee costs		(1,779,142)	(1,561,774)
Materials, contracts & other expenses		(974,102)	(965,710)
Finance payments		(14,213)	(17,165)
Net Cash provided by (or used in) Operating Activities	7	(49,257)	273,887
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(19,633)	-
Net Cash provided by (or used in) Investing Activities		(19,633)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Payments:</i>			
Repayments of borrowings		(64,392)	(61,440)
Net Cash provided by (or used in) Financing Activities		(64,392)	(61,440)
Net Increase (Decrease) in cash held		(133,282)	212,447
Cash & cash equivalents at beginning of period	7	876,554	664,107
Cash & cash equivalents at end of period	7	743,272	876,554

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

Eastern Health 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 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 Eastern Health Authority's (EHA'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

Eastern Health Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 101 Payneham Road, St Peters, SA 5069. These financial statements include EHA's direct operations and all entities through which EHA controls resources to carry on its functions. In the process of reporting on EHA as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

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

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 8.

5 Property, Plant & Equipment

5.1 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.

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 EHA 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 in Note 5. No capitalisation threshold is applied to the acquisition of land or interests in land.

5.3 Depreciation of Non-Current Assets

All property, plant and equipment assets are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of EHA, 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 shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to EHA, 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.

5.4 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if EHA were deprived thereof, are not assessed for impairment.

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 outflows 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.

5.5 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.

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.

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

6.2 Payments Received in Advance & Deposits

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

7 Borrowings

Loans 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".

7.1 Salaries, Wages & Compensated Absences

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

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

No accrual is made for sick leave as EHA 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. EHA does not make payment for untaken sick leave.

Superannuation

EHA makes employer superannuation contributions in respect of its employees to Statewide Super (the Local Government default scheme) or an employee's choice of super fund. The Statewide Super 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 EHA's involvement with the schemes are reported in Note 11.

8 Leases

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

In respect of finance leases, where EHA 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 EHA 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 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled. In these Statements, the sum of \$Nil has been recognised as revenue, in accordance with the current Standards, but would in future be recorded as a liability "Amounts in Advance" until the performance obligations have been fulfilled.

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.

As a result of the new accounting procedure, the following changes will be made to balance sheet amounts as at 1 July 2019:

IPP&E Right-of-use asset increase	\$1,210,000
Lease liability increase	\$1,210,000

The effect on the profit and loss for buildings in future years will be as below:

	2020	2021	2022	2023	2024
Income Statement					
Interest expense	51,680	49,115	46,327	43,305	40,034
Depreciation	87,040	87,040	87,040	87,040	87,040
Profit or loss impact	138,720	136,155	133,367	130,345	127,074
Balance Sheet					
Right of use asset	1,000,960	913,920	826,880	739,840	652,800
Lease liability	(1,033,993)	(975,307)	(911,677)	(842,826)	(768,461)

The effect for motor vehicles is not material.

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

Note 2 - INCOME

	Notes	2019 \$	2018 \$
COUNCIL CONTRIBUTIONS			
City of Burnside		444,498	424,220
Campbelltown City Council		403,854	406,328
City of Norwood, Payneham & St Peters		523,301	512,052
City of Prospect		237,123	225,470
Town of Walkerville		114,237	112,800
		<u>1,723,013</u>	<u>1,680,870</u>
STATUTORY CHARGES			
Inspection Fees: Food		108,095	82,389
Inspection Fees: Legionella		9,795	19,952
SRF Licences		2,200	2,408
Fines & Expiation Fees		30,270	45,845
		<u>150,360</u>	<u>150,594</u>
USER CHARGES			
Immunisation: Clinic Vaccines		116,097	134,375
Immunisation: Worksite Vaccines		98,419	94,527
Food Auditing		79,538	72,481
City of Unley		100,523	90,802
		<u>394,577</u>	<u>392,185</u>
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		16,316	12,923
		<u>16,316</u>	<u>12,923</u>
OTHER INCOME			
Motor Vehicle Reimbursements		10,597	10,157
Sundry Income		5,244	10,396
		<u>15,841</u>	<u>20,553</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Immunisation: School Programme		169,874	78,940
Meningococcal B Study		59,644	160,306
Immunisation: AIR		28,296	31,734
		<u>257,814</u>	<u>270,980</u>

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

Note 3 - EXPENSE

	Notes	2019 \$	2018 \$
EMPLOYEE COSTS			
Salaries and wages		1,521,123	1,395,211
Employee leave expense		38,321	36,417
Superannuation - defined contribution plan contributions	11	117,126	103,545
Superannuation - defined benefit plan contributions	11	24,653	26,511
Workers' Compensation Insurance		16,470	15,960
Other - Agency staff and Consultant Medical Officer		49,884	3,518
Total Operating Employee Costs		1,767,577	1,581,162
Total Number of Employees		18	18
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		7,210	7,000
Bad and Doubtful Debts		1,532	16,014
Governance expenses		15,946	15,884
Operating Lease Rentals - non-cancellable leases	9		
- minimum lease payments		60,708	56,832
Subtotal - Prescribed Expenses		85,396	95,730
<u>Other Materials, Contracts & Expenses</u>			
Accounting		5,971	10,335
Contractors		26,506	25,093
Energy		10,967	9,241
Fringe benefit tax		17,165	19,090
Human resources		11,742	13,570
Income protection		22,430	17,822
Insurance		27,248	24,104
IT licencing & support		136,462	115,996
Legal expenses		17,484	25,301
Motor vehicle expenses		26,293	19,110
Office rent		104,829	102,773
Parts, accessories & consumables		130,593	172,753
Printing & stationery		17,557	26,496
Staff training		13,254	19,111
Sundry		33,703	28,145
Telephone		17,638	16,999
Work health & safety consultancy		10,831	4,881
Subtotal - Other Materials, Contracts & Expenses		630,673	650,820
		716,069	746,550

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

Note 3 - EXPENSE con't

	2019	2018
Notes	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings & Other Structures	23,642	23,642
Office Equipment, Furniture & Fittings	<u>13,713</u>	<u>22,372</u>
	<u>37,355</u>	<u>46,014</u>
FINANCE COSTS		
Interest on Loans	<u>12,811</u>	<u>15,827</u>
	<u>12,811</u>	<u>15,827</u>

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

Note 4 - CURRENT ASSETS

	Notes	2019 \$	2018 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		158,728	88,297
Deposits at Call		<u>584,544</u>	<u>788,257</u>
		<u>743,272</u>	<u>876,554</u>
TRADE & OTHER RECEIVABLES			
Debtors - general		<u>168,200</u>	<u>122,329</u>
		<u>168,200</u>	<u>122,329</u>

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 5 - PROPERTY, PLANT & EQUIPMENT

	2018 \$'000			2019 \$'000		
	Cost	Acc' Dep'n	Carrying Amount	Cost	Acc' Dep'n	Carrying Amount
Buildings & Other Structures	472,846	(164,686)	308,160	472,846	(188,328)	284,518
Office Equipment, Furniture & Fittings	336,992	(303,238)	33,754	239,509	(199,835)	39,674
Total IPP&E	809,838	(467,924)	341,914	712,355	(388,163)	324,192
Comparatives	809,838	(421,910)	387,928	809,838	(467,924)	341,914

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR					2019
	\$	\$					\$
	Carrying Amount	Additions Renewals	Disposals	Depreciation	Transfers In Out		Carrying Amount
Buildings & Other Structures	308,160	-	-	(23,642)	-	-	284,518
Office Equipment, Furniture & Fittings	33,754	19,633	-	(13,713)	-	-	39,674
Total IPP&E	341,914	19,633	-	(37,355)	-	-	324,192
Comparatives	387,928	-	-	(46,014)	-	-	341,914

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

Note 6 - LIABILITIES

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
		\$	\$	\$	\$
TRADE & OTHER PAYABLES					
Goods & Services		111,829	-	104,142	-
Accrued expenses - employee entitlements		31,904	-	26,804	-
Accrued expenses - other		5,462	-	6,864	-
		<u>149,195</u>	<u>-</u>	<u>197,380</u>	<u>-</u>
BORROWINGS					
Loans		64,393	186,350	64,393	250,742
Finance Leases	9	-	-	-	-
		<u>64,393</u>	<u>186,350</u>	<u>64,393</u>	<u>250,742</u>
PROVISIONS					
Annual Leave (including oncosts)		139,446	-	144,139	-
Long Service Leave (including oncosts)		183,132	24,868	181,282	38,690
		<u>322,578</u>	<u>24,868</u>	<u>325,421</u>	<u>38,690</u>

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

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	4	<u>743,272</u>	876,554
Balances per Cash Flow Statement		<u>743,272</u>	<u>876,554</u>

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

Net Surplus (Deficit)		24,109	138,552
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		37,355	46,014
Net increase (decrease) in unpaid employee benefits		<u>(11,565)</u>	19,388
		49,899	203,954
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(45,871)	7,296
Net increase (decrease) in trade & other payables		<u>(53,285)</u>	62,637
Net Cash provided by (or used in) operations		<u>(49,257)</u>	<u>273,887</u>

(c) Financing Arrangements

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

Corporate Credit Cards	5,000	5,000
------------------------	-------	-------

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

Note 8 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates 1.25% (2018: 2% and 3%).</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. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although 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>
Receivables - other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>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.</p> <p>Carrying amount: approximates fair value.</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 (describe basis); interest is charged at fixed (or variable - describe) rates between 4% and 5% (2018: 4% and 5%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 117.</p>

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

Note 8 - 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	743,907	-	-	743,907	743,272
Receivables	168,200	-	-	168,200	168,200
Other Financial Assets	-	-	-	-	-
Total	912,107	-	-	912,107	743,272
Financial Liabilities					
Payables	111,829	-	-	111,829	111,829
Current Borrowings	64,393	-	-	64,393	64,393
Non-Current Borrowings	-	242,368	-	242,368	186,350
Total	176,222	242,368	-	418,590	250,743
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	876,554	-	-	876,554	876,554
Receivables	122,329	-	-	122,329	122,329
Total	998,883	-	-	998,883	998,883
Financial Liabilities					
Payables	163,712	-	-	163,712	163,712
Current Borrowings	64,393	-	-	64,393	64,393
Non-Current Borrowings	-	275,121	-	275,121	250,742
Total	228,105	275,121	-	503,226	478,847

The following interest rates were applicable to EHA at balance date:

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	4.75	690,438	4.75	376,575
		<u>690,438</u>		<u>376,575</u>

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

Note 8 - FINANCIAL INSTRUMENTS (cont)

Net Fair Value

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

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. EHA maximum credit risk on financial assets is the carrying amount, net of any allowance for EHA's doubtful debts. All investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 4 in relation to individual classes of receivables, exposure is concentrated within EHA'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 EHA'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 EHA will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

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

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

Note 9 - COMMITMENTS FOR EXPENDITURE

	2019	2018
Notes	\$	\$
Operating Lease Commitments		
EHA leases various plant and equipment under finance leases expiring within 1 to 4 years. At expiry, EHA may re-lease, or return or acquire the leased assets.		
Some leases provide for the payment of contingent rentals depending on actual use of the equipment. Contingent rental payments made are disclosed in Note 3.		
Commitments under operating leases at the reporting date are as follows:		
Not later than one year	64,188	46,717
Later than one year and not later than 5 years	73,861	47,393
Minimum lease payments	138,049	94,110
Less: future finance charges	(45,644)	-
Net Lease Liability	92,405	94,110

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

Note 10 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of EHA 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	2,557,921	2,528,105
Expenses	<u>(2,533,812)</u>	<u>(2,389,553)</u>
Operating Surplus / (Deficit)	24,109	138,552
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(19,633)	-
Add back Depreciation, Amortisation and Impairment	37,355	46,014
	<u>17,722</u>	<u>46,014</u>
Net Lending / (Borrowing) for Financial Year	<u>41,831</u>	<u>184,566</u>

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

Note 11 – SUPERANNUATION

EHA 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 2019-20). No further liability accrues to EHA 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. EHA 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, EHA 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), EHA 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 EHA's contribution rates at some future time.

Contributions to Other Superannuation Schemes

EHA 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 EHA.

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

**Note 12 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE
BALANCE SHEET**

There are no contingencies, asset or liabilities not recognised in the financial statements for the year ended 30 June 2019.

Note 13 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.

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

Note 14 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of EHA include the Chairperson, Board Members, CEO and certain prescribed 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	182,054	171,153
TOTAL	182,054	171,153

	Amounts received from Related Party during the financial year	Amounts outstanding from Related Party at the end of the financial year
	2019	2019
Related Party Entity	\$	\$
City of Burnside	444,498	-
Campbelltown City Council	403,854	-
City of Norwood, Payneham & St Peters	523,301	-
City of Prospect	237,123	-
Town of Walkerville	114,237	-
TOTAL	1,723,013	-

Description of Services provided to all related parties above:

Assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act 2011, the Food Act 2001 (SA), the Supported Residential Facilities Act 1992 (SA), the Expiation of Offences Act 1996 (SA), (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA; Take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils.



EASTERN HEALTH 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 Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and 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*.

Handwritten signature of Michael Livori in black ink.

Michael Livori
CHIEF EXECUTIVE OFFICER

Handwritten signature of Lisa Scinto in black ink.

Lisa Scinto
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 28/8/2019



EASTERN HEALTH 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 Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and 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*.

A handwritten signature in black ink that reads 'Kiki Magro'.

Kiki Magro
CHIEF EXECUTIVE OFFICER
CORPORATION OF THE TOWN OF WALKERVILLE

Date: 25 July 2019



EASTERN HEALTH 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 Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and 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*.

A handwritten signature in black ink, appearing to read 'J.P. Lynch', is positioned above a horizontal dotted line.

Justin Lynch
ACTING CHIEF EXECUTIVE OFFICER
CITY OF PROSPECT

Date: 20/08/2019



EASTERN HEALTH 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 Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and 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*.



Mario Barone
CHIEF EXECUTIVE OFFICER
CITY OF NORWOOD PAYNEHAM & ST PETERS

Date: 26 July 2019



EASTERN HEALTH 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 Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and 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(2) *Local Government (Financial Management) Regulations 2011*.

A handwritten signature in black ink, appearing to read 'Barry Carr', is written over a horizontal dotted line.

Barry Carr
ACTING CHIEF EXECUTIVE OFFICER
CITY OF BURNSIDE

Date: 31 July 2019.



EASTERN HEALTH 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 Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and 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.

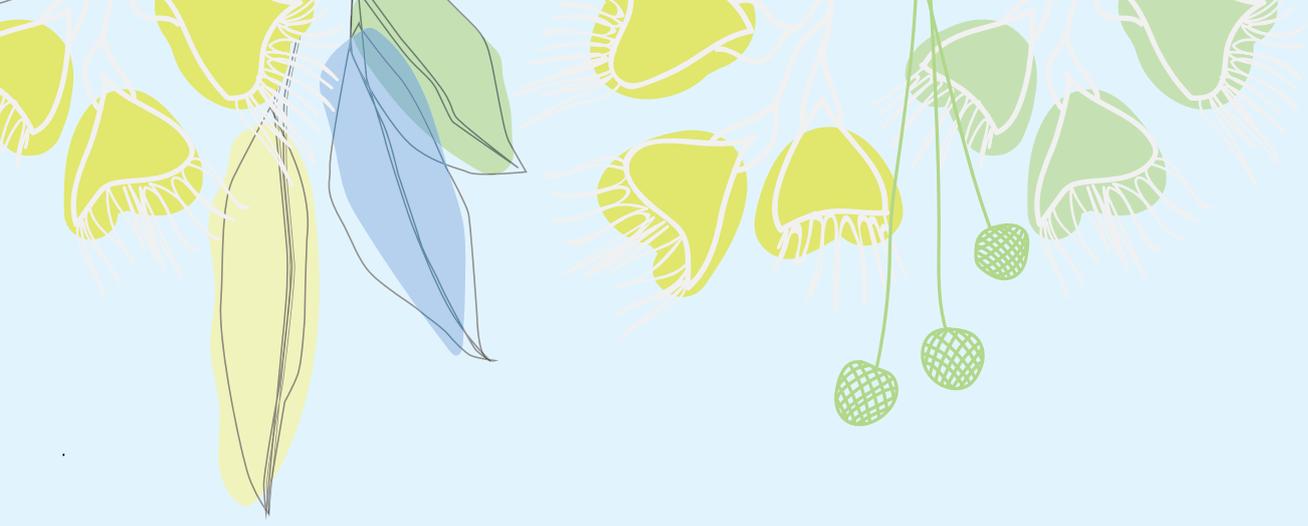
This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

Paul DiJulio
CHIEF EXECUTIVE OFFICER
CAMPBELLTOWN CITY COUNCIL

Date: 20 September 2019







Brown Hill Keswick Creek STORMWATER PROJECT



Annual Report 2018/19

Brown Hill and Keswick Creeks Stormwater Board

FOR THE CITIES OF ADELAIDE, BURNSIDE, MITCHAM, UNLEY AND WEST TORRENS



Annual Report 2018/19

Contents

1. Introduction	3
2. Chairperson's Report	4
3. Organisation Framework	5
3.1 History – Joint Arrangement Phase	5
3.2 Regional Subsidiary	5
3.3 Charter	6
3.4 Legislation	7
3.5 The Board	8
3.6 Audit and Risk Committee	8
3.7 Owners Executive Group	9
4. Project Schedule	9
5. 2018/19 Achievements	11
5.1 Operational	11
The Board	11
Audit and Risk Committee	12
Business Plan	12
Accountants and Auditors	12
Project Director	12
Schedule of Works	12
Finance Systems	13
2019/20 Budget	13
Policies and Procedures	13
Technical Staff & Finance Staff – Constituent Councils	13
Operational Matters	14
Workshop	14
Reporting Requirements	14
Stormwater Management Authority	15

5.2 Capital Works	16
Upper Brown Hill Creek - Hawthorn Reserve	16
South Park Lands – Victoria Park and Park 20	17
Glenside	18
Upper Brown Hill Creek – Area 1 (Everard Park)	19
5.3 Media Exposure & Community Engagement	20
6. Operating and Capital Contributions	21
7. Audited Financial Statements	21

Appendix 1 – Indicative 20 Year Works Schedule

Appendix 2 – Media Articles

Appendix 3 – Audited Financial Statements

1. Introduction

The Brown Hill Keswick Creek ('BHKC') Stormwater Project (the 'Project') is a collaborative undertaking between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens (the 'Constituent Councils').

Brown Hill, Keswick, Glen Osmond and Park Lands Creeks are important drainage watercourses in metropolitan Adelaide. The creeks have a low standard of flood protection resulting in a history of flooding. Their combined catchment is predominantly contained within the Local Government area of the five Constituent Councils, which are home to more than 200,000 residents. The Project is designed to mitigate serious flood risks and help safeguard properties across the catchment through the implementation of a stormwater management plan ('SMP') that was approved and gazetted in February 2017.

The SMP satisfies best practice outcomes for stormwater management as set out in the Stormwater Management Planning Guidelines of the Stormwater Management Authority ('SMA').

The scope and complexity of the Project are such that it could only be delivered effectively and efficiently by the five catchment Councils working collaboratively through a single entity. The Councils have therefore established the Brown Hill and Keswick Creeks Stormwater Board (the 'Board') as a regional subsidiary under the Local Government Act to co-ordinate implementation of the SMP.

2. Chairperson's Report

This is the second annual report of the Brown Hill and Keswick Creeks Stormwater Management Board, a regional subsidiary established in February 2018 pursuant to the Local Government Act (SA).

The report in respect of the period from the appointment of the current directors in August 2018 until the appointment of the current Project Director in January 2019 reflects the focus of the Board on a variety of establishment-related matters, including the constitution of an Audit and Risk Committee, engagement of bookkeeping, accounting services and corporate secretarial services, appointment of an auditor, establishment of bank facilities, tax and other regulatory registrations and the recruitment of a permanent Project Director.

The balance of the report addresses the considerable progress achieved to date in implementing the Stormwater Management Plan. A notable achievement was the completion of the Hawthorn Reserve project, delivered by the City of Mitcham in conjunction with the Mitcham Library upgrade and officially opened on 9 May 2019. Much of the success in this regard can be attributed to the strong support of stakeholders, including the Stormwater Management Authority (SMA) and the five constituent Councils, their staff and their CEOs in particular. The works undertaken to date form a solid foundation for progress in the coming year.

It is my pleasure as Chair of the Board to deliver the 2019 Annual Report.

Judith Choate
Chairperson

September 2019

3. Organisation Framework

3.1 History – Joint Arrangement Phase

From its inception in 2007 until February 2018, the project was conducted as a joint arrangement between the Constituent Councils in accordance with a Memorandum of Agreement dated December 2008.

The Memorandum of Agreement included the following principal objectives and provisions:

- The Councils would establish a regional subsidiary in terms consistent with principles for stormwater management including implementation of works and services of the relevant SMP.
- The Councils would work collaboratively through a steering group, comprising chief executives or their delegate, with the power to employ a Project Director, engage expert advice and establish a technical support group (along with other provisions).
- The City of Unley (as 'host' Council) would provide for the administrative functions of the project, including entering into agreements with third parties, holding moneys, keeping financial and other records, and employing support staff.

During the joint arrangement phase the SMP was developed as a collaborative effort leading to its subsequent approval by the SMA and gazettal of its adoption in February 2017. Certain investigations and works of the SMP were also delivered during the joint arrangement phase, as detailed further in Section 5.2 – Capital Works.

3.2 Regional Subsidiary

A condition of the SMA approving the SMP was that a Regional Subsidiary be established within 12 months to implement the SMP and manage its works and other measures on behalf of the Constituent Councils. The Regional Subsidiary, known as 'The Brown Hill and Keswick Creeks Stormwater Board' (the 'Board') was established in February 2018 pursuant to Section 43 of and Schedule 2 to the Local Government Act 1999. The Board is governed by the Charter prepared by the five Constituent Councils and subsequently approved by the Minister for Local Government.

3.3 Charter

The Charter governs the affairs of the Board by setting out its purpose, function and powers, including governance provisions of Schedule 2 of the Local Government Act. It also provides the Constituent Councils with a legally enforceable agreement specifying their rights and obligations in achieving common interests.

Section 4.1 of the Charter sets out the purposes of the Regional Subsidiary, as follows:

- 4.1.1 to implement or oversee the construction of stormwater infrastructure for the purposes of the implementation of the Plan - subject to first obtaining the approval of the relevant Constituent Council(s) and, if necessary, the consent of the Storm Water Management Authority, in respect of any material change in the design or the cost of any works of implementation;
- 4.1.2 to oversee the maintenance and repair and/or renewal of stormwater infrastructure established through the implementation of the Plan;
- 4.1.3 to oversee the implementation of associated, adjacent and/or related infrastructure works or measures on behalf of a Constituent Council at the cost of the Constituent Council;
- 4.1.4 to hold stormwater infrastructure constructed in the implementation of the Plan on behalf of the Constituent Councils as agreed from time to time by resolution of the Constituent Councils;
- 4.1.5 to implement such other non-infrastructure measures as set out in the Plan or approved by the Constituent Councils or as determined by the Board to be necessary or convenient for or incidental to the implementation of the Plan;
- 4.1.6 to provide a forum for the discussion and consideration of the Constituent Councils' obligations and responsibilities under the Plan;
- 4.1.7 to enter into agreements with Constituent Councils for the purpose of managing the Plan;
- 4.1.8 to co-operate insofar as it is reasonably practicable with the Natural Resource Management Board in the performance of its functions under the Natural Resources Management Act 2004 and otherwise with any other agency or instrumentality of the State, any body corporate and/or natural person including but not limited to landholders; and
- 4.1.9 to exercise other powers and functions as the Board considers necessary or convenient for or incidental to the purposes for which the Regional Subsidiary has been established.

3.4 Legislation

Legislation relating to stormwater management and the powers and responsibilities of interested parties are contained in the Local Government (Stormwater Management Agreement) Amendment Act 2016, Schedule 1A of the Local Government Act 1999 and the Natural Resources Management Act 2004.

The SMA was established pursuant to the Local Government (Stormwater Management) Amendment Act 2007, with reference to the Stormwater Management Agreement between the State Government and the Local Government Association. The Stormwater Management Agreement (originally of 2006) was revised in 2013 and the Act was subsequently amended in 2016.

Functions of the SMA include the facilitation and coordination of stormwater management planning by councils involving production of stormwater management plans and administration of the Stormwater Management Fund. The fund provides assistance to Local Government organisations for stormwater management planning and works, including the Project.

The Board was established as a Regional Subsidiary pursuant to Section 43 of and Schedule 2 to the Local Government Act 1999. Section 43 allows two or more councils to form a separately incorporated entity ('Regional Subsidiary') to provide specified services and/or activities, subject to obtaining Ministerial approval. The provisions relevant to a Regional Subsidiary are set out in Schedule 2 to the Act.

3.5 The Board

The Board is responsible for the administration of the affairs of the Regional Subsidiary. It is responsible for ensuring 'the Regional Subsidiary observes the objectives set out in the Charter, that information provided to the Constituent Councils is accurate and that Constituent Councils are kept informed of the solvency of the Regional Subsidiary as well as any material developments which may affect the operating capacity and financial affairs of the Regional Subsidiary'.

The Board comprises five members appointed for a three-year term, excepting that the first appointments were made on a differential basis – two members for three years, two members for two years and one member for one year. Elected Members and officers of the Constituent Councils are precluded from board membership.

Board Members were appointed following recommendations made by a Nominations Committee, as defined in the Charter. The process required appointment of persons with demonstrable skills relevant to the purpose of the Regional Subsidiary, particularly in respect of corporate financial management, corporate governance, project management, general management, engineering, economics or environmental management. The Chairperson is determined by the Board and is appointed for a term of 1 year. The inaugural Board of the Regional Subsidiary was appointed on 3 August 2018:

- Geoff Vogt 1-year term expiring 2 August 2019
- Paul Bowler 2-year term expiring 2 August 2020
- Rachel Barratt 2-year term expiring 2 August 2020
- Judith Choate 3-year term expiring 2 August 2021
- Paul Gelston 3-year term expiring 2 August 2021

Prior to appointment of the current Board, the Owners Executive Group, as detailed in Section 3.7, acted as an interim board.

3.6 Audit and Risk Committee

An Audit and Risk Committee was formed by resolution of the Board on 9 August 2018. Board Members Geoff Vogt, Rachel Barratt and Paul Gelston were appointed to the committee by resolution of the Board on 16 August 2018 with the Charter requiring in Section 9.6 (a) that the Chairperson of the Board also 'serve as Chair of all committees established by the Board'. The first meeting of the Audit and Risk Committee was held on 27 August 2018.

On 18 October 2018, the Board resolved that 'the Board appoint to the Audit and Risk Committee an independent person whose financial qualifications are endorsed by the Councils, and who is to be paid an amount equivalent to that of independent members of other Local Government subsidiary Audit Committees'. The Board subsequently resolved on 15 November 2018 to appoint Justin Humphrey of Grant Thornton as the independent member of the Audit and Risk Committee.

3.7 Owners Executive Group

The Owners Executive Group, previously known as the Project Steering Group, consists of a representative from each of the Constituent Councils. Membership is currently:

- City of Adelaide Klinton Devenish, Executive Manager
- City of Burnside Barry Cant, Acting Chief Executive
- City of Mitcham Matt Pears, Chief Executive
- City of Unley Peter Tsokas, Chief Executive
- City of West Torrens Terry Buss, Chief Executive

Meetings between the Board and the Owners Executive Group are scheduled quarterly. Prior to appointment of the Board on 3 August 2018, the Owners Executive Group also acted as an Interim Board.

4. Project Schedule

The main objective of the SMP is to “mitigate the risk and reduce the impact of major flooding from the four major watercourses on properties within the BHKC catchment, up to and including a 100-year average recurrence interval (ARI) flood. A 100-year ARI flood is also referred to as a 1 in 100-year event and has a 1% chance of occurring in any given year. Other objectives are concerned with quality of runoff and effect on receiving waters, beneficial reuse of stormwater and effective complementary planning requirements”.

The capital works program specified within the SMP is broadly outlined as follows, with detail relating to the current status of projects provided.

PROJECT NAME	2016 SMP BUDGET	STATUS
Ridge Park Detention Dam	\$2,800,000	Complete
BHC Diversion Culvert by DPTI	\$5,000,000	Complete
South Park Lands		
- Victoria Park	\$11,565,731	In Progress
- Park 20	\$2,300,948	In Progress
- Glenside	\$3,491,319	In Progress
Lower Brown Hill Creek Capacity Upgrades		
Watson Avenue to Marion Road		
- Land Acquisition	\$1,511,328	Pending
- Watson Ave - Marion Road Upgrade	\$4,971,382	Pending

PROJECT NAME	2016 SMP BUDGET	STATUS
- Watson Ave Brige Replacement	\$1,649,781	Pending
- Harvey Rd Bridge Replacement	\$1,459,980	Pending
Marion Road Bridge		
- Marion Rd Bridge Replacement	\$4,600,555	Pending
Marion Road to Birdwood Terrace		
- Land Acquisition	\$1,735,901	Pending
- Birdwood Tce - Marion Rd Upgrade	\$8,218,666	Pending
Birdwood Terrace to South Road		
- Land Acquisition	\$617,432	Pending
- Grassmere Res - Birdwood Tce Upgrade	\$3,225,360	Pending
- Daly Rd Bridge Replacement	\$1,583,447	Pending
- South Rd - Grassmere Res Upgrade	\$2,436,282	Pending
Anzac Highway to South Road Upgrade		
- Land Acquisition	\$1,433,013	Pending
- Anzac Hwy - South Rd Upgrade	\$4,109,527	Pending
- Farnham Rd Bridge Addition	\$1,517,542	Pending
Flow Diversions		
- Section 1 - Le Hunte Barracks	\$21,684,746	Pending
- Section 2 - Barracks	\$6,041,679	Pending
- Section 3 - Anzac Hwy	\$15,352,672	Pending
Upper Brown Hill Creek - Area 1		
- Creek Works & Easements	\$5,164,557	In Progress
- Bridge Upgrades	\$2,835,443	Pending
Upper Brown Hill Creek - Hawthorn Reserve	\$1,500,000	In Progress
Upper Brown Hill Creek (excl. Area 1)		
- Creek Works - Area 5a	\$1,514,218	Pending
- Creek Works - Areas 5B and 6	\$3,230,332	Pending
- Creek Works - Areas 2, 3 & Orphanage Pk	\$6,258,768	Pending
- Bridge Upgrades (excl Area 1)	\$5,754,028	Pending
- Creek Rehabilitation	\$1,817,062	Pending
- Easements	\$2,725,592	Pending
Glen Osmond Creek Minor Upgrade Works	\$800,000	Pending
Water Quality Works (GPTs)	\$1,000,000	Pending

The cost of delivering the capital works program was estimated at approximately \$140m in 2015/16.

An Indicative 20 Year Works Schedule detailing the estimated timing for delivery of all infrastructure projects associated with the SMP is attached herewith and marked **Appendix 1**.

5. 2018/19 Achievements

5.1 Operational

Many key operational milestones have been achieved in the reporting period including:

The Board

Appointment of the Board Members took effect on 3 August 2018 following recommendation by the Nominations Committee.

In the 2018/19 reporting period, meetings of the Board were attended as follows:

Meeting Date	Board Members				
	Geoff Vogt	Judith Choate	Paul Bowler	Paul Gelston	Rachel Barratt
3 August 2018	✓	✓	✓	✓	✓
9 August 2018	✓	✓	✓	✓	✓
16 August 2018	✓	✓	✓	✓	✓
20 September 2018	✓	✓	✓	✓	✓
18 October 2018	✓	✓	✓	✓	✓
15 November 2018	✓	✓	✓	✓	✓
12 December 2018	✓	✓	✓	✓	✓
16 January 2019	✓	✓	✓	✓	✓
21 February 2019	✓	✓	✓	✓	✓
21 March 2019	✓	✓	✓	✓	✓
16 May 2019	✓	✓	✓	✓	✓
20 June 2019	✓	✓	✓	✓	✓

Audit and Risk Committee

Establishment of the Audit and Risk Committee took effect on 9 August 2018 with the first meeting of the Committee held on 27 August 2018 and appointment of an independent Committee Member made on 15 November 2018.

In the 2018/19 reporting period, meetings of the Audit and Risk committee were attended as follows:

Meeting Date	ARC Members				
	Geoff Vogt	Judith Choate	Justin Humphrey	Paul Gelston	Rachel Barratt
27 August 2018	✓	✓	N/A	✓	✓
11 February 2019	✓	✓	✓	✓	✓
16 April 2019	✓	✓	✓	✓	✓
13 June 2019	✓	✓	✓	✓	✓

Business Plan

A Business Plan covering the four-year period from 2018/19 to 2021/22 was prepared and adopted by the Board in August 2018.

Accountants and Auditors

Appointments of William Buck as accountants and Galpins as auditors to the Regional Subsidiary were made by resolution of the Board on 20 September 2018.

Project Director

Peta Mantzarapis was appointed as Project Director commencing 14 January 2019 with the role of Executive Officer transferring from Michael Salkeld to Peta by resolution of the Board on 16 January 2019.

Schedule of Works

Scheduling of individual project works has been established over the life of the Project and both short-term and long-term financial planning has been considered with reference to the expected delivery schedule.

Finance Systems

Finance systems have now been established separately from the City of Unley and a reconciliation process has been completed to balance any funds owing to the City of Unley. Xero is being used as the Board's financial management system.

2019/20 Budget

The 2019/20 budget has been finalised and provided to all Constituent Councils in a format consistent with that of the Model Financial Statements. Formats have also been established to comply with the reporting requirements in accordance with Regulations 9 and 10 of the Local Government (Financial Management) Regulations 2011.

Policies and Procedures

Development of policies and procedures has been a key focus of the Audit and Risk Committee and the following policies have now been adopted by the Board:

- Media Engagement Policy
- Procurement Policy and associated forms
- Invoice Payment Policy
- Credit Card Policy
- Expense Approval and Reimbursement Policy
- Decision Making Framework for Discretionary Projects
- Public Consultation Policy
- Work Health and Safety

In addition, policies currently in progress include – Prudential Management, Terms of Reference for Technical Assessment Panel and Financial Delegations.

Technical Staff & Finance Staff – Constituent Councils

A meeting of the Project Director and technical staff of the Constituent Councils occurred on 5 May 2019 with discussion points including timing of projects, project budgets, initiation of project works, responsibility for delivery, suppliers and the Technical Assessment Group.

A meeting of the Project Director and finance staff of the Constituent Councils occurred on 28 May 2019 with discussion points including timing of projects, project budgets, finance requirements in accordance with Regs 9 and 10, timing and content of finance reports, ownership and control of assets.

Operational Matters

Various operational matters have been attended to and are now functioning efficiently including IT arrangements, banking systems, establishment of a postal address and a meeting venue separate from the City of Unley.

Workshop

A workshop attended by the Board, Project Director, Owners Executive Group, technical and finance staff of the Constituent Councils was held on 20 June 2019 to discuss the ownership and control of assets. This workshop was useful in establishing a position regarding the responsibilities for delivering project works, responsibility for ongoing care and control of assets, insurance implications, financial and accounting implications.

Reporting Requirements

The Local Government Act 1999 along with the Charter of the Board prescribe various reporting requirements with which the Board must comply. These requirements include but are not limited to:

- Maintenance of a register of Board motions and instances where the Common Seal has been affixed.
- A Key Outcomes Summary to be provided to the Constituent Councils within two weeks following each ordinary meeting of the Board.
- Budget to be prepared for the next financial year. The Budget must be adopted by the Board after 31 May but before 30 June each year and must be provided to each Constituent Council within five business days after adoption.
- Reports in accordance with Regulations 9 and 10 of the Local Government (Financial Management) Regulations 2011.
- Audited financial statements to be provided to the Chief Executive Officer of each Constituent Council before 30 September of the subsequent financial year.
- Annual report including the audited financial statements to be submitted to each Constituent Council before 30 September of the subsequent financial year.
- Business Plan to be prepared in respect of the ensuing four years and to be updated each year.
- Long-Term Financial Plan to be prepared and reviewed within 6 months of the adoption or update of the Business Plan and, in any event, to be reviewed every four years.
- Asset and Infrastructure Management Plan to be prepared and reviewed at any time and, in any event, to be reviewed every four years.

Systems and processes have been established to ensure compliance with the reporting requirements of the Regional Subsidiary.

Stormwater Management Authority

The Board has committed to ensuring a successful relationship is maintained with the Stormwater Management Authority (SMA). In this regard, Chairperson Judith Choate, Board Member Geoff Vogt and Project Director Peta Mantzarapis met with the Chairperson of the SMA Steven Haines and the General Manager David Trebilcock on 24 January 2019. Peta Mantzarapis subsequently met with David Trebilcock on 28 March 2019 and is in regular contact to discuss timing and status of project works along with funding requirements.

The SMA have provided confirmation that the required funding as set out in the Board's 10-year financial plan will be available. Further, the SMA have advised that any funding provided in the lead-up to the approval of the SMP would not be considered part of the \$70m funding commitment unless it relates to works that are very clearly capital projects defined in the SMP. As such, of the available \$70m, the following funds have been provided by the SMA to 30 June 2019:

- | | |
|----------------------------------------------------------|--------------|
| • Brown Hill Creek Diversion Culvert (delivered by DPTI) | \$2,500,000 |
| • Victoria Park project works | \$35,566 |
| • Remaining funds available | \$67,464,434 |

A process for claiming funds from the SMA has been established in consultation with David Trebilcock with funds being provided biannually in arrears.

5.2 Capital Works

As previously set out herein, projects completed prior to the 2018/19 financial year include the Ridge Park Detention Dam and the Brown Hill Creek Diversion Culvert.

Project works progressed during the current 2018/19 reporting period include:

Upper Brown Hill Creek - Hawthorn Reserve

The Hawthorn Reserve project involved creek widening and upgrade works and was delivered by the City of Mitcham in conjunction with the Mitcham Library upgrade. Construction works were completed in early May and the creek works were officially opened on May 9th.



*Completed
Creek
Works*



An invoice has been submitted by City of Mitcham covering the majority of the cost with a smaller amount held over to July to allow final reconciliation of expenses. Property acquisitions and associated land transfers will be completed in the coming months.

South Park Lands

Victoria Park/ Pakapakanthi (Park 16) and Blue Gum Park/ Kurangga (Park 20)



Artist's impression of the wetland

The South Park Lands project involves construction of a wetland at the southern end of Victoria Park/ Pakapakanthi (Park 16) and creek works within Blue Gum Park/ Kurangga (Park 20). A concept design has been prepared by Tonkin and public consultation on the concept commenced on 4th of June 2019 and ended on 5th of July. The consultation process included direct engagement with key stakeholders along with an advert in the City Messenger and signage erected on both sites.



Next steps include finalisation of and addressing the consultation outcomes, final revision of concept designs, Adelaide Park Lands Authority and City of Adelaide review process, lodgement of the Environment Protection and Biodiversity Conservation Act referral and commencement of the Development Application process. Preparation of final design drawings and tender documentation will be undertaken concurrently with the Development Application process.

Glenside

This project involves enlargement of an existing detention basin from a capacity of 18ML to 37ML, to limit flow to the existing capacity of the culvert under the Fullarton and Greenhill Roads intersection. The detention basin, together with other works in the South Park Lands is intended to reduce the peak stormwater flows along Park Lands Creek and further downstream.

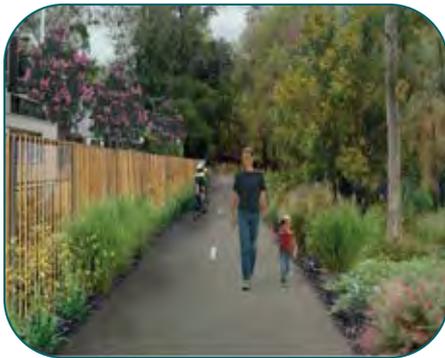
The Glenside site is being developed by Cedar Woods and Stage 2 bulk earthworks are currently being designed. Excavation of approximately 25,000m³ of material will be required to form the detention basin in addition to providing primary water quality treatment via new large gross pollutant traps. The works will include a slight re-alignment of the existing twin 1950mm stormwater pipes to suit the layout of the development.

The infrastructure is currently being designed and Cedar Woods is liaising with the City of Burnside for necessary approvals. A design report will be produced and will be issued to Council.



Upper Brown Hill Creek – Area 1 (Everard Park)

This project involves installation of a covered culvert along the length of the creek from Anzac Highway to Third Avenue. The creek is privately owned by a single owner on the northern side (Arcadian development site) and 8 owners on the southern side. The land required from the Arcadian site is to be vested in Council's ownership and will contribute toward the open space requirements of the development. Assessments of compensation have been prepared and offers of compensation have been made to the 8 owners at the southern side. Negotiations are underway with these owners.



50% design and documentation has been completed and a quotation has been sought for the detailed design works and tender documentation. Next steps include acquisition of the required land, EPA and NRMB referrals, arboreal assessment and development application for removal of trees.

Artist's impression of the proposed shared use path

Beyond these current projects and in accordance with the Indicative 20 Year Works Schedule attached hereto as **Appendix 1**, the works scheduled to be completed in the coming 5-year period all form part of the Lower Brown Hill Creek Capacity Upgrades. Close liaison with City of West Torrens will therefore be required.

5.3 Media Exposure & Community Engagement

Media exposure during the 2018/19 reporting period included:

- Adelaide Advertiser article on 14 January 2019 regarding a River Red Gum considered to be at risk due to the Project. The project always intends to retain trees where possible and there is currently no indication that this significant tree is at risk. This has been communicated to Councillor Wright.
- Adelaide Advertiser article on 25 February 2019 regarding a destroyed garden at Hawthorn Reserve. The Hawthorn Reserve works were delivered by City of Mitcham and a council representative contacted Mr Wilson to apologise for the removal of the garden as part of the creek works.
- Westside Weekly Messenger article on 10 April 2019 regarding City of West Torrens wish-list for federal funding, including a call for funding toward the Project.
- Hawthorn Reserve – the official opening of the creek works was held onsite on 9 May 2019. In addition, Outside Ideas shared updates on the project works via their social media and a project update was shared on the City of Mitcham website in January 2019.
- The Mitcham Library and Brown Hill Creek Redevelopment Project was presented with the Institute of Public Works Engineering 2019 Excellence Award in the category of “Excellence in Design and/ or Construction of a Public Works Environmental Enhancement Project” in June 2019.
- A public consultation process was undertaken for the South Park Lands projects commencing 4 June 2019. Media exposure generated during the consultation period included:
 - The Advertiser print article
 - AdelaideNow online article
 - FIVEaa interview with Lord Mayor
 - Hit107 news update
 - Glam Adelaide online article
- Engagement with 9 adjoining land owners directly affected by the Upper Brown Hill Creek – Area 1 (Everard Park/ Forestville) works has occurred over recent months.

A copy of articles that have appeared in the media are included herewith and marked **Appendix 2**.

6. Operating and Capital Contributions

A funding model has been established to enable determination of invoices required and to capture accurate detail relating to where the funds are going.

Operational expenditure is fully funded by Constituent Councils and is invoiced biannually in advance. Each Council contributes a 20% share of the required budget.

Capital expenditure is funded equally between the Constituent Councils and the SMA. Of the 50% funded by the Constituent Councils, the percentage share is as follows:

- City of Adelaide 8%
- City of Burnside 12%
- City of Mitcham 10%
- City of Unley 21%
- City of West Torrens 49%

Invoices are issued to the Constituent Councils biannually in advance while invoices are issued to the SMA biannually in arrears. Given the SMA contribution is made in arrears, a level of capital beyond the required budget is maintained for cash flow purposes.

7. Audited Financial Statements

The 2018/19 financial statements have been audited by Galpins and are attached as **Appendix 3**.

APPENDIX 1

Indicative 20 Year Works Schedule

Brown Hill Keswick Creeks Stormwater Board
 Indicative 20 Year Works Schedule

	2016 SMP Budget	Year 4 19/20			Year 5 20/21			Year 6 21/22			Year 7 22/23			Year 8 23/24			Year 9 24/25			Year 10 25/26			Year 11 26/27				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Ridge Park Detention Dam	\$2,800,000																										
BHC Diversion Culvert by DPTI	\$5,000,000																										
South Park Lands																											
Victoria Park	\$11,565,731																										
Park 20	\$2,300,948																										
Glenside	\$3,491,319																										
Lower Brown Hill Creek Capacity Upgrades																											
Watson Avenue to Marion Road																											
Land Acquisition	\$1,511,328																										
Watson Ave - Marion Road Upgrade	\$4,971,382																										
Watson Ave Bridge Replacement	\$1,649,781																										
Harvey Rd Bridge Replacement	\$1,459,980																										
Marion Road Bridge																											
Marion Rd Bridge Replacement	\$4,600,555																										
Marion Road to Birdwood Terrace																											
Land Acquisition	\$1,735,901																										
Birdwood Tce - Marion Rd Upgrade	\$8,218,666																										
Birdwood Terrace to South Road																											
Land Acquisition	\$617,432																										
Grassmere Res - Birdwood Tce Upgrade	\$3,225,360																										
Daly Rd Bridge Replacement	\$1,583,447																										
South Rd - Grassmere Res Upgrade	\$2,436,282																										
Anzac Highway to South Road Upgrade																											
Land Acquisition	\$1,433,013																										
Anzac Hwy - South Rd Upgrade	\$4,109,527																										
Farnham Rd Bridge Addition	\$1,517,542																										
Flow Diversions																											
Section 1 - Le Hunte Barracks	\$21,664,746																										
Section 2 - Barracks	\$6,041,679																										
Section 3 - Anzac Hwy	\$15,352,672																										
Upper Brown Hill Creek - Area 1																											
Creek Works & Easements	\$5,164,557																										
Bridge Upgrades	\$2,835,443																										
Upper Brown Hill Creek - Hawthorn Reserve	\$1,500,000																										
Upper Brown Hill Creek (excl. Area 1)																											
Creek Works - Area 5a	\$1,514,218																										
Creek Works - Areas 5B and 6	\$3,230,332																										
Creek Works - Areas 2, 3 & Orphanage Pk	\$6,258,768																										
Bridge Upgrades (excl Area 1)	\$5,754,028																										
Creek Rehabilitation	\$1,817,062																										
Easements	\$2,725,592																										
Glen Osmond Creek Minor Upgrade Works	\$800,000																										
Water Quality Works (GPT's)	\$1,000,000																										

APPENDIX 2

Media Articles

Fears 800-year-old tree could be axed for stormwater project

CRAIG COOK
URBAN AFFAIRS

FORESTVILLE residents are again rallying to protect a spectacular river red gum – believed to be the oldest in the Unley district.

They fear the tree on Wilberforce Walk, which is estimated to be up to 800 years old, will be axed as part of upcoming work to floodproof Brownhill Creek.

Residents first raised concerns over the tree's future in 2015, and again highlighted the issue to newly elected Unley councillor Emma Wright while she was on the campaign trail in the lead-up to November's local government elections.

"We often walk through the area on the way to the playground so we see it all the time," said Cr Wright, a mother of two young boys.

"People have had paintings done of the tree that have pride of place in their homes. They are very passionate about it.

"Residents rightly want to know what's happening with the Brownhill Creek stormwater project and if the tree will be affected."

As well as being possibly the oldest tree in the district, with a 7m trunk circumference, it is also one of the largest.

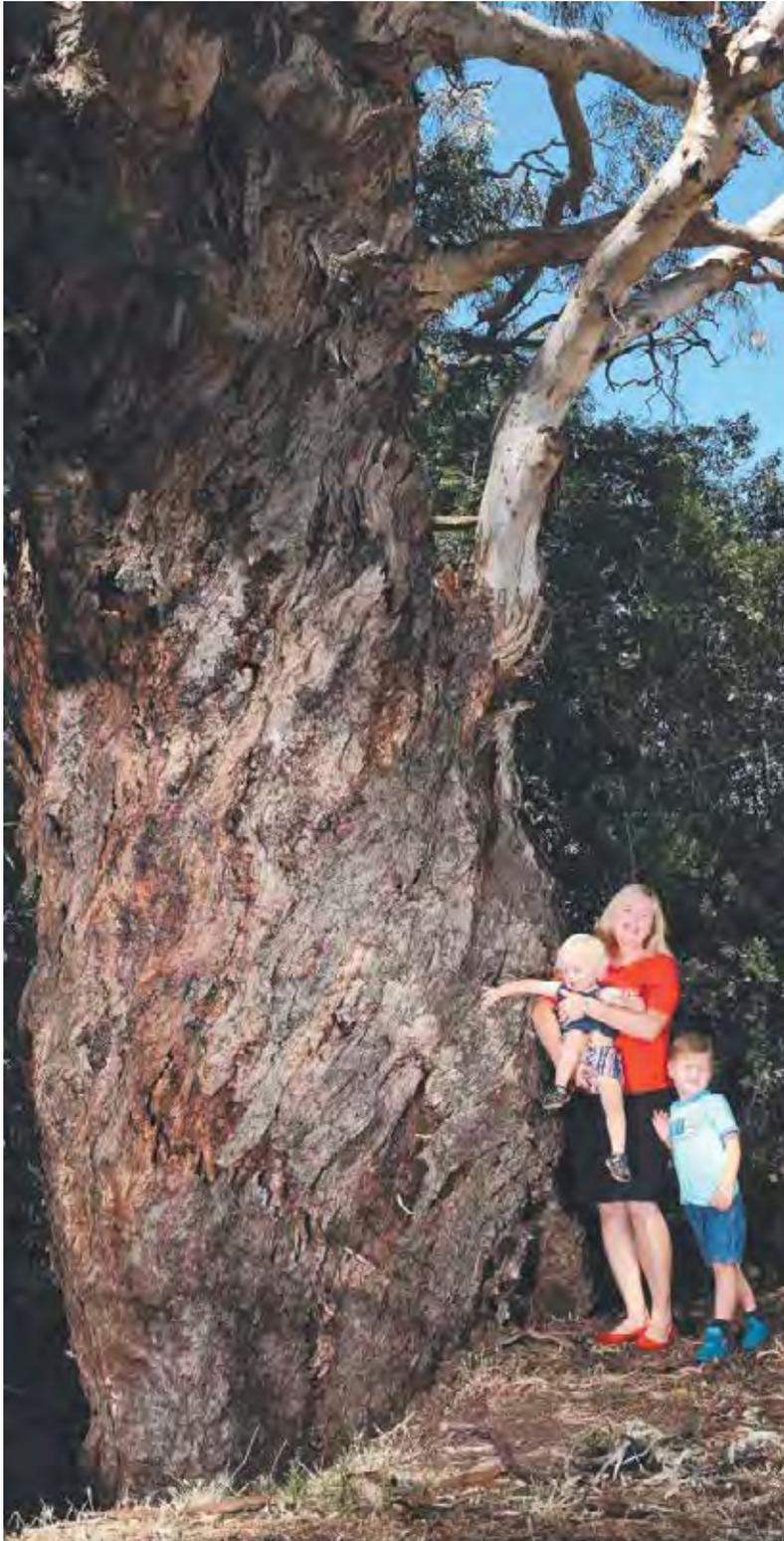
A 2014 report by arborist Dean Nicolle – completed at the request of the Brownhill Creek Forestville community group – said the tree was "highly worthy of retention".

Despite evident and extensive termite activity, Mr Nicolle stated the tree was in "a good and stable state of health".

He added there was an extremely low likelihood of structural failure and the risk to public safety was "low and acceptable".

Cr Wright said she would seek further information from council staff about the tree's future at an elected member's briefing session – on a date yet to be announced – but had already put her stake in the ground.

"If it comes to the crunch, I'll be kicking up a bit of a stink," she said.



14/01/2019

Fears 800-year-old tree could be axed for stormwater project - The Advertiser, 1/14/2019

BEHEMOTH: Unley councillor Emma Wright and sons Oliver, 5, and Jack, 2, marvel at the massive river red gum at Forestville. Picture: EMMA BRASIER/AAP



25 Feb 2019
Adelaide Advertiser, Adelaide

Section: General News • Article Type: News Item • Audience : 112,097 • Page: 6
Printed size: 84.00cm² • Region: SA • Market: Australia • ASR: AUD 1,250 • words: 145
Item ID: 1083460535

isentia mediaportal

Licensed by Copyright Agency. You may only copy or communicate this work with a licence.

Page 1 of 1

'Massive dummy spit' over destroyed garden

A FORMER Mitcham councillor and Citizen of the Year has lashed out at council staff who he says destroyed a volunteer-planted garden along Brownhill Creek that took years to construct.

John Wilson said he spent his own money on the project, including on an irrigation system which had been torn apart during work to flood-proof the creek.

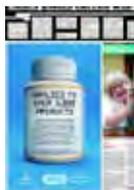
"I did a total dummy-spit when I saw the damage done to work done by volunteers,"

he said. "What is so annoying is just the sheer stupidity of it."

Named Mitcham's Citizen of the Year in 2013 for his work on flood mitigation at Brownhill Creek, Mr Wilson said the plants and equipment should have been "salvaged".

In an email to Mr Wilson, Mitcham strategic projects engineer Rick Hennig apologised "for any communication short-falls" and promised more extensive irrigation in the area when works are complete.





10 Apr 2019
Westside Weekly (Adelaide), Adelaide

Author: ANTHONY JOHNSON • Section: General News • Article Type: Council News
Audience : 53,823 • Page: 14 • Printed size: 192.00cm² • Region: SA • Market: Australia
ASR: AUD 885 • words: 359 • Item ID: 1105859720

isentia mediaportal

Licensed by Copyright Agency. You may only copy or communicate this work with a licence.

Page 1 of 1

Council unveils election wish list

POLITICS

Anthony Johnson

SEVEN capital projects have been targeted for federal funding by West Torrens Council ahead of the May election.

But two of these – women's football changerooms at Richmond Oval and flood mitigation via the Brownhill Keswick Creek Stormwater

Project – are particularly close the heart of West Torrens Mayor Michael Coxon.

"I am extremely passionate about creating safe and healthy communities and these projects need federal funding to help them to become reality," Mr Coxon said.

He said that given the "meteoric rise in the popularity" of women's football, it was necessary to build suitable changeroom facilities through

an \$850,000 federal grant. "Richmond Oval is one of the top 10 AFL playing surfaces in the nation," he said.

"The ground is outstanding and council's investment in lighting for night games has been a huge success. With the development of the new facili-

ties, Richmond Oval will become the centre of women's football in the west."

For the \$140 million five-council Brownhill Keswick

Creek flood mitigation project, Mr Coxon would like to see a \$50 million federal contribution which would allow the project to be delivered in five years instead of 20 years under the current plan.

West Torrens, the council zone lowest downstream and most at risk, has to pay the lion's share – 49 per cent – of the local government cost, with the State Government chipping in \$70 million. "Fed-

eral assistance would be very welcome as it will allow us to protect more than 200,000 residents likely to be affected by a one-in-100-year flood event," Mr Coxon said.

The early phases of Kings Reserve/Thebarton Oval upgrade will require \$2.6 million.

Stage One has started with the completion of a wetland and water harvesting, while the Torrensville Bowling Club upgrade should be finished by

mid-year. A new playground and revamp to the skate park should start in 2020.

The council hopes to complete a \$7.8 million makeover of Thebarton Theatre before its centenary in 2028. "The idea is to allow it to compete with other theatres like the Entertainment Centre but this would need a significant contribution from the federal government," the council's chief, Terry Buss, said.



outsideideas • Following
Mitcham Library

...



outsideideas If there's one thing a dry summer is good for it's working in a creek. The guys are making the most of the weather, widening and realigning 370 metres of Brownhill Creek at the new Mitcham Memorial Library #landscaping #outsideideas #civil #construction

25w



130 likes

FEBRUARY 1

Add a comment...



.../reel/locations/1156071414437815/mitcham_library/

 **outsideideas** • Following
Mitcham Library

 **outsideideas** We have been busy building our own gabions at Brownhill Creek. Over the past four months, we have changed the alignment and widened 370 metres of creek as part of the new Mitcham Memorial Library project #outsideideas #civil #gabions #landscaping

14w

 **alicepotteralice** 

14w Reply

 **jsform** Neat work 

14w Reply

 **josephinecropper** Stunning! 

174 likes

APR 11

Add a comment...

WIDENING AND UPGRADING OF THE BROWN HILL CREEK IN SOLDIERS MEMORIAL GARDENS BROWNHILL CREEK

Brownhill Creek in Soldier's Memorial Garden has been widened and the geo fabric (green material) and stepping boulders (large rocks) are being installed in preparation for the plantings within the channel. Gabions (rock filled baskets) have also been installed in Brownhill Creek in JWS Morris Reserve and a floodwall constructed at George Street to constrain the creek flows and protect properties from flooding. Once construction works are completed the creek will be landscaped. It is anticipated that the project will be completed in April 2019.



Brownhill Creek Pyramid and Stepping Boulders January 2019



Brownhill Creek Upgrade Pyramid and Stepping Boulders January 2019



Brownhill Creek Upgrade JWS Morris Gabions January 2019

The upgrade works to widen and upgrade the Brown Hill Creek channel through Soldiers Memorial Gardens and JWS Morris Reserve as part of the wider approval to implement the Brown Hill Keswick Creek Stormwater Management Plan (SMP) is underway.

The upgrade of Brownhill Creek channel and landscaping will address some long standing flooding issues, restore the channel to a more natural state and beautify the reserve.

The widening of the channel is required to accommodate the 100 year flow and restore a more natural channel profile which necessarily impacts mainly exotic trees with all existing high value native trees protected.

The channel works will create a stable creek environment capable of passing significant creek flows during flood events and will also allow safe nature play spaces between creek flows.

The channel widening works are being undertaken with the adjacent Mitcham Library upgrade project. This will create an improved precinct for community enjoyment. The channel and the adjacent reserve will be landscaped to a higher standard to provide an improved vista and experience both inside and outside the upgraded library and for reserve users.

The upgraded Brownhill Creek through Soldier's Memorial Gardens and JWS Morris Reserve is now officially open and being enjoyed by the community.

Brownhill Creek in Soldier's Memorial Gardens has been widened to create a stable creek to endure flood events. Natives have been planted within the creek channel and on the banks through an innovative surface material that provides bank stability and allows plant growth. Stepping boulders and logs have also been installed to create an active nature play space for use when the creek is dry or not flowing.

Further down the creek rock filled baskets (gabions) have been installed through JWS Morris Reserve and a floodwall has been constructed at George Street to protect properties from flooding and contain creek flows.

Two new footbridges and new footpaths are now also open so the community can enjoy the creek and its landscaped surrounds.

The Brownhill Creek project cost \$2.7 million and is part of the greater \$140 million Brown Hill Keswick Creek Stormwater Plan which is a joint project between five catchment Councils and the State Government.

The City of Mitcham coordinated the Brownhill Creek upgrade with the adjacent Mitcham Memorial Library project to create an attractive precinct. Make sure you get down and take a look!



Brownhill Creek and plantings in Hawthorn June 2019

2 of 5





15 Jun 2019
Adelaide Advertiser, Adelaide

Author: Celeste Villani • Section: General News • Article Type: News Item
Audience : 149,005 • Page: 27 • Printed size: 470.00cm² • Region: SA • Market: Australia
ASR: AUD 9,619 • words: 287 • Item ID: 1133718534

isentia mediaportal

Licensed by Copyright Agency. You may only copy or communicate this work with a licence.

Page 1 of 1



PARKLANDS PLAN: An artist's impression of the wetlands proposed for the southern end of Victoria Park. Picture: BROWNHILL KESWICK CREEK PROJECT

CELESTE VILLANI

IT'S a scene of tranquil splendour, but this proposed wetland will have a powerful role to play in safeguarding inner-city suburbs from floods.

The proposed wetland – with a butterfly garden, picnic areas and viewing decks – is part of a \$12.5 million upgrade of Adelaide's south parklands.

The wetland – at the southern end of Victoria Park – is one of the largest developments in the \$140 million Brownhill Keswick Creek Project to mitigate the flood risk for 7000 properties.

Project director Peta Mantzarapis said the wetland development would contribute to community safety.

“Crucially, these works will lift the standard of flood protection in the south parklands and are key in mitigating flood risk across the catch-

ment, serving to safeguard properties and community spaces against major flooding events,” Ms Mantzarapis said.

The entire Brownhill Keswick Creek project aims to protect properties in Adelaide, Burnside, Mitcham, Unley and West Torrens council areas against a one-in-100-year flood. The wetland would help mitigate flooding along the Park Lands Creek and reduce water flow into Unley.

New artist impressions also include picnic areas, a shared path, a stepping stone creek and the realignment of some of the existing creek line. “The idea of creating the wetlands

and clearing up the old woody weeds has been on the agenda for a very long time,” said Stephanie Johnston, a member of Adelaide Park Lands Authority and Adelaide Park

Lands Preservation Association. “I think everyone is looking forward to it.”

Public consultation ends on July 5, with construction expected to begin next year.



New \$12.5m Wetlands In South Park Lands Need Design Feedback

Feedback from the public is being sought on the proposed design of a new \$12.5 million wetland in Adelaide's South Park Lands

By [Glam Adelaide](#) on Jun 17, 2019

Favourite This Post

Feedback from the public is being sought on the proposed design of a new \$12.5 million wetland in Adelaide's South Park Lands as part of the Brown Hill Keswick Creek Stormwater Project.

The new wetland will be constructed at the southern end of Victoria Park/Pakapakanthi (Park 16) and is one of the largest developments in the Project's approved Stormwater Management Plan, which is currently being implemented to improve the standard of flood protection for properties across the catchment council areas of Adelaide, Burnside, Mitcham, Unley and West Torrens.

Designed to mitigate the flooding issues along Park Lands Creek, the works will contribute to a reduction in flows entering the City of Unley under Greenhill Road, thereby reducing the flooding risk to the mainly residential areas downstream. Other benefits include improved water quality, enhanced biodiversity through diversification of plant and animal

species, and new amenity and recreational facilities for park users, including footpaths, walking trails and picnic areas.



A dedicated native grassland meadow for butterfly habitat will also be established, in addition to board walks, viewing platforms and a stepping stone creek path.

The community consultation process is also seeking public feedback on planned works in nearby Blue Gum Park/Kurangga (Park 20), located at the north western corner of the Greenhill and Unley Road intersection.

Proposed works in Blue Gum Park/Kurangga involve the construction of low-level mounding (typically less than 1m high), construction of a new shared use path, and realignment of existing creek lines in the southern section of the park.

Both projects have been designed in accordance with previous feasibility studies and consultation processes and form part of the Project's approved Stormwater Management Plan.

Peta Mantzarapis, Project Director of the Brown Hill Keswick Creek Stormwater Project, says community consultation will include distribution of information brochures to key stakeholders, local media advertising and site signage, with further information and online feedback forms available at www.bhkcstormwater.com.au.

"We've already conducted extensive consultation in developing the SMP along with site investigations and design development for these works in the South Park Lands, and are

now giving the public a final opportunity to provide any feedback on the designs before construction commences,” said Ms Mantzarapis.

“We encourage members of the public to review the designs and provide any further feedback.

“Crucially, these works will lift the standard of flood protection in the South Park Lands and are key in mitigating flood risk across the catchment, serving to safeguard properties and community spaces against major flooding events.”

Feedback on the proposed works closes at 5pm on Friday 5 July 2019, with Ms Mantzarapis anticipating construction of both projects to commence next year.

The Brown Hill Keswick Creek Stormwater Project is a collaboration between Adelaide, Burnside, Mitcham, Unley and West Torrens councils to develop and implement an effective stormwater management plan to improve the standard of flood protection for homes, businesses and public facilities across the catchment.

Extending from the Adelaide Hills in the east to Adelaide Airport in the west, the Brown Hill Keswick Creek Stormwater Project covers a catchment area of 69 square kilometres and more than 200,000 residents. Flood mitigation works detailed in the Project’s Stormwater Management Plan will reduce the number of properties affected by a one in 100-year flood event by nearly 98%.

For more information about the Brown Hill Keswick Creek Stormwater Project, visit www.bhkcstormwater.com.au.

APPENDIX 3

Audited Financial Statements

**Brown Hill and Keswick Creeks
Stormwater Board**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 June 2019**

Brown Hill and Keswick Creeks Stormwater Board

Contents

Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Certification of Auditor Independence	18
Statement by Auditor	19

Brown Hill and Keswick Creeks Stormwater Board

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	Restated 2018 \$
INCOME			
Contributions	2	618,195	160,000
Investment Income	2	15,826	-
Total Income		<u>634,021</u>	<u>160,000</u>
EXPENSES			
Employee costs	3	234,663	125,670
Materials, contracts & other expenses	3	181,510	38,278
Depreciation	3	2,180	-
Finance costs	3	192	-
Total Expenses		<u>418,545</u>	<u>163,948</u>
OPERATING SURPLUS / (DEFICIT)		215,476	(3,948)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		<u>215,476</u>	<u>(3,948)</u>

The accompanying Notes form part of these financial statements

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Notes	2019 \$	Restated 2018 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	3,966,683	-
Trade and Other Receivables	4	2,024,173	-
Total Current Assets		<u>5,990,856</u>	<u>-</u>
Non-Current Assets			
Property, Plant and Equipment	5	3,209,193	249,189
Total Non-current Assets		<u>3,209,193</u>	<u>249,189</u>
Total Assets		<u>9,200,049</u>	<u>249,189</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	6	3,052,742	6,267
Employee Benefits	6	6,500	-
Total Current Liabilities		<u>3,059,242</u>	<u>6,267</u>
Total Liabilities		<u>3,059,242</u>	<u>6,267</u>
NET ASSETS		<u>6,140,807</u>	<u>242,922</u>
EQUITY			
Contributed Equity	9	5,929,279	246,870
Accumulated surplus	7	211,528	(3,948)
TOTAL EQUITY		<u>6,140,807</u>	<u>242,922</u>

The accompanying Notes form part of these financial statements

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	Capital Contributions of Councils	Accumulated Surplus	TOTAL
			\$	\$
2018				
Balance at the beginning of the year	7	-	-	-
Deficit for the year <restated>		-	(3,948)	(3,948)
Capital Contributions of Councils <restated>	8	246,870	-	246,870
Balance at the end of year <restated>		<u>246,870</u>	<u>(3,948)</u>	<u>242,922</u>
2019				
Balance beginning of the year <restated>	7	246,870	(3,948)	242,922
Surplus for the year		-	215,476	215,476
Capital Contributions of Councils	8	5,682,409	-	5,682,409
Balance at the end of year		<u>5,929,279</u>	<u>211,528</u>	<u>6,140,807</u>

The accompanying Notes form part of these financial statements

Gabins

Brown Hill and Keswick Creeks Stormwater Board

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	Restated 2018 \$
Cash from operating activities			
Operating receipts from constituent councils		1,246,839	160,000
Receipts from interest		15,634	-
Payments to employees		(228,163)	-
Payments to suppliers		(171,597)	(157,681)
		(330,942)	-
Net cash provided from operating activities	9	<u><u>531,771</u></u>	<u><u>2,319</u></u>
Cash from investing activities			
Expenditure on new / upgraded assets		(223,324)	(249,189)
Net cash provided from / (used in) investing activities		<u><u>(223,324)</u></u>	<u><u>(249,189)</u></u>
Cash from financing activities			
Contributions from constituent councils		<u>3,658,236</u>	<u>246,870</u>
Net cash provided from investing activities		<u><u>3,658,236</u></u>	<u><u>246,870</u></u>
Net increase in cash held		3,966,683	-
Cash at beginning of financial year		-	-
Cash at end of financial year		<u><u>3,966,683</u></u>	<u><u>-</u></u>

The accompanying Notes form part of these financial statements

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 1 - Statement of Significant Accounting Policies

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

The Brown Hill and Keswick Creeks Stormwater Board (the Board) is a Local Government Regional Subsidiary established under Section 43 of and Schedule 2 to the Local Government Act 1999. The Regional Subsidiary is under the control of City of Adelaide, City of Burnside, City of Unley, City of Mitcham and City of West Torrens.

The Board was established by a Gazetteal dated 27 February 2018. The Board has been established to implement the construction and maintenance of infrastructure and other measures for the purposes of a stormwater management plan prepared by the constituent councils and approved by the Stormwater Management Authority.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates, some of which are relevant to the Board. The amended pronouncements adopted and amended pronouncements that have been decided not to be early adopted are set out below:

Adoption of amended standards

AASB 9 Financial Instruments

AASB 9 Financial Instruments establishes principles to account for and report financial assets and financial liabilities and introduces a new approach to accounting for hedges together with a new approach to accounting for impairment of financial assets. The standard has a mandatory application date for financial years commencing on or after 1 January 2018. This is not expected to materially impact the financial statements.

Accounting Standards Issued but not effective

AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 16 Leases removes the current distinction between operating and finance leases and requires recognition of a right-to-use asset and a financial liability to pay rentals, resulting in the recognition of tenancy leases on the balance sheet. The only exemptions from these requirements are short-term and low-value leases. The income statement will also be affected, as operating expenses are reclassified as interest expense and depreciation expense, affecting EBITDA performance metrics. The new standard requires more extensive qualitative and quantitative disclosures. The standard has a mandatory application date for financial years commencing on or after 1 January 2019. This is not expected to materially impact the financial statements.

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

AASB 15 Revenue from contracts with customers (applicable to annual reporting periods beginning on or after 1 January 2019)

AASB 15 Revenue from contracts with customers applied to all contracts with customers, except for contracts covered by other standards. The standard stipulates how and when revenue is recorded, requiring the Board to provide users of financial statements with more information and reporting disclosures. The core principle is the recognition of revenue for the transfer of goods or services, at a value that reflects the consideration to which the Board expects to be entitled, in return for meeting performance obligations. This is not expected to materially impact the financial statements.

AASB 1058 Income of Not-for-profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019)

The standard applies to transactions of not-for-profit (NFP) entities where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives. It also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions, however AASB 1058 supersedes the existing requirements in AASB 1004. This is not expected to materially impact the financial statements.

The financial statements were authorised for issue on by the members of the Board.

(a) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Following clarification in the current financial year of the entity's policy on capital contributions by constituent councils amounts previously recognised in the Statement of Comprehensive Income have been reclassified to contributed equity.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

(c) Income taxes

The activities of the Board are exempt from taxation under the Income Tax Assessment Act 1997.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

(e) Impairment

At the end of each reporting period, the Board assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset where it is not possible to estimate the recoverable amount of an individual asset, the Board estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(g) Revenue

Operating revenue from constituent Councils is recognised as income as and when the Board becomes entitled to receive the funds. This is outlined within the Board's Annual Business Plan which is agreed with all constituent Councils.

Capital Contributions received from Constituent Councils are recognised as Contributions by Owners directly to equity.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

(h) Trade and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Board during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

(i) Trade and other receivables

These include amounts due from ATO and accrued interest on deposits in financial institutions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(j) Critical Accounting Estimates and Judgments

Key estimates

Impairment - general

The Board assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Board that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(k) Property Plant and Equipment

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 Board includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

The Board considers that it controls the infrastructure assets in accordance with its Charter. The constructed infrastructure assets may be located on land owned by Constituent Councils.

Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Board 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.

Infrastructure – Stormwater \$10,000

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. All assets are currently held at cost.

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Depreciation of Non-Current Assets

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 Board, best reflects the consumption of the service potential embodied in those assets. Office equipment consists of IT equipment and is depreciated at 50%.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually. Depreciation periods for infrastructure assets have been estimated based on the best information available to Board, 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.

(f) Employee Benefits

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. The Board does not currently have any employee benefits expected to be paid or settled beyond 12 months.

No accrual is made for sick leave. The Board does not make payment for untaken sick leave.

Superannuation

All superannuation schemes to which the Board makes contributions on behalf of employees 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 Board.

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 2 - INCOME

	2019	2018
	\$	\$
CONTRIBUTIONS		
Operating Contributions		
City Of Mitcham	123,639	32,000
City Of Burnside	123,639	32,000
City Of West Torrens	123,639	32,000
The Corporation of the City of Adelaide	123,639	32,000
Corporation of the City of Unley	123,639	32,000
Subtotal Operating Contributions	<u>818,195</u>	<u>160,000</u>
INVESTMENT INCOME		
Interest on investments		
Banks	15,826	-
	<u>15,826</u>	<u>-</u>
Total Income	<u>834,021</u>	<u>-</u>

In accordance with the Charter of the Brownhill and Keswick Creeks Stormwater Board Schedule 1, operating contributions are received equally from each of the constituent councils at an agreed rate. The total value of operating contributions to be received is agreed in the annual business plan prepared by the Board.

Note 3 - EXPENSES

	2019	2018
	\$	\$
EMPLOYEE COSTS		
Salaries and Wages - Board	60,000	125,670
Salaries and Wages - Employee	155,595	-
Reimbursements - Board	5,207	-
Superannuation	12,619	-
Workers' Compensation Insurance	1,242	-
	<u>234,683</u>	<u>125,670</u>
Total Number of Employees	1	0
<i>(Full time equivalent at end of reporting period)</i>		

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 3 - EXPENSES (cont)

	2019	2018
	\$	\$
MATERIALS, CONTRACTS & OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration		
- Auditing the financial reports	3,870	-
Subtotal - Prescribed Expenses	<u>3,870</u>	<u>-</u>
Other Materials, Contracts & Expenses		
Administration	30,360	829
Entertainment & Catering	4,298	90
Contractor & Consultant Services	28,720	17,609
Human Resources	12,800	-
Insurance - Mutual Liability Scheme	52,784	10,500
IT Expenses	7,047	-
Legal Expenses	10,853	3,818
Professional Services	30,532	-
Sundry	246	5,432
Subtotal - Other Materials, Contracts & Expenses	<u>177,640</u>	<u>38,278</u>
	<u>181,510</u>	<u>38,278</u>
DEPRECIATION		
Office Equipment	2,180	-
Total Depreciation	<u>2,180</u>	<u>-</u>
FINANCE COSTS		
Bank Fees	174	-
Interest Charges	18	-
	<u>192</u>	<u>-</u>
Total Expenses	<u>418,545</u>	<u>163,948</u>

Note 4 - CURRENT ASSETS

	2019	2018
	\$	\$
CASH & CASH EQUIVALENT		
Cash at Bank	3,966,683	-
	<u>3,966,683</u>	<u>-</u>
TRADE & OTHER RECEIVABLES		
Contributions Recivable	1,938,650	-
GST Refundable	85,523	-
	<u>2,024,173</u>	<u>-</u>

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 5 - NON-CURRENT ASSETS

	2019 \$	2018 \$
Work In Progress		
South Parklands Stormwater - design (Victoria Park)	183,335	80,060
Hawthorn Reserve Creek upgrade	2,884,985	169,129
Upper Brown Hill Creek - Area 1 Creek Works	101,195	-
Upper Brown Hill Creek - Area 1 Land Acquisition	30,065	-
Discretionary Projects	7,300	-
Total Work In Progress	<u>3,206,880</u>	<u>249,189</u>
Office Equipment		
Office Equipment	4,493	-
Less: Accumulated Depreciation on Office Equipment	(2,180)	-
Total Office Equipment	<u>2,313</u>	<u>-</u>
Total Property Plant and Equipment	<u><u>3,209,193</u></u>	<u><u>249,189</u></u>

Property Plant and Equipment Reconciliation		
	Work In Progress \$	Office Equipme nt \$
Opening Balance	249,189	-
Additions	2,957,691	4,493
Disposals	-	-
Depreciation	-	(2,180)
Closing Balance	3,206,880	2,313

Note 6 - CURRENT LIABILITIES

	2019 \$	2018 \$
TRADE & OTHER PAYABLES		
Trade Payables	3,045,090	6,267
Credit Card	257	-
PAYG Payable	5,665	-
Superannuation Payable	1,730	-
Subtotal Trade & Other Payables	<u>3,052,742</u>	<u>6,267</u>

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 6 - CURRENT LIABILITIES (Cont)

	2019	2018
	\$	\$
EMPLOYEE BENEFITS		
Annual Leave Provision	6,500	-
Subtotal Employee Benefits	<u>6,500</u>	<u>-</u>

Note 7 - ACCUMULATED SURPLUS

	2019	2018
	\$	\$
Opening Balance	(3,948)	-
Surplus for the year	215,476	(3,948)
Balance at year end	<u>211,528</u>	<u>(3,948)</u>

Note 8 - CAPITAL CONTRIBUTIONS OF COUNCILS

	2019	2018
	\$	\$
CAPITAL CONTRIBUTIONS OF COUNCILS		
City Of Mitcham	592,928	24,687
City Of Burnside	711,513	29,624
City Of West Torrens	2,905,346	120,966
The Corporation of the City of Adelaide	474,343	19,750
Corporation of the City of Unley	1,245,149	51,843
Subtotal Contributions by owner	<u>5,929,279</u>	<u>246,870</u>

Capital Contributions Movement Table

	Opening Balance	Received 2019	Closing Balance
City Of Mitcham	24,687	568,241	592,928
City Of Burnside	29,624	681,889	711,513
City Of West Torrens	120,966	2,784,380	2,905,346
The Corporation of the City of Adelaide	19,750	454,593	474,343
Corporation of the City of Unley	51,843	1,193,306	1,245,149
	<u>246,870</u>	<u>5,682,409</u>	<u>5,929,279</u>

Capital contributions of Councils are capital payments received from Constituent Councils for investing in Infrastructure. The rates of contribution are agreed in the Charter of the Board.

Brown Hill and Keswick Creeks Stormwater Board

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Note 9 - Reconciliation of cash flow

	2019	2018
	\$	\$
Net surplus for the year	215,476	(3,948)
<i>Changes in assets and liabilities</i>		
Decrease/(Increase) in Trade and Other Receivables	-	-
Increase in Depreciation	2,180	-
Increase/(Decrease) in Trade and Other payables	307,615	6,267
Increase/(Decrease) in Employee Benefits	6,500	-
Net cash provided from operating activities	<u>531,771</u>	<u>2,319</u>

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Note 10 - Financial Instruments

Details of the significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 Summary of Significant Account Policies.

Categorisation of Financial Instruments

	Note	2019		2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities		\$	\$	\$	\$
Trade and other Payables	6	3,045,347	3,045,090	6,267	6,267
Total Financial liabilities		3,045,347	3,045,090	6,267	6,267
Financial Assets					
Cash and cash equivalents		3,966,683	3,966,683	-	-
Total Financial Assets		3,966,683	3,966,683	-	-

Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables.

The fair values disclosed in the table above have been based on cash and cash equivalents, trade and other receivables and trade and other payables short term instruments in a nature whose carrying value is equal to fair value.

i. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligation that could lead to a financial loss to the Board.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties and by investing surplus funds in financial institutions that maintain a high credit rating.

There is no collateral held by the Board securing trade and other receivables.

ii. Liquidity Risk

Liquidity risk arises from the possibility that the Board might accounting difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Board manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

No assets have been pledged as security for any liabilities.

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

iii. Market Risk

Exposure to interest rate risk arises on financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

The following table illustrates sensitives to the Board's exposure to changes in interest rates.

	2019		2018	
	Weighted Average	Carrying Value	% Weighted Average interest rate	Carrying Value
Financial liabilities	\$	\$	\$	\$
Trade and other Payables	0%	3,045,347	0%	6,267
Financial Assets				
Cash at bank	0%	3,966,683	0%	-

Note 11 - Contingent Liabilities and Contingent Assets

At 30 June 2019, the Board is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

Note 12 - Commitments for Expenditure

Capital Commitments

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

	2019	2018
	\$	\$
Infrastructure	169,000	-
Total Capital Commitments	169,000	-

These expenditures are payable:

Not later than one year	169,000	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	169,000	-

Brown Hill and Keswick Creeks Stormwater Board

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Note 13 - Events after the end of the reporting period

Since the reporting date, there have been no events that would materially impact on the contents of this report.

Note 14 - Economic Dependence

Brown Hill and Keswick Creeks Stormwater Board is dependent on its constituent councils and other funding bodies for the majority of its revenue used to achieve its objectives. At the date of this report, the Board believe that the Member Councils and other bodies will continue to support the Board.

Note 15 - Related Party Transactions

The total remuneration paid to key management personnel of Brown Hill and Keswick Creeks Stormwater Board Incorporated during the year was as follows:

Key management personnel include the former Project Director employed by the City of Unley, the current Project Director employed by the Board and the members of the Board appointed under section 112 of the Local Government Act 1999.

The key management personnel were paid the following total compensation:

Salaries and wages	\$ 221,714.00
--------------------	---------------

Other related parties includes close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. There were no transactions with other related parties.

Note 16 - Board details

The registered address of the Board:

Brown Hill and Keswick Creeks Stormwater Board
PO Box 124 Unley SA 5061

Galpins

Brown Hill and Keswick Creeks Stormwater Board

**CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

In the opinion of the committee, the Financial Statements comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Members' Funds, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Brown Hill and Keswick Creeks Stormwater Board as at 30 June 2019 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Brown Hill and Keswick Creeks Stormwater Board will be able to pay its debts as and when they fall due.

The Board is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:


Judith Choate

Name: Judith Choate
Position: Chairperson
Date: Sep 5, 2019


g t vogt | Sep 6, 2019

Name: g t vogt
Position: Board Member
Date: Sep 6, 2019

Brown Hill and Keswick Creeks Stormwater Board

**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 Brown Hill and Keswick Creeks Stormwater Board for the year ended 30 June 2019, the Board'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*.

Judith Choate
City of Burnside, 2019

Name: Judith Choate
Position: Chairperson
Date: Aug 29, 2019

GT VOGT
City of Burnside, 2019

Name: GT VOGT
Position: Board Member
Date: Aug 30, 2019

Brown Hill and Keswick Creeks Stormwater Board

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of Brown Hill and Keswick Creeks Stormwater Board 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*.



Name of Auditor Luke Williams
Name of Audit Firm Galpins Accountants, Auditors & Business Consultants
Date:



