



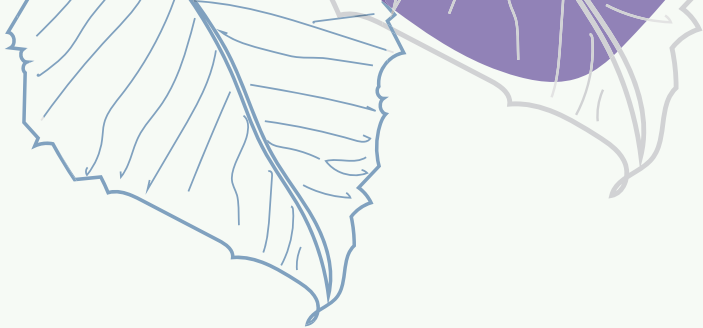
2017/18
annual report





contents

From the CEO	4
Our City	6
Our Values	11
Our Vision	12
Financial Summary and Expenditure	14
Our Performance Highlights	16
Our People	23
Local Government	24
Governance	34
Freedom of Information	38
Financial Report	43
Eastern Waste Management Authority	97
Highbury Landfill Authority	149
ERA Water	153
Eastern Health Authority	189
Brown Hill and Keswick Creeks Stormwater Board	229



from the CEO

It is a pleasure to present the 2017/18 City of Burnside Annual Report.

The Council and its Administration have continued to make an important 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.

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, explains some of the challenges we faced and provides a preview of future projects and initiatives. It measures our success against the objectives set out in the Annual Business Plan and Budget 2017/18 and includes the City of Burnside's audited Financial Statements for 2017/18.

Council has maintained balance in the delivery of its key performance outcomes over the last year. Positive community and staff satisfaction ratings attest that a focus on quality service delivery and a commitment to our workforce continues.

We actioned 23,000 work orders, repaired 2,800 defects in footpaths and roads, collected 18,400 tonnes of waste (of which 10,400 tonnes were recycled), maintained more than 3,000 trees, grew 12,000 native plants in our nursery, fielded 34,281 calls from our community to the customer service desk, registered 5,382 dogs, welcomed 111,863 attendances at the George Bolton Swimming Centre Burnside, assisted our patrons to check out 492,059 library items, and maintained our focus on partnering with and supporting the community through the provision of equitable and accessible grants,

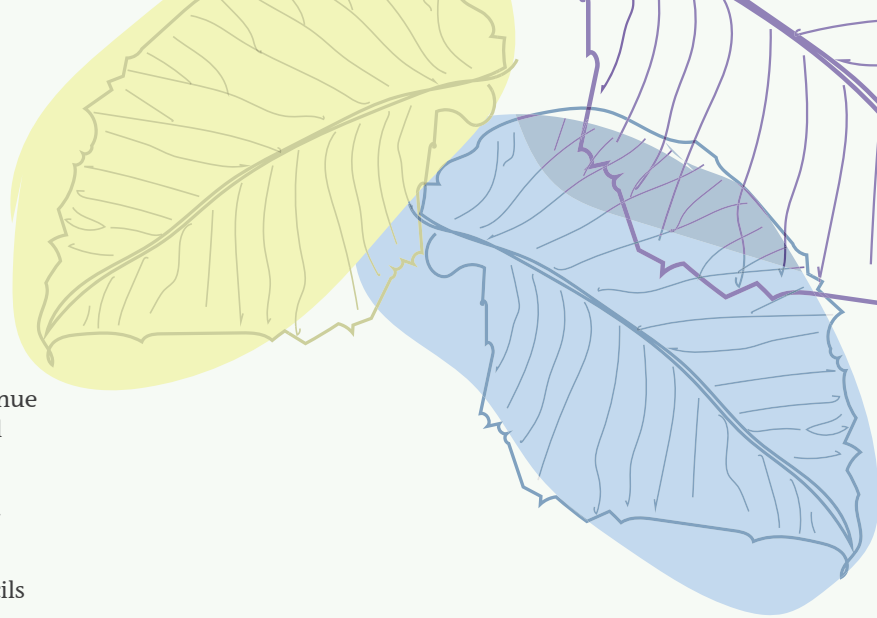
supported by a revised Community Grants Program. This is only a small sample of our undertakings. Importantly these figures don't simply represent activities in isolation; they reflect a commitment to connecting residents with transport, open spaces, community spaces and each other.

We continued momentum and focus on key projects including the Magill Village Master Plan, Constable Hyde Memorial Garden, Conyngham Street Depot Master Plan and Kensington Gardens Reserve. I encourage you to peruse the performance highlights section of this report as it is encouraging to note the levels of solid achievement, accomplishment, excellence and performance.

We have been challenged, as with all local government services, to increase the return on community investment, by focusing on increased value, service review and elimination of waste. Our workforce and their leaders have diligently identified opportunities for improvement, and translated them into practice, resulting in a solid financial result for the year. Council achieved its savings target of \$560,000 and was able to deliver a general rate increase of only 2.3 per cent.

As part of managing Council business, expenditure on legal services was necessitated and this largely focused on two specific matters; the On the Run development appeal and management of Chamber matters.

With a greater focus on partnerships, diversification of services and engagement, a new Connected Communities Strategy was adopted which sets the City of Burnside's high-level priorities for the next four years in the delivery of "A resilient, happy, healthy and connected community". The Strategy is concise and forward thinking, developed to bring about a desired future for our Community.



To expand our portfolio of community services, revenue streams and community venues Council took control of the Regal Theatre site. This venue plays a social inclusion role for the community across all ages and is a unique recreational and cultural offering for our residents and ratepayers.

In early 2017, the State Government, five local councils and the Stormwater Management Authority (SMA) reached a historic agreement on a \$140 million infrastructure project to safeguard against flooding in the Brown Hill and Keswick Creek (BHKC) catchment. The flood mitigation works detailed in the Brown Hill and Keswick Creek Stormwater Management Plan will reduce the number of properties affected by a 1-in-100 year flood event by nearly 98 per cent. The infrastructure project will deliver about 73 full-time jobs during construction. In November 2017 Council endorsed the draft BHKC Regional Subsidiary Charter to be submitted to the then Minister for Local Government. Formal approval and gazettal occurred in February 2018. Since that time Council and the Administration have been actively engaged in establishing the independent and skills based 'Board' for the duration of the project and contributing to the nominations committee and its processes.

The project is an instructive example of metropolitan councils cooperating and problem solving. It is not always easy, but endeavour and goodwill has produced a workable plan.

We took advantages to collaborate across government where possible, including identifying opportunities for grant funding, reform and working with the state government on the implementation of planning and design legislation.

Of course, our people and their passion are the cornerstone of our ability to deliver exceptional services to our community. This includes our workforce, who go above and beyond every day, to deliver the standard of service that they would wish to receive, as well as our exceptional community of volunteers who are an integral part of our team.

The highest performing organisations have strong and positive engagement of their people. With this insight, we again undertook a major climate and cultural survey of our staff to canvas their views about our leadership, standards, norms, culture, communication and teamwork. A solid response rate indicated that many made their voice heard which stimulated important conversations across all of our teams, and resulted in action plans to retain the positive aspects of our culture, while addressing areas for improvement.

This Annual Report reflects that although the Council and Administration faced some difficulties and a challenging political climate the expectations of the community were met, were not compromised and we delivered overall on our promises and plans.

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 dedication in providing a wide range of services while endeavouring to ensure that they are both relevant to the community, nimble and delivered in a cost efficient and effective manner.

We continue to achieve as an organisation, be recognised for our excellence and service delivery and be an organisation that operates well in an era of increased scrutiny, reform, public expectation and fluidity.

You should all be very proud of the contribution you made to the City of Burnside in 2017/18.

Paul Deb

Chief Executive Officer





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 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.

Population and dwelling change in the City has been relatively stable over the past 20 years, reflecting the established nature of residential settlement and lack of strategic redevelopment sites. The SA Government's Glenside redevelopment will impact this status quo in the coming years and represents a new opportunity for residents to join the City of Burnside.

The Estimated Resident Population of the City of Burnside as of 30 June 2017 (obtained from Australian Bureau of Statistics) is 45,690.



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



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



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



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.



72 gained citizenship in 2017/18.

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.

our city

Throughout 2017/18, the City of Burnside invested \$9m in renewing existing assets. This included 15 km of road resurfacing, 7 km of kerb and 17 km of footpath replacements. Investment was also made to renew a number of assets in our open space areas, including 4 playgrounds, 5 barbecues, 5 benches, 3 bus stop shelters, 4 drinking fountains, 3 picnic tables, 3 sports shelters, and 7 tennis courts.

Legend

- Open Space Infrastructure renewal
- Road Resurfacing
- kerb renewal
- Footpath Renewal









our values

Caring & supportive

Innovative & creative

Transparent & honest

Enjoyment & 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 People and Experience

451 Development Applications lodged through eLodgement Service

34,281 Calls to Call Centre



Operations and Environment

More than **\$570 million** of assets

23,000 work orders actioned

2,800 defects repaired in footpaths and roads

272 instances of graffiti removed

12,750 km of streets swept

18,400 tonnes of waste collected and **10,400 tonnes** recycled

more than **3,000** trees maintained

130 hectares of parks and reserves maintained

876 new street trees planted

57,552 trees watered

18,000 instances of verge maintenance

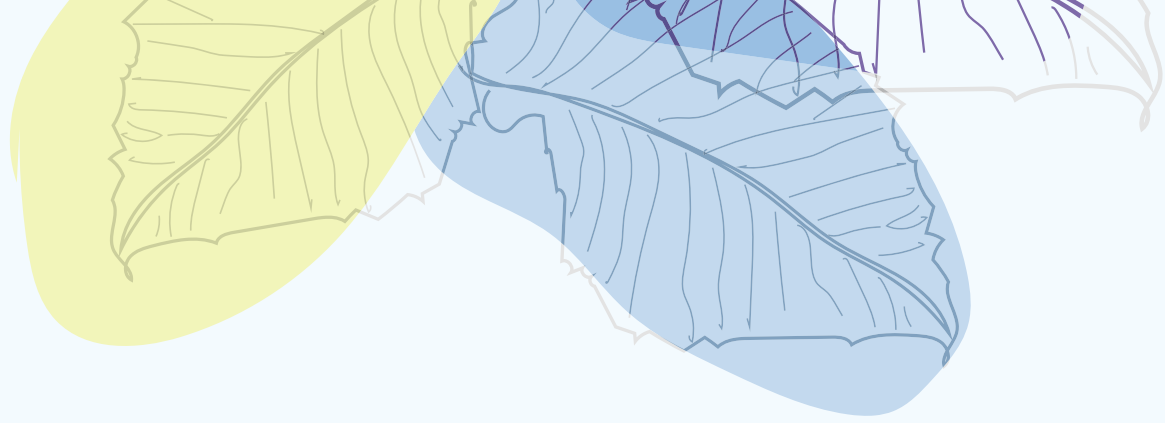
More than **4,700** customer requests received

113 after hours call outs

12,000 native plants grown in our nursery

13,886 signs maintained





Finance and Strategy

4,600 users signed up to Electronic Rates Notices

15 per cent reduction in rates debtors

65 tenders and \$7.8m of contracts issued



City Development and Safety

5,382 dogs registered

55 dogs impounded and 53 returned to their owner

1,207 development applications received

708 applications granted full Development Approval



Community Connections

111,863 attendances at George Bolton Swimming Centre Burnside

6,200 people attended over 200 School Holiday Program and the Kids' Club activities.

94 per cent of calls answered within our service standard (90 % of calls answered within 3 rings)

Over 100 groups meet in our Community Centre weekly, fortnightly or monthly including:

more than 400 volunteers contributed 27,000 hours across Council

35 Health and Wellbeing groups (fitness, dance, singing)

volunteers contributed 4,741 hours and made over 14,887 passenger trips

17 Language and education groups

approximately 1,690 older residents have received assistance to remain in their home

17 Art, Craft or games groups

240,000 attendances at our Community Centres (eg Glenunga Hub, Burnside and Dulwich Community Centres or Ballroom)

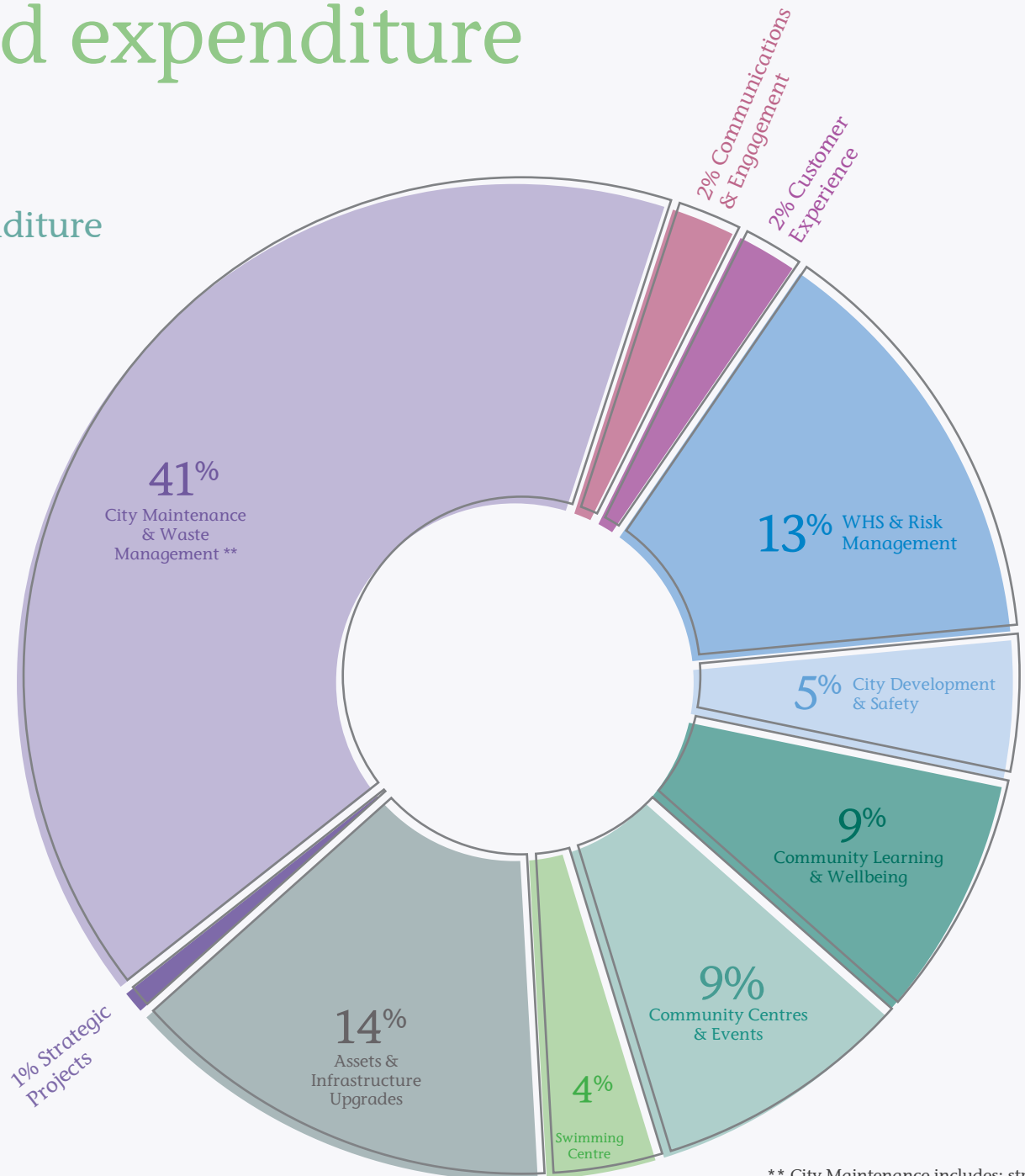
726 applications to hire our Community Centre

280,664 Library visitors through the door

492,059 Library items checked out

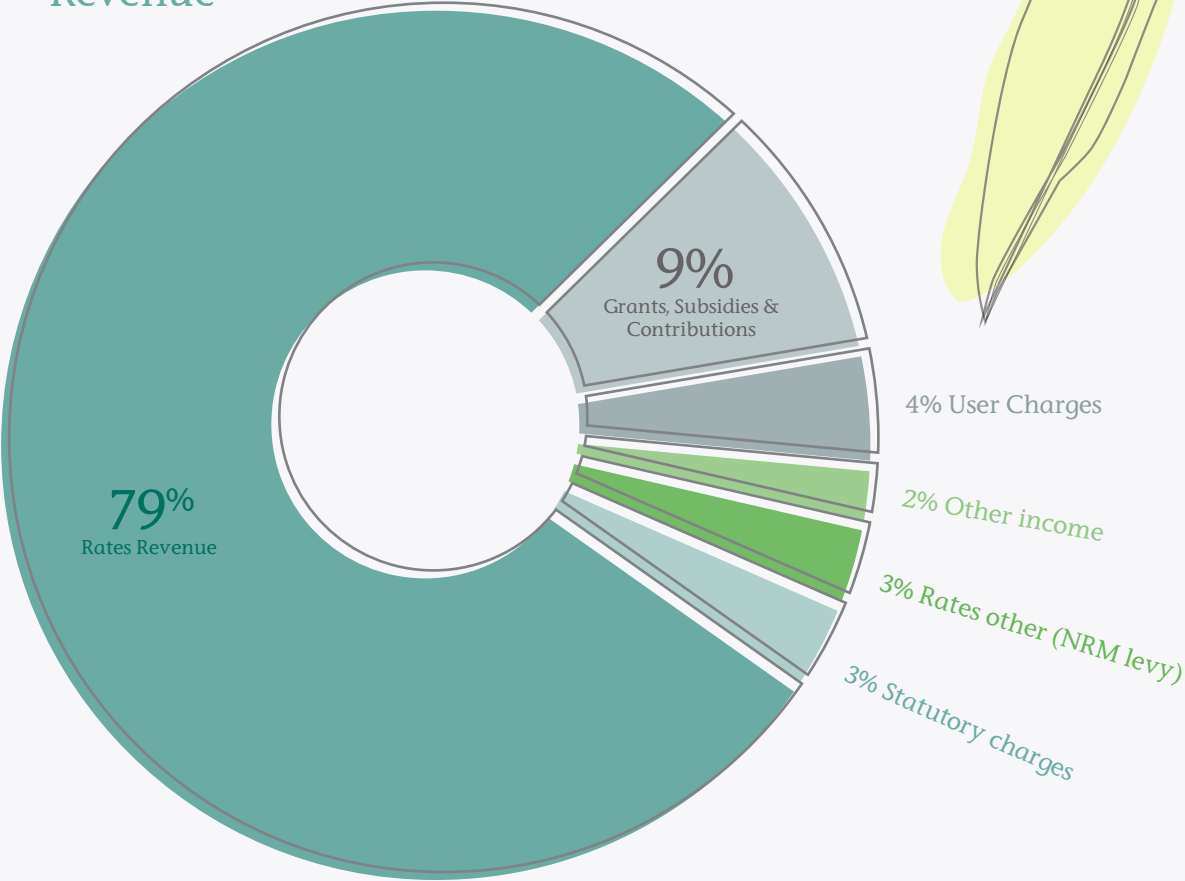
financial summary and expenditure

Expenditure

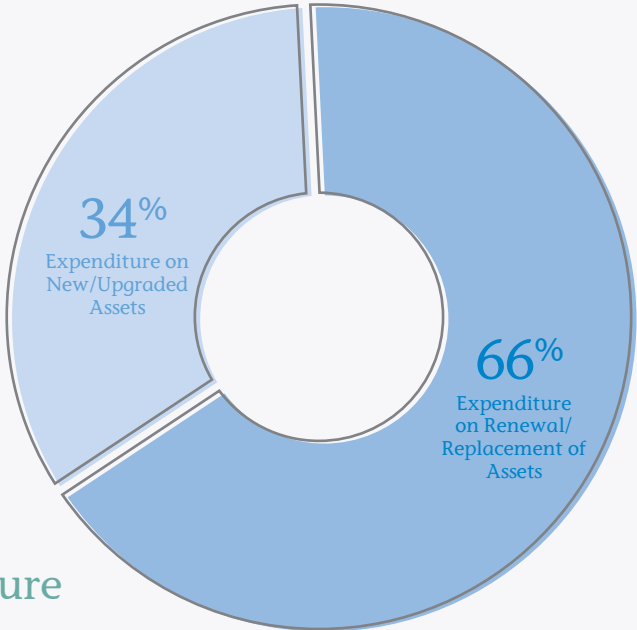


** City Maintenance includes: street sweeping, hard waste collection, planting of trees and maintenance of assets, infrastructure, parks and reserves.

Revenue



Capital Expenditure





our performance highlights

Financial Sustainability

Council was able to deliver against the adopted Annual Business Plan and Budget for 2017/18 with a focus on the provision of effective and efficient services to the community, while maintaining financial sustainability and keeping rate increases low. Council achieved its savings target of \$560,000 and was able to deliver a general rate increase of only 2.3 per cent. Acknowledging there is always room for continuous improvement Council continued its commitment to identifying and pursuing suitable savings strategies and initiatives which included advancing work on service level reviews relating to the Biodiversity Conservation Nursery, Street Verge Maintenance Service and Street Cleansing Program. The Administration also sourced and presented potential new revenue streams to Council which included parking permit changes and interim management of the Regal Theatre site. Electronic Rates Notices were introduced to minimise printing costs and reduce paper usage and 92.5 per cent of capital projects were delivered on time and within the adopted budget.

Council regularly measured its performance against the Annual Business Plan and Budget through monthly reporting to Council, conducting quarterly budget reviews and an annual community survey. In 2017 the first strategic annual community survey was undertaken identifying that the key service area considered most important to the community was 'Build Burnside'.

China's Revised Waste Import Policy has the potential to add millions of dollars to recycling costs for councils in SA and the LGA is strongly advocating for support from the State Government to help address this issue. From a South Australian perspective, SA currently achieves one of the highest recycling rates in Australia with diversion rates in the order of 81.5 per cent. This is achieved through a wide range of initiatives however the National Sword now poses a significant threat to key fundamental operations such as the kerbside three bin recycling scheme along with recycling activities in the paper/cardboard and plastics space provided by commercial operators. The impact of the China Sword National Program on the Australian recycling industry has been devastating and has seen the majority of markets associated with the kerbside recycling commodities significantly contract.

This will no doubt add significant cost pressure for the City of Burnside but provision has been made in the 2018/19 Budget. In summary, for 2017/18, the operating surplus was negatively impacted due to the recycling waste ban by \$136,649.

The Administration successfully implemented a revised Executive and Leadership Structure following an extensive, open and collaborative consultation process with staff and other stakeholders. While allowing for a leaner and more streamlined model and removing duplication of services, the new organisational structure has improved synergies across teams, driven efficiencies and built a solid one-team culture. Importantly while redirecting staff to ensure the best possible outputs for our community the new structure also supported a new Executive Group Manager model. 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. It will play a key role in developing the leaders of tomorrow who will drive services and play a key part in workforce strategies.



People and Culture

Council implemented an electronic Performance Development Review (PDR) process to increase efficiency, usability and reporting capability. This new and enhanced process allows staff to align yearly objectives to Council's strategic plan and CEO KPIs as well as capturing training needs in a proactive manner and exploring career development opportunities. The system is user-friendly and allows for seamless live reporting. The PDR system is connected to a sophisticated reporting system that pulls an automated Training Needs Analysis (TNA) directly from the data captured from each staff member. This TNA allows the People Experience team to clearly identify training requirements across Council and develop an annual Learning and Development Plan catered for the specific needs of the organisation.

An employee climate survey was conducted across the entire organisation in May 2018 with a solid response rate from individuals. This allows Council employees to have their say and be heard on how the City of Burnside has developed its culture and its place in the organisation from the previous surveys undertaken in 2015. The results were favourable overall and indicated a marked improvement from the 2015 survey, particularly across the development of a constructive culture. Organisational actions have been developed as a result of the survey and workshops held with teams with sub-action plans produced; outlining department specific actions derived from the departmental survey results.

Enterprise Bargaining negotiations were conducted across 2017/18 for the two agreements covering Council staff. These extensive, detailed and inclusive processes resulted in successful and budgeted agreements being reached for all parties, resulting in fairness and equity to our teams, value for ratepayers and appropriate incentives to strive for excellence in Council service delivery.

The City of Burnside was nominated for six awards in 2017/18 with a notable shortlist at the Local Government Professionals Leadership Excellence Awards.





our performance highlights

Governance

Council approved live audio and video streaming of all council meetings from May 2018. Such streaming will encourage better understanding of the Council decision-making process and supported Council's commitment to being accessible, transparent and accountable. The public are encouraged to access this service and familiarise themselves with the mechanics of Council decision-making. In 2018/19 the Administration will look to expand this service to other official committee meetings.

A robust governance framework was authored to ensure compliance with legislative obligations. The document was prepared to demonstrate that Elected Members, employees and the community at large have an understanding of governance and how all people associated with Council can participate in good governance practice. It will prove to be a useful tool for both new staff and Elected Member induction processes.

Council continued its commitment to the Brown Hill Keswick Creek (BHKC) Project; a collaboration between the Cities of Burnside, Mitcham, Unley, West Torrens and the Corporation of the City of Adelaide to develop a Stormwater Management Plan for the Brown Hill and Keswick Creek catchment. The aim is to reduce the impacts of flooding caused by very large storms in the area. In November 2017 Council endorsed the draft BHKC Regional Subsidiary Charter to be submitted to the then Minister for Local Government. Formal approval and gazettal occurred in February 2018. Since that time Council and the Administration have been actively engaged in establishing the independent and skills based 'Board' for the duration of the project and contributing to the nominations committee and its processes.

Council continued to have an important role in coordinating and overseeing City of Burnside responses to the implementation of the *Planning Development and Infrastructure Act 2016*. This included formalisation of the Council Assessment Panel in late 2017 with a revised Terms of Reference and Membership. A submission was also prepared by the Administration in relation to the Community Engagement Charter 2017 Consultation Draft and submitted to the State Planning Commission. A key component of the new system is the state-wide Planning and Design Code (The Code); aimed at consolidating the planning provisions and policies of South Australia's 72 Development Plans into one 'rule book'. The Department of Planning, Transport and Infrastructure is involved in the issuing of a series of Discussion Papers for consultation on the new Code. Following the release of the Discussion Paper titled 'South Australia's Planning and Design Code - How Will It Work?' the Administration prepared a detailed submission to comment and clarify on areas including community engagement, green canopy, infrastructure capacity and consideration of provisions relating to strengthening Council's powers to issue expiations under the legislation. This demonstrates the commitment to take advantage of opportunities to collaborate and partner with the State Government.





Business Excellence

The City of Burnside undertook a large scale digital transformation project which converted archaic paper based processes into streamlined electronic work order processes using tablets. The digital transformation project provides outstanding data for evidence based decision-making, key performance indicator information, improved asset management, time and cost tracking, and most importantly transparency on the status of jobs and requests lodged by the community. A customer centric online portal has been created as well that is powered by the new work order system that allows for customers to see a map of all works requests and track the status of requests from anywhere, any time and on any device. The portal is live online at action.burnside.sa.gov.au.

Council embarked on a Tree Canopy Action Plan which focuses on three key areas: protection of existing vegetation, public education on the value of trees and planning to set and achieve canopy targets. Following its endorsement the Administration was proud to launch Urban Forest Interactive online. This unique state-of-the-art website maps over 40,000 trees and communicates the host of benefits of urban trees by utilising data collected on Council's public street and park trees; allowing members of the public to access Council tree data online any time and on any device, in an engaging and interactive way. The tool is the first of its kind in South Australia and one of only a few of its kind in the world. The site will play a critical part in Council's educational efforts in informing the community and removing disconnect between people's understanding of the environment and trees and is a key component of the Canopy Action Plan. Partnerships with schools and universities are also on the horizon. Work also continued to improve the health of our urban waterways, biodiversity and safety of our Hills Face reserves, with the removal of foreign trees such as olives and Aleppo pines.

Two professionally managed bee hives were installed at Chapel Street Community Garden managed by the Adelaide Bee Sanctuary. The site has proved beneficial through hosting school children, educating them about the importance of bees in our ecosystem and removing people's fears. The bees' presence contributes to environmental sustainability and will further extend the educational value of the Garden for primary schools in the area and visiting community groups.

The Hazelwood Park Conservation Management Action Plan was adopted by Council in October 2017. The Action Plan presents an approach and schedule of works to deliver the priority actions needed at the site. Since then a new suite of signage has been created and installed throughout Hazelwood Park. These signs have been designed to fit with the natural landscape and use long-life and low-maintenance materials; being an interpretive tool containing information about the history, flora and fauna at this iconic Burnside site.

The first half of 2018 saw Council have interim management and control of the Regal Theatre site, presenting challenges but also opportunities to further expand and activate Council's portfolio of offerings to the community. The Administration initiated a strong marketing campaign and activation strategy for the cinema. This included an immediately reduced entry price point with the intent of maximising door traffic, increasing patronage and generating community awareness from a greater cross section of the community and target audiences. In addition, strategies were developed to capture the benefits stemming from the school holiday period and other annual events, eg Mother's Day. Improvements on historical sale figures and patronage were clearly visible. The Administration also redesigned the theatre's website to a brand new contemporary look and feel with positive feedback from users. A maintenance and upgrade schedule were prepared and priority matters addressed in an effort to restore the site to the conditions expected by patrons and the community.



our performance highlights

Council endorsed the Project Plan and Communications Management Plan for the Magill Village Master Plan Project in July 2017, allowing for the development of a procurement strategy, concept design and prudential report. Through an open market tender process, the contract to undertake the design for the Magill Village streetscape renewal and urban landscape work was secured by JPE Design Studio, an architecture, interior design, landscape architecture and urban design practice, based in Adelaide. In line with the Project Plan, the design team led by JPE Design Studios worked in consultation with the Project Steering Group, relevant departments from the City of Burnside and Campbelltown City Council, and project partners such as the Department of Planning Transport and Infrastructure (DPTI), to develop a draft Magill Road concept design. The design team also conducted an electronic survey and interviews with Magill Road traders and property owners to gather input into the concept design, as well as possible mechanisms to mitigate any impact on businesses during any future construction phases. Following presentation of the draft concept design to key stakeholders the documentation has been submitted to DPTI for review. It is expected that community consultation on the concept design will occur in December 2018.

In addition the City of Burnside has partnered with the City of Norwood Payneham and St Peters to promote businesses on Magill Road as one united precinct. This will see up to 60 businesses benefit from economic development and business support activities within the City of Burnside.

In August 2017 Council undertook an engagement process to determine the community aspirations and vision for the Constable Hyde Memorial Garden. Based on this feedback Council developed two draft concepts for the Garden and a second community engagement process was undertaken in November 2017 to seek feedback on these concepts that could form part of a master plan. The community supported a concept plan that retains the grassed open space area, includes a playground with natural elements, a linked walking path, seating and two new picnic tables; a redeveloped plaza area with small avenues of trees, a small grassed space and a memorial sculpture with inscriptions in sections of paving to commemorate Constable William Hyde. A concept plan was endorsed by Council in February 2018. A detailed design was subsequently developed with construction expected to commence in September 2018, following an open tender process. In addition projects are underway for artwork in the garden which will encourage play and exploration among children and generate community awareness of this valuable open space.

A Streetscape Guide was adopted by the Council to clarify what the community can expect to see in streets throughout the City, contributing to a consistent brand, cost efficiencies and improved maintenance. This Guide has helped to eliminate ad hoc approaches to redeveloping and maintaining the City's streets by establishing an agreed suite of materials and furniture. The document plays a significant part in retaining identity of heritage character and leafy green spaces. From late 2017 the Guide has been successfully used by the Administration to simplify and streamline processes for renewing streetscape elements. With its ongoing utilisation expected to result in longer term savings in maintenance, time and costs. Community sentiment indicates it has been well received.



Council adopted a new Connected Communities Strategy (Strategy) in early 2018. The Strategy sets the City of Burnside's high-level priorities for the next four years in the delivery of "A resilient, happy, healthy and connected community". The Strategy is concise and forward thinking, developed to bring about a desired future for our Community. It identifies three Key Strategic Focus Areas: Activation, Connections and Partnerships in addition to highlighting a set of priorities per Focus Area. It is envisaged that this document will aid Council's efforts to plan and partner when possible, for future service provision, as well as being able to consider opportunities as they arise in a strategic, regional and holistic manner.

The Conyngham Street Depot Master Plan was adopted by Council in May 2018 with work to commence in the 2018/19 financial year. The detailed design presented an opportunity to redevelop an underutilised asset while achieving significant potential community benefits. A vibrant 'hub-like' setting is envisioned to integrate a variety of educational and intergenerational opportunities and social inclusion programs. The new facility will feature a Men's Shed, Biodiversity Conservation Nursery, Community Garden and a reconfigured Council Depot. The results of the consultation were strongly in favour of the proposed Master Plan. This is considered a proactive response in light of impending changes in Aged Care support funding and provides long-term security for the widely valued Men's Shed Program.

Council endorsed the Kensington Gardens Reserve Master Plan and approved the development of a detailed design for the south-east corner of Kensington Gardens Reserve. The design incorporates a wetland solution to the pollution, public safety and amenity issues associated with Beckes Lake and provides opportunities for nature play and enhanced public amenity.

A Kensington Gardens Reserve Master Plan Program (with prioritised elements of the Master Plan identified), will be developed to inform future budgets and Council's Long-Term Financial Plan.

Strategic Initiatives for 2018/19

Providing and maintaining high quality services and programs for our community.

- Continued commitment to the Brown Hill Keswick Creek Project; a collaboration between the Cities of Burnside, Mitcham, Unley, West Torrens and the Corporation of the City of Adelaide to develop a Stormwater Management Plan for the Brown Hill and Keswick Creek catchment.
- Skate Park Research project to investigate possible locations for a skate park in the City of Burnside.
- Up to \$1.5m to undertake construction at the Conyngham Street Depot and for Civic Centre upgrades.
- \$400,000 committed to new footpath construction and \$600,000 for new drainage.
- Implementation of the Canopy Action Plan to address tree loss through community education and participation in Urban Forest Management.
- Early remedial works, monitoring and surveys will be undertaken to implement the recommendations of the Mount Osmond Road Stability Assessment report.
- An update and extension of the Hills Face Reserve Vegetation Management Plan to guide future biodiversity and bushfire fuel management actions.
- Design and implement upgrades to reserves, playgrounds, sports fields and tennis courts in line with the Asset Management Plan.
- Introduction of a Burnside Work for the Dole Conservation Project, subject to federal government approval, to provide extra resources and increased levels of activity to maintain environmental assets while assisting individuals to gain job ready skills.
- Continue work on the Efficiency and Effectiveness Program targeting internal process and business improvements across internal services.
- Pilot of a Place Making Grants project offering small grants to residents, schools and businesses to transform their local streets, laneways, parks and footpaths.





our people

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.

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 includes Elected Member support, Council and Committee Secretariat and Executive support.

The General Managers lead two divisions of Administration:

- Corporate and Development
- Urban and Community

Total salary packages in 2017/18 of the Chief Executive Officer and two General Managers including base salary, superannuation and the facility to salary sacrifice for a fully expensed car, ranged between \$200,000 and \$230,307 per annum. In addition, Executives are provided with a mobile phone and computer tablet for work use.



local government

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 representing the entire City. The current Council was elected in November 2014. Council elections are held every four years.

2017/18 Elected Council Members



Mayor, David Parkin

Beaumont Ward



Cr Anne Monceaux



Cr Mark Osterstock

Eastwood and Glenunga Ward



Cr Helga Lemon



Cr Di Wilkins



Kensington Park Ward



Cr Jane Davey



Cr Felicity Lord OAM

Burnside Ward



Cr Graham Bills



Cr Lance Bagster

Kensington Gardens and Magill Ward



Cr Grant Piggott



Cr Henry Davis

Rose Park and Toorak Gardens Ward



Cr Peter Cornish



Cr Peter Ford

Council Meetings

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.

Elected Members Council Meeting Attendance

A total of 21 meetings were held in 2017/18 of which one was a Special Council Meeting.

Mayor Parkin	21
Councillor Bagster	4
Councillor Bills	16
Councillor Cornish	21
Councillor Davey	19
Councillor Davis	20
Councillor Ford	18
Councillor Lemon	21
Councillor Lord	15
Councillor Monceaux	17
Councillor Osterstock	18
Councillor Piggott	20
Councillor Wilkins	20

Leave of absence was granted to Cr Monceaux (3 meetings), Cr Bills (2 meetings) and Cr Ford (1 meeting).

local government

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 bimonthly in the Council Chamber. The Audit Committee is comprised of two Elected Members of Council and three Independent members.

The CEO Recruitment, Performance Appraisal and Remuneration Review Committee meets as needed in the Executive Boardroom. 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 Strategic Planning and Development Policy Committee (SPDPC) is a required Committee of Council established under Section 101A of the *Development Act, 1993*. Under the Terms of Reference the Committee consists of all Elected Members and the Mayor. The Mayor is the Presiding Member of this Committee. The SPDPC meets as required in the Council Chambers.

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.

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 and in the Library from 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'.





local government

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 28 July 2014 and is revised every year in November.

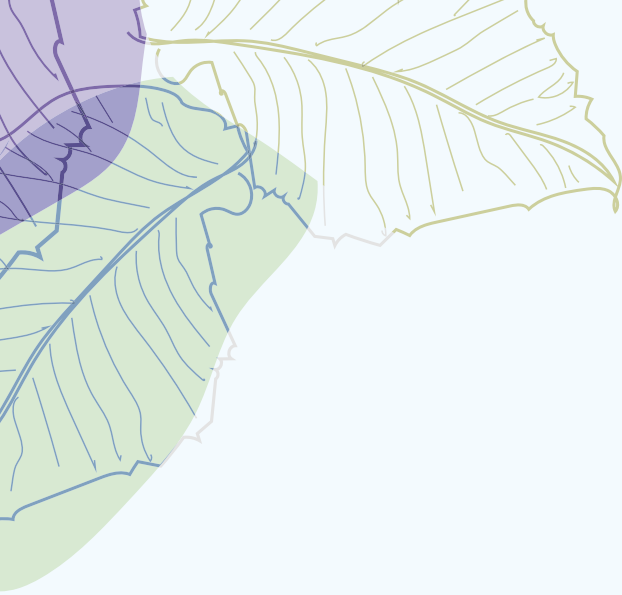
In addition, Elected Members have access to a computer and photocopier within the Civic Centre and have a tablet; the Mayor is provided with a mobile phone and tablet. Council maintains a register of allowances which details the amounts and benefits paid to Elected Members.

Elected Members can claim for reimbursement of further costs in accordance with Council's Elected Members' Allowances and Benefits Policy.

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

The Audit Committees and the Council Assessment Panel require representation from Independent Members who receive an allowance for chairing the committee or a sitting fee.

	Audit	CAP	Council	Total
Elected Members (current)				
Mayor David Parkin			\$66,304	\$66,304
Cr Henry Davis			\$16,576	\$16,576
Cr Felicity Lord			\$16,576	\$16,576
Cr Lance Bagster			\$16,576	\$16,576
Cr Graham Bills			\$16,576	\$16,576
Cr Anne Monceaux			\$16,576	\$16,576
Cr Jane Davey			\$16,576	\$16,576
Cr Helga Lemon			\$16,576	\$16,576
Cr Peter Ford			\$16,576	\$16,576
Cr Di Wilkins		\$1,800	\$16,576	\$18,376
Cr Peter Cornish		\$600	\$16,576	\$17,176
Cr Mark Osterstock		\$400	\$16,576	\$16,976
Cr Grant Piggott		\$200	\$16,576	\$16,776
	Audit	CAP	Council	Total
Independent Members				
Bill Chandler		\$6,450		\$6,450
Ross Bateup		\$4,250		\$4,250
Don Donaldson		\$1,050		\$1,050
Graeme Brown		\$3,900		\$3,900
Patrick Trainor		\$800		\$800
Kate Shierlaw		\$800		\$800
Roberto Bria	\$2,820			\$2,820
Sean Tu	\$2,820			\$2,820
David Powell	\$4,130			\$4,130
Total	\$9,770	\$20,250	\$265,216	\$295,236



Audit Committee

The Audit Committee held seven meetings in the 2017/18 financial year with member attendance included in the table below:

	21.8.17	4.9.17	16.10.17	20.11.17	19.2.18	9.4.18	18.6.18
David Powell, Presiding Member	✓	✓	✓	✓	✓	✓	✓
Sean Tu	✓	✓	✓	✓	✓	✓	✓
Roberto Bria	✓	✓	✓	✓	✓	✓	✓
Mayor David Parkin	✓	✓	✓	✓	✓	✓	✓
Cr Henry Davis	✓	✓	✓	✓		✓	

Development Assessment Panel (DAP)

The Development Assessment Panel held three meetings in the 2017/18 financial year with member attendance included in the table below:

	Jul 17	Aug 17	Sep 17
Bill Chandler	✓	✓	✓
Don Donaldson	✓	✓	✓
Ross Bateup	✓	✓	✓
Graeme Brown	✓	✓	
Peter Cornish	✓	✓	✓
Di Wilkins	✓		✓
Mark Osterstock		✓	✓

Council Assessment Panel (CAP)

In late September 2017 the DAP was changed to the Council Development Panel (CAP) and membership went from seven to five.

The Council Assessment Panel held eight meetings in the 2017/18 financial year with member attendance included in the table below:

	Oct 17	Nov 17	Dec 17	Feb 18	Mar 18	Apr 18	May 18	Jun 18
Bill Chandler	✓	✓	✓	✓	✓	✓	✓	✓
Ross Bateup	✓	✓	✓	✓	✓	✓	✓	✓
Graeme Brown	✓	✓	✓	✓	✓	✓	✓	✓
Patrick Trainor	✓	✓						
Di Wilkins	✓		✓	✓	✓	✓	✓	✓
Kate Shierlaw							✓	✓
Grant Piggott (Proxy)		✓						

During 2017/18 the Council Assessment Panel required consideration of two items in a confidential forum excluding the public (under Section 56A (12) of the *Development Act, 1993*). These discussions took place in December 2017 and February 2018.

CEO Recruitment, Performance Appraisal and Remuneration Review Committee

Eight meetings were held during 2017/18. Two were adjourned and reconvened. Mayor David Parkin and Cr Helga Lemon attended all meetings. Cr Piggott replaced Cr Davis in 2018.

	3.7.17	17.7.17	24.7.17	14.8 & 28.8.17	27.11.17	5.3.18	19.3 & 16.4.18	28.5.18
Mayor Parkin	✓	✓	✓	✓	✓	✓	✓	✓
Cr Helga Lemon	✓	✓	✓	✓	✓	✓	✓	✓
Cr Grant Piggott						✓	✓	✓
Cr Henry Davis	✓	✓	✓	✓				
Cr Peter Cornish	✓	✓	✓	✓	✓	✓	✓	✓

local government

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

Mayor Parkin represented at NGA by Cr Davis in June 2018

Eastern Region Alliance Representative

Cr Anne Monceaux

Eastern Health Authority
1 July 2017 – 30 June 2018

Burnside Retirement Services
1 July 2017 – 30 June 2018

Cr Mark Osterstock

Burnside War Memorial Hospital
1 July 2017 – 30 June 2018

Burnside Retirement Services
1 July 2017 – 30 June 2018

Cr Di Wilkins

Burnside Retirement Services
1 July 2017 – 30 June 2018

Cr Henry Davis

Burnside War Memorial Hospital
1 July 2017 – 30 June 2018

Cr Grant Piggott

Eastern Waste Management Authority
1 July 2017 – 30 June 2018

Cr Jane Davey

Burnside War Memorial Hospital
1 July 2017 – 30 June 2018

Cr Peter Cornish

Eastern Health Authority
1 July 2017 – 30 June 2018

Chief Executive Officer

Highbury Landfill Authority (HLA) and HLA Audit Committee

Eastern Region Alliance Representative

Brown Hill Keswick Creek Stormwater Project Steering Group Representative

Team Leader Ranger Services
1 July 2017 – 30 June 2018

Adelaide Mt Lofty Ranges Bushfire Management Committee

General Manager, Corporate and Development
1 July 2017 – 30 June 2018

Eastside Business Enterprise Centre (EBEC)

ERA Water

Mr Geoff Vogt – Independent Member for the City of Burnside
1 July 2017 – 30 June 2018

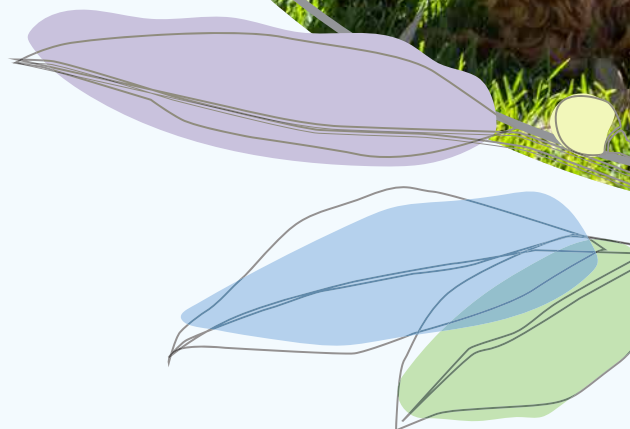
Training and Development

The City of Burnside is committed to providing training and development for Elected Members. Training helps ensure Council has accountability and transparency.

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 2017/18, Elected Members were invited to 16 workshops.

Date	Name of Training/Workshop
11.07.2017	Streetscape Guide
11.07.2017	Footpath Policy Review
25.07.17	Informal Gatherings Workshop and Presentation – Facilitated by Norman Waterhouse
08.08.2017	Nursery Service Review– presentation by Skopion Business Solutions
22.08.2017	Council Assessment Panel Gender Balance
22.08.2017	Kensington Gardens Reserve Master Plan
26.09.2017	City of Burnside Bicycle Strategy
10.10.2017	Conflict of Interest Obligations
24.10.2017	NBN Rollout in the City of Burnside – Presentation by NBNC Co
02.02.2018	Dog and Cat Management – Presentation by Board Secretary of the Dog and Cat Management Board
13.03.2018	Budget Workshop 1 (note this was an on line workshop)
27.03.2018	Budget Workshop 2
17.04.2018	Burnside Village Development Update – presentation by an external group provided confidentially.
08.05.2018	Dog and Cat Management Plan
12.06.2018	City of Burnside By-law Review – Facilitated by Norman Waterhouse
12.06.2018	Budget Workshop 3





local government

Voter Representation and Boundary Review

Council completed the Elector Representation Review process in 2012/13 and received certification from the State Electoral Commissioner. An Elector Representation Review is a legislative requirement which is undertaken periodically to determine whether “the community would benefit from an alteration to its composition or ward structure” in order to “receive adequate and fair representation”.

Several alternatives were considered by Council and were put to the community for comment. The review identified that a change was needed in the Ward boundary between the Eastwood and Glenunga Ward and the Beaumont Ward to provide for the projected increase in population due to development of the Glenside Hospital site. There will be no change to the boundaries of the other four Wards. Council will continue to have a Mayor (elected at large) and two Councillors per Ward. The change to the Ward boundary took effect at the Council election in November 2014.

The council next intends to conduct a Representation Review (‘the Review’) once the Minister publishes a notice in the South Australian Government Gazette (‘the Notice’). The Minister will specify in the Notice the relevant period during which the Review must be completed. When this next occurs, the council will inform the public of the preparation of a representation options paper and will invite interested persons to make written submissions to the council on the subject of the review within a period specified by the council (being a period of at least six weeks).



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.

In line with Council's Procurement Thresholds Matrix, when Council is purchasing goods, works or services where the estimated level of expenditure is between \$2,000 and \$100,000, formal quotations are obtained and where the estimated level of expenditure exceeds \$100,000 Council will call for formal tenders (either Select or Open). In circumstances where Council enters into purchasing contracts other than those resulting from a tender or quotation process, Council will record the reasons for entering into those contracts and retain the records as appropriate.

Significant Business Activity

There was no significant business activity recorded for the 2017/18 financial year.

Reporting

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 2017/18 no complaints were received regarding Competitive Neutrality.



governance



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 2017/18, 30 instances occurred where a Committee or Council were satisfied it was necessary to exclude the public and consider items in confidence.

Meeting	Subject	Section 90(3) Provision	91(7) Order Scope
11.07.2017 Council	Report in Relation to Resolution C11228 – Council Responsibility to Ensure a Safe Workplace	(a); (e); (g); (i)	Report, Attachments and Minutes
11.07.2017 Council	Regal Theatre Lease – Deemed Assignment	(d)	Report, Attachments and Minutes
24.07.2017 Council	S270 Internal Review Questions on Notice	(g)	Question on Notice and Answer
25.07.2017 Council	City of Prospect Application to become a Constituent Council of East Waste	(d)	Attachments
25.07.2017 Council	ERA Water Board Meeting Agenda of 14 July 2017 and Agenda and Minutes of 29 May 2017	(d)	Attachments – ERA Water Board Meeting Agenda 14/07/2017 and Agenda and Minutes of ERA Water Board Meeting of 29/05/2017
25.07.2017 Council	Request for Advice and Support from the Mutual Liability Scheme	(h); (i)	Report, Minutes and Attachments
25.07.2017 Council	Council Member Code of Conduct Complaint (COCC-17-3)	(a)	Report, Attachment B, Written Submissions and Minutes

Meeting	Subject	Section 90(3) Provision	91 (7) Order Scope
08.08.2017 Council	Request for Advice and Support from the Mutual Liability Scheme	(h); (i)	Report and Attachments
22.08.2017 Council	DPTI – Partial Civic Centre Land Acquisition	(b); (i)	Report, Attachments and Minutes
28.08.2017 CEO Recruitment, Performance Appraisal & Remuneration Review Committee	CEO Performance Review and Remuneration Review 2016/2017	(a)	Report and Documents
12.09.2017 Council	Recorded telephone conversation between Cr Davis and Cr Bagster	(a); (e)	Recording
19.09.2017 Council	CEO Performance Appraisal Report 2016/2017 and CEO Remuneration Advice	(a)	Report and Attachments
26.09.2017 Council	ERA Water Board Meeting Agenda and Minutes of 1 September 2017	(d)	Confidential Attachment – ERA Water Agenda and Minutes of 1/09/2017
24.10.2017 Council	Council Member Code of Conduct Complaint (COCC-17-2)	(a)	Report 18.1, Attachment C, Written Submissions, Minutes and Audio Recording
28.11.2017 Council	Confidential Resolutions Annual Summary Report	(a); (b); (c); (d); (e); (g); (h); (i); (j); (k)	Attachment A and Audio Recording
12.12.2017 Council	Lane West of Matilda Street, Eastwood – Encroachments	(h); (i)	Report, Attachments and Audio Recording
12.12.2017 Council	DPTI – Partial Civic Centre Land Acquisition	(b); (i)	Report, Attachment, Minutes and Audio Recording
30.01.2018 Council	ERA Water Board Agenda and Minutes of meeting 29 November 2017 (Operational) (18.2)	(d)	Attachment – Confidential Agenda and Minutes of the meeting held 29 November 2017 and Audio Recording
30.01.2018 Council	Local Government Association Mutual Liability Scheme Referral (Operational) (18.3)	(g)	Report, Attachments and Audio Recording
30.01.2018 Council	Motion on Notice Local Government Association Mutual Liability Scheme Referral (Operational) – Refer 11.3 Councillor Peter Ford (18.4)	(g)	Motion on Notice, Minutes And Audio Recording

governance

Meeting	Subject	Section 90(3) Provision	91 (7) Order Scope
30.01.2018 Council	Draft Burnside Community and Civic Hub Master Plan Business Case (Strategic) (18.1)	(b)	Report, Attachments and Audio Recording
20.02.2018 Council	ERA Water Board Agenda of Meeting 2 February 2018 (Confidential) (18.2)	(d)	Confidential Agenda and Minutes Of The ERA Water Board – 2 February 2018
20.02.2018 Council	Republic Theatres Classic Pty Ltd – Lease Matters (Operational) (18.1)	(a); (d)	Report, Attachments, Audio Recording and Minutes
24.04.2018 Council	Optus – Lease Matters (Operational) (18.1)	(d)	Report, Attachments, Audio Recording and Minutes
08.05.2018 Council	East Waste Reports and Minutes of Board Meeting 22 February 2018 (Confidential Version) (Operational) (18.1)	(a); (d)	Documents and Audio Recording
08.05.2018 Council	East Waste Reports and Minutes of Special Board Meeting 22 March 2018 (Confidential Version) (Operational) (18.2)	(d)	Attachment – Confidential East Waste Special Board Meeting Reports and Minutes Of 22 March 2018 and Audio Recording
08.05.2018 Council	East Waste Reports of Board Meeting 26 April 2018 (Confidential Version) (Operational) (18.3)	(d)	Attachment – Confidential East Waste Board Meeting Reports – 26 April 2018 and Audio Recording
28.05.2018 CEO Recruitment, Performance Appraisal & Remuneration Review Committee	Chief Executive Officer Remuneration Review 2017	(a)	Report, Attachments and Minutes
12.06.2018 Council	Chief Executive Officer Remuneration – 2017 Review Report (Operational) (18.1)	(a)	Report, Audio Recording and Attachments
12.06.2018 Council	Eastern Region Alliance Water – Letter of Offer (Strategic) (18.2)	(d)	Report, Attachments, Minutes and Audio Recordings



During 2017/18, 34 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 2018 stands at 107, 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. The form and the list of charges can also be downloaded from the Council's website at www.burnside.sa.gov.au or from the State Records website at www.archives.sa.gov.au.

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 2017/18 Council processed 23 Freedom of Information requests and provided its annual return to State Records.

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 were 10 applications for internal reviews during the year. Three applications were denied as Section 270 reviews as there were alternative statutory processes available to review or challenge a decision under legislation, two review requests related to decisions of the Mutual Liability Scheme and one to a development matter.

Removal of tree (non-regulated)

This concerned a request by a resident for the Council to undertake an internal review of the decision to reject his request to remove a tree (non-regulated) as the external arborist had previously confirmed that the risk level for this tree is acceptable.

This review was conducted by Kelledy Jones Lawyers who undertook the internal review on behalf of the council and upheld council's decision not to grant permission to remove the tree.

Decision to retain matter in confidence

This concerned a request by a former staff member requesting the Council to undertake an internal review of the decision to retain documents contained in Confidential Topic 59.9 in confidence in perpetuity.

The Chief Executive Officer was the officer responsible for the internal review and upheld council's decision to retain the document in confidence until its expiry date of 11 October 2021.

Decision to implement a Wombat Crossing Dulwich Avenue, Dulwich

This concerned a request by Ron Green, on behalf of Dulwich Avenue Residents for the Council to undertake an internal review of the Council decision to implement a wombat crossing on Dulwich Avenue, Dulwich.

This review was conducted by Minter Ellison who undertook the internal review on behalf of the council and the council noted the findings of the report and confirmed its decision in relation to the installation of a 'wombat' crossing on Dulwich Avenue, Dulwich (C11474, 13/3/18).

Change of Street Numbering – Mulberry Road, Glenside

This concerned a request by the South Australian Film Corporation (SAFC) for the Council to undertake an internal review of the decision to change the street numbering from 1 Mulberry Road to 5 Mulberry Road without prior consultation and due regard to the financial and operational implications for the SAFC and the various tenants that occupy the same building.

This review was conducted by Kelledy Jones Lawyers and recommended that the decision regarding the change of street numbering be reconsidered. Following consultation with SAFC and Cedar Woods, an appropriate alternative street numbering solution was negotiated. Following this review, a new Street Numbering Policy was endorsed by the Council.

Decision to paint a yellow line on the carriageway at the northern end of Thornton Street, Dulwich.

This concerned a request by a resident for the Council to undertake an internal review of the decision to paint a yellow line on the carriageway at the northern end of Thornton Street, Dulwich, confirming a parking control relating to the use of an existing crossover adjacent the rear of 16 Swaine Avenue, Rose Park.

The General Manager Urban and Community was the officer responsible for the internal review and engaged Kelledy Jones Lawyers to conduct the review. At the end of the 2017/18 financial year, this review had not yet been completed.

Removal of three trees from the verge of 12 West Terrace, Beaumont

This concerned a request by a resident for the Council to undertake an internal review of the decision to remove three trees (Crepe Myrtle) from the verge of 12 West Terrace, Beaumont.

The General Manager Corporate and Development was the officer responsible for the internal review and engaged Kelledy Jones Lawyers to conduct the review who determined that the decision by council staff to remove the trees in question was not unreasonable, but the review identified deficiencies in council's procedures which ultimately lead to a decision being made which was contrary to the Act. Administration are amending procedures to ensure that this situation does not occur again.

Decision not to grant a single (non-transferable) parking permit

This concerned a request by a resident for the Council to undertake an internal review of the decision to not grant a single (non-transferable) parking permit with the assessment allegedly failing to consider the personal situation and limitations of the available off-street parking.

This review is being conducted by Mellor Olsson Lawyers and as at the end of the 2017/18 financial year had not been completed.





freedom of information

List of Mandatory Policies, Codes, Procedures and Registers

(Local Government Act 1999)

Policies

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

Codes

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

Local Government (Elections) Act 1999

- Caretaker Policy
- Register of Campaign Donations Returns

Procedures

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

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 4 August 2011 and these came into effect on 26 July 2011. Council's by-laws are:

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

These by-laws expire on 1 January 2019.

An additional Lodging Houses By-law was adopted by Council in April 2014 and came into effect on 1 September 2014. This by-law expires on 1 September 2021.

Local Nuisance and Litter Control Regulations 2017

The number of complaints of local nuisance or littering received by the council

120 Customer requests were received by the Rangers for rubbish dumping under the category 'Offender Known'.

131 complaints were received in relation to noise, dust, mud, odour and smoke.

The number and nature of:

9 offences under the Act were expiated

0 offences under the Act were prosecuted for rubbish dumping offences

0 nuisance abatement notices or litter abatement notices were issued

0 civil penalties were negotiated under section 34 of the Act

0 applications were submitted by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications

0 other functions performed by the council under the Act





financial report

City of Burnside

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

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 2018

	Page
Contents	
1. Council Certificate	2
2. Understanding Council's Financial Statements	3
3. Primary Financial Statements:	
- Statement of Comprehensive Income	4
- Statement of Financial Position	5
- Statement of Changes in Equity	6
- Statement of Cash Flows	7
4. Notes to the Financial Statements	8
5. Independent Auditor's Report - Financial Statements	46
6. Independent Auditor's Report - Internal Controls	48
7. Certificates of Audit Independence	
- Council Certificate of Audit Independence	50
- Audit Certificate of Audit Independence	51

City of Burnside

GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

CERTIFICATION OF FINANCIAL STATEMENTS

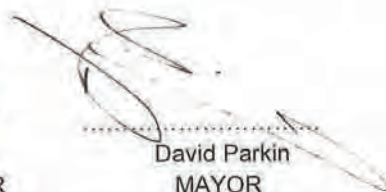
We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- The accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- The financial statements present a true and fair view of the Council's financial position as at 30 June 2018 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council's accounting and other records.

A blue ink signature of Paul Deb, consisting of stylized cursive letters.

Paul Deb
CHIEF EXECUTIVE OFFICER

A black ink signature of David Parkin, consisting of stylized cursive letters.

David Parkin
MAYOR

23 October 2018

page 2

City of Burnside

General Purpose Financial Statements for the year ended 30 June 2018

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true & fair view" of the Council's financial results for the year and ensuring both responsibility for and ownership of the Financial Statements across Council.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2018.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate 4 "primary" financial statements:

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income & expenses.

2. A Balance Sheet

A 30 June snapshot of Council's financial position including its assets & liabilities.

3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 4 Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

City of Burnside

Statement of Comprehensive Income for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Income			
Rates Revenues	2a	37,743	36,561
Statutory Charges	2b	1,322	1,163
User Charges	2c	1,939	1,718
Grants, Subsidies and Contributions	2g	4,141	4,472
Investment Income	2d	46	36
Reimbursements	2e	413	343
Other Income	2f	374	478
Net Gain - Equity Accounted Council Businesses	19	64	277
Total Income		46,042	45,048
Expenses			
Employee Costs	3a	15,277	15,636
Materials, Contracts & Other Expenses	3b	18,727	17,668
Depreciation, Amortisation & Impairment	3c	9,782	9,290
Finance Costs	3d	412	375
Net loss - Equity Accounted Council Businesses	19	214	160
Total Expenses		44,412	43,129
Operating Surplus / (Deficit)		1,630	1,919
Asset Disposal & Fair Value Adjustments	4	(598)	(188)
Amounts Received Specifically for New or Upgraded Assets	2g	173	146
Physical Resources Received Free of Charge	2h	78	550
Net Surplus / (Deficit) ¹		1,283	2,427
Other Comprehensive Income			
Changes in Revaluation Surplus - I,PP&E	9a	(98)	50,742
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	-	2,459
Movements in Other Reserves	9d	17	-
Total Other Comprehensive Income		(81)	53,201
Total Comprehensive Income		1,202	55,628

¹ Transferred to Statement of Changes in Equity

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

page 4

City of Burnside

Statement of Financial Position as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	1,771	1,398
Trade & Other Receivables	5b	1,764	1,198
Inventories	5c	21	23
Total Current Assets		3,556	2,619
Non-Current Assets			
Financial Assets	6a	161	201
Equity Accounted Investments in Council Businesses	6b	3,209	3,238
Infrastructure, Property, Plant & Equipment	7a	572,772	571,470
Other Non-Current Assets	6c	1,621	963
Total Non-Current Assets		577,763	575,872
TOTAL ASSETS		581,319	578,491
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	4,670	3,009
Borrowings	8b	252	290
Provisions	8c	2,263	2,039
Total Current Liabilities		7,185	5,338
Non-Current Liabilities			
Trade & Other Payables	8a	9	19
Borrowings	8b	11,495	11,420
Provisions	8c	174	418
Liability - Equity Accounted Council Businesses	8d	1,893	1,934
Total Non-Current Liabilities		13,571	13,791
TOTAL LIABILITIES		20,756	19,129
Net Assets		560,564	559,362
EQUITY			
Accumulated Surplus		224,253	222,106
Asset Revaluation Reserves	9a	336,294	336,827
Other Reserves	9b	17	429
Total Council Equity		560,564	559,362

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

page 5

City of Burnside

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

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018					
Balance at the end of previous reporting period		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
2017					
Balance at the end of previous reporting period		217,220	286,085	429	503,734
a. Net Surplus / (Deficit) for Year		2,427	-	-	2,427
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	50,742	-	50,742
- Share of OCI - Equity Accounted Council Businesses	19	2,459	-	-	2,459
Other Comprehensive Income		2,459	50,742	-	53,201
Total Comprehensive Income		4,886	50,742	-	55,628
Balance at the end of period		222,106	336,827	429	559,362

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

page 6

City of Burnside

Statement of Cash Flows for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Cash Flows from Operating Activities			
Receipts			
Rates Receipts		37,571	36,615
Statutory Charges		1,322	1,163
User Charges		2,115	1,874
Grants, Subsidies and Contributions (operating purpose)		4,141	4,472
Investment Receipts		46	36
Reimbursements		413	343
Other Receipts		2,982	3,456
Payments			
Payments to Employees		(15,313)	(15,656)
Payments for Materials, Contracts & Other Expenses		(20,884)	(22,366)
Finance Payments		(412)	(375)
Net Cash provided by (or used in) Operating Activities	11b	11,981	9,562
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		173	146
Sale of Replaced Assets		176	265
Sale of Surplus Assets		1,714	-
Repayments of Loans by Community Groups		52	51
Distributions Received from Equity Accounted Council Businesses		12	-
Payments			
Expenditure on Renewal/Replacement of Assets		(8,907)	(10,059)
Expenditure on New/Upgraded Assets		(4,685)	(1,899)
Loans Made to Community Groups		-	(17)
Capital Contributed to Equity Accounted Council Businesses		(180)	(145)
Net Cash provided by (or used in) Investing Activities		(11,645)	(11,658)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings		327	3,029
Payments			
Repayments of Borrowings		(289)	(118)
Net Cash provided by (or used in) Financing Activities		38	2,911
Net Increase (Decrease) in Cash Held		374	815
plus: Cash & Cash Equivalents at beginning of period	11	1,398	583
Cash & Cash Equivalents at end of period	11	1,771	1,398

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

page 7

City of Burnside

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

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	9
2	Income	14
3	Expenses	16
4	Asset Disposal & Fair Value Adjustments	18
	Current Assets	
5a	Cash & Cash Equivalents	18
5b	Trade & Other Receivables	19
5c	Inventories	19
	Non-Current Assets	
6a	Financial Assets	19
6b	Equity Accounted Investments in Council's Businesses	19
6c	Other Non-Current Assets	19
	Fixed Assets	
7a	Infrastructure, Property, Plant & Equipment	20
7b	Valuation of Infrastructure, Property, Plant & Equipment	21
	Liabilities	
8a	Trade & Other Payables	23
8b	Borrowings	23
8c	Provisions	24
8d	Liability Accounted Investments in Council Businesses	24
	Reserves	
9a	Asset Revaluation Reserve	25
9b	Other Reserves	25
10	Assets Subject to Restrictions	25
11	Reconciliation to Statement of Cashflows	26
12a	Functions	27
12b	Components of Functions	28
13	Financial Instruments	29
14	Commitments for Expenditure	32
15	Financial Indicators	33
16	Uniform Presentation of Finances	35
17	Operating Leases	36
18	Superannuation	37
19	Interests in Other Entities	38
20	Non Current Assets Held for Sale & Discontinued Operations	42
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	42
22	Events After the Balance Sheet Date	43
23	Related Party Transactions	44

City of Burnside

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

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 23 October 2018.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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. ERA 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.

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

City of Burnside

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

Note 1. Summary of Significant Accounting Policies (continued)

	Cash Payment Received	Annual Allocation	Difference
2015/16	\$644,187	\$1,371,270	- \$727,083
2016/17	\$2,062,896	\$1,371,270	+ \$701,445
2017/18	\$1,707,845	\$1,641,996	\$65,849

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

Inventories held in respect of stores have been valued 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.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant and equipment when "ready for use".

6.2 Materiality

Assets with an economic life in excess of one year are 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
Park & Playground Furniture & Equipment	\$2,000
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 2018

Note 1. Summary of Significant Accounting Policies (continued)

In the case of 'Contributed Assets', Council has treated them as a group instead of individual assets and capitalised all assets in the group if the total value exceeded the materiality threshold listed above.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis (3-5 years) such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than Land and Artwork assets, all other 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.

<i>Land Improvements</i>	20 to 30 years
<i>Buildings</i>	40 to 60 years
<i>Infrastructure</i>	
Sealed Roads – Surface	5 to 100 years
Sealed Roads – Pavement	100 to 125 years
Paving & Footpaths	10 to 70 years
Kerbs and Gutter	50 to 100 years
Stormwater Quality Devices	10 to 100 years
Stormwater Structures	80 to 100 years
<i>Plant & Equipment</i>	
Office Equipment	5 to 10 years
Library Equipment/Media	5 to 15 years
Major Plant	5 to 8 years
Other Plant & Equipment	2 to 50 years

<i>Furniture & Fittings</i>	10 to 20 years
<i>Artworks</i>	Indefinite

6.5 Impairment

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

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

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

6.6 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

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

City of Burnside

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

Note 1. Summary of Significant Accounting Policies (continued)

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, Employee Benefits.

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

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

9.2 Superannuation

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

10 Leases

Lease arrangements have been accounted for in accordance with 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.

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 19.

13 GST Implications

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

- Receivables and Creditors include GST receivable and payable.

City of Burnside

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

Note 1. Summary of Significant Accounting Policies (continued)

- 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

City of Burnside has not applied any new/amended Australian Accounting Standards and Interpretations that have been issued but were not operative for the entire 2017/18 year (AASB 9 – Financial Instruments).

City of Burnside has also not early-adopted any new/amended Accounting Standards that are not yet operative (AASB 15 - Revenue from Contracts with Customers, AASB 16 – Leases and 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.

16 Fringe Benefits Tax (FBT)

The treatment of FBT has also changed in the current and prior year from being a Provision to being an Accrued Expense. This is because an Accrued Expense is one that has been incurred but not yet paid whilst a Provision is one that relates to a future obligation where the specific amount or timing is unknown.

City of Burnside

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

Note 2. Income

\$ '000	Notes	2018	2017
(a). Rates Revenues			
General Rates			
General Rates		36,602	35,360
Less: Mandatory Rebates		(392)	(390)
Less: Discretionary Rebates, Remissions & Write Offs		(125)	4
Total General Rates		36,085	34,974
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,551	1,478
Total Other Rates		1,551	1,478
Other Charges			
Penalties for Late Payment		103	104
Rates Postponed - Interest		4	5
Total Other Charges		107	109
Total Rates Revenues		37,743	36,561
(b). Statutory Charges			
Development Act Fees		592	517
Town Planning Fees		38	39
Animal Registration Fees & Fines		214	200
Parking Fines / Expiation Fees		419	362
Other Licences, Fees & Fines		59	45
Total Statutory Charges		1,322	1,163
(c). User Charges			
Hall & Equipment Hire		313	309
Property Leases		148	156
Community Program User Charges		330	314
Green Organics Collection Charges		110	102
Library Fees, Fines & Other User Charges		18	19
Other Commercial Activities		355	257
Swimming Centre User Charges		529	435
Rates Searches		49	51
Other User Charges		87	75
Total User Charges		1,939	1,718

City of Burnside

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

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		25	20
- Banks & Other		21	16
Total Investment Income		46	36
(e). Reimbursements			
Private Works		104	87
Insurance Rebates		261	179
Workers Compensation Claims		15	62
Other Reimbursements		33	15
Total Reimbursements		413	343
(f). Other Income			
Rebates Received		281	236
Sale of Surplus Equipment		6	6
Other - Legal Settlement		-	80
Income from recyclable waste		87	156
Total Other Income		374	478
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		173	146
Total Amounts Received Specifically for New or Upgraded Assets		173	146
Other Grants, Subsidies and Contributions		4,075	3,771
Individually Significant Item - Additional Grants Commission Payment (refer below)		66	701
Total Other Grants, Subsidies and Contributions		4,141	4,472
Total Grants, Subsidies, Contributions		4,314	4,618
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		2,126	2,404
State Government		2,068	2,202
Other		120	12
Total		4,314	4,618
(ii) Individually Significant Items			
Grant Commission (FAG) Grant Recognised as Income		66	701

On 26 June 2018, Council received a payment of \$765k equivalent to the first and second instalment of the 2018/19 Grant Commission Financial Assistance and Local Roads Grants. However, \$701k of the 2017/18 grant was also paid in the prior year. As such the net 'additional' grant payment for 2017/18 is only \$66k.

City of Burnside

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

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(h). Physical Resources Received Free of Charge			
Infrastructure		78	550
Total Physical Resources Received Free of Charge		78	550

Note 3. Expenses

(a). Employee Costs			
Salaries and Wages		13,360	12,131
Employee Leave Expense		398	1,822
Superannuation - Defined Contribution Plan Contributions	18	1,050	1,009
Superannuation - Defined Benefit Plan Contributions	18	218	265
Workers' Compensation Insurance		661	803
Other		63	47
Less: Capitalised and Distributed Costs		(473)	(441)
Total Operating Employee Costs		15,277	15,636
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	31
Bad and Doubtful Debts		6	-
Elected Members' Expenses		265	258
Independent Sitting Fees		40	34
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		151	279
Subtotal - Prescribed Expenses		492	602

City of Burnside

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

Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
(b). Materials, Contracts and Other Expenses (continued)			
(ii) Other Materials, Contracts and Expenses			
Contractors		8,820	8,642
Other Contractual Services		1,774	1,542
Energy		1,125	1,049
Legal Expenses		1,012	449
Levies Paid to Government - NRM levy		1,544	1,467
Levies - Other		82	77
Parts, Accessories & Consumables		1,219	1,346
Professional Services		414	382
Sundry Materials, Contracts & Expenses		361	354
Water		629	493
Insurance Premiums		512	510
Contributions / Donations		71	78
Bank Fees & Charges		126	122
Advertising		81	74
Postage		143	116
Taxes		104	107
Training		166	198
Subscriptions		117	117
Less: Capitalised and Distributed Costs		(65)	(57)
Subtotal - Other Material, Contracts & Expenses		18,235	17,066
Total Materials, Contracts and Other Expenses		18,727	17,668
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		7	7
Buildings		984	940
Infrastructure			
- Stormwater Quality Devices		93	82
- Stormwater Structures		992	985
- Other Structures		642	551
- Recreation/Sport Structures		823	780
- Road Structures		4,531	4,152
- Traffic Control Devices		204	214
Plant & Equipment		1,462	1,441
Furniture & Fittings - Street/Reserve		-	98
Furniture & Fittings - Interior		44	40
Total Depreciation, Amortisation and Impairment		9,782	9,290

City of Burnside

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

Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
(d). Finance Costs			
Interest on Loans		412	375
Total Finance Costs		412	375

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		176	263
Less: Carrying Amount of Assets Sold		(1,218)	(451)
Gain (Loss) on Disposal		(1,042)	(188)
(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		(598)	(188)

The Assets Surplus to Requirements balance 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

\$ '000	Notes	2018	2017
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		335	266
Deposits at Call		1,436	1,132
Total Cash & Cash Equivalents		1,771	1,398

City of Burnside

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

Note 5. Current Assets (continued)

\$ '000	Notes	2018	2017
(b). Trade & Other Receivables			
Rates - General & Other		622	454
Accrued Revenues		59	55
Debtors - General		218	136
GST Recoupment		426	286
Prepayments		384	215
Loans to Community Organisations		55	52
Total Trade & Other Receivables		1,764	1,198
(c). Inventories			
Stores & Materials		21	23
Total Inventories		21	23

Note 6. Non-Current Assets

(a). Financial Assets			
Council Rates Postponement Scheme		79	64
Loans to Community Organisations		82	137
Total Financial Assets		161	201
(b). Equity Accounted Investments in Council Businesses			
Eastern Health Authority	19	116	81
East Waste	19	77	102
Brownhill Keswick Creek Stormwater Authority	19	29	-
ERA Water	19	2,987	3,055
Total Equity Accounted Investments in Council Businesses		3,209	3,238
(c). Other Non-Current Assets			
Capital Works-in-Progress - Land		-	6
Capital Works-in-Progress - Buildings		106	22
Capital Works-in-Progress - Infrastructure		1,403	615
Capital Works-in-Progress - Plant & Equipment		29	242
Other		83	78
Total Other Non-Current Assets		1,621	963

City of Burnside

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

Note 7a. Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2017				Asset Movements during the Reporting Period								as at 30/6/2018			
		At Fair Value	At Cost	Acc. Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Contributed Asset	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Acc. Dep'n	Carrying Value
						New / Upgrade	Renewals										
Land and Land Improvements	3	254,555	-	220	254,335	2,418	-	(1,270)	(7)	-	-	-	-	253,284	2,418	226	255,477
Buildings	2	33,009	5,169	20,024	18,154	148	460	-	(549)	-	-	-	33,009	5,777	20,573	18,213	
Buildings	3	72,770	940	34,918	38,792	-	52	-	(435)	-	-	-	72,348	992	34,931	38,409	
Infrastructure																	
- Stormwater Quality Devices	2	1,006	105	190	921	-	-	-	(20)	-	-	-	1,006	105	210	901	
- Stormwater Quality Devices	3	5,485	568	1,605	4,448	-	2	(26)	(73)	-	5	-	5,458	578	1,680	4,356	
- Stormwater Structures	3	95,288	818	38,610	57,496	524	71	(48)	(992)	-	19	-	95,211	1,438	39,579	57,070	
- Other Structures	2	4,687	154	2,687	2,154	25	122	(44)	(153)	757	-	-	5,744	402	3,285	2,861	
- Other Structures	3	21,906	1,373	10,056	13,223	176	276	(24)	(490)	936	-	-	21,868	3,122	10,893	14,097	
- Recreation/Sport Structures	2	12,671	1,695	4,730	9,636	57	135	(7)	(683)	294	-	-	13,198	1,887	5,653	9,432	
- Recreation/Sport Structures	3	2,081	242	1,320	1,003	69	23	(3)	(139)	-	-	-	2,060	334	1,441	953	
- Road Structures	3	273,353	5,953	120,842	158,464	307	5,576	(891)	(4,531)	-	33	-	271,120	11,836	123,998	158,958	
- Traffic Control Devices	2	8,492	156	5,944	2,704	58	355	-	(203)	-	-	-	8,492	569	6,147	2,914	
- Traffic Control Devices	3	314	21	225	110	131	81	-	(1)	-	21	-	314	254	226	342	
Plant & Equipment			18,407	11,175	7,232	772	1,658	(175)	(1,462)	-	-	-	-	20,272	12,247	8,025	
Furniture & Fittings - Street/Reserve	2	1,601	175	725	1,051	-	-	-	-	(1,051)	-	-	-	-	-	-	
Furniture & Fittings - Street/Reserve	3	1,265	31	360	936	-	-	-	-	(936)	-	-	-	-	-	-	
Furniture & Fittings - Interior			688	317	381	-	96	-	(44)	-	-	-	-	794	361	433	
Furniture & Fittings - Artwork	3	430	-	-	430	-	-	-	-	(430)	-	-	-	-	-	-	
Artwork										430	-	(98)		332	-	332	
Total Infrastructure, Property, Plant & Equipment		788,913	36,505	253,948	571,470	4,685	8,907	(2,488)	(9,782)	-	78	(98)	-	783,444	50,778	261,450	572,772
Comparatives		763,104	41,317	286,454	517,967	1,899	10,069	(451)	(9,290)	(15)	550	(17,434)	50,742	788,913	36,505	253,948	571,470

Reclassification of Furniture & Fitting Assets

Council has undertook reclassification exercise for Furniture & Fitting asset class in 2017/18 to ensure the appropriate subsequent measurement for assets under Revaluation Model.

As a result of this exercise Furniture & Fitting - Street/Reserve has been consolidated with Infrastructure - Recreation/Sport Structures and Infrastructure - Other Structures category, also Furniture & Fitting - Artwork has been reclassified as its own Asset Class.

The reclassification has resulted in a move of asset WDV between relevant asset classes and categories as shown in Adjustments & Transfers column in Note 7a (i)

City of Burnside

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

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

\$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

City of Burnside

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

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

\$ '000

Valuation of Assets (continued)

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.

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 assets 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: 30 June 2015.
- Valuer: Liquid Pacific Holdings Pty Ltd

Buildings

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2015.
- Valuer: Liquid Pacific Holdings Pty Ltd

Infrastructure

Roads, Kerb and Gutter, Footpaths

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2016.
- Valuer: Assetic Pty Ltd

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.

City of Burnside

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

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

\$ '000

Valuation of Assets (continued)

Infrastructure (continued)

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

Council undertook revaluation for Artwork Assets through Theodore Bruce Auctions Pty Ltd in 2017/18 financial year. The Fair Value approach has been adopted instead of the Insurance Valuation approach to comply with AASB 13, this has resulted in a loss on revaluation of \$98,275 as the Insurance Valuation considers asset replacement like for like, where Fair Value approach is to assess the market value of the asset between willing participants.

Note 8. Liabilities

\$ '000	Notes	2018		2017	
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		2,030	-	1,151	-
Payments Received in Advance		355	-	266	-
Accrued Expenses - Employee Entitlements		319	9	279	19
Accrued Expenses - Other		1,940	-	1,287	-
Accrued Fringe Benefits Tax		26	-	26	-
Total Trade and Other Payables		4,670	9	3,009	19
(b). Borrowings					
Cash Advance Debenture		-	7,036	-	6,709
Loans		252	4,459	290	4,711
Total Borrowings		252	11,495	290	11,420

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.

page 23

City of Burnside

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

Note 8. Liabilities (continued)

\$ '000	Notes	2018		2017	
		Current	Non Current	Current	Non Current
(c). Provisions					
Long Service Leave Provision*		1,168	174	973	418
Annual Leave Provision		1,017	-	987	-
Rostered Days Off Provision		32	-	34	-
Other		46	-	45	-
Total Provisions		2,263	174	2,039	418

In 2017/18, 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	2018		
	Long Service Leave Provision*	Annual Leave Provision	Rostered Days Off Provision
Opening Balance	1,391	987	34
Add Additional Amounts Recognised	131	942	243
(Less) Payments	(180)	(912)	(245)
Closing Balance	1,342	1,017	32

(d). Liability Accounted Investments in Council Businesses

Highbury Landfill Authority	19	1,893	1,934
Total Liability Accounted Investments in Council Businesses		1,893	1,934

City of Burnside

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

Note 9. Reserves

\$ '000	1/7/2017	Increments (Decrements)	Transfers*	Impairments	30/6/2018
(a). Asset Revaluation Reserve					
Land and Land Improvements	116,597	-	(403)	-	116,194
Buildings	32,900	-	-	-	32,900
Infrastructure	179,161	-	2,909	-	182,070
Plant & Equipment	4,798	-	-	-	4,798
Furniture & Fittings	3,371	-	(3,371)	-	-
Artwork	-	(98)	430	-	332
Total Asset Revaluation Reserve	336,827	(98)	(435)	-	336,294
Comparatives	286,085	50,742	-	-	336,827

*In 2017/18, Council has reclassified furniture and fittings assets into the Infrastructure and Artwork asset classes and as a result included the related Revaluation Surplus in the transfers column above. The net impact of these transfers is zero. The transfers column also includes an amount of \$435k which is the revaluation surplus related to the assets sold disclosed in Note 4.

\$ '000	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
(b). Other Reserves					
Open Space Contribution Reserve	429	17	(429)	-	17
Total Other Reserves	429	17	(429)	-	17
Comparatives	429	-	-	-	429

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.

Note 10. Assets Subject to Restrictions

Council does not hold any assets subject to restrictions

City of Burnside

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

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2018	2017
(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	1,771	1,398
Balances per Statement of Cash Flows		1,771	1,398
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		1,283	2,427
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		9,782	9,290
Equity Movements in Equity Accounted Investments (Increase)/Decrease		140	(117)
Non-Cash Asset Acquisitions		(78)	(550)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(173)	(146)
Net (Gain) Loss on Disposals		598	188
Other		38	-
		11,590	11,092
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(578)	159
Net (Increase)/Decrease in Inventories		2	1
Net (Increase)/Decrease in Other Current Assets		(664)	534
Net Increase/(Decrease) in Trade & Other Payables		1,651	(2,495)
Net Increase/(Decrease) in Unpaid Employee Benefits		-	(11)
Net Increase/(Decrease) in Other Provisions		(20)	282
Net Cash provided by (or used in) operations		11,981	9,562
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	78	550
Total Non-Cash Financing & Investing Activities		78	550
(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 2018

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017
\$ '000										
Business Undertakings	58	32	11	31	47	1	-	-	(720)	(23)
Community Services	2,357	2,267	4,735	4,297	(2,377)	(2,030)	1,496	1,476	-	-
Culture	301	272	1,798	2,126	(1,497)	(1,855)	130	125	-	-
Economic Development	-	-	22	22	(22)	(22)	-	-	-	-
Environment	273	283	6,556	7,656	(6,283)	(7,373)	42	3	-	-
Recreation	884	681	1,985	2,734	(1,101)	(2,053)	-	14	-	-
Regulatory Services	1,318	1,244	2,771	2,590	(1,453)	(1,346)	-	-	-	-
Transport & Communication	714	817	545	960	170	(144)	685	792	-	-
Plant Hire & Depot/Indirect	42	48	3,465	(109)	(3,423)	157	-	-	-	-
Unclassified Activities	-	-	-	(1)	-	1	-	-	-	-
Council Administration	40,031	39,124	22,311	22,439	17,527	16,684	1,789	2,062	582,040	578,514
Total Functions/Activities	45,978	44,768	44,198	42,746	1,587	2,022	4,141	4,472	581,319	578,491

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

City of Burnside

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

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Private Works and Water Supply – Domestic.

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, 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).

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.

page 28

City of Burnside

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

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 1.5% and 2.05% (2017: 1.5% and 2.05%). Short term deposits have an average maturity of 90 days and an average interest rate of 1.7% (2017: 90 days and 2.07%).

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).

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% (2017: 3.6% and 4.8%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

page 29

City of Burnside

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

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
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
2017					
Financial Assets					
Cash & Equivalents	1,398	-	-	1,398	1,398
Receivables	250	146	-	396	380
Total Financial Assets	1,648	146	-	1,794	1,778
Financial Liabilities					
Payables	3,009	-	-	3,009	3,009
Borrowings	513	8,439	4,674	13,626	11,710
Total Financial Liabilities	3,522	8,439	4,674	16,635	14,719

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

	30 June 2018		30 June 2017	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.56%	11,747	4.56%	11,710
		<u>11,747</u>		<u>11,710</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.

City of Burnside

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

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

City of Burnside

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

Note 14. Commitments for Expenditure

\$ '000	Notes	2018	2017
---------	-------	------	------

(a). Capital Commitments

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

Infrastructure*	8,713	303
	<u>8,713</u>	<u>303</u>

These expenditures are payable:

Not later than one year	4,713	193
Later than one year and not later than 5 years	4,000	110
Later than 5 years	-	-
	<u>8,713</u>	<u>303</u>

In 2017/18, Council has entered into multi-year contracts for its infrastructure projects in an attempt to achieve greater value for money and efficiencies. While These contracts are over multiple years, they are subject to conditions of availability of Council approved budgets.

(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	6,554	6,090
Employee Remuneration Contracts	7,520	7,431
Other Contracts	406	1,611
	<u>14,480</u>	<u>15,132</u>

These expenditures are payable:

Not later than one year	3,824	4,932
Later than one year and not later than 5 years	9,562	8,453
Later than 5 years	1,094	1,747
	<u>14,480</u>	<u>15,132</u>

City of Burnside

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

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2018	2018	2017	2016

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	1,630	3.5%	4.3%	3.1%
Total Operating Income	46,042			

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

1a. Adjusted Operating Surplus Ratio

	1,564	3.4%	2.7%	3.1%
	46,042			

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.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	15,167	32.9%	32.0%	32.8%
Total Operating Income	46,042			

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

3. Asset Sustainability Ratio

Net Asset Renewals	8,731	89.3%	105.4%	91.3%
Depreciation	9,782			

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.

City of Burnside

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

Note 15. 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>2016</td> <td>3%</td> </tr> <tr> <td>2017</td> <td>4%</td> </tr> <tr> <td>2018</td> <td>4%</td> </tr> </tbody> </table>	Year	Ratio %	2016	3%	2017	4%	2018	4%	<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 2017/18 Result</p> <p>2017/18 Ratio 3.5%</p> <p>Council budgeted for an Operating Surplus of 2.24% (\$1,012,000) in 2017/18. Council has a strong focus on financial discipline and a commitment toward savings. As a result, the target has been achieved.</p>
Year	Ratio %									
2016	3%									
2017	4%									
2018	4%									
<p>1a. Adjusted Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>3%</td> </tr> <tr> <td>2017</td> <td>3%</td> </tr> <tr> <td>2018</td> <td>3%</td> </tr> </tbody> </table>	Year	Ratio %	2016	3%	2017	3%	2018	3%	<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 2017/18 Result</p> <p>2017/18 Ratio 3.4%</p> <p>This indicator shows Council's Operating Surplus excluding the Advanced payment from the 2018/19 Financial Assistance Grant. The achievement of 3% is on target with Council budgeted Operating Surplus ratio of 2.24%.</p>
Year	Ratio %									
2016	3%									
2017	3%									
2018	3%									
<p>2. Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>33%</td> </tr> <tr> <td>2017</td> <td>32%</td> </tr> <tr> <td>2018</td> <td>33%</td> </tr> </tbody> </table>	Year	Ratio %	2016	33%	2017	32%	2018	33%	<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 2017/18 Result</p> <p>2017/18 Ratio 32.9%</p> <p>This ratio demonstrates that Council's liabilities (including debt) are within acceptable levels. The achieved target is below the 2017/18 Adopted Budget of 45%. This highlights a reduction in liabilities.</p>
Year	Ratio %									
2016	33%									
2017	32%									
2018	33%									
<p>3. Asset Sustainability Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>91%</td> </tr> <tr> <td>2017</td> <td>105%</td> </tr> <tr> <td>2018</td> <td>89%</td> </tr> </tbody> </table>	Year	Ratio %	2016	91%	2017	105%	2018	89%	<p>Purpose of Asset Sustainability Ratio</p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio 89.3%</p> <p>This ratio demonstrates Council's capital outlay on renewing/replacing assets. Council 2017/18 Adopted budget target was 110% and the actual is 89%. Council's rolling average for this ratio over the past three years is 95% which is in line with the LGA target. The LGA recommended target range is between 90-110%.</p>
Year	Ratio %									
2016	91%									
2017	105%									
2018	89%									

City of Burnside

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

Note 16. Uniform Presentation of Finances

\$ '000	2018	2017
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	46,042	45,048
<i>less</i> Expenses	<u>(44,412)</u>	<u>(43,129)</u>
Operating Surplus / (Deficit)	1,630	1,919
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(8,907)	(10,060)
<i>add back</i> Depreciation, Amortisation and Impairment	9,782	9,290
<i>add back</i> Proceeds from Sale of Replaced Assets	<u>176</u>	<u>265</u>
Subtotal	1,051	(505)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(4,685)	(1,899)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	<u>173</u>	<u>146</u>
Subtotal	(2,798)	(1,753)
Net Lending / (Borrowing) for Financial Year	(117)	(339)

City of Burnside

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

Note 17. Operating Leases

\$ '000	2018	2017
---------	------	------

Leases Providing Revenue to the Council

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

(i) Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

Not later than one year	221	303
Later than one year and not later than 5 years	607	877
Later than 5 years	1,692	1,700
	<u>2,520</u>	<u>2,880</u>

(ii) Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of computer 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 computer and 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	66	186
Later than one year and not later than 5 years	171	231
Later than 5 years	-	-
	<u>237</u>	<u>417</u>

City of Burnside

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

Note 18. Superannuation

\$ '000

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017/18; 9.50% in 2016/17). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2016/17) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

City of Burnside

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

Note 19. Interests in Other Entities

	Council's Share of Net Income		Council's Share of Net Assets	
	2018	2017	2018	2017
	\$ '000			
Associates - Gain	64	2,575	1,316	1,304
Associates - Loss	(214)	(3)	-	-
Total	(150)	2,572	1,316	1,304

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2018	2017
Eastern Waste Management Authority Inc.	Waste Management	77	102
Highbury Landfill Authority Inc.	Discontinued Landfill	(1,893)	(1,934)
ERA Water	Water supply and sale	2,987	3,055
Brownhill Keswick Creek Stormwater Authority	Stormwater Management	29	-
Eastern Health Authority Inc.	Health	116	81
Total Carrying Amounts - Joint Ventures & Associates		1,316	1,304

Eastern Waste Management Authority Inc.

The City of Burnside is one of six 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 and the Adelaide Hills Council.

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.

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.

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.

City of Burnside

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

Note 19. Interests in Other Entities (continued)

\$ '000

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2018	2017	2018	2017	2018	2017
	Eastern Waste Management Authority Inc.	17%	17%	17%	17%	17%
Highbury Landfill Authority Inc.	50%	50%	50%	50%	33%	33%
ERA Water	33%	33%	33%	33%	33%	33%
BHKC	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.	
	2018	2017	2018	2017
Opening Balance	102	25	(1,934)	(2,281)
Share in Operating Result	(55)	53	(97)	224
Share in Other Comprehensive Income	-	3	-	-
New Capital Contributions	30	23	139	122
Adjustments to Equity	-	(2)	(1)	1
Council's Equity Share in the Joint Venture or Associate	77	102	(1,893)	(1,934)

	ERA Water		Eastern Health Authority Inc.	
	2018	2017	2018	2017
Opening Balance	3,055	756	81	84
Share in Operating Result	(68)	(157)	35	(3)
Share in Other Comprehensive Income	-	2,456	-	-
Council's Equity Share in the Joint Venture or Associate	2,987	3,055	116	81

	BHKC	
	2018	2017
Opening Balance	-	-
Share in Operating Result	29	-
Council's Equity Share in the Joint Venture or Associate	29	-

City of Burnside

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

Note 19. 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.	
	2018	2017	2018	2017
Cash and Cash Equivalents	1,367	1,984	66	35
Other Current Assets	1,128	412	28	22
Non-Current Assets	6,165	6,046	212	237
Total Assets	8,660	8,442	306	294
Current Trade and Other Payables	822	826	17	38
Current Financial Liabilities	2,007	1,701	24	23
Current Provisions	530	491	283	281
Non-Current Financial Liabilities	4,774	4,741	209	233
Non-Current Provisions	63	72	3,560	3,588
Total Liabilities	8,196	7,831	4,093	4,163
Net Assets	464	611	(3,787)	(3,869)

Statement of Financial Position	ERA Water		Eastern Health Authority Inc.	
	2018	2017	2018	2017
Cash and Cash Equivalents	10	14	877	664
Other Current Assets	10	988	122	130
Non-Current Assets	20,783	17,873	342	388
Total Assets	20,803	18,875	1,341	1,182
Current Trade and Other Payables	171	691	197	138
Current Financial Liabilities	-	-	64	62
Current Provisions	3	-	325	306
Non-Current Financial Liabilities	11,668	9,018	251	315
Non-Current Provisions	-	-	39	35
Total Liabilities	11,842	9,709	876	856
Net Assets	8,961	9,166	465	326

Statement of Financial Position	BHKC	
	2018	2017
Cash and Cash Equivalents	-	-
Non-Current Assets	249	-
Total Assets	249	-
Current Trade and Other Payables	-	-
Current Financial Liabilities	6	-
Current Provisions	-	-
Total Liabilities	6	-
Net Assets	243	-

page 40

City of Burnside

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

Note 19. 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.	
	2018	2017	2018	2017
Other Income	428	448	23	481
Contributions from Constituent Councils	12,689	13,068	-	-
Interest Income	10	30	-	-
Total Income	13,127	13,546	23	481
Employee Costs	5,605	5,164	-	-
Materials, Contracts & Other Expenses	5,776	6,007	3	3
Depreciation, Amortisation and Impairment	1,767	1,724	25	24
Finance Costs	321	332	11	5
Total Expenses	13,469	13,227	39	32
Other Revenue / Expense Items	-	-	(179)	-
Operating Result	(342)	319	(195)	449
Statement of Comprehensive Income	ERA Water		Eastern Health Authority Inc.	
	2018	2017	2018	2017
Other Income	-	-	835	732
Contributions from Constituent Councils	-	-	1,681	1,641
Interest Income	2	36	13	12
Total Income	2	36	2,529	2,385
Employee Costs	43	-	1,581	1,623
Materials, Contracts & Other Expenses	164	506	747	700
Depreciation, Amortisation and Impairment	-	-	46	55
Finance Costs	-	-	16	19
Total Expenses	207	506	2,390	2,397
Operating Result	(205)	(470)	139	(12)
Statement of Comprehensive Income	BHKC			
	2018	2017		
Contributions from Constituent Councils	407	-		
Total Income	407	-		
Operating Expenses	164	-		
Total Expenses	164	-		
Operating Result	243	-		

page 41

City of Burnside

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

Note 19. Interests in Other Entities (continued)

\$ '000

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

Brown Hill Keswick Creek Stormwater Authority

The Stormwater Management Authority (SMA) exercised its power under Schedule 1A of the Local Government Act 1999 (the Act) to order the five catchment Councils (Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens) to be known as Constituent Councils; to develop a catchment based Stormwater Management Plan (SMP) for the Brown Hill Keswick Creek (BHKC) flood plain. An SMP was subsequently submitted to the SMA for review, comment and endorsement.

In February 2017, the South Australian Government (State Government) provided funding assistance to the project totalling 50 per cent of the project (estimated at \$70M) over a 20 year period. The SMP was endorsed and subsequently gazetted on 7 March 2017.

A condition as prescribed within the SMP 2016 and the State Government's funding offer was for the five Constituent Councils to form a Regional Subsidiary (a body corporate owned by the five Constituent Councils). The Minister approved the Subsidiary Charter, issued an approval notice and listed the Charter of the 'Board' within the Government Gazette on 27 February 2018. This is the date that the 'Board' came into existence, in accordance with the requirements of the Act. The Regional Subsidiary will be known as the Brown Hill Keswick Creek Stormwater Authority.

Based on the estimated costs and cost sharing arrangements approved under the Stormwater Management Plan (SMP 2012), the City of Burnside's share of the local government contribution is set at 12%, which equates to an indicative cost of between \$8 million and \$10 million.

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

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

Note 21. Contingencies & Assets/Liabilities Not Recognised in the 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 257 km of road reserves of average width 8.2 metres.

page 42

City of Burnside

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

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

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 2 appeals against planning decisions made prior to reporting date, out of which 1 matter has proceeded to the Supreme Court.

Should the matter be successful in the Supreme Court, Council could be liable to pay for legal damages.

All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 23 October 2018.

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

At its meeting on 28 August 2018, Council resolved to assign the responsibility for the management of the Regal Theatre to the City of Burnside Administration. The capital requirements for Regal Theatre will be considered by the Council as part of the 2018/19 Long-Term Financial Plan.

City of Burnside

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

Note 23. Related Party Transactions

\$ '000	2018	2017
---------	------	------

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 29 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Salaries, allowances and other short term benefits	1,825	1,832
Post-Employment Benefits	145	145
Long-Term Benefits	32	70
Termination Benefits	2	63
Total	<u>2,003</u>	<u>2,110</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	73	71
Total	<u>73</u>	<u>71</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 2017/18 year, Council paid EBEC \$24,240 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 2018

Note 23. 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 2017/18 financial year:

Subsidiary (\$'000)	Income from Related Party during 2017/18	Payment to Related Party during 2017/18	Outstanding Balance as at 30 June 2018
East Waste Management Inc.	87	2,231	Nil
Highbury Landfill Authority Inc.	Nil	139	Nil
Eastern Health Authority	Nil	425	Nil
Brownhill Keswick Creek		59	12

INDEPENDENT AUDITOR'S REPORT

To the members of the City of Burnside

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the City of Burnside (the Council), which comprises the Certification of Financial Statements on the annual statements giving a true and fair view of the financial position and performance, the Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended 30 June 2018 and the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report of the Council is in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011*, including:

- (i) giving a true and fair view of the Council's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended; and
- (ii) that the financial records kept by the Council are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described 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.

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with the 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 Chief Executive Officer'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 Chief Executive Officer 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 management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Chief Executive Officer of the Council is 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 management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 6th day of November 2018
at 214 Melbourne Street, North Adelaide

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

We have audited the Internal Controls of the City of Burnside (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 2017 to 30 June 2018 have been conducted properly and in accordance with law.

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.

Auditor's Responsibility

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. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assessed risks.

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 internal 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.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

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 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 2017 to 30 June 2018.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN
PARTNER**

Signed on the 6th day of November 2018
at 214 Melbourne Street, North Adelaide, South Australia, 5006

CITY OF BURNSIDE

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

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the City of Burnside for the year ended 30 June 2018, 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*.



Paul Deb

CHIEF EXECUTIVE OFFICER



David Powell

PRESIDING MEMBER

AUDIT COMMITTEE

Dated this 15th day of October 2018

page 50

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 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



SAMANTHA CRETEN

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated this 18th day of October 2018

6 November 2018

Mayor David Parkin
City of Burnside
PO Box 9
GLENSIDE SA 5065

Dear Mayor Parkin

RE: Completion of Balance Date Audit – Financial Year Ended 30 June 2018

We have recently completed our external audit of your Council for the financial year ended 30 June 2018.

We issued our 2018 Audit Completion Report to the Council on the 15 October 2018. This report contained key accounting and audit matters raised during the audit, a summary of misstatements and matters to be addressed in future financial years. We met with your Council's Audit Committee on 15 October 2018 where the matters raised in our Audit Completion Report were discussed.

Since our meeting with Council's Audit Committee we have issued an unqualified Auditor's Report on the annual Financial Statements and Council's Internal Controls per Section 129 of the *Local Government Act 1999* (the Act) for the financial year ended 30 June 2018.

I would like to thank the Council and the Administration for the assistance they provided to my audit staff during the course of our audit of the Council this financial year. If any additional information is required on any of the audit matters raised above, please feel free to contact me on the details provided below.

Yours sincerely
DEAN NEWBERY & PARTNERS

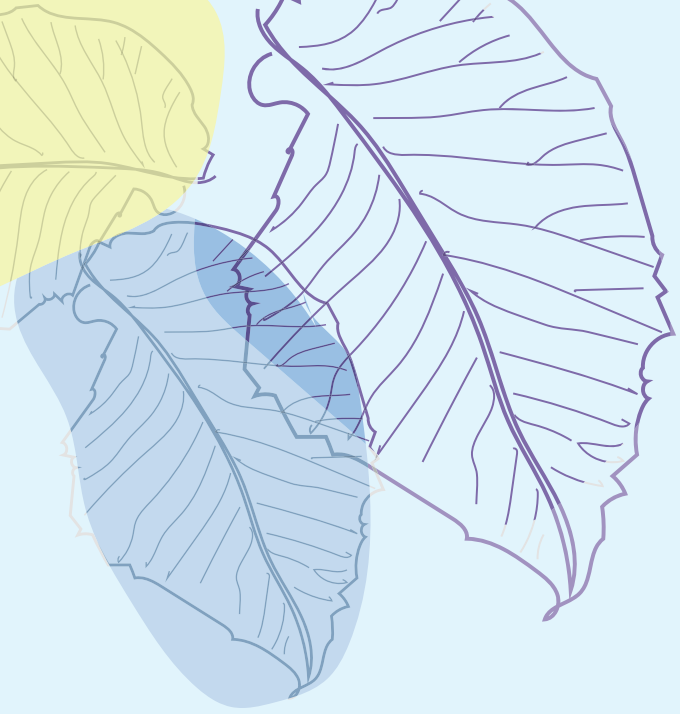


Samantha Creten
Partner

T: 8267 4777
E: sam@deannewbery.com.au

C. Council's Audit Committee
C. Council's Chief Executive Officer

Liability limited by a scheme approved under Professional Standard Legislation



ANNUAL REPORT

2017

2018

EastWaste



WELCOME

TO THE
CITY OF PROSPECT

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE CONTENTS

2017 2018

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

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

2017-2018
THE YEAR IN REVIEW

22,528 3,346

TONNES OF RECYCLING
DIVERTED FROM
LANDFILL

TONNES OF
HARD WASTE
COLLECTED



A TOTAL OF

104,564

KERBSIDE TONNES COLLECTED



4.5

TONNES OF E-WASTE
COLLECTED FROM
3 MEMBER COUNCILS

32,885

TONNES OF ORGANIC WASTE
DIVERTED FROM
LANDFILL

2017-2018
THE YEAR IN REVIEW

5,500

RESIDENTS RECEIVING
'SPOTLIGHT ON WASTE'
NOTIFICATIONS EACH WEEK

3,220

PEOPLE REACHED IN
FACE TO FACE EDUCATION
WORKSHOPS & DISPLAYS



OVER

220,000

BINS COLLECTED EVERY WEEK



ZERO

FEE INCREASE TO OUR
MEMBER COUNCILS FOR
EAST WASTE SERVICES

19,500

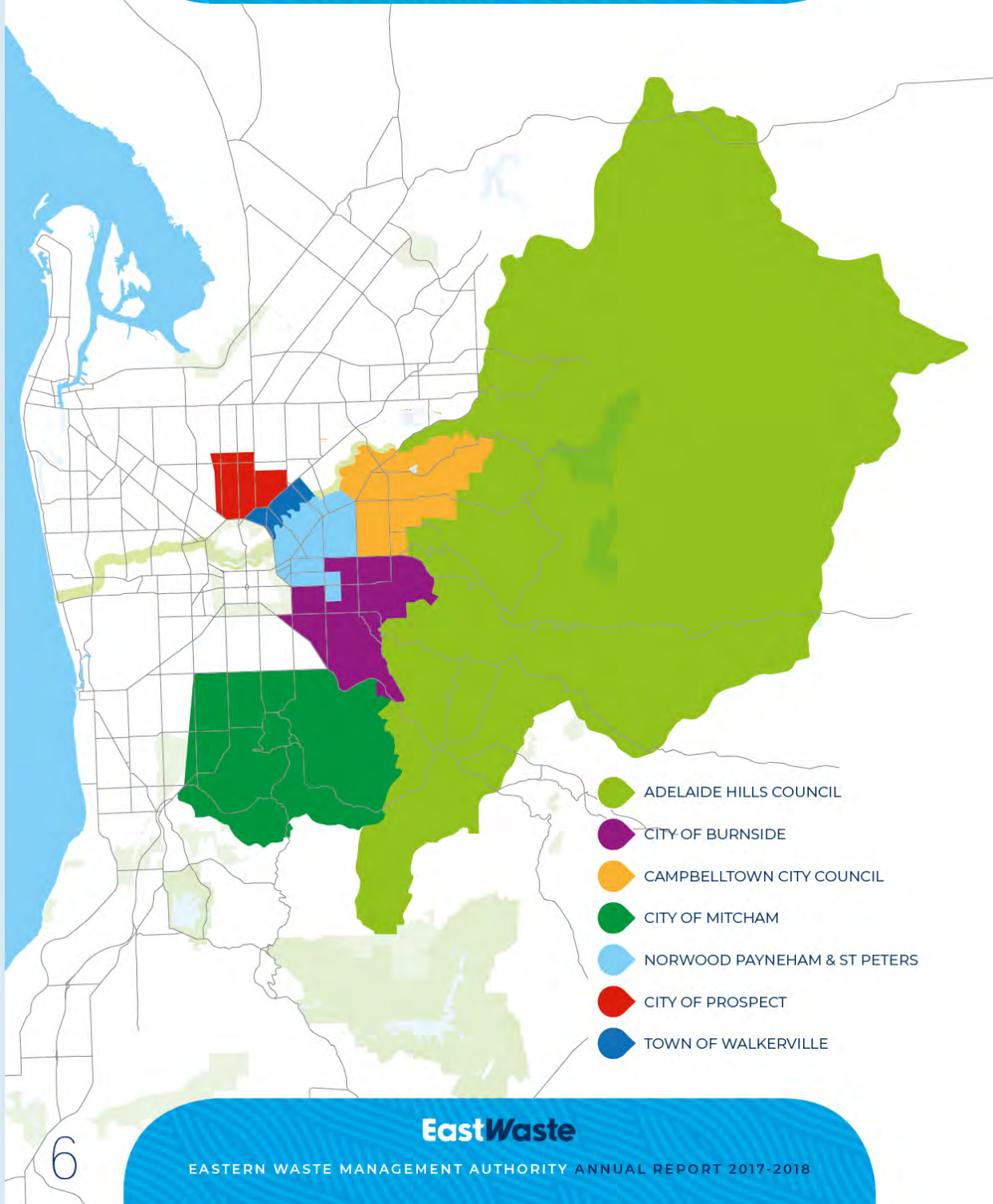
PEOPLE REACHED PER
MONTH VIA EAST WASTE
SOCIAL MEDIA PLATFORMS

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

5

EAST WASTE SERVICE AREA



EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

6

EAST WASTE CHAIRPERSON'S REPORT

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

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

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

City of Prospect

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

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

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



Mr Brian Cunningham
Independent Chairperson

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

Financial Performance

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

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

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

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

7

EAST WASTE CHAIRPERSON'S REPORT



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

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

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

China Sword

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

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

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

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

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

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

It is important that collectively we continue to

EAST WASTE CHAIRPERSON'S REPORT



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

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

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

the State Government, the recycling industry and relevant stakeholders.

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

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

Education Focus

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

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

9



105

BUS SHELTER POSTERS
OVER 5 CAMPAIGNS PROMOTING
RECYCLING & COMPOSTING

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE CHAIRPERSON'S REPORT

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

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

Thanks

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

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

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

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

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

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

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

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

Brian Cunningham
Chairperson

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

11



2,000

ACTIVE USERS OF THE
WHICH BIN WEBSITE
PER MONTH

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE GENERAL MANAGER'S REPORT

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

Together we have:

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



Mr Rob Gregory
General Manager

City of Prospect

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

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

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

Increased Service Offerings

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

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

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

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

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

China Sword

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

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


EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

13

EAST WASTE GENERAL MANAGER'S REPORT

Kerbside Tonnages Collected 2017 - 2018



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



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

EAST WASTE GENERAL MANAGER'S REPORT



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

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

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

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

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

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

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

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

15



22,528

TONNES OF RECYCLING
DIVERTED FROM LANDFILL
DURING 2017-2018

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE GENERAL MANAGER'S REPORT



Consolidation of the East Waste Business

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

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

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

Thanks

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

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

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

Rob Gregory
General Manager

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

17

EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the Local Government Act 1999, the East Waste Charter, and various other legislative requirements. The membership of the Board comprises of eight directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair.

The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste. The Board held seven

formal meetings over the 2017 – 2018 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	7 of 7
Cr Linda Green (Adelaide Hills Council)	6 of 7
Cr Grant Piggott (City of Burnside)	6 of 7
Mr Paul Di Iulio (Campbelltown City Council)	7 of 7
Cr Karen Hockley (City of Mitcham)	6 of 7
Mr Mario Barone (City of Norwood, Payneham & St Peters)	6 of 7
Cr Gianni Busato (Corporation of the Town of Walkerville)	7 of 7
Ms Cate Hart (City of Prospect)	
Appointed September 2017, effective October 2017	5 of 6

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

EAST WASTE GOVERNANCE

Audit and Risk Management Committee

In accordance with the requirements of the Local Government Act 1999, East Waste has an established Audit and Risk Management Committee (the Audit Committee).

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

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

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

The following table details Audit Committee Member attendance.

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

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

Recycling Review Technical Working Committee

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

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

Membership of the Committee is as follows:

RECYCLING REVIEW TECHNICAL WORKING COMMITTEE

Cr Karen Hockley (Chair)
Cr Grant Piggott (City of Burnside)
Mr Paul Di Iulio (Campbelltown City Council)
Mr Jeff Tate (Independent Member)
Mr Rob Gregory (East Waste)
Mr Shane Raymond (East Waste)

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

FINANCIAL STATEMENTS

2017-2018
ANNUAL REPORT

EastWaste

FINANCIAL STATEMENTS CONTENTS

Certification of Financial Statements	22
Principal Financial Statements	
Statement of Comprehensive Income	23
Statement of Financial Position	24
Statement of Changes in Equity	25
Statement of Cash Flows	26
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	27
Note 2 - Income	34
Note 3 - Expenses	35
Note 4 - Asset Disposals	36
Note 5 - Current Assets	36
Note 6 - Infrastructure, Property, Plant & Equipment	37
Note 7 - Liabilities	38
Note 8 - Reconciliation to Cash Flow Statement	39
Note 9 - Financial Instruments	40
Note 10 - Expenditure Commitments	42
Note 11 - Operating Leases	42
Note 12 - Events Occurring After Reporting Date	42
Note 13 - Related Party Transactions	43
Certification of Auditor Independence	44
Independent Auditor's Report	46

CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

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

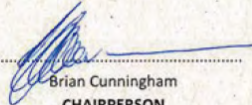
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Eastern Waste Management Authority Inc. to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.*
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



Rob Gregory
EXECUTIVE OFFICER



Brian Cunningham
CHAIRPERSON

Date: 20/09/18

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

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

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

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

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

23

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

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

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

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

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

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2018		
Balance at end of previous reporting period	611	611
Net Surplus/ (Deficit) for Year	(323)	(323)
Other Comprehensive Income		
Contributed Equity	185	185
Distributions to Member Councils	-	-
Balance at end of period	473	473
	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2017		
Balance at end of previous reporting period	150	150
Net Surplus/ (Deficit) for Year	339	339
Other Comprehensive Income		
Contributed Equity	122	122
Distributions to Member Councils	-	-
Balance at end of period	611	611

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

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

25

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

**STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2018**

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

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

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood, Payneham & St Peters, City of Prospect and the Corporation of the Town of Walkerville. The seven Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 and Section 25 of the Local Government Implementation Act 1999.

3 Income Recognition

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



32,885

TONNES OF ORGANIC WASTE
DIVERTED FROM LANDFILL
DURING 2017 - 2018

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

5 Property, Plant & Equipment

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

5.2 Materiality

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

5.3 Depreciation of Non-Current Assets

Property, plant and equipment assets are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

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

Plant & Equipment	5 - 10 years
Buildings & Other Structures	5 - 20 years

5.4 Impairment

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

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

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2017/18; 9.5% in 2016/17). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial.

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

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

8 Leases

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

In respect of finance leases, where the Authority substantially carries all the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets.

Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

9 GST Implications

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

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

10 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

Comparative information in the Statement of Cash Flows have been amended to reclassify capital contributions by Member Councils from Investing Activities to Financing Activities. There is no impact on the previously reported financial performance or position of the Authority as a result of this change.

11 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority



OVER

220,000

KERBSIDE BINS COLLECTED
EVERY WEEK FOR OUR
SEVEN MEMBER COUNCILS

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

12 New Accounting Standards

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

Certain new accounting standards have been published that are not mandatory for the 30 June 2018 reporting period and have not been used in preparing these reports.

The Authority is of the view that none of the new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

13 Highbury Landfill Authority Inc.

The Authority, originally known as the East Torrens Municipal Destructor Trust, was established on 19 July 1928 (the name change took place in 1993). As at 1 July 2004, the Authority comprised of 3 Member Councils, being the City of Norwood, Payneham & St Peters, City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham & St Peters, the City of Burnside and the Corporation of the Town of Walkerville established the Highbury Landfill Authority Inc. Its purpose included the facilitation of the closure and the post closure of the Highbury Landfill site, as well as managing the joint interests and liability of the Councils in relation to the closure of the site.

On 31 December 2004 the property known as the Highbury Landfill site was transferred from East Waste to Highbury Landfill Authority Inc.

On 1 January 2005, the Authority's Charter was amended to include the three new Member Councils – the City of Mitcham, the City of Campbelltown and the Adelaide Hills Council.

On 1 January 2005 a loan was created between the Authority and the Highbury Landfill Authority that represented the net value of assets in East Waste prior to 1 January 2005. This was an At Call Loan and interest had been capitalised until the loan was called in by the Highbury Landfill Authority in November 2008. The loan amount was \$873,000 and the Authority borrowed the money from the National Australia Bank with an Interest Only Loan. This loan has now been re-financed through the Local Government Finance Authority, to be repaid in 10 years.

The Board of the Authority resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2006 Charter.

14 Recyclable Processing Activities

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

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

NOTE 2 - INCOME

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

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

NOTE 3 - EXPENSES

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

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

NOTE 4 - ASSET DISPOSAL

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

NOTE 5 - CURRENT ASSETS

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

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

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

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

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

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

NOTE 7 - LIABILITIES

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

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

NOTE 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

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

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

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

(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		<u>-</u>	<u>-</u>

(d) Financing Arrangements

Corporate Credit Cards		15	15
Cash Advance Debenture Facility		1,000	1,000

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

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

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

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

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

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

Receivables - Gate Fees & Associated Charges

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

Carrying amount: approximates fair value (after deduction of any allowance).

Liabilities - Creditors and Accruals

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

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

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

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

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

NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

Liquidity Analysis

2018	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest ≤ 5 years > 1 year	Fixed Interest > 5 years	Non-Interest Bearing	Total
<i>Financial Assets</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value through P&L						
Cash Assets	1,250	126	-	-	-	1,376
Loans & Receivables						
Receivables	-	-	-	-	1,098	1,127
Total	1,250	126	-	-	1,098	2,503
<i>Financial Liabilities</i>						
Payables	-	-	-	-	697	821
Current Borrowings	-	2,007	-	-	-	2,007
Non-Current Borrowings	-	-	3,153	1,621	-	4,774
Total	-	2,007	3,153	1,621	697	7,602
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,250	(1,881)	(3,153)	(1,621)	401	(5,099)
2017	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest ≤ 5 years > 1 year	Fixed Interest > 5 years	Non-Interest Bearing	Total
<i>Financial Assets</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value through P&L						
Cash Assets	1,477	507	-	-	-	1,984
Loans & Receivables						
Receivables	-	-	-	-	396	396
Total	1,477	507	-	-	396	2,380
<i>Financial Liabilities</i>						
Payables	-	-	-	-	703	703
Current Borrowings	-	1,701	-	-	-	1,701
Non-Current Borrowings	-	-	3,350	1,391	-	4,741
Total	-	1,701	3,350	1,391	703	7,145
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,477	(1,194)	(3,350)	(1,391)	(307)	(4,765)

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

NOTE 10 - COMMITMENTS FOR EXPENDITURE

	Notes	2018 \$'000	2017 \$'000
Expenditure Commitments			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		9	9
Truck Fleet Replacement		1,810	1,814
		<u>1,819</u>	<u>1,823</u>
These expenditures are payable:			
Not later than one year		1,819	1,823
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>1,819</u>	<u>1,823</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	252	252
Later than one year and not later than 5 years	834	807
Later than 5 years	603	889
	<u>1,689</u>	<u>1,948</u>

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

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

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

NOTE 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 4 persons were paid the following total compensation:

	2018 \$'000	2017 \$'000
Salaries, allowances & other short term benefits	405	370
Long term benefits	-	30
TOTAL	405	400

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	2,912	57	Provision of kerbside waste collection and hardwaste
City of Burnside	2,231	47	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,089	81	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,078	556	Provision of kerbside waste collection and hardwaste
City of Prospect	873	284	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,505	62	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	469	8	Provision of kerbside waste collection and hardwaste

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

CERTIFICATION OF AUDITOR INDEPENDENCE


EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF AUDITOR INDEPENDENCE

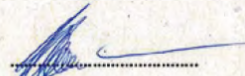
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Eastern Waste Management Authority Inc. for the year ended 30 June 2018, the Authority's Auditor Bentleys, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Rob Gregory

EXECUTIVE OFFICER

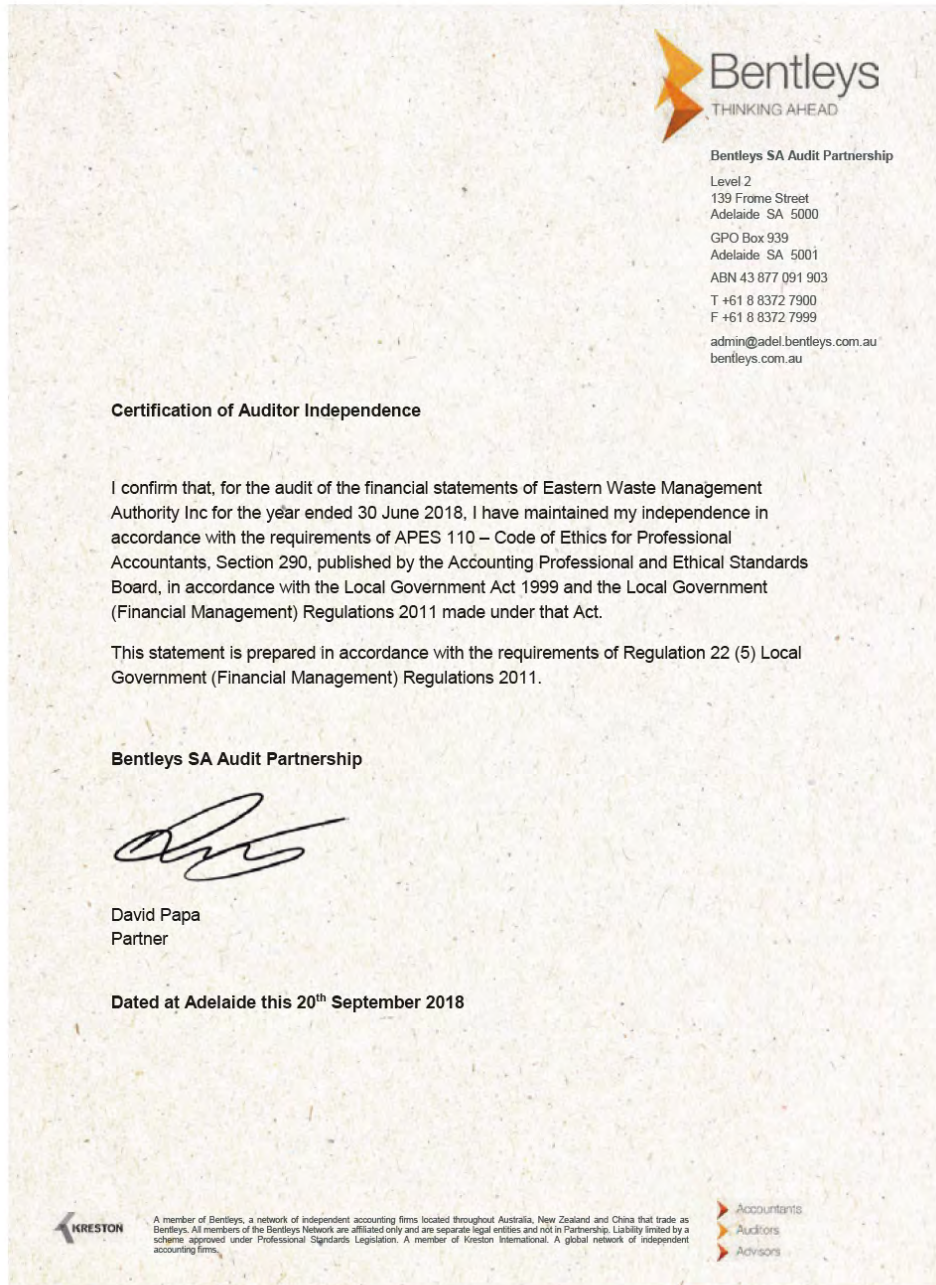


Brian Cunningham

PRESIDING MEMBER

AUDIT COMMITTEE

Date: 20/09/18



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-colored, textured background.

DAVID PAPA
PARTNER

Dated at Adelaide this 21st day of September 2018



OVER
19,300

PEOPLE REACHED PER MONTH
VIA EAST WASTE SOCIAL MEDIA
PLATFORMS

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018



At East Waste we are all about ...

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

At East Waste we are moving towards ...

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

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

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



EastWaste

EastWaste

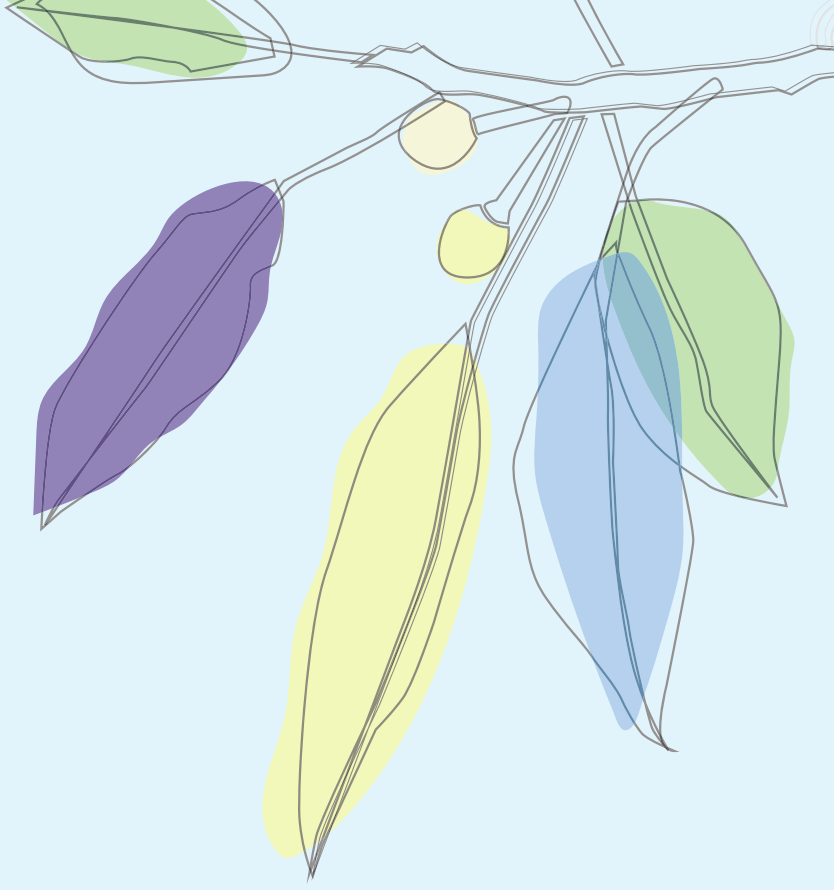
1 Temple Court
Ottoway SA 5013

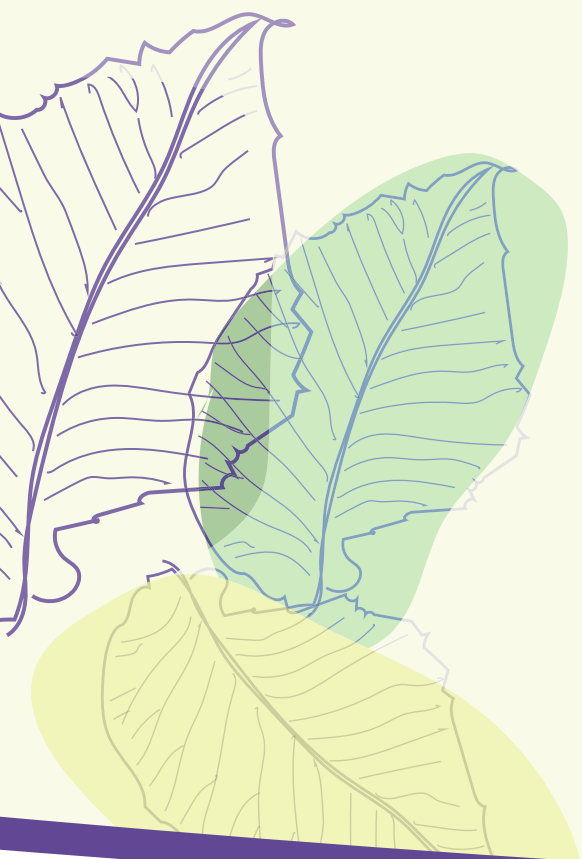
PO Box 26
Mansfield Park SA 5012

Phone: 08 8347 5111
Email: east@eastwaste.com

eastwaste.com.au







HIGHBURY LANDFILL AUTHORITY

ANNUAL REPORT 2017 / 2018

GOVERNANCE AND ADMINISTRATION

BOARD MEMBERS

BURNSIDE

Mr. Paul Deb
(Board Member)

NORWOOD, PAYNEHAM & ST PETERS

Cr John Minney
(Board Member)

WALKERVILLE

Cr Graham Webster
(Board Member and
Chair)

INDEPENDENT MEMBER –

AUDIT COMMITTEE
Mr. Peter Holmes

The Board of the Highbury Landfill Authority (HLA) remained unchanged during the year. The new Member Councils elected at the November 2018 Local Government elections will decide the makeup of the Board in early 2019.

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 the Highbury Landfill Authority (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 with funding by HLA continue to upgrade the gasfield infrastructure to extract as much gas as possible to run the flare 24 hours a day 7 days a 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 8 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 17 years. As recommended by the HLA audit committee the provision calculation has been reviewed by Golder Associates Pty Ltd. Their recommendations have been adopted by the Board and that has resulted in 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 has approved an Australian wide EOI process to explore Future Options for the closed landfill site. The outcomes of the EOI will be reviewed by the Board before being referred to Member Councils in March 2019.



Monitoring Bore in the landfill



The LoCal flare installed and operating at the Highbury landfill

C/- 21 Rundle Street, Kent Town SA 5067 Tel:08 8363 9100 Email: trevor@tjhms.com.au

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.



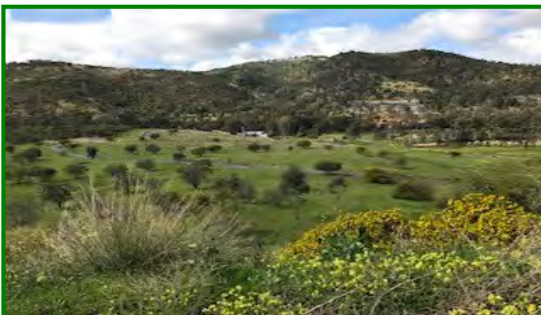
Retention Pond

FINANCIAL SUMMARY FOR THE YEAR ENDING 30 JUNE 2018

Income Statement as at 30 June 2018

Statement of Financial Position as at 30 June 2018

	2018	2017		2018	2017
	\$	\$		\$	\$
INCOME			CURRENT ASSETS		
Interest Received	116	301	Cash & Cash Equivalents	65,959	35,172
Sundry Income	22,741	35,147	Trade & Other Receivables	28,251	21,314
Highbury Landfill Provision	-	445,446	Total Current Assets	94,210	56,486
TOTAL REVENUE	22,857	480,894			
EXPENSES			NON-CURRENT ASSETS		
Materials, contracts & other expenses	2,500	2,500	Infrastructure, Property, Plant	211,949	237,168
Depreciation, amortisation & impairment	25,219	24,207	Total Non-Current Assets	211,949	237,168
Finance Payments	11,173	5,360	TOTAL ASSETS	306,159	293,654
Highbury Closure Provision	178,785	-			
TOTAL EXPENSES	217,677	32,067	CURRENT LIABILITIES		
OPERATING SURPLUS/ (DEFICIT)	(194,820)	448,827	Trade and Other Payables	16,778	37,570
			Borrowings	23,748	22,882
			Provisions	283,000	281,000
			Total Current Liabilities	323,526	341,452
			NON-CURRENT LIABILITIES		
			Borrowings	209,243	232,992
			Provisions	3,560,000	3,588,000
			Total Non-Current Liabilities	3,769,243	3,820,992
			TOTAL LIABILITIES	4,092,769	4,162,444
			NET ASSETS	(3,786,610)	(3,868,790)
			EQUITY		
			Accumulated Deficit	(3,786,610)	(3,868,790)
			TOTAL EQUITY	(3,786,610)	(3,868,790)



Re-vegetation of the landfill

HIGBURY LANDFILL AUTHORITY

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



LANDFILL GAS MANAGEMENT AT HIGHBURY

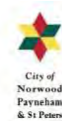
- The plan opposite shows the network of monitoring bores to assist in managing landfill gas on the site.
- Boundary gas extraction bores have been established on the southern and eastern boundaries of the site.
- Landfill gas monitoring bores were monitored regularly during the year
- McMahons extracted 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

2017-18

ERA WATER



MESSAGE FROM THE CHAIRPERSON

Eastern Region Alliance Water (ERA Water) has largely constructed the urban stormwater capture system and is starting to store water for first deliveries in the summer of 2018-19.

ERA Water will capture sustainable supplies of Urban Stormwater from Third and Fourth Creek, clean and treat the water and store it in the underground aquifer. The water will then be extracted from the aquifer and pumped to irrigate ovals, school playing fields and businesses. One of the unique aspects of this project is the cooperation between the three Councils in the design, construction and planning of a technically complex project. The Councils have secured a commercial advantage whilst also ensuring sustainable water supplies of locally produced water to the local community.

The project was funded through grants from the Commonwealth Government and the Adelaide and Mount Lofty Natural Resources Management Board along with borrowings by ERA Water. The major portions of the construction were completed during the reporting period and, whilst the first water is stored in the aquifers, connections will be gradually made over the next twelve months for first deliveries to some customers in the summer of 2018-19. This is an exciting project and from a governance perspective and technical aspect is world leading.

The Constituent Councils of ERA Water are those of the Corporation of the Town of Walkerville, City of Burnside and City of Norwood, Payneham & St Peters. They are to be congratulated in their leadership in supporting the project and consequent benefits that it will provide to their communities.

As Chairperson, I would like to thank them for their support and to also acknowledge and thank the hard work of the Acting General Manager, Walbridge Gilbert Aztec and the construction teams for bringing this exciting project towards its fruition.

BRYAN JENKINS

ERA WATER CHAIRMAN

ABOUT ERA WATER

ERA Water Regional Subsidiary (ERA Water) is a regional subsidiary established on 21 July 2015 under Section 43 of the *Local Government Act 1999* which through 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 Council
- The City of Norwood, Payneham and St Peters
- The City of Burnside

PURPOSE

ERA Water came into existence 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, through the collaborative long-term joint undertaking of the three Constituent Councils, is to implement and manage a water recycling scheme which captures, treats, stores and delivers stormwater for irrigation purposes and to sell this water to the Constituent Councils and other customers at a cheaper rate than purchasing water from SA Water. The scheme involves the establishment of wetlands, 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 540 ML of water per annum) as well as 46km of distribution pipe network across each of the three Constituent Council areas. The distribution network is designed to deliver recycled 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 (84.8% of forecast availability), of which 214.7 ML per annum is committed to the three Constituent Councils on a 'take or pay' basis. An additional 243.3 ML per annum is forecast to be sold to other customers.

In forming the Subsidiary, the Constituent Councils recognised the need to deliver for their ratepayers and residents enhanced and improved services by the most efficient and cost effective means possible. Thus, in addition to the financial benefit of reducing operational spending on local reserve irrigation for the constituent Councils, ERA Water will assist to green suburbs and improve the quality of water that is discharged into the Gulf.

GOVERNANCE

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 seven formal meetings during the 2017-18 financial year. The table below details Board Member attendance at each meeting.

	Member	Meetings Attended
Independent Chairperson	John O'Brien	5
City of Burnside (Independent Member)	Geoff Vogt	7
City of Norwood Payneham and St Peters	John Minney	6
Corporation of the Town of Walkerville	Kiki Magro	5
	David Whiting (Deputy)	2

John O'Brien resigned as Independent Chairperson at the Board meeting on 27 March 2018 and Geoff Vogt, Independent Member for City of Burnside was subsequently appointed as Acting Independent Chairperson until a new Independent Chairperson (Bryan Jenkins) was appointed on 11 July 2018 to replace John O'Brien.

Following the completion of Colin Pitman's contract as Acting General Manager of ERA Water at the end of May 2017, Nathan Silby from Wallbridge Gilbert Aztec undertook the role of Acting General Manager of ERA Water until 26 March 2018 when Brian Maguire was formally appointed as General Manager of ERA Water on a fixed term contract.

CONFIDENTIALITY

During the 2017-18 financial year, the Board considered reports of a confidential nature at five meetings 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)	5

GOVERNANCE

FREEDOM OF INFORMATION

No requests were received under the Freedom of Information Act during the 2017-18 financial year

STAFFING STRUCTURE

ERA Water appointed a General Manager (Brian Maguire) on a fixed term contract, commencing on 26 March 2018.

Apart from the General Manager, no other permanent 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 2017-18 financial year.

In addition, the City of Burnside provided temporary office accommodation and IT support for the new General Manager from 26 March 2018 until 31 May 2018.

FY2018 BUDGET and LONG TERM FINANCIAL PLAN

The Budget FY2017-18 and Long Term Financial Plan (LTFP) for ERA Water was prepared in early 2017 and subsequently adopted by the Constituent Councils. The Long Term Financial Plan included a number of assumptions regarding the scheme's operation, including water sales volumes over the next three years, water prices, expenses and operating costs, and depreciation rates.

The Long Term Financial Plan forecasts that ERA Water will generate cash surpluses from the 2020 financial year onwards.

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 2017-18 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, reviewing ERA Water's risk register, providing recommendations on financial and accounting policy matters, and considering external audit matters.

The Audit Committee Members in 2017-18 were:

- Corinne Garrett (Chairperson)
- Peter Holmes
- Roberto Bria
- John O'Brien (until his resignation on 27 March 2018)

As the two-year term of these Audit Committee members expired on 27 May 2018, the unanimous approval of the Constituent Councils was sought and obtained to re-appoint the three external independent members of the Committee (Corinne Garrett, Peter Holmes and Roberto Bria) for a further two-year term, effective from 28 May 2018.

It is also intended to seek the unanimous approval of the Constituent Councils to appoint the new Independent Chairperson of ERA Water as the fourth member of the Audit Committee, once the appointment of the new Independent Chairperson has been made.

FINANCIAL STATEMENTS

The Audited Financial Statements for the year ending the 30 June 2018 are provided in the annual report below and show an Operating Deficit of \$205,267 and Total Council Equity of \$8,960,638.

PROJECT

DESIGN AND CONSTRUCTION

The construction of the various components of the ERA Water scheme required under the scope of works outlined in the Federal Government Grant were successfully completed in July 2017. The remaining works to finalise the Shakespeare Reserve Booster Pump Station and Storage Tank, and the remediation of the Langman Reserve Underground Storage Tank site, were subsequently completed in late 2017.

Construction of Council Reserve irrigation connections are due to commence in September 2018. There are close to 50 reserves throughout the Town of Walkerville, City of Norwood Payneham & St Peters and City of Burnside areas. ERA Water will be coordinating the reserve connections on behalf of the Constituent Councils to ensure consistency of connections across the network.

The 3 major construction contracts were completed by the following Contractors in 2017-18:

- Distribution Network (Approx 40 Km) – SADB
- Electrical and mechanical works (pump stations, bores and control systems) – Guidera O'Connor
- Wetlands and Biofilters – SEM

It should be noted that during the construction period one bore was drilled downstream of Lower Portrush Road, but this bore was not connected to the system due to its low yield.

In addition, planting of the wetlands and biofilters was completed by LCS.

OPERATIONS AND MAINTENANCE

Guidera O'Connor are continuing to operate the scheme and undertake commissioning and maintenance activities. Guidera O'Connor's focus has been on injecting as much water as possible into the aquifer while still commissioning the scheme.

As at the end of June 2018, approximately 8.3 ML of water had been treated and injected into aquifer, across all four bores. In addition, approximately 30 ML of water had been harvested and used for commissioning activities (but not injected into the aquifer) including, filling of the wetlands, testing of the distribution network, flushing of the biofilters and testing of components. (i.e. the total volume of water harvested as at 30 June 2018 was approximately 38 ML)

The operations and commissioning activities that Guidera O'Connor have undertaken include:

- Flushing of biofilters
- Monitoring bore pressures and aquifer responses
- Injection in automatic mode and monitoring system responses
- Increasing injection flowrates to find maximum and optimum injection rates
- Increasing flows into biofilters to determine capacities and optimum flow rates
- Filling of the distribution network
- Testing of distribution pump stations
- Water quality monitoring
- Testing system shut off limits and shutdown/restart procedures
- Compliance testing (licence requirements)
- Control system function
- Critical control point setting adjustment based on operational performance
- Pump testing
- SCADA testing and refinement to display operational data
- Air valve testing and maintenance
- Screen maintenance

- UV system operation and maintenance
- System optimisation

LCS have been engaged to manage the landscaping in the initial phases of the project, including responsibility for weed control, plant watering (when system was not operational), algae removal and biofilter raking.

HARVEST & WATER SUPPLY

Harvesting of stormwater for the scheme did not commence until late April / early May 2018, due to some initial equipment operational issues that were unable to be resolved until there was flow in the system. Also, the very light summer rains did not provide enough flows to enable system commissioning and testing to be commenced any earlier.

The catchment was very dry leading into the winter rains, which resulted in shorter than usual tail water flows in Third Creek and Fourth Creek, thereby impacting harvest potential. Site observations have since indicated that the catchment is more reactive to rainfall once sufficient falls have been received to wet the catchment soils.

Next financial year (2018-19) the project focus will be on completing system commissioning of the scheme, establishing the plume of treated water in the underground aquifer and supplying the available volume of water to the Constituent Councils for irrigation of council reserves.

Water supply availability is expected to increase over the next three years as the aquatic plants and injection plume become established, and the efficiency of the system increases.

In 2015-16 the following annual water supply availability targets were initially forecast for the scheme:

2016-17 (Year 1)	Nil	Construction of the scheme
2017-18 (Year 2)	22.7 ML	5% of scheme water supply capacity
2018-19 (Year 3)	227 ML	50% of scheme water supply capacity
2019-20 (Year 4)	363 ML	80% of scheme water supply capacity
2020-21 (Year 5)	454 ML	100% of scheme water supply capacity

As mentioned above, the total volume of water harvested in 2017-18 (as at 30 June 2018) was 38 ML compared to the initial forecast of 22.7 ML for this same year.

However, based on the current actual bore operational capacities, and noting that one bore has not been connected to the system due to its low yield, the initial forecast water supply availability target for next year (2018-19) of 227 ML (or 50% of scheme capacity) has been downgraded and is now predicted to be between 100 ML to 120 ML, or 22% to 26% of the scheme water supply capacity.

It should also be noted that these annual water supply targets are rainfall dependent and will need to be verified when the long-term capacities of the current bores can be confirmed during the commissioning process.

Long term average rainfall and 2018 rainfall data has been provided in the section below for reference.

Based on current information, at least one more production bore will need to be added to the scheme to achieve the target harvest (water availability) volumes.







The Constituent Councils will be the first customers to be connected to the scheme in 2018-19. Connection of the Council reserves to the water distribution network will allow testing of the network prior to any other external customers being connected.

Over the next two years, ERA Water will seek to connect other customers, including non-Constituent Councils, private schools, Department for Education and Child Development schools, private sporting complex's and other businesses, to match water supply demand with availability.

The forecast total annual water supply demand from the Constituent Councils, based on historical irrigation water consumption data, is approximately 215 ML per year (or 47% of the scheme's water supply capacity)

RAINFALL DATA

The following rainfall figures have been taken from the Bureau of Meteorology's (BoM) Felixstow weather station.

Rainfall Adelaide																		
	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total					
Mean rainfall (mm)	20.6	15.6	26.8	39.0	60.9	76.5	77.5	67.8	59.6	41.9	29.5	29.1	550.6	40	1977	2018		
Decile 5 (median) rainfall (mm)	19.6	10.4	19.9	33.2	62.1	76.6	70.5	69.2	54.8	36.4	28.6	23.2	537.0	42	1977	2018		
Mean number of days of rain ≥ 1 mm	3.0	2.1	3.6	5.4	9.0	10.8	12.3	12.0	9.3	6.4	4.7	4.5	83.1	41	1977	2018		
2018	6	5.4	5.0	23.4	66.4	37.8	42.8	76.0					262.8					

The following information is also provided on the Bureau's website:

Greater Adelaide in July 2018: driest July since 1997

Rainfall in July was below average throughout Adelaide and the Hills. Averaged across Greater Adelaide as a whole, it was the driest July since 1997. Both daytime and night time temperatures were warmer than average in most suburbs.

Drier than average

- July rainfall was below average at all reporting sites in Adelaide and the Hills
- For the Greater Adelaide region as a whole, it was the driest July since 1997
- Monthly rainfall at Adelaide (Kent Town) was close to average with a count of 17 rain days during the month, similar to the long-term average count of 16 rain days in July
- Rainfall totals ranged from 46% of average at Edinburgh RAAF to 87% of average at Kent Town
- Some sites in the northeast of Adelaide had their [lowest total July rainfall since 1997](#)

FELIXSTOW WETLANDS



HAMILTON PARK RESERVE PUMP STATION AND BIOFILTERS



LANGMAN RESERVE PUMP STATION AND UNDERGROUND TANK



March 2017



June 2017



October 2017



SHAKESPEARE RESERVE BOOSTER PUMP STATION



SCALES RESERVE PUMP STATION AND BORE



ERA WATER



ERA Water Regional Subsidiary

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

*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 2018

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 2018

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 2018 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.



Brian Maguire
General Manager



Bryan Jenkins
Chairperson

Date: 15 October 2018

ERA Water Regional Subsidiary

Statement of Comprehensive Income for the year ended 30 June 2018

\$	Notes	2018	2017
Income			
Investment Income	2a	2,116	35,900
Grants, Subsidiaries and Contributions	2b	-	-
Total Income		2,116	35,900
Expenses			
Employee Costs	3a	43,223	-
Materials, Contracts & Other Expenses	3b	164,160	506,183
Total Expenses		207,383	506,183
Operating Surplus / (Deficit)		(205,267)	(470,283)
Amounts Received Specifically for New or Upgraded Assets	2b	-	7,367,058
Net Surplus / (Deficit)		(205,267)	6,896,775
Other Comprehensive Income			
Nil		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		(205,267)	6,896,775

ERA Water Regional Subsidiary

Statement of Financial Position for the year ended 30 June 2018

\$	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	4a	9,517	14,452
Trade & Other Receivables	4b	10,316	987,819
Subtotal		19,833	1,002,271
Non-Current Assets Held for Sale	5	-	-
Total Current Assets		19,833	1,002,271
Non-Current Assets			
Other Non-Current Assets	5	20,783,106	17,872,520
Total Non-Current Assets		20,783,106	17,872,520
TOTAL ASSETS		20,802,939	18,874,792
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	170,795	690,720
Borrowings	6	-	-
Provisions	6	3,339	-
Other Current Liabilities	6	-	-
Subtotal		174,135	690,720
Total Current Liabilities		174,135	690,720
Non-Current Liabilities			
Borrowings	6	11,668,166	9,018,166
Total Non-Current Liabilities		11,668,166	9,018,166
TOTAL LIABILITIES		11,842,301	9,708,887
Net Assets		8,960,638	9,165,905
EQUITY			
Accumulated Surplus		8,960,638	9,165,905
Total Council Equity		8,960,638	9,165,905

ERA Water Regional Subsidiary

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

\$	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018					
Balance at the end of previous reporting period		9,165,905	-	-	9,165,905
Restated Opening Balance		9,165,905	-	-	9,165,905
a. Net Surplus / (Deficit) for Year		(205,267)	-	-	(205,267)
b. Other Comprehensive Income		-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		(205,267)	-	-	(205,267)
c. Transfers between Reserves		-	-	-	-
Balance at the end of period		8,960,637	-	-	8,960,637

ERA Water Regional Subsidiary

Statement of Cash Flows

for the year ended 30 June 2018

\$	Notes	2018	2017
Cash Flows from Operating Activities			
Receipts			
Grants, Subsidies and Contributions (operating purpose)		-	-
Investment Receipts		2,116	35,900
Other Receipts		977,503	329,780
Nil			
Payments			
Payments to Employees		(39,884)	-
Payments for Materials, Contracts & Other Expenses		(684,085)	(1,067,210)
Finance Payments			77,846
Net Cash provided by (or used in) Operating Activities		255,650	(623,684)
Cash Flows from Investing Activities			
Receipts			
Nil			
Amounts Received Specifically for New/Upgraded Assets			7,367,058
Payments			
Expenditure on New/Upgraded Assets		(2,910,586)	(15,773,160)
Net Cash provided by (or used in) Investing Activities	7	(2,910,586)	(8,406,103)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings		2,650,000	9,018,166
Payments			
Nil			
Net Cash provided by (or used in) Financing Activities		2,650,000	9,018,166
Net Increase (Decrease) in Cash Held		(4,935)	(11,621)
plus: Cash & Cash Equivalents at beginning of period	7	14,451	26,072
Cash & Cash Equivalents at end of period	7	9,516	14,451
Total Cash, Cash Equivalents & Investments		9,516	14,451

ERA Water Regional Subsidiary

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

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 2018

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 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 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.

1.4 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.

1.5 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.

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

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

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

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.

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".

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.

10 Provisions for Reinstatement, Restoration and Rehabilitation

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

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

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

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 to maximise recycling is 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 2016 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 2018

Note 2. Income

\$	Notes	2018	2017
(a). Investment Income			
Interest on Investments			
- Local Government Finance Authority		2,116	35,653
- Banks & Other			247
Total Investment Income		2,116	35,900
(b). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		-	7,367,058
Total Grants, Subsidies, Contributions		-	7,367,058

Note 3. Expenses

(a). Employee Costs

Salaries and Wages	36,881	-
Employee Leave Expense	2,839	-
Superannuation	3,504	-
Total Operating Employee Costs	43,223	-

(b). Materials, Contracts and Other Expenses

(i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		3,800	3,600
Subtotal - Prescribed Expenses		3,800	3,600

(ii) Other Materials, Contracts and Expenses

Contractors	-	13,795
Individually Significant Items - Power Augmentation	-	412,904
Insurance	53,254	22,374
Legal Expenses	-	6,839
Parts, Accessories & Consumables	-	-
Professional Services	40,050	25,540
Other	67,056	21,132
Subtotal - Other Material, Contracts & Expenses	160,360	502,584

Total Materials, Contracts and Other Expenses	164,160	506,184
--	----------------	----------------

(iii) Individually significant items

Amounts paid to SAPN to augment the power supply to ERA Water facilities	-	412,904
--	---	---------

ERA Water Regional Subsidiary

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

\$	Notes	2018	2017
Note 4. Current Assets			
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		9,517	14,452
Total Cash & Cash Equivalents		9,517	14,452
(b). Trade & Other Receivables			
Accrued Revenues		-	-
Debtors - General		-	-
GST Recoupment		10,316	987,819
Subtotal		10,316	987,819
Total Trade & Other Receivables		10,316	987,819
Note 5. Non-Current Assets			
(a). Other Non-Current Assets			
Capital Works-in-Progress		20,783,106	17,872,520
Total Other		20,783,106	17,872,520
Total Other Non-Current Assets		20,783,106	17,872,520

ERA Water Regional Subsidiary

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

Note 6. Liabilities

\$	Notes	2018 Current	2018 Non Current	2017 Current	2017 Non Current
(a). Trade and Other Payables					
Goods & Services		42,840	-	609,274	-
Accrued Expenses - Finance Costs		104,978	-	77,846	-
Accrued Expenses - Salaries		5,269	-	-	-
Accrued Expenses - Other		17,709	-	3,600	-
Total Trade and Other Payables		170,795	-	690,720	-
(b). Borrowings					
Loans		-	11,668,166	-	9,018,166
Total Borrowings		-	11,668,166	-	9,018,166
(c). Provisions					
Employee Entitlements (including oncosts)		3,339	-	-	-
Other		-	-	-	-
Total Provisions		3,339	-	-	-

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

Note 7. Reconciliation to Statement of Cash Flows

\$	2018	2017
----	------	------

(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	9,517	14,452
Balances per Statement of Cash Flows	9,517	14,452

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

Net Surplus/(Deficit)	(205,267)	6,896,775
Non-Cash Items in Income Statements		
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)	-	(7,367,058)
	(205,267)	(470,283)
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	977,503	329,780
Net Increase/(Decrease) in Trade & Other Payables	(516,585)	(483,181)
Net Cash provided by (or used in) operations	255,651	(623,684)

(c). Financing Arrangements

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

LGFA Cash Advance Debenture Facility	13,000,000	12,000,000
Undrawn balance	1,331,834	2,981,834

ERA Water Regional Subsidiary

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

Note 8. Financial Instruments

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
<u>Financial Assets</u>					
Cash & Equivalents	9,517	-	-	9,517	9,517
Receivables	10,316	-	-	10,316	10,316
Other Financial Assets	-	-	-	-	-
Total Financial Assets	19,833	-	-	19,833	19,833
<u>Financial Liabilities</u>					
Payables	174,135	-	-	174,135	174,135
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	11,668,166	11,668,166	11,668,166
Total Financial Liabilities	174,135	-	11,668,166	11,842,301	11,842,301
2017					
<u>Financial Assets</u>					
Cash & Equivalents	26,072	-	-	26,072	-
Receivables	987,819	-	-	987,819	987,819
Other Financial Assets	-	-	-	-	-
Total Financial Assets	1,013,891	-	-	1,013,891	987,819
<u>Financial Liabilities</u>					
Payables	612,874	77,846	-	690,720	-
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	9,018,166	9,018,166	9,018,166
Total Financial Liabilities	612,874	77,846	9,018,166	9,708,886	9,018,166

2017

Financial Assets

Cash & Equivalents	26,072	-	-	26,072	-
Receivables	987,819	-	-	987,819	987,819
Other Financial Assets	-	-	-	-	-
Total Financial Assets	1,013,891	-	-	1,013,891	987,819

Financial Liabilities

Payables	612,874	77,846	-	690,720	-
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	9,018,166	9,018,166	9,018,166
Total Financial Liabilities	612,874	77,846	9,018,166	9,708,886	9,018,166

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

	30 June 2018		30 June 2017	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	3.60%	11,668,166	3.75%	9,018,166
		11,668,166		9,018,166

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.

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

Note 8. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of 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. ERA Water has only a variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 9. Uniform Presentation of Finances

\$	2018	2017
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	2,116	35,900
less Expenses	(207,383)	(506,183)
Operating Surplus / (Deficit)	(205,267)	(470,283)
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	-	-
less Depreciation, Amortisation and Impairment	-	-
less Proceeds from Sale of Replaced Assets	-	-
Subtotal	-	-
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	2,910,586	16,736,589
less Amounts Received Specifically for New and Upgraded Assets	-	(7,367,058)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
Subtotal	2,910,586	9,369,531
Net Lending / (Borrowing) for Financial Year	(3,115,853)	(9,839,814)

ERA Water Regional Subsidiary

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

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 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 2018, 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 2018.

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

Note 12. Expenditure Commitments

Capital Commitments

ERA Water is contractually committed to the following expenditure;

	Remaining contract	Completion Date
Project Management	144,335	March 2019
Wetland maintenance	21,176	November 2018
Scheme operations and commissioning	86,000	November 2018

ERA Water Regional Subsidiary

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

Note 13. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

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

- Geoff Vogt (Acting Chairperson)
- Kiki Magro (Chief Executive - Corporation of the Town of Walkerville)
- John Minney (Councillor - City of Norwood, Payneham and St Peters)
- John O'Brien (former Chairperson)

Compensation paid to Key Management Personnel during the financial year:

Brian Maguire received employment entitlements to the value of \$43,233 in relation to his role as General Manager of ERA Water.

Geoff Vogt received sitting fees to the value of \$682 in relation to his role as Acting Chairperson of ERA Water.

John O'Brien received sitting fees to the value of \$6,720 in relation to his role as Chairperson of ERA Water.

Kiki Magro and John Minney received \$nil compensation.

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 IT support (Internet connection for remote access to SCADA system), Board and Audit Committee secretarial support and Bookkeeping / Accounting services for the whole of the financial year.

City of Burnside provided furnished office accommodation for ERA Water General Manager from 26 March to 31 May 2018, as well as a laptop computer, printer and computer software (MS Office) for period 26 March to 30 June 2018.

**Auditor's Independence Declaration under Section 22 of the Local Government
(Financial Management) Regulations 2011 to the Eastern Region Alliance
Water Regional Subsidiary**

I confirm that, for the audit of the financial statements of the Eastern Region Alliance Water Regional Subsidiary for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



SAMANTHA CRETEN
PARTNER

Signed on the 16th day of October 2018,
at 214 Melbourne Street, North Adelaide, South Australia 5006

INDEPENDENT AUDITOR'S REPORT

To the members of the Eastern Region Alliance Water Regional Subsidiary

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Eastern Region Alliance Water Regional Subsidiary (the entity), which comprises the Statement of Financial Position as at 30 June 2018, the 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 Certification of Financial Statements on the annual statements giving a true and fair view of the financial position and performance of the entity.

In our opinion, the accompanying financial report of the Entity is in accordance with the requirements of the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations), including;

- (i) giving a true and fair view of the entity's financial position as at 30 June 2018 and of its performance for the year then ended; and
- (ii) that the financial records kept by the entity are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

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

Management is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the directors. Management's responsibility also includes such internal control as Management determines is necessary to enable the preparation of the financial report 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.

The management of the entity are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

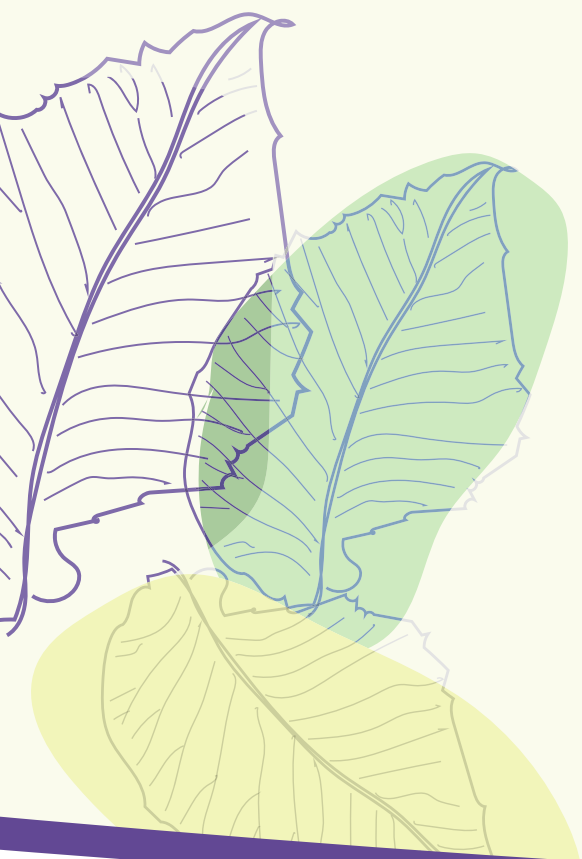
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN
PARTNER**

Signed on the 16th day of October 2018,
at 214 Melbourne Street, North Adelaide





Annual Report 2017/18

eha EASTERN
HEALTH
AUTHORITY

Message from the Chairperson



Public health safety and protection is a core responsibility of Local Government, and Eastern Health Authority (EHA), on behalf of its five Constituent Councils - Burnside, Campbelltown, Prospect, Norwood Payneham and St Peters and Walkerville - delivers this very important service to and for those communities.

Maintaining public health safety is an important function of EHA and staff are diligent in the monitoring of standards in high risk manufactured water systems, swimming pools and personal grooming and body-art premises. The licensing and registration of Supported Residential Facilities, that are home to many of the most vulnerable people in our community, are also a responsibility of EHA.

Eating out at cafes and restaurants and socialising at markets and events is a favourite pastime and has resulted in an increase in new food businesses and food vans. EHA is assiduous in the monitoring and enforcement of food safety standards. An important part of our role is to educate food businesses so that they are aware of the associated risks and required food safety measures. However, mandatory registration and training for all food businesses would be a welcome improvement in managing food safety in South Australia. These measures would greatly assist in improving food business food safety knowledge and compliance.

There has been an increase in the number of hoarding and squalor investigations. These investigations are complex and sensitive and require a co-ordinated approach by Government and non-Government agencies to address the issues and ensure residents are provided with the right care from key agencies.

As a prominent Local Government immunisation provider in South Australia, EHA has continued to promote the benefits of vaccination to all groups in the community, including work sites and families outside the Constituent Council areas. EHA has continued to work with SA Health and the University of Adelaide in the Meningococcal B Vaccine Herd Immunity Study. In 2017 the study was offered to 19 High Schools in the Constituent Council areas. The study will measure if the vaccine provides individual protection and if it reduces the risk of spread of the bacteria from person to person. This is a very important consideration as South Australia currently experiences the highest rate of Meningococcal B in Australia. The State Government has recently announced the provision of the quadrivalent flu vaccine free of charge for children under 5 years of age. Given the number of flu cases last year this is a welcome initiative.

EHA collaborates with key Government and non-Government agencies in all areas of environmental health and these agencies have shown great confidence in EHA's approach to the investigation and management of public health matters.

I thank the CEO and staff for their dedication. It has been a pleasure to work with the staff and the Board of Management, and I thank them all for their support and commitment.

Sue Whittington
Chairperson

Contents

About Eastern Health Authority	4
Chief Executive Officer's Report	6
Governance	8
Board of Management 2018	9
Finance Audit Committee	11
Annual Business Plan	11
Structure and Staffing	11
Financial Statements	11
Immunisation	12
Public Immunisation Clinics	14
School Based Immunisation Program	16
Meningococcal B Vaccine Herd Immunity Study	18
Worksite Immunisation Program	19
Public & Environmental Health	20
Complaints and Referrals	22
Monitoring and Surveillance	24
- Public Swimming Pools and Spas	25
- Personal Care & Body Art (PCBA)	25
Food Safety	26
Audits	32
Complaints	32
Health Care & Community Services	34
Supported Residential Facilities (SRF)	35
Licensing, Monitoring & Complaints	35
SRF Facility Manager and acting manager approvals	35
Financial Summary	36

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 Council 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 St Peters (NPSP)

City of Prospect

Corporation of the Town of Walkerville

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

During 2017-18 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



Michael Livori
Chief Executive Officer

In 2017-18 Eastern Health Authority (EHA) continued to protect the health of the residents of our constituent councils by providing an industry leading public health protection program. I continue to be extremely proud of the work that EHA staff undertake in ensuring that appropriate public health standards are maintained in our area.

The importance of the role we undertake can often not be fully appreciated due to the many 'invisible outcomes' of our work. The *Legionella* outbreak that didn't occur, the vaccine preventable disease you didn't get or the food poisoning you may have avoided are some of the examples of our 'invisible' public health protection service.

Immunisation is one of the most successful and cost effective public health protection initiatives. A marketing audit of our immunisation services was undertaken during the year and a marketing strategy and communication plan will be developed in 2019. In the last year we have seen an 18% increase in the number of people attending our immunisation clinics. Our online booking and appointment reminder system for public clinics which went live recently is a first in the industry. After initial feedback we refined the system and its use has continually increased as our clients become familiar with it.

Our School Based Immunisation program saw 59 visits being made to 19 high schools and the delivery of over 17,000 vaccines to high school students. Vaccination rates at our schools are 5% greater than the state average which is a credit to the staff who deliver this program. We continue to provide a competitive work based influenza immunisation programme to businesses which protects both the health of their staff and the business itself by reducing absenteeism. We provided over 4,200 vaccines to 98 businesses and rolled out an online booking system for our clients.



I continue to be extremely proud of the work that EHA staff undertake in ensuring that appropriate public health standards are maintained in our area. The importance of the role we undertake can often not be fully appreciated due to the many 'invisible outcomes' of our work.

The booking system provides businesses with availability information, an instant quote for service and manages the booking process for their staff.

The importance of the monitoring of standards in Food Businesses is reflected in the fact that over 4 million, or approximately one in five of all of us will be affected by foodborne gastroenteritis each year. There are approximately 60 deaths and 30,000 hospitalisations attributed to foodborne illness annually. Australia currently have one of the highest rates of salmonella infection in the developed world, with rates more than 3 times the average of other developed countries.

At a National level an Australian foodborne Illness Reduction Strategy 2018-2021, promoting a 'Food Safety Culture' from paddock to plate has been developed. We hope to see positive initiatives such as mandatory food safety training, food business registration and the expansion of the range of businesses requiring Food Safety Plans to be rolled out as part of the strategy.

At a local level we continue to promote a 'Food safety culture' within food businesses by providing information and education during the 1,470 inspections conducted at our 1,277 food businesses. Where necessary appropriate enforcement mechanisms are applied on a graduated and proportionate basis. 119 formal "Improvement Notices" were issued to 92 food premises. While it was pleasing that the numbers of expiated offences required to be issued reduced by over 50%, it was disappointing that it was still necessary to issue a significant number of Prohibition Notices which required closure of all or part of a food premise due to the significant health risk posed to the public.

Supported Residential Facilities (SRF) provide accommodation and personal care for people who require low-level assistance, accommodation and support to live a fulfilling life in a home-like environment. The introduction of the National Disability Insurance Scheme on the SRF sector is currently being considered by the State Government. The Department of Human Services (DHS) is undertaking a review which includes the legislation governing SRFs. The NDIS Quality and Safeguarding Commission will oversee services for NDIS participants and with the majority of SRF's being accredited as disability providers, local government's role is likely to change significantly in the future.

In November 2018 Local Council elections will be held. I would like to thank the current Board Members for their commitment to Eastern Health Authority over the last Local Government term of 4 years. Board Members have shown a genuine interest in Public Health and understand that the work we do is important to the health of our community, but often unrecognised. The Board's enthusiasm and support for the work EHA undertakes on behalf of our constituent councils is very much appreciated by all EHA staff.

In conclusion I would like to thank EHA's professional and committed staff for providing the highest quality health protection service to our constituent council's collective communities and making EHA such a wonderful organisation to lead.



Governance



Board of Management 2018

EHA is a body corporate, governed by a Board of Management comprised of two elected members from each Constituent Council. The Board met eight times (seven meetings and one workshop) during the year to consider EHA's business.

**Table 1 –
Number of Board of Management meetings
attended by individual Board Members**

Board Member	Attendance
Cr S Whittington	8
Cr G Knoblauch	8
Cr A Monceaux	5
Cr P Cornish	8
Cr J Kennedy	7
Cr M Ryan	4
Cr K Barnett	8
Cr T Evans	5
Cr M Bishop	5
Cr D Shetliffe	6

Board of Management as at 30 June 2018

City of Norwood Payneham & St Peters



Cr Sue Whittington
(Chair)



Cr Garry Knoblauch



Cr Marylou Bishop



Cr David Shetliffe

City of Burnside



Cr Anne Monceaux
(Deputy Chair)



Cr Peter Cornish



Cr Kristina Barnett



Cr Talis Evans

City of Prospect

Campbelltown City Council



Cr Marijka Ryan



Cr John Kennedy

Finance Audit Committee

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

Functions of the Committee include:

Liaising with external auditors, reviewing annual financial statements, reviewing the adequacy of accounting, reporting and other financial management systems.

Members of EHA's Audit Committee are Lisa Scinto (Presiding Member), Claudia Goldsmith (Independent Member) and Cr Talis Evans (Board Appointed Member). The committee held three meetings during the reporting period.

The Committee met on four occasions during the year. The Committee's work included considering the audited financial statements and External Audit recommendations and reviewing numerous financial and governance policies.

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 - Environmental Health and Team Leader - Administration and Immunisation have responsibilities for achieving the Annual Business Plan objectives relevant to their functional area.

Staffing as at 30 June 2018 comprised a total of 29 employees (18.2 FTE).

Financial Statements

The Audited Financial Statements for the year ending 30 June 2018 are provided on page 36. They show an Operating Surplus of \$138,552.



Immunisation

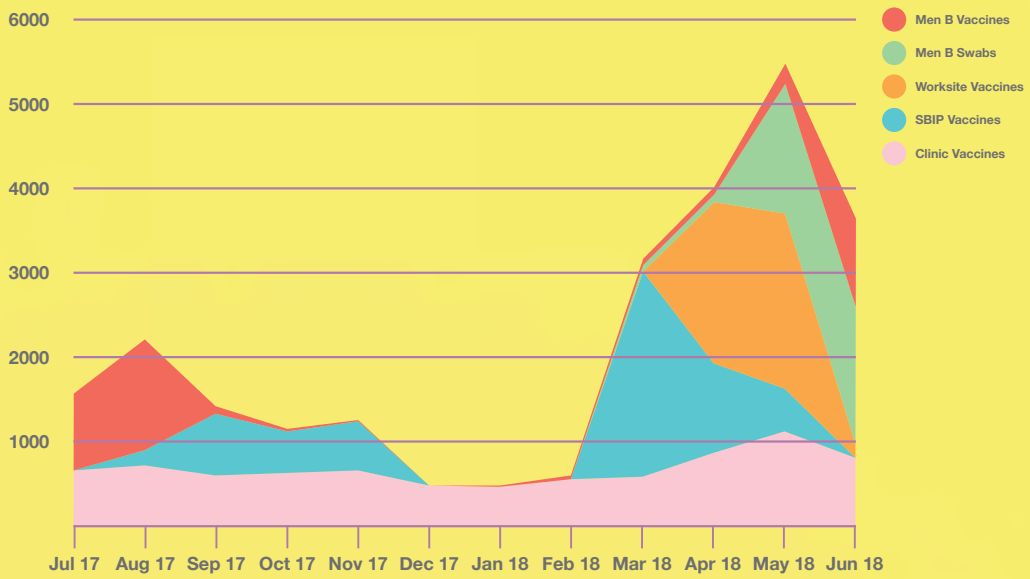


Immunisation is a safe and effective way of preventing the spread of infectious disease in the community.

The immunisation team provides a specialised and convenient immunisation service to the residents of its Constituent Councils. Services by EHA are delivered through Public Clinic, School and Workplace Immunisation programs.

As demonstrated in Graph 1, demand for those services significantly increased between May and June 2018 due to the expansion of the Annual Funded Influenza Program and the Meningococcal B Vaccine Herd Immunity Study.

Graph 1 – A graph illustrating the combined demand for all immunisation services over the last year



Public Immunisation Clinics

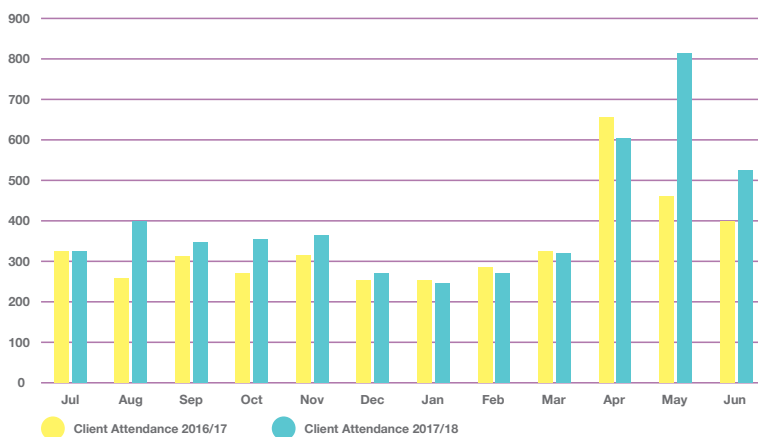
EHA provides public clinics to residents of its Constituent Councils at six locations, one being a client council. The range of clinic venues, days and times provided ensures convenient options are available for our residents.

A total of 4,865 clients were provided with 8,185 vaccinations. This was an increase of 730 clients (18%) in comparison to 2016-17 (Graph 2). This increase was due to the supply and availability of the meningococcal B vaccine, Bexsero and an increase in the number of Influenza vaccines administered in public clinics.

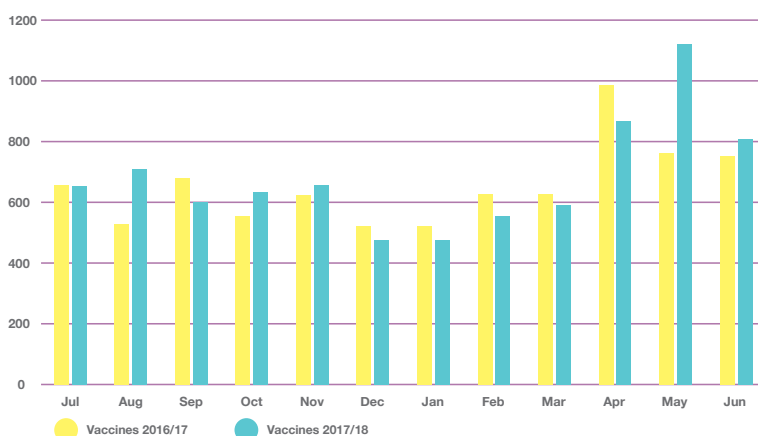
The online appointment system on the website continues to be well used. A total of 933 confirmed bookings were made using the online booking system with the peak months for bookings being from April to June 2018. Improvements to the system were uploaded to the system in May 2018 after a review by EHA staff.

EHA continues to assist families within our Constituent Councils with assessment of immunisation records. EHA assisted 89 families and 123 children with assessing and updating their immunisation history on the Australian Immunisation Register.

A total of 1,123 influenza vaccines were administered to clients in public immunisation clinics. This is a 45% increase (346 vaccines) in comparison with 2016-17. This increase was due to the expansion of the Funded Influenza program (SA) which offers free influenza vaccines to children aged 6 months to less than 5 years of age and additional vaccines to people aged 65 years and over.



Graph 2 – A graph illustrating client attendance at public immunisation clinics for the last two years



Graph 3 – A graph illustrating the number of vaccines delivered at public clinics for the last two years

Table 2 shows where Constituent Councils' residents chose to be vaccinated. It demonstrates that many residents chose the site that best suits their needs and that this was not necessarily in their own council area.

A clinic operating at City of Prospect was relocated in January 2018 to our St Peters venue due to the redevelopment of the Prospect Civic Centre. A large percentage of Prospect residents (74%) attended the clinic held at St Peters, while the remaining 26% attended alternative venues.

EHA provides public clinics to residents of its Constituent Councils at six locations.

Table 2 – The number of clients per council area and their choice of clinic venue

Where Clients come from (Council Area)	Number of Clients from Council Area	Where Clients attend (Clinic Venue by %)						Total %
		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Unley	
Burnside	989	32%	3%	52%	0%	3%	9%	100%
Campbelltown	1013	4%	31%	59%	0%	2%	4%	100%
NPSP	1441	4%	3%	87%	0%	2%	3%	100%
Prospect	373	3%	2%	74%	8%	8%	5%	100%
Walkerville	276	1%	6%	53%	1%	33%	7%	100%
Unley	556	7%	1%	31%	0%	2%	59%	100%
Other	217	2%	14%	38%	1%	3%	42%	100%
Total Number of Clients	4,865							





School Immunisation Program (SIP) for 2017 Calendar year

During 2017, 59 visits were made to 19 high schools where a total of 8,514 vaccines were administered to Year 8 students. There were no changes to the National Immunisation Program for Adolescents in 2017 when compared to 2016 and vaccines delivered were almost identical.

The 2017 SIP to Year 8 students involved administering:

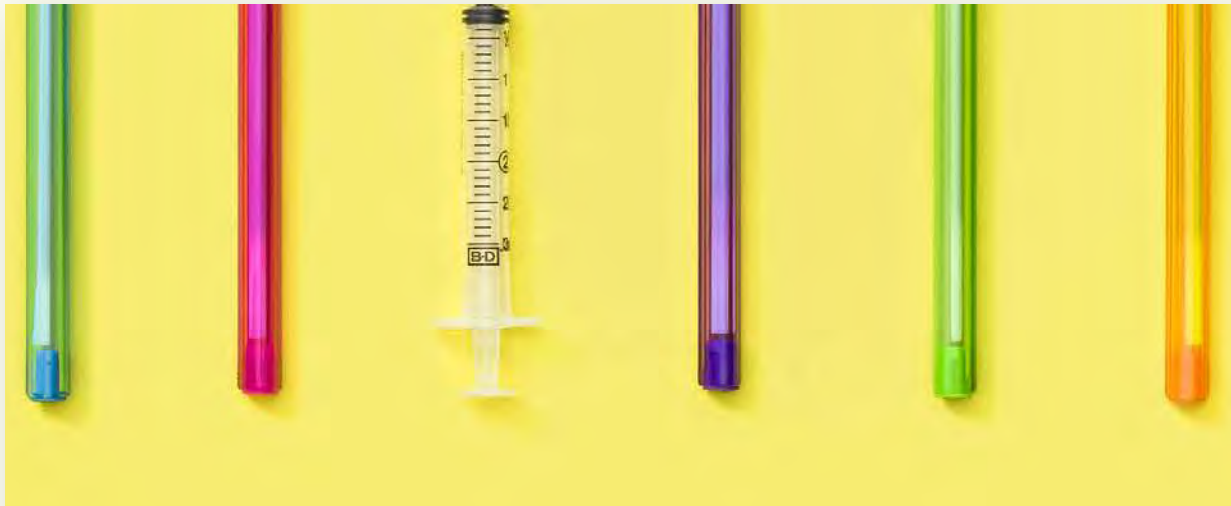
three doses of HPV vaccine

one dose of Varicella (chicken pox) vaccine

one dose of dTpa vaccine

Table 3 – A two year comparison of total vaccine types administered for the SIP for each Council area

Council Area	Total 2016	Total 2017
Burnside	2,542	2,634
Campbelltown	2,004	1,919
NPSP	2,356	2,443
Prospect	569	528
Walkerville	341	221
Unley	771	769
Total	8,583	8,514

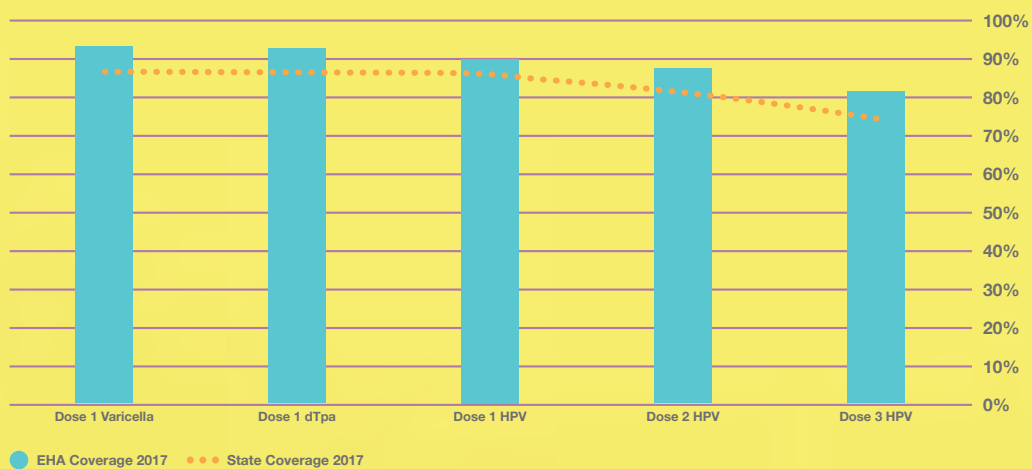


EHA accessed data from the HPV register to contact overdue students and remind them to attend a public clinic to receive any missed doses. This follow up has contributed to EHA achieving higher school coverage rates than the State average.

The number of student immunisations are submitted to SA Health each year. This data can then be accessed to compare vaccine coverage rates in our schools compared to the total coverage data in South Australia in order to measure the success of the program. The graph below demonstrates how the vaccine coverage rates in our schools compared in 2017 to the State average.

To increase the coverage rate in our Constituent Council areas and contract council area, EHA accessed data from the HPV register to contact overdue students and remind them to attend a public clinic to receive any missed doses. This follow up has contributed to EHA achieving overall higher school coverage rates than the State average.

Graph 4: A graph illustrating how EHA coverage data compares with the total coverage data in South Australia in 2017



Meningococcal B Vaccine Herd Immunity Study

EHA continued to work in partnership with SA Health and the University of Adelaide to deliver the two year study named 'B Part of It'. The purpose of the study is to collect data to find out whether there are herd immunity benefits as a result of giving the meningococcal B vaccination to students in the South Australian school community.

From July 2017 to June 2018 a total of 36 visits were made to 18 high schools. A total of 3,820 vaccinations were administered and 2,194 throat swabs were taken from participating students.

Table 4: The total swabs and vaccines administered in 2017-18 at school visits

Council Area	Total Swabs	Total Vaccines
Burnside	607	731
Campbelltown	930	834
NPSP	205	1,295
Prospect	320	313
Walkerville *	0	450
Unley	132	197
Total	2,194	3,820

*Note –Swabs for Walkerville Council area school were taken in 2016-17 year

In addition, the University of Adelaide invited EHA to participate in an extension to the study. This allowed Year 12 students who had left school to receive two free doses of the meningococcal B vaccine and provide a throat swab.

From January to June 2018, EHA administered and additional 359 meningococcal B vaccines and collected 234 throat swabs from school leaver students at public clinics.

On completion of the State-wide study, students will have the opportunity to be vaccinated with two doses of the meningococcal B vaccine and to contribute to the outcomes of the study through the analysis of the data collected from the throat swabs.

From July 2017 to June 2018 a total of 36 visits were made to 18 high schools. A total of 3,820 vaccinations were administered and 2,194 throat swabs were taken from participating students.

Worksite Immunisation Program

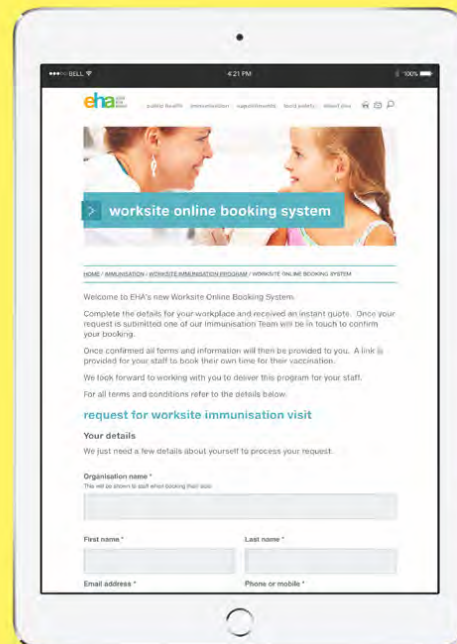
EHA provides an efficient and competitive service for workplaces to protect staff from the highly infectious influenza virus. A worksite program enables schools, childcare centres, government departments and private businesses to have their staff vaccinated on site by experienced nurses at a convenient time.

In December 2017, EHA launched an online booking system for worksite bookings. Ninety-one workplaces used this convenient service to book and manage their worksite program. The automated system allowed businesses to receive an instant quote for the booking based on approximate numbers of staff and to book a date and time convenient to the business.

All documentation needed to arrange the program is provided as part of the automated process. A link is sent to individual staff members to book their preferred appointment time. A survey of businesses who used this service noted that it was a time saving feature of the system.

A total of 98 worksite visits were conducted, with 4,218 vaccines delivered which was comparable to the previous year.

In December 2017, EHA launched an online booking system for worksite bookings. Ninety-one workplaces used this convenient service to book and manage their worksite program.



Public & Environmental Health



EHA Annual Report 17/18

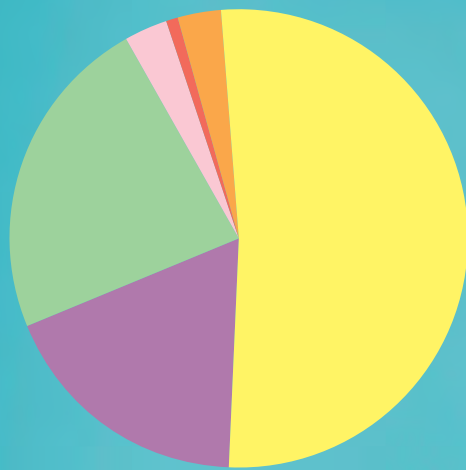
20

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.

website: [NEHA Environmental health](#)

The SA Public Health Act 2011 (the Act) and Regulations are mechanisms employed by EHA to fulfil its duty of care on behalf of the Constituent Councils with the following public health issues: prevention and management of domestic squalor and hoarding; surveillance of swimming pools, spa pools, high risk manufacturing water systems (cooling towers and warm water systems); assessment of personal care and body art premises; approval and inspection of waste control systems and prevention and control of notifiable diseases.

Graph 5 shows the proportion of time estimated to be spent in various areas administered under the SA Public Health Act 2011 during 2017-18. As shown in Graph 5 the greatest proportion of activities was committed to the investigation of public health complaints.



Graph 5 – A graph illustrating the proportion of EHO activities to administer the SA Public Health Act 2011 during 2017-18.

- Investigation of public health complaints - **52%**
- High Risk Manufacture Water Systems - Legionella Control - **18%**
- Management of recreational water - public pools / spas - **23%**
- Personal Care and Body Art - **3%**
- Approval and monitoring of waste water control systems - **1%**
- Compliance - **3%**



Complaints and Referrals

EHA received 182 public health related complaints/referrals from the public or State Government agencies.

Table 5 – A three year comparison of the type of public health complaints received

	2015-16	2016-17	2017-18
Notifiable Disease	35	37	12
Sanitation	60	56	38
Vector Control	121	110	108
Waste Control	4	0	2
Hazardous Substances	3	4	9
Other	28	21	13
Total	251	228	182

Vector control continues to account for a large proportion of public health complaints (Table 5). The number of vector control complaints investigated was comparative to the previous year. A high proportion of vector control complaints (84%) related to overgrown vegetation, accumulated refuse or poor poultry keeping that did not constitute 'harm to health' under the *SA Public Health Act 2011*. Often Environmental Health Officers (EHOs) are unable to obtain substantial evidence to identify the primary source of harbourage and information is issued to neighbouring homes. This approach is effective in notifying neighbouring residents of potential concerns.

The number of hazardous waste complaints requiring investigation doubled when compared to the previous year. These complaints involved the investigation of six asbestos and Category C Clandestine Drug Laboratory notifications at three separate residential properties.

All residential properties identified to be operating Category C Clandestine Drug Laboratories were issued Compliance Notices under section 92(1) of the *SA Public Health Act 2011*. The notices specified the requirements to undertake the necessary testing and cleaning to ensure that any public health risk was mitigated.

A joint investigation with the Environmental Protection Agency (EPA) and SafeWork SA was undertaken after it was reported that a roof made of asbestos containing material had been cleaned with a high-pressure hose. EHA issued an Emergency Notice under the *SA Public Health Act 2011* requiring the facility to close immediately pending further investigation. The EPA served an Environmental Protection Order requiring assessment and remediation of the exterior areas affected by contamination and SafeWork SA issued Notices requiring assessment and remediation of indoor areas. The premises reopened once the requirements the Order and Notices were met.

There were 36 sanitation complaints received and investigated, a significant decrease when compared to the previous two years (Table 6). Despite the decrease, the complexity and time to resolve sensitive matters involving severe domestic squalor and hoarding has significantly increased.

To consistently and objectively investigate these matters the 'SA Health's Foot in a Door – Stepping towards solutions to resolve incidents of severe domestic squalor in SA' Guidelines was used to assess the condition of the properties.

Three domestic squalor and one hoarding matter were determined to be a breach of the General Duty under the *SA Public Health Act 2011*. One Emergency Notice was issued under Section 92 of the *SA Public Health Act 2011*, involving a serious state of domestic squalor at a boarding house. EHA also exercised its power under the *SA Public Health Act 2011* and took action to remove the severe hoarding and squalor conditions at one property following non-compliance with the Notice.

A multi-disciplinary approach in all these cases was taken by EHA and other Government and non-Government agencies. This approach not only ensured the requirements within the Notices were met but the person also received the required support and care.

A multi-disciplinary approach in all these cases was taken by EHA and other Government and non-Government agencies. This approach not only ensured the requirements within the Notices complied, but the person also received the required support and care.

The number of hazardous waste complaints requiring investigation doubled when compared to the previous year. These complaints involved the investigation of six asbestos and Category C Clandestine Drug Laboratory notifications at three separate residential properties.

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its sixth 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.

Table 6 – A three year comparison of the total number of sanitation complaints and severe domestic squalor and hoarding complaints

	2015-16	2016-17	2017-18
Total number of Sanitation Complaints	60	56	38
Severe Domestic Squalor	9	15	6
Hoarding	12	13	6

Table 7 – A three year comparison of the number of enforcement action taken under the SA Public Health Act 2011

	2015-16	2016-17	2017-18
Preliminary Notice	1	3	1
General Duty Notice	3	4	4
Emergency Notice	1	2	2
Action on Default	0	0	1
Total Number of Notices issued	5	9	10

The SA Public Health Act 2011 prescribes a list of diseases that are notifiable (Table 18). Notification of these diseases allows for surveillance and investigation to be undertaken to protect the community from the risk of infectious disease.

In Australia, *Campylobacter* is the most commonly notified cause of gastroenteritis, with foodborne illness caused by

Salmonella significantly increasing over the past 20 years. In the past 20 years, there have been an estimated 56,200 cases of Salmonellosis (2,100 hospitalisations and 15 deaths) with 72% of these considered to be foodborne ('Australia's Foodborne Illness Reduction Strategy 2018-2021').

Table 8 – The number of reported notifiable diseases for 2017-18

	2017-18
<i>Campylobacter</i>	262
<i>Salmonella</i>	107
<i>Legionellosis</i>	0
<i>Cryptosporidiosis</i>	24
Hepatitis A	3
Rotavirus	113

Salmonella and *Campylobacter* continue to be the most frequently reported food borne disease within EHA's five Constituent Councils (Table 8). The reporting period saw 262 confirmed cases of *Campylobacter* and 107 confirmed cases of *Salmonella* (Table 8). Despite the high number of notifications of *Salmonella*, no cases were linked to food businesses within EHA that required investigation. This was a significant reduction compared to the 15 cases involving four food businesses the previous year.

SA Health also required the investigation of three child care and two aged care facilities in relation to gastroenteritis outbreaks. Officers ensured that appropriate infection control measures were implemented and that food processing practices were compliant with the Food Safety Standards.

During the year SA Health CDCB were notified of 23 confirmed cases of *Cryptosporidiosis* within EHA. No cases were associated with the public swimming pools within EHA and did not require further investigation.

Monitoring and Surveillance

A total of 43 high-risk manufactured water systems (HRMWS) were registered at 20 sites within EHA under the SA Public Health (*Legionella*) Regulations 2013.

All cooling tower systems were inspected once during the reporting period, with a total of 22 routine inspections undertaken at 13 sites (Table 9). No follow-up inspections or enforcement actions were required at any cooling tower sites.

All warm water systems were inspected at least once throughout year with a total of 40 routine inspections undertaken at seven warm water sites (Table 9). Three facilities elevated inspection frequencies resulted in a 29% increase in the number of routine warm water inspections when compared to the previous year (Table 9). One facility was issued with a Compliance Notice under the SA Public Health Act 2011 for failing to comply with the Regulations, specifically relating to failure to undertake system decontaminations every six months. Based on previous warnings of this non-compliance, the facility was subsequently issued with an Expiation Notice for two offences under the SA Public Health (*Legionella*) Regulations 2013.

Water samples were taken from all warm water systems and cooling towers sites during routine inspections. Testing of the samples resulted in 31 detections of *Legionella* (Table 9). Five of the six warm water sites received at least one detection of *Legionella*. The large number of detections compared to the previous year was in the main attributed to one site. This site has large number of warm water systems and had 25 detections.

Authorised Officers worked closely with the six facilities that reported detections of *Legionella* to ensure the systems were shut down and decontaminations were promptly undertaken as required by the Regulations. Additional follow up action was taken by EHA in response to ongoing detections of *Legionella* from the warm water systems at two sites. These facilities were issued with Notices to Secure Compliance with the General Duty under the SA Public Health Act 2011 requiring the implementation of Legionella Risk Management Plans (LRMP) in accordance with best practice guidelines from enHealth Australia.

The purpose of the LRMP is to assist facilities to conduct a comprehensive hazard identification audit of their water system infrastructure and to implement suitable control measures and verification to ensure the control measures are effective.

Since the implementation of the LRMP, subsequent water sampling conducted by EHA and also independently by the facilities have returned no detections of *Legionella* throughout the warm water systems.

No *Legionella* disease notifications that required investigation were received during the year. This is a significant decline when compared to the previous two years.

Table 9 – A three year comparison of the number of registered high risk manufactured water systems and the number of routine and follow-up inspections undertaken and *Legionella* high count test results.

	2015-16	2016-17	2017-18
Number of sites	22	20	20
Total number HRMWS registered	46	43	43
Number of system inspections	58	48	62
Number of follow-ups	1	5	2
Notices issued to HRMWS	0	0	4
Expiation Notices issued to HRMWS	0	1	1
Detections of <i>Legionella</i>	16	21	31
Investigation of <i>Legionella</i> disease notifications from CDCB	4	5	0

No Legionella disease notifications that required investigation were received during the year. This is a significant decline when compared to the previous two years.

Public Swimming Pools and Spas

During 2017-18 all swimming, spa and hydrotherapy pools were assessed against the standards prescribed in the SA *Public Health (General) Regulations 2013*.

Fifty eight routine inspections at 38 swimming pool and spa sites were conducted (Table 10). Inspections were conducted at least once for all outdoor pools and twice for indoor pools during the year. A large portion of scheduled inspections for indoor pools were undertaken at the end of the 2016-17 reporting year. As a result, the number of required indoor pool scheduled inspections decreased during 2017-18. A total of nine swimming pool and spa sites required follow-ups, two more than the previous year, with five follow-up inspections required at one pool site (Table 10).

Temporary closures of four swimming pool and spa sites were required during the year. The number of closures was consistent with the previous two years (Table 10). Two sites closed voluntarily; one to rectify inadequate disinfection levels and the other excessive chlorination levels. At another two sites recurring non-compliance relating to inadequate chlorine levels resulted in a Compliance Notice being issued under Section 92 of the SA *Public Health Act 2011*. The pool operators were instructed to close the pools to the public and undertake the necessary corrective actions. Multiple follow-up inspections were undertaken to confirm compliance with the Notices prior to the pool reopening for public use.

Two complaints related to the cleanliness of changerooms and patrons failing to shower prior to entering the pool. Investigation of the complaints identified the change rooms and amenities were well maintained and the water quality was within the parameters of the General Regulations.

Table 10 - A three year comparison of the number of routine and follow-up inspections conducted at spas, swimming, and hydrotherapy pools, and the number of *Cryptosporidiosis* notifications received

	2015-16	2016-17	2017-18
Number of Sites	27	28	28
Number of Pools/Spas	39	45	44
Inspections of Pools/Spas	52	65	58
Follow-ups of Pools/Spas	18	25	24
Notices issued to Pools/Spa	1	2	2
Pool Closures	3	4	4
Complaints	1	2	2
<i>Cryptosporidiosis</i> Complaints	5	1	1

Personal Care and Body Art (PCBA)

Two new tattoo premises opened within EHA (Table 11). All 12 tattoo premises involving high risk skin penetration practices were assessed against the standards prescribed in the SA *Public Health (General) Regulations 2013*.

The use of single-use needles by acupuncturists has reduced the risk of infection. Subsequently, inspection frequencies for these PCBA was decreased to 18-month inspection frequencies. All acupuncture premises are scheduled for inspection during 2018-19.

Table 11 – A three year comparison of the number of notified tattoo premises

	2015-16	2016-17	2017-18
Number of Tattoo Premises	7	10	12

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 waste water system.

During the year EHA received four waste control system applications. The systems were assessed in accordance with the requirements of the SA *Public Health (Wastewater) Regulations 2013*. One application included a greywater diversion system. Details of the plan were found not to meet the requirement of the Code and the application was not granted approval.

Three inspections were undertaken to determine progress of approved wastewater works and conduct assessments in accordance with the requirements of conditions of approval.

One complaint was received during the year of an unapproved system. The investigation is ongoing.

Food Safety

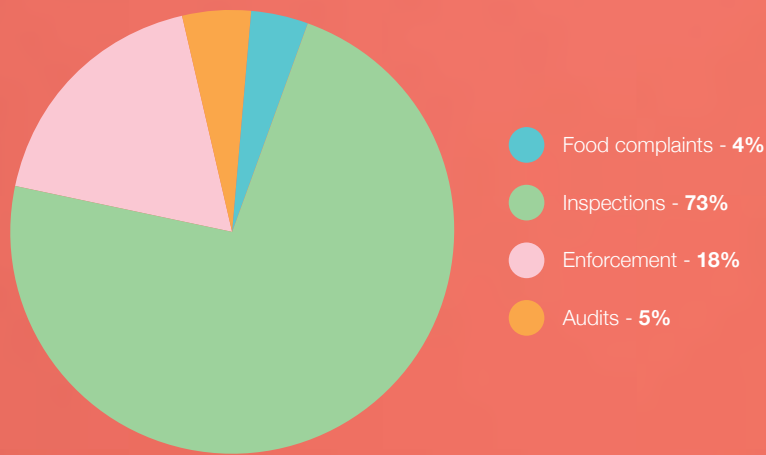


EHA administers the *Food Act 2001* in conjunction with the Food Safety Standards to protect the public from food-borne illness and associated risks.

Illnesses caused by the sale or consumption of unsafe food are preventable through education and intervention from EHO's during regular inspections and audits, investigation of complaints and where required, enforcement.

Graph 6 shows the proportion of time spent in various areas to administer the Food Act 2001 during 2017-18. As shown in the graph, 73% of EHO's activities was committed to scheduled and follow-up inspections of food businesses. These inspections enable EHOs to identify non-compliance, ensure safe processing practices are in place, and where required provide education and advice.

Graph 6 – A graph illustrating the proportion activities undertaken by EHO's to administer the Food Act 2001 during 2017-18.



Food Safety Inspections, Complaints, Audits and Enforcement

As at 30 June 2018, a total of 1,282 known food premises were operating within EHA's jurisdiction, a small increase when compared to the previous year. Takeaways, cafes and restaurants continue to be the predominant types of food business.

A total of 167 businesses closed and 189 food business notifications advising of a new food business or change of ownership were lodged with EHA. Notifications of new food businesses and closures required the continual updating of the food business register.

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.

A minimum and maximum inspection frequency range is applied to each risk classification. The frequency range allows for inspections to either be increased or decreased depending on whether or not compliance is satisfactory during the inspection.

As shown in Table 12, the majority of food businesses are risk classified as Priority 1, with takeaways and restaurants being the main types of businesses within this classification.

Priority 4 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.

Priority 1, 2 and 3 businesses that required to be inspected totalled 1,078. During the year 1,470 inspections were undertaken at these businesses (Table 13).

	P1	P2	P3	P4	Total
Number of food businesses – 2015-16	642	348	79	192	1,261
Number of food businesses – 2016-17	642	320	119	201	1,282
Number of food businesses – 2017-18	629	337	112	199	1,277

Table 12 – Number of food businesses, food inspections and follow-up inspections as per risk classification

Type of Inspection	2015-16	2016-17	2017-18
Routine	690	862	793
Follow up	578	570	557
Complaint	111	78	81
Pre-opening/Fit-out	21	20	31
Food Stalls at Special Events	97	90	8
Total	1,497	1,620	1,470

Table 13 – A three year comparison of the number of routine, follow-up and fit-out inspections undertaken and complaints received

EHA's food safety monitoring 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 to ensure food safety practices are implemented daily and permanently.

Table 14 – A three year comparison of the percentage number of follow up inspections conducted based on the number of routine inspections

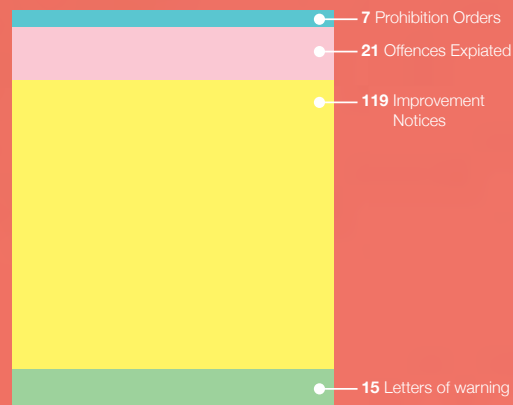
	2015-16	2016-17	2017-18
Routine inspections	690	862	793
Total number of follow-up inspections	578	566	557
Number of businesses requiring a follow-up inspection	377	354	360
% of routine inspections requiring a follow-up inspection	54%	41%	45%

A total number of 793 routine inspections were conducted during the year (Table 14). This decrease was attributed to fewer available Authorised Officers during the year. While there was a decrease in the number of routine inspections conducted, there was an increase in the percentage of food businesses (45%) requiring a follow-up inspection. This is reflective of the commitment to ensure non-compliances are rectified within an appropriate timeframe.

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

Graph 7 demonstrates the graduated responses to enforcement. Legal action may be taken to repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Expiations or Prosecutions.

Graph 7 – A graph illustrating the graduated response to enforcement under the *Food Act 2001*





The majority of food businesses requiring legal action are P1 high risk businesses (Table 15). Enforcement action is however not limited to high risk businesses with warning letters and Improvement Notices also issued to moderate risk P2 food businesses (Table 15). Very serious food safety breaches also resulted in Prohibition Orders being served to seven high risk P1 businesses, which included restaurants and take-away food businesses.

Table 15 – A two year comparison of enforcement action taken as per risk classification

Warning Letter	P1	P2	P3	Total
2015-16	13	4	0	17
2016-17	11	1	0	12
2017-18	12	3	0	15

Improvement Notices	P1	P2	P3	Total
2015-16	76	17	0	93
2016-17	127	12	0	139
2017-18	108	11	0	119

Offences Expiated	P1	P2	P3	Total
2015-16	23	0	0	23
2016-17	41	2	0	43
2017-18	21	0	0	21

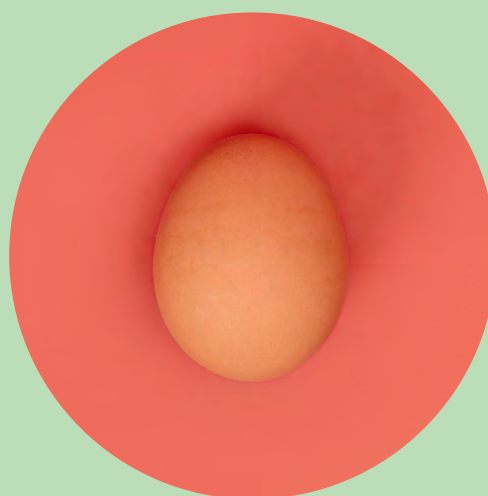
Prohibition Orders	P1	P2	P3	Total
2015-16	2	1	0	3
2016-17	9	1	0	10
2017-18	7	0	0	7

Improvement Notices continue to account for the majority of enforcement action taken, with a total of 119 Improvement Notices issued to 92 food businesses (Table 16). A total of 20 businesses received more than one Improvement Notice during the year.

Table 16 – A three year comparison of the percentage number of Improvement Notices issued based on the number of routine inspections

	2015-16	2016-17	2017-18
Routine inspections	690	862	793
Total number of Improvement Notices issued	93	139	119
Number of businesses issued with Improvement Notices	76	92	92
Number of businesses issued with multiple Improvement Notices	18	15	20
% of routine inspections resulting in the issue of an Improvement Notice	11%	11%	15%

While there was a decrease in the number of Improvement Notices issued, there was an increase in the percentage of routine inspections resulting in the issue of an Improvement Notice (Table 16).





In 2017-18, \$43,500 in fines were issued to 13 businesses for 21 offences committed under the *Food Act 2001* (Table 17). This represents a 51% reduction in the number of Expiation Offences required to be issued when compared to the previous year. It should be noted that the percentage of inspections resulting in the issue of an Expiation Notice was only 1.3%.

Table 17 - A three year comparison of the number of Expiation Notices issued, total number of expiable offences and expiable income received

	2015-16	2016-17	2017-18
Total number of Expiation Notices issued	14	20	13
Total number of Offences Expiated	23	43	21
Total amount	\$38,050	\$64,452	\$43,500

Table 18 - A three year comparison of the percentage of Expiation Notices issued per routine inspection

	2015-16	2016-17	2017-18
Routine inspections	690	862	793
Number of businesses issued with Expiation Notices	14	13	12
Expiation Notices as % of inspections	2.0%	1.5%	1.3%

Seven Prohibition Orders were issued, three less than the previous year (Table 19). The Prohibition Orders were issued due to significant vermin and cockroach activity, extremely poor standards of cleanliness and unsafe food processing practices.

Table 19 – A three year comparison of the number of Prohibition Orders issued

	2015-16	2016-17	2017-18
Routine inspections	690	862	793
Number of businesses issued with Prohibition Orders	3	10	7
Prohibition Orders as % of inspections	0.43%	1.2%	0.9%

EHA inspected 66 food stalls at seven major special events held within the Constituent Councils (Table 13). Food handlers were assessed on their application of food safety and hygiene practices. EHOs also considered the structure and fit out of each stall to ensure food was stored, prepared and displayed appropriately and safely.

As previously reported the demand for packaged ready-to-heat meals has increased, with restaurants and caterers responding to this demand by expanding their businesses to include locally sourced convenience meals.

Cook chill processing is complex and high risk and requires food handlers to have adequate skills and knowledge, as well as suitable equipment and structural facilities. Authorised Officers continue to monitor and identify food businesses undertaking this high risk process to ensure their knowledge and practices are appropriate.

EHA's proactive approach continues to raise the awareness of the risks associated with cook chill manufacturing to food businesses in our five Constituent Councils.

EHA and SA Health were invited to attend the Environmental Health Australia National Conference in October 2017 to provide a joint presentation relating to food businesses undertaking cook chill food processing. The presentation highlighted the technical and complex nature of this type of processing, with EHA providing two case studies relating to food businesses within our Constituent Council area.

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.

As shown in Table 20, a total of 60 scheduled food safety audits and five follow-up audits were conducted within EHA's jurisdiction during the year. There was an increase in the number of audits conducted outside of EHA's jurisdiction when compared to the previous year.

Complaints

As shown in Table 21, EHA received a total of 83 food related complaints. These figures are comparable with the previous two years (Table 21).

Historically, alleged food poisoning accounts for a significant portion of food complaints. However, as shown in Table 21, there has been a continual decline in the number of complaints related to alleged food poisoning.

Poor personal hygiene or poor food handling practices accounted for a significant proportion (25%) of food complaints received during 2017-18 (Table 22). This increase may be attributed to the public's increased awareness of safe food practices, as more information is made readily available through websites and promoted via activities such as Food Safety Week.

Historically, alleged food poisoning accounts for a significant portion of food complaints. However, as shown in Table 21, there has been a continual decline in the number of complaints related to alleged food poisoning.



	2015-16		2016-17		2017-18	
	EHA	Other Council Areas	EHA	Other Council Areas	EHA	Other Council Areas
No. of Audits	31	37	55	33	60	37
No. of Follow-up Audits	10	2	3	1	5	1

Table 20 - A three year comparison of the number of audits and follow-up audits conducted in our five Constituent Councils and other Council areas

Table 21 – A three year comparison of the number of food complaints received

Type of Complaints Received	Total number of complaints received 2015-16	Total number of complaints received 2016-17	Total number of complaints received 2017-18
Food unsuitable/unsafe due to foreign matter	12	10	10
Food unsuitable/unsafe due to microbial contamination/growth	7	7	9
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	2	1	0
Alleged food poisoning	24	20	14
Unclean premises	10	5	5
Poor personal hygiene or poor food handling practices	20	15	21
Vermin/insects/pests observed in premises	5	6	5
Refuse storage	11	11	9
Labelling issues	5	1	1
Other	2	4	8
Total	98	80	83

Health Care & Community Services



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.

website: [NEHA Environmental health](#)

Supported Residential Facilities

EHA is the licensing authority for all Supported Residential Facilities (SRF) within the Constituent Councils. A total of six facilities are licensed, with three Pension Only and three retirement Village /Dual License Facilities (Table 22).

During the year the number of SRFs licensed by EHA decreased from eight to six facilities. The decrease is attributed to two dual licensed facilities no longer meeting the criteria of an SRF.

Table 22 – A three year comparison of the number of SRF facilities licensed by EHA

2015-16	2016-17	2017-18
12	8	6

Licensing, Monitoring and Complaints

EHOs conducted 11 unannounced routine audits and six follow-up visits during 2017-18. An additional 10 inspections were required at one facility during an investigation.

The criteria assessed to determine compliance with the *Supported Residential Facilities Act 1992*, the *Supported Residential Facilities Regulations 2009* and the *Supported Residential Facilities Guidelines and Standards 2011*, 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

The majority of non-compliances identified in the unannounced audits related to hygiene, structural maintenance and documentation management, particularly with regard to inadequate and inconsistent resident contracts. There were a limited number of non-conformances related to standards of care, including nutrition, medication management and control of personal finances.

Each facility was inspected for compliance with 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 highlighted in the fire safety report from one Constituent Council were communicated to EHA. This facility will continue to be monitored.

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 2018-19.

Three facilities were issued licences for one year with no conditions. Two facilities were issued licences for one year with conditions. Conditions related to staffing levels, cleaning, maintenance and hygiene issues. These conditions will continue to be monitored and managed during subsequent audits throughout the year. One facility's Licence was extended with a short-term licence with conditions applied.

There were no complaints received during the year; a decline when compared to the previous two years (Table 23).

Table 23– A three year comparison of the number of SRF complaints received

2015-16	2016-17	2017-18
3	3	0

SRF Licence Transfer/New Licence

During 2017-18, one SRF licence transfer was received, processed and approved. The licence transfer application was the result of the sale of that business.

One application for a new supported residential facility was received during the year. Due to a recent change in the SRF legislation, Eastern Health Authority was unable to approve the licence application. The Minister for Social Inclusion revoked and replaced previous exemptions in relation to facilities of a specified class, which captured this particular application. A meeting was held with the applicant's representatives to advise of the implications of the legislative change. As a result, the facility was deemed ineligible to be licenced under the *Supported Residential Facilities Act 1992*.

SRF Facility Manager and Acting Manager approvals

Three manager applications and two acting manager applications were received during the year. The manager and acting manager applications were approved by EHA's Chief Executive Officer under delegated authority.

Summary Financial Statement for the year ending 30 June 2018

	2017	2018
INCOME		
Council Contributions	1,641,055	1,680,870
Statutory charges	155,492	150,594
User charges	294,343	392,185
Grants, subsidies and contributions	270,990	270,980
Investment income	11,598	12,923
Other income	11,767	20,553
TOTAL INCOME	2,385,245	2,528,105
EXPENSES		
Employee Costs	1,623,390	1,581,162
Materials, contracts & other expenses	699,827	746,550
Depreciation, amortisation & impairment	55,286	46,014
Finance costs	18,756	15,827
TOTAL EXPENSES	2,397,259	2,389,553
OPERATING SURPLUS (DEFICIT)		
Asset disposal & fair value adjustments	-	-
NET SURPLUS/(DEFICIT)	(12,014)	138,552
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	(12,014)	138,552
CURRENT ASSETS		
Cash and cash equivalents	664,107	876,554
Trade and Other Receivables	129,625	122,329
TOTAL CURRENT ASSETS	793,732	998,883
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	387,928	341,914
TOTAL NON-CURRENT ASSETS	387,928	341,914
TOTAL ASSETS	1,181,660	1,340,797
CURRENT LIABILITIES		
Trade & Other Payables	138,358	197,380
Borrowings	61,440	64,393
Provisions	305,844	325,421
Liabilities relating to Non-current Assets held for Sale	-	-
TOTAL CURRENT LIABILITIES	505,642	587,194
NON-CURRENT LIABILITIES		
Borrowings	315,135	250,742
Provisions	35,264	38,690
TOTAL NON-CURRENT LIABILITIES	350,399	289,432
TOTAL LIABILITIES	856,041	876,626
NET ASSETS	325,619	464,171
EQUITY		
Accumulated Surplus	325,619	464,171
TOTAL EQUITY	325,619	464,171





local councils working together to protect the health of the community







**BROWN HILL AND KESWICK CREEKS
STORMWATER BOARD**

ANNUAL REPORT 2017/18

FOR THE CITIES OF ADELAIDE, BURNSIDE, MITCHAM, UNLEY AND WEST TORRENS



V2
ms20181018 – Annual Report

Contents

1	Introduction	1
2	Chairperson’s report.....	1
3	Principal activities.....	1
4	Legislation	2
5	Project phases.....	2
5.1	Joint arrangement.....	2
5.2	Regional subsidiary	3
6	Governance	3
6.1	Project steering group.....	3
6.2	Council decisions	3
6.3	Charter	4
6.4	Interim board.....	4
6.5	Board proper	4
7	Activities in 2017/18.....	6
7.1	Management and administration	6
7.2	Operations and works	7
8	Financial overview	7
9	Audited financial statements	8

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 project is designed to mitigate significant flood risks arising from the four major watercourses of the catchment of Brown Hill and Keswick Creeks, including tributaries Parklands and Glen Osmond Creeks, through the implementation of a stormwater management plan (SMP) 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 BHKC project are such that it could only be delivered effectively and efficiently by the five catchment councils working through a single entity. The councils therefore have established the Brown Hill and Keswick Creeks Stormwater Board as a regional subsidiary under the Local Government Act to co-ordinate implementation of the SMP.

2 Chairperson's report

This is the first annual report of the newly established Stormwater Board. The Board was established in February 2018 and therefore the report mainly reflects activities of the project leading up to the Board's establishment and subsequent transition, which is still in progress, from the former joint arrangement between the five project councils to the current regional subsidiary phase.

It is acknowledged that the activities and achievements discussed in this report were managed during the tenure of the councils' project steering group which operated until February 2018 and, the interim board, which was approved by the councils to ensure proper functioning of the Stormwater Board until appointment of the board proper in August 2018.

It is my pleasure as Chairperson of the Brown Hill and Keswick Creeks Stormwater Board to deliver the 2018 Annual Report.

Judith Choate

Chairperson

18 October 2018

3 Principal activities

The prime purpose of the Stormwater Board is to have the SMP works designed, constructed and maintained, subject to the councils' approval of any material changes in the design or cost of any works.

The SMP primarily involves the design and construction of \$140 million of flood mitigation infrastructure works (2016 values) along the major catchment watercourses, in order to

substantially reduce the number of properties affected by large flood events. Individual projects are outlined in Appendix 1.

Other benefits of planned flood mitigation works include creek rehabilitation, associated creek water quality and biodiversity improvements, as well as enhanced recreational amenity in open space areas traversed by watercourses. Works are also planned for improved quality of stormwater runoff and reduced impact on receiving waters.

The SMP also proposes non-infrastructure flood mitigation measures, including:

- Improved planning policies and assessment processes to ensure that new development is designed to reduce flood risk and potential exposure to flooding
- Greater use of water sensitive urban design in streetscapes and new developments
- Increased community awareness about flood risk and flood preparedness in conjunction with the State Emergency Service
- Clarifying responsibilities and promoting good practice for maintenance of creeks

Other functions of the Stormwater Board are set out in the charter.

4 Legislation

Legislation concerning stormwater management and powers and responsibilities of various 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*.

Under the *Local Government (Stormwater Management) Amendment Act 2007*, the SMA was created, based on the Stormwater Management Agreement between the State Government and the Local Government Association. The Stormwater Management Agreement (original of 2006) was revised in 2013 and the Act subsequently amended in 2016.

Functions of the SMA include the facilitation and coordination of stormwater management planning by councils involving production of SMPs, and administration of the Stormwater Management Fund for funding assistance to local government in relation to stormwater management planning and works, including the BHKC project.

The Brown Hill and Keswick Creeks Stormwater Board has been established as a regional subsidiary pursuant to section 43 of and Schedule 2 of 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 of the Act.

5 Project phases

5.1 Joint arrangement

From its inception in 2007 until February 2018, the project was conducted as a joint arrangement between the five project 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 (as well as 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 for subsequent approval by the SMA of the current (2016) version and its gazettal in February 2017. Also, during this phase certain investigations and works of the SMP were carried out, including works constructed before 2017/18, as indicated in Appendix 1.

5.2 Regional subsidiary

A condition of the SMP approval by the SMA was that a regional subsidiary be established within 12 months to fully implement the SMP and manage its works and other measures on behalf of the five constituent councils. The regional subsidiary (Stormwater Board) was established in February 2018, to be governed in accordance with a charter prepared by the five constituent councils and subsequently approved by the Minister for Local Government.

6 Governance

6.1 Project steering group

Members: Terry Buss (Chief Executive, City of West Torrens and Chairperson), Klinton Devenish (Executive Manager, City of Adelaide) as proxy for the Chief Executive, City of Adelaide, Paul Deb (Chief Executive, City of Burnside), Matthew Pears (Chief Executive, City of Unley) and Peter Tsokas (Chief Executive, City of Unley)

Meetings of the project steering group were held on: 11 August 2017, 1 September 2017, 29 September 2017, 27 October 2017, 10 November 2017, 12 January 2018, 2 February 2018, 29 March 2018, and 20 April 2018 (also first interim board meeting)

6.2 Council decisions

During the reporting period, the following matters, common to each of the five constituent councils, were decided:

- Councils resolved on regional subsidiary principles (to be embodied in the charter) in July and August 2017
- Councils approved the charter in November 2017
- Councils approved their nominee on the Nominations Committee (to select board members) and to delegate their CEs as interim board members pending appointment of the board proper – in April 2018
- Councils approved board member recommendations of the Nominations Committee in July 2018.

6.3 Charter

The charter governs the affairs of the Stormwater 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.

In addition to the principal activities of the Stormwater Board (section 3), the charter also includes a number of related functions or services that could be expected of the Board including:

- Oversee the maintenance and repair and/or renewal of stormwater infrastructure of the SMP
- Oversee other works related to the SMP on behalf of and at the cost of a constituent council
- To “hold stormwater infrastructure” constructed by the implementation of the SMP on behalf of the constituent councils
- Implement non-infrastructure measures of the SMP or related measures
- Coordinate the assessment, planning, demolition, construction, operation and maintenance of stormwater infrastructure as part of the implementation of the SMP

The Stormwater Board is constituted as a body corporate and in all things acts through its board in accordance with the charter.

6.4 Interim board

Members: Terry Buss (Chief Executive, City of West Torrens and Chairperson of the board), Mark Goldstone (Chief Executive, City of Adelaide), Paul Deb (Chief Executive, City of Burnside), Matthew Pears (Chief Executive, City of Unley) and Peter Tsokas (Chief Executive, City of Unley)

Meetings of the interim board were held: 20 April 2018 (three members present) and 15 June 2018 (four members present)

6.5 Board proper

The role and membership of the board are set out in the charter. The board is comprised of five members. Elected members and officers of the constituent councils are precluded

from board membership. Board members are appointed for a three-year term, excepting that the first appointments are made on a differential basis – two members for three years, two members for two years and one member for one year.

Board members were selected through the process of a Nominations Committee (as defined in the charter) comprising one representative of each constituent council. The selected persons were then approved by each council. The Chairperson is determined by the board members.

The process required selection 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.

Members – as at the date of this report and appointed subsequent to the reporting period:

Judith Choate – Chair

Ms Choate is a lawyer with 28 years of experience in corporate governance, risk management, project management and stakeholder issues, particularly in the property and infrastructure sectors. She currently works as a Director at KPMG Law, as well as being a Non-Executive Director on the National Board of Governors for the College of Law.

Rachel Barratt

Ms Barratt has worked in South Australian water and natural resource management for over 20 years, in both public and private enterprise. With a Masters in Environmental Studies from the University of Adelaide, she is currently the Chief Executive of the Water Industry Alliance and has extensive expertise with stormwater management issues and stakeholder management.

Paul Bowler

Mr Bowler has 30 years of experience in leadership roles in construction and infrastructure development across Australia. His experience includes the successful development, procurement and delivery of many major projects, including several projects valued between \$200 million and \$1 billion.

Paul Gelston

Mr Gelston is a civil engineer who recently retired as Chief Operating Officer at the Department of Planning, Transport and Infrastructure in SA. He has over 40 years of experience in the delivery of major infrastructure projects at both State Government and Local Government level at the City of Prospect.

Geoff Vogt

Mr Vogt has extensive experience in the financial services and insurance industries and is currently CEO of Industry Leaders Fund Inc. He is also Chairman of Centennial Park Cemetery Authority, a member of the Eastern Region Alliance Water Board, and a Director of KeyInvest. He was also previously CEO of the Motor Accident Commission in SA.

Meetings of the board proper, all subsequent to the reporting period but by the time of this report being prepared, were held: 3 August 2018 (all present), 9 August 2018 (all present), 16 August 2018 (all present) and 20 September 2018 (four members present)

7 Activities in 2017/18

7.1 Management and administration

In early 2018, the project team (project steering group and technical group) carried out an assessment of strategic and operational risks facing the project as it enters the major works implementation phase under stewardship of the new entity.

A project execution plan was prepared which focusses mainly on project governance, management and administration of the project leading up to 2018, in order to serve as a basis for planning issues likely to affect the Stormwater Board. The PEP is potentially a useful planning tool to supplement and fill gaps between the prescribed Plans of the charter.

The project works funding offer (50% of the project estimated cost, via the Stormwater Management Fund) made by the previous state government in February 2017 (and accepted by the councils) has been of concern in regards to its 20-year timeframe. The project steering group explored the viability of councils borrowing funds to accelerate the works program; however, questions regarding certainty of the state's offer left the issue unresolved.

In January 2018 the project wrote to the Minister for Environment and Water seeking to shorten the timeframe of the State's funding offer from 20 years, but the response was not favourable. Following the state election in March 2018, the funding offer was raised with the incoming Minister, who has since confirmed the Government's commitment to uphold the funding offer over 20 years.

In respect of the Stormwater Board:

- The project steering group completed preparation of the charter in October 2017 and obtained the councils' approval in November
- The charter was submitted to the Minister for Local Government on 15 January 2018 (for subsequent gazettal on 27 February 2018)
- The Stormwater Board was registered with the Local Government Association Mutual Liability Scheme on 29 April 2018
- Board member positions were advertised in May 2018 and subsequently formalised in July 2018
- The financial budget for 2018/19 was approved by the interim board in June 2018
- The four-year business plan was prepared for referral to constituent councils by 30 September 2018
- Transitional arrangements were initiated in the latter part of the reporting period for the transfer of project administrative functions from Unley Council to the

Stormwater Board (including accounting, financial auditor and managerial resources, banking function and ATO registrations)

Other business:

- A presentation about the project was made to SA major projects conference in July 2017
- The project responded in September 2017 to the SMA concerning draft revised Stormwater Management Planning Guidelines

7.2 Operations and works

Under management by Mitcham Council, detailed design of capacity upgrade works in Brown Hill Creek through Soldiers Memorial Reserve, Hawthorn (Hawthorn Reserve project) together with preliminary works were completed in February 2018. Tenders for major construction were called by Mitcham Council late in the period and a successful tender of approximately \$2.5 million is planned to be let in October. The project is within the scope of the SMP and therefore liable for funding under the BHKC project.

Arcadian Developments made known its proposed major residential accommodation project at Everard Park in early 2018. The development would affect construction of SMP capacity upgrade works along a section of Brown Hill Creek which is partially located in the development site. This has prompted construction of the creek works earlier than planned, if possible. Design investigations therefore are underway, for potential construction of works in 2018/19, in advance of the Arcadian development.

In April 2018, a contract was awarded to Tonkin Consulting for detailed design of stormwater detention basins in the South Park Lands. Progress has been satisfactory. However, community consultation, the next step in the process, has been delayed because of local government elections and the preceding caretaker period in October/November 2018, and is now planned for early 2019.

Other minor design works were carried out in respect of creek capacity upgrade works along upper Brown Hill Creek

- Design feasibility investigation of creek capacity upgrade for section between Ethel and Leah Streets, Forestville.
- Design feasibility investigation of creek capacity upgrade in Millswood property (within SMP scope) affected by property owner's proposed works to prevent further erosion and potential structural risk.
- An investigation was commenced into methodologies for reviewing and potentially updating the hydrological modelling of the creek – for purposes of future detailed design.

8 Financial overview

The financial position of the project as at 30 June 2018, based on operations and works from inception of the BHKC project in 2007/08, including the period since the Stormwater Board was established in February 2018, is as follows.

(Amounts in \$)

	Full 2017/18 (12 months)			Full project (from 2007/08)		
	Exp.	Income	Surplus / (deficit)	Exp.	Income	Surplus / (deficit)
Operating	354,626	191,688	(162,938)	4,837,024	4,695,514	(141,510)
Expensed				200,236	199,033	(1,203)
Capital	253,669	246,870	(6,799)	9,255,770	9,455,850	200,080
Total	608,295	438,558	(169,737)	14,293,030	14,350,397	57,367

The above financial information has not been audited in the form presented, but is drawn from records of Unley Council's full operations which separately identify BHKC project financial records and are subject to annual audited financial statements.

9 Audited financial statements

Audited financial statements for the period in 2017/18 from establishment of the Stormwater Board on 27 February 2018 are in Appendix 2.

Appendix 1

Infrastructure works for flood mitigation and storm water quality improvement identified for construction in the SMP (together with estimated costs totaling \$140 M)

Works Of The Major Implementation Phase	
South Park Lands detention basins (\$17.4 M)	Three basins (Glenside, Victoria Park and Park 20) will reduce peak flow in Parklands Creek and reduce the flood risk in North Unley and properties surrounding the South Park Lands. Also, peak flows into Keswick Creek will be reduced.
Lower Brown Hill Creek capacity upgrade (\$39.1 M)	Creek capacity will be increased to accommodate peak flows from upper Brown Hill Creek together with high flows diverted from Keswick Creek.
Flow diversions from Keswick Creek to lower Brown Hill Creek (\$43.1 M)	High flows in Keswick Creek will be diverted into lower Brown Hill Creek to reduce the risk of flooding in western suburbs from Keswick Creek.
Upper Brown Hill Creek capacity upgrade (part \$30.8 M)	Creek capacity will be increased along critical sections totalling about 30% of its full length.
Upper Brown Hill Creek rehabilitation (part \$30.8 M)	Along the full length, a 'one off' maintenance will be carried out to restore the creek to good condition and improve its flow carrying capacity.
Glen Osmond Creek minor works (\$0.8 m)	The watercourse will be upgraded at flow restriction points along concrete lined open channel sections and at two road bridges.
Gross pollutant traps (GPTs) (\$1 M)	Additional GPTs will be installed (at locations not yet determined) and existing ones upgraded along principal watercourses of the catchment in collaboration with the AMLNRMB
Completed Works	
Ridge Park flood control dam (\$2.8 M)	Situated on Glen Osmond Creek, immediately downstream of its rural catchment, the dam will assist in reducing peak flows downstream in Glen Osmond and Keswick Creeks.
Brown Hill Creek diversion culvert by DPTI (\$5 M)	In 2013, as part of its Goodwood Junction railway upgrade project, DPTI diverted part of Brown Hill Creek through a 360 m long culvert, which superseded the need for other works proposed by the BHKC project.
Mount Osmond interchange dam modification	This modification improves the effectiveness of the flood detention dam constructed as part of the Adelaide Crafers Road upgrade project.

**Brown Hill and Keswick Creeks
Stormwater Board**

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

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
Statements by Members of the Committee	16

Brown Hill and Keswick Creeks Stormwater Board

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$
Income		
Operating Contributions	2	160,000
Capital Contributions	2	246,870
Total Income		<u>406,870</u>
Expenses		
Operating Expenses	3	163,948
Total Income		<u>163,948</u>
Surplus (deficit) for the year		<u>242,922</u>
Total Comprehensive Profit (Loss)		<u><u>242,922</u></u>

The accompanying Notes form part of these financial statements.

Brown Hill and Keswick Creeks Stormwater Board

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$
Assets		
Current Assets		
Cash and Cash Equivalents		-
Total Current Assets		<u>-</u>
Non-Current Assets		
Property, Plant and Equipment	4	<u>249,189</u>
Total Assets		<u><u>249,189</u></u>
Liabilities		
Current Liabilities		
Trade and other payables	5	6,267
Total Current Liabilities		<u>6,267</u>
Total Liabilities		<u>6,267</u>
Net Assets		<u><u>242,922</u></u>
Member's Funds		
Accumulated surplus	6	<u>242,922</u>
Total Members Funds		<u><u>242,922</u></u>

The accompanying Notes form part of these financial statements

Brown Hill and Keswick Creeks Stormwater Board

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2018

	Note	Accumulated Surplus \$	Total \$
2018			
Balance at the beginning of the year	7	-	-
Surplus for the year		242,922	242,922
Balance at the end of year		<u>242,922</u>	<u>242,922</u>

The accompanying Notes form part of these financial statements

Brown Hill and Keswick Creeks Stormwater Board

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$
Cash from operating activities		
Receipts from constituent councils		406,870
Payments to suppliers		(157,681)
Net cash provided from operating activities	7	<u>249,189</u>
Cash from investing activities		
Expenditure on new / upgraded assets		(249,189)
Net cash provided from investing activities		<u>(249,189)</u>
Net increase in cash held		-
Cash at beginning of financial year		-
Cash at end of financial year		<u>-</u>

The accompanying Notes form part of these financial statements

Brown Hill and Keswick Creeks Stormwater Board

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 (AIFRS) 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 Gazettal 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 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.

Where the Board has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. The Board's cash is held in a bank account operated by the City of Unley.

(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.

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

(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

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the Board obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Board and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the Board incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from constituent Councils are recognised as income as and when they are received.

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 2018**

(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.

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

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.

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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 Board, 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. 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.

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 2: Income	2018
	\$
Operating Contributions	
City Of Mitcham	32,000
City Of Burnside	32,000
City Of West Torrens	32,000
Adelaide City Council	32,000
City of Unley	32,000
Total Operating Contributions	<u>160,000</u>
Capital Contributions	
City Of Mitcham	24,687
City Of Burnside	29,624
City Of West Torrens	120,966
Adelaide City Council	19,750
City of Unley	51,843
Total Capital Contributions	<u>246,870</u>
Total Income	<u><u>406,870</u></u>

Note 3: Operating Expenses	2018
	\$
Catering	90
Consultants	11,861
Contracts services	5,748
RS charter gazettal	4,502
Insurance	10,500
Legal	3,818
Marketing	930
Salaries	125,670
Telephone, Fax	829
Total Operating Expenses	<u><u>163,948</u></u>

Note 4: Property Plant and Equipment	2018
	\$
Work In Progress	<u>249,188</u>
	<u><u>249,188</u></u>

Work in progress includes two infrastructure projects currently in the detailed design phase.

South Parklands Stormwater - design	80,060
Hawthorn Reserve Creek upgrade	169,128

Brown Hill and Keswick Creeks Stormwater Board

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Note 5: Trade and other Payables	2018 \$
Payables	6,267
	<u>6,267</u>

Note 6: Accumulated Surplus	2018 \$
Opening Balance	-
Surplus for the year	242,922
Net transfers (to)/from reserves:	
Unspent funds reserve	-
Net transfers (to)/from accumulated surplus:	-
Net Transfers (to)/from reserves	<u>-</u>
Balance at year end	<u>242,922</u>

Note 7: Reconciliation of cash flow	2018 \$
Net surplus for the year	242,922
<i>Changes in assets and liabilities</i>	
Increase/(decrease) in trade and other payables	6,267
Net cash provided from operating activities	<u>249,189</u>

Brown Hill and Keswick Creeks Stormwater Board

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 8: 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	2018	
		Carrying Amount	Fair Value
Financial liabilities		\$	\$
Trade and other Payables	6	6,267	6,267
Total Financial liabilities		6,267	6,267
Financial Assets			
Cash and cash equivalents	4	-	-
Total Financial Assets		-	-

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 2018**

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.

	2018	
	% Weighted Average Interest rate	Carrying Value
Financial liabilities	\$	\$
Trade and other Payables	0%	6,267
Financial Assets		
Cash at bank	0%	-

Note 9: Contingent Liabilities and Contingent Assets

At 30 June 2018, the Board is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report.

Note 10: Capital Commitments

At 30 June 2018, the Board is unaware of any capital or leasing commitments which have not already been recorded elsewhere in this financial report.

Note 11: 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.

Brown Hill and Keswick Creeks Stormwater Board

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 12: 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 13: 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 Project Manager currently employed by the City of Unley and the chairperson of the Board. Neither have received funds directly from the Board.

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 14: Capital Management

The Committee controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised within tolerable risk parameters. The Committee ensures that the overall risk management strategy is in line with this objective. The committee operates under policies approved by the board. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements. The entity's capital consists of financial liabilities, supported by financial assets. There have been no changes to the strategy adopted by the Committee to control the capital of the entity since the previous year.

Note 15: Board details

The registered office of the Board and principal place of business is;

City of Unley
181 Unley Road, Unley SA, 5061

Brown Hill and Keswick Creeks Stormwater Board


**CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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 2018 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:



Name: Terry Buss PSM
Position: Interim Chairperson
Date: 30th October 2018



Name: Peter Tsokas
Position: Interim Member
Date:

