



2016/17  
annual  
report





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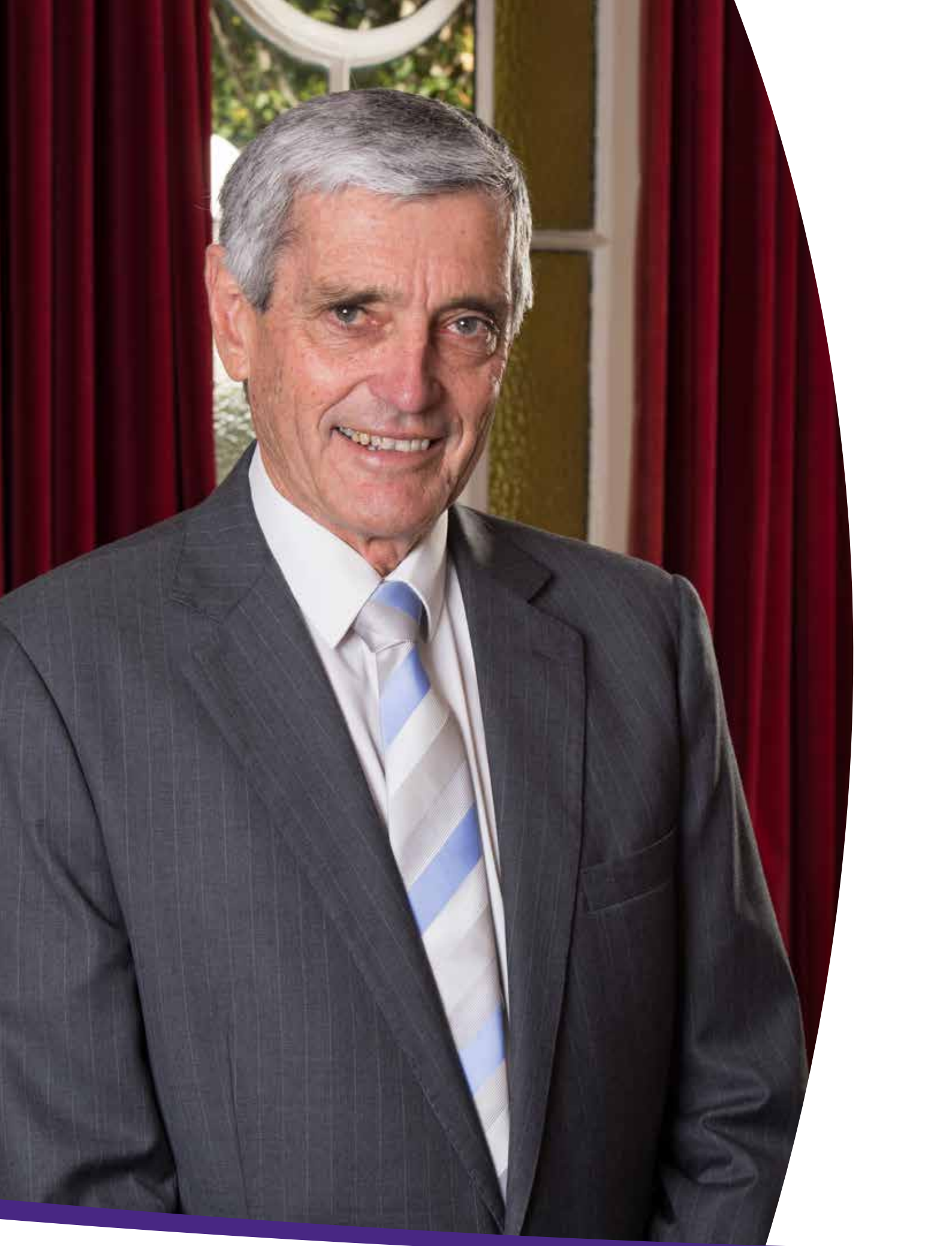


## Civic Centre

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burnside@burnside.sa.gov.au [www.burnside.sa.gov.au](http://www.burnside.sa.gov.au)

Front cover: Chloe Kuhlman 1st prize, Primary School category,  
Mayor's Photography Competition 2016.







# From the Mayor



## I have pleasure in presenting the City of Burnside Annual Report for 2016/17.

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, explains some of the challenges we faced and provides a glimpse of future projects and plans. It measures our success against the objectives set out in the Annual Business Plan and Budget 2016/17 and includes the City of Burnside's audited Financial Statements for 2016/17.

A key achievement this year was successfully delivering an average Council rate increase of 0.9 per cent (plus 0.5 per cent growth) while maintaining a high standard of service to our community. This represented the lowest rate increase in over 10 years, and was one of the lowest across South Australia, achieving \$0.56 m in financial savings. Our strong fiscal diligence delivered many initiatives against our Annual Business Plan.

Other tangible successes include securing the Constable Hyde Memorial Garden as community land; balancing the needs of the community and the Rose Park Primary School by endorsing a new licence over Gurney Road Garden; celebrating the 50th birthday of the George Bolton Swimming Centre Burnside; upgrading the Conyngham Street Dog Park; formalising our long-term vision for Hazelwood Park with the Hazelwood Park Conservation Management Plan; launching the Magill Village Partnership with neighbouring Campbelltown Council; and endorsing the Conyngham Street Depot Master Plan.

We continue our ongoing commitment to the Brown Hill Keswick Creek Project; a collaboration between the Cities of Burnside, Mitcham, Unley, West Torrens and the City of Adelaide to develop a Stormwater Management Plan

for the Brown Hill and Keswick Creek catchment. The Plan was endorsed in March 2017 and the project was awarded 'Excellence in Cross Council Collaboration' at the 2017 Local Government Professionals Australia, SA Leadership Excellence Awards.

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 construction stage is now 90 per cent complete and expected to be completed at below budget cost. The second stage, component commissioning (the testing of installed infrastructure) is 85 per cent complete.

Despite some significant challenges, this financial year was highly productive in delivering across the broad range of our programs and I am proud to say that the Administration has worked exceptionally hard and collaboratively with your Elected Members to realise the aspirations of our community and improve organisational capacity to do even better.

I thank my fellow Elected Members for their service to our community, as well as the Chief Executive Officer, the Leadership Team, staff, and volunteers for their commitment, enthusiasm and professionalism throughout the year.

A handwritten signature in black ink, appearing to read 'David Parkin', written over a light blue grid background.

**David Parkin**  
Mayor





# Our City



The City of Burnside is one of Adelaide's oldest residential areas, encompassing 28 suburbs, and is located 10 minutes from the central business district of Adelaide 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. Burnside 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 us in the City of Burnside.

The Estimated Resident Population of the City of Burnside as of 30 June 2016 (obtained from the Australian Bureau of Statistics) is 45,464.

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



**13,390** people were born overseas and 25 % of them arrived in Australia between 2011 and 2016.



Only **3 %** have difficulty communicating in English.

The largest increase in ancestry is Chinese and Indian.



There are **2,841** couples with young children in the City of Burnside in 2016, comprising 16 % of households.

**26 %** of the population reported doing some form of voluntary work in 2016.



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



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



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

**22 %** of people came from countries where English was not their first language.



**371** gained citizenship in 2016/17.

# 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.

## Annual Community Survey

As part of the Annual Community Survey, residents were asked about their perceptions of specific service areas of Council. All areas displayed an increase in mean satisfaction percentages from November 2015 to November 2016, indicating that the City of Burnside community is increasingly more satisfied with the performance of Council in all aspects of our service.

Top improvements since 2013 include:

- Providing leadership in the community (up 22 per cent)
- Preparation for bushfire management (up 16 per cent)
- Support for local business (up 14 per cent).

## Planning and Development

Work will continue on updating our planning policy to better reflect the aspirations of our community of what they want Burnside to look like in the future, taking into account the aims and objectives of the 30-Year Plan for Greater Adelaide. In reviewing the planning policies that we use in the assessment of development proposals, we are giving consideration to feedback received from the community in the previous growth survey in designing guidelines for our retail, commercial and business areas. This work will be critical in revitalising and fostering our City's future economic development and growth, ensuring Burnside remains a great place to live, work and play.



## Planning and Development



### 615 Building inspections

incorporating brickwork (44), complete (149), footings (169), framing (158), swimming pool (95).



#### Development Applications lodged:

**1,273** with an estimated cost of **\$173,229,797**.

#### Full Development Approvals:

**1,042** Granted

**23** Refused



Under the Significant Regulated Tree Assistance Scheme 7 applications were made for grants to the value of **\$5,882.50**.

## Information Technology



**148,029** Website visitors



**720,200** Page views

## Rangers



**5,395** Dog registrations



**78** Dogs were impounded and all of those were reunited with their owners.

## Customer Service



**5,084** Customer requests lodged



**42,125** Inbound calls to our Call Centre, of which 87 per cent answered within three rings.

## Community Connections



**2,000** Senior residents received services and support.



**130** older people transported

by bus or car to vital medical appointments or weekly shopping trips.



**876** Active swim centre members.

Approximately **290,000** people visited the library.

**18,426** People attended events held in the Burnside Library.



Pepper Street Arts Centre (PSAC) supported **640** artists across 21 exhibitions.



**2,400** Members of the public attended openings and allied demonstrations at the PSAC.

Launch of the Ballroom Series involving **13** concerts.



**180** Sessions and almost **400** hours of activities in the School Holiday Program.

**550** Applications to hire our community centres including weekly, monthly, annual and casual hires.



**2,500** People to the Kids' Club and Family Days at Glenunga Hub.

## Volunteers



**34** Justices of the Peace



**19,577** total tasks performed



**6,809** members of the public attended the Justices of the Peace service



**1,088** total JP hours



**12,970** Community Services volunteer hours



**9,842** Library volunteer hours

**2,106** Operations volunteer hours



**225** Graffiti removal volunteer hours and  
**1,326** Graffiti removal square metres covered

**26,231** Total City of Burnside volunteer hours

## Open Space and Environment



**31.28 %** total tree canopy coverage



**>750** new trees planted



**>2,290** tree related requests, with **77 %** actioned within an average of **30 days**

Council's new At-Call Hard Waste service diverts 98 % of the waste away from landfill and is used in a Resource Recovery system as alternative fuels.

## Conservation and Land Management

**2,051** hours were volunteered by City of Burnside Conservation Volunteers on seven sites across Burnside



Through our partnership with Trees for Life, volunteers contributed **1,264 hours** work on nine 'Bush for Life' sites across Burnside

Through our partnership with Conservation Volunteers Australia, volunteers contributed over **1,280 hours** on five sites in Burnside



Burnside's Green Army Team contributed **8,910 hours** to conservation projects in City of Burnside (up to 30 June)

Planted **3,392 local native trees**, shrubs and understorey plants in Hills Face Zone reserves (winter/spring 2016)



Grew over **12,000 local native plants** at the Burnside Biodiversity Nursery

Undertook woody weed control on over **25** Hills Face Zone sites

Undertook fuel reduction works (brush cutting) on over **540,000 m<sup>2</sup>** (54 ha) of Hills Face Zone Reserves and up to **27 km** of Hills Face roadsides



## Assets and Infrastructure

>\$518 m worth of assets

**259 km** of roads  
**461 km** of kerbs  
**>350 km** of footpaths  
(and growing)

7,600 stormwater assets

102 sq km of biodiversity sites



111 bus shelters

498 Council street lights

455 benches



\$56 m of building assets

We delivered approximately \$10 m in capital works during the year, which included:



4.3 km of new footpaths

15 km of renewed footpaths

148 km of renewed roads



4 new/renewed playgrounds

\$900 k of community building renewals/refurbishments



Tennis court renewals at 3 reserves

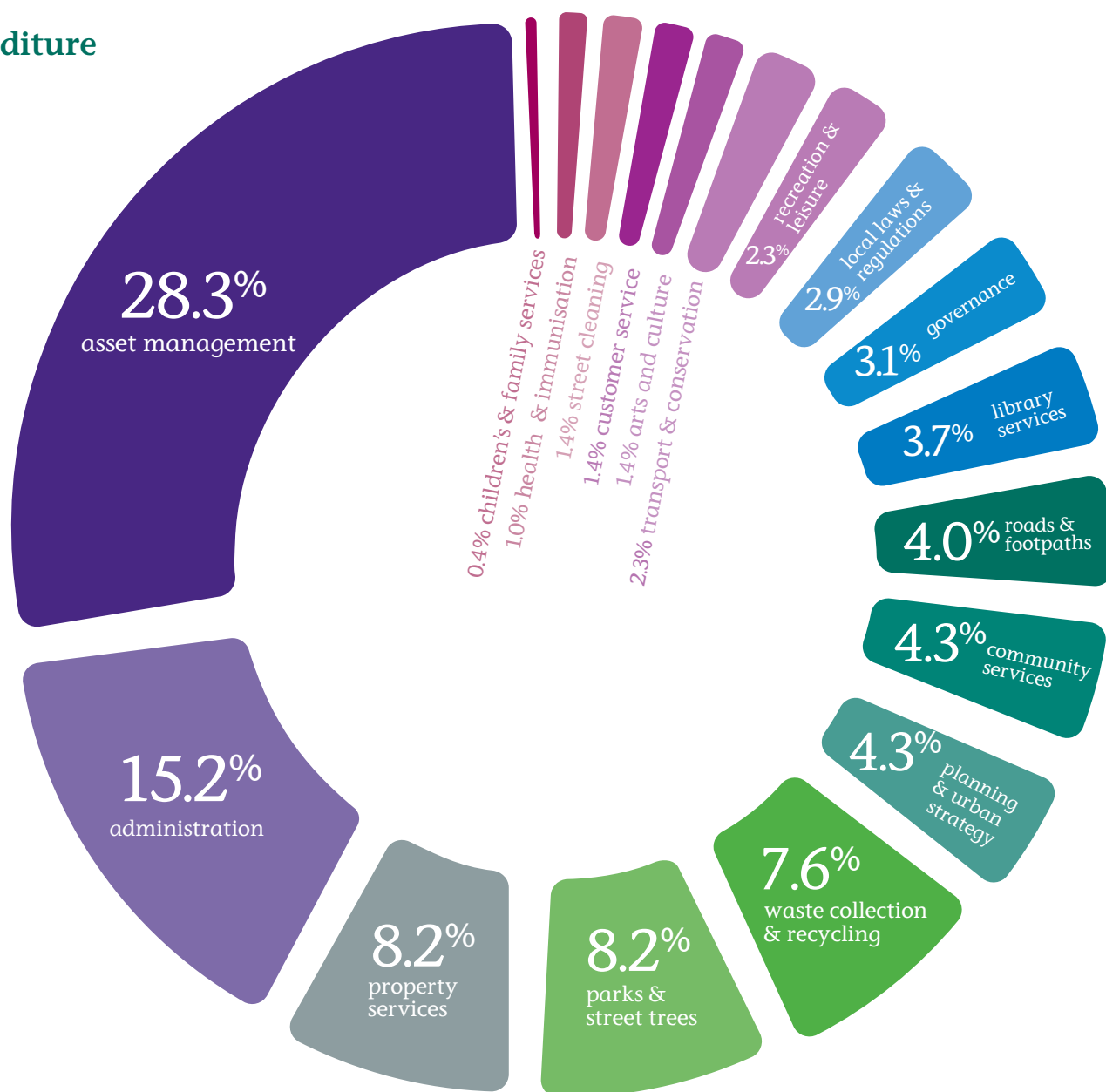


\$1.79 m refurbishing and renewing its community facilities, with more than \$1.1 m directed towards improving its open space and recreational assets (\$43 m).



# Financial Summary & Expenditure

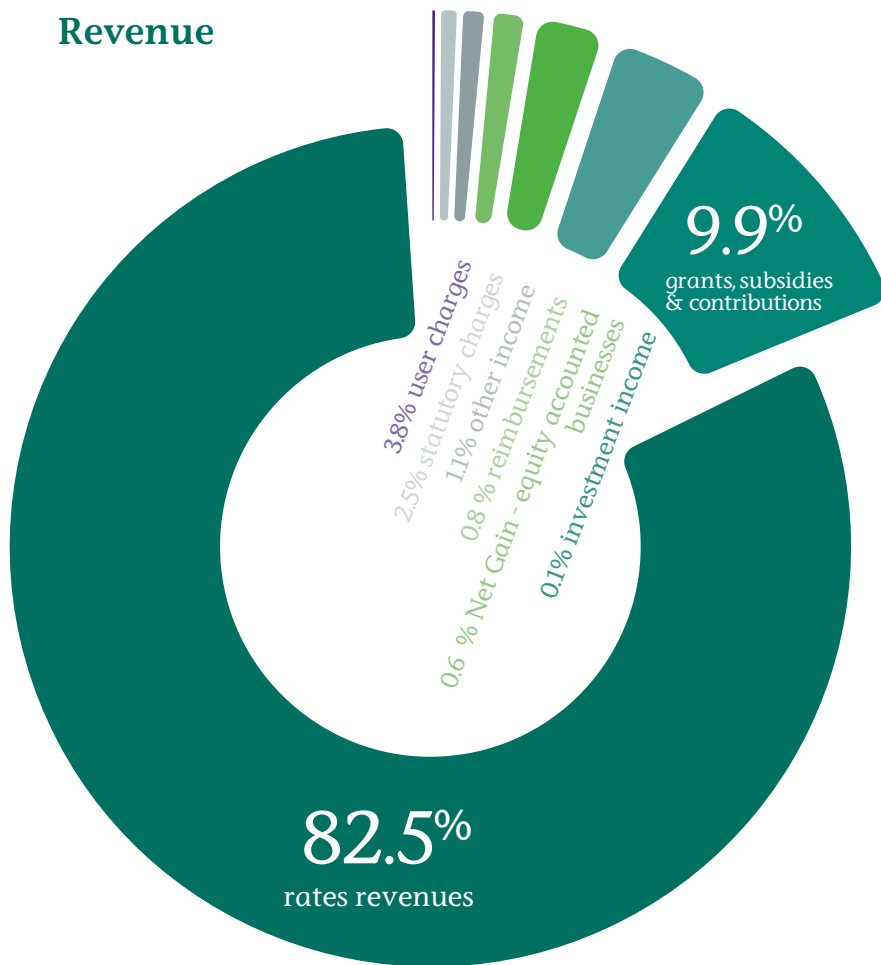
## Expenditure



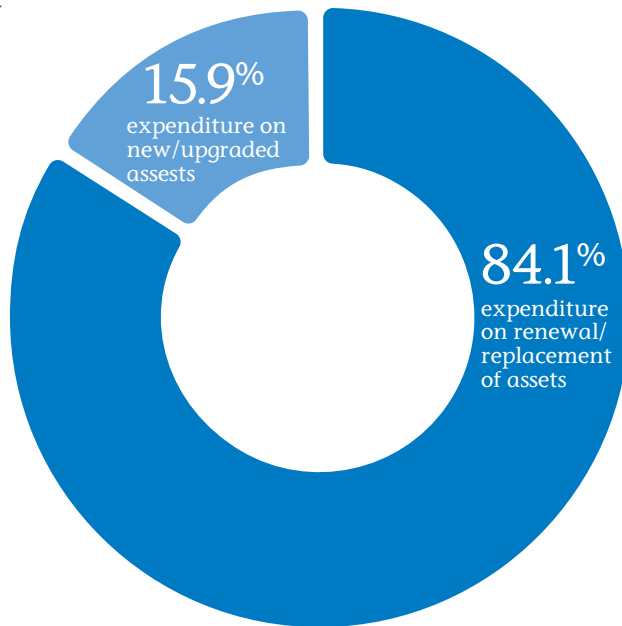




## Revenue



## Capital Expenditure





# Our Performance Highlights

We are proud of our many achievements highlighted throughout this Annual Report. This includes delivering on community priorities, proactive planning for community infrastructure and services, collaborating with community to deliver programs and strengthening local partnerships.

Our performance and achievement highlights are measured against our four strategic objectives as outlined in *Be the Future of Burnside, Our Strategic Community Plan 2026*.

- **Our Integrated Urban Form and Living Spaces:**  
To integrate and enhance our living, recreation, services, retail and employment spaces to meet our diverse current and future needs and to embrace our City's character and heritage to ensure our continued pride in and enjoyment of living in Burnside.
- **Our Protected and Valued Environment:**  
Protect and conserve the environment, living in harmony with it to ensure that future generations can experience what we value so highly today.
- **Our Diverse Connected, Happy and Healthy People:**  
For a diverse, resilient and cohesive community. For our people to be supportive of one another, creating a sense of community spirit and a deep sense of belonging, where individuals enjoy participation, involvement, learning, happiness and health. Our education establishments that are central to our community will be celebrated. Our local businesses will provide services and goods that support our people and our people will support our local business.
- **Our Leading Inclusive and Connected Council:**  
For Council to be engaging, open and approachable, to listen to and be representative of our views, to act on our behalf and in our best interest. To achieve this, it must deliver sustainability in all its forms and high quality services that meet community needs and continue to be a learning organisation, at the forefront of local government.



Below are examples of projects that were achieved against our four Strategic Directions.

## Strategic Direction 1: Our Integrated Urban Form and Living Spaces

### Delivery of Capital Works programs

Of Capital Works scheduled for the 2016/17 financial year, 96 per cent were completed in the areas of drainage, footpath, road resurfacing, traffic calming, kerb renewal, community buildings, playgrounds and open space.

### Magill Village Precinct

The Magill Village Partnership is a collaboration between the City of Burnside and Campbelltown City Council to redevelop the Magill Town Centre, located around the intersection of Magill Road and St Bernards/Penfold Road east of the Adelaide CBD. Both Councils have recognised that the area is rich in social and cultural heritage, and presents a unique opportunity to create an exemplar 'Village' model that encompasses urban renewal streetscape improvements and urban landscape work.

A master plan for the precinct was adopted in 2013, and both Councils are now working together to start delivering on this vision.

The Cities of Burnside and Campbelltown held a traders' launch for the Magill Village Partnership in June 2017, which attracted more than 30 business representatives. Both Councils are fully committed to working together to realise the intent of the master plan, with civil works planned to commence in late 2018.

### Local Heritage Digital App

Local Heritage app, Burnside Walks, was launched in collaboration with the Burnside Historical Society and the National Trust. The app provides a digital walking trail accompanied by original and contemporary photographs and information regarding many of the significant historic sites of Burnside.

### Council Chamber Upgrade

The Council Chamber and Elected Members' area underwent an extensive renovation. While the building and the main entry retain their heritage look, the furniture, lighting and equipment is modern and state-of-the-art. The design brief for the renovation of the Council Chamber included reinstatement of as many of the original heritage features from 1927 as possible while also creating a modern and comfortable multi-purpose meeting space within the confined floor space. Council worked extensively with its heritage architect to achieve this and the plans and outcome received support from conservation and heritage consultants. As part of this design, extensive wood panelling and a large pendant light, which were installed during a refurbishment in 1971, were removed. In their place, heritage plasterwork to the ceiling and walls was restored.



## Our Performance Highlights

### Strategic Direction 2: Our Protected and Valued Environment

#### ERA Water

This visionary stormwater recycling project will store stormwater in underground aquifers during winter flow, recover the stored water in summer months and reticulate it to parks and gardens in Burnside, Walkerville and Norwood, Payneham and St Peters. The genesis of the scheme was the very adverse consequences of the 2005-2009 drought years on the parks and gardens in these three Councils. The project has been underpinned by generous grants of \$10 m from the federal government and \$2 m from Adelaide Mount Lofty Ranges Natural Resources Management. The three Councils shared equally the balance of cost to a total capital spend of \$22.8 m. The construction stage is now 90 per cent complete.

#### Waterfall Gully Road

Following the flood events experienced in late 2016, the City of Burnside has committed to investing around \$1.5 m to address identified creek issues on Council land, and in easements, across the City over the next few years. This includes a significant amount of works in the Waterfall Gully area, which was one of the areas most heavily affected. Council continues to advocate on behalf of residents to improve state government funding.

#### Constable Hyde Memorial Garden

In 2013 the local community sought support from Council to secure the Constable Hyde Memorial Garden in Leabrook as community land, following the intention of the state government to dispose of the land on the open market. After community consultation and negotiations with the state government, Council acquired the Garden and has engaged with the community to determine the future use of this open space.

#### Gurney Road Reserve

A long-running issue involving the Rose Park Primary School, The Department for Education and Child Development (DECD), the City of Burnside and local Rose Park residents concluded at the first Council meeting in 2017. The essence of the debate, in which there was a high degree of community participation, was community right of access on one hand and child safety obligations on the other. Council resolved to accede to the DECD and school request and public access to the reserve is now restricted. This long-running story is a good example of collaborative decision-making in local government.

#### 100 Years of Anzac Lookout

Remediation works to the (100 Years of) ANZAC Lookout were undertaken, which included vegetation clearing and the installation of an ANZAC memorial in recognition of the 100 year ANZAC anniversary.

#### Fire Track Upgrades

The eroded fire trail at the head of Chambers Gully Reserve was repaired by resurfacing, installing cut off drains, and earth shaping to manage stormwater flows from the cliff areas to prevent a repeat of the erosion; to ensure that emergency and management vehicles can access the base of the Burnside walking trails and also Cleland Conservation Park.

#### Brown Hill and Keswick Creeks

The Brown Hill and Keswick Creek (BHKC) Stormwater Management Project is a collaborative effort between the catchment councils of Adelaide, Burnside, Mitcham, Unley and West Torrens to mitigate serious flood risks and help safeguard properties across the catchment of Brown Hill and Keswick Creeks.

The project developed a 2016 Stormwater Management Plan to substantially reduce the number of properties that would be affected by very large flood events along the four major watercourses of the catchment.



### **Burnside Garden Awards**

The City of Burnside Garden Awards were introduced in 2015 for a one-year trial and were continued in 2016/17. The awards are open to all Burnside residents, schools, community venues and commercial operators. The aim of the Garden Awards is to support and encourage City of Burnside garden enthusiasts to achieve excellence and innovation in their gardening practices and to recognise the energy and enthusiasm put into local gardens and reward their dedication with recognition as an award recipient.

### **Green Army in Burnside**

Green Army is a federal government program initiative which engages young people aged 18-24 in a program of practical conservation works and training in collaboration with local host organisations. Burnside applied to participate in the program and was allocated a Green Army team to assist in rehabilitation and conservation work in Chambers Gully Reserve, which was in dire need of serious attention. Over the course of the financial year two teams worked on projects in Chambers Gully Reserve. The participants can now use the skills and experience they have learned in their future careers in conservation and land management.

### **Biodiversity Volunteers**

Under the experienced supervision of retired Burnside Administration employee, and now volunteer, Andrew Crompton, steep banks of the creek in Waterfall Gully have been stabilised and appropriate native plants from the Burnside biodiversity nursery are replacing inappropriate exotics throughout the creek environment. The transformation is extraordinary. Local native plant species, long strangled by stronger competition, are reappearing. Native wildlife is also returning. The Biodiversity Volunteer Team is justifiably proud of its achievements and is dedicated to continuing to make a real and significant difference to environmental conservation in Burnside.

### **The Tree Canopy**

In 2016 the Council initiated a tree cover assessment over the five year period between 2010-2015 in the suburbs of Burnside, Glenside and Magill. Significantly and of concern, the assessment concluded there was a 10 per cent loss in tree canopy coverage over this period. The loss was predominantly from the canopy contribution of privately owned trees.

Arresting the trend of decline in urban tree canopy cover presents many challenges. Council has 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. Through this plan Council will endeavour to ensure future generations will be able to enjoy the beautiful environment of Burnside.

### **Parks and Gardens**

#### **Harris Reserve**

At Harris Reserve, new fencing was installed to improve safety of, and allowing views into, the reserve. A new recycled bitumen pathway was installed linking Glynburn Road with the existing path to Lock Avenue. The Morton Bay Fig tree roots are now protected with the installation of new raised mesh platforms.

#### **Attunga Gardens**

The Attunga Gardens were developed by Otto von Rieben in 1907. In March 1944, Otto von Rieben drew up a Deed of Gift which transferred Attunga House and Gardens to Council to establish a community hospital. On 1 August 2016, Council resumed management and control of state heritage listed Attunga Gardens and developed a Conservation Plan to conserve this important garden for the community.

#### **Conyngham Street Dog Park**

Council secured a 10-year licence over the existing Conyngham Street Dog Park and spent almost \$100,000 on its improvements. These improvements include new irrigation, paths, drinking fountain, shelter and the planting of mature trees. The area is now extensively used by members of the community and their pets.



## Our Performance Highlights

### Strategic Direction 3: Our Diverse, Connected, Happy and Healthy People

#### RFID - Library

The Library introduced a Radio Frequency Identification (RFID) system for self-service when checking out items. More than 100,000 items in the Library have been specially tagged so that patrons can use the new kiosks to borrow items. This has the benefit of increased security and privacy for customers. The tags also have a feature to enable our new security gates to pick up items not properly checked out by customers, which will greatly enhance the security of the library's items. A project has been run by Public Library Services of SA (PLS) which means that all the items in South Australian public libraries are similarly tagged.

#### Community Development

City of Burnside was the winner of the Australian Government, Australian Aged Care Quality Agency, Better Practice Awards for our 'Targeted Men's Social Inclusion Programs'. These awards celebrate projects, initiatives or programs that act as prototypes for other aged care service providers and to encourage continuous improvement. They recognise and disseminate better practice and innovation in the aged care sector.

City of Burnside was the winner of the Council of the Ageing (COTA) 2016 Positive Ageing Award for our Strength for Life Program. This award celebrates the tireless and often unheralded contributions made by individuals, organisations and businesses in improving the lives of South Australia's older communities.

#### Economic Development

City of Burnside is part of the Eastern Region Alliance Economic Development Group, which has a focus on Smart Cities, Tourism, and the Creative Industries. Economic Development is being fed into a number of strategies across council, including upcoming

Development Planning Applications (DPA), our liaison with the Department of Transport, Planning and Infrastructure about Ministerial DPAs, and our liaison with Renewal SA about the Glenside redevelopment.

City of Burnside also contributes financially and as a partner agency to Eastside Business Enterprise Centre (EBEC), which provides business consulting, and training to businesses in the eastern region of Adelaide. In 2015, EBEC was successful in securing three years of federal funding to provide services.

### Strategic Direction 4: Our Leading, Inclusive and Connected Council

#### Effectiveness and Efficiency Reviews

This financial year, Council focused on reviewing its discretionary and subsidiary services with a view to identifying a more effective and efficient service delivery model. Pilot service level reviews were then initiated for three of Council's discretionary services (nursery services, street sweeping and verge mowing). These service reviews are still in progress and will be presented to Council in the 2017/18 financial year.

#### Electronic Lodgement of Development Applications

We have recently implemented electronic lodgement of Development Applications. Customers can now safely and conveniently lodge Development Applications (DAs) via our website. This service is available 24 hours a day, 7 days a week. Once an application is submitted, customers automatically receive a respective DA number. Our Customer Experience team then make contact within 24 business hours with invoice details. Customers check the progress of applications electronically.

#### Electronic Work Orders

Our Operations Services team have now gone live with a new work order system that allows teams working in the community to go from one job to the next, creating more efficiency in managing works. The work order system uses a newly released off-the-shelf product that was tailored using in-house IT expertise to accommodate the many services that our operations team provides for the community.



All work orders are now entered electronically into a request system and all the data is stored and accessible for other workers and supervisors to use for continuous improvement and future evidence based decision-making.

### Customer Kiosk

Customers can now skip the line at the Customer Service Desk with the installation of a new Self-Service Kiosk. Customers can use the kiosk to make payments, have their say, view public notifications, see what's on, submit a form, view the assessment book and much more.

### Anniversaries

We celebrated a number of milestone anniversaries during the year. The George Bolton Swimming Centre Burnside turned 50 and celebrated with special guest Dawn Fraser AO, MBE. Dawn was the first person to dive into the pool when it opened in 1966. In November Pepper Street Arts Centre celebrated its 21st birthday and the Men's Shed turned 10 in July.



# 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 three 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 corporate communications, Elected Member support, Council and Committee Secretariat and Executive support.

The General Managers lead three divisions of administration:

- Corporate Services
- Community and Development Services
- Urban Services.

Total salary packages in 2016/17 of the Chief Executive Officer and three General Managers were made up of base salary, superannuation and the facility to salary sacrifice for a fully expensed car and range between \$183,144 and \$225,664 per annum. In addition these executives are provided with a mobile phone and computer tablet for their 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.



## 2015/16 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 23 Council meetings were held during the 2016/17 financial year of which one was a Special Council meeting.

### 1 July 2016 – 30 June 2017

Mayor Parkin	23
Councillor Bagster	14
Councillor Bills	17
Councillor Cornish	19
Councillor Davey	20
Councillor Davis	23
Councillor Ford	20
Councillor Lemon	22
Councillor Lord	20
Councillor Monceaux	23
Councillor Osterstock	19
Councillor Piggott	21
Councillor Wilkins	23

Leave of absence was granted to  
Cr Bagster (3 meetings), Cr Bills (4 meetings),  
Cr Cornish (2 meetings), Cr Ford (3 meetings),  
Cr Piggott (2 meetings).

## Local Government

### Council Committees

Council Committees are created under Section 41 of the *Local Government Act, 1999*, with the exception of 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 members of Council and three independent members.

The CEO Recruitment, Performance Appraisal and Remuneration Review Committee meets as needed in the Executive Boardroom. Their role is to perform the functions 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. This committee met three times in the 2016/17 financial year (9/8/16, 23/8/16 & 22/11/16). The SPDPC meets as required in the Council Chambers.

The Development Assessment Panel (DAP) meets in the Council Chamber on the first Tuesday of each month at 6 pm. The DAP is comprised of three Elected Members and four independent members. The DAP 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 DAP 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 DAP.

The Development 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 Civic Centre and in the Library no less than three clear days prior to the meetings. Minutes of the meetings are displayed in the Civic Centre 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](http://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 - Meetings and Documents - Access and Procedures'.





## Local Government

### Allowances

#### Elected Member and Independent Member Allowances

Elected Members receive an annual allowance to assist with expenses incurred undertaking their role and to recognise the role they perform. Councillors in charge of chairing a committee are also 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 are able to 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 Committee and the Development Assessment Panel require representation from Independent Members who may receive an allowance for chairing the committee.

	Audit	DAP	Council	Total
<b>Elected Members (current)</b>				
Mayor David Parkin			\$65,104	\$65,104
Cr Henry Davis			\$16,276	\$16,276
Cr Felicity Lord			\$16,276	\$16,276
Cr Lance Bagster			\$16,276	\$16,276
Cr Graham Bills			\$16,276	\$16,276
Cr Anne Monceaux			\$16,276	\$16,276
Cr Jane Davey			\$16,276	\$16,276
Cr Helga Lemon			\$16,276	\$16,276
Cr Peter Ford			\$16,276	\$16,276
Cr Di Wilkins		\$2,200	\$16,276	\$18,476
Cr Peter Cornish		\$2,000	\$16,276	\$18,276
Cr Mark Osterstock		\$1,000	\$16,276	\$17,276
Cr Grant Piggott		\$1,200	\$16,276	\$17,476
<b>Independent Members</b>				
Bill Chandler		\$6,050		\$6,050
Ross Bateup		\$3,850		\$3,850
Don Donaldson		\$3,500		\$3,500
Graeme Brown		\$3,850		\$3,850
Roberto Bria	\$2,210			\$2,210
Sean Tu	\$1,810			\$1,810
David Powell	\$2,360			\$2,360
Leigh Hall	\$1,500			\$1,500
<b>Total</b>	<b>\$7,880</b>	<b>\$23,650</b>	<b>\$260,416</b>	<b>\$291,946</b>

### Audit Committee

This financial year five meetings were held. Member attendance as per the table below:

	Aug 15	Oct 17	Feb 20	Apr 3	Jun 5
Leigh Hall, Chair	✓	✓			
David Powell, Chair			✓	✓	✓
Mayor David Parkin	✓	✓	✓	✓	✓
Roberto Bria	✓	✓	✓	✓	✓
Cr Grant Piggott	✓	✓			
Sean Tu	✓		✓	✓	✓
Cr Henry Davis			✓	✓	✓

### CEO Recruitment, Performance Appraisal and Remuneration Review Committee

Four meetings were held during 2016/17. Mayor David Parkin and Cr Helga Lemon attended all three meetings. Cr Cornish replaced Cr Piggott in 2017. These meetings were facilitated by Hender Consulting and Richard Altman Consulting.

	17 Aug 16	23 Aug 16	5 Jun 17	23 Jun 17
David Parkin	✓	✓	✓	✓
Henry Davis	✓	✓	✓	
Helga Lemon	✓	✓	✓	✓
Grant Piggott		✓		
Peter Cornish			✓	✓

### Development Assessment Panel (DAP)

11 meetings were held in 2016/17. Member attendance was as per the table below:

	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Feb 17	Mar 17	Apr 17	May 17	Jun 17
Bill Chandler	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Don Donaldson	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Graeme Brown	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ross Bateup	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Di Wilkins	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peter Cornish	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Grant Piggott	✓	✓	✓	✓	✓	✓					
Mark Osterstock							✓	✓	✓	✓	✓

During 2016/17 the Development Assessment Panel required consideration of three items in a confidential forum excluding the public (under Section 56A (12) of the *Development Act, 1993*). These discussions took place in July 2016, May 2017 and June 2017.





## Local Government

### Council Representation on Boards and Committees

#### Mayor Parkin

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

#### Anne Monceaux

Eastern Health Authority: 1/7/16 – 30/6/17  
Burnside Retirement Services: 1/7/16 – 30/6/17 (term extended in May 2017)

#### Mark Osterstock

Burnside War Memorial Hospital: 1/7/16 – 30/6/17  
Burnside Retirement Services: 1/7/16 – 30/6/17 (term extended in Jan 2017)

#### Di Wilkins

Eastwood Community Centre: Ongoing until end of Council Term  
Burnside Retirement Services: 1/7/16 – 30/6/17 (term extended in May 2017)

#### Henry Davis

Burnside War Memorial Hospital: 1/7/16 – 30/6/17

#### Grant Piggott

East Waste Management Authority: 1/7/16 – 30/6/17

#### Jane Davey

Burnside War Memorial Hospital: 1/7/16 – 30/6/17

#### Peter Cornish

Eastern Health Authority: 1/7/16 – 30/6/17

#### Chief Executive Officer

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

#### Adelaide Mount Lofty Ranges Bushfire Management Committee

General Manager, Community and Development Services (until March 2017)  
Team Leader Ranger Services (March – June 2017)

#### Eastside Business Enterprise Centre (EBEC)

General Manager, Community and Development Services (until March 2017)  
General Manager, Corporate Services (March – June 2017)

#### ERA Water

General Manager, Urban Services

### 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 have the opportunity to attend training sessions, workshops and conferences throughout the year.

In 2016/17, Elected Members were invited to 14 workshops:

<b>Date</b>	<b>Name of Training/Workshop</b>
<b>Elected Member Workshops:</b>	
27 Jun 17	Presentation from LGA President, Mayor Lorraine Rosenberg - Rate capping policies and position
13 Jun 17	Street Verge Maintenance Program Review
23 May 17	Budget Workshop 2 - Final Draft Annual Business Plan and Budget; and Community Engagement Results
27 Apr 17	Confidential Informal Discussion and Briefing Session   Briefing from Natasha Jones, Kelledy Jones Lawyers and Theressa Hines, Employer Global Solutions PL (EGS)
28 Mar 17	Budget Workshop 2
14 Mar 17	Budget Workshop 1 - Operating Budget
21 Feb 17	Results of Annual Community Survey and Records Management
14 Feb 17	Conflict of Interest training by Norman Lawyers
13 Dec 2016	ICAC Presentation by Commissioner the Hon. Bruce Lander QC
15 Nov 16	Draft Burnside Community and Civic Centre Master Plan
18 Oct 16	Local Government Grants Commission - Commonwealth Fund Assist Grants
11 Oct 16	Section 39 Liability - Former Elected Member Request for Reimbursement of Legal Expenses (Confidential Briefing)
20 Sep 16	Strategic Plan and Long-term Financial Plan
16 Aug 16	Footpath Policy and ERA Water





## 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).

### Voters' Roll

The number of electors on the voters' roll as at the last closing date under the Act is 31,745. The break down in Ward is as follows:

Beaumont	5,249
Burnside	5,193
Eastwood and Glenunga	5,126
Kensington Gardens and Magill	5,428
Kensington Park	5,484
Rose Park and Toorak Gardens	5,265

### Representation Quota

Council's representation quota is 2,449 (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 2,653.

### Tenders and contracts

Council's Procurement Governance Framework 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.

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 2016/17 financial year.

# 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.

The figures below include confidentiality orders from Council and all Council committees for 2016/17:

Topic	Number
Section 90(2) orders made to go into confidential session.	50
<b>Section 90(3) Grounds under which an Order made:</b>	
90(3) (a) Personal Affairs	24
90(3) (b) Confer commercial advantage on another person / prejudice Council's commercial person	2
90(3) (c) Reveal trade secrets	-
90(3) (d) Commercial in confidence	12
90(3) (e) Security of Council, council property or persons	1
90(3) (f) Prejudice maintenance of law or investigation	1
90(3) (g) Breach of law – duty of confidence	18
90(3) (h) Legal advice	17
90(3) (i) Litigation	6
90(3) (j) Information provided in confidence by Minister or public authority	2

90(3) (k) Tenders	6
90(3) (m) Information relating to proposed Development Plan Amendment proposal before released for public consultation	-
90(3) (n) Review of a Freedom of Information determination	-

## Section 90(2) and 91(7) orders made in 2016/17:

Subject	90(2)	91(7)
Selection of Chief Executive Officer	-	12/07/16
Selection of Chief Executive Officer	-	12/07/16
Hender CEO Performance Appraisal Report	-	12/07/16
Hender CEO Performance Appraisal Report	-	12/07/16
Draft CEO Contract and Draft Position Description	-	12/07/16
Land Acquisition - Constable Hyde Memorial Garden	-	09/08/16
CEO Performance Appraisal Report - July 2014	-	09/08/16
EM Code of Conduct - Complaint against an EM	-	09/08/16
Brown Hill Keswick Creek Stormwater Project - Auditor General's Report	90/08/16	9/08/16
CEO Performance Review and Salary Review 2015-2016	17/08/16	17/08/16
CEO Performance Review and Salary Review 2015-2016	17/08/16	17/08/16
CEO Performance Review and Salary Review 2015-2016	23/08/16	23/08/16
Legal Action - Foothills Water Company	-	23/08/16
Legal Action - Foothills Water Company	-	23/08/16
Foothills Water Company - Damage to Knox Terrace, Skye	-	23/08/16
Foothills Water Company - Damage to Knox Terrace, Skye	-	23/08/16



Review of Confidential Items - Foothills Water Company	-	23/08/16	External Auditor Appointment	-	08/11/16
Review of Confidential Items - Foothills Water Company	-	23/08/16	Confidential Items Register Review in Relation to Correspondence Received	22/11/16	22/11/16
Review of Confidential Items - Foothills Water Company	-	23/08/16	Annual Review of Confidentiality Resolutions	22/11/16	22/11/16
Foothills Water Company	-	23/08/16	Eastern Region Alliance Water – Reports Received	22/11/16	22/11/16
Foothills Water Company	-	23/08/16	Eastern Region Alliance Water	13/12/16	13/12/16
Burnside War Memorial Hospital Inc.	23/08/16	23/08/16	Questions on Notice – ERA Water	14/02/17	14/02/17
CEO Performance Appraisal Report 2015-2016	13/09/16	13/09/16	Appointment of External Auditor	20/02/17	20/02/17
CEO Remuneration	13/09/16	13/09/16	External Auditor Appointment	28/02/17	28/02/17
Questions on Notice - Legal Services (18.1) (originally 10.1)	13/09/16	13/09/16	Code of Conduct Complaint (CoCC 16-7)	28/02/17	28/02/17
Former Elected Member Request for Section 39 Protection from Civil Liability and Reimbursement of Private Legal Expenses	11/10/16	11/10/16	Concerns Notice	28/02/17	28/02/17
Legal Advice Regarding the Ministerial Investigation into the City of Burnside	11/10/16	11/10/16	Expression of Interest - Allotment 2, Filed Plan 7775, Leabrook	-	14/03/17
Brown Hill Keswick Creek Stormwater Management Project – State Government Funding Proposal	25/10/16	25/10/16	Land Purchase at Constable Hyde Memorial Gardens Item 18.3	-	14/03/17
Correspondence Received from a Former Elected Member	25/10/16	25/10/16	Eastern Region Alliance Water Report	-	14/03/17
Regional Hard Waste Collection Service for ERA - RFI	-	08/11/16	Answers to Questions on Notice 14 February 2017 (As per Resolution C11087)	28/03/17	28/03/17
Report, Attachment A and Minutes - Barking Dog Complaint	-	08/11/16	Application for s270 Review	28/03/17	28/03/17
Council Member Code of Conduct Complaint (COCC16-1)	08/11/16	08/11/16	Report Regarding Implementation of Procedure in Resolution C11055	28/03/17	28/03/17
Council Member Code of Conduct Complaint (COCC16-2)	08/11/16	08/11/16	Motion without Notice – mediation and support	28/03/17	28/03/17
Council Member Code of Conduct Complaint (COCC16-3)	08/11/16	08/11/16	Establishment of Chief Executive Officer Code of Conduct Legal Panel	28/03/17	28/03/17
Council Member Code of Conduct Complaint (COCC16-4)	08/11/16	08/11/16	Lane West of Matilda Street, Eastwood – Encroachments	28/03/17	28/03/17
Council Member Code of Conduct Complaint (COCC16-5)	08/11/16	08/11/16	CEO Performance Appraisal	-	11/04/17
External Auditor Appointment	-	08/11/16	Questions on Notice – Correspondence Management Protocol	11/04/17	11/04/17
			Proposed Rescission Motion of Resolution C11058	11/04/17	11/04/17

## Governance

Subject	90(2)	91(7)	Section 91(7)
Motion on Notice - MLS Claim	11/04/17	11/04/17	Orders made to keep documents confidential 78
S270 Internal Review Questions on Notice	27/04/17	27/04/17	Orders expired, ceased to apply or were revoked during 2016/17 17
Leave of Absence – Councillor Bagster	27/04/17	27/04/17	Orders remaining operative at end of financial year (not including orders made before 15 November 2010) 110
Burnside War Memorial Hospital - Constitution	27/04/17	27/04/17	
Recruitment of Chief Executive Officer	-	23/05/17	
CEO Performance Appraisal Report	-	23/05/17	
Verbal Update on Council Resolution C11055	23/05/17	23/05/17	
Guidance to Council following discussion relating to Confidential Council Resolution C11115	23/05/17	23/05/17	
Confidential Council Resolution C11115 and Confidential Motion on Notice 18.2	23/05/17	23/05/17	
Confidential Resolution C11055 – Questions relating to provision of s270 Internal Review report and timeframes	23/05/17	23/05/17	
Section 270 Internal Review into C11055	23/05/17	23/05/17	
Amendment of Minutes for Item 18.4 on 28 March 2017	23/05/17	23/05/17	
Verbal Update regarding the Chief Executive Officer's Responsibility to Ensure a Safe Workplace	30/05/17		
Urgent Preliminary Concerns Notice	30/05/17	30/05/17	
Appointment of Executive Officer	05/06/17	05/06/17	
Appointment of Performance Appraisal and Remuneration Adviser	05/06/17	05/06/17	
Code of Conduct Complaint (COCC 17-1) (Operational)	13/06/17	13/06/17	
Recruitment of Chief Executive Officer	-	27/06/17	

Section 91(7) orders that remained operative (not including orders made before 15 November 2010)	
Subject	Date
Revocation of Confidential Documentation - Ministerial Investigation	22/03/11
Review of Confidential Items - Foothills Water Company	12/04/11
CEO Performance Review and Recruitment Process	11/07/11
Selection of Chief Executive Officer	19/07/11
Selection of Chief Executive Officer	26/07/11
Internal Audit Project 11/12 Network Security	06/09/11
Internal Audit Project 11/12 Network Security	07/02/12
Review of Confidential Items - Foothills Water Company	24/04/12
CEO Performance Appraisal	24/04/12
CEO Remuneration Adviser - Expression of Interest	03/12/12
CEO Remuneration Adviser - Expression of Interest	29/01/13
Review of Confidential Items - Foothills Water Company	09/04/13
CEO Recruitment Performance Appraisal and Remuneration Review Committee and Council	14/05/13
Elected Member Request for Reimbursement of Private Legal Expenses	14/05/13

CEO Performance Appraisal Report	27/05/13	Land Acquisition - Constable Hyde Memorial Garden Item	09/09/14
Status of the Burnside Retirement Services Incorporated (BRSI) Board of Management	28/05/13	EM Code of Conduct - Complaint against an EM	09/09/14
CEO Performance Appraisal Report and Remuneration	11/06/13	Barking Dog Complaint	23/09/14
Burnside Retirement Services Legal Advice	11/06/13	Barking Dog Complaint	27/01/15
Complaint against Staff Member	25/06/13	EM Request for Reimbursement of Private Legal Expenses	27/01/15
Legislative Council Select Committee Inquiry into the Corporation of the City of Burnside	09/07/13	EM Request for Reimbursement of Private Legal Expenses	10/03/15
483 Glynburn Road, Burnside - Road Reserve Closure Request	09/07/13	EM Request for Reimbursement of Private Legal Expenses	14/04/15
Legislative Council Select Committee on the Inquiry into the Corporation of the City of Burnside	23/07/13	EM Request for Reimbursement of Private Legal Expenses	26/05/15
Expression of Interest - Allotment 2, Filed Plan 7775, Leabrook	23/07/13	Draft CEO Contract and Draft Position Description	14/07/15
Notice of Motion on Agenda Item 11.2	13/08/13	Burnside War Memorial Hospital Lease	14/07/15
CEO Succession Planning	13/08/13	Chief Executive Officer Performance Appraisal Report - July 2014	14/07/15
Foothills Water Company	27/08/13	Chief Executive Officer Remuneration	14/07/15
481-483 Glynburn Road, Hazelwood Park	08/10/13	East Waste Correspondence	25/08/15
Land Purchase at Constable Hyde Memorial Gardens Item	22/10/13	Burnside War Memorial Hospital Lease	22/09/15
CEO Succession Plan	22/10/13	Council Member Code of Conduct Complaint	22/09/15
Foothills Water Company	26/11/13	Burnside War Memorial Hospital Lease	10/11/15
Regional Hard Waste Collection Service for ERA - RFI	10/12/13	East Waste - Purchase of Land	8/12/15
Performance of Independent Auditor	05/02/14	Legal Matters	8/12/15
CEO Performance Appraisal	10/06/14	East Waste - Purchase of Land	8/12/15
EM Code of Conduct - Complaint against an EM	10/06/14	Alleged Leaking of Confidential Information	23/02/16
Hender CEO Performance Appraisal Report	21/07/14	Council Member Code of Conduct Complaint	23/02/16
Hender CEO Performance Appraisal Report	04/08/14	Council Member Code of Conduct Complaint	23/02/16
CEO Performance Appraisal Report - July 2014	12/08/14	Alleged Leaking of Confidential Information - Follow up Report	08/03/16
		Council Member Code of Conduct Complaint	10/05/16



## Governance

Newland Park	10/05/16	Confidential Items Register Review in Relation to Correspondence Received	22/11/16
Alleged Leaking of Confidential Information – Investigation Report	14/06/16	Annual Review of Confidentiality Resolutions	22/11/16
Brown Hill Keswick Creek Stormwater Project - Auditor General's Report	09/08/16	Eastern Region Alliance Water – Reports Received	22/11/16
CEO Performance Review and Salary Review 2015-2016	17/08/16	Eastern Region Alliance Water	13/12/16
CEO Performance Review and Salary Review 2015-2016	17/08/16	Questions on Notice – ERA Water	14/02/17
Burnside War Memorial Hospital Inc.	23/08/16	Appointment of External Auditor	20/02/17
CEO Performance Review and Salary Review 2015-2016	23/08/16	External Auditor Appointment	28/02/17
CEO Performance Appraisal Report 2015-2016	13/09/16	Code of Conduct Complaint (CoCC 16-7)	28/02/17
CEO Remuneration	13/09/16	Concerns Notice	28/02/17
Questions on Notice - Legal Services (18.1) (originally 10.1)	13/09/16	Eastern Region Alliance Water Report	28/02/17
Former Elected Member Request for Section 39 Protection from Civil Liability and Reimbursement of Private Legal Expenses	11/10/16	Answers to Questions on Notice 14 February 2017 (As per Resolution C11087)	28/02/17
Legal Advice Regarding the Ministerial Investigation into the City of Burnside	11/10/16	Application for s270 Review	28/02/17
Brown Hill Keswick Creek Stormwater Management Project – State Government Funding Proposal	25/10/16	Report Regarding Implementation of Procedure in Resolution C11055	28/02/17
Correspondence Received from a Former Elected Member	25/10/16	Motion without Notice – Mediation and Support	28/02/17
Council Member Code of Conduct Complaint (COCC16-2)	08/11/16	Establishment of Chief Executive Officer Code of Conduct Legal Panel	28/02/17
Council Member Code of Conduct Complaint (COCC16-3)	08/11/16	Lane West of Matilda Street, Eastwood – Encroachments	28/02/17
Council Member Code of Conduct Complaint (COCC16-4)	08/11/16	Questions on Notice – Correspondence Management Protocol	11/04/17
Council Member Code of Conduct Complaint (COCC16-5)	08/11/16	Proposed Rescission Motion of Resolution C11058	11/04/17
		Motion on Notice - MLS Claim	11/04/17
		Leave of Absence – Councillor Bagster	27/04/17
		Burnside War Memorial Hospital - Constitution	27/04/17
		Verbal Update on Council Resolution C11055	23/05/17

Guidance to Council following discussion relating to Confidential Council Resolution C11115	23/05/17
Confidential Council Resolution C11115 and Confidential Motion on Notice 18.2	23/05/17
Confidential Resolution C11055 – Questions relating to provision of s270 Internal Review report and timeframes	23/05/17
Section 270 Internal Review into C11055	23/05/17
Amendment of Minutes for Item 18.4 on 28 March 2017	23/05/17
Urgent Preliminary Concerns Notice	30/05/17
Appointment of Executive Officer	05/06/17
Appointment of Performance Appraisal and Remuneration Adviser	05/06/17
Code of Conduct Complaint (COCC 17-1) (Operational)	13/06/17



# 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 Civic Centre. The form and the list of charges can also be downloaded from the Council's website at [www.burnside.sa.gov.au](http://www.burnside.sa.gov.au) or from the State Records website at [www.archives.sa.gov.au](http://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 2016/17 Council processed 17 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 was one application for internal review received in the 2016/17 financial year. This application concerned a confidential request for the Council to undertake an internal review of a decision relating to a confidential matter. The request and the outcome of the internal review is the subject of ongoing confidential orders of the Council pursuant to Resolutions C11199, C11200 and C11201 on 23 May 2017.

## 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

### 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

### Local Government (Elections) Act, 1999

- Caretaker Policy
- Register of Campaign Donations Returns

### Local Nuisance and Litter Control Regulations 2017

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

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

The number and nature of:

- offences under the Act that were expiated – five for rubbish dumping
- offences under the Act that were prosecuted - none
- nuisance abatement notices or litter abatement notices issued - none
- civil penalties negotiated under section 34 of the Act - none
- applications 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 – none.

Any other functions performed by the council under the Act – none.

# Freedom of Information

## 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 2016/17 no complaints were received with regard to Competitive Neutrality.

### 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.





**GLENUNGA**

**H I G H**



# Financial Report

## City of Burnside

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2017

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*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 2017

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City of Burnside

GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017

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 2017 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.

Handwritten signature of Paul Deb in black ink.

.....  
Paul Deb  
CHIEF EXECUTIVE OFFICER

Handwritten signature of David Parkin in black ink.

.....  
David Parkin  
MAYOR

24 October 2017

page 2



## General Purpose Financial Statements for the year ended 30 June 2017

### Understanding Council's Financial Statements

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#### 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 2017.

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 specialise 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 2017

\$ '000	Notes	2017	2016
<b>Income</b>			
Rates Revenues	2a	36,561	36,024
Statutory Charges	2b	1,163	1,086
User Charges	2c	1,718	1,647
Grants, Subsidies and Contributions	2g	4,472	3,308
Investment Income	2d	36	28
Reimbursements	2e	343	273
Other Income	2f	478	510
Net Gain - Equity Accounted Council Businesses	19	277	766
<b>Total Income</b>		<b>45,048</b>	<b>43,642</b>
<b>Expenses</b>			
Employee Costs	3a	15,636	15,447
Materials, Contracts & Other Expenses	3b	17,668	17,683
Depreciation, Amortisation & Impairment	3c	9,290	8,755
Finance Costs	3d	375	276
Net loss - Equity Accounted Council Businesses	19	160	132
<b>Total Expenses</b>		<b>43,129</b>	<b>42,293</b>
<b>Operating Surplus / (Deficit)</b>		<b>1,919</b>	<b>1,349</b>
Asset Disposal & Fair Value Adjustments	4	(188)	29
Amounts Received Specifically for New or Upgraded Assets	2g	146	313
Physical Resources Received Free of Charge	2i	550	209
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>2,427</b>	<b>1,900</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	50,742	-
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	2,459	-
Movements in Other Reserves	9c	-	18
<b>Total Other Comprehensive Income</b>		<b>53,201</b>	<b>18</b>
<b>Total Comprehensive Income</b>		<b>55,628</b>	<b>1,918</b>

<sup>1</sup> Transferred to Equity Statement



Statement of Financial Position  
as at 30 June 2017

\$ '000	Notes	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	1,398	583
Trade & Other Receivables	5b	1,198	1,365
Inventories	5c	23	24
<b>Total Current Assets</b>		<b>2,619</b>	<b>1,972</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	201	227
Equity Accounted Investments in Council Businesses	6b	3,238	865
Infrastructure, Property, Plant & Equipment	7a	571,470	517,967
Other Non-Current Assets	6c	963	1,491
<b>Total Non-Current Assets</b>		<b>575,872</b>	<b>520,550</b>
<b>TOTAL ASSETS</b>		<b>578,491</b>	<b>522,522</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	3,009	5,523
Borrowings	8b	290	8,799
Provisions	8c	2,039	2,186
<b>Total Current Liabilities</b>		<b>5,338</b>	<b>16,508</b>
<b>Non-Current Liabilities</b>			
Trade & Other Payables	8a	19	-
Borrowings	8b	11,420	-
Provisions	8c	418	-
Liability - Equity Accounted Council Businesses	8d	1,934	2,280
<b>Total Non-Current Liabilities</b>		<b>13,791</b>	<b>2,280</b>
<b>TOTAL LIABILITIES</b>		<b>19,129</b>	<b>18,788</b>
<b>Net Assets</b>		<b>559,362</b>	<b>503,734</b>
<b>EQUITY</b>			
Accumulated Surplus		222,106	217,220
Asset Revaluation Reserves	9a	336,827	286,085
Other Reserves	9b	429	429
<b>Total Council Equity</b>		<b>559,362</b>	<b>503,734</b>



## City of Burnside

### Statement of Changes in Equity for the year ended 30 June 2017

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2017</b>					
<b>Balance at the end of previous reporting period</b>		217,220	286,085	429	<b>503,734</b>
<b>Net Surplus / (Deficit) for Year</b>		2,427	-	-	<b>2,427</b>
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	50,742	-	<b>50,742</b>
- Share of OCI - Equity Accounted Council Businesses	19	2,459	-	-	<b>2,459</b>
<b>Other Comprehensive Income</b>		2,459	50,742	-	<b>53,201</b>
<b>Total Comprehensive Income</b>		<b>4,886</b>	<b>50,742</b>	<b>-</b>	<b>55,628</b>
<b>Balance at the end of period</b>		<b>222,106</b>	<b>336,827</b>	<b>429</b>	<b>559,362</b>
<b>2016</b>					
<b>Balance at the end of previous reporting period</b>		215,320	286,085	411	<b>501,816</b>
<b>Net Surplus / (Deficit) for Year</b>		1,900	-	-	<b>1,900</b>
<b>Other Comprehensive Income</b>					
- Increase in Open Space Contribution Reserve		-	-	18	<b>18</b>
<b>Other Comprehensive Income</b>		-	-	18	<b>18</b>
<b>Total Comprehensive Income</b>		<b>1,900</b>	<b>-</b>	<b>18</b>	<b>1,918</b>
<b>Balance at the end of period</b>		<b>217,220</b>	<b>286,085</b>	<b>429</b>	<b>503,734</b>



Statement of Cash Flows  
for the year ended 30 June 2017

\$ '000	Notes	2017	2016
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Rates Receipts		36,615	36,115
Statutory Charges		1,163	1,086
User Charges		1,874	1,797
Grants, Subsidies and Contributions (operating purpose)		4,472	3,308
Investment Receipts		36	28
Reimbursements		343	273
Other Receipts		3,456	3,066
<u>Payments</u>			
Payments to Employees		(15,656)	(15,427)
Payments for Materials, Contracts & Other Expenses		(22,366)	(16,685)
Finance Payments		(375)	(276)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>9,562</b>	<b>13,285</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		146	313
Sale of Replaced Assets		265	423
Sale of Surplus Assets		-	18
Repayments of Loans by Community Groups		51	12
Distributions Received from Equity Accounted Council Businesses		-	766
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(10,059)	(8,415)
Expenditure on New/Upgraded Assets		(1,899)	(7,524)
Loans Made to Community Groups		(17)	(203)
Capital Contributed to Equity Accounted Council Businesses		(145)	(778)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(11,658)</b>	<b>(15,388)</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts</u>			
Proceeds from Borrowings		3,029	535
<u>Payments</u>			
Repayments of Borrowings		(118)	(47)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>2,911</b>	<b>488</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>815</b>	<b>(1,615)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>583</b>	<b>2,198</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>1,398</b>	<b>583</b>

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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## Note 1. Summary of Significant Accounting Policies

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

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

### 1 Basis of Preparation

#### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 24 October 2017.

#### 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, Tasmore, 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. ; and
4. ERA Water

### 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:

**Note 1. Summary of Significant Accounting Policies** (continued)

	Cash Payment Received	Annual Allocation	Difference
2014/15	\$2,112,682	\$1,385,599	+ \$727,083
2015/16	\$644,187	\$1,371,270	- \$727,083
2016/17	\$2,062,896	\$1,361,451	+ \$701,445

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

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.

**Note 1. Summary of Significant Accounting Policies (continued)**

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

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

<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 &amp; 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 &amp; Fittings</i>	
Office Furniture	10 to 20 years
Street/Reserve Furniture	10 to 20 years
Artworks	Indefinite

**6.5 Impairment**

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

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

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

**6.6 Borrowing Costs**

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

**7 Payables**

**7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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



Note 1. Summary of Significant Accounting Policies (continued)

### 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.

## Note 1. Summary of Significant Accounting Policies (continued)

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- 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.

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.

### 14 New accounting standards and UIG interpretations

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

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

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 22.

### 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.

#### Cash Advance Debenture (CAD):

It was noted that Council's CAD has a facility end date of 15th June 2021. As such this has been reclassified as a Non-Current Liability in the current and prior financial year.

#### Fringe Benefits Tax (FBT):

The treatment of FBT has also changed in the current and prior year from being a Provision to

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 2. Income

\$ '000	Notes	2017	2016
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		35,360	34,948
Less: Mandatory Rebates		(390)	(390)
Less: Discretionary Rebates, Remissions & Write Offs		4	(16)
<b>Total General Rates</b>		<b>34,974</b>	<b>34,542</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		1,478	1,376
<b>Total Other Rates</b>		<b>1,478</b>	<b>1,376</b>
<b>Other Charges</b>			
Penalties for Late Payment		104	103
Rates Postponed - Interest		5	3
<b>Total Other Charges</b>		<b>109</b>	<b>106</b>
<b>Total Rates Revenues</b>		<b>36,561</b>	<b>36,024</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		517	460
Town Planning Fees		39	35
Animal Registration Fees & Fines		200	196
Parking Fines / Expiation Fees		362	349
Other Licences, Fees & Fines		45	46
<b>Total Statutory Charges</b>		<b>1,163</b>	<b>1,086</b>
<b>(c). User Charges</b>			
Hall & Equipment Hire		309	257
Property Leases		156	143
Community Program User Charges		314	250
Green Organics Collection Charges		102	85
Library Fees, Fines & Other User Charges		19	21
Other Commercial Activities		257	259
Swimming Centre User Charges		435	478
Rates Searches		51	51
Other User Charges		75	84
<b>Total User Charges</b>		<b>1,718</b>	<b>1,647</b>



Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
<b>(d). Investment Income</b>			
- Local Government Finance Authority		20	18
- Banks & Other		16	10
<b>Total Investment Income</b>		<b>36</b>	<b>28</b>
<b>(e). Reimbursements</b>			
Private Works		87	106
Insurance Rebates		179	145
Workers Compensation Claims		62	12
Other Reimbursements		15	10
<b>Total Reimbursements</b>		<b>343</b>	<b>273</b>
<b>(f). Other Income</b>			
Rebates Received		236	340
Sundry		-	1
Gifts & Donations		-	2
Sale of Surplus Equipment		6	12
Other - Legal Settlement		80	-
Income from recyclable waste		156	155
<b>Total Other Income</b>		<b>478</b>	<b>510</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		146	313
Other Grants, Subsidies and Contributions		3,771	3,308
Individually Significant Item - Additional Grants Commission Payment (refer below)		701	-
<b>Total Grants, Subsidies, Contributions</b>		<b>4,618</b>	<b>3,621</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		2,404	2,417
State Government		2,202	1,155
Other		12	49
<b>Total</b>		<b>4,618</b>	<b>3,621</b>
<b>(ii) Individually Significant Items</b>			
Grant Commission (FAG) Grant Recognised as Income		701	-

On the 9 June 2017, Council received a payment equivalent to the first and second instalment of the 2017/18 Grant Commission Financial Assistance and Local Roads Grants.

This materially increased Council's operating result in the 2016/17 financial year, as these amounts are recognised as income upon receipt. No such payment was received in 2015/16.

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 2. Income (continued)

\$ '000	Notes	2017	2016
<b>(h). Conditions over Grants &amp; Contributions</b>			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
<b>Unexpended at the close of the previous reporting period</b>		-	32
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Crime Prevention		-	(1)
Kensington Gardens RSL Grant		-	(26)
War Memorial Grant		-	(5)
<b>Subtotal</b>		<b>-</b>	<b>(32)</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<b>-</b>	<b>(32)</b>
<b>(i). Physical Resources Received Free of Charge</b>			
Infrastructure		550	209
<b>Total Physical Resources Received Free of Charge</b>		<b>550</b>	<b>209</b>

#### Note 3. Expenses

<b>(a). Employee Costs</b>			
Salaries and Wages		12,131	12,726
Employee Leave Expense		1,822	1,144
Superannuation - Defined Contribution Plan Contributions	18	1,009	985
Superannuation - Defined Benefit Plan Contributions	18	265	260
Workers' Compensation Insurance		803	653
Other		47	5
Less: Capitalised and Distributed Costs		(441)	(326)
<b>Total Operating Employee Costs</b>		<b>15,636</b>	<b>15,447</b>
Total Number of Employees (full time equivalent at end of reporting period)		161	163

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		31	31
Bad and Doubtful Debts		-	13
Elected Members' Expenses		258	255
Independent Sitting Fees		34	35
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		279	267
<b>Subtotal - Prescribed Expenses</b>		<b>602</b>	<b>601</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		8,642	8,169
Other Contractual Services		1,542	1,951
Energy		1,049	897
Legal Expenses		449	471
Levies Paid to Government - NRM levy		1,467	1,374
Levies - Other		77	71
Parts, Accessories & Consumables		1,346	1,376
Professional Services		382	475
Sundry Materials, Contracts & Expenses		354	393
Water		493	612
Insurance Premiums		510	547
Contributions / Donations		78	81
Bank Fees & Charges		122	121
Advertising		74	43
Postage		116	95
Taxes		107	93
Training		198	204
Subscriptions		117	142
Less: Capitalised and Distributed Costs		(57)	(33)
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>17,066</b>	<b>17,082</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>17,668</b>	<b>17,683</b>

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Land Improvements		7	7
Buildings		940	905
Infrastructure			
- Stormwater Quality Devices		82	73
- Stormwater Structures		985	886
- Other Structures		551	585
- Recreation/Sport Structures		780	764
- Road Structures		4,152	3,908
- Traffic Control Devices		214	228
Plant & Equipment		1,441	1,268
Furniture & Fittings - Street/Reserve		98	94
Furniture & Fittings - Interior		40	37
<b>Subtotal</b>		<b>9,290</b>	<b>8,755</b>
<b>(ii) Impairment</b>			
Nil			
<b>Total Depreciation, Amortisation and Impairment</b>		<b>9,290</b>	<b>8,755</b>
<b>(d). Finance Costs</b>			
Interest on Loans		375	276
<b>Total Finance Costs</b>		<b>375</b>	<b>276</b>

#### Note 4. Asset Disposal & Fair Value Adjustments

<b>Infrastructure, Property, Plant &amp; Equipment</b>			
<b>Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		263	423
Less: Carrying Amount of Assets Sold		(451)	(394)
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>(188)</b>	<b>29</b>



Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 5. Current Assets

\$ '000	Notes	2017	2016
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		266	138
Deposits at Call		1,132	445
<b>Total Cash &amp; Cash Equivalents</b>		<b>1,398</b>	<b>583</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		454	523
Accrued Revenues		55	26
Debtors - General		136	296
GST Recoupment		286	401
Prepayments		215	74
Loans to Community Organisations		52	45
<b>Total Trade &amp; Other Receivables</b>		<b>1,198</b>	<b>1,365</b>
<b>(c). Inventories</b>			
Stores & Materials		23	24
<b>Total Inventories</b>		<b>23</b>	<b>24</b>

Note 6. Non-Current Assets

<b>(a). Financial Assets</b>			
<b>Receivables</b>			
Council Rates Postponement Scheme		64	49
Loans to Community Organisations		137	178
<b>Total Financial Assets</b>		<b>201</b>	<b>227</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Eastern Health Authority	19	81	84
East Waste	19	102	25
ERA Water	19	3,055	756
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>3,238</b>	<b>865</b>
<b>(c). Other Non-Current Assets</b>			
Capital Works-in-Progress - Land		6	-
Capital Works-in-Progress - Buildings		22	-
Capital Works-in-Progress - Infrastructure		615	1,239
Capital Works-in-Progress - Plant & Equipment		242	164
Other		78	88
<b>Total Other Non-Current Assets</b>		<b>963</b>	<b>1,491</b>

City of Burnside

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 7a. Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/6/2016						Asset Movements during the Reporting Period										as at 30/6/2017		
		At Fair Value	At Cost	Accumulated Dep'n	Impairment	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	Accumulated Dep'n	Carrying Value		
							New/ Upgrade	Renewals												
\$ '000																				
Land and Land Improvements	3	254,555	-	213	-	254,342	-	-	(7)	-	-	-	-	-	254,555	-	220	254,335		
Buildings - Level 2	2	33,009	4,040	19,499	-	17,549	72	1,026	(526)	(15)	46	-	-	33,009	5,168	20,025	18,153			
Buildings - Level 3	3	72,770	3	34,504	-	38,269	-	938	(414)	-	-	-	-	72,770	940	34,918	38,792			
Infrastructure																				
- Stormwater Quality Devices	2	1,006	105	170	-	941	-	-	(19)	-	-	-	-	1,006	105	190	921			
- Stormwater Quality Devices	3	5,485	19	1,409	-	4,094	32	189	(63)	-	195	-	-	5,485	568	1,605	4,448			
- Stormwater Structures	3	81,416	1,484	33,107	4	49,789	646	164	(985)	-	8	-	9,910	95,288	818	38,610	57,496			
- Other Structures	2	4,687	133	2,589	-	2,230	-	21	(87)	-	-	-	-	4,687	154	2,687	2,154			
- Other Structures	3	22,201	169	9,221	36	13,114	115	427	(454)	-	217	-	-	21,906	1,373	10,056	13,223			
- Recreation/Sport Structures	2	12,711	1,231	4,110	-	9,833	140	463	(636)	-	-	-	-	12,671	1,695	4,730	9,636			
- Recreation/Sport Structures	3	2,082	-	1,176	-	906	140	102	(144)	-	-	-	-	2,081	242	1,320	1,003			
- Road Structures	3	261,064	15,677	162,898	28	113,815	397	5,526	(4,153)	-	30	-	(15,412)	273,353	5,953	120,842	158,464			
- Traffic Control Devices	2	8,498	90	5,734	-	2,854	11	55	(213)	-	-	-	-	8,492	156	5,944	2,704			
- Traffic Control Devices	3	314	-	224	-	90	-	-	(1)	-	21	-	-	314	21	225	110			
Plant & Equipment																				
Furniture & Fittings - Street/Reserve	2	1,613	49	10,261	-	7,396	391	1,090	(1,441)	-	-	-	-	18,407	18,407	11,175	7,232			
Furniture & Fittings - Street/Reserve	3	1,264	-	346	-	1,014	58	69	(84)	-	-	-	-	1,601	175	725	1,051			
Furniture & Fittings - Interior	3	-	660	277	-	383	38	-	(40)	-	31	-	-	1,265	31	360	936			
Furniture & Fittings - Atwork	3	430	-	-	-	430	-	-	-	-	-	-	-	430	-	317	381			
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>763,104</b>	<b>41,317</b>	<b>286,386</b>	<b>68</b>	<b>517,967</b>	<b>1,899</b>	<b>10,069</b>	<b>(9,290)</b>	<b>(15)</b>	<b>550</b>	<b>(17,434)</b>	<b>68,176</b>	<b>788,913</b>	<b>36,506</b>	<b>253,948</b>	<b>571,470</b>			
<b>Comparatives</b>		<b>757,557</b>	<b>32,449</b>	<b>278,970</b>	<b>68</b>	<b>510,968</b>	<b>7,523</b>	<b>8,419</b>	<b>(8,755)</b>	<b>-</b>	<b>208</b>	<b>-</b>	<b>-</b>	<b>763,104</b>	<b>41,317</b>	<b>286,386</b>	<b>517,967</b>			



Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

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\$ '000

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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 2017

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

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\$ '000

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#### 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 & Other Structures

- 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.





Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

\$ '000

**Valuation of Assets** (continued)

**Infrastructure** (continued)

As a result of the revaluation undertaken by Assetic Pty Ltd as at 1 July 2016, there has been a change in the estimate of useful lives of the following assets:

<b>Asset Class</b>	<b>Prior Useful Lives</b>	<b>Revised Useful Lives</b>
<i>Sealed Roads – Surface</i>	12 - 100 years	5 - 70 years
<i>Sealed Roads – Structure</i>	80 - 100 years	100 - 125 years
<i>Paving &amp; Footpaths, Kerb &amp; Gutter</i>	30 - 120 years	10 - 70 years (footpaths) 50 - 100 years (kerbs)
<i>Drainage</i>	80 years	10 - 100 years (Stormwater Quality Devices) 80 - 100 years (Stormwater Structure)

The impact from the revision of the useful lives and condition data undertaken as part of the Infrastructure Revaluation has been as follows:

- Depreciation expense for Road Structures has increased by \$244,000
- Depreciation expense for Stormwater Structures has increased by \$99,000

*Traffic Control Devices, Recreation/Sporting & Other Structures*

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

**Furniture & Fittings**

*Street/Reserve*

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

**All other Assets**

*Artworks*

- Basis of valuation: Fair Value
- Date of valuation: 9 April 2013. Adopted 30 June, 2013
- Valuer: Theodore Bruce Auctions Pty Ltd

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 8. Liabilities

\$ '000	Notes	2017		2016	
		Current	Non Current	Current	Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		1,151	-	2,037	-
Payments Received in Advance		266	-	127	-
Accrued Expenses - Employee Entitlements		279	19	240	-
Accrued Expenses - Other		1,287	-	3,093	-
Accrued Fringe Benefits Tax		26	-	26	-
<b>Total Trade and Other Payables</b>		<b>3,009</b>	<b>19</b>	<b>5,523</b>	<b>-</b>
<b>(b). Borrowings</b>					
Cash Advance Debenture		-	6,709	8,749	-
Loans		290	4,711	50	-
<b>Total Borrowings</b>		<b>290</b>	<b>11,420</b>	<b>8,799</b>	<b>-</b>

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

#### (c). Provisions

Long Service Leave Provision*	973	418	1,209	-
Annual Leave Provision	987	-	938	-
Rostered Days Off Provision	34	-	39	-
Other	45	-	-	-
<b>Total Provisions</b>	<b>2,039</b>	<b>418</b>	<b>2,186</b>	<b>-</b>

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	2017 (current & non-current)			
	Fringe Benefits Tax Provision	Long Service Leave Provision*	Annual Leave Provision	Rostered Days Off & Other Provision
<b>Opening Balance</b>	-	1,209	938	39
Additional Amounts Recognised	102	317	810	79
(Less) Payments	(102)	(135)	(761)	(231)
<b>Closing Balance</b>	<b>-</b>	<b>1,391</b>	<b>987</b>	<b>79</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 8. Liabilities (continued)

\$ '000	Notes	2017		2016	
		Current	Non Current	Current	Non Current
<b>(d). Liability Accounted Investments in Council Businesses</b>					
Highbury Landfill Authority	19		1,934		2,280
<b>Total Liability Accounted Investments in Council Businesses</b>			<b>1,934</b>		<b>2,280</b>

Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
Land and Land Improvements	116,597	-	-	-	116,597
Buildings	32,900	-	-	-	32,900
Infrastructure	128,419	50,742	-	-	179,161
Plant & Equipment	4,799	-	-	-	4,799
Furniture and Fittings	3,371	-	-	-	3,371
<b>Total Asset Revaluation Reserve</b>	<b>286,085</b>	<b>50,742</b>	<b>-</b>	<b>-</b>	<b>336,827</b>
<b>Comparatives</b>	<b>286,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>286,085</b>

\$ '000	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2017
Open Space Contribution Reserve	429	-	-	-	429
<b>Total Other Reserves</b>	<b>429</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429</b>
<b>Comparatives</b>	<b>411</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>429</b>

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 2017

#### Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2017	2016
<b>(a). Reconciliation of Cash</b>			
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	1,398	583
<b>Balances per Statement of Cash Flows</b>		<b>1,398</b>	<b>583</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
<b>Net Surplus/(Deficit)</b>		<b>2,427</b>	<b>1,900</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		9,290	8,755
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(117)	(634)
Non-Cash Asset Acquisitions		(550)	(209)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(146)	(313)
Net (Gain) Loss on Disposals		188	(29)
		<b>11,092</b>	<b>9,470</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		159	69
Net (Increase)/Decrease in Inventories		1	2
Net (Increase)/Decrease in Other Current Assets		534	2,086
Net Increase/(Decrease) in Trade & Other Payables		(2,495)	1,585
Net Increase/(Decrease) in Unpaid Employee Benefits		(11)	-
Net Increase/(Decrease) in Other Provisions		282	73
<b>Net Cash provided by (or used in) operations</b>		<b>9,562</b>	<b>13,285</b>
<b>(c). Non-Cash Financing and Investing Activities</b>			
<b>Acquisition of assets by means of:</b>			
- Physical Resources Received Free of Charge	2i	550	209
<b>Total Non-Cash Financing &amp; Investing Activities</b>		<b>550</b>	<b>209</b>
<b>(d). Financing Arrangements</b>			
<b>Unrestricted access was available at balance date to the following lines of credit:</b>			
Corporate Credit Cards		128	98
LGFA Cash Advance Debenture Facility		10,000	10,000



Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016			
<b>\$ '000</b>													
Business Undertakings	32	54	31	76	1	(22)	-	-	-	-	-	-	
Community Services	2,267	2,138	4,297	3,927	(2,030)	(1,789)	1,476	1,475	-	-	-	-	
Culture	272	283	2,126	2,027	(1,855)	(1,744)	125	128	-	-	-	-	
Economic Development	-	-	22	21	(22)	(21)	-	-	-	-	-	-	
Environment	283	364	7,876	8,343	(7,593)	(7,979)	3	32	-	-	-	-	
Recreation	681	779	2,734	2,931	(2,053)	(2,152)	14	50	-	-	-	-	
Regulatory Services	1,244	1,080	2,590	2,766	(1,346)	(1,686)	-	-	-	-	-	-	
Transport & Communication	817	1,000	960	1,116	(144)	(115)	792	979	-	-	-	-	
Plant Hire & Depot/Indirect	48	8	(109)	(601)	157	609	-	-	-	-	-	-	
Unclassified Activities	-	-	(1)	1	1	(1)	-	-	-	-	-	-	
Council Administration	39,124	37,169	22,439	21,553	16,684	15,616	2,062	644	578,514	522,522	-	-	
<b>Total Functions/Activities</b>	<b>44,768</b>	<b>42,876</b>	<b>42,966</b>	<b>42,161</b>	<b>1,802</b>	<b>715</b>	<b>4,472</b>	<b>3,308</b>	<b>578,514</b>	<b>522,522</b>			

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 2017

#### Note 12b. Components of Functions

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\$ '000

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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.



## 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% (2016: 1.75% and 3.3%). Short term deposits have an average maturity of 90 days and an average interest rate of 2.07% (2016: 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 30 days after the month of invoice.

##### 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 3.75% and 4.80% (2016: 4% and 4.25%).

##### Carrying Amount:

Approximates fair value.

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2017</b>					
<b>Financial Assets</b>					
Cash & Equivalents	1,398	-	-	1,398	1,398
Receivables	250	146	-	396	380
<b>Total Financial Assets</b>	<b>1,648</b>	<b>146</b>	<b>-</b>	<b>1,794</b>	<b>913</b>
<b>Financial Liabilities</b>					
Payables	3,009	-	-	3,009	3,009
Borrowings	513	8,439	4,674	13,626	11,710
<b>Total Financial Liabilities</b>	<b>3,522</b>	<b>8,439</b>	<b>4,674</b>	<b>16,635</b>	<b>14,719</b>

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2016</b>					
<b>Financial Assets</b>					
Cash & Equivalents	583	-	-	583	583
Receivables	156	178	-	334	595
<b>Total Financial Assets</b>	<b>739</b>	<b>178</b>	<b>-</b>	<b>917</b>	<b>1,178</b>
<b>Financial Liabilities</b>					
Payables	5,497	-	-	5,497	5,523
Current Borrowings	8,799	-	-	8,799	8,799
<b>Total Financial Liabilities</b>	<b>14,296</b>	<b>-</b>	<b>-</b>	<b>14,296</b>	<b>14,322</b>

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.56%	11,710	4.20%	8,799
		<b>11,710</b>		<b>8,799</b>

#### 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. Financial Assets exclude rates receivable, GST reimbursements and prepayments.





Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

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\$ '000

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**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 2017

#### Note 14. Commitments for Expenditure

\$ '000	Notes	2017	2016
<b>(a). Capital Commitments</b>			
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>			
Land		-	145
Buildings		-	83
Infrastructure		303	144
		<u>303</u>	<u>372</u>
<b>These expenditures are payable:</b>			
Not later than one year		193	372
Later than one year and not later than 5 years		110	-
Later than 5 years		-	-
		<u>303</u>	<u>372</u>
<b>(b). Other Expenditure Commitments</b>			
<b>Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:</b>			
Waste Management Services		6,090	6,960
Employee Remuneration Contracts		7,431	5,996
Other Maintenance Contracts		1,611	1,085
		<u>15,131</u>	<u>14,041</u>
<b>These expenditures are payable:</b>			
Not later than one year		4,932	4,275
Later than one year and not later than 5 years		8,453	5,974
Later than 5 years		1,747	3,792
		<u>15,131</u>	<u>14,041</u>



Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2017	2017	2016	2015

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	1,919	4.3%	3.1%	2.7%
Total Operating Revenue	45,048			

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

**1a. Adjusted Operating Surplus Ratio**

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. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

	1,218	2.7%	3.1%	1.0%
	45,048			

**2. Net Financial Liabilities Ratio**

Net Financial Liabilities	14,398	32%	33%	25%
Total Operating Revenue	45,048			

*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	9,794	105%	91%	142%
Depreciation	9,290			

*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 2017

### Note 15. Financial Indicators - Graphs (continued)

<p><b>1. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>2.7%</td> </tr> <tr> <td>2016</td> <td>3.1%</td> </tr> <tr> <td>2017</td> <td>4.3%</td> </tr> </tbody> </table>	Year	Ratio %	2015	2.7%	2016	3.1%	2017	4.3%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p><b>Commentary on 2016/17 Result</b></p> <p><b>2016/17 Ratio</b> 4.3%</p> <p>Council budgeted for an Operating Surplus of 3% (\$1,334,000) in 2016/17. Council has a strong focus on financial discipline and a commitment toward savings. As a result, the target has been achieved.</p>
Year	Ratio %									
2015	2.7%									
2016	3.1%									
2017	4.3%									
<p><b>1a. Adjusted Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1.0%</td> </tr> <tr> <td>2016</td> <td>3.1%</td> </tr> <tr> <td>2017</td> <td>2.7%</td> </tr> </tbody> </table>	Year	Ratio %	2015	1.0%	2016	3.1%	2017	2.7%	<p><b>Purpose of Adjusted Operating Surplus Ratio</b></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><b>Commentary on 2016/17 Result</b></p> <p><b>2016/17 Ratio</b> 2.7%</p> <p>This indicator shows Council's Operating Surplus excluding the Advanced payment of the 2017/18 Financial Assistance Grant. The achievement of 2.7% is in line with the LGA target of between 0-10%.</p>
Year	Ratio %									
2015	1.0%									
2016	3.1%									
2017	2.7%									
<p><b>2. Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>25%</td> </tr> <tr> <td>2016</td> <td>33%</td> </tr> <tr> <td>2017</td> <td>32%</td> </tr> </tbody> </table>	Year	Ratio %	2015	25%	2016	33%	2017	32%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p><b>Commentary on 2016/17 Result</b></p> <p><b>2016/17 Ratio</b> 32%</p> <p>This ratio demonstrates that Council's liabilities (including debt) are within acceptable levels. The achieved target is below the target set in the 2016/17 Adopted Budget of 40%. This highlights a reduction in liabilities.</p>
Year	Ratio %									
2015	25%									
2016	33%									
2017	32%									
<p><b>3. Asset Sustainability Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>142%</td> </tr> <tr> <td>2016</td> <td>91%</td> </tr> <tr> <td>2017</td> <td>105%</td> </tr> </tbody> </table>	Year	Ratio %	2015	142%	2016	91%	2017	105%	<p><b>Purpose of Asset Sustainability Ratio</b></p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p><b>Commentary on 2016/17 Result</b></p> <p><b>2016/17 Ratio</b> 105%</p> <p>This ratio demonstrates Council's capital outlays on renewing/replacing assets. Council 2016/17 Adopted budget target was 109% and the actual has come in at 105%, both of which are in line with the LGA target of between 90-110%.</p>
Year	Ratio %									
2015	142%									
2016	91%									
2017	105%									





Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
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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.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

Income	45,048	43,642
less Expenses	(43,129)	(42,293)
<b>Operating Surplus / (Deficit)</b>	<b>1,919</b>	<b>1,349</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	10,060	8,415
less Depreciation, Amortisation and Impairment	(9,290)	(8,755)
less Proceeds from Sale of Replaced Assets	(265)	(423)
<b>Subtotal</b>	<b>505</b>	<b>(763)</b>
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	1,899	7,524
less Amounts Received Specifically for New and Upgraded Assets	(146)	(313)
<b>Subtotal</b>	<b>1,753</b>	<b>7,211</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(339)</b>	<b>(5,099)</b>

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 17. Operating Leases

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\$ '000	2017	2016
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##### Leases Providing Revenue to the Council

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

##### (i) Investment Property

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	303	254
Later than one year and not later than 5 years	877	738
Later than 5 years	1,700	1,378
	<u>2,880</u>	<u>2,370</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	186	444
Later than one year and not later than 5 years	231	404
Later than 5 years	-	-
	<u>417</u>	<u>848</u>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 18. Superannuation

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\$ '000

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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 2016/17; 9.50% in 2015/16). 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 2015/16) 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, 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 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 2017

#### Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Associates - Gain	2,575	766	1,304	(1,416)
Associates - Loss	(3)	(132)	-	-
<b>Total</b>	<b>2,572</b>	<b>634</b>	<b>1,304</b>	<b>(1,416)</b>

#### (i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Eastern Waste Management Authority Inc	Waste Management	102	25
Highbury Landfill Authority Inc	Discontinued Landfill	(1,934)	(2,281)
ERA Water	Water supply and sale	3,055	756
Eastern Health Authority Inc	Health	81	84
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>1,304</b>	<b>(1,416)</b>

##### 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.





Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

Note 19. Interests in Other Entities (continued)

\$ '000

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Eastern Waste Management Authority Inc	17%	17%	17%	17%	17%	17%
Highbury Landfill Authority Inc	50%	50%	50%	50%	33%	33%
ERA Water	33%	33%	33%	33%	33%	33%
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	
	2017	2016	2017	2016
Opening Balance	25	46	(2,281)	(2,237)
Share in Operating Result	53	(2)	224	(132)
Share in Other Comprehensive Income	3	7	-	-
New Capital Contributions	23	20	122	71
Distributions Received	-	(46)	-	-
Adjustments to Equity	(2)	-	1	17
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>102</b>	<b>25</b>	<b>(1,934)</b>	<b>(2,281)</b>

	ERA Water		Eastern Health Authority Inc	
	2017	2016	2017	2016
Opening Balance	756	-	84	130
Share in Operating Result	(157)	756	(3)	5
Share in Other Comprehensive Income	2,456	-	-	-
New Capital Contributions	-	-	-	-
Distributions Received	-	-	-	(51)
Adjustments to Equity	-	-	-	-
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>3,055</b>	<b>756</b>	<b>81</b>	<b>84</b>

## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### 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	
	2017	2016	2017	2016
Cash and Cash Equivalents	1,984	2,798	35	19
Other Current Assets	412	359	22	9
Non-Current Assets	6,046	5,332	237	9
<b>Total Assets</b>	<b>8,442</b>	<b>8,489</b>	<b>294</b>	<b>37</b>
Current Trade and Other Payables	826	1,870	38	33
Current Financial Liabilities	1,701	1,417	23	-
Current Provisions	491	609	281	225
Non-Current Financial Liabilities	4,741	4,374	233	-
Non-Current Provisions	72	69	3,588	4,339
<b>Total Liabilities</b>	<b>7,831</b>	<b>8,339</b>	<b>4,163</b>	<b>4,597</b>
<b>Net Assets</b>	<b>611</b>	<b>150</b>	<b>(3,869)</b>	<b>(4,560)</b>

Statement of Financial Position	ERA Water		Eastern Health Authority Inc	
	2017	2016	2017	2016
Cash and Cash Equivalents	14	26	664	581
Other Current Assets	988	1,318	130	158
Non-Current Assets	17,873	2,099	388	422
<b>Total Assets</b>	<b>18,875</b>	<b>3,443</b>	<b>1,182</b>	<b>1,161</b>
Current Trade and Other Payables	691	1,174	138	96
Current Financial Liabilities	-	-	62	59
Current Provisions	-	-	306	259
Non-Current Financial Liabilities	9,018	-	315	376
Non-Current Provisions	-	-	35	33
<b>Total Liabilities</b>	<b>9,709</b>	<b>1,174</b>	<b>856</b>	<b>823</b>
<b>Net Assets</b>	<b>9,166</b>	<b>2,269</b>	<b>326</b>	<b>338</b>

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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	
	2017	2016	2017	2016
Other Income	448	382	481	1
Contributions from Constituent Councils	13,068	12,573	-	-
Interest Income	30	36	-	-
<b>Total Income</b>	<b>13,546</b>	<b>12,991</b>	<b>481</b>	<b>1</b>
Employee Costs	5,164	4,803	-	-
Materials, Contracts & Other Expenses	6,007	6,268	3	2
Depreciation, Amortisation and Impairment	1,724	1,595	24	7
Finance Costs	332	335	5	-
Highbury Closure Provision	-	-	-	255
<b>Total Expenses</b>	<b>13,227</b>	<b>13,001</b>	<b>32</b>	<b>264</b>
<b>Operating Result</b>	<b>319</b>	<b>(10)</b>	<b>449</b>	<b>(263)</b>

Statement of Comprehensive Income	ERA Water		Eastern Health Authority Inc	
	2017	2016	2017	2016
Other Income	-	16	732	591
Contributions from Constituent Councils	-	-	1,641	1,609
Interest Income	36	173	12	15
<b>Total Income</b>	<b>36</b>	<b>189</b>	<b>2,385</b>	<b>2,215</b>
Employee Costs	-	-	1,623	1,483
Materials, Contracts & Other Expenses	506	20	700	643
Depreciation, Amortisation and Impairment	-	-	55	45
Finance Costs	-	-	19	22
<b>Total Expenses</b>	<b>506</b>	<b>20</b>	<b>2,397</b>	<b>2,193</b>
<b>Operating Result</b>	<b>(470)</b>	<b>169</b>	<b>(12)</b>	<b>22</b>

Note 19. Interests in Other Entities (continued)

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**BROWNHILL KESWICK CREEK (BHKC) STORM WATER PROJECT**

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 develop a catchment based stormwater management plan (SMP) for the Brown Hill Keswick Creek (BHKC) flood plain. The purpose of the SMP is to mitigate and manage flood risk in the Brown Hill and Keswick Creek catchments and to achieve storm water reuse where feasible and economical.

The five catchment Councils have complied with the order and submitted a SMP to the SMA for review, comment and endorsement. The SMP was endorsed and subsequently gazetted on 7 March 2017.

The forecast cost of the Brown Hill and Keswick Creeks Stormwater Management Plan is estimated to be in the order of \$147 million, with implementation planned over a 10-20 year period. 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 State Government and the BHKC Project Steering Group continue to seek funding from the Commonwealth Government.

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 depending on project funding support ultimately received.

A condition as prescribed within the 2016 SMP and the State Government's funding offer was for the five catchment Councils to form a Regional Subsidiary (a body corporate owned by the five catchment Councils). The timeline of 28 February 2018 has been set by the Stormwater Management Authority (SMA) for the formation of a Regional Subsidiary.

Whilst the City of Burnside continues to collaborate with the other catchment Councils to establish a regional subsidiary, as of 30 June 2016 a regional subsidiary had not been established. As at 30 June 2016, the Project (catchment Councils) also did not own any assets.

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 20. Contingencies & Assets/Liabilities Not Recognised in the Statement of Financial Position

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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 and road reserves of average width 8.2 metres.

### 2. POTENTIAL INSURANCE LOSSES

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

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

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

### 3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 3 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

## Note 21. Events after the Balance Sheet Date

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Events that occur after the reporting date of 30 June 2017, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 31/10/17.

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

As at 30 June 2017, Council was awaiting executed contracts from the Minister for Education and Child Development for a land swap between Council and Department for Education and Child Development (DECD). The contracts were subsequently executed on 6 July 2017. This transaction was for the transfer of land to 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. This transaction will be recognised in the 2017/18 Ledger accounts.



## City of Burnside

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 22. Related Party Transactions

\$ '000

2017

#### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Elected Members, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 24 personnel were classified as being Key Management Personnel.

##### The compensation paid to Key Management Personnel comprises:

Salaries, allowances and other short term benefits	1,832
Post-Employment Benefits	145
Long-Term Benefits	70
Termination Benefits	63
<b>Total</b>	<b>2,110</b>

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	71
<b>Total</b>	<b>71</b>

##### 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 2016/17 year, Council paid EBEC \$23,741 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

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

No one Member Council individually has control over these decisions.

The following material transactions occurred with the Regional Subsidiary's during the 2016/17 financial year:

Subsidiary (\$'000)	Income from Related Party during 2016/17	Payment to Related Party during 2016/17	Outstanding Balance as at 30 June 2017
East Waste Management Inc.	156	2,202	Nil
Eastern Health Authority	Nil	420	Nil

## 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 2017 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 2017 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.

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### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 ALLARD  
PARTNER**

Signed on the 31<sup>st</sup> day of October 2017,  
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 2016 to 30 June 2017 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 2016 to 30 June 2017. 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.

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**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 2016 to 30 June 2017.

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**



**SAMANTHA ALLARD  
PARTNER**

Signed on the 31<sup>st</sup> day of October 2017  
at 214 Melbourne Street, North Adelaide, South Australia, 5006



**CITY OF BURNSIDE**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2017**

**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 2017, 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*.

A handwritten signature in black ink, appearing to read 'Paul Deb', written over a dotted line.

Paul Deb

**CHIEF EXECUTIVE OFFICER**

A handwritten signature in black ink, appearing to read 'David Powell', written over a dotted line.

David Powell

**PRESIDING MEMBER**  
**AUDIT COMMITTEE**

Dated this 16 day of October 2017

## 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 2017, 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 ALLARD**

Partner

**DEAN NEWBERY & PARTNERS**

**CHARTERED ACCOUNTANTS**

Dated this 31<sup>st</sup> day of October 2017

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# Message from the Chairperson



Sue Whittington  
Chairperson

Many in the community are surprised when they learn that public health protection is a core responsibility of Local Government.

Eastern Health Authority (EHA), on behalf of its five Constituent Councils, Burnside, Campbelltown, Prospect, Norwood Payneham St Peters and Walkerville, delivers this very important public health service to these communities.

Maintaining public safety is an important function of EHA and staff are diligent in the monitoring of health standards in high risk manufactured water systems, swimming pools and personal grooming and body art premises.

Eating out has become a favourite pastime and has resulted in an increase in new food businesses. Staff are assiduous in the monitoring of standards in all food premises where *Salmonella* and *Campylobacter* continue to be the most frequently reported food borne diseases.

A number of cases of severe domestic squalor and hoarding were reported. EHA worked with both Government and non-Government agencies to address the issues and to ensure that residents were provided with the right care from key agencies.

Supported Residential Facilities are home to many of the most vulnerable people in our community. EHA is responsible for the licensing and regulation of standards in these facilities and undertakes unannounced audits to ensure high standards are met by proprietors.

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. The Australian Governments' 'No Jab, No Pay' policy continues to be a successful incentive for parents whose children are not fully immunised. This measure is essential to prevent the re-emergence of childhood diseases. This year EHA has worked with SA Health and the University of Adelaide to conduct a research study to look at the impact of Meningococcal B (MenB) vaccination in older adolescents. The study was offered to 19 High Schools in our Constituent Council areas and participating students were offered free vaccines.

I would like to thank the CEO and staff for their dedication and hard work in what has been a very busy year. It has been a pleasure to work with the Board of Management and I thank them for their support and commitment.

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# 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 to the present day, this regional subsidiary protects the health and wellbeing of about 160,000 residents plus visitors. EHA is an example of council shared service delivery at its very best.

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

### Constituent Council areas

City of Burnside

Campbelltown City Council

City of Norwood Payneham St Peters (NPSP)

City of Prospect

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 2016-17, EHA discharged the environmental health responsibilities of its five Constituent Councils under the *South Australian (SA) Public Health Act 2011*, *Food Act 2001*, *Supported Residential Facilities Act 1992* and *Environmental Protection Act 1993* (Table 1). 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. EHA also licenses and monitors supported residential facilities on behalf of the City of Unley.

**Table 1 – Numerical details relevant to Constituent Councils during 2016-17**

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Rateable Properties	20,732	23,060	19,641	9,746	3,947	77,116
Population of Council	45,337	51,983	37,350	20,527	7,550	162,747
Number of Food Premises	280	297	474	182	44	1,277
Swimming & Spa Pools Sites	11	4	8	2	3	28
Cooling Towers & Warm Water Systems Sites	6	6	5	2	1	20
Supported Residential Facilities	3	2	1	2	0	8
Hairdressers/Beauty Treatment	68	64	112	47	10	301
Public & Environmental Health Complaints	53	66	67	29	15	230
2016 SIP Year 8 Enrolment Numbers	709	539	670	145	60	2,123
Immunisation Clinics – Client Numbers	887	998	1,137	265	173	3,460
Immunisation Clinics – Vaccines Given	1,704	1,972	2,106	491	312	6,585

# Chief Executive Officer's Report



Michael Livori  
Chief Executive Officer

Over the last year Eastern Health Authority (EHA) continued to deliver high-quality public health protection services to more than 160,000 members of the community who live within the footprint of our Constituent Councils. I am proud to continue to have the opportunity to lead talented and dedicated staff who are committed to contributing to this high-quality service and delivering positive public health outcomes.

Immunisation is the safest and most effective way of protecting children and adults from harmful infectious diseases. It is estimated that vaccinations currently save up to three million lives worldwide each year. While deaths from vaccine preventable diseases are uncommon today in Australia, there are constant media reminders of outbreaks, illness and death that still occur in our communities. Our accessible public immunisation clinics remain extremely popular with more than four thousand clients being provided nearly eight thousand vaccines. Our public clinics are an important contributor to community herd immunity and disease reduction. It is an important local government service that keeps our community healthy and saves lives.

Cases of Meningococcal disease are regularly reported in the media due to its devastating effects. South Australia has the highest rate of the potentially life-threatening disease in the country. As 80 per cent of infections in

South Australia are caused by the B strain, a concerted push is being made to have the vaccine placed on the National Immunisation Schedule so that is available at no cost.

As part of this push, EHA were engaged by the University of Adelaide to deliver Meningococcal B vaccines to year 10,11 and 12 students at our 18 high schools as part of a herd immunity study. Around 5,000 students in our area will be part of the study and have throat swabs taken before and some months after being vaccinated. The study hopes to demonstrate that mass Meningococcal B vaccinations can create a herd immunity and that this evidence will encourage the authorities to make the vaccine available for free. While the short planning phase, program size and administrative burden has been challenging, it has been exciting to be part of this important public health initiative.

One of the most important aspects to a healthy community is access to safe and suitable food. Monitoring food safety standards to ensure this occurs, continues to be one of our most important areas of our core business. Our Environmental Health Officers (EHOs) are responsible for inspecting around 1,300 food business and investigating complaints to ensure appropriate food safety standards are being maintained. Over 1,600 inspections were conducted during the year.



## “Our accessible public immunisation clinics remain extremely popular with more than 4,000 clients being provided nearly 8,000 vaccines”

An increase in raw numbers of Improvement Notices and Expiation Notices was noted this year, however the ratio issued per inspection remained similar to the previous year. There was however, a significant increase in Prohibition Orders issued to Food Businesses. On ten occasions, it was necessary to issue a Prohibition Order requiring a business to close for a period to rectify issues of concern. EHA does not take this course of action lightly, however when a significant risk to health exists the public must be protected from the small number of proprietors who are willing to put their health at risk.

A contemporary issue that has taken a considerable amount of our time this year is restaurants and caterers who have moved into ready-to-heat meals with extended shelf life. The processing of this type of food is complex and high risk and a number of businesses were found to have unsuitable premises, equipment and knowledge to be producing these foods. This was evidenced in poor microbiological results when a state-wide survey of these producers was conducted. This is just one example of a new and emerging issue we must deal with. In the age of reality cooking shows we are sure more will follow with businesses trying to copy trend techniques without understanding the risks.

EHA prides itself on going beyond the legislative requirements to ensure the reoccurrence of Public Health issues are minimised. It often coordinates and leads a multi-agency approach to complex, challenging and sensitive issues that requires further investigation into the ‘causes’. EHA regularly is the lead organisation in a ‘person-focussed’ collaborative approach to resolving hoarding and squalor and other related public health complaints. This approach has been recognised and praised by many of the agencies involved when coordinated investigations and solutions are required.

In terms of local government public health protection, EHA is structured in a unique manner. This structure allows us to have a single focus and be experts and leaders in our field. EHA is committed to professional collaboration and development, with three of its Officers convening professional Special Interest Groups (SRF SIG, Public Health SIG and Environmental Health Managers Forum). EHA developed and continues to convene the Eastern Hoarding and Squalor group, which allows for collaboration with government and non-government agencies to resolve hoarding and squalor cases with a ‘people-centred’ approach to resolve challenging and sensitive issues.

During the year EHA saw the release of our new and modern website that is professional, informative and user friendly. One of the exciting new features on our website is the introduction of the ‘on-line immunisation appointment booking system’. This system is one of its kind providing customers the ability to book a time, location and select the required vaccinations for either themselves or multiple family members. This has not only improved administration efficiencies here at EHA, but provided customers the opportunity to book at their own leisure.

It was extremely pleasing that EHA’s leadership in multi-agency collaboration and professional development was recognised by our peers at the 2017 Environmental Health Awards where we were awarded the “Excellence in Leadership” Award.

This award and acknowledgment is a reflection on all our wonderful staff and I thank them for their effort during the past year.

I also sincerely thank the Board of Management for their continuing support to myself and our staff during the year.

# Governance







## Board of Management 2017

**EHA is a body corporate, governed by a Board of Management which currently comprises two elected members from each Constituent Council.**

The Board met six times (five meetings and one workshop) during the year to consider EHA's business. The table below details Board Member attendance at Board of Management meetings.

**Table 2 – Number of Board of Management meetings attended by individual Board Members**

July 2015 – June 2016	Board Member	Meetings Attended
City of Norwood Payneham St Peters	Cr S Whittington	6
	Cr G Knoblauch	5
City of Burnside	Cr A Monceaux	6
	Cr P Cornish	4
Campbelltown City Council	Cr J Kennedy	4
	Cr M Ryan	2
City of Prospect	Cr K Barnett	5
	Cr T Evans	6
Corporation of the Town of Walkerville	Cr M Bishop	3
	Cr D Shetliffe	6

During 2016-17, the Board considered one confidential item where it was necessary to exclude the public from discussion. Table 3 identifies the grounds on which the Board made this determination.

**Table 3 – Number of times the Board of Management considered an item to be excluded from public discussion.**

Local Government Act 1999	Description	Number of Times Used
Section 90(3)(a)	Information relating to the personal affairs of a person	One

## Freedom of Information

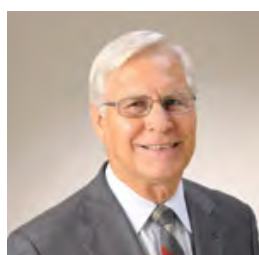
No requests for information under the *Freedom of Information Act 1991* were received during 2016-17.

# Board of Management

## City of Norwood Payneham & St Peters



Cr Sue Whittington  
(Chairperson)



Cr Garry Knoblauch

## Corporation of the Town of Walkerville



Cr Marylou Bishop



Cr David Shetliffe

## City of Burnside

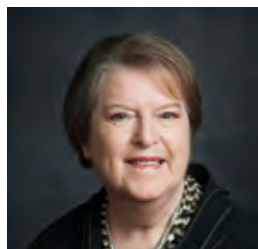


Cr Anne Monceaux  
(Deputy Chair)

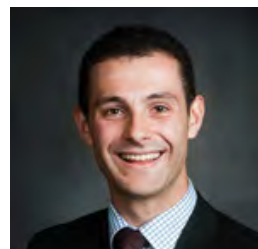


Cr Peter Cornish

## Prospect City Council



Cr Kristina Barnett



Cr Talis Evans

## Campbelltown City Council



Cr Marijka Ryan



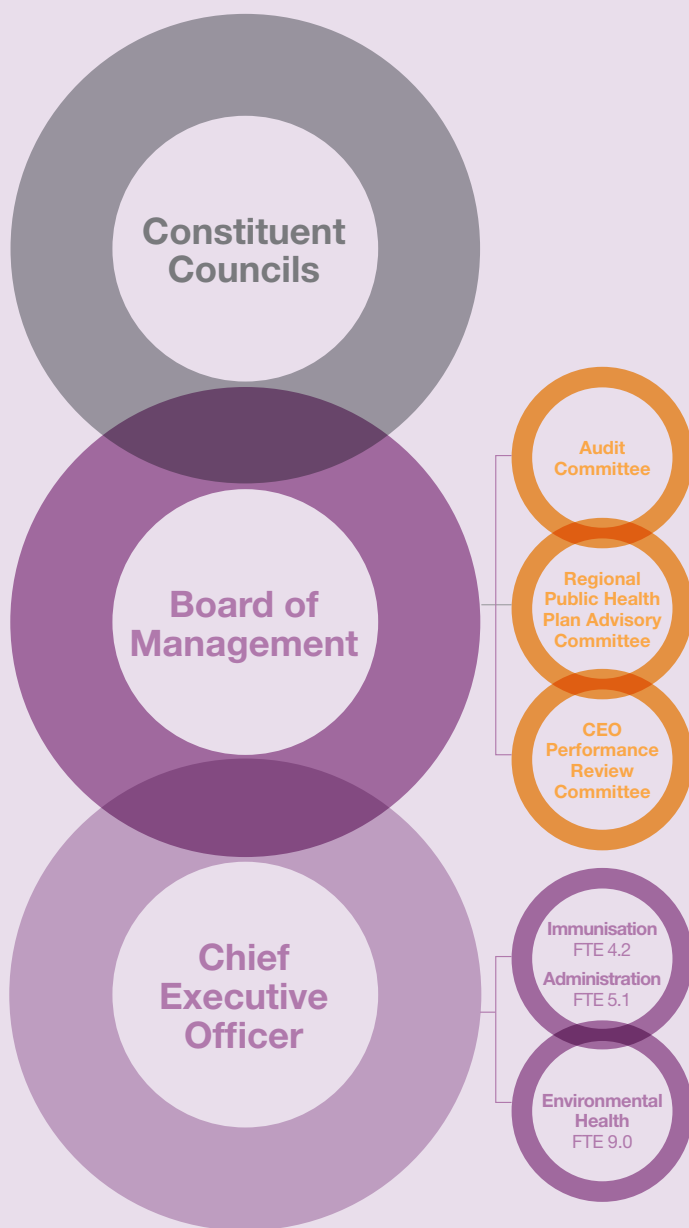
Cr John Kennedy



# 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.**





### 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.

### Finance Audit Committee

Members of EHA's Audit Committee are Lisa Scinto (Presiding Member), Claudia Goldsmith (Independent Member) and Cr Talis Evans (Board Appointed Member).

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.

### Financial Statements

The Audited Financial Statements for the year ending 30 June 2017 are provided on page 39. They show an Operating Deficit of \$12,014.

Staffing as at 30 June 2017 comprised a total of 33 employees (18.3 FTE). Table 4 sets out the number of staff in each team.

**Table 4—Number of total employees and FTE as at 30 June 2017**

	Total No. of Employees	FTE
Administration	7	5.1
Immunisation	14	4.2
Environmental Health	9	9.0
	<b>30</b>	<b>18.3</b>



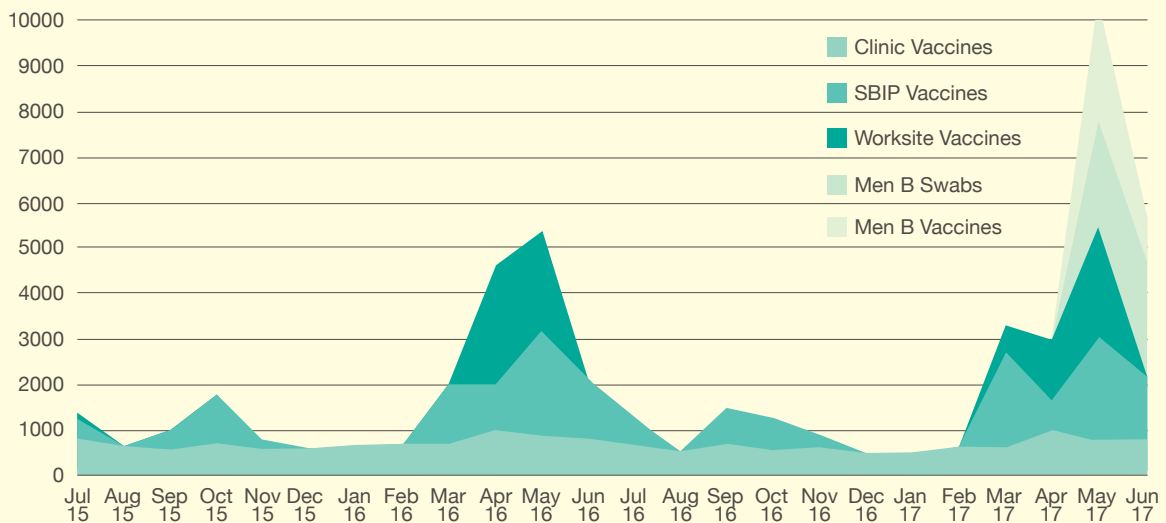
# Immunisation





**Immunisation is an important method of preventing disease in both adults and children. The immunisation team provides professional and convenient services to the residents of its Constituent Councils to assist in reducing the spread of vaccine preventable diseases.**

**Graph 1 – The combined demand for all immunisation services over the last two years**



Services by EHA are delivered through Public Clinics, School and Workplace Immunisation programs. As demonstrated in Graph 1 the combined demand for immunisation services significantly increased in May 2017 and June 2017 when compared to the previous year. This increase was due to the Meningococcal B Vaccine Herd Immunity Study.

**Public Immunisation Clinics**

EHA provides public clinics to residents of its Constituent Councils at six locations and one client council. A range of clinic venues, days and times ensure convenient alternatives for our residents.

A total of 4,135 clients were provided with 7,875 vaccinations. This was a decrease of 11% in the number of clients and 9% in the number of vaccinations in comparison to 2015-16 (Graphs 2 and 3).

EHA continues to assist families within our Constituent Councils with assessment of immunisation records. EHA assisted 106

families and 149 children with assessing and updating their immunisation history on the Australian Immunisation Register. This is a decrease of 17 families and 63 children compared to the same period in 2016.

The decrease in the number of families requiring assessment of their children’s immunisation history and catch up vaccines, contributed to the overall decrease in the number of clients and vaccines administered in public clinics. Other factors that contributed to the decrease were:

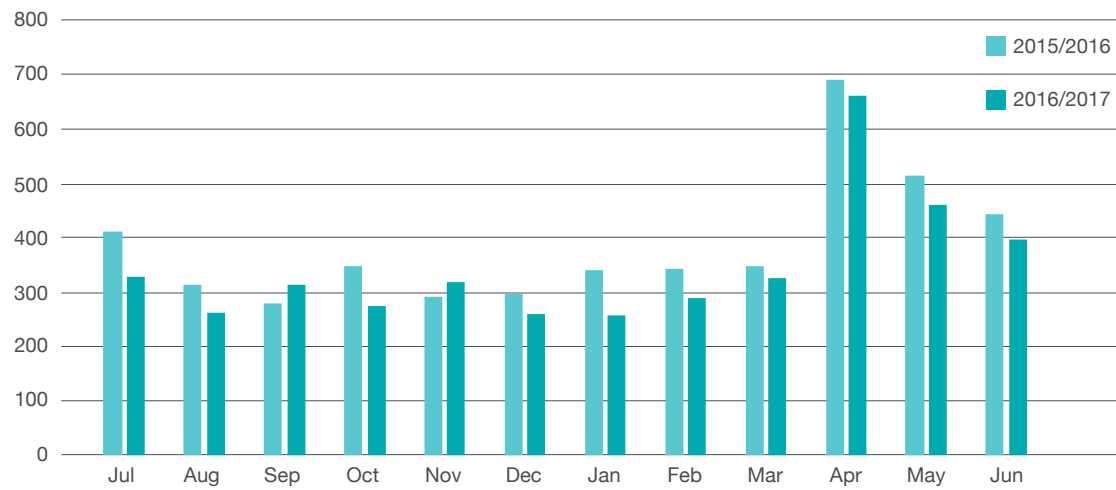
reduced numbers of Diphtheria, Tetanus and Pertussis (dTpa) for whopping cough administered to pregnant women

a one off response for Hepatitis A vaccine provided to a childcare centre in June 2015

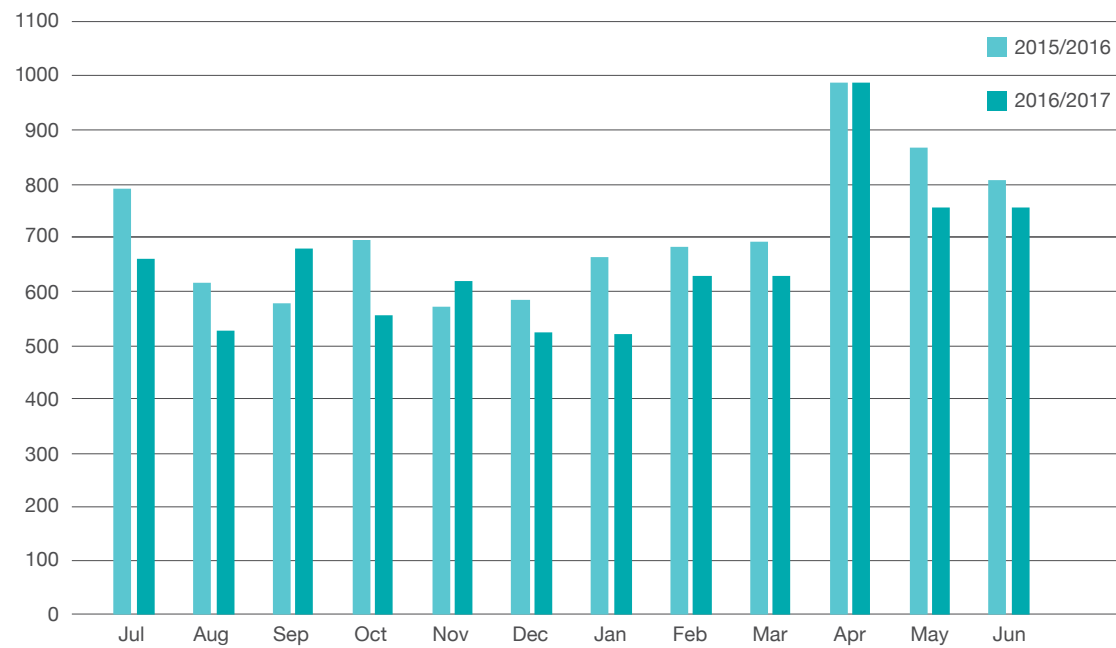
a second dose of MMR vaccine previously given at four years, is now provided at 18 months of age

a reduction in the number of clients attending public clinics who reside outside of EHA’s Constituent Council.

**Graph 2 – Client attendance at public clinics**



**Graph 3 – Number of vaccines delivered at public clinics**



The Quadrivalent Influenza Vaccine was received by EHA for use in its public clinics in late March, 2017. The Quadrivalent vaccine is designed to protect against four different influenza viruses - two influenza A and two influenza B viruses. A total of 777 influenza vaccines were administered to clients in public immunisation clinics; this is an increase of 21 vaccines administered, in comparison with 2015-16.

In September 2016, the City of Unley extended its contract with EHA to provide immunisation services for three years. As part of the contract, EHA provides three public immunisation clinics each month for residents of the City of Unley, as well as a School Immunisation Program to both Walford School and Concordia College.

As part of the upgrade to EHA's website an online appointment booking system was launched. Clients are able to book for public clinics for all appointments or drop-in clinics via the online system. From April 2017 to June 2017, 123 confirmed appointments were made using this new convenient facility.

EHA participated in a University of Adelaide clinical study to evaluate a Stimulated Telephone-Assisted Rapid Safety Surveillance system (STARSS) through contributing immunisation data to the STARSS study. The objective of the study was to monitor the safety of vaccines by evaluating SMS as a real-time vaccine safety surveillance method. The data collected was de-identified and sent to AusVax, the national surveillance network coordinated by the National Centre for Immunisation Research and Surveillance (NCIRS).

Table 5 shows where Constituent Councils' residents chose to be vaccinated. It demonstrates that many residents chose the site that best suited their needs and was not necessarily in their own council area.

**As an example,  
35% of Burnside  
residents attended  
clinics held at the  
Burnside Civic  
Centre, while  
the remaining  
65% attended  
alternative venues.**

**Table 5 – The number of clients per council area and 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	887	35%	3%	49%	1%	2%	10%	100%
Campbelltown	998	4%	30%	61%	1%	1%	3%	100%
NPSP	1,137	3%	3%	87%	1%	3%	3%	100%
Prospect	265	2%	3%	60%	28%	6%	1%	100%
Walkerville	173	0%	1%	76%	4%	18%	1%	100%
Unley	503	10%	1%	19%	1%	1%	68%	100%
Other	172	3%	7%	29%	3%	4%	54%	100%
<b>Total Number of Clients</b>	<b>4,135</b>							

**“During 2016, 57 visits were made to 19 high schools where a total of 8,583 vaccines were administered to Year 8 students.”**

## School Immunisation Program (SIP) for 2016 Calendar year

During 2016, 57 visits were made to 19 high schools where a total of 8,583 vaccines were administered to Year 8 students. This was a decrease of 1% when compared to 2015. There were no changes to the National Immunisation Program for Adolescents in 2016 when compared to 2015 (Table 6).

The 2016 SIP to Year 8 students involved the administering of:

- three doses of HPV vaccine
- one dose of Varicella (chicken pox) vaccine
- one dose of dTpa vaccine

Numbers of students immunised are submitted to SA Health each year. This data can then be accessed to compare vaccine coverage rates in our schools compared to the State average and measure the success of the program. It is extremely pleasing to observe that EHA continues to achieve higher school coverage rates than the state average (Table 7).

**Table 6 - Two year comparison of total vaccine types administered for the SIP for each Council area**

Council Area	Total 2015	Total 2016
Burnside	2,603	2,542
Campbelltown	1,981	2,004
NPSP	2,521	2,356
Prospect	542	569
Walkerville	295	341
Unley	711	771
<b>Total</b>	<b>8,653</b>	<b>8,583</b>

**Table 7: EHA Constituent Council coverage data compared with total coverage in South Australia**

2016 School Immunisation Program		Total coverage SA	EHA Schools vs total coverage SA
EHA Schools - coverage rates			
Dose 1 Varicella	92.80%	88.40%	+ 4.4%
Dose 1 dTpa	91.50%	83.80%	+ 7.7%
Dose 1 HPV	89.10%	86.50%	+ 2.6%
Dose 2 HPV	89.30%	79.40%	+ 9.9%
Dose 3 HPV	84.30%	74.70%	+ 9.6%





**“A total of 3,694 vaccines were administered and 4,789 throat swabs were taken from the participating students, representing a 56% student participation rate.”**

## Meningococcal B Vaccine Herd Immunity Study

In 2017 EHA worked with SA Health and the University of Adelaide to deliver a study into the impact of Meningococcal B (Men B) vaccination in older adolescents. GlaxoSmithKline have provided the vaccines and funding to conduct the study. All schools in EHA's Constituent Council areas and client council were offered the opportunity to participate in the study of students in

Years 10, 11 and 12. During the study all participants will be vaccinated with two doses of the licensed Men B vaccine free of charge. Schools were randomly selected for students to receive the vaccine either in 2017 and 2018. In addition, two throat swabs are collected from all students over the course of the study.

From May 2017 to June 2017 a total of 34 visits were made to 18 high schools. A total of 5,172 consent forms were completed by students and parents, representing 56% of students enrolled in the 18 schools who chose to participate in the study. A total of 3,694 vaccines were administered and 4,789 throat swabs were taken from the participating students.

**Table 8: Total swabs and vaccines administered for each year level from Years 10 to 12 for each Constituent Council area**

Council Area	Total Swabs taken per year level				Total Vaccines administered per year level				
	Year level	10	11	12	Total	10	11	12	Total
Burnside		506	472	425	1,403	694	612	590	1,896
Campbelltown		366	323	282	971	56	63	52	171
NPSP		530	453	403	1,386	359	298	244	822
Prospect		99	131	111	341	80	95	92	267
Walkerville		172	170	150	492	121	111	111	343
Unley		60	78	58	196	60	77	58	195
<b>Total</b>		<b>1,733</b>	<b>1,627</b>	<b>1,429</b>	<b>4,789</b>	<b>1,370</b>	<b>1,256</b>	<b>1,147</b>	<b>3,694</b>

“During March and May, a total of 106 worksite visits were conducted, with 4,330 vaccines delivered...”

## 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.

During March and May, a total of 106 worksite visits were conducted, with 4,330 vaccines delivered; a decrease (8%) when compared with the 2016 program (Table 9).

The decrease was partly due to a reduction in demand for vaccines other than influenza, especially the combined vaccines offered for Hepatitis A & B and dTpa for whooping cough. Although the number of worksite visits increased by five when compared to 2016, there was a reduction in the number of influenza vaccines administered. This resulted in a reduced number of people requiring a vaccination.

**Table 9 – Two year comparison of the total number of vaccines administered at worksites**

Vaccine type	2015-16	2016-17
Influenza	4,643	4,316
Hepatitis A	2	0
Hepatitis B	0	0
Hepatitis A & B	10	0
dTpa	34	12
MMR	0	2
<b>Total</b>	<b>4,689</b>	<b>4,330</b>



# Public and Environmental Health





## Complaints and Referrals

### EHA received 232 public health related complaints referrals from the public or State Government agencies.

As outlined in Table 10, there was a small decrease (13%) compared to the number received in the previous two years.

The number of animal keeping, notifiable disease and hazardous substance complaints received was comparable to the previous year (Table 10).

Vector control continues to account for a large proportion of public health complaints (Table 10). A high proportion of vector control complaints (83%) related to overgrown vegetation, accumulated refuse or poor poultry keeping that did not constitute 'harm to health' under the South Australian (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.

There were four hazardous waste complaints (Table 10) involving the investigation of three asbestos issues and one Clandestine Drug Laboratory. A Category C Clandestine Drug Laboratory operating at a premises under construction to become a food business was investigated. A Compliance Notice under section 92(1) of the *SA Public Health Act, 2011* was issued specifying the requirements to undertake the necessary testing to ensure there was no risk to public health. This was the second Clandestine Drug Laboratory operating at this business in three years. During 2014 the premises had previously been identified to be operating a Category A Clandestine Drug Laboratory resulting in EHA issuing an Emergency Notice under the *SA Public Health Act, 2011*.

There were 56 sanitation complaints received and investigated, a decrease when compared to the previous two years (Table 10). Despite this, there has been an increase in the number of severe domestic squalor and hoarding matters requiring investigation (Table 11).

**Table 10 – A three year comparison of the type of public health complaints received**

	2014-15	2015-16	2016-17
Animal Keeping	12	10	10
Notifiable Disease	32	35	37
Sanitation	71	60	56
Vector Control	104	121	110
Waste Control	0	4	0
Air Quality	20	17	4
Water Quality	23	16	11
Hazardous Substances	6	3	4
Other	1	2	0
<b>Total</b>	<b>269</b>	<b>268</b>	<b>232</b>

**Table 11 – A three year comparison of the total number of sanitation complaints and severe domestic squalor and hoarding complaints matters investigation**

	2014-15	2015-16	2016-17
Total number of Sanitation Complaints	71	60	56
Severe Domestic Squalor	5	9	15
Hoarding	5	12	13



As outlined in the SA Health's Foot in a Door – Stepping towards solutions to resolve incidents of severe domestic squalor in South Australia guidelines, 2013 (the Guidelines), the rate of severe domestic squalor in the community is not known and is usually under reported. People living in severe domestic squalor are often isolated from the community and have an inability to recognise the severity and consequences of their living conditions. Hence many people who live in severe domestic squalor never come to the attention of authorities or support services, and subsequently go undetected.

To consistently and objectively investigate these matters the Guidelines 'Severe Domestic Squalor Assessment Scale' tool was used to assess the condition of the properties. Three severe domestic squalor and one hoarding matter were determined to be a breach of the General Duty under the *SA Public Health Act, 2011*. The Guidelines was a useful tool to allow for a multi-disciplinary approach to be taken by EHA, Government and non-Government agencies during the management of the cases.

One Emergency Notice was issued under Section 92 of the *SA Public Health Act, 2011*, involving a serious state of domestic squalor. The application of the Guidelines allowed for a multi-disciplinary approach to be taken by EHA and other Government and non-Government agencies. This approach not only ensured the requirements within the Notice complied, but the person also received the required support and care.

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its fifth 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, services and resources available to resolve these issues.

The *SA Public Health Act, 2011* prescribes a list of diseases that are notifiable (Table 12). Notification of these diseases allows for surveillance and investigation to be undertaken to protect the community from the risk of infectious disease.

**Table 12 – The number of reported notifiable diseases for 2016-17**

	2016-17
<i>Campylobacter</i>	311
<i>Salmonella</i>	154
<i>Legionellosis</i>	5
<i>Cryptosporidiosis</i>	23
Hepatitis A	0
Rotavirus	32

*Salmonella* and *Campylobacter* continue to be the most frequently reported food borne diseases (Table 12). During the year, 15 cases of *Salmonella* linked to four food businesses required investigation. It appeared that the majority of outbreaks were from the consumption of contaminated raw egg contained in ready to eat or lightly-cooked foods.

SA Health also required the investigation of an aged care facility in relation to an outbreak of Norovirus and one case of *Campylobacter*. Appropriate infection control measures were implemented and food processing practices were compliant with the Food Safety Standards. Food provided by a family member may have been the source of *Campylobacter* food poisoning. Whilst the facility has a policy for not permitting donated high-risk food, often family members or residents bring in food without staff knowledge.

EHA received 23 confirmed cases of *Cryptosporidiosis* (Table 12). One individual used a public pool within one of EHA's Constituent Council areas during the incubation period. SA Health advised a precautionary decontamination of the pool was not required as the pool utilised a Ultraviolet (UV) disinfection system. The operator was able to demonstrate that the UV system had been operating correctly throughout the period of interest. Additional information on minimising the risk of *Cryptosporidiosis* in public pools was provided.



## Monitoring and Surveillance

### Cooling Towers and Warm Water Systems

A total of 43 high-risk manufactured water systems (HRMWS) were registered at 20 sites within EHA. The number of systems continues to steadily decrease each year, with the closure of one warm water and two cooling tower systems (Table 13).

A total of 48 routine inspections were undertaken at 20 HRMWS sites (Table 13). All sites were inspected at least once a year with two warm water systems inspected twice during 2016-17.

Five follow-up inspections were required; four more than the previous year (Table 13). Two cooling towers required follow up inspections in response to detection for *Legionella*. Decommissioning notifications were also received at three cooling tower sites. Follow-up inspections of these sites were undertaken to confirm the cooling towers had been decommissioned in accordance with the requirements of the *South Australian Public Health (Legionella) Regulations 2013*.

Water samples were obtained at all routine inspections resulting in 21 high counts of *Legionella* (Table 13). The failure of an automatic chlorine dosing pump at one site contributed to the increase in high counts when compared to the previous year (Table 13). Sampling was also independently undertaken by six facilities which resulted in an additional 14 high counts. In response to high count notifications, immediate action was taken to shut down and decontaminate the systems and ensure any mechanical failures were repaired.

Despite the installation of a continual dosing low level chlorine system to the water supply, two warm water sites remain at a six month inspection frequency due to continual high counts of *Legionella*. To further manage the risk of *Legionella*, EHA requested that the operators of these two sites implement a *Legionella* Risk Management Plan (the Plan), based on the 'Guidelines for *Legionella* Control' (a nationally endorsed document

by enHealth Australia). The purpose of the Plan is to identify hazards, potential risks of *Legionella* in the water distribution system, and develop appropriate risk management strategies. The control of these systems are monitored during routine inspections to ensure compliance with the appropriate risk management strategies outlined in the Plan.

There were no Compliance Notices issued during the year. However, one Expiation Notice was issued to an operator of HRMWS for two offences under the *South Australian Public Health (Legionella) Regulations 2013*. The offences related the site failing to notify EHA within 24 hours of a number of significant high counts of *Legionella* and failing to maintain reports of decontamination in the maintenance log books.

EHA received five *Legionella* disease notifications that required investigation during the year, one more than the previous year (Table 13). The disease notifications involved the investigation of two separate dental practices that the persons visited during their incubation period. One of these notifications also required the investigation of the person's residential hot water system. In response, Officers conducted onsite investigations which included taking samples from the home water system and dental chairs.

**Table 13 – 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**

	2014-15	2015-16	2016-17
Number of sites	25	22	20
Total number HRMWS registered	51	46	43
Number of system inspections	64	58	48
Number of follow-ups	8	1	5
High count test results – samples taken by EHA	13	16	21
Compliance notices	3	0	0
Expiation Notices	0	0	1
Investigation of <i>Legionella</i> disease notifications from CDCB	0	4	5

*Legionella* was detected in the water samples taken from both dental chair spittoon rinsers. The investigations highlighted inadequate skills and knowledge of required infection control and decontamination practices specific to *Legionella*. In response, there was an immediate shutdown and decontamination of both dental chairs.

The inadequate skills and knowledge presented by the dental practices during the investigations highlighted the need to educate

and increase awareness of the associated risks of *Legionella* and dental chair units. As a result, SA Health is working with the Dental Association to actively communicate this information to dental practices.

Investigations were also required at an accommodation facility and two separate residential warm water systems. Samples taken during the onsite investigations returned negative for *Legionella* for all three notifications.



## Personal Grooming, Body Art and Health Care

Assessments of Personal Care and Body Art (PCBA) premises involving high risk skin penetration practices such as tattooing, permanent make-up, microdermabrasion, derma-rolling and piercing with reusable needles were undertaken during the year. All ten tattoo studios, including two premises recently identified and 14 beauty premises performing these high risk practices were assessed against the standards prescribed in the SA Public Health (General) Regulations, 2013 (the General Regulations).

Three follow-up inspections were required during the year. Cleanliness and infection control at two beauty premises and inadequate sterilisation of equipment at a tattoo studio, were addressed to ensure compliance the General Regulations.

During the year all 18 acupuncturists were assessed. Their procedural knowledge and hygiene practices were satisfactory and no follow-up inspections were required. Utilising single use needles during acupuncture has decreased the risk of infection.

A total of five complaints involving cleanliness and inappropriate hygiene practices at one hairdresser and four separate beauty premises required investigation. Three of these premises required a further follow up inspection. Education and information on best practice and reference to the Guidelines of the Safe and Hygienic Practice of Skin Penetration were provided at all investigations.

## Waste Control Systems

EHA received one waste control system application. The system was assessed in accordance with the requirements of the SA Public Health (Wastewater) Regulations 2013 and granted approval.

Four inspections were undertaken at different sites to determine progress of approved wastewater works and conduct assessments in accordance with the requirements of conditions of approval.

No complaints were received during the year.



## Public Swimming Pools and Spas

During the year two swimming pool sites closed and two new sites opened. Three indoor pools opened at one facility and three display spa pools at a retail outlet (Table 14). Display spa pools in public venues, retail sales outlets and promotional events are considered to be public spa pools under the *SA Public Health (General) Regulations 2013* (the General Regulations).

In addition, all swimming, spa and hydrotherapy pools were assessed against the standards prescribed in the General Regulations. A total of seven swimming pool and spa sites required follow-up inspections, three less than the previous year (Table 14). High combined chlorine, inadequate disinfection, record keeping and skills and knowledge of the pool operators required an additional inspection to ensure compliance with the General Regulations.

The temporary closure of four swimming pool and spa sites was required. Two of these sites closed voluntarily. One site closed to rectify inadequate disinfection levels of a spa pool, which was available for use by vulnerable populations. The second pool site closed to repair the automatic dosing equipment to maintain adequate chlorine levels. Recurring non-compliance of significantly high combined chlorine levels, inadequate record keeping

and inadequate skills and knowledge of the pool operators were observed at the third site. The recurrence of these non-compliances and immediate risk to public health resulted in a Compliance Notice issued under Section 92 of the *SA Public Health Act 2011*. The pool operator was instructed to close the pool to the public and undertake the necessary corrective actions. Multiple follow-up inspections were undertaken to confirm compliance with the Notice prior to the pool reopening for public use.

A Compliance Notice issued under Section 92 of the *SA Public Health Act, 2011* required closure of the fourth pool site. The ongoing total residual free chlorine and pH outside the required levels and absence of the automatic equipment for three display spa pools, required all spa pools to be immediately emptied. Prior to re-filling the display spa pools the pool operator was required to connect them to automatic dosing equipment.

Two separate complaints relating to the same indoor swimming pool were received during the year. Both complaints related to the cleanliness of the pool and facility. Inspections 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 14 - 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**

	2014-15	2015-16	2016-17
Number of Sites	30	27	28
Number of Pools/Spas	43	39	45
Inspections of Pools/Spas	71	52	65
Follow-ups of Pools/Spas	20	18	25
Complaints	6	1	2
<i>Cryptosporidiosis</i> Complaints	3	5	1

# Food Safety







**“As at 30 June 2017, a total of 1,277 known food premises were operating within EHA’s jurisdiction”**

## Food Safety Inspections, Complaints, Audits and Enforcement

As at 30 June 2017, a total of 1,277 known food premises were operating within EHA’s jurisdiction, which is an increase of 24 businesses when compared to the previous year. Takeaways, cafes, and restaurants continue to be the predominant types of food business.

A total of 190 businesses closed and 214 food business notifications, advising of a new food business or change of ownership, were lodged with EHA. The increase in the number of food premises, new notifications 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 performance.

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 15, the majority of food businesses are risk classified as P1, with takeaways and restaurants being the main types of businesses within this classification.

P4 food businesses selling shelf stable and pre-packaged food are considered ‘low risk’, and are only inspected if there has been a change in activity or a complaint has been received.

Excluding P4 businesses, 1,078 food premises are required to be inspected. A total of 1,432 inspections were undertaken at these businesses (Table 16).

**Table 15 – Number of food businesses, food inspections and follow-up inspections as per risk classification**

	P1	P2	P3	P4	Total
Number of food businesses	629	337	112	199	1,277

**Table 16 – A three year comparison of the number of routine, follow-up and fit-out inspections undertaken and complaints received**

Type of Inspection	2014-15	2015-16	2016-17
Routine	840	690	862
Follow up	480	578	570
Complaint	98	111	78
Pre-opening/Fit-out	17	21	20
Food Stalls at Special Events	114	97	90
<b>Total</b>	<b>1,549</b>	<b>1,497</b>	<b>1,620</b>

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

A total number of 862 routine inspections were conducted during the year, a 25% increase compared from the previous year (Table 17). This increase was attributed the improved availability of staff. While there was an increase in the number of routine inspections conducted, the number of follow-up inspections was comparable with the previous year.

**“A total number of 862 routine inspections were conducted during the year, a 25% increase compared from the previous year.”**

**Table 17 – A three year comparison of the percentage number of follow-up inspections conducted based on the number of routine inspections**

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Total number of follow-up inspections	479	578	566
Number of businesses requiring a follow-up inspection	413	377	354
% of routine inspections requiring a follow-up inspection	49%	54%	41%



## Demand for packaged ready-to-heat meals has increased. Restaurants and caterers have responded to this increased demand and expanded 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. The premises require suitable equipment and structural facilities, processes and procedures to produce these foods safely.

During 2015-16 EHA identified a food business that introduced extended shelf life cook-chill processing. Inspections identified serious concerns relating to the poor knowledge and management of the risks associated with cook chill processing. This investigation sparked SA Health to initiate a state-wide industry survey of all extended shelf life cook-chill manufacturers in South Australia.

During 2016-17 EHA identified a further 12 food businesses that have moved into extended shelf life cook-chill processing. Serious concerns relating to inadequate processing techniques, fixtures, fittings and equipment and skills and knowledge were consistently identified at a number of these food businesses. These concerns were supported by the unsatisfactory sampling results taken as part of the statewide survey (Table 18).

A high proportion of samples returned either 'unsatisfactory' or 'marginal' for a number of pathogens (Table 18). Standard Plate Count (SPC) is used to determine the level

of 'spoilage organisms' present in a food product. The results indicated that 60% of samples SPC was 'unsatisfactory' or 'marginal'. These results are indicative of poor hygiene or food handling practices (Table 18).

While there were significantly less 'unsatisfactory' and 'marginal' results for *E.coli*, *Clostridium Perfringens* and *Bacillus Cereus*, the presence of these pathogens raised very serious concerns as this indicates poor hygiene and/or food handling and processing practices (Table 18).

To address these serious results and poor practices, EHA in collaboration with SA Health have worked closely with these businesses to improve their knowledge and practices throughout the year. The survey results and serious non-conformances identified that immediate investigation of cook chill processing throughout the state was required.

Despite the significant amount of resources and Officers time required, EHA's proactive approach has raised the awareness of the risks associated with cook chill manufacturing to food businesses in our five Constituent Councils.

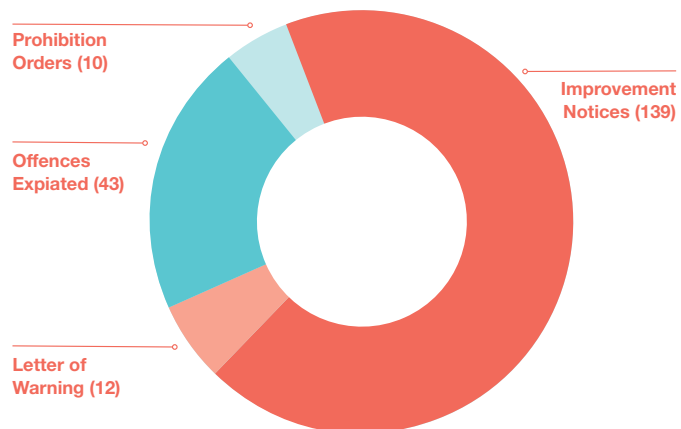
EHA's enforcement policy requires a graduated and proportionate response to be applied to either recurring or very serious food safety breaches.

**Table 18 – SA Health state-wide sampling result for food businesses producing extended shelf life cook-chill foods within EHA**

Pathogens tested	Number of samples	Result 'Unsatisfactory'	Result 'Marginal'	Result 'Satisfactory'
Standard Plate Count	43	15	11	17
<i>E.Coli</i>	43	not detected	3	40
<i>Clostridium Perfringens</i>	43	not detected	1	42
<i>Bacillus Cereus</i>	43	1	3	40
<i>Salmonella</i>	43	not detected	not detected	43
Coagulase- positive Staphylococci	43	not detected	not detected	43
Listeria monocytogenes	43	not detected	not detected	43

Graph 4 demonstrates the graduated responses to enforcement. Legal action may be taken to repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Expiation Notices or Prosecutions.

**Graph 4 – 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 19). Enforcement action was not limited to high risk businesses, with warning letters, Improvement and Expiation Notices issued to moderate risk P2 food businesses. Very serious food safety breaches also resulted in Prohibition Orders being served to nine high risk P1 businesses, that included restaurants, cafes, a bakery and manufacturer and a moderate risk P2 bakery.

**Table 19 – A three year comparison of enforcement action taken as per risk classification**

Warning Letter	P1	P2	P3
2014-15	18	1	0
2015-16	13	4	0
2016-17	11	1	0

Improvement Notices	P1	P2	P3
2014-15	81	14	1
2015-16	76	17	0
2016-17	127	12	0

Offences Expiated	P1	P2	P3
2014-15	39	0	0
2015-16	23	0	0
2016-17	41	2	0

Prohibition Orders	P1	P2	P3
2014-15	2	1	0
2015-16	2	1	0
2016-17	9	1	0

There was an increase in the number of Improvement Notices, Expiation Notices and Prohibition Orders issued this year. Improvement Notices continue to account for the majority of enforcement action taken, with a total of 139 Improvement Notices issued to 92 food businesses (Table 20). A total of 33 businesses received more than one Improvement Notice during the year, with one business receiving five Improvement Notices.

The number of Improvement Notices issued increased by an average of 46% when compared to the previous two years (Table 20). Despite the increase, the percentage of inspections that resulted in an Improvement Notice was comparable to 2015-16 (Table 20).

In 2016-17, \$64,452 in fines were issued to 15 businesses for 43 offences committed under the Food Act, 2001 (Table 21). This represents a 53% increase in the number of Expiation Notices when compared to the previous year. It should be noted that only 1.5% of routine inspections resulted in Expiation Notices being issued, which was a decrease when compared to 2016-17 (Table 22).

Ten Prohibition Orders were issued to food businesses, seven more when compared to the previous two years (Table 23). Prohibition Orders were served to seven restaurant/cafes, and two bakeries. Serious offences related to significant vermin and cockroach activity, poor standard of cleanliness and significant amounts of Potentially Hazardous Food (PHF) stored out of temperature control. Following the eradication of the pests and vermin by a professional pest controller, thorough cleaning and repairs to cold storage equipment, these businesses were reopened.

A Prohibition Order was also served to a food manufacturer due to unfit for use general design and construction and mode of operation of all fixtures, fittings and equipment. A very poor standard of cleanliness and inadequate sanitising practices was also observed. This matter was also referred to SafeWork SA and SA Water Trade Waste. As a result the Proprietor notified EHA of the permanent closure of the food business.

EHA inspected 90 food stalls at ten major special events held within the Constituent Councils (Table 16). Food handlers were assessed on their application of food safety and hygiene principles. EHOs also considered the structure and fit-out of each stall to ensure food was stored, prepared and displayed appropriately to protect from contamination.

**Table 20 – A three year comparison of the percentage number of Improvement Notices issued based on the number of routine inspections**

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Total number of Improvement Notices issued	96	93	139
Number of businesses issued with Improvement Notices	69	76	92
% of routine inspections resulting in the issue of an Improvement Notice	8.2%	11%	11%

**Table 21 - A three year comparison of the number of Expiation Notices issued, total number of expiable offences and expiable income received**

	2014-15	2015-16	2016-17
Total number of Expiation Notices issued	18	14	20
Total number of Offences Expiated	39	23	43
<b>Total amount</b>	<b>\$80,000</b>	<b>\$38,050</b>	<b>\$64,452</b>

**Table 22 - A three year comparison of the percentage of Expiation Notices issued per routine inspection**

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Number of businesses issued with Expiation Notices	18	14	13
Expiation Notices as % of inspections	2.1%	2.0%	1.5%

**Table 23 – A three year comparison of the number of Prohibition Orders issued**

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Number of businesses issued with Prohibition Orders	3	3	10
Prohibition Orders as % of inspections	0.35%	0.43%	1.2%



## 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 24, a total of 55 scheduled food safety audits and three follow-up audits were conducted within EHA's jurisdiction during the year. By request, a total of 33 audits were conducted outside EHA's council areas. The increase in audits was due to new businesses requesting our services and EHA's availability of accredited food safety auditors (Table 24).

**Table 24 - A three year comparison of the number of audits and follow-up audits conducted in our five Constituent Councils and other council areas**

	2014-15		2015-16		2016-17	
	EHA	Other Council Areas	EHA	Other Council Areas	EHA	Other Council Areas
No. of Audits	53	30	31	37	55	33
No. of Follow-up Audits	10	7	10	2	3	1





## Complaints

EHA received a total of 80 complaints relating to food during 2016-17 (Table 25). As shown in Table 22, there has been a steady decrease in the number of complaints received over the last three years. The number of justified complaints also decreased from 41% to 32% when compared to the previous year.

Alleged food poisoning and alleged poor food handling practice complaints contributed to 44% of the complaints received during the year (Table 26). Alleged food poisoning complaints have consistently accounted for the majority

of complaints received over the past three years (Table 26). During 2016-17 only four of the 20 alleged food poisoning complaints were justified (Table 26). The small proportion of justified complaints is often a result of the persons failing to undertake the necessary tests to confirm they are affected by a foodborne disease. The absence of clinical evidence hinders the opportunity for epidemiological investigations to be undertaken by SA Health and for EHA to investigate and identify the specific food source.

**Table 25 - A three year comparison of the number of food complaints received**

	2014-15	2015-16	2016-17
Number of food complaints	108	98	80
Number of food complaints justified	29	40	26
% of justified complaints	27%	41%	32%

**Table 26 – A three year comparison of the number of food complaints received**

Type of Complaints Received	2014-15	2015-16	2016-17	2016-17
	Total number of complaints received			Number of complaints justified/confirmed
Food unsuitable/unsafe due to foreign matter	15	12	10	3
Food unsuitable/unsafe due to microbial contamination/growth	13	7	7	3
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	6	2	1	0
Alleged food poisoning	27	24	20	4
Unclean premises	6	10	5	1
Poor personal hygiene or poor food handling practices	10	20	15	7
Vermin/insects/pests observed in premises	5	5	6	2
Refuse storage	19	11	11	5
Labelling issues	1	5	1	1
Other	6	2	4	0
<b>Total</b>	<b>108</b>	<b>98</b>	<b>80</b>	<b>26</b>

# Health Care and Community Services





## “EHOs conducted 19 unannounced routine audits and 13 follow-up visits during 2016-17.”

### Supported Residential Facilities

EHA is the licensing authority for all Supported Residential Facilities (SRFs) within the Constituent Councils. During the year the number of SRFs licensed by EHA decreased from 12 to eight facilities (Table 27). The decrease is attributed to the City of Unley's decision to undertake the licensing internally, which came into effect in December 2016.

### Licensing and Monitoring

EHOs conducted 19 unannounced routine audits and 13 follow-up visits during 2016-17.

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
- the visitors' book

The majority of non-conformances identified in the unannounced audits included hygiene and 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.

**Table 27 – A three year comparison of the number of SRFs licensed by EHA**

2014-15	2015-16	2016-17
12	12	8

The financial position of each SRF was accessed during the re-licensing process through obtaining copies of accounting records, including profit and loss statements, balance sheets (assets and liability) and cash flow statements (incoming/outgoings). All facilities were considered solvent and viable.

Each facility within the Constituent Council area was inspected for compliance with the essential fire safety requirements by the respective Building Fire Safety Committee. Fire safety reports were provided to EHA as part of the licensing renewal process. Non-conformances highlighted in the fire safety report from one Constituent Council were communicated to EHA, but they will be monitored and enforced by its Council Officers.

Non-conformances identified at the unannounced audits throughout the year were collated and reviewed prior to the re-licensing of the facilities. Contrary to previous years and in order to facilitate a more expedient and efficient approach to managing minor non-conformances, Authorised Officers applied the use of legislative tools rather than imposing multiple licence conditions. Where long term action was required or there were significant or persistent issues, conditions were imposed on the facility's licence for 2017-18.

Two facilities were issued licences for one year with no conditions. Four facilities were issued licences for one year with conditions. Conditions related to staffing levels and designated outdoor smoking areas. All minor cleaning, maintenance and hygiene issues will continue to be monitored and managed during subsequent audits throughout the year.

### SRF Licence Transfer/New Licence

During 2016-17 two SRF licence transfers were received, processed and approved. One licence transfer application was the result of the sale of a business. After a long vetting process, the applicant was approved and improvements have been observed at the facility. The second transfer resulted from the dissolution of a business partnership. One of the existing directors remained the proprietor and there were no changes to the management, staff or business operations.

One application for a new SRF was received during the year. The application is currently being processed and is pending approval.

### Manager and Acting Manager approvals

One manager application and three acting manager applications were received during the year. All acting manager applications were approved by EHA's Chief Executive Officer under delegated authority. The manager application is pending the completion of the new facility's licence application.

### SRF – Complaints and Queries/Legal Action

The number of complaints received was comparable to the previous year (Table 28). Complaints related to cleanliness and hygiene in a resident's room, the nutritional value of food served, cooling and heating and the lack of privacy during medical consultations. Relevant action was taken by the facilities where required to resolve the matters.

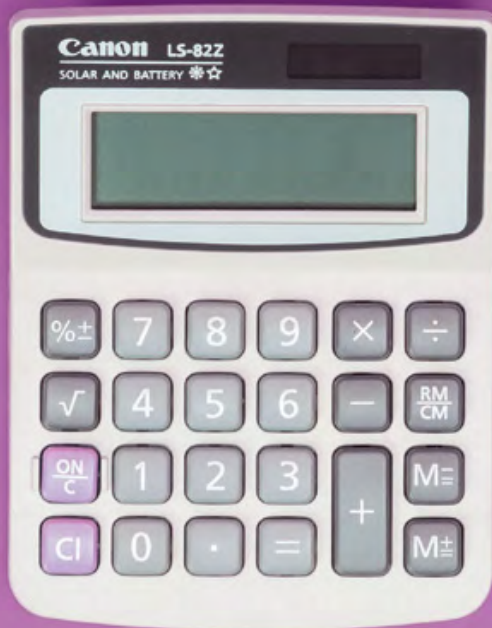
**Table 28 – A three year comparison of the number of SRF complaints received**

2014-15	2015-16	2016-17
13	3	3





# Financial Summary



**Eastern Health Authority**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2017**

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## Eastern Health Authority

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

#### CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Eastern Health Authority (EHA) to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the EHA's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- the financial statements accurately reflect the EHA's accounting and other records.

  
.....  
Michael Livori  
CHIEF EXECUTIVE OFFICER

  
.....  
Sue Whittington  
CHAIRPERSON

Date: 30/8/2017

**Eastern Health Authority**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>INCOME</b>			
Council contributions	2	1,641,055	1,609,306
Statutory charges	2	155,492	114,802
User charges	2	294,343	342,110
Grants, subsidies & contributions	2	270,990	121,815
Investment income	2	11,598	15,304
Other income	2	11,767	11,439
<b>Total Income</b>		<u>2,385,245</u>	<u>2,214,776</u>
<b>EXPENSES</b>			
Employee costs	3	1,623,390	1,483,167
Materials, contracts & other expenses	3	699,827	643,081
Depreciation, amortisation & impairment	3	55,286	45,098
Finance costs	3	18,756	21,463
<b>Total Expenses</b>		<u>2,397,259</u>	<u>2,192,809</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(12,014)</b>	21,967
<b>NET SURPLUS / (DEFICIT)</b>		<u>(12,014)</u>	<u>21,967</u>
transferred to Equity Statement		(12,014)	21,967
<b>Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(12,014)</u>	<u>21,967</u>

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



## Eastern Health Authority

### STATEMENT OF FINANCIAL POSITION as at 30 June 2017

		2017	2016
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	664,107	581,155
Trade & other receivables	4	129,625	158,026
<b>Total Current Assets</b>		<b>793,732</b>	<b>739,181</b>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	5	387,928	421,720
<b>Total Non-current Assets</b>		<b>387,928</b>	<b>421,720</b>
<b>Total Assets</b>		<b>1,181,660</b>	<b>1,160,901</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	138,358	95,855
Borrowings	6	61,440	58,623
Provisions	6	305,844	259,008
<b>Total Current Liabilities</b>		<b>505,642</b>	<b>413,486</b>
<b>Non-current Liabilities</b>			
Borrowings	6	315,135	376,575
Provisions	6	35,264	33,207
<b>Total Non-current Liabilities</b>		<b>350,399</b>	<b>409,782</b>
<b>Total Liabilities</b>		<b>856,041</b>	<b>823,268</b>
<b>NET ASSETS</b>		<b>325,619</b>	<b>337,633</b>
<b>EQUITY</b>			
Accumulated Surplus		325,619	337,633
<b>TOTAL EQUITY</b>		<b>325,619</b>	<b>337,633</b>

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



## Eastern Health Authority

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

	Notes	Accumulated Surplus \$	TOTAL EQUITY \$
<b>2017</b>			
Balance at end of previous reporting period		337,633	337,633
<b>Net Surplus / (Deficit) for Year</b>		<u>(12,014)</u>	<u>(12,014)</u>
<b>Balance at end of period</b>		<u>325,619</u>	<u>325,619</u>
<b>2016</b>			
Balance at end of previous reporting period		515,666	515,666
<b>Net Surplus / (Deficit) for Year</b>		21,967	21,967
<b>Other Comprehensive Income</b>			
Distribution to Constituent Councils		<u>(200,000)</u>	<u>(200,000)</u>
<b>Balance at end of period</b>		<u>337,633</u>	<u>337,633</u>

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

## Eastern Health Authority

### STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Council contributions		1,805,161	1,770,237
Fees & other charges		155,492	240,932
User charges		404,589	377,146
Investment receipts		11,598	15,304
Grants utilised for operating purposes		298,296	121,815
Reimbursements		12,944	12,583
<u>Payments</u>			
Employee costs		(1,598,369)	(1,458,250)
Materials, contracts & other expenses		(906,594)	(984,254)
Finance payments		(19,984)	(22,672)
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<b>163,069</b>	<b>72,841</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(21,494)	(25,723)
Capital contributed to Constituent Councils		-	(200,000)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(21,494)</b>	<b>(225,723)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Payments</u>			
Repayments of borrowings		(58,623)	(55,934)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(58,623)</b>	<b>(55,934)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>82,952</b>	<b>(208,816)</b>
Cash & cash equivalents at beginning of period	7	581,155	789,971
<b>Cash &amp; cash equivalents at end of period</b>	7	<b>664,107</b>	<b>581,155</b>

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

# Eastern Health Authority

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

#### 2 The Local Government Reporting Entity

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

#### 3 Income recognition

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

#### 4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 - Significant Accounting Policies (cont.)

##### 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 constructed by EHA 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 EHA for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 5.

##### 5.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

##### 5.4 Depreciation of Non-Current Assets

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

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

Major depreciation periods for each class of asset are shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to EHA, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

##### 5.5 Impairment

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

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

##### 5.6 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.

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### 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.

##### 6.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery are recognised as liabilities until the service is delivered or the amount is refunded as the case may be.

#### 7 Borrowings

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

#### 8 Employee Benefits

##### 8.1 Salaries, Wages & Compensated Absences

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

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

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

##### 8.2 Superannuation

EHA 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. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and EHA's involvement with the schemes are reported in Note 11.

#### 9 Leases

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

In respect of finance leases, where EHA substantially carries all of 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 within the appropriate asset class, and are amortised to expense over the period during which EHA is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

#### 10 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.



## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 - Significant Accounting Policies (cont.)

- 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.

#### 11 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

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

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

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

*EHA is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.*

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not EHA's intention to adopt this Standard early.

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not EHA's intention to adopt this Standard early.



## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 2 - INCOME

	Notes	2017 \$	2016 \$
<b>COUNCIL CONTRIBUTIONS</b>			
City of Burnside		419,128	415,037
Campbelltown City Council		379,026	389,840
City of Norwood Payneham & St Peters		515,322	490,646
City of Prospect		220,952	219,621
Town of Walkerville		106,627	94,162
		<b>1,641,055</b>	<b>1,609,306</b>
<b>STATUTORY CHARGES</b>			
SRF licences		3,462	4,792
Food inspections		71,435	56,355
Legionella registrations & inspections		16,143	15,275
Fines, penalties & expiations		64,452	38,380
		<b>155,492</b>	<b>114,802</b>
<b>USER CHARGES</b>			
Immunisation fee for service		38,795	50,515
Immunisation worksites		96,186	110,107
Food safety training		-	455
Food auditing		60,534	60,465
City of Unley		98,828	120,568
		<b>294,343</b>	<b>342,110</b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		11,598	15,304
		<b>11,598</b>	<b>15,304</b>



## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### NOTE 2 - INCOME (continued)

	Notes	2017 \$	2016 \$
<b>OTHER INCOME</b>			
Motor vehicle reimbursements		4,873	3,975
Sundry		6,894	7,464
		<u>11,767</u>	<u>11,439</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Other grants, subsidies and contributions			
Immunisation fees - schools		85,353	84,291
Meningococcal B		153,869	-
Immunisation fees - ACIR		31,768	37,524
		<u>270,990</u>	<u>121,815</u>
<b>Sources of grants</b>			
State government		270,990	121,815
		<u>270,990</u>	<u>121,815</u>

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 3 - EXPENSES

	Notes	2017 \$	2016 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,374,895	1,303,620
Employee leave expense		38,542	14,333
Superannuation - defined contribution plan contributions	11	109,975	99,335
Superannuation - defined benefit plan contributions	11	17,094	16,838
Workers' Compensation Insurance		15,430	15,000
Other - Agency Staff & Consultant Medical Officer		67,454	34,041
<b>Total Operating Employee Costs</b>		<b>1,623,390</b>	<b>1,483,167</b>
<b>Total Number of Employees</b>		<b>18</b>	<b>18</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		7,500	7,700
Bad and Doubtful Debts		2,281	3,293
Board of management expenses		10,008	10,772
- minimum lease payments		54,144	53,185
Subtotal - Prescribed Expenses		<u>73,933</u>	<u>74,950</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Accounting & internal audit		6,670	6,265
Contractors		24,173	22,562
Energy		8,260	8,222
Fringe benefit tax		19,694	20,471
Human resources		13,603	12,426
Income protection		18,997	10,953
Insurance		27,131	26,006
IT licencing & support		158,926	101,324
Legal expenses		12,115	20,373
Motor vehicle expenses		20,091	15,141
Office rent		101,153	100,002
Parts, accessories & consumables		131,688	102,308
Printing & stationery		21,268	25,788
Staff training		17,393	14,674
Sundry		23,658	29,856
Telephone		14,293	13,842
Work health & safety consultancy		6,781	37,918
Subtotal - Other Materials, Contracts & Expenses		<u>625,894</u>	<u>568,131</u>
		<u>699,827</u>	<u>643,081</u>



## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 3 - EXPENSES (cont)

	Notes	2017 \$	2016 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		23,642	23,642
Office Equipment, Furniture & Fittings		<u>31,644</u>	<u>21,456</u>
		<u>55,286</u>	<u>45,098</u>
<b>FINANCE COSTS</b>			
Interest on Loans		<u>18,756</u>	<u>21,463</u>
		<u>18,756</u>	<u>21,463</u>

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 4 - CURRENT ASSETS

	Notes	2017	2016
<b>CASH &amp; EQUIVALENT ASSETS</b>		<b>\$</b>	<b>\$</b>
Cash on Hand and at Bank		148,773	112,228
Short Term Deposits & Bills, etc		<u>515,334</u>	<u>468,927</u>
		<u><b>664,107</b></u>	<u><b>581,155</b></u>
 <b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors - general		129,625	239,871
Less: Allowance for Doubtful Debts		<u>-</u>	<u>81,845</u>
		<u><b>129,625</b></u>	<u><b>158,026</b></u>



## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016			2017		
	\$			\$		
	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Buildings & Other Structures	472,846	(117,402)	355,444	<b>472,846</b>	<b>(141,044)</b>	<b>331,802</b>
Office Equipment, Furniture & Fittings	315,499	(249,223)	66,276	<b>336,992</b>	<b>(280,866)</b>	<b>56,126</b>
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	788,345	(366,625)	421,720	<b>809,838</b>	<b>(421,910)</b>	<b>387,928</b>
<b>Comparatives</b>	<b>762,622</b>	<b>(321,527)</b>	<b>441,095</b>	<b>788,345</b>	<b>(366,625)</b>	<b>421,720</b>

*This Note continues on the following pages.*



## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR \$		2017 \$
	CARRYING AMOUNT	Additions Renewals	Depreciation	CARRYING AMOUNT
Buildings & Other Structures	355,444	-	(23,642)	331,802
Office Equipment, Furniture & Fittings	66,276	21,494	(31,644)	56,126
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>421,720</b>	<b>21,494</b>	<b>(55,286)</b>	<b>387,928</b>
<i>Comparatives</i>	<b>441,095</b>	<b>25,723</b>	<b>(45,098)</b>	<b>421,720</b>

*This Note continues on the following pages.*



## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 6 - LIABILITIES

		2017		2016	
		\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	Notes	Current	Non-current	Current	Non-current
Goods & Services		72,431	-	65,453	-
Accrued expenses - employee entitlements		30,419	-	20,972	-
Accrued expenses - other		8,202	-	9,430	-
Other		27,306	-	-	-
		<u>138,358</u>	<u>-</u>	<u>95,855</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		61,440	315,135	58,623	376,575
		<u>61,440</u>	<u>315,135</u>	<u>58,623</u>	<u>376,575</u>
<b>PROVISIONS</b>					
Employee entitlements - Annual leave (including oncosts)		146,832	-	131,258	-
Employee entitlements - Long service leave (including oncosts)		159,012	35,264	127,750	33,207
		<u>305,844</u>	<u>35,264</u>	<u>259,008</u>	<u>33,207</u>

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	2017	2016
	\$	\$
Total cash & equivalent assets	4 <u>664,107</u>	<u>581,155</u>
Balances per Cash Flow Statement	<u>664,107</u>	<u>581,155</u>

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

Net Surplus (Deficit)	(12,014)	21,967
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	55,286	45,098
Net increase (decrease) in unpaid employee benefits	25,021	24,917
Change in allowances for under-recovery	<u>(81,845)</u>	<u>(114,650)</u>
	(13,552)	(22,668)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	110,246	118,896
Net increase (decrease) in trade & other payables	<u>33,056</u>	<u>(23,387)</u>
<b>Net Cash provided by (or used in) operations</b>	<u>163,069</u>	<u>72,841</u>

**(c) Financing Arrangements**

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

Corporate Credit Cards	5,000	5,000
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## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 8 - FINANCIAL INSTRUMENTS

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

##### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned. <b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 1.5% and 2% (2016: 1.5% and 2%). <b>Carrying amount:</b> approximates fair value due to the short term to maturity.
<b>Receivables - Fees &amp; other charges</b>	<b>Accounting Policy:</b> 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. <b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although EHA is not materially exposed to any individual debtor, credit risk exposure is concentrated within EHA's boundaries. <b>Carrying amount:</b> approximates fair value (after deduction of any allowance).
<b>Receivables - other levels of government</b>	<b>Accounting Policy:</b> Carried at nominal value. <b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments. <b>Carrying amount:</b> approximates fair value.
<b>Liabilities - Creditors and Accruals</b>	<b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to EHA. <b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms. <b>Carrying amount:</b> approximates fair value.
<b>Liabilities - Interest Bearing Borrowings</b>	<b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues. <b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable biannually; interest is charged at fixed rate of 4.75% (2016: 4.75%) <b>Carrying amount:</b> approximates fair value.
<b>Liabilities - Finance Leases</b>	<b>Accounting Policy:</b> accounted for in accordance with AASB 117.

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 8 (cont) - FINANCIAL INSTRUMENTS

##### Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	664,107	-	-	664,107	664,107
Receivables	129,625	-	-	129,625	129,625
<b>Total</b>	<b>793,732</b>	<b>-</b>	<b>-</b>	<b>793,732</b>	<b>793,732</b>
<b>Financial Liabilities</b>					
Payables	100,374	-	-	100,374	99,737
Current Borrowings	78,607	-	-	78,607	61,440
Non-Current Borrowings	-	314,425	39,303	353,728	315,135
<b>Total</b>	<b>178,981</b>	<b>314,425</b>	<b>39,303</b>	<b>532,709</b>	<b>476,312</b>
<b>2016</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	581,155	-	-	581,155	581,155
Receivables	158,026	-	-	158,026	239,871
<b>Total</b>	<b>739,181</b>	<b>-</b>	<b>-</b>	<b>739,181</b>	<b>821,026</b>
<b>Financial Liabilities</b>					
Payables	95,855	-	-	95,855	65,453
Current Borrowings	78,606	-	-	78,606	58,623
Non-Current Borrowings	-	471,638	39,303	510,941	376,575
<b>Total</b>	<b>174,461</b>	<b>471,638</b>	<b>39,303</b>	<b>685,402</b>	<b>500,651</b>

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Fixed Interest Rates	4.75	376,575	4.75	435,198
		<u>376,575</u>		<u>435,198</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 EHA.

#### 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 EHA is the carrying amount, net of any allowance for doubtful debts. All EHA 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 EHA's boundaries, and there is no material exposure to any individual debtor.

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

Liquidity Risk is the risk that EHA will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. EHA 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. EHA has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 9 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of EHA prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2017	2016
	\$	\$
Income	2,385,245	2,214,776
<i>less</i> Expenses	<u>2,397,259</u>	<u>2,192,809</u>
<b>Operating Surplus / (Deficit)</b>	<b>(12,014)</b>	<b>21,967</b>
 <i>less</i> <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	21,494	25,723
Depreciation, Amortisation and Impairment	<b>(55,286)</b>	(45,098)
	<u><b>(33,792)</b></u>	<u>(19,375)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u><b>21,778</b></u>	<u><b>41,342</b></u>



## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 10 - OPERATING LEASES

##### *Leases providing revenue to the EHA*

EHA has entered into non-cancellable operating leases for motor vehicles and a photocopier.

No lease imposes any additional restrictions on EHA in relation to additional debt or further leasing. Leases in relation to computer and office equipment permit EHA, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

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

	2017	2016
	\$	\$
Not later than one year	<b>45,093</b>	46,399
Later than one year and not later than 5 years	<b>46,784</b>	46,102
	<u><b>91,877</b></u>	<u>92,501</u>

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 11 – SUPERANNUATION

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

##### *Accumulation only Members*

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to EHA as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### *Salarylink (Defined Benefit Fund) Members*

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. EHA makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, 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 Salarylink liabilities. However, future financial and economic circumstances may require changes to EHA's contribution rates at some future time.

##### *Contributions to Other Superannuation Schemes*

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

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 12 - RELATED PARTY DISCLOSURES

##### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of EHA include the Chairperson, Board Members, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 15 persons were paid the following total compensation:

	2017 \$
Salaries, allowances & other short term benefits	\$164,250
<b>TOTAL</b>	<b>\$164,250</b>

Related Party Entity	Amounts received from Related Party during the financial year	Amounts outstanding from Related Party at the end of the financial year
City of Burnside	419,128	-
Campbelltown City Council	379,026	-
City of Norwood, Payneham & St Peters	515,322	-
City of Prospect	220,952	-
Town of Walkerville	106,627	-

##### Description of Services provided to all related parties above:

- take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils;
- assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act, the *Food Act 2001 (SA)*, the *Supported Residential Facilities Act 1992 (SA)*, the *Expiation of Offences Act 1996 (SA)*, the *Housing Improvement Act 1940 (SA)* (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA;
- establish objectives and policy priorities for the promotion and protection of public and environmental health within the areas of the Constituent Councils;
- provide immunisation programs for the protection of public health within the areas of the Constituent Councils or to ensure that such programs are provided;
- promote and monitor standards of hygiene and sanitation;
- promote and monitor food safety standards;
- identify risks to public and environmental health within the areas of the Constituent Councils;
- monitor and regulate communicable and infectious disease control;
- licence and monitor standards in Supported Residential Facilities;



**EASTERN HEALTH AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2017, Dean Newbery and Partners, Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

  
Michael Livori  
**CHIEF EXECUTIVE OFFICER**

  
Lisa Scinto  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date: 16/8/17





## ANNUAL REPORT 2016-2017





**EastWaste**



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**EastWaste**

**EASTERN WASTE MANAGEMENT AUTHORITY  
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**THE YEAR IN  
REVIEW  
2016-2017**

*at a glance...*

**MORE THAN  
97%**

**OF BINS  
WERE RETURNED  
UPRIGHT TO KERB  
WITH LIDS CLOSED**

**55%**

**OF WASTE  
DIVERTED FROM  
LANDFILL**

**102,107**

**TONNES WAS COLLECTED**

**2,513**

**TONNES  
OF HARD WASTE  
COLLECTED**

**200,000**

**BINS  
COLLECTED  
EACH WEEK**

**2**

**EASTERN WASTE MANAGEMENT AUTHORITY  
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**EastWaste**



OVER  
**6,000**  
**WHICHBIN.COM.AU**

PAGE VIEWS  
SINCE WEBSITE LAUNCH  
IN DECEMBER 2016

LAUNCH OF  
**Why Waste It?**  
**CAMPAIGN**



**95%**  
**SATISFACTION**

RATING AMONGST  
THE COMMUNITY WITHIN  
OUR MEMBER COUNCILS

**95%**  
**SATISFACTION**

RATING AMONGST  
OUR CORPORATE  
PARTNERS

**BASED ON FINANCIAL  
PERFORMANCE  
THROUGHOUT THE  
2016-2017 FINANCIAL  
YEAR THE EAST WASTE  
BOARD RESOLVED NOT  
TO INCREASE MEMBER  
COUNCIL FEES FOR THE  
2017/18 FINANCIAL YEAR**

THAT'S A  
**0%**  
**INCREASE**

**100%**  
**COMPLIANCE**

WITH THE 2016-2017  
WHS AUDIT  
REQUIREMENTS

**NEW SERVICES  
COMMENCED**

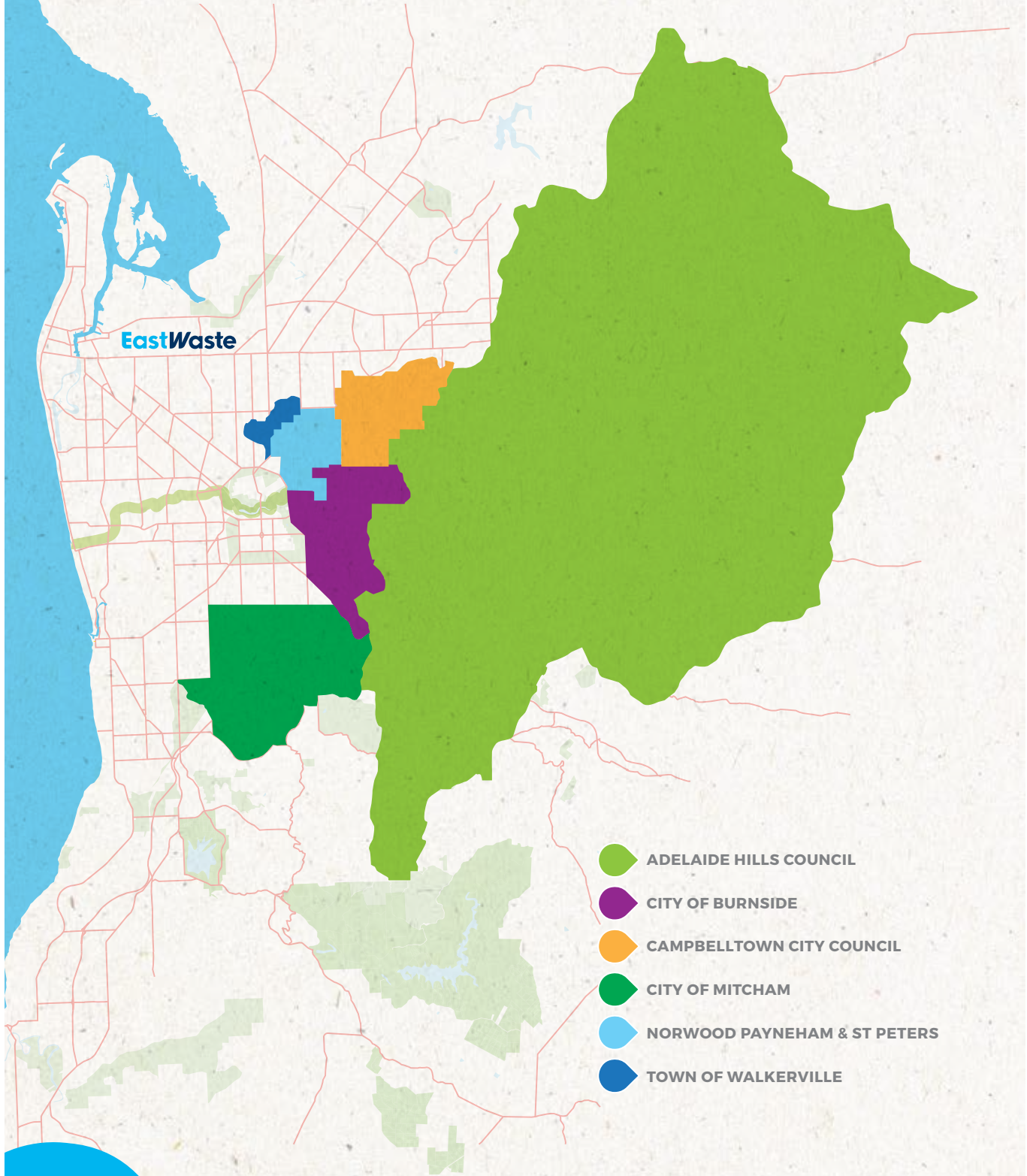
**HARD WASTE COLLECTION SERVICE  
FOR ADELAIDE HILLS COUNCIL**  
**STREET LITTER BIN COLLECTION SERVICE  
FOR CAMPBELLTOWN CITY COUNCIL**

**EastWaste**

**EASTERN WASTE MANAGEMENT AUTHORITY  
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**3**

# EAST WASTE SERVICE AREA



4

EASTERN WASTE MANAGEMENT AUTHORITY  
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**EastWaste**



# ABOUT EAST WASTE



**East Waste is the trading name of Eastern Waste Management Authority, which was established in 1928. The Authority is a regional subsidiary of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood, Payneham & St Peters, City of Mitcham, and the Corporation of the Town of Walkerville. These six Councils are referred to as Member or Constituent Councils of East Waste. East Waste is governed by a Charter pursuant to Section 43 of the *Local Government Act 1999* (the Charter).**

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

The membership of the Board comprises of seven 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.

East Waste's primary purpose is to provide effective waste collection services for its Member Councils. The exact nature of the waste collection services are determined independently by each Council to meet the needs of their respective communities.

East Waste operates on a cost share basis between Member Councils. This ensures Councils are not subject to providing varying levels of profit that are required by private sector operators, whilst still benefiting from efficiency, buying power and cost effectiveness through East Waste as a service provider.

From time to time, East Waste is contracted to provide waste collection services for other Councils (referred to as Client Councils).

The primary advantages from the East Waste delivery model can be summarised as:

- Appropriate economical return from the at-cost charging methodology based on GPS cost allocation;

- Enhanced quality of service by measuring and valuing quality capacities as well as financial indicators;
- Flexibility in service delivery allowing responsiveness to emerging community and market demands;
- Aligned values and strategic direction with Member Councils, to protect and promote reputation management;
- Reducing exposure of East Waste's services to the commercial profit-driven market.

## Core Services

East Waste's core business is defined in the Charter as collection, recycling, and disposal of waste produced in the area of one or more of the Member Councils. This core business is undertaken in regard to the following broad understandings:

- Continually operate to the parameters set within the Charter;
- Deliver efficient, effective and value for money services for Member Councils;
- Maintain quality services that are quantified by certain metrics (i.e. >90% of bins returned upright to kerb with lids closed);
- Effective and positive complaint handling and timely resolution of complaints, and
- Vehicles are clean, maintained and well presented.

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**EASTERN WASTE MANAGEMENT AUTHORITY  
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**5**



**THE ROLLOUT OF THE 'WHY WASTE IT?' CAMPAIGN IS AIMED AT EDUCATING AND PROMOTING RESPONSIBLE BEHAVIOUR AROUND REDUCING WASTE AND IMPROVING RECYCLING, WITH THE ULTIMATE AIM TO REDUCE WASTE TO LANDFILL.**



**37**  
**BANNERS**

**AT PROMINENT SITES  
THROUGHOUT OUR  
MEMBER COUNCILS WITH  
THE 'WHY WASTE IT?'  
MESSAGE**

**EastWaste**

# EAST WASTE CHAIRPERSON'S REPORT



**It is with great pleasure that I can again report that East Waste has performed strongly. East Waste continues to deliver in accordance with its vision of providing a safe, high quality, low cost, waste and resource recovery collection service. We expect in the future that we will continue to respond to our various community's needs and we confidently look forward to an even greater impact in the enhanced education and promotion of responsible waste management within households through our revamped education programs.**

I am pleased to offer you the following highlights, which provide some background to the outstanding results achieved for the year. East Waste's General Manager Rob Gregory will detail further successes and achievements in his 2016/17 Report.

## **Education Highlights**

The 2016/17 Financial Year has seen the commencement of East Waste's "Why Waste it?" campaign. The campaign is aimed at educating and promoting responsible behaviour around reducing waste and improving recycling, with the ultimate aim to reduce waste being sent to landfill.

East Waste has received a great response in relation to the roll-out of the campaign, and some particular highlights are as follows:

Which Bin website ([whichbin.com.au](http://whichbin.com.au)) – this micro-site is central to the campaign and provides residents and Member Councils with an A-Z guide with over 430 common household items, indicating 'which bin' they go in as well as alternative recycling and disposal options. The website also hosts a range of educational flyers, posters, banners, bin stickers and facts sheets for residents, schools and Member Councils to download.

Street signage and bus shelter campaigns – a recycling focused campaign was run from March to June. 'Why waste it? When you can recycle it' and 'Why waste it? Thank you for recycling it' messages were promoted through street signage, street banners and a bus shelter campaign.

Newsletters, Articles and Fact Sheets – East Waste has produced and disseminated regular articles and fact sheets across Member Council publications, websites, social media and e-news bulletins.

As per the 2016/17 Tonnage Data reported on page 17 this financial year has yet again seen 55% of waste diverted from landfill. This is a wonderful result which can be attributed to the encouraging behaviours of residents and the increasing impact of the education and promotion messaging being undertaken by East Waste and Member Councils.

## **Nil Fee Increase**

The Audited Financial Statements for East Waste showed a significant operating surplus for the year of \$338,000.

This strong result is attributed to a number of factors which include; a clear strategic direction, a focused effort by all our staff, the introduction of operational efficiencies, the successful negotiation of longer term supply contracts, and lower fuel prices continuing to be realised.

The 2016/17 financial result is again consistent with previous financial years, and supports East Waste's Board commitment to providing a safe, high quality, low cost, waste and resource recovery collection service. Consistent with this commitment, the East Waste Board has resolved not to increase Member Council fees for the 2017/18 Financial Year. A 'nil fee increase' is an encouraging outcome in current economic conditions and reaffirms the prudent

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**EASTERN WASTE MANAGEMENT AUTHORITY  
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**EAST WASTE'S CONTINUED FOCUS ON QUALITY SERVICE DELIVERY THAT IS CONSISTENT, PROFESSIONAL AND EFFICIENT HAS RESULTED IN AN INCREASE IN SERVICES BEING OFFERED TO MEMBER COUNCILS IN THE 2016/17 FINANCIAL YEAR.**



**2,513**  
**TONNES**

**OF  
HARD WASTE  
COLLECTED**

**EastWaste**

# EAST WASTE CHAIRPERSON'S REPORT



management and on-going execution of the Board's strategy.

## **New Member Council to Join East Waste**

In November 2016 the City of Prospect conducted a Tender Call for the Provision of Collection Services for Household Waste, Recyclables, Organics, Street Litter and Hard Waste. The East Waste Board resolved to submit a tender and I am very pleased to advise that East Waste was successful in their tender, and the City of Prospect has resolved to join East Waste as a Member Council.

East Waste will commence providing services to City of Prospect as at 2 October 2017. This outcome is a real testament to the quality of the East Waste Business Model and the focus on efficiencies, innovation and continuous improvement.

The East Waste Board, staff and all Member Councils look forward to City of Prospect becoming a Member Council and working together into the future.

## **Thanks**

Community, stakeholder and staff feedback recently received indicates that East Waste is responsive to community demands, and maintains awareness and continued expectations with respect to on-going service delivery.

This result provides a good segway into my final commentary whereby I would like to take the opportunity to say a warm "thank you" to Adam Faulkner (previous General Manager), who completed his tenure at East Waste at the end of the financial year due to accepting a CEO position with another organisation.

Adam has made a most significant contribution and impact to the performance of East Waste since his appointment in February 2014. He is passionate about the future direction of the local government and waste industry sectors, and this has been evident in his achievements as East Waste's General Manager. Adam has worked tirelessly to build and maintain strong relationships with our Member Councils, has developed a strong team around him and earned a strong "industry leader" reputation for East Waste.

We also welcome our new General Manager in Rob Gregory who has come to East Waste from his previous role as the Manager, City Services at the City of Norwood, Payneham and St Peters. Rob has a strong local and state government background and is very aware of the unique challenges waste subsidiaries face in demonstrating good value to member councils in a highly competitive industry. As a Board we welcome Rob and we look forward to his contribution to East Waste.

To all East Waste staff, I, together with the East Waste Board say thanks and well done on providing our Member Councils with excellent service, improving our efficiencies and complementing the Member Councils' reputations in each of their communities with high quality delivery of services.

The achievement of the above would not have been possible of course without the commitment and the continued direction of the Board of East Waste. The members of the Board continue to provide valuable professional support and guidance to the General Manager and his team. To all the Directors of East Waste I thank you for your guidance and support to East Waste. We look confidently forward to another successful year in 2017/18.

**I commend the 2016-2017 East Waste Annual Report to you.**



*Mr Brian Cunningham  
Independent Chairperson*



THE 'WHY WASTE IT?' CAMPAIGN UTILISES STREET SIGNAGE AND BUS SHELTER MESSAGES - A RECYCLING FOCUSED CAMPAIGN WAS RUN FROM MARCH TO JUNE - 'WHY WASTE IT? WHEN YOU CAN RECYCLE IT' AND 'WHY WASTE IT? WHEN YOU CAN COMPOST IT'.



**97%**  
**OF BINS**

**WERE RETURNED  
UPRIGHT TO KERB  
WITH LIDS CLOSED  
IN 2016-17**

**EastWaste**

# EAST WASTE GENERAL MANAGER'S REPORT



I would firstly like to express thanks to my predecessor, Mr Adam Faulkner. I have been fortunate enough to work with Adam in a stakeholder capacity for the past few years, which has allowed me to see first-hand the quality of achievements Adam has produced in his time as General Manager. I reiterate the comments of our Independent Chairman, Mr Brian Cunningham whereby Adam has made a significant and importantly lasting, impact and contribution to the performance of East Waste.

Adam's commitment to quality, consistency and efficiency measures has enabled East Waste to now be in the enviable position of having a reputation as an industry leader.

The working relationships with our Member Councils have flourished during Adam's tenure and he has built a lasting legacy in which we will continue to build upon.

The East Waste Board, staff and Member Councils wish Adam the very best as he embarks on his next opportunity and challenge.

## New Member Council Services

East Waste's continued focus on quality service delivery that is consistent, professional and efficient has resulted in an increase in services being offered to Member Councils in the 2016/17 Financial Year.

As per the Services Matrix below, Adelaide Hills Council and City of Norwood, Payneham & St Peters resolved to appoint East Waste as the provider of their at-call hard waste service.

MEMBER COUNCIL	SERVICES											
	Weekly collection of general waste	Fortnightly Collection of Recyclables	Fortnightly Collection of Organics	Hard Waste	Litter Collection	Customer Service	Bin Repairs/Maintenance/Replacements	GPS Tracking	RFID Tracking	Recyclables Contract	Organics Contract	Education and Promotion
Adelaide Hills Council	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
City of Burnside	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓
Campbelltown City Council	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
City of Mitcham		✓	✓	✓		✓	✓	✓		✓	✓	✓
City of Norwood, Payneham & SP	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Corp Town of Walkerville	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓

East Waste is committed to maintaining the expected levels of repeatable quality in the delivery of all services, and will continue to build on the suite of services and capabilities it can offer Member Councils.



**THE ENVIRONMENTAL AND FINANCIAL BENEFITS FROM SEPARATING OUT HOUSEHOLD RECYCLABLES AND ORGANICS AND PLACING THEM IN THE CORRECT BIN ARE SIGNIFICANT.**



**OVER**  
**430**  
**ITEMS**

**CAN BE FOUND ON THE  
WHICH BIN A-Z GUIDE TO  
HOUSEHOLD ITEMS  
[whichbin.com.au](http://whichbin.com.au)**

**EastWaste**

# EAST WASTE GENERAL MANAGER'S REPORT



In addition, Campbelltown City Council also resolved to appoint East Waste as the provider of their Street Litter Bin Collection Service.

## Community and Staff Survey Results

In 2015 East Waste conducted its first community, Council and staff satisfaction survey process, which resulted in a high satisfaction rate with the services provided by East Waste.

Noting the passage of time and introduction of further improvements, changes and innovations, East Waste undertook a 'pulse check' survey process in 2017.

To ensure the quality of the fleet is maintained, the following 'non-negotiables' are applied:

- All collection vehicles are fully integrated with a GPS system that provides the location of the vehicle at all times;
- Each collection vehicle is fitted with four (4) cameras (front, rear and sides) to assist drivers with their vision;
- Reverse sensor technology on all vehicles;
- Daily inspections of vehicles, including tyre inspection;



I am pleased to report that East Waste achieved a very high 95% satisfaction rating with the services provided to residents, Member Councils and stakeholders.

This positive result supports East Waste's vision and provides encouragement in continuing to offer a high quality, low cost, essential waste and recycling collection service to our Member Councils.

## Fleet Management

East Waste is committed to maintaining a fleet of collection vehicles that are high performing, reliable and safe. East Waste adheres to an annual fleet replacement program that ensures that no vehicle in our fleet older than eight (8) years.

- Servicing of all collection vehicles at 100 and 400 completed engine hours; and
- An approved independent contractor conducts an annual audit/inspection of the entire East Waste collection fleet.

## Innovation and Technology

The 2016/17 Financial Year has seen East Waste invest in and trial innovative technologies in an effort to maximise service delivery to residents. The technology procured has assisted East Waste in optimising collection routes for drivers, which in turn has enabled us to increase the capabilities of our Common Fleet across all Member Council services areas.

**EastWaste**

**EASTERN WASTE MANAGEMENT AUTHORITY  
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**EAST WASTE WILL CONTINUE TO INVEST IN INNOVATION TRIALS AND TECHNOLOGY IMPROVEMENTS WHERE POSSIBLE TO ENSURE WE ARE AT THE FORE FRONT OF WASTE COLLECTION AND EDUCATION FOR OUR MEMBER COUNCILS AND THEIR RESIDENTS.**



**55%**  
**OF WASTE**

**DIVERTED FROM  
LANDFILL IN THE 2016-2017  
FINANCIAL YEAR**

**EastWaste**



# EAST WASTE GENERAL MANAGER'S REPORT



In addition, East Waste has invested in trial technology to assist in the analysis and support of our education and promotion campaign. This technology enables East Waste to determine the effectiveness of the education and promotion campaign, and therefore enhance or adjust strategies in maximising the benefits of the education focus.

East Waste would like to thank Green Industries SA for providing grant funding for this important trial, and looks forward to providing on-going updates and results regarding the outcomes of the trial.

East Waste will continue to invest in innovation trials and technology improvements where possible to ensure we are at the forefront of waste collection and education for our Member Councils and their residents.

## Thanks

Finally, I would like to say thank you to the hard-working staff of East Waste and their on-going commitment in supporting the East Waste Board and our Member Councils. The team works closely together to ensure East Waste meets its vision now and into the future, so my thanks goes to you all.

As General Manager, I look forward to working with Member Councils, the Board and staff to deliver the requirements of the 2017/18 adopted Annual Plan and Budget and ultimately continue to improve the performance of East Waste.



*Rob Gregory*  
General Manager

**THE WHICH BIN WEBSITE ALSO HOSTS A RANGE OF EDUCATIONAL FLYERS, POSTERS, BANNERS, BIN STICKERS AND FACTS SHEETS FOR RESIDENTS, SCHOOLS AND MEMBER COUNCILS TO DOWNLOAD.**



**OVER**  
**6,000**  
**WHICHBIN.COM.AU**

**PAGE VIEWS  
SINCE WEBSITE LAUNCH  
IN DECEMBER 2016**

**EastWaste**

# EAST WASTE TONNAGE DATA



Using a frontline fleet of low emission collection vehicles, in 2016/2017 a total of 102,107 tonnes of household waste, green organics and recyclables was collected from East Waste Member Council households.

Across all the East Waste Member Councils, 56,086 tonnes (or 55%) were diverted from landfill. This equates to over half all of the materials presented by residents in their wheelie bins being recycled and turned into new packaging materials, or composted into products to improve soil health in South Australia.

The diversion rate achieved by Member Councils again builds on last financial year's result and is an encouraging trajectory attributable to responsible

resident behaviour and East Waste's continued focus on education and promotion, which is aimed at assisting communities in continuing to improve recycling rates.

The environmental and financial benefits from separating out household recyclables and organics and placing them in the correct bin are significant, and the waste minimisation education and promotion campaign aims to continue the positive momentum in this area.

KERBSIDE TONNAGE COLLECTED 2016/17	RECYCLABLES	ORGANICS	WASTE
ADELAIDE HILLS COUNCIL	3,628	3,662	7,076
CITY OF BURNSIDE	4,057	6,946	7,943
CITY OF MITCHAM	6,092	9,844	12,759*
NORWOOD PAYNEHAM & ST PETERS	3,573	4,934	7,098
CAMPBELLTOWN CITY COUNCIL	4,402	7,172	9,655
TOWN OF WALKERVILLE	633	1,143	1,490

\*The City of Mitcham manages the collection of waste for its residents.



# EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the *Local Government Act 1999*, the Charter, and various other policies and codes.

The membership of the Board comprises of seven 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 2016 – 2017 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
<b>Mr Brian Cunningham</b> (Chair)	<b>7 of 7</b>
<b>Cr Linda Green</b> (Adelaide Hills Council)	<b>6 of 7</b>
<b>Cr Grant Piggott</b> <sup>1</sup> (City of Burnside)	<b>2 of 4</b>
<b>Mr Paul Di Iulio</b> (Campbelltown City Council)	<b>6 of 7</b>
<b>Cr Karen Hockley</b> (City of Mitcham)	<b>6 of 7</b>
<b>Mr Mario Barone PSM</b> <sup>2</sup> (City of Norwood, Payneham & St Peters)	<b>3 of 7</b>
<b>Cr Graham Webster</b> <sup>3</sup> (Corporation of the Town of Walkerville)	<b>1 of 1</b>
<b>Cr Gianni Busato</b> <sup>4</sup> (Corporation of the Town of Walkerville)	<b>4 of 6</b>

<sup>1</sup> Appointed to Board November 2016, effective January 2017  
<sup>2</sup> Period of extended health leave  
<sup>3</sup> Board term completed November 2016  
<sup>4</sup> Appointed to Board November 2016



Mr Brian Cunningham  
Independent Chairperson



Cr Linda Green  
Adelaide Hills Council



Cr Grant Piggott  
City of Burnside



Mr Paul Di Iulio  
Chief Executive Officer  
Campbelltown City Council



Cr Karen Hockley  
City of Mitcham



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



Cr Graham Webster  
The Corporation of the  
Town of Walkerville



Cr Gianni Busato  
The Corporation of the  
Town of Walkerville

# AUDIT & 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 functions of the Committee include:

- Reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the subsidiary;
- Liaise with external auditors; and
- Reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the subsidiary on a regular basis.

The Committee held five formal meetings over the 2016 – 2017 financial year.

The Audited Financial Statements for the year ending 30 June 2017 are provided from page 22.





**FINANCIAL  
STATEMENTS**  
**2016**  
**2017**  
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## CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017

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.*

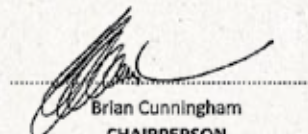
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.

- 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: 21/09/17





## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
<b>INCOME</b>			
User charges	2	13,068	12,573
Investment income	2	30	36
Grants, subsidies and contributions		40	-
Other	2	408	382
<b>Total Income</b>		<b>13,546</b>	12,991
<b>EXPENSES</b>			
Employee costs	3	5,164	4,803
Materials, contracts & other expenses	3	6,007	6,267
Finance costs		332	335
Depreciation, amortisation & impairment	3	1,724	1,595
<b>Total Expenses</b>		<b>13,227</b>	13,000
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>319</b>	(9)
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	20	37
Amounts received specifically for new/upgraded assets		-	-
<b>NET SURPLUS / (DEFICIT)</b>		<b>339</b>	<b>28</b>
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>339</b>	28

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

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	1,984	2,798
Trade & other receivables	5	412	359
<b>Total Current Assets</b>		<b>2,396</b>	<b>3,157</b>
<b>Non-current Assets</b>			
Infrastructure, Property, Plant & Equipment	6	6,046	5,332
<b>Total Assets</b>		<b>8,442</b>	<b>8,489</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	826	1,870
Provisions	7	491	609
Borrowings	7	1,701	1,417
<b>Total Current Liabilities</b>		<b>3,018</b>	<b>3,896</b>
<b>Non-current Liabilities</b>			
Borrowings	7	4,741	4,374
Provisions	7	72	69
<b>Total Non-current Liabilities</b>		<b>4,813</b>	<b>4,443</b>
<b>Total Liabilities</b>		<b>7,831</b>	<b>8,339</b>
<b>NET ASSETS</b>		<b>611</b>	<b>150</b>
<b>EQUITY</b>			
Accumulated Surplus		611	150
<b>TOTAL EQUITY</b>		<b>611</b>	<b>150</b>

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



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
<b>2017</b>			
Balance at end of previous reporting period		150	150
Net Surplus/ (Deficit) for Year		339	339
<b>Other Comprehensive Income</b>			
Contributed Equity		122	122
Distributions to Member Councils		3	-
<b>Balance at end of period</b>		<b>611</b>	<b>611</b>
	Notes	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
<b>2016</b>			
Balance at end of previous reporting period		277	277
Net Surplus/ (Deficit) for Year		28	28
<b>Other Comprehensive Income</b>			
Contributed Equity		122	122
Distributions to Member Councils		(277)	(277)
<b>Balance at end of period</b>		<b>150</b>	<b>150</b>

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

## STATEMENT OF CASH FLOWS AS AT 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts</i>			
Operating receipts		13,465	13,721
Investment receipts		28	36
<i>Payments</i>			
Employee costs		(5,279)	(4,875)
Materials, contracts & other expenses		(7,063)	(6,125)
Finance payments		(320)	(391)
<b>Net Cash provided by (or used in) Operating Activities</b>	8	<b>831</b>	2,366
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Receipts</i>			
Sale of replaced assets	4	104	39
Sale of surplus assets	4	-	66
<i>Payments</i>			
Expenditure on renewal/replacement of assets	6	(2,522)	(202)
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	(277)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(2,418)</b>	(374)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Receipts</i>			
Capital contribution by member councils		122	122
Proceeds from Borrowings		1,926	-
<i>Payments</i>			
Repayments of Borrowings		(1,275)	(1,412)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>773</b>	(1,290)
<b>Net Increase (Decrease) in cash held</b>		<b>(814)</b>	702
Cash & cash equivalents at beginning of period	8	2,798	2,096
<b>Cash &amp; cash equivalents at end of period</b>	8	<b>1,984</b>	2,798

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 2017

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

#### 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.



## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

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 to 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 2017

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

#### 6 Payables

##### 6.1 Goods & Services

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

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

#### 7 Employee Benefits

##### 7.1 Salaries, Wages & Compensated Absences

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

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

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

##### 7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to 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 2016/17; 9.5% in 2015/16). 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 Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.*

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.

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)**

#### **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.



## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

### **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 2017 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 2 - INCOME**

	Notes	2017 \$'000	2016 \$'000
<b>USER CHARGES</b>			
Household Refuse		4,173	4,181
Administration		215	209
Green Organics		3,531	3,435
Recyclables		3,178	3,192
Hardwaste		651	518
Litter		305	265
Waste Disposal		1,015	773
Recycle Rebate		815	698
Recycle Rebate - Member Councils		(815)	(698)
		<b>13,068</b>	<b>12,573</b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		30	35
Banks & other		-	1
		<b>30</b>	<b>36</b>
<b>OTHER INCOME</b>			
Bin Supply		164	101
Replacement Bins		137	107
Sundry		107	174
		<b>408</b>	<b>382</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 3 - EXPENSES

	Notes	2017 \$'000	2016 \$'000
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		3,922	3,742
Employee leave expense		(114)	(72)
Superannuation		308	374
Wages Casual Agency		718	493
Workers' Compensation Insurance		200	172
Other		130	94
<b>Total Operating Employee Costs</b>		<b>5,164</b>	4,803
<b>Total Number of Employees (Full Time Equivalent as at reporting date)</b>		<b>51</b>	49
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
Auditor's Remuneration		9	8
Board Expenses		25	24
Lease costs		240	78
Subtotal - Prescribed Expenses		<b>274</b>	110
<b>Other Materials, Contracts &amp; Expenses</b>			
Advertising & Promotion		68	42
Disposal Fees		2,247	1,901
Dumping Fees		-	17
Electricity		34	35
Fuel, Gas & Oil		764	735
GPS Expenses		64	49
Insurance		21	25
Legal Expenses		27	18
Maintenance		1,516	1,210
Parts, Accessories & Consumables		63	43
Printing, Stationery & Postage		44	38
Professional Services		319	224
Rebate to Member Councils		-	1,138
Registration & Insurance - Trucks		272	222
Sundry		258	424
Telephone		36	36
Subtotal - Other Materials, Contracts & Expenses		<b>5,733</b>	6,157
		<b>6,007</b>	6,267
<b>DEPRECIATION</b>			
Buildings & Other Structures		7	7
Plant, Machinery & Equipment		1,717	1,588
		<b>1,724</b>	1,595



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 4 - ASSET DISPOSAL**

	Notes	2017 \$'000	2016 \$'000
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		104	105
Less: Carrying amount of assets sold		84	68
<b>Gain (Loss) on disposal</b>		<b>20</b>	<b>37</b>

**NOTE 5 - CURRENT ASSETS**

**CASH & EQUIVALENT ASSETS**

Cash on Hand and at Bank		1,477	1,510
Deposits at Call		507	1,288
		<b>1,984</b>	<b>2,798</b>

**TRADE & OTHER RECEIVABLES**

Debtors - general		396	358
Accrued Income		2	-
Prepayments		14	1
		<b>412</b>	<b>359</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2017 \$'000	2016 \$'000
Buildings & Other Structures - At Cost		78	82
Accumulated Depreciation		(40)	(37)
		<b>38</b>	45
Plant, Machinery & Equipment		12,571	11,814
Accumulated Depreciation		(6,563)	(6,527)
		<b>6,008</b>	5,287
<b>Total Property, Plant &amp; Equipment</b>		<b>6,046</b>	5,332

	2016 \$'000	CARRYING AMOUNT MOVEMENT DURING YEAR \$'000				2017 \$'000		
		Carrying Amount	Additions		Disposals		Depreciation	Carrying Amount
			New/ Upgrade	Renewal				
Buildings & Other Structures	45	-	-	-	(7)	38		
Plant, Machinery & Equipment	5,287	-	2,522	(84)	(1,717)	6,008		
<b>Total Property, Plant &amp; Equipment</b>	<b>5,332</b>	-	<b>2,522</b>	<b>(84)</b>	<b>(1,724)</b>	<b>6,046</b>		
<b>2016 Totals</b>	<b>6,793</b>	<b>2</b>	<b>200</b>	<b>(68)</b>	<b>(1,595)</b>	<b>5,332</b>		

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 7 - LIABILITIES**

	Notes	2017		2016	
		\$'000		\$'000	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		703	-	516	-
Accrued expenses - rebate to member councils		-	-	1,252	-
Accrued expenses - other		123	-	102	-
		<b>826</b>	<b>-</b>	<b>1,870</b>	<b>-</b>
<b>BORROWINGS</b>					
Loans		1,701	4,741	1,417	4,374
		<b>1,701</b>	<b>4,741</b>	<b>1,417</b>	<b>4,374</b>
<b>PROVISIONS</b>					
Annual Leave		183	-	171	-
Long Service Leave		308	72	438	69
		<b>491</b>	<b>72</b>	<b>609</b>	<b>69</b>



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

### 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	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	1,984	2,798
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		1,984	2,798

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

Net Surplus (Deficit)		339	28
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,724	1,595
Net increase (decrease) in unpaid employee benefits		(65)	(72)
Net increase (decrease) accrued interest charges		10	-
(Gain) / Loss on Disposal		(20)	(38)
		1,988	1,513
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(51)	(109)
Net increase (decrease) in trade & other payables		(1,056)	962
Net increase (decrease) in other provisions		(50)	-
<b>Net Cash provided by (or used in) operations</b>		<b>831</b>	<b>2,366</b>

#### (c) Non-Cash Financing and Investing Activities

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

#### (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 2017

### NOTE 9 - FINANCIAL INSTRUMENTS

#### Recognised Financial Instruments

**Bank, Deposits at Call,** *Accounting Policy:* Carried at lower of cost and net realisable value; Interest is recognised when earned.

*Terms & conditions:* Deposits on Call do not have a maturity period and have an average interest rates of 1.25% (2016: 1.85%).

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

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**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).

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**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 (after deduction of any allowance).

#### 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.



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

#### Liquidity Analysis

2017	Interest Rate \$'000	Floating ≤ 1 year \$'000	Fixed Interest > 1 year ≤ 5 years \$'000	Maturing In > 5 years \$'000	Non- Interest Bearing \$'000	Total \$'000
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	1,477	507	-	-	-	1,984
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	412	412
<b>Total</b>	<b>1,477</b>	<b>507</b>	<b>-</b>	<b>-</b>	<b>412</b>	<b>2,396</b>
<b>Financial Liabilities</b>						
Payables	-	-	-	-	826	826
Current Borrowings	-	1,701	-	-	-	1,701
Non-Current Borrowings	-	-	3,350	1,391	-	4,741
<b>Total</b>	<b>-</b>	<b>1,701</b>	<b>3,350</b>	<b>1,391</b>	<b>826</b>	<b>7,268</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>						
	<b>1,477</b>	<b>(1,194)</b>	<b>(3,350)</b>	<b>(1,391)</b>	<b>(414)</b>	<b>(4,872)</b>
<b>2016</b>						
	Interest Rate \$'000	Floating ≤ 1 year \$'000	Fixed Interest > 1 year ≤ 5 years \$'000	Maturing In > 5 years \$'000	Non- Interest Bearing \$'000	Total \$'000
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	1,510	1,288	-	-	-	2,798
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	358	358
<b>Total</b>	<b>1,510</b>	<b>1,288</b>	<b>-</b>	<b>-</b>	<b>358</b>	<b>3,156</b>
<b>Financial Liabilities</b>						
Payables	-	-	-	-	516	516
Current Borrowings	-	1,417	-	-	-	1,417
Non-Current Borrowings	-	-	3,804	244	-	3,804
<b>Total</b>	<b>-</b>	<b>1,417</b>	<b>3,804</b>	<b>244</b>	<b>516</b>	<b>5,737</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>						
	<b>1,510</b>	<b>(129)</b>	<b>(3,804)</b>	<b>(244)</b>	<b>(158)</b>	<b>(2,581)</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 10 - COMMITMENTS FOR EXPENDITURE

Notes	2017 \$'000	2016 \$'000
<b>Expenditure Commitments</b>		
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	9	8
Truck Fleet Replacement	1,814	-
	<b>1,823</b>	<b>8</b>
These expenditures are payable:		
Not later than one year	1,823	8
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>1,823</b>	<b>8</b>

### 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	245
Later than one year and not later than 5 years	807	782
Later than 5 years	889	1,167
	<b>1,948</b>	<b>2,194</b>

### NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

As at the time of preparing the Financial Statements, as required by the *Local Government Act 1999* the Authority has applied to the Minister of Local Government to seek approval to allow the City of Prospect to become a Member Council. Subject to approval by the Minister, it is expected that the City of Prospect will be a Member Council of the Authority as from October 2017.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### 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:

	2017 \$'000
Salaries, allowances & other short term benefits	370
Long term benefits	30
<b>TOTAL</b>	<b>400</b>

#### 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	2,935	2	Provision of kerbside waste collection and hardwaste
City of Burnside	2,188	73	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,503	45	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,241	12	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,918	1	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	468	112	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.

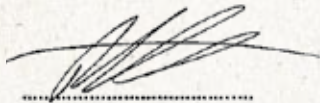
## CERTIFICATION OF AUDITOR INDEPENDENCE

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the East Waste Management Authority Inc. for the year ended 30 June 2017, the Authority's Auditor Benthall 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: 21 SEPTEMBER 2017



## STATEMENT OF INDEPENDENT AUDITOR



**Bentleys SA Audit Partnership**

Level 2  
139 Frome Street  
Adelaide SA 5000  
GPO Box 939  
Adelaide SA 5001  
ABN 43 877 091 903  
T +61 8 8372 7900  
F +61 8 8372 7999  
admin@adel.bentleys.com.au  
bentleys.com.au

### Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Eastern Waste Management Authority Inc for the year ended 30 June 2017, 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.

David Papa  
Partner  
Bentleys SA Audit Partnership

Dated at Adelaide this 21 September 2017

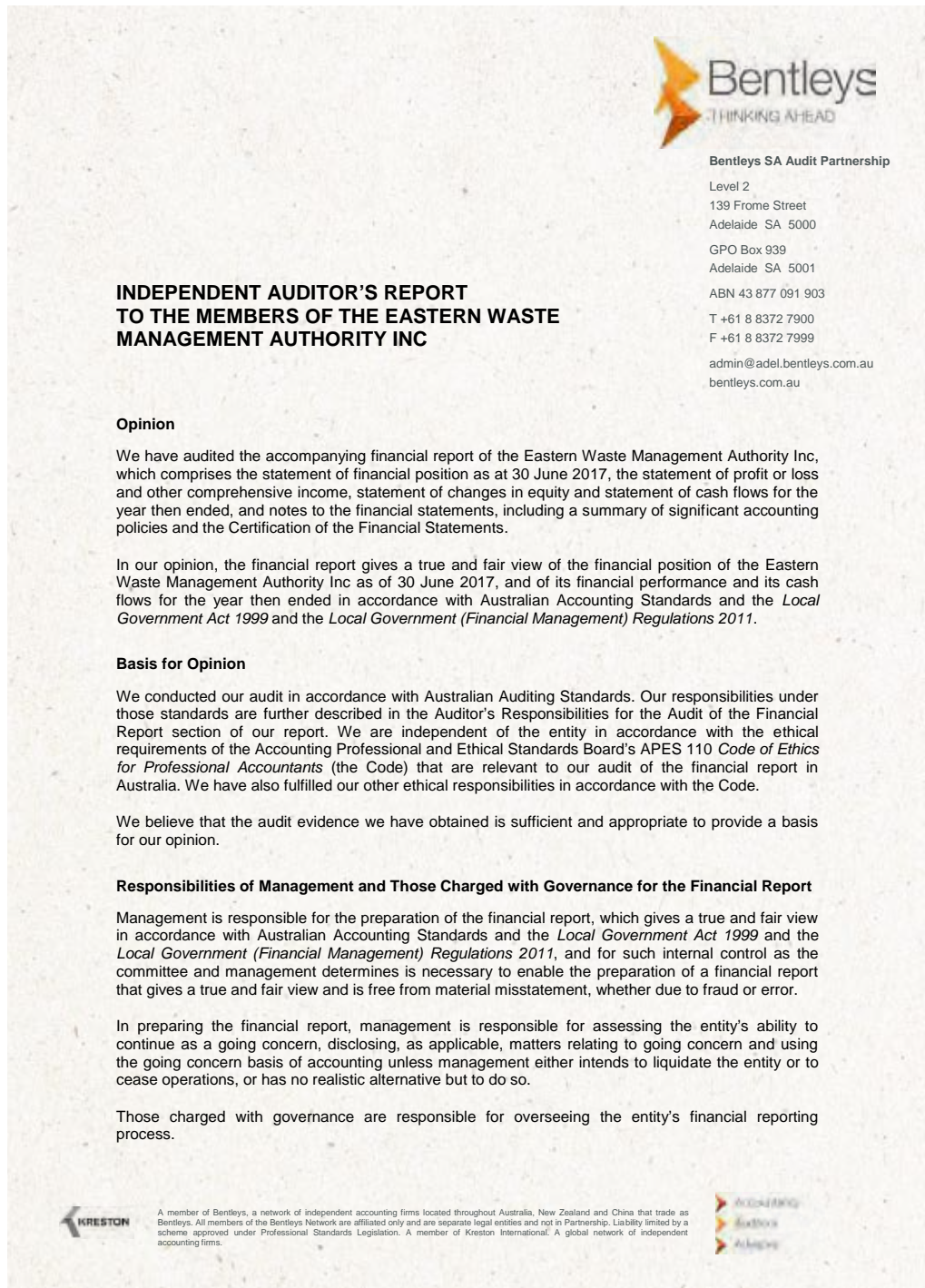


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## INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**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.

Paragraph 41(b) of ASA 700 explains that the italicised material below can be located in an Appendix to *the auditor's report*.

Paragraph 41(c) of ASA 700 explains that when law, regulation or national auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the *description of the auditor's responsibilities, rather than including this material in the auditor's report*, provided that the description on the website addresses, and is not inconsistent with, the description of *the auditor's responsibilities below*. When the auditor refers to a description of the auditor's responsibilities on a website, the appropriate authority is the Auditing and Assurance Standards Board and the website address is <http://www.auasb.gov.au/Home.aspx>.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 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.



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**



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.

BENTLEYS SA AUDIT PARTNERSHIP

A handwritten signature in black ink, appearing to read 'David Papa', written over a horizontal line.

DAVID PAPA  
PARTNER

Dated at Adelaide this 27 day of September 2017

**THE EAST WASTE BOARD SAY THANK YOU TO ALL STAFF AND WELL DONE ON PROVIDING OUR MEMBER COUNCILS WITH EXCELLENT SERVICE, IMPROVING OUR EFFICIENCIES AND COMPLEMENTING THE MEMBER COUNCILS' REPUTATIONS IN EACH OF THEIR COMMUNITIES.**



**100%**  
**COMPLIANCE**

**WITH THE 2016-2017  
WHS AUDIT  
REQUIREMENTS**

**EastWaste**

## EastWaste

1 Temple Court  
Ottoway SA 5013

PO Box 26  
Mansfield Park SA 5012

Phone 08 8347 5111  
Email [east@eastwaste.com](mailto:east@eastwaste.com)

[eastwaste.com.au](http://eastwaste.com.au)



**East Waste provides helpful customer service to the operational staff at Member Councils, thinks in a future-focused and proactive manner, keeps costs at a minimum and achieves operational efficiency.**

**East Waste  
Corporate Customer Survey Response  
May 2017**





# HIGHBURY LANDFILL AUTHORITY

## ANNUAL REPORT 2016 / 2017

### 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 current board is in the last year of their initial 3 year term. The Board of the Highbury Landfill Authority (HLA) remained unchanged during the year

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.

The landfill gas quality is no longer sufficient for power generation and the Authority in conjunction with Suez Recycling and Recovery Pty Ltd has contracted with McMahon Services Australia Pty Ltd to manage the gasfield and



*Torrens Road Entrance*

flare the landfill gas 24 hours a day 7 days a week.

The accounting standards require Highbury to estimate the future costs over an 18 year period to meet the legislative requirements of a closed landfill in South Australia. The provision in the accounts is a net present value (NPV) calculation of the future cash outflows to manage the post-closure phase of the Highbury Landfill. The provision calculation has been updated to reflect the latest information on future expenditure and interest rates. This has seen the provision decrease by \$445,446

#### SPECIAL POINTS OF INTEREST:

- The Risk Management Plan continued to be the measure of how the site was managed during the year.
- The provision calculation in the HLA Financial Statements has been updated to reflect future expenditure and interest rates.
- The site now has a flare running 24 hours a day burning landfill gas to reduce greenhouse gas emissions from the landfill.
- The 3 year contract with McMahons commenced on the 19th May 2016.



*Monitoring Bore in the landfill*



*The new LoCal flare installed and operating at the Highbury landfill*

**CLOSURE & POST-CLOSURE MANAGEMENT**

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

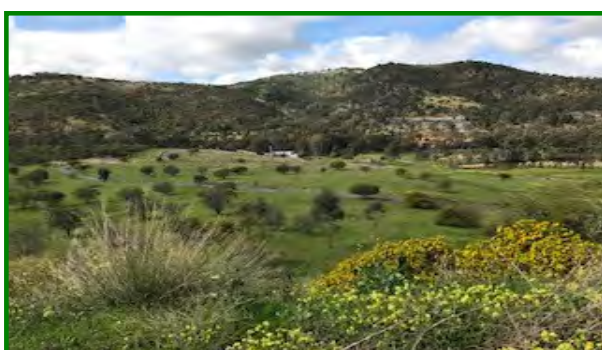
The EPA are provided with monthly reports on landfill gas extraction and monitoring. These reports show compliance with the risk profile for the site.



Retention Pond

**FINANCIAL SUMMARY FOR THE YEAR ENDING 30 JUNE 2017**

Income Statement as at 30 June 2017			Statement of Financial Position as at 30 June 2017		
	<u>2017</u>	<u>2016</u>		<u>2015</u>	<u>2014</u>
	\$	\$		\$	\$
<b>INCOME</b>			<b>CURRENT ASSETS</b>		
Interest Received	301	316	Cash & Cash Equivalents	35,172	19,478
Sundry Income	35,147	1,303	Trade & Other Receivables	21,314	8,526
Highbury Landfill Provision	445,446	—			
<b>TOTAL REVENUE</b>	<b>480,894</b>	<b>1,619</b>	<b>Total Current Assets</b>	<b>56,486</b>	<b>28,004</b>
<b>EXPENSES</b>			<b>NON-CURRENT ASSETS</b>		
Materials, contracts & other expenses	2,500	2,400	Infrastructure, Property, Plant	237,168	9,195
Depreciation, amortisation & impairment	24,207	7,395			
Finance Payments	5,360	—	<b>Total Non-Current Assets</b>	<b>237,168</b>	<b>9,195</b>
Highbury Closure Provision	—	255,175	<b>TOTAL ASSETS</b>	<b>293,654</b>	<b>37,199</b>
<b>TOTAL EXPENSES</b>	<b>32,067</b>	<b>264,970</b>	<b>CURRENT LIABILITIES</b>		
<b>OPERATING SURPLUS/ (DEFICIT)</b>	<b>448,827</b>	<b>(263,351)</b>	Trade and Other Payables	37,570	33,246
			Borrowings	22,882	—
			Provisions	281,000	225,430
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>448,827</b>	<b>(263,351)</b>	<b>Total Current Liabilities</b>	<b>341,452</b>	<b>258,676</b>
			<b>NON-CURRENT LIABILITIES</b>		
			Borrowings	232,992	—
			Provisions	3,588,000	4,339,140
			<b>Total Non-Current Liabilities</b>	<b>3,820,992</b>	<b>4,339,140</b>
			<b>TOTAL LIABILITIES</b>	<b>4,162,444</b>	<b>4,597,816</b>
			<b>NET ASSETS</b>	<b>(3,868,790)</b>	<b>(4,560,617)</b>
			<b>EQUITY</b>		
			Accumulated Deficit	(3,868,790)	(4,560,617)
			<b>TOTAL EQUITY</b>	<b>(3,868,790)</b>	<b>(4,560,617)</b>



Re-vegetation of the landfill





**AERIAL MAP OF LANDFILL GAS MONITORING LOCATIONS FOR THE Highbury Landfill to monitor compliance with the EPA Landfill Licence**



**LANDFILL GAS MANAGEMENT AT Highbury**

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

2016-17

## ERA WATER



## ERA WATER ANNUAL REPORT 2016-17

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## MESSAGE FROM THE CHAIRPERSON

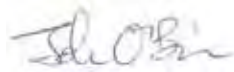
Eastern Region Alliance Water (ERA Water) has largely constructed the urban stormwater capture system and is starting to store water for first deliveries in the summer of 2018-19.

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.



**JOHN O'BRIEN**

ERA WATER CHAIRMAN

## ACTING GENERAL MANAGER'S REPORT

The previous 12 months has seen significant progress on the Waterproofing Eastern Adelaide Project; completion of design, construction progress, and achievement of funding milestones.

This Annual Report details progress on the Waterproofing Eastern Adelaide Project and ERA Water as a Subsidiary. Construction has progressed significantly over the previous 12 months. Pipeline and Mechanical and Electrical installations have continued, in addition to the engagement of a Civil Contractor to construct the wetlands and bio filters. The project is now entering its commissioning phase, whereby the entire system's operation will be tested, including initiating the stormwater capture, treatment, and injection processes.

The ERA Water Governance has also experienced some changes over the previous year. I would like to thank Colin Pitman for his significant contributions to the project, and for carrying out the role of Acting General Manager for the majority of the 2016-17 Financial Year.

Thank you to all parties who contributed to the project in the 2016-17 Financial Year; the ERA Water Board and Constituent Councils, Commonwealth Government and the Adelaide and Mount Lofty Natural Resources Management Board, the design team, the contractors, and other Councils who were involved and assisted in facilitating the works.



**NATHAN SILBY**

DIRECTOR, WALLBRIDGE GILGERT AZTEC  
ERA WATER ACTING GENERAL MANAGER

## ABOUT ERA WATER

ERA Water Regional Subsidiary (ERA Water) is a regional subsidiary established under Section 43 of the *Local Government Act 1999* which through the 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 are:

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

ERA Water was legally constituted on 21 July 2015 following a period where the financial feasibility of the business was analysed and after considerable bore testing was undertaken to secure certainty to the ability to store the required quantities of treated urban storm water.

Following the feasibility analysis, the business case was prepared with the active participants including City of Tea Tree Gully and Campbelltown City Council.

These Councils subsequently withdrew from the project and the project was redesigned and a prudential review presented to the Constituent Councils which resulted in the approval of the Charter and its subsequent approval by the Minister for Local Government.



## 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. The Board held seven formal meetings during the 2016-17 financial year. The information below details Board Member attendance at each meeting.

	<b>Member</b>	<b>Meetings Attended</b>
Independent Chairperson	John O'Brien	7
City of Burnside	Barry Cant	5
City of Norwood Payneham and St Peters	Mario Barone	4
	John Minney (Deputy)	3
Corporation of the Town of Walkerville	Kiki Magro	6
	Graham Webster (Deputy)	1

Colin Pitman's contract as Acting General Manager of ERA Water concluded at the end of May 2017. We thank Colin for his significant contributions to the Project since his appointment in 2015.

Wallbridge Gilbert Aztec (WGA) are continuing to Superintend the Construction Contracts, and are assisting the ERA Water Board with reporting requirements until a General Manager can be appointed, which is anticipated to be in early 2018.

### CONFIDENTIALITY

During 2016-17 financial year, the Board considered nine items where it was necessary to exclude the public from discussion. The table below identifies the grounds on which the Board made this determination

<b>Local Government Act 1999</b>	<b>Description</b>	<b>Number of times used</b>
90(3)(d)	Information relating to commercial information of a confidential nature (not being a trade secret)	9

### FREEDOM OF INFORMATION

No requests were received under the Freedom of Information Act during the 2016-17 financial year

### STAFFING STRUCTURE

ERA Water has not appointed permanent staff but has chosen to contract suitably qualified consultants during the period of construction of the system.

As construction is nearing completion, the ERA Water Board is looking to appoint a General Manager on a fixed term contract. This process will begin in late 2017, with the General Manager to be appointed in early 2018.

The Town of Walkerville have continued to provide financial and clerical, IT and accommodation support services over the 2016-17 financial year.

## LONG TERM FINANCIAL PLAN

The Long Term Financial Plan for ERA Water was prepared in early 2017 and adopted by the Constituent Councils. The Long Term Financial Plan provided a number of assumptions for 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 forecasted 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 its Constituent Councils.

## FINANCE AUDIT COMMITTEE

The Audit Committee commenced their roles in the 2016-17 financial year. The work of the Committee over the past financial year has included reviewing the audited Financial Statements, reviewing the draft Long Term Financial Plan, and considering external audit considerations.

The Audit Committee Members are:

- Corinne Garrett (Chairperson)
- Peter Holmes
- Roberto Bria
- John O'Brien

## FINANCIAL STATEMENTS

The Audited Financial Statements for the year ending the 30 June 2017 are provided in the annual report below, which show an operating deficit of \$470,283 and a net surplus of \$6,896,775.

## CONSTRUCTION

### PROJECT DESIGN AND CONSTRUCTION

The 2016-17 financial year saw significant construction progress on the project.

The distribution main pipeline was completed in April 2017, with some minor extensions to service additional reserves occurring until September 2017.

Civil construction works at Felixstow Wetlands and Hamilton Park Reserve Bio Filters are completed, with planting activities continuing until the end of August 2017.

The pump stations and bores have been constructed, including all mechanical and electrical installations. The remediation of Langman Reserve (installing new turf to the impacted areas of the reserve) has continued to September 2017. The Shakespeare Reserve Pump Station and Tank had a delayed start and is due to be completed in late 2017.

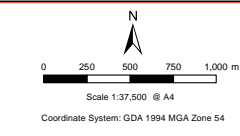
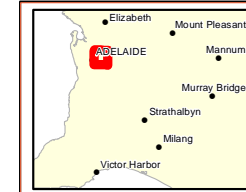
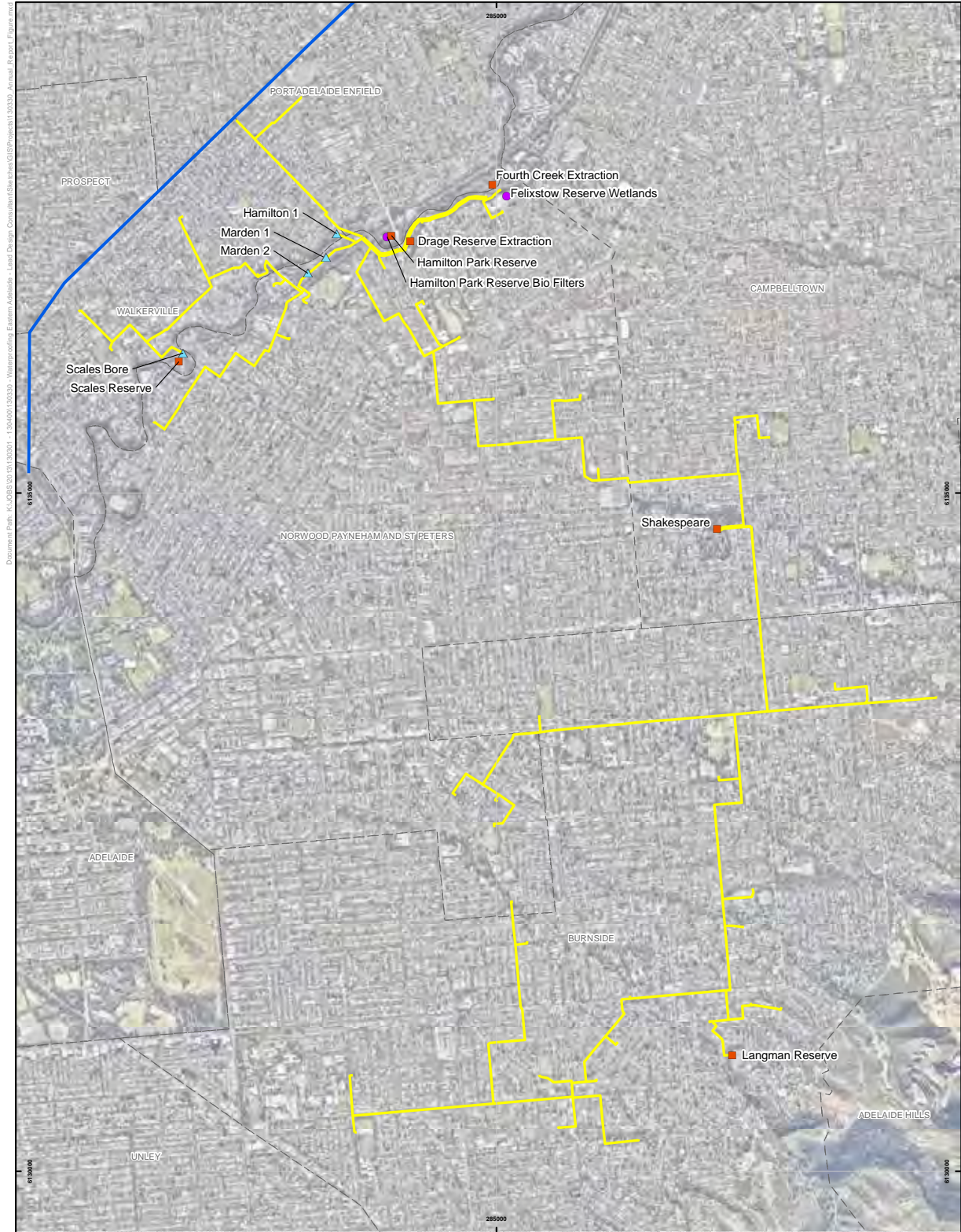
The overall network map, showing the distribution pipeline extent, and the treatment and pump station sites is shown on the following page. Construction progress photos which have been taken over the past year at a selection of the sites are also shown on the subsequent pages.

ERA Water were successful in achieving all funding milestones. Commonwealth Milestones 5 and 6 were achieved on time, and the final grant from the Adelaide and Mount Lofty Natural Resources Management Board was also obtained, securing a total of \$9.6 million in Federal and State funding.

Each Constituent Council now has an equity value of \$3.055 million in book value of ERA Water's assets.

### OPERATIONS AND MAINTENANCE

The 2017-18 financial year will be focused on ensuring all elements of the project are commissioned and operational. Guidera O'Connor have been awarded an extension to their contract to perform operation and maintenance services on the scheme from 1 July 2017 to 30 June 2018. Guidera O'Connor will be responsible for commissioning of the entire system, including initiating the stormwater capture, treatment, and injection processes.



**LEGEND**

	Pump Station		Bore		Treatment Site
	Existing NE Road Supply Main		New Distribution Pipeline		



**Figure 1**  
Waterproofing Eastern Adelaide  
Infrastructure Layout

Disclaimer: While all reasonable care has been taken to ensure the information contained on this map is up to date and accurate, no guarantee is given that the information portrayed is free from error or omission. Any reliance placed on such information shall be at the risk of the user.  
Note: The information shown on this map is a copyright of WGA 2017



FELIXSTOW RESERVE WETLANDS





LANGMAN RESERVE PUMP STATION AND UNDERGROUND TANK



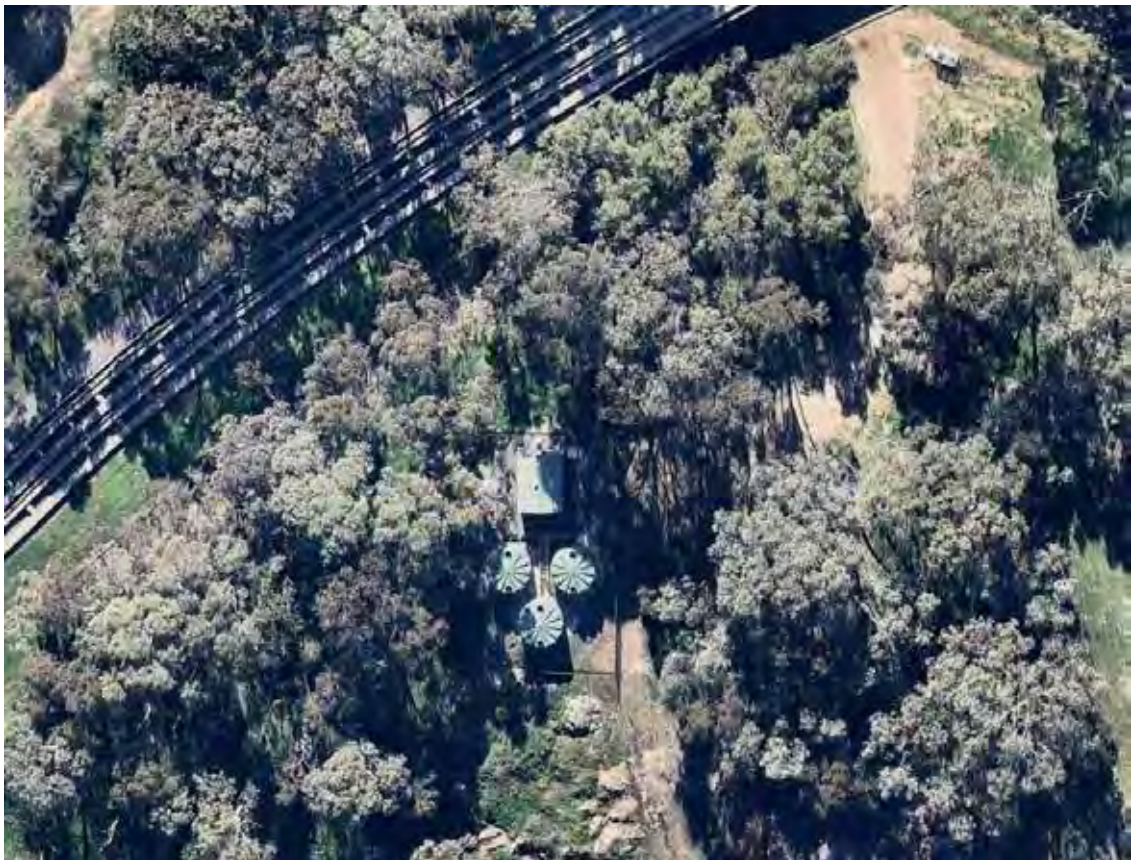


HAMILTON PARK RESERVE PUMP STATION AND BIO FILTERS





SCALES RESERVE PUMP STATION AND BORE



## WATER SUPPLY

The first 12 months of operation will focus on system commissioning and establishing the plume of treated water in the underground aquifer. Water supply will increase over the next three years as the aquatic plants and plume establishes, and the system's efficiency increases. We forecast the quantity of treated water available for supply to increase in the following increments:

Summer 2018-19	50% of total supply	227ML
Summer 2019-20	80% of total supply	363ML
Summer 2020-21	100% of total supply	454ML

Constituent, and potentially non-Constituent, Councils will be the first customers who will connect to the system. The Councils' demand approximately matches the supply which will be available in summer 2018-19.

In the subsequent two years, ERA Water forecast a large number of other customers, including Private Schools, Department for Education and Child Development Schools, and businesses, to have connected to the system, which will increase the total demand to over 454ML per annum.



## SUMMARY FINANCIAL STATEMENT

General Purpose Financial Statements for the year ended 30 June 2017

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## ERA Water Regional Subsidiary

### General Purpose Financial Statements

for the year ended 30 June 2017

### 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 2017 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.



Nathan Silby  
Acting General Manager



John O'Brien  
Chairman

Date: 28/09/2017



## ERA Water Regional Subsidiary

### Statement of Comprehensive Income

for the year ended 30 June 2017

\$	Notes	2017	2016
<b>Income</b>			
Investment Income	2a	35,900	173,370
Grants, Subsidiaries and Contributions	2b	-	16,442
<b>Total Income</b>		<b>35,900</b>	<b>189,812</b>
<b>Expenses</b>			
Materials, Contracts & Other Expenses	3	506,183	20,043
<b>Total Expenses</b>		<b>506,183</b>	<b>20,043</b>
<b>Operating Surplus / (Deficit)</b>		<b>(470,283)</b>	<b>169,769</b>
Amounts Received Specifically for New or Upgraded Assets	2c	7,367,058	2,099,361
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>6,896,775</b>	<b>2,269,130</b>
<b>Other Comprehensive Income</b>			
Nil		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>6,896,775</b>	<b>2,269,130</b>

<sup>1</sup> Transferred to Equity Statement

## ERA Water Regional Subsidiary

### Statement of Financial Position

for the year ended 30 June 2017

\$	Notes	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4a	14,452	26,072
Trade & Other Receivables	4b	987,819	1,317,599
<b>Total Current Assets</b>		<b>1,002,271</b>	<b>1,343,671</b>
<b>Non-Current Assets</b>			
Other Non-Current Assets	3	17,872,520	2,099,360
<b>Total Non-Current Assets</b>		<b>17,872,520</b>	<b>2,099,360</b>
<b>TOTAL ASSETS</b>		<b>18,874,792</b>	<b>3,443,031</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	6	690,720	1,173,901
Subtotal		690,720	1,173,901
<b>Total Current Liabilities</b>		<b>690,720</b>	<b>1,173,901</b>
<b>Non-Current Liabilities</b>			
Borrowings	16	9,018,166	-
<b>Total Non-Current Liabilities</b>		<b>9,018,166</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>9,708,887</b>	<b>1,173,901</b>
<b>Net Assets</b>		<b>9,165,905</b>	<b>2,269,130</b>
<b>EQUITY</b>			
Accumulated Surplus		9,165,905	2,269,130
<b>Total Council Equity</b>		<b>9,165,905</b>	<b>2,269,130</b>

ERA Water Regional Subsidiary

Statement of Changes in Equity  
for the year ended 30 June 2017



\$	NOTE	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
<b>2017</b>					
Balance at the end of previous reporting period		2,269,130	-	-	2,269,130
a. Net Surplus / (Deficit) for Year		6,896,775			6,896,775
b. Other Comprehensive Income		-	-	-	-
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		6,896,775	-	-	6,896,775
c. Transfers between Reserves					-
Balance at the end of period		9,165,905	-	-	9,165,905

## ERA Water Regional Subsidiary

### Statement of Cash Flows

for the year ended 30 June 2017

\$	Notes	2017	2016
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Grants, Subsidies and Contributions (operating purpose)		-	44,159
Investment Receipts		35,900	-
Other Receipts		329,780	-
Nil			
<u>Payments</u>			
Payments for Materials, Contracts & Other Expenses		(911,518)	(18,087)
Finance Payments		(77,846)	-
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>(623,684)</b>	<b>26,072</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts</u>			
Nil			
Amounts Received Specifically for New/Upgraded Assets		7,367,058	1,408,474
<u>Payments</u>			
Expenditure on New/Upgraded Assets		(15,773,160)	(1,408,474)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(8,406,103)</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts</u>			
Proceeds from Borrowings		9,018,166	-
<u>Payments</u>			
Nil			
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>9,018,166</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(11,620)</b>	<b>26,072</b>
plus: Cash & Cash Equivalents at beginning of period		26,072	-
<b>Cash &amp; Cash Equivalents at end of period</b>		<b>14,452</b>	<b>26,072</b>
<b>Total Cash, Cash Equivalents &amp; Investments</b>		<b>14,452</b>	<b>26,072</b>

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017



### Contents of the Notes accompanying the Financial Statements

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## ERA Water Regional Subsidiary

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by ERA Water Regional Subsidiary (ERA Water) 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 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.

###### 1.4 Rounding

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

##### 2 The Local Government Reporting Entity

ERA Water Regional Subsidiary 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 13.

##### 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

## ERA Water Regional Subsidiary

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017



#### Note 1. Summary of Significant Accounting Policies (continued)

design fees and all other costs incurred. The cost of non-current assets constructed by the 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.

The capitalisation threshold determined by ERA Water is \$1,000 for all asset categories.

##### 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 and useful 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 ERA Water, 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.

Stormwater structures	50 years
Other infrastructure	20 years
Treatment plants	10 years
Bore & Mechanical	30 years
Pump & fittings	15 years
Pipes & conduits	70 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 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 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.



## ERA Water Regional Subsidiary

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

##### 8 Provisions

###### 8.1 Provisions for Reinstatement, Restoration and Rehabilitation

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

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. 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.

##### 9 Construction Contracts

For works undertaken on a fixed price contract basis, expenses are recognised when claims/milestone payments are received and approved for payment.

##### 10 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.

##### 11 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.

## ERA Water Regional Subsidiary

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 1. Summary of Significant Accounting Policies (continued)

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.

The 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.

##### Effective for periods commencing 1 January 2017:

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*

##### Effective for periods commencing 1 January 2018:

- AASB *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

##### Effective for periods commencing 1 January 2019:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian*

##### *Implementation Guidance for Not-for-Profit Entities*

- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*

#### 12 New accounting standards

This year ERA Water has applied AASB 124 Related Party Disclosures for the first time. As a result ERA Water has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 13.

#### 13 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 2017

### Note 2. Income

\$	2017	2016
<b>(a) Investment Income</b>		
Interest on Investments	-	-
- Local Government Finance Authority	35,653	173,367
- Banks & Other	247	3
<b>Total Investment Income</b>	<b>35,900</b>	<b>173,370</b>
<b>(b) Grants, Subsidies, Contributions</b>		
Amounts Received Specifically for New or Upgraded Assets	7,367,058	2,099,361
Other Grants, Subsidies and Contributions	785,473	16,442
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>	<b>8,152,531</b>	<b>2,115,803</b>
<b>Total Grants, Subsidies, Contributions</b>	<b>8,152,531</b>	<b>2,115,803</b>
<b>(i) Sources of grants</b>		
Commonwealth Government and NRM	8,152,531	2,115,803
<b>Total</b>	<b>8,152,531</b>	<b>2,115,803</b>

### Note 3. Expenses

#### (a) Materials, Contracts and Other Expenses

##### (i) Prescribed Expenses

Auditor's Remuneration		
- Auditing the Financial Reports	3,600	3,600
<b>Subtotal - Prescribed Expenses</b>	<b>3,600</b>	<b>3,600</b>

##### (ii) Other Materials, Contracts and Expenses

Contractors	13,795	13,163
Individually Significant Items - Power Augmentation	412,904	-
Insurance	22,374	-
Legal Expenses	6,839	3,280
Professional Services	25,540	-
Other	21,132	-
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>	<b>502,584</b>	<b>16,443</b>

<b>Total Materials, Contracts and Other Expenses</b>	<b>506,184</b>	<b>20,043</b>
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##### (iii) Individually significant items

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

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017



### Note 4. Current Assets

\$	Notes	2017	2016
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		14,452	26,072
<b>Total Cash &amp; Cash Equivalents</b>		<b>14,452</b>	<b>26,072</b>
<b>(b). Trade &amp; Other Receivables</b>			
Accrued Revenues		-	20,008
Debtors - General		-	1,121,029
GST Recoupment		987,819	176,562
<b>Subtotal</b>		<b>987,819</b>	<b>1,317,599</b>
<b>Total Trade &amp; Other Receivables</b>		<b>987,819</b>	<b>1,317,599</b>

### Note 5. Non-Current Assets

#### (a). Other Non-Current Assets

Capital Works-in-Progress	17,872,520	2,099,360
<b>Total Other</b>	<b>17,872,520</b>	<b>2,099,360</b>
<b>Total Other Non-Current Assets</b>	<b>17,872,520</b>	<b>2,099,360</b>

## ERA Water Regional Subsidiary

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 6. Liabilities

\$	Notes	2017		2016	
		Current	Non Current	Current	Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		609,274	-	1,170,301	-
Accrued Expenses - Finance Costs		77,848	-	-	-
Accrued Expenses - Other		3,600	-	3,600	-
<b>Total Trade and Other Payables</b>		<b>690,720</b>	<b>-</b>	<b>1,173,901</b>	<b>-</b>
<b>(b). Borrowings</b>					
Loans		-	9,018,166	-	-
<b>Total Borrowings</b>		<b>-</b>	<b>9,018,166</b>	<b>-</b>	<b>-</b>

#### Note 7. Reconciliation to Statement of Cash Flows

\$	2017	2016
<b>(a). Reconciliation of Cash</b>		
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	14,452	26,072
<b>Balances per Statement of Cash Flows</b>	<b>14,452</b>	<b>26,072</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Investing Activities</b>		
Net Surplus/(Deficit)	6,896,775	2,269,130
Non-Cash Items in Income Statements		
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)	(7,367,058)	(2,099,360)
	<b>(470,283)</b>	<b>169,770</b>
<b>Add (Less): Changes in Net Current Assets</b>		
Net (Increase)/Decrease in Receivables	329,780	(1,317,599)
Net Increase/(Decrease) in Trade & Other Payables	(483,181)	1,173,901
<b>Net Cash provided by (or used in) operations</b>	<b>(623,684)</b>	<b>26,072</b>
<b>(c). Financing Arrangements</b>		
Unrestricted access was available at balance date to the following lines of credit:		
LGFA Cash Advance Debenture Facility	12,000,000	-
Undrawn balance	2,981,834	-

## ERA Water Regional Subsidiary



### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 8. Financial Instruments

##### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

###### Accounting Policy:

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

###### Terms & Conditions:

All deposits are at call earning rates of 0.1%.

###### Carrying Amount:

Approximates fair value due to the short term to maturity.

##### Receivables

###### 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.

###### 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 ERA Water.

###### Terms & Conditions:

Liabilities are normally settled on 30 day terms.

###### Carrying Amount:

Approximates fair value.

## ERA Water Regional Subsidiary

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

#### Note 8. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Value
<b>2017</b>					
<b>Financial Assets</b>					
Cash & Equivalents	26,072	-	-	26,072	14,452
Receivables	987,819	-	-	987,819	987,819
Other Financial Assets	-	-	-	-	-
<b>Total Financial Assets</b>	<b>1,013,891</b>	<b>-</b>	<b>-</b>	<b>1,013,891</b>	<b>1,002,271</b>
<b>Financial Liabilities</b>					
Payables	612,874	77,846	-	690,720	690,720
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	9,018,166	9,018,166	9,018,166
<b>Total Financial Liabilities</b>	<b>612,874</b>	<b>77,846</b>	<b>9,018,166</b>	<b>9,708,887</b>	<b>9,708,887</b>
\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Value

#### 2016

##### Financial Assets

Cash & Equivalents	26,072	-	-	26,072	26,072
Receivables	1,317,599	-	-	1,317,599	1,317,599
Other Financial Assets	-	-	-	-	-
<b>Total Financial Assets</b>	<b>1,343,671</b>	<b>-</b>	<b>-</b>	<b>1,343,671</b>	<b>1,343,671</b>

##### Financial Liabilities

Payables	1,173,901	-	-	1,173,901	1,173,901
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>1,173,901</b>	<b>-</b>	<b>-</b>	<b>1,173,901</b>	<b>1,173,901</b>

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	3.75%	9,018,166	3.75%	-
		<b>9,018,166</b>		<b>-</b>

#### 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 2017



#### 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

\$	2017	2016
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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	35,900	189,812
less Expenses	(506,183)	(20,043)
Operating Surplus / (Deficit)	(470,283)	169,769
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	-	-
less Depreciation, Amortisation and Impairment	-	-
less Proceeds from Sale of Replaced Assets	-	-
<b>Subtotal</b>	-	-
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	16,736,589	1,408,474
less Amounts Received Specifically for New and Upgraded Assets	(7,367,058)	(2,099,361)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
<b>Subtotal</b>	9,369,531	(690,887)
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(9,839,814)</b>	<b>860,656</b>



## ERA Water Regional Subsidiary

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

#### 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 has recognised the potential losses arising historical net cost (including insurance excess) of similar types of claims. 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 2017, 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 30/09/17.

**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
Pipeline drilling & construction	1,315,953	October 2017
Mechanical & Electrical	522,133	December 2017
Civil works	211,702	September 2017

There are additional capital works required for the completion of the project, however there is no contractual commitment for these works as at the 30 June 2017.

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017



### Note 13. Related Party Transactions

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\$	2017
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#### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Authority are the General Manager and the membership of the Board. In all, 4 persons were paid the following total compensation: \$110,357

##### The compensation paid to Key Management Personnel comprises:

Contracted payments for services	110,357
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##### 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 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.

##### Amounts received from related parties:

Town of Walkerville provided IT, Marketing, Secretarial and Accounting services.

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

ERA Water Regional Subsidiary

General Purpose Financial Statements

for the year ended 30 June 2017

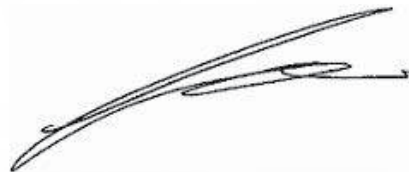
Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of ERA Water Regional Subsidiary for the year ended 30 June 2017, the ERA Water's Auditor, Dean Newbery and Partners has maintained its independence 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*.



Nathan Silby  
Acting General Manager



Corinne Garrett  
Presiding Member, Audit Committee



Kiki Magro  
CEO, Town of Walkerville



Paul Deb  
CEO, City of Burnside



Marie Barone  
CEO, City of Norwood, Payneham & Saint Peters

**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 2017, 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 ALLARD**  
**PARTNER**

Signed on the 29<sup>th</sup> day of September 2017,  
at 214 Melbourne Street, North Adelaide, South Australia 5006

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