

Annual Report 2018/19





Cover Image Horseshoe Bay, Port Elliot
Image above Port Elliot Coastline
Image page 4-5 PS Oscar W, Goolwa Wharf

Contents

Welcome

Welcome to Alexandrina	06
Introduction by Mayor Keith Parkes	08
Message from the Chief Executive Officer	09

Our Council

Elected Members	12
Alexandrina Council Ward Boundaries	13
2014–23 Our Community Strategic Plan	14
Structure and Function of Council.....	16

Highlights

Innovate throughout our Region.....	20
Activate our Spaces.....	25
Participate in Wellbeing.....	34
Thrive in Clean, Green Futures.....	38

Our Performance

Governance.....	44
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Attachments

Appendix A	
Council's Key Performance Indicator Report.....	
Appendix B	
Council's Financial Statements.....	

Welcome





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FOOD WINE BEER & CULTURE

WHARF BARREL SHEEP
FOOD WINE BEER & CULTURE

Welcome to Alexandrina

The Alexandrina region is uniquely positioned in the picturesque Southern Fleurieu Peninsula at the end of the River Murray and as a gateway to the iconic Coorong. It is within an easy drive from metropolitan Adelaide – about an hour and a quarter or 85 kms south from Adelaide Airport.

Alexandrina Council comprises some 182,684 hectares. It extends from the north-western side of Lake Alexandrina to the Murray Mouth, and the western end of the Coorong - taking in river communities of Langhorne Creek, Milang, Clayton Bay, Goolwa and Hindmarsh Island. It extends along the south coast to Port Elliot and inland to Mount Compass and Strathalbyn.

The Alexandrina vision is about 'connecting communities' through regional innovation, a thriving environment, quality of life and wellbeing for all, increasing cultural vitality and activating vibrant spaces.

The Alexandrina community encompasses many townships, villages and rural areas, with two major hubs – Strathalbyn to the north-east (edge of the Adelaide Hills) and Goolwa (to the south at the end of the River Murray). The Alexandrina area is one of the fastest growing regional areas in South Australia – experiencing peri-urban trends while also noted for its high quality agricultural production (the second largest industry in the region). The area is renowned for its environment, heritage and lifestyle.

Our population also extends to the south alongside stunning coastline, acting as an annual nursery for Southern-Right Whales and a popular holiday and visitor destination. To the north, the population disperses throughout rolling hills and pastures, as a mix of rural living and large broadacre farming and vineyards.



Council Information Snapshot



Principal Office

11 Cadell Street
Goolwa



Strathalbyn Office

1 Colman Terrace
Strathalbyn



Postal Address

PO Box 21
Goolwa SA 5214



One Mayor

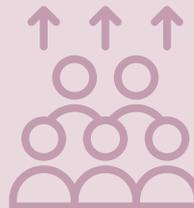
Elected at large



Area
1,800km²

Population
27,037

0.9% Increase
since previous financial year (2017/18)



08 8555 7000



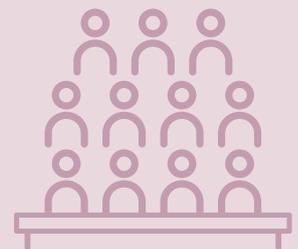
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**Eleven
Councillors**

Introduction by Mayor Keith Parkes



The past twelve months has been a busy and productive time for Council. We have accomplished a lot, found solutions to challenges, and gained momentum toward a future of innovation and growth.

Welcome to Alexandrina Council's 2018–19 Annual Report.

We live in an amazing region abundant in natural resources with a rich biodiversity, and gifted with a unique heritage.

I am very proud to represent our community as Mayor of Alexandrina. It is a role that allows me to meet many members of our community, liaise with various volunteer groups and attend numerous regional events. It is the energetic, creative and innovative individuals in Alexandrina who give our region its cultural identity and enviable lifestyle.

This Annual Report aims to provide a summary of key highlights and achievements across the various departments. It delivers an outline of what we have done and provides insight toward future planning and development.

We have progressed a number of major projects this year, strengthening our region's infrastructure, natural environment, wellbeing, culture, and leisure opportunities.

In the 2018–19 financial year we were pleased to gain ministerial approval for the Strathalbyn Development Plan Amendment, commenced construction of the long-awaited Mount Compass Recreation Park, opened the new Goolwa Waste and Recycling Depot and worked with Surf Life Saving South Australia on the construction of the new Goolwa Surf Life Saving Club building.

We have continued to protect and enhance our natural environment through a number of projects and initiatives. Our successful Gazania Free Gardens and Sustainable Spring campaigns were embraced by the community, and as a council we have continued advocacy for a full and timely implementation of the Murray-Darling Basin Plan.

We have presented a jam-packed and acclaimed arts and cultural program, Just Add Water, and received praise from our peers in Local Government on the 15 year anniversary of the Kungun Ngarrindjeri Yunnan Agreement, which recognises our strong, collaborative approach to working with Ngarrindjeri traditional owners.

We have enabled many groups to run projects and programs through our Community Grants Program and supported numerous community events including NAIDOC Week and Youth Week.

We will continue to deliver projects and services that enrich life in Alexandrina and aim to keep our community involved, informed and empowered. Alexandrina is a prosperous and sustainable region to call home and we will continue to grow in a way that aligns with our community's expectations.

On behalf of myself and my fellow Elected Members, we thank you, our ratepayers and residents, for the opportunity to serve and represent you through our strategic decision making that helps shape Alexandrina.

We hope you find this report informative and enjoy discovering more about what Council has been doing to grow Alexandrina throughout 2018–19.



Mayor Keith Parkes

From the Chief Executive Officer



We will continue to enhance and grow our service offerings, using the Community Strategic Plan to build on both the tangible and non-tangible assets of our region whilst embracing innovation in everything we do.

Welcome to the 2018–19 Annual Report. We have achieved fantastic community outcomes this year, guided by strategic intent and purposeful vision. To reflect on Council achievements through 2018–19 is a rewarding process and one, which I hope the wider community can relate to as our projects and services continue to provide an enviable lifestyle here in Alexandrina.

Our framework for implementing and prioritising our various projects, programs and services aligns with the Alexandrina Council's 2014–2023 Community Strategic Plan, which supports the organisation's vision of 'Connecting Communities'.

Our Community Strategic Plan and the Annual Business Plan, among other high level plans, inform Council's decision making processes and related discussions. These plans, combined with feedback and insight from our loyal community, guide our priorities and actions toward building sustainable and resilient communities.

Our aspirations and planned outcomes for 2014–23 are:

- **Innovate throughout our Region**
with a resilient economy, productive community assets, and proactive leadership and accountability.
- **Activate our Spaces**
through vibrant communities, memorable experiences; and liveability of townships and rural areas.
- **Participate in Wellbeing**
with accessible services and opportunities, collaborative community ventures and self-sustaining communities.
- **Thrive in Clean Green Futures**
with progressive approaches to climate change, protection of water resources and enhanced bio-diversity.

This report provides a snapshot of our achievements and confirmation of our continual realisation of these aspirations and outcomes.

Council provides a range of services to develop and improve our communities, including in the areas of infrastructure and engineering; health, safety, and wellbeing; tourism and visitor experience; the environment; arts and culture; and library amenities. We are supported by a reliable and diligent team of volunteers who shape our sense of place and build upon our community spirit, through their loyal involvement.

We have been very much focused on the transformational change journey that lies ahead. Every staff member has embraced that journey through 'XLR8 Alex', an innovative change management framework that encourages everyone to seek innovation in everything they do.

Our staff and volunteers work resolutely toward delivering our objectives and achieving our vision, and I would like to sincerely thank them for their time and commitment. I would also like to extend my sincere appreciation to Mayor Parkes and fellow Elected Members, who not only provide a voice and ongoing support to the communities we serve, but also, strategically guide the organisation to achieve positive and productive outcomes.

A handwritten signature in black ink, which appears to read "Glenn Rappensberg". The signature is written in a cursive, flowing style.

Glenn Rappensberg
Chief Executive Officer

Our Council





Elected Members

Nov 2018–June 2019

The Council is made up of the Mayor (Chairperson) and eleven Councillors (the Elected Members) who represent five Wards.

Elected Members are responsible for policy making and decisions that impact on future plans for the district, and the lives and livelihoods of individuals, organisations and businesses within it.

The role of the Elected Members is to:

- Participate in the deliberations and civic activities of Council.
- Formulate the Council’s objectives and policies; keep the Council’s objectives and policies under review to ensure they are appropriate and effective.
- Keep Council’s resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery, under review.
- Represent the interests of residents and ratepayers, to provide community leadership and guidance, and to facilitate communication between the community and the Council.



Mayor
Keith Parkes



Strathalbyn
Rex Keily^{AM}



Strathalbyn
Craig Maidment



Angas Bremer
Karyn Bradford



Angas Bremer
Michael Farrier



Nangkita – Kuitpo
Bill Coomans



Port Elliot Middleton
Michael Scott^{ASM OAM}



Port Elliot Middleton
Bronwyn Lewis



Goolwa Hindmarsh Island
John Carter



Goolwa Hindmarsh Island
Margaret Gardner



Goolwa Hindmarsh Island
James Stewart



Goolwa Hindmarsh Island
Melissa Rebbeck

Elected Members

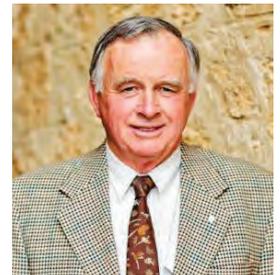
Jul 2018–Nov 2018



Mayor
Keith Parkes



**Deputy Mayor /
Port Elliot – Middleton**
Madeleine Walker



Port Elliot – Middleton
Michael Scott



Nangkita – Kuitpo
Grant Gartrell



Goolwa – Hindmarsh Island
Jim Davis



Goolwa – Hindmarsh Island
James Stewart



Goolwa – Hindmarsh Island
Karen Lume



Goolwa – Hindmarsh Island
Frank Tuckwell



Angas – Bremer
Barry Featherston



Angas – Bremer
Michael Farrier



Strathalbyn
Ben Brazzalotto



Strathalbyn
Anne Woolford

*Please note the new chamber resolved not to appoint a deputy Mayor effective Nov 2018.

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Alexandrina Council Ward Boundaries



Townships

Ashbourne
Clayton Bay
Finniss
Goolwa
Langhorne Creek
Middleton
Milang
Mount Compass
Port Elliot
Strathalbyn

Localities

Angas Plains	Hindmarsh Island	Mount Observation	Salem
Belvidere	Hope Forest	Sandergrove	
Blackfellows Creek	Kuitpo	Mundoo Island	The Range
Bletchley	Kyeema	Myponga	Tolderol
Bull Creek	Lake Plains	Nangkita	Tooperang
Chiton (previously Hayborough)	Macclesfield	Nurragi	Willunga Hill
Currency Creek	McHarg Creek	Pages Flat	Willyaroo
Gemmells	Montarra	Paris Creek	Wistow
Hartley	Mosquito Hill	Point Sturt	Woodchester
Highland Valley	Mount Jagged	Prospect Hill	Yundi
	Mount Magnificent	Red Creek	

2014–23

Our Community Strategic Plan

Our Community Strategic Plan is a living account of our community's aspirations, interests and priorities. It guides resourcing plans such as the Long Term Financial Plan, Infrastructure and Asset Management Plan and Annual Business Plan and Budget.

It is based on significant community input, population and demographic forecasts and consideration of how Alexandrina Council might support community interests in the context of economic, social, environmental and cultural trends.

Alexandrina Council operates in accordance with seven core values:

1. Living an inspiring vision
2. Communicating our strategies and goals
3. Developing our people
4. Recognising our people
5. Caring for our people
6. Listening and adapting to our customers' needs
7. Continually improving our systems.



Alexandrina Council and its communities acknowledge the Ngarrindjeri people as the traditional custodians of the lands and waters of our Council district.

Image Major 'Moogie' Sumner

Community Strategic Plan Framework

A full copy of the Community Strategic Plan can be viewed on Council's website at alexandrina.sa.gov.au



Structure and Function of Council

Council, through its Elected Members, is the principal decision-making body and is guided strategically through the Region's 2014–23 Community Strategic Plan.

Council is committed to a high standard of corporate governance and delivery of agreed strategic community outcomes.

Council's organisational structure in 2018–19 consisted of the following Divisions:

- Environment
- Growth
- Office of the CEO (Leadership and People)
- Resources
- Wellbeing

Divisions are overseen by a General Manager, who report directly to the Chief Executive Officer.

The Office of the Chief Executive includes the principal office of the Mayor and Chief Executive Officer and provides support for all Elected Members in the fulfilment of their civic duties.

Corporate Information

Auditor: Dean Newbery and Partners. Remuneration paid to Council's auditors in 2018–2019 was \$19,200

Bank: ANZ

Solicitors: Montgomery & Co, Norman Waterhouse, Wallmans, Kelledy Jones, RSA Law

Debt Collection: Milton Graham

Council Meetings, Briefings and Workshops

Ordinary meetings of the full Council were held on the first and third Monday of each month, commencing at 5.00pm.

All Council Meetings are held in the Council Community Chambers "Wal Yuntu Warrin" Goolwa (unless stated otherwise). All meetings are open to the public.

The agenda and minutes of meetings are on display at the Goolwa and Strathalbyn Offices, and available on Council's website for public inspection.

Council Briefings commenced at 4.00pm (unless otherwise stated) and held in the Council Community Chambers "Wal Yuntu Warrin", Goolwa.

All Council workshops and briefings are held in the Council Community Chambers "Wal Yuntu Warrin", Goolwa (unless otherwise stated). Members of the public are welcome to attend Council workshops and briefings, unless it is deemed that the Council workshop or briefing is to be held In Confidence.

Staff Overview

As at 30 June 2019, Council employed	
Full time permanent staff	105
Part time permanent staff	31
Full time contract	0
Part time contract	0
Full time fixed term basis	33
Part time fixed term basis	17
Casual staff	15
Total employees	201
Full time equivalent (FTE) at 30 June 2019 total	168.97
Contract labour	4
Trainees not paid via payroll	4

Allowances Paid to Members of Council and Senior Executive Officers

Mayor

- Maximum allowance under Section 76 of the Local Government Act, and Regulations Number 245 of 1999
- Motor vehicle
- Reimbursement of expenses incurred on Council business
- Telephone line rental, facsimile, data service, plus Council calls
- Laptop, printer and modem.

Deputy Mayor

(NB: No Deputy Mayor for November 2018 – November 2022 Council term)

- Maximum allowance under Section 76 of the Local Government Act, and Regulations Number 245 of 1999
- Reimbursement of expenses incurred on Council business
- Telephone line rental, facsimile, data service, plus Council calls
- Laptop, printer and modem.

Councillors

- Maximum allowance under Section 76 of the Local Government Act, and Regulations Number 245 of 1999
- Reimbursement of expenses incurred on Council business
- Mobile phone allowance for 'bring your own' (BYO) device
- Laptop, printer and data service.

Senior Executive Officers Remuneration Chief Executive Officer

- Performance-based Contract package:
 - Salary
 - Motor vehicle – full private use
 - Council-provided telephone/data service and mobile phone for Council business
 - Superannuation Guarantee Contribution 10%.

General Managers and Group Managers

- Performance-based Contract Package:
 - Salary
 - Motor vehicle – full private use
 - Council-provided telephone/data service and mobile phone for Council business
 - Superannuation Guarantee Contribution 10%.

Council Process

Elected Members, comprising the Mayor and Councillors, are responsible for the direction of Council and for making significant decisions on community matters.

Alexandrina Council governs on behalf of the community, setting direction and associated priorities for the Administration.

It delegates authority under the Local Government Act 1999 to the Chief Executive Officer to implement programs and undertake activities in accordance with strategic policies and associated budgets.



Image Harbourmasters Walking Trail, Port Elliot

Highlights

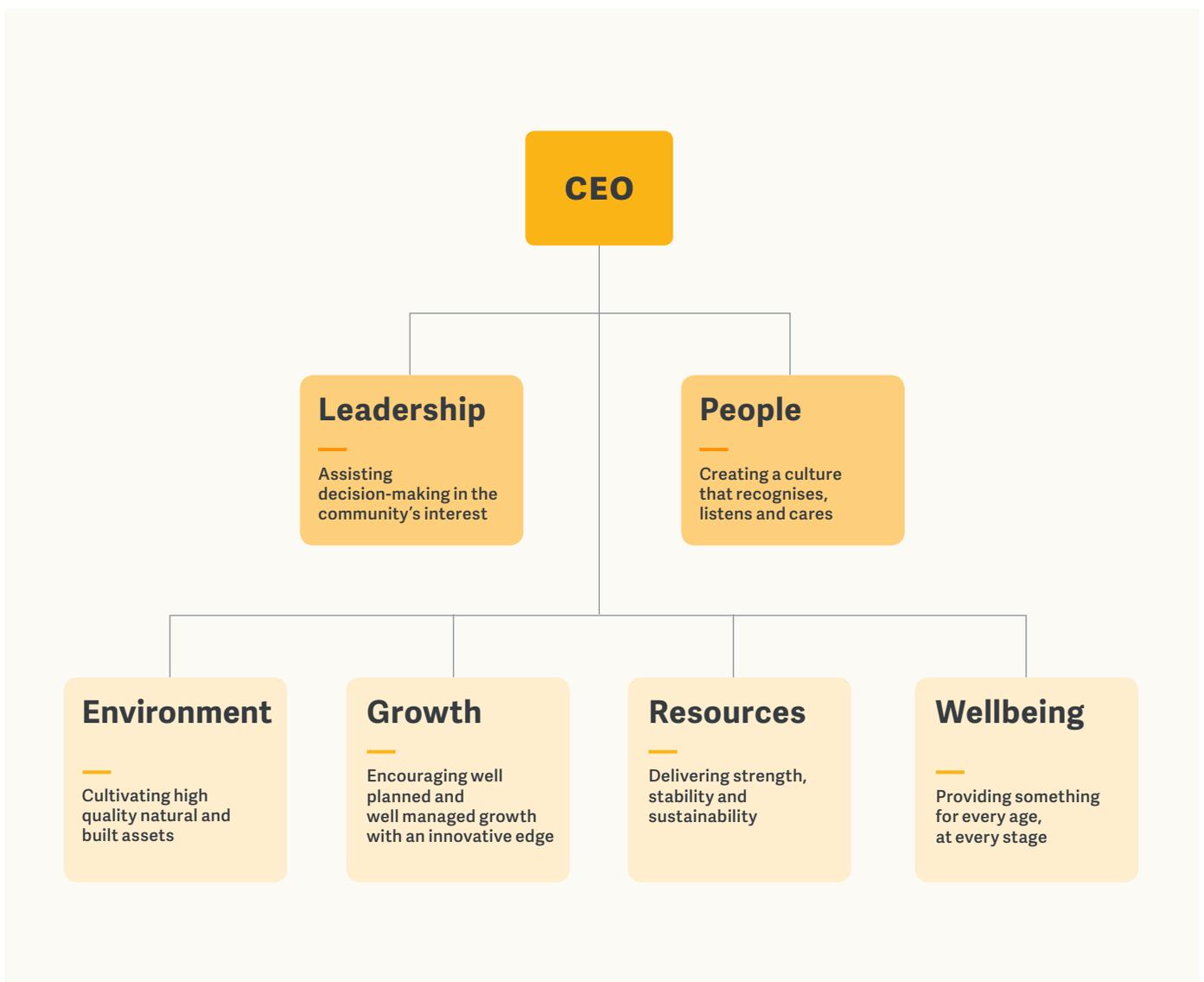




Innovate throughout our Region

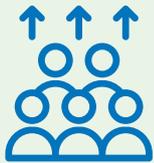
Council commenced transitioning to a new organisational structure on 1 July 2018 following a significant recruitment process for three General Manager roles.

Glenn Rappensberg, CEO of Alexandrina Council announced the new structure in March 2018, focussing on six key areas to navigate Alexandrina into a future of growth – leadership, people, resources, environment, wellbeing and growth.



Council Services Snapshot

27,037
residents



0.9% Population increase

\$3.6M
Regulatory services*



\$50
per tonne

South Australian Government solid waste levy in 2018–2019



\$2.6M
Waste and recycling

1,374 kms
Total length of roads managed by Council at 30 June 2019

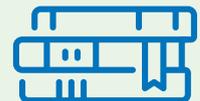


9,124
Active library borrowers

30,864 tonnes
of waste processed for the region, including recycled and green waste



\$3.7M
Community services and public safety*



\$2.2M
Investment in economic development

\$2.8M
Libraries and culture services*



\$14.8M
Maintenance and renewal of roads, footpaths and kerbing*



22,520 tonnes
of regional waste diverted from landfill

\$4.8M
Stormwater, street lighting and environmental services



\$4.5M
Recreation and sport



*Expenditure

Innovate throughout our Region

Finance Services

Council adopted the 2019–20 Annual Business Plan and Budget which included a rate increase of 3.2%.

Major projects outlined in the 2019–20 Annual Business Plan and Budget included:

- Recreation Park, Mount Compass
- Senior Citizens Building Redevelopment, Strathalbyn
- Coorong Quays Wastewater Transition
- Strathalbyn Streetscape Revitalisation.

The Capital Program Budget for 2019–20 included:

- \$2.3 million for land and buildings
- \$1.0 million for kerbs and footpaths
- \$3.3 million for roads and bridges
- \$3.3 million for Community Wastewater Management Schemes
- \$2.1 million for Recreation and Open Space
- \$4.2 million for Plant and Equipment.

The draft 2019–20 Annual Business Plan and Budget was released in May 2018 and went to public consultation from 21 May to 17 June 2019.



Image Mayor Parkes, Strathalbyn

Summary of Budget Movements

Council improved its year-end operating position when compared to its original adopted budget, achieving a year end operating surplus of \$1.22 million, as compared to a budgeted surplus of \$141,000.

This can be largely attributed to the following movements:

**\$101,000
increase**

in Financial Assistance Grants due to timing differences.

**\$163,000
decrease**

in depreciation as a result of lower plant usage as well as projects being carried forward.

Interest savings of \$347,000

due to the timing of cash flows associated with projects carried forward of \$8.6 million and lower interest rates.

Offset reduction of \$124,000

in funding related to Storm Damaged Assets, due to a reduction in the projected costs of delivering these works.

\$596,000

Supplementary Local Roads funding brought forward from future years.

Council spent \$12.4 million in renewing, upgrading and expanding its assets during 2018–19 in accordance with its Asset Management Plans. Council has decreased its loan borrowings during 2018–19 to \$30.7 million, and is carrying a responsible level of debt relative to its rate revenue and asset base.



Image Strathalbyn Library

Interest savings of \$347,000 have been realised due to good treasury management practices and a reduction in the estimated loan borrowings required. Council's debt strategy is outlined in its Long Term Financial Plan, and Council remains well within its debt target range.

Community Group Audits

Council provided auditing services to nine non-profit community organisations with regard to their previous financial year's activity. Advice from a financial professional assists these groups to account for all their transactions and importantly, meet their regulatory requirements.

Creating a Culture of Customer Service Excellence

In 2018–19, 46,874 phone calls were received by Council's Customer Service Centre. Of the 102,876 council payments made, 24,431 payments were processed by staff over the phone or in person at the Goolwa office and Strathalbyn Library.

Further acceptance of online payment options has resulted in an increase of payments being processed online from 73% in 2017–18 to 78% in 2018–19. Property Search requests totalling 1,658 were processed to the value of \$80,672.50.

This year we embraced the new Dogs and Cats Online (DACO) initiative introduced by the Dog and Cat Management Board. The Customer Experience team supported the community in embracing the new process and technology by helping 2,238 customers to renew and pay their animal renewals in person and over the phone, with 3,101 or 58% of customers embracing the opportunity to renew and pay online.

DACO: 2018–2019	\$	No. of transactions
Renewed and paid online by owner	\$158,461.00	3,101
Renewed and paid online by council	\$25,214.00	492
Council payment processed via cash/chq	\$65,050.50	1,746

In December 2018, Councils Tourism website **visitalexandrina.com** was re-imaged. As a result, our visitor experience has been enhanced with page views increasing by 52%, overall visits increased by 45% and online bookings increased by 69%. Two community photo competitions were undertaken with the top 20 voted regional images now appearing across the website.

Valuing our Volunteers

Alexandrina Council acknowledges and greatly appreciates the significant contribution made by the 353 registered volunteers who participate and add value across a diverse range of council areas.

The Human Resource Plan contains key strategies for best practice to meet the National Volunteer Standards introduced in 2015. Achievement of these standards will allow us to better support and provide connection and skills enhancement for our current and future volunteers.

In the 2018–19 year, Alexandrina Council's volunteers contributed over 47,409 hours of their time, and we sincerely thank them for their contribution and encourage and welcome new volunteers to join our Council.

Communicating with our Community

Council has continued to reflect on the way it communicates with its residents and ratepayers (in 2019–20). Promotion of Council's achievements is continuing across multiple channels, including local media, social media and website.

The Latest News tab on Council's website is frequently updated to keep the community informed, as is Council's corporate Facebook page. Our quarterly high-quality newsletters are generating keen interest and feedback as they feature achievements, project updates and future events in the region, and our bi-monthly contribution to Coast Lines magazine is also well received. Our responsive, mobile-friendly, corporate website is regularly modified and maintained, hosting event listings, latest news, general Council information and relevant downloadable forms, and more.

Council's My Say focused website continues to provide community consultation focused surveys and the opportunity to provide feedback. In 2018–19, seventeen public consultations were conducted through My Say, resulting in 1,795 community members having their say on a range of projects and proposals.

Innovate throughout our Region

The continual growth of Social Media has seen the corporate Facebook page increase its number of followers by around 22% in the reporting period. Post engagement also increased by around 44%.

Recycling and Reuse

Council provides mobile phone muster units in the main Goolwa office and library, Strathalbyn Library and our Port Elliot and Milang Library Depots; collecting mobile phones, batteries and accessories for recycling. Over the past year, Council has collected 26kgs of mobile phones and accessories and 80kgs of alkaline batteries, supporting the diversion of these components from landfill.

Council Elections

Following months of preparation and campaigning, Alexandrina Council proudly announced its new members of Council in November 2018.

Over 7,600 ratepayers and residents of the region submitted postal votes for the 2018 Council Elections. There were twenty seven candidates in the elections, vying for twelve positions on Council.



Image Greyhound Hour, Port Elliot Dog Park

Council hosted a 'So you want to be on Council' session in August 2018, followed by two Candidate Briefings in September for those interested in nominating.

Following the count at the Alexandrina Council Chambers in Goolwa on 10 and 11 November 2018, under the guidance of the South Australian Electoral Commission, eight new members were elected, representing residents across five wards.

The newly elected members were sworn in at the Council Meeting on 19 November 2018.

Greyhound Hours

Following a hugely successful 'greyhound's only' event in July 2018, Alexandrina Council was granted a state-first special exemption from legislation by the Dog and Cat Management Board, to hold further greyhound off-leash trial events from December 2018 to June 2019.

The six events were known as 'Greyhound Hours' and offered the opportunity for greyhounds and their owners to experience the positive benefits of social interaction with other greyhounds in an off-leash environment. Under normal circumstances, greyhounds cannot use dog parks or run off-leash anywhere in public, due to Dog and Cat Management Act regulations.

The success of the event was very much due to the collaborative efforts of the Friends of the Port Elliot Dog Park.

Some 227 bookings were made for the 'Greyhound Hours' with many travelling from around the state to participate. Greyhound owners have provided positive feedback and Council hopes this feedback will pave the way for future greyhound-only events, as well as serving as a template for other councils wishing to replicate the initiative.

Mayo Candidates Forum

In July 2018, Council hosted five of the seven candidates for the Mayo by-election at Goolwa's Centenary Hall for an informative and open style forum. It provided an opportunity for the candidates to tell the community what they could bring to the electorate, and encouraged participation in a panel discussion on topics relevant to Alexandrina.

Hosted by well-known media identity Leigh McClusky, the forum was well attended and supported by the wider Alexandrina community.

Activate our Spaces



Image Goolwa Skate Park aerial

Development Activity



1,163 development applications

were received by Council's Planning and Development Department throughout 2018–19.



\$96.58 million

worth of building activity throughout our Council area.



316 new dwellings

approved from these applications (compared to 206 in 2017–18).



81 dwelling additions

approved from these applications (compared to 60 in 2017–18).

The number of land division applications approved was similar to last year, with 47 being approved compared to 49. However, the number of new allotments created was significantly more with 201 allotments approved, as compared to 86 in 2017–18 and 151 in 2016–17.

The Council Assessment Panel (CAP) comprises five members, four being independent, of which one is appointed as the Presiding Member. The remaining member on the CAP is an Elected Member. In 2018-19, the CAP met on ten occasions and made a total of 30 decisions. Of these decisions, eighteen were approved, three refused and eight were resolved to proceed to application.

Aside from approving new developments, Council has a requirement to ensure buildings are being constructed in accordance with State Regulations. As a result, the building team has undertaken 293 inspections including, structural frames, footings, bushfire compliance and general follow-up. Of interest, fifty-two of these inspections were for swimming pools.

Activate our Spaces

Economic Development

The creation of the new 'Growth' division includes the introduction of the new Economic Development portfolio which also contains Tourism, and Arts and Culture, recognising the importance of economic development to Alexandrina Council now and into the future.

Growth in Alexandrina's economy will deliver an enriched environment for both the local community and visitors to enjoy.

In 2016, Alexandrina Council endorsed a five year Economic Development Strategy (2016 to 2022). A mid-term review of this strategy has commenced and a revised strategy (due in early 2020) will revalidate existing, or determine new priorities and actions for Council.

Tourism

Tourism remains a significant contributor to the economic prosperity of the Alexandrina region. Council as part of its commitment to tourism partners, participates and supports networks and functions focused on growing successful tourism outcomes for the region. The synergy with tourism, and arts and culture broadens the visitor experience and increases the liveability for both our community and visitors to the Alexandrina Council area. By attracting, promoting and fostering local tourism and events we provide economic and social benefits to the community and region.

Alexandrina Council is also a funding partner and stakeholder with regional tourism associations, Fleurieu Peninsula Tourism and Murray River, Lakes and Coorong Tourism Alliance.



Image 2019 Just Add Water Arts and Culture Program Launch, Signal Point Gallery, Goolwa Wharf Precinct



Image 'Legendairy' Cow Sculpture at Ratalang Basham Beach Conservation Reserve, artist James Stewart and mentee, Tracey Grivell.

Alexandrina Business Life

Alexandrina Business Life is a program designed to build networks with local businesses through more effective communications, such as economic development forums and breakfasts hosted in different townships around Alexandrina.

Council held a Business Breakfast in Mount Compass in July 2018 which was well attended by local businesses and surrounding township business owners.

A pilot business survey was conducted with Goolwa Main Street businesses (32% response rate) and a follow-up workshop planned for July 2019 to present the survey results.

Arts and Culture

The Alexandrina Council region is well known and respected for its rich arts, culture and artisan community. There is a synergy with Tourism and Arts and Culture in the operation of Council's Just Add Water (Arts and Culture) Program, which broadens the visitor experience and increases liveability for both our community and visitors alike.

Just Add Water Arts and Culture Program

The Just Add Water (JAW) Arts and Culture Program is an annual program of events and activities, which delivers a broad range of performances, exhibitions, activities and cultural events across the Alexandrina Council region. The intent is to offer something for all interests and ages that includes film, visual arts, musical and theatrical performances, exhibitions, public programs and opportunities for participation and learning. There were 122 live performances, exhibitions, children's activities and workshops programmed from July 2018 to June 2019 as part of the program.

South Coast Regional Art Centre

The South Coast Regional Art Centre promotes emerging and professional artists from across the Southern Fleurieu region. The Gallery showcases a variety of arts and artists with nine exhibitions held during 2018/19.

Signal Point Gallery

Signal Point Gallery offers a continuous program of high quality exhibitions, workshops and events showcasing the best professional artists from the region and nationally. The Gallery held fifteen exhibitions in 2018/19.

Centenary Hall

Centenary Hall is Alexandrina Council's premier performing arts venue located in Goolwa. It is an adaptable space with 216 theatre style and retractable seats to allow for alternative uses of the space, including cabaret style shows. The community are regular users each month and this year 129 community activities and events were held in Centenary Hall in addition to the thirty-one performances as part of the JAW Program.

Public Art

Council has a public art strategy (framework) that informs the allocation of funding and decision making for the design and installation of public art in the region.

The much awaited 'Legendairy' Cow Sculpture at Ratalang Basham Beach Conservation Reserve was due to be unveiled in July 2019, the 'Kenny Blake' Memorial Sculpture on High Street, Strathalbyn was unveiled in October 2018. A new public art piece has been approved and is being developed for Port Elliot and a mosaic seat designed for installation in Goolwa.

Australia Day Celebrations and Citizen of the Year Recipients

Mayor Keith Parkes and Council's Chief Executive Officer officiated Australia Day celebrations at Strathalbyn and Goolwa, where Citizenship Ceremonies were conducted and Citizen of the Year Awards were presented to community members.

The Citizen of the Year Awards were presented to Sharon Pankhurst of Goolwa, and Sue Eckert of Strathalbyn. Sharon has volunteered at Council art galleries in Goolwa since 2010, coordinating volunteers, supervising exhibitions and providing support for community arts events, while Sue has contributed to the Strathalbyn community for over 40 years, being involved in a number of community groups, including those co-ordinating the distribution of Christmas hampers to disadvantaged families.

Carter Banks of Goolwa and Hannah Arnold of Strathalbyn were presented with Young Citizen of the Year Awards.

Carter has been a member of the Southern Fleurieu Youth Advisory Committee for over five years, volunteering at local youth forums on mental health, as well as forums run by the Youth Affairs Council of SA. Hannah led a team organising the 'A Day Out of the Blue' community event in November 2018, a fundraising event to raise awareness of those who have suffered and continue to suffer from anxiety and depression.

Activate our Spaces

Jules Wagner has kept residents of the South Coast informed for over nine years, through her administration of the 'Goolwa South Coast Facebooker's group,' and Paquita Wise has been the coordinator of Country Life Compassion Inc.'s Pantry Club for over six years. These efforts duly earned them Community Service of the Year Awards.

The Community Event of the Year Awards were presented to the inaugural Kenny Blake Festival of Motorcycling, held in Strathalbyn in October 2018, and the Lions Family and Children's Christmas Eve Party in Goolwa

PS Oscar W and Goolwa Riverboat Centre

The Friends of the Oscar W continue to maintain and operate the paddlesteamer PS Oscar W on behalf of Alexandrina Council. Regular general cruising days are offered each month with the exclusion of July, which is utilised for maintenance and survey requirements.

The PS Oscar W is also available for charters and participates in relevant regional events where possible, such as Goolwa Regatta Week, Yesterday's Power Rally and 'up-river' township events in Morgan and Mannum.

The operation of the PS Oscar W and the Goolwa Riverboat Centre is possible due to the support of many community volunteers. There is a sense of pride in owning a paddle boat and offering authentic river cruises to our community and visitors to the region.

Alexandrina Council acknowledges and thanks our volunteers, and continues to support all our volunteers and their varied capacity building activities.

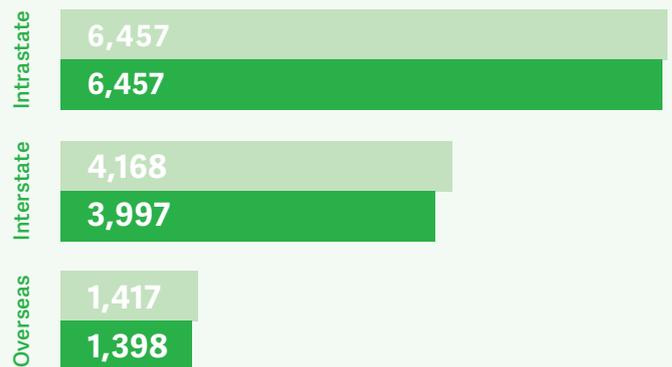
During 2018-19, PS Oscar W operated thirty cruises including six lunch cruises to Clayton Bay, providing a total of 2,259 passengers with this unique experience. In addition, the PS Oscar W was privately chartered on eight separate occasions.



Alexandrina Visitor Services

Alexandrina Visitor Services staff and volunteers continue to promote the region, providing support to the tourism industry and local businesses through their booking of tours and accommodation, provision of invaluable travel advice and information.

During 2018–19, 70,514 community members and visitors utilised the regions two accredited Visitor Information Centre’s and the Goolwa Riverboat Centre. This comprised of (see graphs below):



The Visitor Services team was supported by:

67 volunteers

12,000 volunteer hours

Three Alexandrina Visitor Services sites

Seven days operating per week

Seat Adviser Box Office (SABO) ticket sales for the year include:

3,541 tickets sold

42 shows

an increase from 24 shows in the previous financial year (2017/18)

\$89,072 gross value

of ticket sales for the Just Add Water Program

Activate our Spaces

Bookings of tours, cruises and accommodation consumed within 2018–2019:

Alexandrina Visitor Information Centre's (Goolwa and Strathalbyn VICs)

\$154,578 gross | **\$18,963** commission

0.5% increase  on the previous financial year 2017–18

Number of bookings made at the Visitor Service or Information Centre's in 2018–2019



930 total bookings



846 of bookings were processed through our computer reservation system



221 of bookings supporting the Wooden Boat Festival

33% of these bookings were generated online

Gross retail sales for 2018–2019

Goolwa VIC	\$158,461
Strathalbyn VIC	\$25,214
Goolwa Riverboat Centre	\$65,051

Branded souvenir items have continued to be stocked at our Visitor Information Centres. The branded items are different for each centre based on the location, demographic of people who visit and the most popular items sold or requested.

Council provides significant support to the region's tourism by encouraging visitors to come and enjoy the numerous events and activities the region has on offer.

Community Grants Program

Alexandrina Council's Community Grants Program supported nine community events and four Christmas events during 2018–19. These events included Goolwa Regatta Week, Smoke-Off Festival, the Compass Cup, Yesterday's Power Rally and The Lower Lake's Stockman's Challenge.

Multi-day events included; Aquafest at Goolwa, Knights Beach Pro Body Boarding Competition at Port Elliot and Yesterday's Power Rally at Milang.

Council contributed to four ANZAC Day ceremonies and issued 52 event permits in addition to those events supported by the Community Grants Program.

Strathalbyn Development Plan Amendment

Following years of planning and anticipation, the Strathalbyn Township and Environs Development Plan Amendment (DPA) was officially endorsed by the Minister for Planning, the Hon Stephan Knoll MP in September 2018.

This endorsement meant Council can continue to ‘unlock the heart of Strathalbyn’ and subsequently re-zoned four key areas to embrace the town’s distinctive character, while allowing for residential and economic growth.

This will be achieved by providing a district centre zone for vibrant businesses, a residential zone to accommodate a growing community, an industrial zone to encourage investment and an open space zone to create the potential for the land to become a distinctive education and recreation community hub.



Image Strathalbyn High Street

Engineering Services Team Highlights



Over 2,000 customer requests



Maintained 32 play spaces



Over 500 trees planted



Maintained over 190 hectares of open space



Hand and truck watered over 1,000 street trees



Resheeted over 22km of road



Over 2,000 potholes repaired



Over 1,250 signs repaired



Over 60km of trees trimmed



Over 760km of roads graded

Activate our Spaces



Image Sandergrove Road, Strathalbyn



Image South Australian Wooden Boat Festival



Image 2019 Santos Tour Down Under, Strathalbyn

Mount Compass Recreation Park

In July 2018, funding to construct a new Mount Compass Recreation Park was secured, with the attainment of a State Government (Department of Planning, Transport and Infrastructure) contribution to the tune of \$300,000 to complement Alexandrina Council's \$933,000 budget.

Following a detailed planning, design and tender process, construction commenced in March 2019. A community drop-in session was held in April 2019 to unveil the exciting and long awaited plans to the community.

Construction continued on budget and on time throughout the remainder of the 2018–19 year with the official park opening in October 2019.

2019 Santos Tour Down Under

Strathalbyn shone on the international stage Saturday 19 January 2019 for the 'southaustralia.com Stage 5 Santos Tour Down Under' finish. The roadside colour adorning the streets of Strathalbyn vibrantly highlighted the Alexandrina community spirit.

Along with significant support from Council, the Strathalbyn Tourism Association joined forces with Strathalbyn Garden Club, Strathalbyn Stitchers, Strathalbyn Floral Art Society, Strathalbyn Strikers Soccer Club, Strathalbyn Town Band, Strathalbyn Lions Club, Strathalbyn SES and a large number of individuals who dedicated many hours of time and energy to bring the event to the world's attention.

Alexandrina Mayor Keith Parkes was enormously thankful to each and every person who attended and volunteered on the day, offering further acknowledgement when the Summer and Spokes Committee accepted a bronze award from the South Australian Tourism Commission in May 2019 for their efforts as the 'Best Dressed Town'.

Storm Boy

The re-made local classic film Storm Boy, was released in January 2019; and to mark the occasion, Council hosted three special screenings of the original 1976 film at Goolwa's Centenary Hall to coincide with the release.

Other activities in Goolwa included Mr Percival's Pop-up Gallery exhibition at the South Coast Regional Art Centre and the Paper Lantern Percivals school holiday workshop at Goolwa Library.

Strathalbyn Pool 50th Anniversary

Mayor Parkes and Strathalbyn Councillors celebrated the 50th Anniversary of the opening of the Strathalbyn Community Swimming Pool in February 2019, with a special gathering of past and present stakeholders.

Entry to the pool was just 50 cents in acknowledgment of the 50 year celebration, with activities to suit revellers including music, BBQ, face painting, photo booth and in-pool games.

2019 South Australian Wooden Boat Festival

The 2019 South Australian Wooden Boat Festival delivered a stunning array of beautiful and interesting wooden boats, and showcased the Fleurieu region in spectacular style when it returned to Goolwa in April 2019. Estimated numbers of between 16,000–18,000 people over the two days, and over 140 participating wooden boats, saw the Festival reach capacity three weeks prior to the event.

The 16th SA Wooden Boat Festival had everything, from old wooden vessels, local food and wine, festival entertainment, boat building competitions, vintage yacht races, display of vintage speed boats, pirate trail and a fairy light parade.

The event was supported by Council and coordinated by the Festival committee with tremendous support from presenting partner, the Goolwa & District Community Branch of the Bendigo Bank.



Image Paper lantern pelican school holiday activity, Goolwa Library

Participate in Wellbeing

Community Connect Program

Council's Community Connect programs provide access to social support and transport; including domestic assistance, home maintenance and support to help people remain living independently in their own homes.

In 2018-19, Community Connect provided more than 392 people over the age of 65 with a service. This equates to over 7,712 hours of group social support.

	Clients	Total trips
Alexandrina Community Connect	122	3,993
Hills Community Transport	137	792
Milang Old School House Centre	42	546
Southern Communities Transport Scheme	650	6,948
Total	951	12,279

Community Grants Program and Christmas Contributions

The 2018–19 Community Grants program attracted 49 eligible applications across nine categories. Of these, 23 applicants were awarded funding (partial or full), with a further three applications acknowledged as potential grant recipients, subject to Council staff working with applicants to further define scope and availability of external funding.

Additional contributions were also made to district-wide Christmas events. Program grant categories included; Community Environment Grant, Community Development Grant, Rural Initiative Grant, Local Heritage Grant, Connecting Communities Through the Arts Grant, Festivals and Events Grant, Recreational Capital Grant, Community Halls Grant and Small Recreation and Sport Grant.

Flourishing on the Fleurieu

The Flourishing on the Fleurieu event was held during Active Ageing Week from 23–29 September 2018. The festival saw 42 groups (27 community groups and 15 organisations) showcase over 100 activities across the region. The aim of the festival was to 'explore the possibilities' for getting involved in the local community, focussing on connecting older people with programs and services that may be of interest and assistance.

Nature Play Forest Festival

Kuitpo Forest was a hive of activity on April 18 and 19, when the Nature Play Forest Festival saw thousands of kids and their families attend, enjoying a low-rope adventure course through the pine plantations, Australian animal-themed yoga classes, orienteering and bush walking trails, among many other exciting, nature-based activities.

The festival is a collaborative event organised by Nature Play SA, Alexandrina Council, Mount Barker District Council and Forestry SA. Over the two days, more than four thousand participants enjoyed a range of wild, nature play based activities and adventures, achieving the aim of getting kids out of their houses and into nature to celebrate the school holidays.

Agricultural Shows/Community Events

In October, Council was present at both the 2018 Strathalbyn Show (Monday 1 October) and the Port Elliot Show (Saturday 6 and Sunday 7 October) in the form of an Information Marquee. The promotion of "Sustainable Spring" was the focus this year, with information available on tips and tricks on maintaining and creating sustainable gardens and verges.

Staff across the organisation volunteered to assist in our marquee at both events. Materials promoting council services, major projects, events and visitor information were well received as was the badge making facilities for the children.

Library Programs

Alexandrina Libraries held a number of highly successful events and programs over the year across both the Goolwa and Strathalbyn Libraries. Children joined two local artist facilitators to make three giant sized paper lantern pelicans.

This highly successful project was designed to coincide with the release of the new Storm Boy movie and the pelicans were displayed in the Council Chamber foyer, at Signal Point and Centenary Hall.

A total of 648 children attended our school holiday activities held at both the Goolwa and Strathalbyn Libraries.

In addition 1,285 children (0-4yrs) attended our Baby Bounce & Rhyme programs with 584 attending in Goolwa and 701 in Strathalbyn, a 14% increase in participation on the previous year. Attendance to our adult programs is increasing with over 828 guests enjoying various activities shared between both the Goolwa and Strathalbyn Libraries.

A highlight of the Library Program's calendar was Adelaide Writers' Week. Around 250 people attended three days of Adelaide's premier literary festival live streamed directly from the East Stage in the Pioneer Memorial Gardens, Adelaide to the Goolwa Library and the Strathalbyn Library Community Centre. Those who attended were extremely positive about the experience and in particular the opportunity to be a part of Writers' Week without the need to travel to the city.

The 'Tech Savvy Seniors' program at Goolwa and Strathalbyn Libraries delivered over eighty small group sessions through the 2018-19 year. Library staff conducted the sessions for residents aged 60+ to help them learn about technology-related subjects. The 'Be Connected' Program provided similar education in a one-on-one format to over thirty residents aged 65+.

Mayors' Short Story Challenge 2018

The Mayors' Short Story Challenge is a wonderful collaboration between Alexandrina Council, City of Victor Harbor and the District Council of Yankalilla, celebrating creative writing.

There were 368 entries from Alexandrina in 2018, with a celebration held at the District Council of Yankalilla Office on 6 September 2018. More than 160 people from across the Fleurieu Peninsula attended to recognise the talented work of all the entrants.

Mayor Parkes presented awards to our successful entrants, commending them on their imaginative and well written short stories.

NAIDOC Week Celebrations 2018

The theme of NAIDOC Week 2018 was 'Because of her, we can.' Running from 8 to 15 July, and provided an opportunity for all Australians to come together to celebrate the history, culture and achievements of Aboriginal and Torres Strait people.

Culturally significant and fun, family events were hosted by Alexandrina Council in Strathalbyn and Goolwa, starting

with a Welcome to Country by Traditional Owners and a flag raising ceremony. Activities including craft, games, dance performances and singing, weaving demonstrations, a language trail and storytelling within Kondoli the whale, were enjoyed by many community members.

Both venues also had native bush food tasting and a light lunch, which was cooked by the Strathalbyn Rotary and Goolwa Lions clubs.



Image Rita and Michael Lindsay, NAIDOC Week celebrations, Goolwa

Participate in Wellbeing

Youth Week Events in Strathalbyn

Alexandrina Council acknowledged Youth Week in April 2019, with the youTHRIVE Music Festival at Strathalbyn and two Civic Engagement Workshops facilitated by local students. The theme for Youth Week in 2019 was 'Participate and Celebrate.'

For the youTHRIVE Music Festival, local musicians took to the stage and performed at the festival, other local youth ran market stalls and co-ordinated activities. The result was an overwhelming success with young local music and dance performances entertaining a crowd of over 200. Workshops were held prior to the music festival to allow young people from Strathalbyn to be actively involved in the planning and development of the festival.

Civic Engagement Workshops were also held during Youth Week, giving students from two Strathalbyn Schools the opportunity to learn about the three tiers of government and meet their local MPs. This was done collaboratively under the watchful guidance of Alexandrina Council staff and state government representatives, Rebekah Sharkie MP for Mayo, and Josh Teague MP for Heysen.

Mental Health Week

Mental Health Week is an annual, national event that aims to improve community awareness in mental health and wellbeing. It is organised by the Mental Health Coalition of South Australia (MHCSA) in conjunction with local councils and government agencies.

Recognised from 7 to 13 October in 2018, the theme was 'Mind Your Health' in acknowledgment that our mental health is just as important as our physical health.

Working with MHCSA, Alexandrina Council ran an exciting program across the region including music and arts based performances and workshops, mindfulness and physical exercise programs, craft and writing workshops, support and chat sessions, and wellbeing and resilience courses.

Yarn Bombing

From a simple idea to decorate Goolwa during the festive season, a community project grew to epic proportions to brighten-up Goolwa over the 2018–19 Festive Season.

A local craft group enlisted the help of many community members, Create and Connect and Alexandrina Council's Community Hub to cover 79 wooden bollards around Goolwa with detailed stencilling and richly decorated materials, flawlessly crocheted and knitted to create an eye-catching display of liveliness for the community to enjoy.

Environmental Health Service

Council's Environmental Health team is primarily responsible for enacting legislation relating to the health of the community such as the Food Act and South Australian Public Health Act, including food safety, wastewater management and public health.

Council continues to provide immunisation services to the community. In addition to school clinics, monthly community clinics are held in both the Goolwa and Strathalbyn Libraries. Council also actively promotes the importance of immunisation within our community.

A High Risk Manufactured Water System (HRMWS) register is maintained by Council's environmental health team, and staff also ensure that regulatory audits of these systems are undertaken as required.

Over the past year the Environmental Health team issued 431 wastewater works approvals. Additionally 430 plumbing inspections were undertaken to ensure that the installation of these wastewater systems was undertaken in accordance with approvals.

As a result of community concerns, inspections and servicing reports; Council's Environmental Health Officers (EHOs) followed up eighteen complaints relating to wastewater systems and 466 aerobic servicing reports that identified issues of non-compliance with relevant legislation.

As a result of these investigations, 106 Compliance Notices were issued under the South Australian Public Health Act.



Image Mayor Parkes with Goolwa yarn bombers



Image youTHRIVE 2019 – Youth Music Festival, Strathalbyn

Our Environmental Health Officers (EHOs) continue to undertake food business inspections at frequencies recommended under the SA Health Risk Classification tool. The number of routine food business inspections undertaken throughout 2017–18 was 231. As a result of these inspections, four Improvement Notices were issued to businesses to achieve compliance with the Food Act.

Over the past year, EHOs investigated five concerns involving alleged cases of food poisoning and general complaints in relation to the operation of food businesses.

Council continues to provide online food safety training to the community through 'I'M ALERT'. The Environmental Health team also participated in Public Health Week and Food Safety Week in an effort to improve the public health of the community through education and awareness.

In recognition of the team's ongoing commitment to ensure public safety through the correct management of onsite wastewater management systems, Council was awarded with the 2018 Environmental Health Australia award for Excellence in Community Focussed Environmental Health.

Community Safety Team

Council's Community Safety team is primarily responsible for exercising the functions of legislation relating to the safety of the community, including management of dogs and cats, fire prevention, management of Local Nuisance and Litter, Parking Controls and enforcement of Council's By-laws.

In this reporting financial year, Council's Dog Registration database was migrated over to a State wide Dog Registration database known as Dogs and Cats Online (DACO). With the introduction of the new state wide database, Council's Community Safety team continues to manage dog registrations.

The Community Safety team investigated 489 dog and cat-related matters, including reports of dogs wandering at large and dog attacks. Over the past year Community Safety Officers impounded 138 dogs, mainly as a result of them wandering at large, returning 82 directly to their owner without being impounded and 44 returned to owners via the pound. The other twelve dogs were either transferred to Welfare Organisations or re-homed through other agencies. Council's feral cat program resulted in 46 cats being trapped. Those that could be identified were returned to owners. Cats that were not feral but owners could not be identified were re-homed.

The Roadside Slashing contract for fire mitigation was awarded to a new contractor during this period. This contract is for a three year period with review undertaken every 12 months. The team undertook a review of their fire prevention, block clearing process. The approach during this period was an educational approach whereby information brochures were sent out to the majority of land owners in the district providing them with guidelines on how to ensure they are compliant with their requirements under the Fire and Emergency Services Act. This new approach has seen a significant reduction in the requirement to issue a legal notice. As a result, the issuing of legal notices reduced from 702 in the last period to 142 this period. Of the 142 legal notices issued, only seven of these properties required Council intervention to ensure that bushfire risk was sufficiently reduced.

There were 29 reports of abandoned vehicles investigated over the course of the year, with vehicles removed on behalf of vehicle owners where required.

With the introduction of The Local Nuisance and Litter Control Act, there continues to be an increase in report of local nuisance and litter complaints. The Community Safety Team dealt with a total of 59 reports of illegal dumped rubbish or litter and 61 reports of local nuisance. This has been a reduction in illegal dumped rubbish or litter but an increase in reports of local nuisance.

The Community Safety team continues to undertake parking patrols as part of their routine work, and in addition to proactive patrols, 95 parking related complaints were investigated.

In addition to last year's recognition of the team's ongoing commitment and high level of service resulting in receiving the Authorised Persons Association 2018 Excellence in Regulatory Services award, the team received the award for the second year in a row in May 2019.

Microchipping – Chipblitz

Alexandrina Council, in partnership with CHIPBLITZ, held a series of \$10 microchipping days for pets across the region in 2018–19. Australia has one of the highest rates of pet ownership in the world with more than 63% of Australian households owning a pet.

The CHIPBLITZ events provided a great opportunity to have pet dogs and cats microchipped following the legislated changes which occurred on 1 July 2018, with the Dog and Cat Management Act requiring all dogs and cats to be microchipped.

Thrive in Clean, Green Futures

Environmental Assets

Alexandrina Council has continued to deliver services to protect, maintain and restore biodiversity within the Region throughout the 2018–19 year. Council's Biodiversity Team actively manages 136 hectares of reserve and 139km of roadsides for the benefit of nature conservation. Council's conservation partners manage 229 hectares of reserve and 51km of roadsides.

Collaborative initiatives in partnership with the Department of Environment and Water (DEW), Natural Resources Management (NRM) and community stakeholders to protect and enhance local biodiversity have ensured the continually improved management of Council's environmental assets.

Community Wastewater Management Systems

Alexandrina Council owns and operates one of the largest water-sewerage (retailer) industry's in South Australia. Through its Community Wastewater Management System (CWMS), Alexandrina Council captures, treats and reuses over 650 megalitres of water-sewerage per year for more than 7,000 customers within the region.

Treatment plants at Goolwa, Port Elliot, Strathalbyn, Mount Compass and Milang receive and treat wastewater, which is then used for a number of beneficial applications including recreational, economic development and primary production. The Alexandrina CWMS is leading the way with efficient and environmentally sound methods of wastewater treatment.

To ensure the wastewater needs of the Strathalbyn township are catered for, upgrade and expansion works were undertaken at the Strathalbyn Wastewater Treatment Plant early in 2019. Stage 1 of the project involved the construction of a new 110 mega-litre storage lagoon to provide additional 'balancing' storage. The \$1.8m lagoon is seen as a significant milestone for the Strathalbyn CWMS scheme.

The Smart Water Project was initiated to plan and implement a monitoring and management system for all CWMS operational plants, including five wastewater treatment plants, 73 pump stations and hundreds of kilometres of collection network. This project will incorporate digital communications systems, internet technologies, advanced sensor technologies and data management systems to provide real-time plant monitoring and control from a central control room via mobile field devices.

A total of 29ML of stormwater and 650ML of treated wastewater was beneficially used in 2018/19.

Image Murray Mouth and Coorong



Wastewater Treatment Plant Locations

Significant land area coverage for maintenance and service



182,684 hectares

5 schemes

>70 pump stations

>7,000 customers

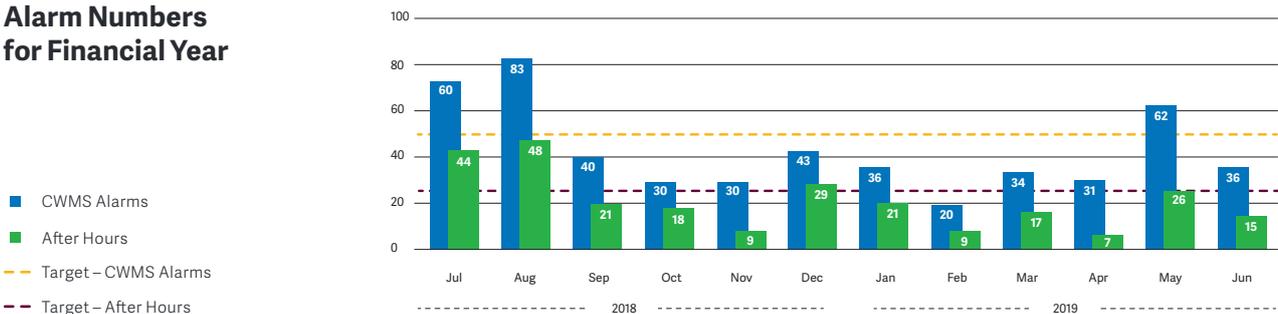
\$60M in assets

650ML recycled water

\$5M operational expenditure

24/7 24 hrs, 7 days/wk service

Alarm Numbers for Financial Year



Thrive in Clean, Green Futures

Collective advocacy joining River Murray councils to protect the ecology and economy of the Murray, Lakes and Coorong

During 2018–19, Alexandrina Council partnered with other South Australian councils adjoining the River Murray, to advocate for a full and timely implementation of the Murray-Darling Basin Plan. Mayor Parkes advocated on various radio stations and in print media to express why the Murray, Lakes and Coorong needs reliable volumes of water from upstream, to remain healthy, making regular reference to the Millennium Drought and our agricultural and environmental industries that rely on a healthy river system.

Council continues to play an active role in Murray Darling Association Region 6, working in collaboration with Coorong District Council and Rural City of Murray Bridge to help secure a freshwater future for the Lower Murray, Lakes and Coorong.

Coorong Quays

Alexandrina Council and Coorong Quays announced in April 2019, that the Coorong Quays wastewater management system will transition to Alexandrina Council ownership over the next two years. The change of ownership will ensure residents and the broader community enjoy security, longevity and sustainability of the system, reflecting its importance as a critical piece of regional infrastructure.



Image Local birdlife

Coorong Quays will retain ownership and operation of the Coorong Quays CWMS during the two year construction and transition period, whilst Council project manages the significant infrastructure improvements.

Gazania Free Gardens

Alexandrina Council and local environmental groups continued their mission to rid the region of the invasive Gazania weed in autumn 2019, with the Gazania Free Gardens campaign focusing on the Middleton Township and dune system.

Alexandrina Council, Goolwa to Wellington Local Action Planning Association, the Adelaide and Mount Lofty Ranges Natural Resources Management Board and the Alexandrina Community Nursery collaborated to protect local dune systems and native bushland from Gazania invasion, implementing a plan to encourage and assist residents to identify and eliminate the plant from their gardens and roadside verges.

The plan involved community incentives to rid our region of the Gazania, strengthen biodiversity, and encourage the establishment of local indigenous plants. Incentives included a 'Gazania Plant Swap' and Community Planting Day.

The Gazania Free Gardens Campaign was an initiative from Alexandrina Council's Environmental Action Plan, embracing the 'Thrive in Clean, Green Futures' strategic objective.

Sustainable Spring

Alexandrina Council launched the Sustainable Spring program in September 2018 to celebrate our natural environment and spread the word about practical ways to live in harmony with the earth. The three-month program bringing together sustainability, the arts and do-it-yourself, green living know-how was presented through a series of workshops, exhibitions and school holiday activities.

As part of the initiative, Council encouraged residents to establish a verge garden to turn the space between the kerb and front fence into an oasis of colour and tranquility. The Alexandrina Township Verges Planting Guide was released at the Sustainable Spring launch event at Goolwa's Centenary Hall on 8 September 2018.



Image Fishing, Goolwa Beach

GWRD Opening

The Goolwa Waste and Recycling Depot entered a new era and set the benchmark for environmentally efficient waste disposal and recycling services when it was officially opened on 11 September 2018.

Now a high quality, modern waste and recycling plant, with customer access simplified, making each visit a straightforward process. An increased variety of diversion options means that recycling is not only easier, but more cost effective – in some cases, resulting in money in the customer's pocket as an incentive for showing sensible recycling initiative.

The Alexandrina Council-owned site hosts several tenants including Fleurieu Regional Waste Authority, Goolwa Salvage & Save, and South Coast Recycling. Running costs of the facility are shared with the City of Victor Harbor.

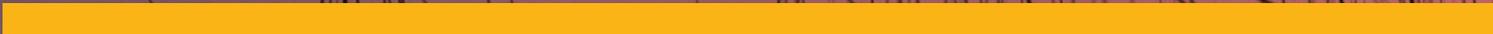
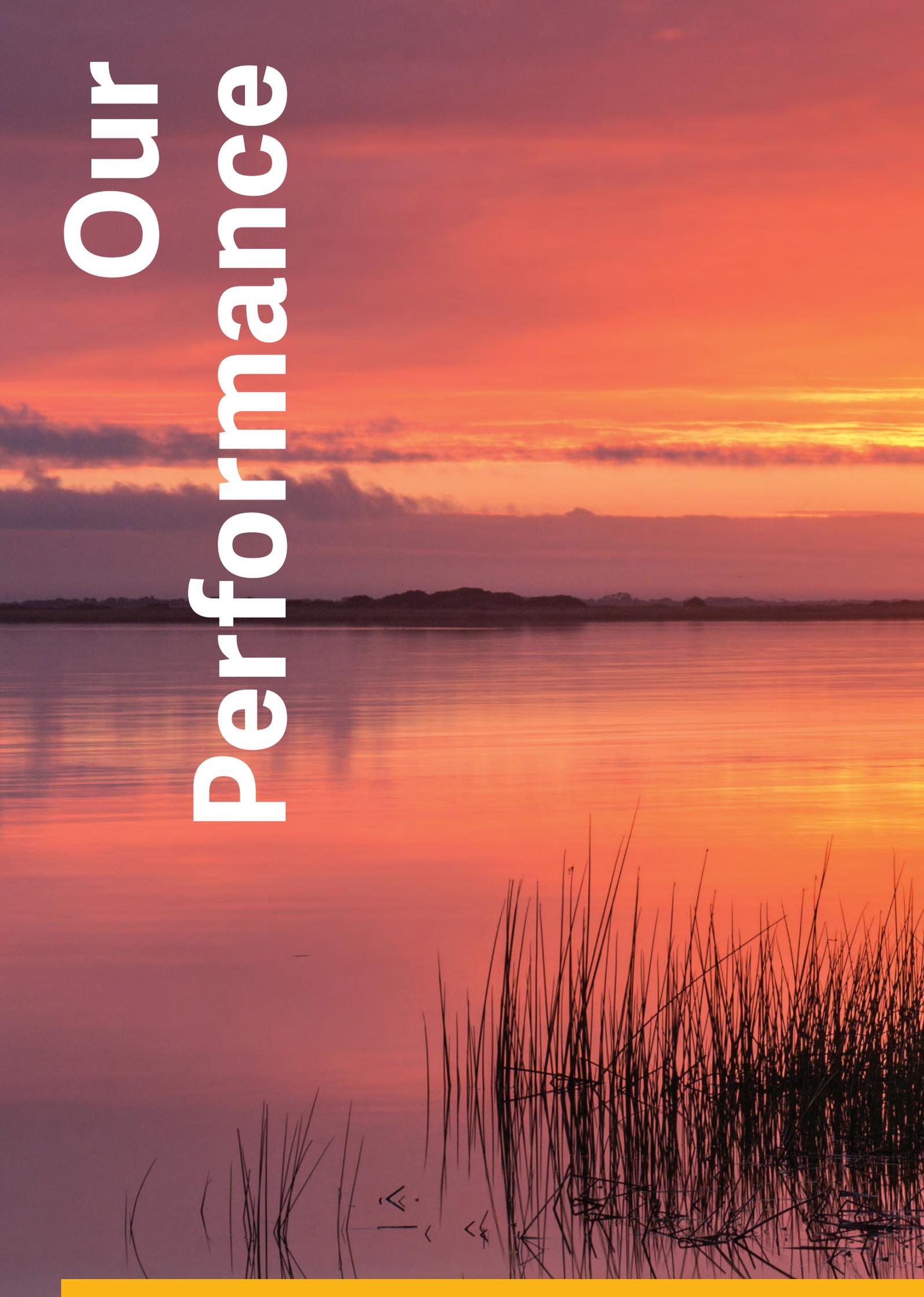
Environment and Food Production Areas

The Environment and Food Production Areas (EFPAs) were introduced through the Planning, Development and Infrastructure Act 2016 on 1 April 2016 to protect areas of rural, landscape, environmental or food production significance within the Greater Adelaide region from urban encroachment.

While subdivision for residential purposes is prevented within EFPAs, a transitional period allowed for the assessment of land division applications proposing the creation of one or more additional allotments. This transition period ended on 31 March 2019. The EFPAs do not affect the development of new buildings or structures, only subdivision. Applications for these proposals can continue to be lodged with Council, and will be assessed against the policies set out in the local Development Plan.

Further information is available on the SA Planning Portal website via saplanningportal.sa.gov.au

Our Performance





Governance

Committees of Council – Nov 2018 to Jun 2019

Name of Committee	Staff Member	Councillor Representative/s
Alexandrina Arts and Cultural Advisory Committee	Arts & Cultural Development Officer	Cr James Stewart Cr Bronwyn Lewis
Alexandrina Sustainable Agriculture Round Table	General Manager Wellbeing	Mayor Keith Parkes
Audit Committee	General Manager Resources	Mayor Keith Parkes (ex-officio) Cr Rex Keily Cr Michael Farrier
Ratalang Basham Beach and Horseshoe Bay Advisory Committee	General Manager Environment (Trustee)	Cr Michael Scott Cr Bronwyn Lewis
Chief Executive Selection Panel (as required)		Mayor Parkes (Chair)
Chief Executive Performance Panel	Group Manager People Group Manager Leadership	Cr Bill Coomans Cr Bronwyn Lewis Cr Rex Keily
Council Assessment Panel	Manager Development Assessment	Cr Bill Coomans Cr James Stewart
Currency Creek Cemetery Advisory Group	General Manager Wellbeing	Cr Michael Scott
Economic Development Advisory Panel	General Manager Growth	Mayor Keith Parkes Cr Craig Maidment
Environmental Advisory Panel	Principal Strategy and Policy Officer	Cr Karyn Bradford Cr Melissa Rebbeck
Fleurieu Region Community Services Advisory Committee	General Manager Wellbeing	Cr Margaret Gardner Cr Karyn Bradford
Goolwa Recreation Ground Committee	General Manager Environment	Cr John Carter Cr James Stewart
Heritage Advisory Committee	Manager Strategic Planning	Cr Margaret Gardner Cr Craig Maidment
Road Naming Advisory Committee	General Manager Environment	Cr Craig Maidment Cr Michael Scott
Southern Communities Transport Scheme Advisory Committee	General Manager Wellbeing	Cr Karyn Bradford
Strategic Planning and Development Policy Committee	General Manager Environment Manager Strategic Planning Manager Development Assessment	Mayor Keith Parkes All Elected Members
Strathalbyn Community Consultative Committee	General Manager Growth	Cr Rex Keily
Strathalbyn Oval Controlling Committee	General Manager Environment	Cr Craig Maidment
Strathalbyn Woodshed Committee	General Manager Wellbeing	Cr Craig Maidment

Governance

Committees of Council – July 2018 to Nov 2018

Name of Committee	Staff Member	Councillor Representative/s
Alexandrina Arts and Cultural Advisory Committee	Leah Grace	Cr James Stewart Cr Woolford
Audit Committee	Elizabeth Williams	Mayor Keith Parkes (ex-officio) Cr Grant Gartrell Cr Karen Lume Cr Walker
Basham Beach and Horseshoe Bay Advisory Committee	Simon Grenfell (Trustee) David Mullins Marianne Richardson	Cr Michael Scott Cr Madeleine Walker
Chief Executive Selection Panel	John Comrie (Independent Member) Anne Liddell	Mayor Keith Parkes (Chair) Cr Barry Featherston Cr Madeleine Walker
Chief Executive Performance Panel	Sarah Kay Anne Liddell	Cr Barry Featherston Cr Karen Lume Cr Madeleine Walker
Council Assessment Panel	Andrew Sladden David Burrow	Cr James Stewart
Economical Advisory Panel	Anne Liddell	Cr Karen Lume
Environmental Advisory Panel	Shen Mann	Cr Barry Featherston Cr Michael Scott
Fleurieu Region Community Services Advisory Committee	Colin Shackelford	Cr Barry Featherston Cr Anne Woolford
Goolwa Wharf Precinct Board	Anne Liddell	Mayor Keith Parkes (ex-officio) Cr James Stewart Cr Frank Tuckwell
Heritage Advisory Committee	Sally Roberts	Cr Anne Woolford Cr Grant Gartrell
Southern Communities Transport Advisory Committee	Colin Shackelford	Cr Grant Gartrell
Southern Fleurieu Youth Advisory Committee (now a sub-committee of the Fleurieu Region Community Services Advisory Committee)	Lucretia Sperring	Cr Michael Scott
Strategic Planning and Development Policy Committee	Simon Grenfell Sally Roberts Andrew Sladden	Mayor Keith Parkes All Elected Members
Woodshed Committee (Strathalbyn)	Colin Shackelford	Cr Ben Brazzalotto

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Image Goolwa Wharf and Hindmarsh Island Bridge, taken from Hindmarsh Island

Payments to Committee Members in 2018–19

Audit Committee (per meeting)	
Independent Chair	\$1,200
Independent Committee Member	\$450
Total	\$1,650
Council Assessment Panel (per meeting)	
Presiding Member (Independent)	\$500
Committee Members (including Elected Members):	\$350
Total	\$1,900

Listing of Codes of Conduct and Practice

In accordance with Schedule 4 of the Local Government Act, 1999, the following Codes of Conduct are held at Council's Principal Office:

- Code of Conduct for Elected Members
- Code of Conduct for Council Employees
- Code of Practice Access to Council and Committee Meetings and Documents.
- Code of Practice Code of Practice – Council Meeting Procedures
- Code of Conduct for Volunteers.

Listing of Registers

In accordance with Schedule 4 of the Local Government Act, 1999, the following Registers are held at Council's Principal Office:

- Allowances and Benefits Register – Elected Members
- Delegations Register
- Disclosure of Conflicts of Interest Register – Elected Members
- Gifts and Benefits Register – Elected Members
- Gifts and Benefits Register – Employees
- Council Members Disclosure of Interest Register
- Voters Roll Register
- Register of Public Streets and Roads.

Elected Member Training and Development

Since 1 July 2018, Elected Members have attended the following training and workshops:

- Induction Training – Preparation for Declaration Meeting
- Induction Training – Public Integrity
- Induction Training – About the Organisation
- Induction Training – Governance Essentials
- Induction Training – Financial Management and Council Meetings
- Induction Training – Strategic Workshop A: 'Why' of strategic planning
- Induction Training – Introduction to Financial Management
- Induction Training – Strategic Workshop B: 'How' of strategic planning
- Ngarrindjeri Cultural Awareness Training.

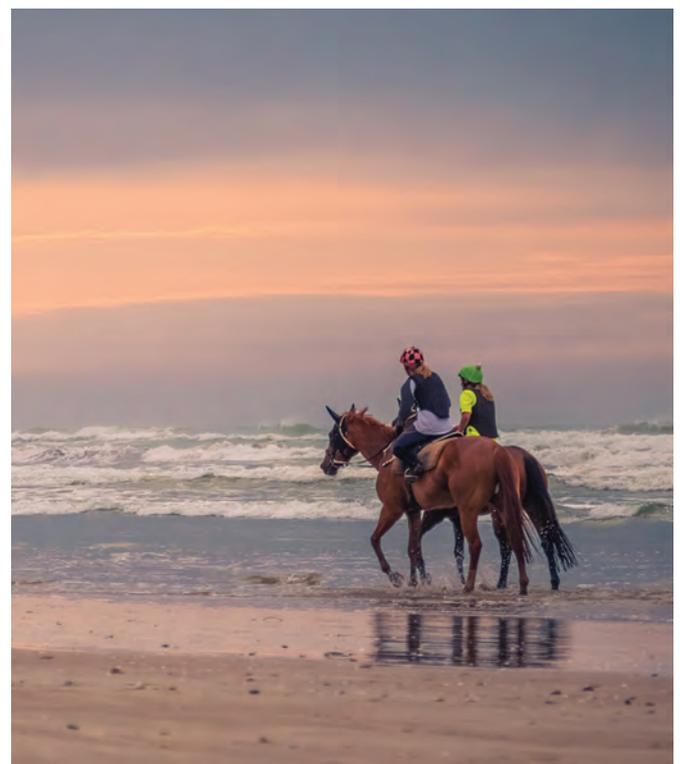


Image Horse riding, Goolwa Beach

Governance

Elected Member Representation on Section 43 Subsidiaries or External Bodies – Nov 2018 to Jun 2019

Alexandrina Council's Elected Members are also engaged in representation on external bodies as part of their duties representing the Alexandrina community and participation in local government generally.

Mayor Parkes	<ul style="list-style-type: none"> • Coorong, Lower Lakes and Murray Mouth Community Advisory Panel of the Department for Environment and Water • Goolwa to Wellington LAP (Chair) • LGA Board • SA Coastal Councils' Alliance • SA Region of Councils • Southern and Hills Local Government Association (Chair)
Cr Karyn Bradford	<ul style="list-style-type: none"> • Clayton Bay Community Association • Long Nosed Fur Seal Working Group of the Department for Environment and Water • Milang and District Community Association
Cr John Carter	<ul style="list-style-type: none"> • Adelaide Hills Regional Waste Management Authority – Deputy Board Member • Goolwa Recreation Ground Committee • SA Wooden Boat Festival
Cr Bill Coomans	<ul style="list-style-type: none"> • Fleurieu Regional Waste Authority – Deputy Board Member
Cr Michael Farrier	<ul style="list-style-type: none"> • Adelaide Hills Regional Waste Management Authority – Board Member
Cr Rex Keily	<ul style="list-style-type: none"> • Strathalbyn Community Consultative Committee • Strathalbyn & District Concert Band Inc Strathalbyn Town Hall Committee
Cr Bronwyn Lewis	<ul style="list-style-type: none"> • Libraries Board of SA
Cr Melissa Rebbeck	<ul style="list-style-type: none"> • Coorong, Lower Lakes and Murray Mouth Community Advisory Panel of the Department for Environment and Water • Fleurieu Regional Aquatic Centre Authority – Board Member • Murray Darling Association Region – Chair
Cr Michael Scott	<ul style="list-style-type: none"> • Fleurieu Regional Waste Authority – Board Member

Management Plans for Community Land

Community Land Management Plans are prepared in accordance with the requirements of the Local Government Act 1999, for all Local Government land (except roads) referred to as Community Land. Community land is land owned by a Council, and/or land which though not owned by the Council, is under its care, control and management. Council holds an overarching Community Land Management Plan which was last reviewed in June 2011. The Plan provides guidance for Council in the management of public land for community benefit.

Internal Review of Council Decisions

Under Section 270(8) of the Local Government Act, 1999, Council must, on an annual basis, initiate and consider a report that relates to:

- (a) the number of applications for review made under this section
- (b) the kinds of matters to which the applications relate
- (c) the outcome of applications under this section
- (d) such other matters as may be prescribed by the regulations.

Governance

Elected Member Representation on Section 43 Subsidiaries – July 2018 to Nov 2018

Alexandrina Council's Elected Members are also engaged in representation on external bodies as part of their duties representing the Alexandrina community and participation in local government generally.

Mayor Parkes	Southern & Hills Local Government Association
Cr Jim Davis	Fleurieu Regional Waste Authority Adelaide Hills Regional Waste Management Authority
Cr Grant Gartrell	Fleurieu Regional Aquatic Centre Fleurieu Regional Waste Authority (proxy)
Cr Madeleine Walker	Fleurieu Regional Aquatic Centre

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For the 2018–19 Financial Year, Council received four applications for an internal review under Section 270(8) of the Local Government Act, 1999.

Confidential Items – 2018–19

Under Section 90(2) of the Local Government Act, 1999, the following information is provided with regard to the Confidential Items raised at Council and Committee Meetings from 1 July 2018 to 30 June 2019.

— Total number of orders made: 3

Under Section 91(7) of the Local Government Act, 1999, the following information is provided with regard to the Confidential Items raised at Council Meetings from 1 July 2018–30 June 2019.

— Total number of orders made: 34

— The number of orders that expired or ceased to apply during the 2018–19 financial year: 5

— The number of orders that were revoked during the 2018–19 financial year: 3

— The number of orders that remained operative during the 2018–19 financial year: 46

Council undertakes a review of any orders made under Section 91 (7) every three months.

Provisions under Section 90 (3) which were relied upon to close the meeting to the public:

Provision	Number of
a	2
b	2
c	0
d	4
e	0
f	0
g	2
h	3
i	1
j	0
k	0
m	0
n	0

A Confidential Items Register is kept on any orders made under Section 91 (7) which contains the following information:

- Date of Original Meeting
- Item Number
- Title
- Original Recommendation/Resolution re Release
- Officer Responsible for Review
- Recommended Date of Release/Review
- Date Released & Council Item & Council Item Number (if applicable)
- Last Review Date
- Next Review Date.

Principal Role of a Council

(Local Government Act, 1999)

A council is, under the system of local government established by this Act, to provide for the government and management of its area at the local level and, in particular:

- to act as a representative, informed and responsible decision-maker in the interests of its community
- to provide and co-ordinate various public services and facilities and to develop its community and resources in a socially just and ecologically sustainable manner
- to encourage and develop initiatives within its community for improving the quality of life of the community
- to represent the interests of its community to the wider community
- to exercise, perform and discharge the powers, functions and duties of local government under this and other Acts in relation to the area for which it is constituted.

Functions of Council

The functions of a council include:

- to plan at the local and regional level for the development and future requirements of its area
- to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including general public services or facilities – including electricity, gas and water services, and waste collection, control or disposal services or facilities)

Governance

- to provide for the welfare, wellbeing and interests of individuals and groups within its community
- to take measures to protect its area from natural and other hazards and to mitigate the effects of such hazards
- to manage, develop, protect, restore, enhance and conserve the environment in an ecologically sustainable manner, and to improve amenity
- to provide infrastructure for its community and for development within its area
- to promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism
- to establish or support organisations or programs that benefit people in its area or local government generally
- to manage and, if appropriate, develop, public areas vested in, or occupied by, the council
- to manage, improve and develop resources available to the council
- to undertake other functions and activities conferred by or under an Act.

Freedom of Information Statement

The Freedom Information Statement is published by Alexandrina Council in accordance with the requirements of the Freedom of Information Act 1991. An updated Freedom Information Statement is published every 12 months to Council's website.

Policies and Procedures

The following Policies and Procedures are available for public inspection free of charge at Council offices at Goolwa and Strathalbyn. Copies of the documents may be purchased as per Council's Fees and Charges Register. These documents can also be accessed on Council's website at no charge.

Annual Budget and Performance Policy
Arts and Culture Policy
Asset Accounting Policy
Building and Swimming Pool Inspections Policy
Caretaker 2018 (Local Government Elections) Policy
CCTV/Video Surveillance/GPS Policy
Cemeteries and Memorials Policy
Code of Conduct for Council Employees
Communication Policy
Community Donation Policy
Community Grants Policy
Community Group Loan Policy
Complaints Policy
Complaints Handling Procedure
Corporate Credit Card Policy
Debt Recovery Policy
Development Plan Amendments (Privately Funded) Policy
Development Plan Amendments (Privately Funded) Procedure
Disposal of Council Land and Other Assets Policy
Elected Members – Allowances, Benefits, Support and Facilities Policy
Elected Members – Code of Conduct Complaints Handling Procedure
Elected Members – Induction for New Councils Policy
Elected Members – Information Management Policy
Elected Members – Training and Development Policy and Plan

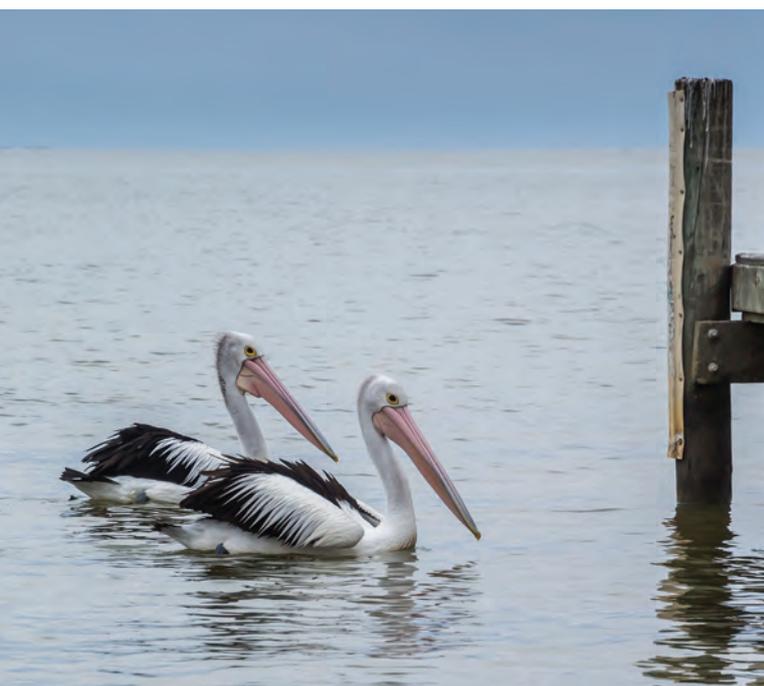


Image Local pelicans, Milang

Emergency Services Support Policy
Enforcement Policy
Financial Internal Control Policy
Fraud and Corruption Prevention Policy
Hardship Policy
Informal Gatherings Policy
Information Management Policy
Internal Review of Council Decisions Policy
Internal Review of Council Decisions Procedure
FRWRA Kerbside Waste Collection Policy
Mobile Food Vendor Procedure
Naming of Reserves Policy
Ombudsman's Enquiry Policy
Order Making Policy
Privacy Policy
Privacy Procedure
Procurement Policy
Procurement Procedure
Prudential Management Policy
Public Arts Policy
Public Consultation Policy
Public Consultation Procedure
Public Interest Disclosure Policy
Public Interest Disclosure Procedure
Rating Policy 2019–2020
Recreational Use of Council Reserves and Public Spaces
Requests for Services Policy
Request for Services Procedure
Risk Management Policy
Risk Management Framework Procedure
Road and Public Place Names Policy
Safe Environment Policy
Safe Environment Code of Conduct
Safe Environment Reporting Procedure
Signs, Banners and Flags
Temporary Road Closure Policy
Treasury Management Policy
Tree Management Policy
Tree Management Procedure
Volunteers Code of Conduct



Image New Years Eve fireworks off the bridge, Goolwa

Governance

Statement of Council's Representation Quota

The information below compares Alexandrina Council's representation quota with neighbouring and other comparable councils.

The Representation Quota is determined by dividing the total number of electors for the area of the council by the number of members of the Council.

Alexandrina Council's Representation Quota (as advised by the Local Government Association of South Australia) from 1 July 2018 to 30 June 2019 is 1,695.

Statement of the Average Representation Quota for councils of a similar size

Barossa Council	1,466	Murray Bridge	1,433
Berri Barmera	811	Port Pirie	1,279
Copper Coast	1,122	Victor Harbor	1,231
Light Regional	937	Wattle Range	703
Loxton Waikerie	741	Yorke Peninsula	730

Periodic Review of Elector Representation

In accordance with the existing provisions in Section 12 of the Local Government Act 1999, Alexandrina Council is required to review all aspects of the composition of the Council, including ward boundaries, at least once in every eight years. Alexandrina Council last undertook a representation review in 2013. The next Representation Review has been gazetted for 2020–21.

Competitive Tendering and Service Reviews

Council has a Policy in compliance with Section 49 of the Local Government Act 1999, covering Contracts, Tenders and Purchasing.

A review of this policy is undertaken biennial or as deemed necessary.

Within Council's strategic focus and forming part of Council's adopted Ten (10) Year Asset Infrastructure Plan, regular reviews are undertaken on our service delivery to ensure the community continues to receive cost effective services.

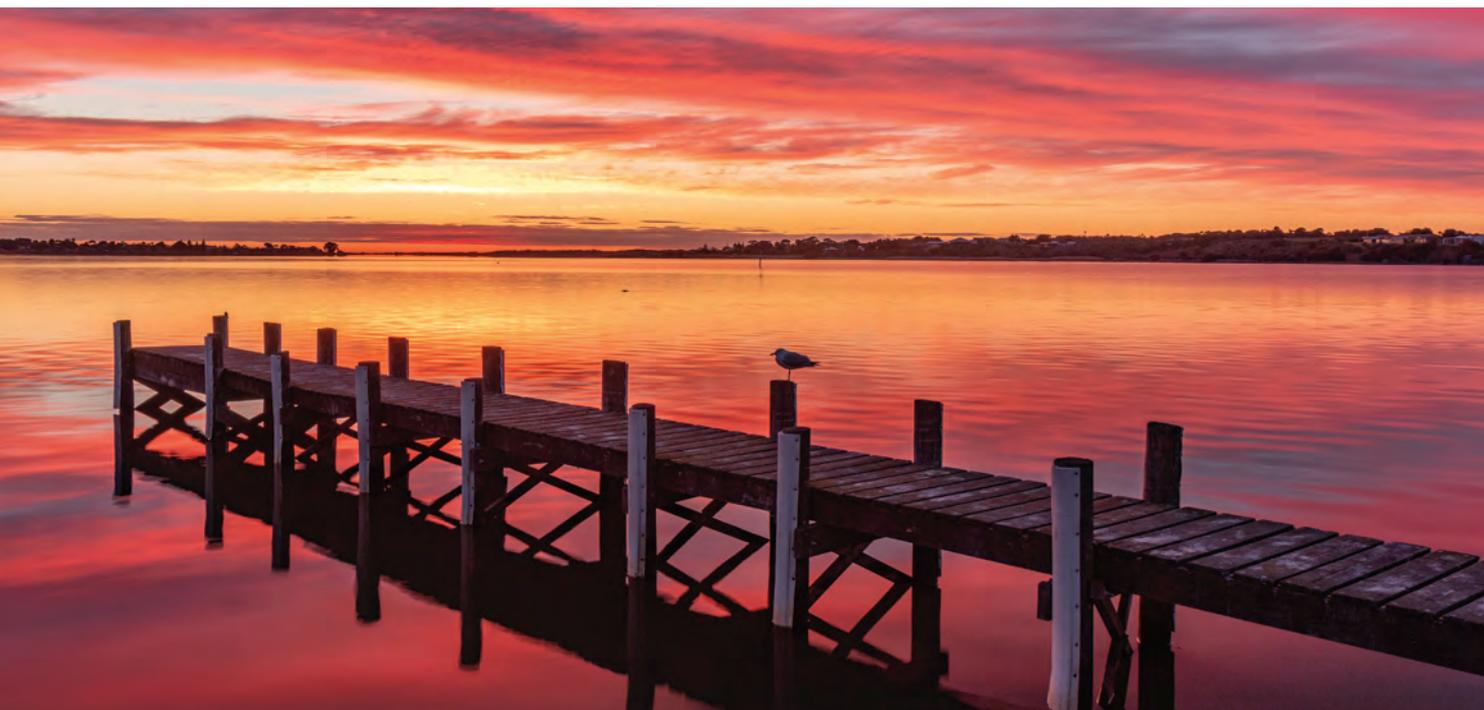


Image Goolwa Jetty

National Competition Policy

Council has had regard to the National Competition Policy (NCP). Council has no significant business activities to declare under the Application of Competition Principles to Local Government agreement. No complaints were received during 2018–19.

Competitive Neutrality

The Council and its Authorities must comply with the principles of competitive neutrality in the conduct of significant business activities. The principles of competitive neutrality do not limit the types of business activities which councils may engage in, but requires that where the business activities are significant they are provided in a manner which is competitively neutral (provided that the public benefits of doing so outweigh the costs).

The South Australian Government Department of Premier and Cabinet (DPC) received two complaints of alleged breach of competitive neutrality requirements against the Fleurieu Regional Aquatic Centre Authority in 2017. The complaints have been referred by DPC to the Essential Services Commission of South Australia for investigation. The Authority has provided information to ESCOSA to assist in its investigation including copies of its competitive neutrality assessments.

Equal Employment Opportunity

Council continues to promote its commitment to equal employment opportunity.

This is achieved by ensuring that the workplace is free from all forms of unlawful discrimination and harassment.

Council's Employee Code of Conduct defines the principles of probity and ethical behaviour that is expected of staff. In undertaking their duties, Council staff are required to be reasonable, just and non-discriminatory while carrying out their roles and responsibilities.

Public Consultation Policy

Council is committed to open, accountable and responsive decision making, which is informed by effective communication and consultation between Council and the community.

The Public Consultation Policy sets out the steps Council will take to establish partnerships and encourage

community involvement in planning and decision making regarding the services Council provides and the management of community resources.

Council aims to ensure that appropriate and cost effective methods are used to inform and involve the local community, key stakeholders and interested parties relevant to the specific circumstances of each consultation topic.

Alexandrina Council is committed to engaging as widely and actively as possible with its diverse communities, through a range of community consultations.



Image The Cockle Train

Attachments





Image Goolwa Beach



CONNECTING COMMUNITIES

Annual Report Interplan KPIs by Department
July 2018 - June 2019

KPI Calculation is used to calculate performance of KPIs. Following calculation methods are used:

- **Less is Better:** desirable to get the lowest possible value for the KPI Actual.
- **More is Better:** desirable to get the highest value possible for the KPI Actual.
- **Goal Post:** desirable to get the KPI Actual around the Target value within the variance.

Environment

Asset Management & Geographic Information Systems (GIS)

KPI traffic lights

- On Track
 Off track
 Trend KPI (no target)
 Monitor (within variance)

Asset Management

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Engineering Designs Undertaken In House	#	More is Better	35.00	36.00	35.00	

Geographic Information Systems (GIS)

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of GIS Map Requests External	#	Goal Post	1600.00	1572.00	1600.00	



Asset Planning & Design

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Infrastructure Services

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of Land Division applications assessed by Engineering	#	More is Better	N/A	50.00	50.00	
Number of road permits/licences processed	#	More is Better	N/A	389.00	370.00	

Project Design

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
% of capital & renewal building projects complete	%	More is Better	100.00	90.00	60.00	
% of forward capital works designs completed	%	More is Better	100.00	90.00	90.00	



Community Facilities & Open Space

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Community Facilities

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of customer requests relating to building maintenance	#	Less is Better	280.00	287.00	226.00	
Number of customer requests relating to public conveniences	#	Less is Better	280.00	84.00	160.00	

Environmental Assets

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Area of Council land managed to enhance biodiversity	Ha	More is Better	500.00	450.00	450.00	

Recreation, Open Space and Reserves

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of customer requests relating to recreation and open space	#	Less is Better	570.00	127.00	183.00	
Number of customer requests relating to rural trees	#	Less is Better	240.00	380.00	177.00	
Number of customer requests relating to urban trees	#	Less is Better	480.00	637.00	371.00	



Field Services & Civil Assets

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Bridges and Stormwater Management

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of customer requests relating to bridges and storm water	#	Less is Better	N/A	187.00	100.00	

Depot Operations

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Percentage of plant and machinery replacement schedule completed	%	More is Better	85.00	56.25	21.88	

Roads & Car Parks

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of customer requests for road defects	#	Less is Better	N/A	1107.00	460.00	
Percentage of road defects responded to within adopted response times	%	More is Better	90.00	94.00	95.00	



Growth

Economic Development

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Arts & Culture

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of activities per quarter	#	More is Better	40.00	47.00	46.00	
Number of exhibitions and activities at Council's art spaces	#	More is Better	24.00	54.00	40.00	
Number of local artists shown	#	More is Better	50.00	275.00	376.00	
Number of visitors to art and culture exhibitions and activities	#	More is Better	25000.00	21454.00	21311.00	



Planning & Development

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Development Assessment - Building

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of Building Rules Consent applications approved	#	More is Better	800.00	854.00	675.00	

Development Assessment - Compliance

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of total complaints that relate to approved development applications	#	Less is Better	80.00	105.00	66.00	
Number of total complaints that relate to unapproved development	#	Less is Better	90.00	105.00	66.00	

Development Assessment - Planning

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of Development Applications Lodged	#	More is Better	1100.00	1123.00	1065.00	

Office of the CEO

Leadership

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Communications

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of visits to mysay.alexandrina.sa.gov.au	#	More is Better	N/A	8067.75	6000.00	

Governance

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Percentage of attendance at Council meeting	%	More is Better	N/A	85.50	95.37	

Strategy

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Value of rebate received from Local Government Association Mutual Liability Scheme	\$	More is Better	N/A	216215.00	190065.00	



People

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Human Resources

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of traineeships / cadetships / grad placements that support local youth	#	More is Better	N/A	0.00	32.00	
Number of volunteer hours	Hours	More is Better	40000.00	20969.00	20000.00	
Number of volunteers	#	More is Better	340	301.00	353.00	
Recruitment strategies that emphasise recruitment from Alexandrina region	%	More is Better	100.00	100.00	100.00	
Staff turnover rate	%	Less is Better	10.00	10.5	7.30	

Council Properties

KPI traffic lights

 On Track  Off track  Trend KPI (no target)  Monitor (within variance)

Property Management

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
% of capital & renewal building projects complete	%	More is Better	100.00	75.00	60.00	
Number of property leases, licences & agreements undertaken	#	More is Better	30.00	19.00	27.00	



Finance Services

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Business Reporting

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Percentage of reports produced within allocated timeframes	%	More is Better	100.00	100.00	100.00	

Financial Management & Accounting

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Asset Renewal Ratio	%	Goal Post	90.00	73.00	72.00	
Net Financial Liabilities Ratio	%	Less is Better	100.00	82.00	74.00	
Operating Surplus / (Deficit) Ratio	%	More is Better	0.00	1.00	3.00	

Rates & Debtors Services

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Percentage of Debtors outstanding over 90 Days	%	Less is Better	7.00	38.50	30.13	
Percentage of Rate Debtors outstanding over 90 days	%	Less is Better	3.00	16.84	14.00	



Information Services

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Information Management

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of Freedom of Information requests quarterly	#	Less is Better	N/A	2.25	1.50	
Percentage of total incoming correspondence registered that is electronic	%	More is Better	60.00	68.50	67.25	
Total incoming correspondence	#	More is Better	N/A	61765.00	45358.00	
Number of records archived for off-site storage annual (linear meters)	#	More is Better	NA	63	67	

Information Technology

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Average number of days to resolve incidents	#	Less is Better	7	6.34	3.77	
Percentage of IT service desk tickets resolved within 5 days	%	More is Better	25	83.69	79.00	

Wellbeing

Community Wellbeing

KPI traffic lights

On Track
 Off track
 Trend KPI (no target)
 Monitor (within variance)

Community Connect

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of clients utilising Home and Community services (HACC funded)	#	More is Better	500.00	1282.00	1151.00	
Number of Home and Community services direct client contacts	#	More is Better	24000.00	30448.00	24965.10	
Percentage achievement of HACC program annual targets	%	Goal Post	100.00	100.00	100.00	
Percentage compliance of HACC services with National Service Standards	%	Goal Post	100.00	100.00	100.00	

Community Transport

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of Alexandrina residents utilising community transport services through Strathalbyn Home Assist & Community Care	#	More is Better	15.00	121.00	10.00	
Number of Alexandrina residents utilising Southern Community Transport Services	#	More is Better	352.00	716.00	650.00	

Family & Youth Services

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of families assisted by Fleurieu Families	#	More is Better	40.00	122.00	52.00	
Number of participants in youth events Goolwa and district *	#	More is Better	200.00			
Number of participants in youth events Strathalbyn and districts *	#	More is Better	200.00			

* Actual data were not available at the time of reporting

Health, Environment & Community Safety

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Community Safety

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Landowners issued with Section 105F Notice's for fire reduction	#	Less is Better	100	702.00	142.00	
Number of Dogs registered	#	More is Better	6000.00	7371.00	7851.00	
Priority road sides slashed within the prescribed period	km	More is Better	530.00	530.00	530.00	

Environmental Health

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of public health complaints	#	Less is Better	N/A	839.00	689.00	
Number of public health legal notices issued under the Food Act and SA Public Health Act	#	Less is Better	N/A	132.00	110.00	
Number of routine inspections undertaken (Food Act and SA Public Health Act)	#	Goal Post	270.00	234.00	230.00	
Number of wastewater applications assessed	#	More is Better	360.00	377.00	430.00	
Percentage of routine inspections undertaken within the month due (Food Act and SA Public Health Act)	%	More is Better	90.00	90.25	95.00	
Percentage of Wastewater Works inspections undertaken	%	More is Better	20.00	50.50	64.00	

Library & Customer Service

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Alexandrina Visitor Services

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of Visitors to Alexandrina Visitor Services	#	More is Better	45000.00	63389.00	70505.00	

Customer Services

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Grade of service - call centre	%	More is Better	70.00	75.00	81.00	
Number of calls received by call centre	#	Goal Post	N/A	47236.00	48874.00	
Percentage of call abandonment	%	Less is Better	5.00	4.11	2.77	

Event Management

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Number of community events supported by Council	#	More is Better	50.00	10.00	13.00	

Libraries

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Active library members in Council region	%	More is Better	35.00	34.59	34.00	
Number of Library Loans per Capita	#	More is Better	N/A	0.78	0.72	

Sustainable Resource Management

KPI traffic lights

 On Track
  Off track
  Trend KPI (no target)
  Monitor (within variance)

Community Wastewater Management Systems (CWMS) & Water Recycling

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
CWMS Customer Service Resolution	%	More is Better	90.00	45.49	94.33	
CWMS Rising Main Breakages	#	Less is Better	30.00	31.00	19.00	
Emergency response & incident prevention performance	%	More is Better	95.00	99.83	99.83	
New CWMS Connections	#	More is Better	80.00	185.00	58.00	
Number of CWMS & Stormwater Pump Station Alarms	#	Less is Better	600.00	514.00	489.00	
Number of CWMS Call Outs (After Hours)	#	Less is Better	300.00	264.00	243.00	
Volume of wastewater re-used for Beneficial and Community Initiatives	kL	More is Better	380000.00	26317.00	650398.00	
Volume of wastewater treated across all schemes	kL	More is Better	650000.00	162561.00	705002.00	

Waste Management

KPI	Indicator	KPI Calculation	Target	2017/18 Actual	2018/19 Actual	Actual vs. Target
Kerbside Greenwaste	#	More is Better	3000.00	0.00	3281.00	
Kerbside Landfill	#	More is Better	5000.00	0.00	4879.00	
Tonnage received and processed of dry recyclables	T	More is Better	2400.00	2589.00	0.00	
Tonnage received and processed of green organics	T	More is Better	2400.00	3084.00	0.00	
Total Regional waste diverted from Landfill	#	More is Better	18000.00	0.00	22520.00	
Total Regional Waste Processed	#	More is Better	36000.00	0.00	30864.00	
Total Regional waste to Landfill	#	Less is Better	27000.00	0.00	8343.00	
Volume of waste diverted from landfill	T	More is Better	9600.00	21589.00	0.00	

Alexandrina Council



Financial Statements

30 June 2019



Alexandrina Council

General Purpose Financial Statements for the year ended 30 June 2019

Contents	Page
1. Council Certificate	2
2. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
3. Notes to the Financial Statements	7
4. Independent Auditor's Report - Financial Statements	44
5. Independent Auditor's Report - Internal Controls	46
6. Certificates of Audit Independence	
- Council Certificate of Audit Independence	48
- Audit Certificate of Audit Independence	49

Alexandrina Council

General Purpose Financial Statements for the year ended 30 June 2019

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Glenn Rappensberg
CHIEF EXECUTIVE OFFICER



Keith Parkes
MAYOR

Date: 18 October 2019

Alexandrina Council

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Income			
Rates Revenues	2a	39,484	38,003
Statutory Charges	2b	1,068	1,007
User Charges	2c	1,978	2,018
Grants, Subsidies and Contributions	2g	4,458	3,735
Investment Income	2d	19	19
Reimbursements	2e	513	494
Other Income	2f	649	473
Net Gain - Equity Accounted Council Businesses	19	34	34
Total Income		48,203	45,783
Expenses			
Employee Costs	3a	15,825	14,971
Materials, Contracts & Other Expenses	3b	18,147	18,005
Depreciation, Amortisation & Impairment	3c	11,267	10,666
Finance Costs	3d	1,357	1,482
Net loss - Equity Accounted Council Businesses	19	383	40
Total Expenses		46,979	45,164
Operating Surplus / (Deficit)		1,224	619
Asset Disposal & Fair Value Adjustments	4	(1,161)	(1,250)
Amounts Received Specifically for New or Upgraded Assets	2g	1,272	1,136
Physical Resources Received Free of Charge	2i	2,422	800
Net Surplus / (Deficit) ¹		3,757	1,305
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	16,834	10,907
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	21	-
Total Other Comprehensive Income		16,855	10,907
Total Comprehensive Income		20,612	12,212

¹ Transferred to Statement of Changes in Equity

Alexandrina Council

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	996	477
Trade & Other Receivables	5b	5,337	3,100
Inventories	5c	33	29
Total Current Assets		6,366	3,606
Non-Current Assets			
Financial Assets	6a	148	244
Equity Accounted Investments in Council Businesses	6b	10,523	10,851
Infrastructure, Property, Plant & Equipment	7a	451,598	432,614
Total Non-Current Assets		462,269	443,709
TOTAL ASSETS		468,635	447,315
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	6,700	4,683
Borrowings	8b	764	739
Provisions	8c	1,811	1,706
Total Current Liabilities		9,275	7,128
Non-Current Liabilities			
Borrowings	8b	29,941	31,431
Provisions	8c	3,132	3,081
Total Non-Current Liabilities		33,073	34,512
TOTAL LIABILITIES		42,348	41,640
Net Assets		426,287	405,675
EQUITY			
Accumulated Surplus		165,819	151,759
Asset Revaluation Reserves	9a	259,174	242,340
Other Reserves	9b	1,294	11,576
Total Council Equity		426,287	405,675

Alexandrina Council

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

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2019					
Balance at the end of previous reporting period		151,759	242,340	11,576	405,675
a. Net Surplus / (Deficit) for Year		3,757	-	-	3,757
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	16,834	-	16,834
- Share of OCI - Equity Accounted Council Businesses	19	21	-	-	21
Other Comprehensive Income		21	16,834	-	16,855
Total Comprehensive Income		3,778	16,834	-	20,612
c. Transfers between Reserves		10,282	-	(10,282)	-
Balance at the end of period		165,819	259,174	1,294	426,287
2018					
Balance at the end of previous reporting period		150,882	231,433	11,148	393,463
a. Net Surplus / (Deficit) for Year		1,305	-	-	1,305
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	10,907	-	10,907
Other Comprehensive Income		-	10,907	-	10,907
Total Comprehensive Income		1,305	10,907	-	12,212
c. Transfers between Reserves		(428)	-	428	-
Balance at the end of period		151,759	242,340	11,576	405,675

Alexandrina Council

Statement of Cash Flows

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Cash Flows from Operating Activities			
<u>Receipts</u>			
Operating Receipts		46,697	46,905
Investment Receipts		19	19
<u>Payments</u>			
Operating Payments to Suppliers and Employees		(32,492)	(34,537)
Finance Payments		(1,386)	(1,474)
Net Cash provided by (or used in) Operating Activities	11b	12,838	10,913
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,272	1,136
Sale of Replaced Assets		213	855
Repayments of Loans by Community Groups		87	86
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(4,990)	(5,592)
Expenditure on New/Upgraded Assets		(7,436)	(9,414)
Net Cash provided by (or used in) Investing Activities		(10,854)	(12,929)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		-	3,107
<u>Payments</u>			
Repayments of Borrowings		(1,465)	(1,024)
Net Cash provided by (or used in) Financing Activities		(1,465)	2,083
Net Increase (Decrease) in Cash Held		519	67
plus: Cash & Cash Equivalents at beginning of period	11	477	410
Cash & Cash Equivalents at end of period	11	996	477

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

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	15
3	Expenses	18
4	Asset Disposal & Fair Value Adjustments	19
	Current Assets	
5a	Cash & Cash Equivalents	20
5b	Trade & Other Receivables	20
5c	Inventories	20
	Non-Current Assets	
6a	Financial Assets	21
6b	Equity Accounted Investments in Council's Businesses	21
	Fixed Assets	
7a	Infrastructure, Property, Plant & Equipment	22
7b	Valuation of Infrastructure, Property, Plant & Equipment	23
	Liabilities	
8a	Trade & Other Payables	25
8b	Borrowings	25
8c	Provisions	25
	Reserves	
9a	Asset Revaluation Reserve	26
9b	Other Reserves	26
10	Assets Subject to Restrictions	27 n/a
11	Reconciliation to Statement of Cashflows	27
12a	Functions	29
12b	Components of Functions	30
13	Financial Instruments	31
14	Commitments for Expenditure	35
15	Financial Indicators	36
16	Uniform Presentation of Finances	37
17	Operating Leases	37
18	Superannuation	38
19	Interests in Other Entities	39
20	Non Current Assets Held for Sale & Discontinued Operations	41 n/a
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	41
22	Events After the Balance Sheet Date	42
23	Related Party Transactions	43

n/a - not applicable

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

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 18/10/2019.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Alexandrina Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 11 Cadell Street, GOOLWA. 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. Adelaide Hills Region Waste Management Authority
2. Fleurieu Regional Waste Authority
3. Fleurieu Regional Aquatic Centre Authority

Council has elected to not include activities related to the Southern and Hills Local Government Association in these consolidated financial statements as they are deemed to be immaterial.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports.

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.

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

Note 1. Summary of Significant Accounting Policies (continued)

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

\$ '000	Cash Payment Received	Annual Allocation	Difference
2016/17	\$1,854	\$1,223	+\$631
2017/18	\$1,410	\$1,312	+\$98
2018/19	\$2,419	\$1,723	+\$696

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 by using the weighted average cost on a

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

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

Infrastructure	\$10,000
Land	\$1
Land Improvements	\$20,000
Buildings	\$15,000
Furniture & Fittings	\$5,000
Operational Equipment	\$5,000
IT Equipment	\$3,000
Other	\$5,000
Plant	\$15,000
Software	\$50,000

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially

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

Note 1. Summary of Significant Accounting Policies (continued)

different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

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

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

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture and Fittings	10 to 35 years
Office Electrical Equipment	4 to 10 years
Computer Equipment	3 to 10 years
Minor Equipment	5 to 25 years
Plant	units of usage
Software	10 years

Building & Other Structures

Sub structure	150 years
Super structure	50 to 100 years
Roofing	40 to 50 years
Fit out	15 to 25 years
Services	30 years

Infrastructure

Sealed Road Surfaces	13 to 40 years
Sealed Road Pavement	40 to 100 years
Sealed Road Sub-Base	160 to 400 years
Unsealed Road Surfaces	12 to 35 years
Bridges	80 years
Footpaths	20 to 70 years
Footpaths Sub-Base	60 to 280 years
Kerbing	50 to 70 years
Stormwater Drainage	10 to 100 years

Water	15 to 80 years
Common Effluent Treatment Plant	15 to 80 years

6.5 Impairment

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

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

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Borrowings are 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".

Note 1. Summary of Significant Accounting Policies (continued)

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Council has recognised a provision for sick leave liabilities for the employees falling under the AWU enterprise bargaining agreement, in case where the liability has vested.

9.2 Superannuation

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

10 Provisions for Reinstatement, Restoration and Rehabilitation

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

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change.

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.

The Adelaide Hills Region Waste Management Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, The District Council of Mt Barker and Rural City of Murray Bridge, this organisation operates as a regional waste management authority within the combined area. During 2018-19 the authority has undertaken a change in accounting process that has resulted in an adjustment Council's equity recognised in previous periods. This change has been recognised through Other Comprehensive Income.

The Southern and Hills Local Government Association has been created as regional subsidiary to represent the interest of all Councils in the Southern Hills, Fleurieu Peninsula and Kangaroo Island, within Local Government in SA. The group meet on a monthly basis and discuss Local Government policy and procedures, and provide advice back to the LGA from a regional perspective.

The Fleurieu Regional Waste Authority is Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council, Kangaroo Island Council, Yankalilla Council and the City of Victor Harbor. This organisation operates as a regional waste management authority within the combined area.

The Fleurieu Regional Aquatic Centre Authority is Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council,

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

Note 1. Summary of Significant Accounting Policies (continued)

and the City of Victor Harbor. This organisation operates an aquatic centre.

During 2018-19 Council has made the decision to no longer recognise the value of these entities separately in Equity. Council already recognises its interest in the entities in Assets and so also recognising in Equity provided no extra information to Statement users.

13 GST Implications

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

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

14 New accounting standards and UIG interpretations

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

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

The standards that are expected to have some impact upon Council's future financial statements, but not of a material nature are:

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

- AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Identifiable impacts at the date of this report are:

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations these are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Council's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Council has received payment but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

Prepaid rates will not be recognised as revenue until the relevant rating period starts. Until that

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

Note 1. Summary of Significant Accounting Policies (continued)

time these receipts will be recognised as a liability (unearned revenue). There will be no impact upon the recognition of other fees and charges.

Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

- Operating revenue decrease of \$3,000 and a capital revenue decrease of \$699,000 due to timing differences of grant funding (based on the facts available to Council at the date of assessment).

- There would be an equal reduction in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities, and statutory receivables.

- Net result would be lower on initial application as a result of decreased revenue. A range of new disclosures will also be required by the new standards in respect of the council's revenue.

Council will be required to measure and include within its operating result the cost of volunteer services in situations where these services would have been paid for in the absence of volunteers and if the amount is considered material. An offsetting amount of revenue would also be included to recognise the gifting of these services. For this reason this change will not have an impact on Council's reported operating result, but may impact on the calculation of some financial ratios.

Transition method

The Council intends to apply the practical expedients available for the full retrospective method. Where revenue has been recognised in full under AASB 1004, prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (i.e. 2018/19), these also do not require restatement.

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

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

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors

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

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

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

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

15 Full Cost Attribution

In reviewing Council's allocation of each type of cost and the reliability of that allocation, costs are allocated directly wherever possible. This has resulted in a reduction in the type of costs allocated indirectly to a function.

16 Comparative Figures

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

17 Disclaimer

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

Alexandrina Council

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

Note 2. Income

\$ '000	Notes	2019	2018
(a). Rates Revenues			
General Rates			
General Rates		33,858	32,523
Less: Discretionary Rebates, Remissions & Write Offs		(525)	(498)
Total General Rates		33,333	32,025
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,525	1,491
Water Supply		5	5
Community Wastewater Management Systems		4,465	4,303
Total Other Rates		5,995	5,799
Other Charges			
Penalties for Late Payment		156	179
Total Other Charges		156	179
Total Rates Revenues		39,484	38,003
(b). Statutory Charges			
Development Act Fees		193	185
Town Planning Fees		227	231
Health & Septic Tank Inspection Fees		164	144
Animal Registration Fees & Fines		334	314
Sundry		150	133
Total Statutory Charges		1,068	1,007
(c). User Charges			
Cemetery Fees		141	107
Hall & Equipment Hire		102	105
Sundry		520	397
Community Wastewater Management Fees (CWMS) ¹		456	786
Lease / Rental - Non-Investment Properties		694	569
Waste Management Fees		37	36
Water Supply		28	18
Total User Charges		1,978	2,018

1. CWMS income was increased in 2017-18 due to a connection fees from a large residential facility

Alexandrina Council

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

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		16	14
- Banks & Other		3	5
Total Investment Income		19	19
(e). Reimbursements			
Roadworks		94	56
Private Works		8	13
Other		411	425
Total Reimbursements		513	494
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		24	3
Sundry		556	459
Remeasurement of Capping Provision		69	11
Total Other Income		649	473
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,272	1,136
Other Grants, Subsidies and Contributions		4,458	3,735
Total Grants, Subsidies, Contributions		5,730	4,871
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		975	1,564
State Government		3,596	2,404
Other		1,159	903
Total		5,730	4,871
(ii) Individually Significant Items			
Financial Assistance Grant (FAG) received in advance as at 30 June		1,425	729

Alexandrina Council

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

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(h). Conditions over Grants & Contributions			
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:			
Unexpended at the close of the previous reporting period		309	26
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Heritage & Cultural Services		(9)	(5)
Other Services		(114)	(3)
Subtotal		(123)	(8)
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		190	-
Heritage & Cultural Services		13	9
Other Services		500	282
Subtotal		703	291
Unexpended at the close of this reporting period		889	309
Net increase (decrease) in assets subject to conditions in the current reporting period		580	283
(i). Physical Resources Received Free of Charge			
Buildings		1,750	-
Infrastructure - Roads		260	178
Infrastructure - Stormwater		32	499
Infrastructure - CWMS & Water		290	123
Infrastructure - Kerbs & Footpaths		90	-
Total Physical Resources Received Free of Charge		2,422	800

Alexandrina Council

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

Note 3. Expenses

\$ '000	Notes	2019	2018
(a). Employee Costs			
Salaries and Wages		12,150	11,614
Employee Leave Expense		1,852	1,611
Superannuation - Defined Contribution Plan Contributions	18	1,112	1,037
Superannuation - Defined Benefit Plan Contributions	18	238	243
Workers' Compensation Insurance		633	663
Accident & Sickness Insurance		251	237
Less: Capitalised and Distributed Costs		(411)	(434)
Total Operating Employee Costs		15,825	14,971
Total Number of Employees (full time equivalent at end of reporting period)		167	165
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		19	19
Bad and Doubtful Debts		18	352
Elected Members' Expenses		521	453
Election Expenses ¹		137	29
Subtotal - Prescribed Expenses		695	853
(ii) Other Materials, Contracts and Expenses			
Contractors		4,067	3,789
- Waste Management		2,219	2,209
- Professional Services		1,033	836
- Legal Expenses		322	165
- Roadside Vegetation		463	390
- Community Wastewater Management Schemes		450	242
Communications (Phone, Fax, Mobiles, Internet & Postage)		489	464
Energy		1,345	1,293
Levies Paid to Government - NRM levy		1,528	1,495
Levies - Other		25	24
Sundry		3,081	3,073
Donations & Contributions ²		1,624	2,429
Insurance		447	419
Water		359	324
Subtotal - Other Material, Contracts & Expenses		17,452	17,152
Total Materials, Contracts and Other Expenses		18,147	18,005

1. An election was held in November 2018.

2. Council made a contribution towards the undergrounding of power in Strathalbyn in 2017-18.

Alexandrina Council

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

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		1,322	1,277
Infrastructure			
- Sealed Roads		3,597	3,212
- Unsealed Roads		1,398	1,332
- Stormwater		802	772
- CWMS		1,148	1,162
- Footpaths		464	438
- Kerbs		455	440
- Bridges & Major Culverts		370	354
- Water		17	16
- Rec & Open Space		607	550
Furniture & Fittings		85	91
Plant		515	507
Equipment		476	504
Other Assets		11	11
Subtotal		11,267	10,666
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		11,267	10,666
(d). Finance Costs			
Interest on Loans		1,357	1,482
Total Finance Costs		1,357	1,482

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced

Proceeds from Disposal	213	855
Less: Carrying Amount of Assets Sold	(1,374)	(2,105)
Gain (Loss) on Disposal	(1,161)	(1,250)
Net Gain (Loss) on Disposal or Revaluation of Assets	(1,161)	(1,250)

Alexandrina Council

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

Note 5. Current Assets

\$ '000	Notes	2019	2018
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		518	93
Deposits at Call		478	384
Total Cash & Cash Equivalents		996	477
(b). Trade & Other Receivables			
Rates - General & Other ¹		2,662	1,597
Accrued Revenues		1	4
Debtors - General ²		2,314	1,791
Prepayments		729	69
Loans to Community Organisations		39	30
Subtotal		5,745	3,491
Less: Allowance for Doubtful Debts		(408)	(391)
Total Trade & Other Receivables		5,337	3,100
(c). Inventories			
Stores & Materials		33	29
Total Inventories		33	29

1. Outstanding rates at 30 June 2019 were higher than usual, due to the incorrect date being printed on the fourth quarter notice. This is expected to correct itself in 2019-20.
2. Outstanding debtors at 30 June 2019 were higher than usual due to a number of grant payments outstanding.

Alexandrina Council

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

Note 6. Non-Current Assets

\$ '000	Notes	2019	2018
(a). Financial Assets			
Receivables			
Loans to Community Organisations		133	229
Other - Deferred Debtors		15	15
Total Receivables		148	244
Total Financial Assets		148	244
 (b). Equity Accounted Investments in Council Businesses			
Adelaide Hills Regional Waste Management Authority	19	99	65
Fleurieu Regional Waste Authority	19	274	283
Fleurieu Regional Aquatic Centre Authority	19	10,150	10,503
Total Equity Accounted Investments in Council Businesses		10,523	10,851

Alexandrina Council

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

Note 7a. Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2018				Asset Movements during the Reporting Period								as at 30/6/2019					
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals									Dep'n	Impairment	
Capital Work in Progress		-	761	-	-	761	-	-	-	-	5,591	-	-	-	-	6,353	-	-	6,353
Land - Community	2	99,345	-	-	-	99,345	-	-	-	-	-	-	3,266	102,610	-	-	-	-	102,610
Land Improvements		-	6,255	-	-	6,255	532	-	-	(532)	-	-	-	-	6,255	-	-	-	6,255
Buildings & Other Structures	2	14,908	2,826	7,603	-	10,131	-	-	-	(296)	-	(2,820)	(9,830)	25,699	-	17,519	-	-	8,180
Buildings & Other Structures Infrastructure	3	54,587	1,434	21,975	-	34,046	1,903	102	(54)	(1,026)	16	2,904	(5,788)	69,816	-	28,859	-	-	40,957
- Sealed Roads	3	147,736	-	43,611	-	104,125	2,343	1,438	(313)	(3,597)	(1,565)	(148)	(802)	151,700	-	48,470	-	-	103,230
- Unsealed Roads	3	27,020	-	10,745	-	16,275	24	1,220	(456)	(1,398)	-	-	(214)	27,329	-	11,796	-	-	15,533
- Stormwater	3	61,760	-	15,568	-	46,192	274	46	(14)	(802)	-	-	(348)	63,393	-	16,689	-	-	46,704
- CWMS	3	61,352	-	22,378	-	38,974	2,484	212	(16)	(1,148)	(2,328)	-	(520)	62,791	-	23,943	-	-	38,848
- Footpaths	3	22,115	-	4,391	-	17,724	723	140	(138)	(464)	(14)	-	(106)	23,389	-	4,833	-	-	18,556
- Kerbs	3	28,438	-	13,099	-	15,339	104	5	(8)	(455)	-	-	(289)	29,140	-	13,823	-	-	15,317
- Bridges & Major Culverts	3	34,108	-	11,596	-	22,512	-	458	-	(370)	(416)	-	(253)	34,946	-	12,296	-	-	22,650
- Water	3	1,323	-	768	-	555	-	-	-	(17)	-	-	(16)	1,351	-	802	-	-	549
- Rec & Open Space	3	19,176	-	6,837	-	12,339	1,247	746	(174)	(607)	(871)	-	(1,460)	27,055	-	8,927	-	-	18,128
Furniture & Fittings		-	1,557	957	-	600	-	-	-	(85)	-	-	-	-	981	466	-	-	515
Plant		-	7,967	2,048	-	5,919	51	594	(201)	(515)	63	(3)	-	-	8,282	2,373	-	-	5,909
Equipment		-	4,559	3,259	-	1,300	173	28	-	(476)	-	67	-	-	4,827	3,735	-	-	1,092
Capping & Reinstatement		-	856	856	-	-	-	-	-	-	-	-	-	-	856	856	-	-	-
Other Assets		-	672	450	-	222	-	-	-	(11)	-	-	-	-	672	460	-	-	212
Total Infrastructure, Property, Plant & Equipment		571,868	26,887	166,141	-	432,614	9,858	4,989	(1,374)	(11,267)	(56)	-	(19,626)	36,460	619,219	28,226	195,847	-	451,598
Comparatives		542,470	28,717	152,516	-	418,671	10,211	5,592	(2,103)	(10,666)	-	-	(7,875)	18,782	571,868	26,887	166,141	-	432,614

Council undertook a revaluation of its Building Assets at 30 June 2019. Due to the increase in asset value and changes to componentisation, depreciation for buildings is expected to increase by 29% or \$385,000 for 2019-20.

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

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

\$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

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

Land

- Basis of valuation: Fair Value (Market Value as required)
- Date of valuation: 01 July 2019.
- Valuer: Office of the Valuer General

Land Improvements

- Basis of valuation: Recognised at Cost

Buildings

- Basis of valuation: Fair Value (Market Value as required)
- Date of valuation: 30 June 2019.
- Valuer: Public Private Property

Alexandrina Council has identified assets which are required to be valued under a market approach, in accordance with AASB 13 - Fair Value Measurement. The balance of the assets are valued at Depreciated Replacement Cost. This asset class is next due to be revalued in 2022/23.

Alexandrina Council

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

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

\$ '000

Valuation of Assets (continued)

Infrastructure

- Basis of valuation: Fair Value (Replacement Cost). Additions at cost.
- Date of valuation: 30 June 2019.
- Valuer: Council valuation using unit rates and benchmarked by W&G Engineering.

Council's unit rates were indexed using the Local Government Price Index for 31 March 2019 of 2.1%.

Council plans to undertake condition based assessments of its Infrastructure assets on a four-yearly rolling program according to the following schedule in consultation with its external asset management consultants.

Bridges & Major Culverts	2019/20
Parks & Open Spaces	2022/23
Sealed Roads	2021/22
Unsealed Roads	2021/22
Kerbs & Footpaths	2020/21
CWMS & Water Supply	2021/22
Stormwater	2019/20

Plant

- Recognised at cost

Equipment

- Recognised at cost

Furniture & Fittings

- Recognised at cost

Capping & Reinstatement

- Recognised at cost

Other Assets

- Recognised at cost

Alexandrina Council

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

Note 8. Liabilities

\$ '000	Notes	2019 Current	2019 Non Current	2018 Current	2018 Non Current
(a). Trade and Other Payables					
Goods & Services		4,488	-	2,797	-
Payments Received in Advance		920	-	805	-
Accrued Expenses - Employee Entitlements		490	-	442	-
Accrued Expenses - Finance Costs		469	-	498	-
Accrued Expenses - Other		26	-	25	-
Deposits, Retentions & Bonds		307	-	116	-
Total Trade and Other Payables		6,700	-	4,683	-
(b). Borrowings					
Loans		764	29,941	739	31,431
Total Borrowings		764	29,941	739	31,431
(c). Provisions					
Employee Entitlements (including oncosts)					
Long Service Leave (including oncosts)		320	1,931	280	1,859
Annual & Sick Leave (including oncosts)		1,447	329	1,373	276
Future Reinstatement / Restoration ¹		39	872	48	946
Other		5	-	5	-
Total Provisions		1,811	3,132	1,706	3,081

1. The provision for Future Reinstatement / Restoration relates to liabilities that will be met over a 25 year period

Movements in Provisions

\$ '000	Employee Entitlements (including oncosts)	Future Reinstatement	Other
2019 (current & non-current)			
Opening Balance	3,788	994	5
Add Additional Amounts Recognised	1,664	-	-
(Less) Payments	(1,517)	(14)	-
Add (Less) Remeasurement Adjustments	92	(69)	-
Closing Balance	4,027	911	5

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

Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
(a). Asset Revaluation Reserve					
Land - Community	76,891	3,266	-	-	80,157
Buildings & Other Structures	14,551	4,231	-	-	18,782
Infrastructure					
- Sealed Roads	57,849	947	-	-	58,796
- Unsealed Roads	9,042	(132)	-	-	8,910
- Stormwater	36,227	1,009	-	-	37,236
- CWMS	7,251	669	-	-	7,920
- Footpaths	8,361	585	-	-	8,946
- Kerbs	8,213	332	-	-	8,545
- Bridges & Major Culverts	19,337	466	-	-	19,803
- Water	592	12	-	-	604
- Rec & Open Space	4,026	5,449	-	-	9,475
Total Asset Revaluation Reserve	242,340	16,834	-	-	259,174
Comparatives	231,433	10,907	-	-	242,340

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
(b). Other Reserves					
Open Space	315	4	-	-	319
AHRWMA	65	-	(65)	-	-
FRWA	283	-	(283)	-	-
CWMS	-	5,600	(5,600)	-	-
Car Parking	85	1	-	-	86
FRACA	10,503	-	(10,503)	-	-
Other Reserves	325	1,090	(526)	-	889
Total Other Reserves	11,576	6,695	(16,977)	-	1,294
Comparatives	11,148	5,863	(5,435)	-	11,576

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).

Alexandrina Council

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

Note 9. Reserves (continued)

\$ '000

(b). Other Reserves (continued)

Open Space

In compliance with Div 4 s50(10)(a) of the Development Act 1993, Council has created a reserve for Open Space Contributions.

AHRWMA - Adelaide Hills Regional Waste Management Authority

Alexandrina Council's interest in the Adelaide Hills Regional Waste Management Authority.

Council has elected to no longer recognise this seperately in Equity, as it is already accounted for as an Asset.

FRWA - Fleurieu Regional Waste Authority

Alexandrina Council's interest in the Fleurieu Regional Waste Authority.

Council has elected to no longer recognise this seperately in Equity, as it is already accounted for as an Asset.

FRACA - Fleurieu Regional Aquatic Centre Authority

Alexandrina Council's interest in the Fleurieu Regional Aquatic Centre Authority.

Council has elected to no longer recognise this seperately in Equity, as it is already accounted for as an Asset.

CWMS - Community Wastewater Management Scheme

In compliance with s155(6)(a)&(b) of the Local Government Act 1993, Council has created a reserve for Community Wastewater Management Schemes.

Car Parking

In compliance with Div 4 s50A(1) of the Development Act 1993, Council has created a reserve for Car Parking Contributions.

Other

Strathalbyn Woodshed and ACPA Support Committee funds held in reserve and unspent grants and contributions.

Note 10. Assets Subject to Restrictions

Council does not hold any assets subject to restrictions

Note 11. Reconciliation to Statement of Cash Flows

\$ '000

Notes

2019

2018

(a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	996	477
Balances per Statement of Cash Flows		996	477

Alexandrina Council

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

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

\$ '000	Notes	2019	2018
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		3,757	1,305
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		11,267	10,666
Equity Movements in Equity Accounted Investments (Increase)/Decrease		349	6
Non-Cash Asset Acquisitions		(2,422)	(800)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,272)	(1,136)
Net (Gain) Loss on Disposals		1,161	1,250
		12,897	11,291
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(2,245)	655
Change in Allowances for Under-Recovery of Receivables		(17)	352
Net (Increase)/Decrease in Inventories		(4)	(14)
Net (Increase)/Decrease in Other Current Assets		34	-
Net Increase/(Decrease) in Trade & Other Payables		2,017	(1,238)
Net Increase/(Decrease) in Other Provisions		156	(133)
Net Cash provided by (or used in) operations		12,838	10,913
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	2,422	800
Amounts recognised in Income Statement		2,422	800
Total Non-Cash Financing & Investing Activities		2,422	800
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		1,200	1,200
Corporate Credit Cards		40	40
LGFA Cash Advance Debenture Facility		21,750	21,750

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

Alexandrina Council

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

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$ '000										
Office of the Chief Executive	486	505	1,898	1,741	(1,412)	(1,236)	33	108	35	32
Resources	37,019	35,364	6,722	6,998	30,297	28,366	1,085	970	24,062	22,074
Environment	3,368	2,491	20,617	20,594	(17,249)	(18,103)	2,712	1,866	443,912	424,599
Wellbeing	6,652	6,668	12,777	11,374	(6,125)	(4,706)	614	616	9	20
Growth	678	755	4,965	4,457	(4,287)	(3,702)	14	175	617	590
Total Functions/Activities	48,203	45,783	46,979	45,164	1,224	619	4,458	3,735	468,635	447,315

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

Alexandrina Council

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

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

OFFICE OF THE CHIEF EXECUTIVE

Elected Members, Chief Executive's Office, Work Health & Safety, Risk Management, General Administration, Human Resource Management, Audit, Strategic Management, Communications and Natural Resources.

RESOURCES

Payroll, Rate Revenue, Finance General, Rate Processing, Debtors, Creditors, Loans & Investments Management, Records Management, Information Technology, Management of Council Owned Properties (inc Halls, Administration Centres, Public Conveniences, Caravan Parks etc), Libraries (Goolwa and Strathalbyn) & Customer Service, Centre for Positive Ageing, Aged/Disabled/Disadvantaged Homes, Community Bus, Community Aid Services, Fleurieu Families/Family Links, Home Assist, Community Services, Youth Services, Goolwa Visitor Information Centre and Strathalbyn Visitor Centre.

ENVIRONMENT

Infrastructure/Assets/Contracts Management, Swimming Centres, Public Conveniences, Street Lighting, Parking Off Street, Sport and Recreation Facilities, Private Works, Foreshore Protection, Alexandrina Riverfront, Recreational Boating, Parks and Gardens, Playgrounds, Road Reserves, Cemeteries, Street Cleaning, Stormwater Drainage, Traffic Control, Road Maintenance, Resheeting, Footpath/Cycle Tracks, Vandalism, Plant Operations, Works Depot, and Technical Services.

WELLBEING

Health Prevention Services, Noxious Insects, Health Services, General Inspectors (Dog & Cat Management, Impounding Livestock, Parking), Fire Protection, Water Supply Scheme, Community Wastewater Management Schemes, Libraries (Goolwa and Strathalbyn) & Customer Service, Centre for Positive Ageing, Aged/Disabled/Disadvantaged Homes, Community Bus, Community Aid Services, Fleurieu Families/Family Links, Home Assist, Community Services, Youth Services, Goolwa Visitor Information Centre and Strathalbyn Visitor Centre.

GROWTH

Signal Point Interpretive Centre, Cultural Services, Regional Art Centre, Tourism and Events, Oscar W, Wooden Boat Festival, Economic Development, Development Assessment (Planning & Building)

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

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 at 1.3% (2018: 1.5%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.3% per month (2018: 0.55%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Alexandrina Council

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

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable on both fixed term and on demand; interest is charged at fixed and variable rates between 3.4% and 6.7% (2018: 3.5% and 6.7%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

Alexandrina Council

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

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
Financial Assets					
Cash & Equivalents	996	-	-	996	996
Receivables	5,016	148	-	5,164	4,756
Total Financial Assets	6,012	148	-	6,160	5,752
Financial Liabilities					
Payables	5,715	-	-	5,715	5,715
Current Borrowings	2,062	-	-	2,062	764
Non-Current Borrowings	-	15,441	22,074	37,515	29,941
Total Financial Liabilities	7,777	15,441	22,074	45,292	36,420
2018					
Financial Assets					
Cash & Equivalents	477	-	-	477	477
Receivables	3,422	244	-	3,666	3,275
Total Financial Assets	3,899	244	-	4,143	3,752
Financial Liabilities					
Payables	3,662	-	-	3,662	3,718
Current Borrowings	2,127	-	-	2,127	739
Non-Current Borrowings	-	23,407	14,944	38,351	31,431
Total Financial Liabilities	5,789	23,407	14,944	44,140	35,888

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	3.35%	6,872	3.60%	7,659
Fixed Interest Rates	4.53%	23,833	4.59%	24,511
		30,705		32,170

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.

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

At 30 June 2019 Council had access to Cash Advance Debentures (CADs), with the following limits and End Dates:

Loan Number	Limit	End Date
CAD 54	\$440,000	09/02/2023
CAD 67	\$5,000,000	16/07/2022
CAD 68	\$3,000,000	16/07/2022
CAD 70	\$12,000,000	28/05/2025
CAD 74	\$1,200,000	16/04/2022
CAD 76	\$1,200,000	15/01/2020

CADs are at call loans approved by Council that operate in a similar fashion to an Overdraw facility. CADs that at 30 June 2019 had been converted to a fixed term loan are not listed above.

Alexandrina Council

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

Note 14. Commitments for Expenditure

\$ '000	Notes	2019	2018
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings		-	90
Infrastructure		1,471	1,217
Plant & Equipment		42	-
		<u>1,513</u>	<u>1,307</u>
These expenditures are payable:			
Not later than one year		1,513	1,088
Later than one year and not later than 5 years		-	219
Later than 5 years		-	-
		<u>1,513</u>	<u>1,307</u>
(b). Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		17	34
Waste Management Services		7,611	6,714
Other		2,889	2,726
		<u>10,517</u>	<u>9,474</u>
These expenditures are payable:			
Not later than one year		4,024	3,526
Later than one year and not later than 5 years		6,493	5,948
Later than 5 years		-	-
		<u>10,517</u>	<u>9,474</u>

Alexandrina Council

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

Note 15. Financial Indicators

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

1. Operating Surplus Ratio

Operating Surplus	<u>1,224</u>			
Total Operating Income	<u>48,203</u>	2.5%	1.4%	(0.2%)

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	<u>35,867</u>			
Total Operating Income	<u>48,203</u>	74%	83%	82%

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

Adjustments to Ratios

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

Adjusted Operating Surplus Ratio		1.1%	1.1%	(1.7%)
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Adjusted Net Financial Liabilities Ratio		78%	84%	85%
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3. Asset Renewal Funding Ratio

Net Asset Renewals	<u>4,777</u>			
Infrastructure & Asset Management Plan required expenditure	<u>6,591</u>	72%	73%	77%

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.

Alexandrina Council

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

Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	48,203	45,783
<i>less</i> Expenses	(46,979)	(45,164)
Operating Surplus / (Deficit)	1,224	619
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(4,990)	(5,592)
<i>add back</i> Depreciation, Amortisation and Impairment	11,267	10,666
<i>add back</i> Proceeds from Sale of Replaced Assets	213	855
Subtotal	6,490	5,929
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(7,436)	(9,414)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,272	1,136
Subtotal	(6,164)	(8,278)
Net Lending / (Borrowing) for Financial Year	1,550	(1,730)

Note 17. Operating Leases

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.

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

Note 18. Superannuation

\$ '000

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation and enterprise bargaining agreements (9.50% for AWU and 10.0% for ASU in 2018/19; 9.50% for AWU and 10.0% for ASU in 2017/18). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2017/18) of "superannuation" salary.

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

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

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

Contributions to Other Superannuation Schemes

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

Alexandrina Council

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

Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
Joint Ventures	(349)	(6)	10,523	10,851
Total	(349)	(6)	10,523	10,851

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Adelaide Hills Regional Waste Management Authority	Waste Management	99	65
Fleurieu Regional Aquatic Centre Authority	Aquatic Centre	10,150	10,503
Fleurieu Regional Waste Authority	Waste Management	274	283
Total Carrying Amounts - Joint Ventures & Associates		10,523	10,851

Adelaide Hills Regional Waste Management Authority

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, The District of Mount Barker and Rural City of Murray Bridge. This organisation operates as a regional waste management authority within the combined area.

The Authority has recorded the following disclosure included in Note 13 in their 2018/19 Financial Statements pertaining to the details of the Contingent Liability disclosed:

The Authority as at 30 June 2019 is a defendant in Supreme Court proceedings in which it is asserted that the Authority made misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. The claim for damages is approximately \$2.5 million plus legal costs. The Authority's legal advisors have stated the claim is denied and has been fully defended. Trial for this action concluded December 2017 and is currently waiting judgement. The Authority's legal advisors anticipate that a judgement will be delivered by October 2019.

Southern and Hills Local Government Association

The Southern and Hills Local Government Association is a regional subsidiary to represent the interests of all Councils in the Southern Hills, Fleurieu Peninsula and Kangaroo Island, within Local Government in SA. The group meet on a monthly basis and discuss Local Government policy and procedures, and provide advice back to the LGA from a regional perspective.

Alexandrina Councils interest in the Southern & Hills Local Government Association for 2018-19 is deemed to be immaterial in amount and has not been recognised. This will be reviewed annually.

Alexandrina Council

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 19. Interests in Other Entities (continued)

\$ '000

Fleurieu Regional Aquatic Centre Authority

The Fleurieu Regional Aquatic Centre Authority is Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council, and the City of Victor Harbor. This organisation operates an aquatic centre.

Fleurieu Regional Waste Authority

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Victor Harbor, Alexandrina Council, Kangaroo Island Council and Yankalilla District Council. This organisation operates as a regional waste management authority within the combined area.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2019	2018	2019	2018	2019	2018
Adelaide Hills Regional Waste Management Authority	N/A	9%	9%	13%	25%	25%
Southern and Hills Local Government Association			14%	14%	14%	14%
Fleurieu Regional Aquatic Centre Authority			50%	50%	50%	50%
Fleurieu Regional Waste Authority			35%	35%	22%	22%

(c) Movement in Investment in Joint Venture or Associate

	Adelaide Hills Regional Waste Management Authority		Southern and Hills Local Government Association	
	2019	2018	2019	2018
Opening Balance	65	105	-	-
Share in Operating Result	34	(40)	-	-
Council's Equity Share in the Joint Venture or Associate	99	65	-	-

	Fleurieu Regional Aquatic Centre Authority		Fleurieu Regional Waste Authority	
	2019	2018	2019	2018
Opening Balance	10,503	10,499	283	253
Share in Operating Result	(374)	4	(9)	30
Share in Other Comprehensive Income	21	-	-	-
Council's Equity Share in the Joint Venture or Associate	10,150	10,503	274	283

(d). Transactions with Council

Aggregate amount of transactions with Council	2019	2018
- payments to Council	264	187
- receipts from Council	2,956	3,297
Aggregate amounts owed to/owed by Council		
- amounts owed to Council	33	22
- amounts owed by Council	-	9

Alexandrina Council

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

Note 19. Interests in Other Entities (continued)

\$ '000

(e) Basham Beach Trust

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. Council performs a custodial role in respect of Basham Beach Trust monies, and because the monies cannot be used for Council purposes, they are not brought to account in the financial report, but are disclosed for information purposes.

	Basham Beach Trust	
	2019	2018
Opening Balance	513	632
Add Port Elliot Caravan Park Lease (55%)	120	117
Interest	8	12
	<u>641</u>	<u>761</u>
Less Reimbursed Expenditure	199	248
	<u>442</u>	<u>513</u>

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

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

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

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

1. LAND UNDER ROADS

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

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.

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

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

3. BANK GUARANTEES

Council has guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies, amounting to \$120,000 (2018: \$120,000) at reporting date.

Council does not expect to incur any loss arising from these guarantees.

4. 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.

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

Note 22. Events after the Balance Sheet Date

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

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

Accordingly, the "authorised for issue" date is 00/01/00.

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

Alexandrina Council

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

Note 23. Related Party Transactions

\$ '000	2019	2018
Key Management Personnel		
Transactions with Key Management Personnel		
The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the <i>Local Government Act 1999</i> . In all, 27 persons were paid the following total compensation:		
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	1,367	1,041
Post-Employment Benefits	112	90
Long-Term Benefits	12	-
Total	1,491	1,131

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

One close family member of a Key Management Personnel lodged a planning and building application during the year. In accordance with the Local Government Act 1999, this person declared conflict of interest and took no part in the assessment or approval processes for this application.

Total fees for this application (payable on lodgement) amounted to \$576.00.

A Key Management Personnel is on the board of a community group from which landscaping works were procured as required on 30 day account. Total purchases amounting to \$15,343 were made during 2018-19

No balance is outstanding at the end of year.

A Key Management Personnel owns a business from which various services were purchased as required on 7 day account. Total purchases amounting to \$15,325 were made during 2018-19 (\$27,607 were made during 2017-18). A balance of \$304 is outstanding at the end of year.

A family member of a Key Management Personnel owns a business from which printing services were purchased as required on 14 day account. Total purchases amounting to \$264 were made during 2018-19 (\$2,436 were made during 2017-18).

No balance is outstanding at the end of year.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the Alexandrina Council

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Council's Responsibility for the Financial Report

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

In preparing the financial report, the Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



JIM KEOGH
PARTNER

Signed on the 18th day of October 2019,
at 214 Melbourne Street, North Adelaide

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE ALEXANDRINA COUNCIL

Opinion

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

Basis for opinion

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

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

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

The Council's Responsibility for the Internal Controls

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

Our Independence and Quality Control

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

Assurance Practitioner's Responsibilities

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

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

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

Limitation on Use

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

Limitations of Controls

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

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

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to be 'JK' with a flourish.

**JIM KEOGH
PARTNER**

Signed on the 18th day of October 2019
at 214 Melbourne Street, North Adelaide, South Australia, 5006

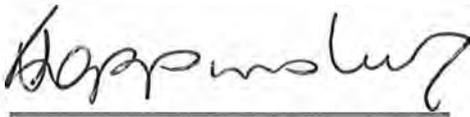
Alexandrina Council

General Purpose Financial Statements for the year ended 30 June 2019

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Alexandrina Council for the year ended 30 June 2019, the Council's Auditor, Dean Newbery & Partners has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Glenn Rappensberg
CHIEF EXECUTIVE OFFICER



Alice McCleary
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 14/10/2019

Certification of Auditor's Independence

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

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



JIM KEOGH

Partner

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS

Dated this 18th day of October 2019

Fleurieu Regional Aquatic Centre Authority

General Purpose Financial Reports for the year ended 30 June 2019

TABLE OF CONTENTS

Principal Financial Statements	<u>Page</u>
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N5
Note 2 - Income	N9
Note 3 - Expenses	N10
Note 4 - Current Assets	N11
Note 5 - Infrastructure, Property, Plant & Equipment	N12
Note 6 - Liabilities	N14
Note 7 - Reconciliation to Statement of Cash Flows	N15
Note 8 - Financial Instruments	N16
Note 9 - Commitments for Expenditure	N18
Note 10 - Operating Leases	N18
Note 11 - Contingencies, Assets & Liabilities not Recognised	N18
Note 12 - Events Occurring After Reporting Date	N18
Note 13 - Disclosures of Related Party Transactions	N19
Note 14 - Uniform Presentation of Finances	N20
Note 15 - Economic Dependency	N20
Certification of Financial Statements	
Constituent Councils Certification of Auditor Independence	
Audit Certificate of Audit Independence	

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
User charges	2	2,398,118	3,039,713
Investment income	2	<u>22,632</u>	<u>9,714</u>
Total Income		<u>2,420,750</u>	<u>3,049,427</u>
EXPENSES			
Materials, contracts & other expenses	3	2,492,366	2,367,987
Depreciation, amortisation & impairment	3	<u>677,597</u>	<u>673,452</u>
Total Expenses		<u>3,169,963</u>	<u>3,041,439</u>
OPERATING SURPLUS / (DEFICIT)		(749,213)	7,988
Amounts received specifically for new or upgraded assets	2	<u>41,840</u>	-
TOTAL COMPREHENSIVE INCOME		<u>(707,373)</u>	<u>7,988</u>

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

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF FINANCIAL POSITION
as at 30 June 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	917,016	890,386
Trade & other receivables	4	<u>132,224</u>	<u>8,052</u>
Total Current Assets		<u>1,049,240</u>	<u>898,438</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	5	<u>19,562,603</u>	<u>20,201,376</u>
Total Non-current Assets		<u>19,562,603</u>	<u>20,201,376</u>
Total Assets		<u>20,611,843</u>	<u>21,099,814</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	<u>312,408</u>	<u>93,006</u>
Total Current Liabilities		<u>312,408</u>	<u>93,006</u>
Total Liabilities		<u>312,408</u>	<u>93,006</u>
NET ASSETS		<u>20,299,435</u>	<u>21,006,808</u>
EQUITY			
Accumulated Surplus		(769,126)	(61,753)
Capital Contributions		<u>21,068,561</u>	<u>21,068,561</u>
TOTAL EQUITY		<u>20,299,435</u>	<u>21,006,808</u>

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

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	Notes	Accumulated Surplus \$	Capital Contributions \$	TOTAL EQUITY \$
2019				
Balance at end of previous reporting period		(61,753)	21,068,561	21,006,808
Capital Contribution from Councils		-	-	-
Net Surplus / (Deficit) for Year		<u>(707,373)</u>	-	<u>(707,373)</u>
Balance at end of period		<u>(769,126)</u>	<u>21,068,561</u>	<u>20,299,435</u>
2018				
Balance at end of previous reporting period		(69,741)	21,068,561	20,998,820
Capital Contribution from Councils		-	-	-
Net Surplus / (Deficit) for Year		<u>7,988</u>	-	<u>7,988</u>
Balance at end of period		<u>(61,753)</u>	<u>21,068,561</u>	<u>21,006,808</u>

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

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF CASH FLOWS
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other			
Fees & other charges			
Operating receipts		2,480,046	1,647,403
Investment receipts		22,599	6,000
<u>Payments</u>			
Employee Costs			
Contractual services & materials			
Operating payments to suppliers & employees		(2,479,031)	(957,154)
Finance payments		-	-
Net Cash provided by (or used in) Operating Activities	8	23,614	696,249
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		41,840	-
<u>Payments</u>			
Expenditure on new/upgraded assets		(38,824)	-
Net Cash provided by (or used in) Investing Activities		3,016	-
Net Increase (Decrease) in cash held		26,630	696,249
Cash & cash equivalents at beginning of period	8	890,386	194,137
Cash & cash equivalents at end of period	8	917,016	890,386

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

FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council and City of Victor Harbor.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

The Authority was established on 6 August 2015 in accordance with Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act 1999. These financial statements have been prepared for use by constituent councils of the Authority.

3 Income recognition

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

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

Fleurieu Regional Aquatic Centre Authority

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

Note 1 - Significant Accounting Policies (cont)

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

An asset is recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to the entity and the asset has a cost that can be measured reliably.

An asset that qualifies for recognition as an asset will be recognised at cost as at the date of acquisition, including costs directly attributable to bringing the asset to the location and in the required condition for operation by the Authority. Where an asset is acquired at no or nominal cost, it will be recognised at its fair value as at the date of acquisition.

6.2 Materiality

Assets should have a useful life of greater than one year to enable capitalisation of the expenditure and should also meet a materiality test. Materiality levels are set so as not to misstate financial statements and to provide a guide whether it is practical from an administrative perspective that expenditure is capitalised. No capitalisation threshold is applied to the acquisition of land or interests in land.

Materiality levels for capitalisation are set at:

Furniture, Fittings and Minor Equipment	\$1,000
Plant and Major Equipment	\$5,000
Buildings	\$5,000
Infrastructure	\$5,000

6.3 Subsequent Recognition

An item that qualifies for recognition as an asset shall be measured at its cost on the date of recognition. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use. Where an asset is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. The following years after asset recognition the asset will be valued at fair value according to the revaluation program as determined.

6.4 Depreciation of Non-Current Assets

All non-current assets have a limited useful life except for land and land improvements. The depreciable amount of all non-current assets, excluding freehold land and land improvements, are systematically depreciated over their useful lives which reflects the consumption of the service potential embodied in those assets.

Depreciation of an asset begins when it is available for use i.e. when it is in the condition necessary for it to be capable of operating in the manner intended; and ends when it is classified as held for sale or when derecognised.

Depreciation of assets is calculated on a straight-line basis using the following standard estimates for useful lives. The useful lives for building, infrastructure; furniture and fittings; and plant and equipment assets have been estimated based on industry standards and consultancy advice. The actual useful life and therefore depreciation rates may be varied for specific assets where asset quality and environmental and/or operational conditions so warrant. Useful lives and residual values for each class of asset are reviewed annually and are included in the asset register which is updated following adoption of the annual financial statements each year.

Buildings & Other Structures	7 - 40 years
Furniture & Fittings	2 - 40 years
Plant & Equipment	6 - 40 years
Infrastructure	12 - 40 years

Fleurieu Regional Aquatic Centre Authority

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

Note 1 - Significant Accounting Policies (cont)

6.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed periodically for 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 value exceeds its recoverable amount in accordance with AASB 136.

External indicators for impairment may include significant adverse changes in the technological, market, economic or legal environment. Internal indicators may include obsolescence or physical damage of an asset.

Impairment shall be determined subject to the provisions AASB 108 Materiality, whereby the total change in the written down value for the asset or the total impact on the depreciation shall be material. An impairment loss is recognised in the Income Statement, unless the asset is carried at a revalued amount, whereby it is to be treated in the same way as a revaluation decrement against the same asset. An impairment loss can be reversed in subsequent years.

7 Payables

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.

8 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 the Authority's accounting policies.

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

The Authority is required to implement *AASB 15 Revenue from Contracts* and *AASB 1058 Income for Not-for-profit Entities* as from 1 July 2019. As at the time of preparing these financial statements, an assessment has not been completed to quantify whether the introduction of the new accounting standards will have a material impact on the Authority's accounting policies and future reported financial performance and position.

9 Member Council Contribution

The City of Victor Harbor and Alexandrina Council funded the construction of the Fleurieu Aquatic Centre facilities and purchased all plant and equipment for the Aquatic Centre. Each Council contributed 50% towards the cost of construction of the facility and purchase of the equipment. Both Councils transferred these assets to the Authority on 17 March 2017, as an equity contribution.

The Authority for 2018/19 received contributions from Constituent Councils towards net operating deficits excluding depreciation expense for the facility. The Constituent Councils during 2018/19 resolved not to cash fund depreciation expense for the Authority. As a result the Authority expects operating deficits equivalent to depreciation expense for future years.

10 YMCA Management

The Authority has engaged the YMCA to manage the day to day running of the Fleurieu Aquatic Centre. This management encompasses the receipting of income and outgoing of expenditure of the facility. The following income and expenditure lines relate to those managed by the YMCA:

	<u>2019</u>	<u>2018</u>
FAC Income	\$1,778,350	\$1,672,661
Fleurieu Aquatic Centre Expenses	<u>\$1,837,449</u>	<u>\$1,685,571</u>
Net Result	(\$59,099)	(\$12,910)

Fleurieu Regional Aquatic Centre Authority

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

Note 1 - Significant Accounting Policies (cont)

11 Leases

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contract – except leases with a maximum term of 12 months and leases for non-material amounts – be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, the Authority has no lease to which this treatment will need be applied.

Fleurieu Regional Aquatic Centre Authority

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

Note 2 - INCOME

	Notes	2019 \$	2018 \$
USER CHARGES			
Council Contribution - Alexandrina Council		309,884	683,526
Council Contribution - City of Victor Harbor		309,884	683,526
FAC Income		<u>1,778,350</u>	<u>1,672,661</u>
		<u>2,398,118</u>	<u>3,039,713</u>

Variance of Council Contribution between years due to Contituent Council resolution in 2018/19 to no longer fund depreciation as a cash component.

INVESTMENT INCOME

Interest on investments			
Local Government Finance Authority		<u>22,632</u>	<u>9,714</u>

GRANTS, SUBSIDIES, CONTRIBUTIONS

Amounts received specifically for new or upgraded assets		<u>41,840</u>	<u>-</u>
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Fleurieu Regional Aquatic Centre Authority

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

Note 3 - EXPENSES

	Notes	2019 \$	2018 \$
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration		5,150	5,000
Subtotal - Prescribed Expenses		<u>5,150</u>	<u>5,000</u>
<u>Other Materials, Contracts & Expenses</u>			
Contracts		71,088	100,952
Board Expenses		13,842	15,002
Administration		97,583	56,547
IT & Telephone		883	731
Fleurieu Aquatic Centre Site Expenses		466,371	504,184
Fleurieu Aquatic Centre Expenses		<u>1,837,449</u>	<u>1,685,571</u>
Subtotal - Other Materials, Contracts & Expenses		<u>2,487,216</u>	<u>2,362,987</u>
		<u>2,492,366</u>	<u>2,367,987</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures	5	365,016	365,016
Furniture & Fittings	5	154,378	150,232
Plant & Equipment	5	61,225	61,226
Infrastructure	5	<u>96,978</u>	<u>96,978</u>
		<u>677,597</u>	<u>673,452</u>

Fleurieu Regional Aquatic Centre Authority

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

Note 4 - CURRENT ASSETS

		2019	2018
CASH & EQUIVALENT ASSETS		\$	\$
Cash on Hand and at Bank	Notes	94,044	8,087
Deposits at Call		822,972	882,299
		<u>917,016</u>	<u>890,386</u>
 TRADE & OTHER RECEIVABLES			
Accrued Revenues		7,274	3,853
Debtors - General		121,166	-
Prepayments		3,784	4,199
		<u>132,224</u>	<u>8,052</u>

Fleurieu Regional Aquatic Centre Authority

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

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2018				2019			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Buildings & Other Structures	-	12,407,742	(470,021)	11,937,721	-	12,407,742	(835,037)	11,572,705
Furniture & Fittings	-	3,818,733	(193,450)	3,625,283	-	3,857,557	(347,828)	3,509,729
Plant & Equipment	-	1,147,485	(78,838)	1,068,647	-	1,147,485	(140,063)	1,007,422
Infrastructure	-	3,694,601	(124,876)	3,569,725	-	3,694,601	(221,854)	3,472,747
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	21,068,561	(867,185)	20,201,376	-	21,107,385	(1,544,782)	19,562,603
Comparatives	-	21,068,561	(193,733)	20,874,828	-	21,068,561	(867,185)	20,201,376

This Note continues on the following page.

Fleurieu Regional Aquatic Centre Authority

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

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont.)

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2019 \$
	2018										
	\$	Additions		Disposals	Depreciation	Impairment	Contributed Assets	Net Revaluation	CARRYING AMOUNT		
CARRYING AMOUNT	New/Upgrade	Renewals									
Buildings & Other Structures	11,937,721	-	-	-	(365,016)	-	-	-	-	-	11,572,705
Furniture & Fittings	3,625,283	38,824	-	-	(154,378)	-	-	-	-	-	3,509,729
Plant & Equipment	1,068,647	-	-	-	(61,225)	-	-	-	-	-	1,007,422
Infrastructure	3,569,725	-	-	-	(96,978)	-	-	-	-	-	3,472,747
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	20,201,376	38,824	-	-	(677,597)	-	-	-	-	-	19,562,603
<i>Comparatives</i>	20,874,828	-	-	-	(673,452)	-	-	-	-	-	20,201,376

Fleurieu Regional Aquatic Centre Authority

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

Note 6 - LIABILITIES

TRADE & OTHER PAYABLES	Notes	2019		2018	
		\$		\$	
		Current	Non-current	Current	Non-current
Goods & Services		87,187	-	48,647	-
Other		225,221	-	44,359	-
		312,408	-	93,006	-

Fleurieu Regional Aquatic Centre Authority

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

Note 7 - RECONCILIATION TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	4	<u>917,016</u>	<u>890,386</u>
Balances per Cash Flow Statement		<u>917,016</u>	<u>890,386</u>

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

Net Surplus (Deficit)		(707,373)	7,988
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		<u>677,597</u>	<u>673,452</u>
		(29,776)	681,440
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(166,012)	92,049
Net increase (decrease) in trade & other payables		<u>219,402</u>	<u>(77,240)</u>
Net Cash provided by (or used in) operations		<u>23,614</u>	<u>696,249</u>

(d) 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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Fleurieu Regional Aquatic Centre Authority

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

Note 8 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits at call have an average maturity of 90 days and an average interest rate of 2.05%. (2018: 90 days, 1.95%)</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p>Carrying amount: Approximates fair value.</p>

Fleurieu Regional Aquatic Centre Authority

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

Note 8 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	917,016	-	-	917,016	917,016
Receivables	132,224	-	-	132,224	132,224
Total	1,049,240	-	-	1,049,240	1,049,240
Financial Liabilities					
Payables	312,408	-	-	312,408	312,408
Total	312,408	-	-	312,408	312,408
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	890,386	-	-	890,386	890,386
Receivables	8,052	-	-	8,052	8,052
Total	898,438	-	-	898,438	898,438
Financial Liabilities					
Payables	93,006	-	-	93,006	93,006
Total	93,006	-	-	93,006	93,006

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

	Weighted Average Interest Rate	Carrying Value 2019	Carrying Value 2018
	%	\$	
Overdraft	-	-	-
Non Interest Bearing	-	312,408	93,006
		<u>312,408</u>	<u>93,006</u>

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any allowance for doubtful debts. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 4 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and there is no material exposure to any individual debtor.

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

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Fleurieu Regional Aquatic Centre Authority

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

Note 9 - COMMITMENTS FOR EXPENDITURE

Services	Contractor	Period of contract	Brief description
Operational Management – Fleurieu Aquatic Centre	YMCA SA	3 years (1 November 2016 - 30 June 2020)	Provision of aquatic centre facility management and operating services for the Fleurieu Aquatic Centre (management of all aspects of daily operations and maintenance of the facility)
External Audit Services - Fleurieu Regional Aquatic Centre Authority	Dean Newbery & Partners	3 years (1 June 2017 - 31 May 2020)	Provision of an independent audit opinion of the accounts and annual financial reports of the Authority for financial years 2016/17, 2017/18 and 2018/19

Note 10 - OPERATING LEASES

The Authority as at 30 June 2019 had not entered in to any operating leases.

Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2019 had not recognised any contingency.

Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.

Fleurieu Regional Aquatic Centre Authority

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

Note 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair, the Board and Executive Officer prescribed as officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2018	2018
Salaries, allowances & other short term benefits	\$ 76,725	\$ 102,671
Post-employment benefits	\$ -	\$ -
Long term benefits	\$ -	\$ -
Termination Benefits	\$ -	\$ -
TOTAL	\$ 76,725	\$ 102,671

Transactions with Related Parties:

The following transactions occurred with Related Parties during the financial year ended 30 June 2018:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Alexandrina Council	310	-	Provision of regional aquatic facilities
City of Victor Harbor	310	-	Provision of regional aquatic facilities

Amounts recorded as outstanding from Related Parties are recorded in trade and other receivables in Note 4.

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 operating decisions of the Authority. No one Member Council individually has control of those policies.

Fleurieu Regional Aquatic Centre Authority

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

Note 14 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2019	2018
	\$	\$
Income	2,420,750	3,049,427
Expenses	<u>(3,169,963)</u>	<u>(3,041,439)</u>
Operating Surplus / (Deficit)	<u>(749,213)</u>	<u>7,988</u>
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	677,597	673,452
Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	677,597	673,452
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(38,824)	-
Amounts received specifically for New and Upgraded Assets	41,840	-
	<u>3,016</u>	<u>-</u>
Net Lending / (Borrowing) for Financial Year	<u>(68,600)</u>	<u>681,440</u>

Note 15 - ECONOMIC DEPENDENCY

Per section 5.2 of the Authority's Charter there maybe a requirement for additional financial contributions to be made by Constituent Councils if there is insufficient working capital available to meet the Authority's financial obligations. The Authority may be reliant on this additional financial support being provided to enable it to continue to operate on a going concern basis.

Fleurieu Regional Aquatic Centre Authority

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Fleurieu Regional Aquatic Centre Authority to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year
- the financial statements accurately reflect the Authority's accounting and other records



**Matt Grant
CHAIR PERSON**

Date 27 September 2019

Fleurieu Regional Aquatic Centre Authority

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

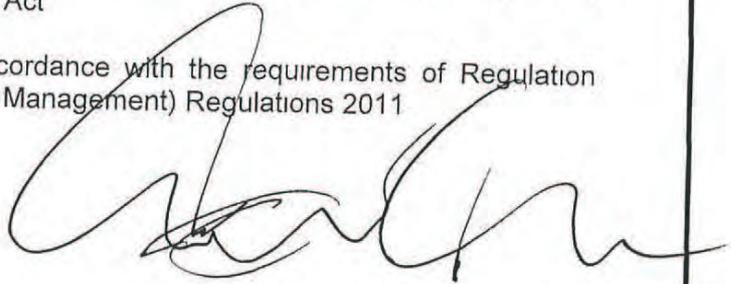
CERTIFICATION OF AUDITORS INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act

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



Matt Grant
CHAIR PERSON



Ian Swan
AUDIT & RISK CHAIR PERSON

Date 25 September 2019



FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 21 August 2019

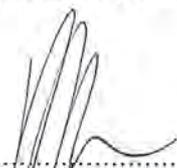
FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



Victoria MacKirdy
CHIEF EXECUTIVE OFFIER
City of Victor Harbor

Date: 22 August 2019

**Auditor's Independence Declaration under Section 22 of the Local Government
(Financial Management) Regulations 2011 to the Fleurieu Regional Aquatic
Centre Authority.**

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

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



JIM KEOGH
PARTNER

Signed on the 10th day of September 2019,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

Opinion

We have audited the financial report of the Fleurieu Regional Aquatic Centre Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility for the Financial Report

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

In preparing the financial report, the Authority is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



JIM KEOGH
PARTNER

Signed on the 1st day of October 2019,
at 214 Melbourne Street, North Adelaide

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ended 30th June 2019

	Notes	2019 \$	2018 \$
Income			
Subscriptions	1.8	76,373	75,173
Operating Grants	2.2	261,239	89,777
Investment Income	1.7	4,456	3,164
Other		28,655	90,280
Total Income	1.4	<u>370,723</u>	<u>258,394</u>
Expenditure			
Contractual Services	3	167,523	163,911
Finance Charges		3,763	3,482
Other		104,707	51,410
Total Expenditure		<u>275,993</u>	<u>218,803</u>
Surplus (Deficit) from Operations		<u>94,731</u>	<u>39,591</u>

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2019

	2019	2018
Notes	\$	\$
Current Assets		
Investments	181,281	126,959
Debtors	147,675	6,000
Total Current Assets	328,956	132,959
Current Liabilities		
Accounts Payable	21,326	60
Grants in Advance	80,000	
Total Current Liabilities	101,326	60
Net Current Assets	227,630	132,899
Net Assets	227,630	132,899
Equity		
Accumulated Surplus	227,630	132,899
Total Equity	227,630	132,899

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2019

	2019	2018
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	132,899	93,308
Net Surplus / (Deficit)	94,731	39,591
	<hr/>	<hr/>
Balance at end of period	227,630	132,899
	<hr/>	<hr/>
Total Equity	227,630	132,899
	<hr/>	<hr/>

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2019

	2019	2018
Notes	\$	\$
Cash Flows from Operating Activities		
Receipts	328,452	280,753
Payments	(273,599)	(252,299)
GST Paid (received)	(4,987)	(2,587)
Interest Receipts	4,456	3,164
	<hr/>	<hr/>
Net Cash Provided by (Used in) Operating Activities	54,322	29,031
Net increase/(decrease) in Cash Held	54,322	29,031
	<hr/>	<hr/>
Cash at the beginning of the reporting period	126,959	97,928
	<hr/>	<hr/>
Cash at the end of the reporting period	181,281	126,959
	<hr/>	<hr/>

Reconciliation of Change in Net Assets to Cash from operating activities

	2019	2018
		\$
Net Surplus	94,731	39,591
Decrease / (Increase) in Debtors	(147,675)	0
(Decrease) / Increase in Accounts Payable	27,266	(10,560)
(Decrease) / Increase in Grants in Advance	80,000	0
	<hr/>	<hr/>
Net Cash provided by Operating Activities	54,322	29,031
	<hr/>	<hr/>

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Note 1 - Significant Accounting Policies

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mt Barker District Council, City of Victor Harbor and District Council of Yankalilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

1.5 Non Current Assets and Non Current Liabilities

The Association has no non current assets or non current liabilities.

1.6 Employees

The Association has one employee having converted the EO from contractor to employee in February 2019.

1.7 Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions (not levies) by Constituent Councils are equal.

Constituent Council Subscription 2019	\$11,200
Constituent Council Subscription 2018	\$11,000

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.9 Income recognition

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

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration: The operation of the Office of the Association and its decision making forums.

Special projects: The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.

Transport and Communication: The review and implementation of the S&H 2020 Transport Plan.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
2019	106,989	80,829	187,818	50.7%	184,528	66.9%	3,290
2018	39,777	78,338	118,115	45.7%	160,692	73.4%	(42,577)

Projects

2019	154,250	12,255	166,505	44.9%	68,020	24.7%	98,485
2018	50,000	70,789	120,789	46.8%	49,442	22.6%	71,347

Transport and Communication

2019	0	16,400	16,400	4.4%	23,444	8.4%	(7,044)
2018	0	19,490	19,490	7.5%	8,669	4.0%	10,821

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
Total							
2019	261,239	109,484	370,723	100%	275,993	100%	94,731
2018	89,777	168,617	258,394	100.0%	218,803	100.0%	39,591

3. Contractual Services

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

		2019	2018
Consultants:	LKS Quaero	\$0	\$12,682
	Grange Advisors Pty Ltd	\$85,239	\$142,560
	HDS Australia Pty Ltd	\$23,444	\$8,669
	RH&C (CVH)	\$45,000	\$0
	Seed Consulting	\$13,840	\$0
Totals		\$167,523	\$163,911

4. Comparison of Budget and Actual Results

	2019		2018	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	174,273	187,818	202,369	118,115
Projects (incl Transport Plan)	20,050	182,905	18,350	140,279
Total Revenue	194,323	370,723	220,719	258,394
Expenditure				
Administration	170,000	184,529	170,190	160,692
Projects	68,050	91,464	38,250	58,111
Total Expenditure	238,050	275,993	208,440	218,803
Surplus (Deficit)	(43,727)	94,731	12,279	39,591

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

- o the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- o the financial statements present a true and fair view of the Association's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- o internal controls implemented by the Authority provide a reasonable assurance that the Association's financial records are complete, accurate and reliable and were effective throughout the financial year.
- o the financial statements accurately reflect the Association's accounting and other records.

Dated 23rd August 2019



Graeme Martin
EXECUTIVE OFFICER



Mayor Keith Parkes
PRESIDENT

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2019, the Association's Auditor, HLB Mann Judd, 169 Fullarton Rd, Adelaide, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Dated 23rd August 2019



Graeme Martin
EXECUTIVE OFFICER



Mayor Keith Parkes
PRESIDENT

The Board
C/- Graeme Martin
Executive Officer
Southern & Hills Local Government Association
13 Ringmer Drive
Burnside SA 5066

TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

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

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

HLB Mann Judd

**HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants**

A handwritten signature in blue ink, appearing to read 'Jon Colquhoun'.

**Jon Colquhoun
Director**

Adelaide, South Australia

23 August 2019

hl**b.com.au**

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

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Independent Auditor's Report to the Members of Southern & Hills Local Government Association

Opinion

We have audited the financial report of Southern & Hills Local Government Association ("the Entity") which comprises the Balance Sheet as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2019, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Board Members for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Board Members are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

HLB Mann Judd

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
23 August 2019



Jon Colquhoun
Director

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Adelaide Hills Region Waste Management Authority

General Purpose Financial Reports for the year ended 30 June 2019

TABLE OF CONTENTS

	<u>Page</u>
Principal Financial Statements	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N5
Note 2 - Income	N10
Note 3 - Expenses	N11
Note 4 - Asset Disposal & Fair Value Adjustments	N13
Note 5 - Current Assets	N14
Note 6 - Infrastructure, Property, Plant & Equipment	N15
Note 7 - Liabilities	N17
Note 8 - Reserves & Equity	N18
Note 9 - Reconciliation to Statement of Cash Flows	N19
Note 10 - Financial Instruments	N20
Note 11 - Commitments for Expenditure	N22
Note 12 - Operating Leases	N22
Note 13 - Contingencies, Assets & Liabilities not Recognised	N22
Note 14 - Events Occurring After Reporting Date	N22
Note 15 - Disclosures of Related Party Transactions	N23
Note 16 - Uniform Presentation of Finances	N24
Certification of Financial Statements	
Constituent Councils Certification of Auditor Independence	
Audit Certificate of Audit Independence	

Adelaide Hills Region Waste Management Authority

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

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

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

Adelaide Hills Region Waste Management Authority

**STATEMENT OF FINANCIAL POSITION
as at 30 June 2019**

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

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

Adelaide Hills Region Waste Management Authority

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

	Notes	Accumulated Surplus	TOTAL EQUITY
2019		\$	\$
Balance at end of previous reporting period		514,021	514,021
Net Surplus / (Deficit) for Year		380,923	380,923
Balance at end of period		894,944	894,944
2018			
Balance at end of previous reporting period		945,268	945,268
Net Surplus / (Deficit) for Year		(431,247)	(431,247)
Balance at end of period		514,021	514,021

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

Adelaide Hills Region Waste Management Authority

STATEMENT OF CASH FLOWS for the year ended 30 June 2019

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

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

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

3 Income recognition

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

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

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

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

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

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

6.3 Depreciation of Non-Current Assets

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

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

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

Note 1 - Significant Accounting Policies (cont)

Plant, Furniture & Equipment

Office Equipment	5 years
Other Plant & Equipment	5 years

Infrastructure

Unsealed Roads	15 years
Fencing	15 years
Water Tanks	30 years
Litter Fence	5 years
Pumps	5 years
Monitor Bore	10 years
Buildings	20 years
Roads	25 years

Cell construction expenditure for this year has been capitalised and will be amortised over the estimated filling life of the cell. Any further expenditure on the cell to complete its useful life will be amortised over that remaining life.

6.4 Impairment

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

6.5 Borrowing Costs

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Note 1 - Significant Accounting Policies (cont)

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

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

9.2 Superannuation

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

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

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

10 Rehabilitation

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

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

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

The Authority recognises a capping liability for a historical cell given it is believed that it will be responsible for capping this area in future years and has accordingly recognised a liability. The Authority however is not presently obligated to undertake this work given the liability to cap the cell resides with the existing owners of the site.

The Authority has calculated the liability based on an alternate capping design being accepted by the Environmental Protection Authority South Australia (EPA) which is in the process of being approved. Should there be an unfavourable outcome from the alternate capping plan application process, this may result in further increases to the liability needing to be recorded in future periods.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustment to the liability as required ensuring an accurate projected cost of the liability is showing in the Statement of Financial Position. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

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

Note 1 - Significant Accounting Policies (cont)

11 Revenue from Contracts with Customers

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

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

12 Leases

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contract – except leases with a maximum term of 12 months and leases for non-materials amount – be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, The Authority has no leases to which this treatment will need to be applied.

Adelaide Hills Region Waste Management Authority

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

Note 2 - INCOME

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

Adelaide Hills Region Waste Management Authority

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

Note 3 - EXPENSES

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

Adelaide Hills Region Waste Management Authority

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

Note 3 - EXPENSES (cont)

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

Adelaide Hills Region Waste Management Authority

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

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

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

Adelaide Hills Region Waste Management Authority

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

Note 5 - CURRENT ASSETS

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

Adelaide Hills Region Waste Management Authority

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

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

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

This Note continues on the following page.

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

Adelaide Hills Region Waste Management Authority

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

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

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

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

Adelaide Hills Region Waste Management Authority

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

Note 7 - LIABILITIES

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

Adelaide Hills Region Waste Management Authority

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

Note 8 - RESERVES & EQUITY

DISTRIBUTION SHARE OF SURPLUS/(DEFICIT)

The net surplus for the year has been allocated in proportion to the volumes of waste deposited by each respective constituent council.

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

Distribution in accordance with the above percentages

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

DISTRIBUTION SHARE OF EQUITY

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

Adelaide Hills Region Waste Management Authority

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

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

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

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

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

(c) Non-Cash Financing and Investing Activities

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

(d) Financing Arrangements

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

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

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

Adelaide Hills Region Waste Management Authority

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

Note 10 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits at call have an average maturity of 90 days and an average interest rate of 1.25% (2018: 90 days, 1.5%).</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Overdraft	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues interest is charged at an average variable rate of 3.57%.</p> <p>Carrying amount: Approximates fair value.</p>

Adelaide Hills Region Waste Management Authority

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

Note 10 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	309,592	-	-	309,592	309,592
Receivables	403,816	-	-	403,816	403,816
Total	713,408	-	-	713,408	713,408
Financial Liabilities					
Payables	648,093	-	-	648,093	648,093
Borrowings	1,579,500	-	-	1,579,500	1,579,500
Total	2,227,593	-	-	2,227,593	2,227,593
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	272,356	-	-	272,356	272,356
Receivables	367,632	-	-	367,632	367,632
Total	639,988	-	-	639,988	639,988
Financial Liabilities					
Payables	1,282,223	-	-	1,282,223	1,282,223
Borrowings	1,312,683	-	-	1,312,683	1,312,683
Total	2,594,906	-	-	2,594,906	2,594,906

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

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Overdraft	3.57	1,579,500	3.56	1,312,683
Non Interest Bearing	-	648,093		1,282,223
		2,227,593		2,594,906

Net Fair Value

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

Risk Exposures

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

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

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

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

Adelaide Hills Region Waste Management Authority

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

Note 11 - COMMITMENTS FOR EXPENDITURE

The Authority as at 30 June 2019 had no commitments for expenditure.

Note 12 - OPERATING LEASES

The Authority as at 30 June 2019 has a commitment to lease the land on which the Brinkley landfill presides. The current lease expires on the 13th February 2021, with one right of extension of 5 years.

Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2019 is a defendant in Supreme Court proceedings in which it is asserted that the Authority made misleading representations at the time that it transferred its interests in the Hartley Landfill to a third party. The claim for damages is approximately \$2.5 million plus legal costs. The Authority's legal advisors have stated the claim is denied and has been fully defended. Trial for this action concluded December 2017 and is currently waiting judgement. The Authority's legal advisors anticipate that a judgement will be delivered by October 2019.

Note 14 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.

Adelaide Hills Region Waste Management Authority

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

Note 15 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair, the Board and the Executive Officer prescribed as officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2019	2018
Salaries, allowances & other short term benefits	\$ 145,397	\$ 223,168
Post-employment benefits	\$ -	\$ -
Long term benefits	\$ 13,813	\$ 12,983
Termination Benefits	\$ -	\$ -
TOTAL	\$ 159,210	\$ 236,151

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Adelaide Hills Council	1,010	63	Provision of waste processing and disposal services.
Alexandrina Council	197	15	Provision of waste processing and disposal services.
Mount Barker District Council	598	70	Provision of waste processing and disposal services.
Rural City of Murray Bridge	582	37	Provision of waste processing and disposal services.

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

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

Adelaide Hills Region Waste Management Authority

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

Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2019	2018
	\$	\$
Income	5,975,106	5,428,006
Expenses	<u>(5,614,455)</u>	<u>(5,914,672)</u>
Operating Surplus / (Deficit)	360,651	(486,666)
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(59,146)	(699,137)
Add back Depreciation, Amortisation and Impairment	481,832	426,238
Proceeds from Sale of Replaced Assets	<u>78,364</u>	<u>112,091</u>
	501,050	(160,808)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(343,781)	(497,452)
Amounts received specifically for New and Upgraded Assets	20,000	-
	<u>(323,781)</u>	<u>(497,452)</u>
Net Lending / (Borrowing) for Financial Year	<u>537,920</u>	<u>(1,144,926)</u>

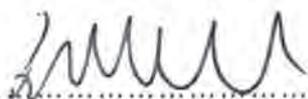
Adelaide Hills Region Waste Management Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF FINANCIAL STATEMENTS

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

- > the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- > the financial statements present a true and fair view of the Authority's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- > internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- > the financial statements accurately reflect the Authority's accounting and other records.



Leah Maxwell
EXECUTIVE OFFICER



Councillor John Kemp
CHAIR PERSON

Date: 9 September 2019

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Andrew Aitken
CHIEF EXECUTIVE OFFICER
Adelaide Hills Council

Date: 5/8/2019

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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


.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 07/08/2019

**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Andrew Stuart
CHIEF EXECUTIVE OFFICER
Mount Barker District Council

Date: 16/5/19

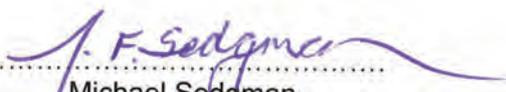
**ADELAIDE HILLS REGION WASTE MANAGEMENT
AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.


.....
Michael Sedgman
CHIEF EXECUTIVE OFFICER
Rural City of Murray Bridge

Date: 16.07.2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

Opinion

We have audited the financial report of the Adelaide Hills Region Waste Management Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility for the Financial Report

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

In preparing the financial report, the Authority is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

DEAN NEWBERY & PARTNERS CHARTERED ACCOUNTANTS



**JIM KEOGH
PARTNER**

Signed on the 25th day of September 2019,
at 214 Melbourne Street, North Adelaide

Certification of Auditor's Independence

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

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



Jim Keogh

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated the 9th day of July 2019

FLEURIEU REGIONAL WASTE AUTHORITY
General Purpose Financial Reports
for the year ended 30 June 2019

Table of Contents

	Page #
Authority Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N6
Note 2 - Income	N11
Note 3 - Expenses	N12
Note 4 - Asset Disposal & Fair Value Adjustments	N13
Note 5 - Current Assets	N14
Note 6 - Infrastructure, Property, Plant & Equipment	N15
Note 7 - Liabilities	N17
Note 8 - Other Current Liabilities	N18
Note 9 - Reconciliation of Cash Flow Statement	N19
Note 10 - Financial Instruments	N20
Note 11 - Expenditure Commitments	N25
Note 12 - Financial Indicators	N26
Note 13 - Uniform Presentation of Finances	N27
Note 14 - Operating Leases	N28
Note 15 - Related Party Transactions	N29
Note 16 - Superannuation	N30
Note 17 - Assets & Liabilities not Recognised	N31
Note 18 - Events after Reporting Date	N32
Audit Report - Financial Statements	33
Audit Report - Internal Controls	35
Authority Certificates of Audit Independence	37
Audit Certificate of Audit Independence	43

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.


.....
Michael Kelledy
CHAIR OF THE BOARD


.....
John Coombe
ACTING EXECUTIVE OFFICER

Date: **30 September 2019**

FLEURIEU REGIONAL WASTE AUTHORITY
Statement of Comprehensive Income
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
User charges	2	7,848,469	7,711,038
Grants, subsidies and contributions	2	302,166	116,956
Investment income	2	2,876	2,948
Reimbursements	2	9,871	7,932
Other income	2	16,843	17,524
Total Income		8,180,225	7,856,398
EXPENSES			
Employee costs	3	3,018,245	2,888,006
Materials, contracts & other expenses	3	4,540,002	4,194,620
Depreciation, amortisation & impairment	3	543,092	602,350
Finance costs	3	85,413	84,107
Total Expenses		8,186,752	7,769,083
OPERATING SURPLUS / (DEFICIT)		(6,527)	87,315
Asset disposal & fair value adjustments	4	(20,536)	(1,000)
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		(27,063)	86,315
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(27,063)	86,315

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

FLEURIEU REGIONAL WASTE AUTHORITY

Statement of Financial Position

as at 30 June 2019

		2019	2018
ASSETS	Notes	\$	\$
Current Assets			
Cash and cash equivalents	5	474,409	622,770
Trade & other receivables	5	380,329	323,005
Inventories	5	164,040	125,195
Total Current Assets		1,018,778	1,070,970
Non-current Assets			
Infrastructure, property, plant & equipment	6	3,641,795	2,781,701
Total Non-current Assets		3,641,795	2,781,701
Total Assets		4,660,573	3,852,671
LIABILITIES			
Current Liabilities			
Trade & other payables	7	1,155,940	1,009,656
Borrowings	7	335,516	495,270
Provisions	7	181,530	111,151
Other current liabilities	8	124,944	195,312
Total Current Liabilities		1,797,931	1,811,389
Non-current Liabilities			
Borrowings	7	2,015,684	1,161,470
Provisions	7	65,326	71,117
Total Non-current Liabilities		2,081,010	1,232,587
Total Liabilities		3,878,941	3,043,976
NET ASSETS		781,632	808,695
EQUITY			
Accumulated Surplus		781,632	808,695
TOTAL EQUITY		781,632	808,695

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

FLEURIEU REGIONAL WASTE AUTHORITY

Statement of Changes in Equity

for the year ended 30 June 2019

		Accumulated Surplus	TOTAL EQUITY
2019	Notes	\$	\$
Balance at end of previous reporting period		808,695	808,695
Net Surplus / (Deficit) for Year		(27,063)	(27,063)
Other Comprehensive Income			
Balance at end of period		<u>781,632</u>	<u>781,632</u>
2018			
Balance at end of previous reporting period		722,380	722,380
Net Surplus / (Deficit) for Year		86,315	86,315
Other Comprehensive Income		-	-
Balance at end of period		<u>808,695</u>	<u>808,695</u>

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

FLEURIEU REGIONAL WASTE AUTHORITY

Statement of Cash Flows

for the year ended 30 June 2019

		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
Receipts:			
User charges		7,726,473	7,729,013
Investment receipts		2,876	6,381
Grants utilised for operating purposes		152,166	116,956
Reimbursements		9,871	7,932
Other revenues		17,248	14,091
Payments:			
Employee costs		(3,018,245)	(2,888,006)
Materials, contracts & other expenses		(4,371,812)	(4,263,537)
Finance payments		(87,674)	(84,107)
Net Cash provided by (or used in) Operating Activities	9	430,903	638,723
 CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts:			
Amounts specifically for new or upgraded assets		150,000	-
Sale of replaced assets		20,000	7,000
Payments:			
Expenditure on renewal/replacement of assets		(755,181)	(758,323)
Expenditure on new/upgraded assets		(688,542)	(276,382)
Net Cash provided by (or used in) Investing Activities		(1,273,723)	(1,027,705)
 CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts:			
Proceeds from borrowings		1,189,730	721,722
Payments:			
Repayments of borrowings		(495,271)	(647,211)
Net Cash provided by (or used in) Financing Activities		694,459	74,511
Net Increase (Decrease) in cash held		(148,361)	(314,471)
Cash & cash equivalents at beginning of period	9	622,770	937,241
Cash & cash equivalents at end of period	9	474,409	622,770

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

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 30 September 2019.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

The Fleurieu Regional Waste Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1226 Port Elliot Road, Goolwa South Australia 5214. These financial statements include the Authority's direct operations and all entities through which the Authority controls resources to carry on its functions. In the process of reporting on the Authority 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 the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as 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 Authority's operations for the current reporting period.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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.

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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. Examples of capitalisation thresholds applied during the year are given in Note 6.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. 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.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Authority, 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.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

6.5 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 the Authority were deprived thereof, are not assessed for impairment.

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

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

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 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".

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 on costs) measured in accordance with AASB 119.

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

No accrual is made for sick leave as the Authority 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.

Superannuation

The Authority makes employer superannuation contributions in respect of its employees to the employees' nominated superannuation fund. No changes in accounting policy have occurred during either the current or previous reporting periods.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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 Pending Accounting Standards

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

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.)

The Authority 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 the Authority'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 relation to the timing of revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not the Authority's intention to adopt this Standard early.

12 New Accounting Standards

AASB 7 Financial Instruments – Disclosures and AASB 9 Financial Instruments commenced from 1st July 2018. Although the disclosures made in Note 10 Financial Instruments have changed, there are no changes to the amounts disclosed.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

Classification and measurement of financial assets and liabilities

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

	Financial instrument category	
	AASB 139 original	AASB 9 new
Financial assets		
Bank, Deposits at Call, Short Term Deposits	Loans and receivables (amortised cost)	Financial assets at amortised cost
Receivables – Fees & Other Charges	Loans and receivables (amortised cost)	Financial assets at amortised cost
Financial liabilities		
Creditors and Accruals	Amortised cost	Financial liabilities at amortised cost
Interest Bearing Borrowings	Amortised cost	Financial liabilities at amortised cost

The application of these changes in accounting policies had no impact on the comprehensive income, financial position and cash flows of the Authority.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$	2018 \$
USER CHARGES			
Council Contributions		5,658,579	5,417,569
Waste Disposal Operations		<u>2,189,890</u>	<u>2,293,469</u>
		<u>7,848,469</u>	<u>7,711,038</u>
INVESTMENT INCOME			
Interest on investments:			
Banks & other		<u>2,876</u>	<u>2,948</u>
		<u>2,876</u>	<u>2,948</u>
REIMBURSEMENTS			
- other		<u>9,871</u>	<u>7,932</u>
		<u>9,871</u>	<u>7,932</u>
OTHER INCOME			
Sundry		<u>16,843</u>	<u>17,524</u>
		<u>16,843</u>	<u>17,524</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		<u>302,166</u>	<u>116,956</u>
		<u>302,166</u>	<u>116,956</u>
Sources of grants			
State government		<u>302,166</u>	<u>116,956</u>
		<u>302,166</u>	<u>116,956</u>

Conditions over grants & contributions

	Notes	2019 \$	2018 \$
<i>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:</i>			
<i>Unexpended at the close of the previous reporting period</i>		90,000	-
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>			
<i>Plant & Equipment</i>		<u>(90,000)</u>	-
<i>Subtotal</i>		<u>(90,000)</u>	-
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Plant & Equipment</i>		-	<u>90,000</u>
<i>Subtotal</i>		-	<u>90,000</u>
<i>Unexpended at the close of this reporting period</i>		<u>-</u>	<u>90,000</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 3 - EXPENSE

	Notes	2019 \$	2018 \$
EMPLOYEE COSTS			
Salaries and Wages		2,488,717	2,419,042
Employee leave expense		141,935	58,080
Superannuation	16	221,876	212,778
Superannuation - defined benefit plan contributions	16	5,336	6,108
Workers' Compensation Insurance		106,251	146,159
Other		54,130	45,839
Total Operating Employee Costs		3,018,245	2,888,006
Total Number of Employees		34	32
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		9,980	10,020
- Auditing of Internal Controls		1,970	1,930
Bad and Doubtful Debts		70,000	-
Board members' expenses		25,379	20,246
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments		80,000	25,890
Subtotal - Prescribed Expenses		187,329	58,086
<u>Other Materials, Contracts & Expenses</u>			
Contractors		1,044,974	969,040
Energy		618,875	564,568
Waste Disposal		1,595,931	1,603,844
Maintenance		374,365	362,255
Legal Expenses		87,600	43,567
Parts, accessories & consumables		105,097	150,480
Professional services		126,500	59,718
Sundry		399,331	383,062
Subtotal - Other Materials, Contracts & Expenses		4,352,672	4,136,534
		4,540,002	4,194,620
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Plant, machinery & equipment		543,092	602,350
		543,092	602,350
FINANCE COSTS			
Interest on Loans		85,413	84,107
		85,413	84,107

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	2019	2018
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	20,000	7,000
Less: Carrying amount of assets sold	(40,536)	(8,000)
Gain (Loss) on disposal	(20,536)	(1,000)
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	 (20,536)	 (1,000)

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 5 - CURRENT ASSETS

	Notes	2019 \$	2018 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		100,188	269,510
Deposits at Call		374,221	353,260
		<u>474,409</u>	<u>622,770</u>
TRADE & OTHER RECEIVABLES			
Debtors - general		414,186	294,425
Prepayments		36,143	28,580
Total		<u>450,329</u>	<u>323,005</u>
Less: Provision for Impairment		<u>(70,000)</u>	<u>-</u>
		<u>380,329</u>	<u>323,005</u>
<i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>		-	-
INVENTORIES			
Stores & Materials		164,040	125,195
		<u>164,040</u>	<u>125,195</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

	2018				2019			
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Plant, machinery & equipment	2,781,701	6,500,239	(3,718,538)	2,781,701	-	7,235,643	(3,593,848)	3,641,795
Office Equipment, Furniture & Fittings	-	20,634	(20,634)	-	-	20,634	(20,634)	-
Buildings & Other Structures	-	3,181	(3,181)	-	-	3,181	(3,181)	-
Total IPP&E	2,781,701	6,524,054	(3,742,353)	2,781,701	-	7,259,458	(3,617,663)	3,641,795
<i>Comparatives</i>		5,536,534	(3,179,187)	2,357,347	2,781,701	6,524,054	(3,742,353)	2,781,701

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR							2019	
	\$	\$							\$	
	Carrying Amount	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	Carrying Amount
	New / Upgrade	Renewals	In				Out			
Plant, machinery & equipment	2,781,701	688,542	755,180	(40,536)	(543,092)	-	-	-	-	3,641,795
Total IPP&E	2,781,701	688,542	755,180	(40,536)	(543,092)	-	-	-	-	3,641,795
<i>Comparatives</i>	2,357,347									2,781,701

This note continues on the following pages.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 6 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Buildings & Other Structures

Buildings and other structures are recognised on a cost basis.

Plant, Furniture & Equipment

These assets are recognised on a cost basis.

Capitalisation thresholds used by the Authority for a representative range of assets are shown 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	\$5,000

Estimated Useful Lives: Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment	3 to 20 years
Building & Other Structures	30 to 80 years

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 7 - LIABILITIES

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		502,222	-	481,194	-
Revenue received in advance		23,645	-	95,475	-
Accrued expenses - employee entitlements		392,911	-	352,200	-
Accrued expenses - other		237,162	-	74,638	-
Other		-	-	6,149	-
		1,155,942	-	1,009,656	-
BORROWINGS					
Loans		335,516	2,015,684	495,270	1,161,470
		335,516	2,015,684	495,270	1,161,470
<i>All interest bearing liabilities are secured over the future revenues of the Authority</i>					
PROVISIONS					
Employee entitlements (including oncosts)		146,530	65,326	111,151	71,117
Other		35,000	-	-	-
		181,530	65,326	111,151	71,117

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 8 - OTHER CURRENT LIABILITIES

	2019	2018
	\$	\$
OTHER		
	Notes	
Deferred gate sales	124,944	195,312
	<u>124,944</u>	<u>195,312</u>

Revenue received from gate takings associated with rock to be crushed at a later date is quarantined as an other liability until such time as it is utilised for crushing expenditure.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	5	<u>474,409</u>	<u>622,770</u>
Balances per Cash Flow Statement		<u>474,409</u>	<u>622,770</u>

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

Net Surplus (Deficit)		(27,063)	86,315
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		543,092	602,350
Net increase (decrease) in unpaid employee benefits		29,588	(19,086)
Grants for capital acquisitions treated as Investing Activity		(150,000)	-
Net (Gain) Loss on Disposals		<u>20,536</u>	<u>1,000</u>
		416,153	670,579
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(57,324)	(118,061)
Net (increase) decrease in inventories		(38,845)	(117,667)
Net increase (decrease) in trade & other payables		146,284	170,059
Net increase (decrease) in other provisions		159,947	(124,127)
Net increase (decrease) in other liabilities		<u>(195,312)</u>	<u>157,940</u>
Net Cash provided by (or used in) operations		<u>430,903</u>	<u>638,723</u>

(c) Financing Arrangements

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

Corporate Credit Cards	10,000	10,000
LGFA Cash Advance Debenture facility	868,520	500,000

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 10 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Initial Recognition and Measurement	<p>Recognition: Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Authority commits itself to the purchase or sale of the asset.</p> <p>Measurement: Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.</p>
Classification and Subsequent Measurement	
Financial Assets	<p>Financial assets are measured at amortised cost if they meet the following conditions;</p> <ul style="list-style-type: none"> - the financial asset is managed solely to collect contractual cash flows and - the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates
Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Bank deposits are measured at amortised cost, interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 0.10% and 0.15% (2018: 0.05% and 0.50%).</p>
Receivables - Fees & Other Charges	<p>Accounting Policy: Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p>

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 10 - FINANCIAL INSTRUMENTS (con't)

Classification and Subsequent Measurement

Financial Liabilities	<p>Financial liabilities are subsequently measured at amortised cost.</p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.</p> <p>The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition.</p>
Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p>
Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable in six monthly instalments; interest is charged at fixed or variable rates between 3.10% and 4.80% (2018: 4.00% and 6.65%)</p>
Derecognition	<p>Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.</p>
	<p>Derecognition of financial liabilities A liability is derecognised when it is extinguished i.e. when the obligation in the contract is discharged, cancelled or expires. An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.</p> <p>The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed is recognised in profit or loss.</p>

FLEURIEU REGIONAL WASTE AUTHORITY

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 10 - FINANCIAL INSTRUMENTS (con't)

Derecognition of financial assets A financial asset is derecognised when the holder's contractual rights to its cash flows expires or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset;

- the right to receive cash flows from the asset has expired or been transferred
- all risk and rewards of ownership of the asset have been substantially transferred, and
- the Authority no longer controls the asset
i.e. no practical ability to make a unilateral decision to sell the asset to a third party

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the simplified approach to impairment, as applicable under AASB9.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to receivables.

In measuring the expected credit loss, a provision matrix for receivables is used, taking into consideration various historical data to get to an expected credit loss, (ie diversity of its customer base, appropriate groupings of its historical loss experience etc).

Recognition of expected credit losses in financial statements At each reporting date the Authority recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

For financial assets that are unrecognised e.g. loan commitments yet to be drawn, a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 10 - FINANCIAL INSTRUMENTS (con't)

Net Fair Value

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

Risk Exposures:

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

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

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

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

Note 10 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	474,409			474,409	474,409
Receivables	344,186	-	-	344,186	380,329
Total	818,595	-	-	818,595	474,409
<u>Financial Liabilities</u>					
Payables	525,867			525,867	525,867
Current Borrowings	431,866			431,866	335,516
Non-Current Borrowings		1,808,076	492,084	2,300,160	2,015,685
Total	957,733	1,808,076	492,084	3,257,893	2,351,201
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	622,770	-	-	622,770	622,770
Receivables	294,425	-	-	294,425	323,005
Total	917,195	-	-	917,195	945,775
<u>Financial Liabilities</u>					
Payables	582,818			582,818	582,818
Current Borrowings	561,499			561,499	495,270
Non-Current Borrowings		1,103,730	178,847	1,282,577	1,161,470
Total	1,144,317	1,103,730	178,847	2,426,894	2,239,558

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

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Variable Rates	3.10	735,480		-
Fixed Interest Rates	2.08	1,615,720	4.63	1,656,740
		2,351,200		1,656,740

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 11 - COMMITMENTS FOR EXPENDITURE

	2019	2018
Notes	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Board & Employee Remuneration Contracts	248,500	408,218
Maintenance Contracts	63,333	-
	<u>311,833</u>	<u>408,218</u>
These expenditures are payable:		
Not later than one year	281,138	211,374
Later than one year and not later than 5 years	30,695	196,844
Later than 5 years	-	-
	<u>311,833</u>	<u>408,218</u>

Kangaroo Island Council provide mobile garbage bins for residents and small commercial operations and provision for replacement of these bins on the island has been accrued since 2011. This amount was spent in full during the 2017/18 year with the change to fortnightly waste collection on the island and replacement of existing mobile garbage bins for residents and small businesses under the kerbside collection system.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 12 - FINANCIAL INDICATORS

	2019	2018	2017
Operating Surplus Ratio			
<u>Operating Surplus</u>	-0.33%	1.10%	0.00%
Total Operating Income			

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

Net Financial Liabilities Ratio

<u>Net Financial Liabilities</u>	37%	27%	22%
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Renewal Funding Ratio

<u>Net Outlays on Existing Assets</u>	63%	99.0%	87.0%
Net Asset Renewals - IAMP			

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.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2019	2018
	\$	\$
Income	8,180,225	7,856,398
Expenses	(8,186,752)	(7,769,083)
Operating Surplus / (Deficit)	(6,527)	87,315
 Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(755,181)	(758,323)
Add back Depreciation, Amortisation and Impairment	543,092	602,350
Proceeds from Sale of Replaced Assets	20,000	7,000
	(192,089)	(148,973)
 Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(688,542)	(276,382)
Amounts received specifically for New and Upgraded Assets	150,000	-
	(538,542)	(276,382)
Net Lending / (Borrowing) for Financial Year	(737,158)	(338,040)

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 14 - OPERATING LEASES

Lease payment commitments of the Authority

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

	2019	2018
	\$	\$
Not later than one year	-	26,000
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>26,000</u>
	<u>-</u>	<u>26,000</u>

The Authority had entered into a non-cancellable operating lease for office premises in Goolwa that ended on 30th June 2018.

The Authority is currently negotiating a lease agreement for office and workshop premises at Goolwa with Alexandrina Council. This leasing arrangement had not been finalised as at signing of these financial statements.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 15 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Independent Board Chair, External Member of the Internal Audit Committee and Executive Officer under section 112 of the Local Government Act 1999. In all, three persons were paid the following total compensation:

	2019	2018
	\$	\$
Salaries, allowances & other short term benefits	169,697	163,422
Post-employment benefits	18,418	17,883
Long term benefits	4,073	4,902
Termination benefits	-	-
TOTAL	192,188	186,207

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 16 – SUPERANNUATION

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018-19; 9.50% in 2019-20). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2017-18) of "superannuation" salary.

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

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

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

Contributions to Other Superannuation Schemes

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 net assets of the scheme, and no further liability attaches to the Authority.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 17 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

At times there are contingencies, assets and liabilities that do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to the user of the financial report in making and evaluating decisions about the allocation of scarce resources. From our knowledge there are no known contingencies, assets or liabilities that should be disclosed that have not been included in the balance sheet.

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 18 - EVENTS OCCURRING AFTER REPORTING DATE IN THE BALANCE SHEET

There are no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLEURIEU REGIONAL WASTE AUTHORITY*****Opinion***

We have audited the financial report of Fleurieu Regional Waste Authority, which comprises the Statement of Financial Position as at 30 June 2019, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Fleurieu Regional Waste Authority as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Board are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's Responsibility for the Financial Report

The Board of Fleurieu Regional Waste Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011. The Board's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial report, the Board of Fleurieu Regional Waste Authority are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLEURIEU REGIONAL WASTE AUTHORITY (CONT)*****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.

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

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

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



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide, South Australia
Dated: 30 September 2019

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF FLEURIEU REGIONAL WASTE AUTHORITY

We have audited the Internal Controls of Fleurieu Regional Waste Authority (“the Authority”) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities for the year ended 30 June 2019 have been conducted properly and in accordance with law.

The Authority’s Responsibility for the Internal Controls

The Authority 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 Authority’s compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to 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, based on our procedures. 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 Authority has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the year ended 30 June 2019. 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 of Use

This report has been prepared for the members of the Authority 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 Authority, or for any purpose other than that for which it was prepared.

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF FLEURIEU REGIONAL WASTE AUTHORITY (CONT)

Inherent Limitations

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The opinion expressed in this report has been formed on the above basis.

Independence

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

Opinion

In our opinion, the Authority 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 Authority relating to the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the year ended 30 June 2019.



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Managing Partner

Adelaide
South Australia

Dated: 30 September 2019

FLEURIEU REGIONAL WASTE AUTHORITY

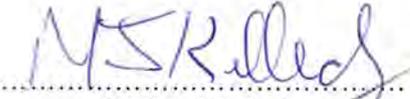


ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Edwards Marshall, 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 Kelledy
CHAIR OF THE BOARD
Fleurieu Regional Waste Authority

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 22-8-2019

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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 blue ink, appearing to read 'John Coombe', is written over a horizontal dotted line.

John Coombe
ACTING EXECUTIVE OFFICER
Fleurieu Regional Waste Authority

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 20th August 2019

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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 blue ink, appearing to read 'Glenn Rappensberg'.

.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 21 AUGUST 2019

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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*.


.....
Victoria MacKirdy
CHIEF EXECUTIVE OFFICER
City of Victor Harbor

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 21 August 2019.

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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*.


.....
Nigel Morris
CHIEF EXECUTIVE OFFICER
District Council of Yankalilla

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: **21st February 2019**

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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 'GG', with a dotted line underneath it.

Greg Georgopoulos
CHIEF EXECUTIVE OFFICER
Kangaroo Island Council

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from the
requirements for an external audit
committee

Date: **2nd September 2019**

**FLEURIEU REGIONAL WASTE AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board and 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*.



Jamie Dreckow
Partner



Nexia Edwards Marshall
Chartered Accountants

Dated: 30 September 2019



Image River Murray, Goolwa

How to contact us



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