




2020/21
Annual
Report





City of Burnside
acknowledges the traditional
Country of the Kaurna people
of the Adelaide Plains and
pays respect to Elders past
and present. We recognise
and respect their cultural
heritage, beliefs and
relationship with the land.

We acknowledge that
they are of continuing
importance to the
Kaurna people living
today and we also
extend that respect
to other Aboriginal
Language Groups and
other First Nations.

Contents

Welcome	4		
How to use this Annual Report	5		
Our Highlights	6		
Mayor's Message	6		
CEO's Message	10		
Our City	14		
City Snapshot	15		
Strategic Direction	17		
Our Council	19		
Council Members	20		
The Administration	22		
Our Performance	24		
Financial Summary	24		
Performance Highlights	26		
Our 2020/21 Achievements	32		
		Corporate Governance	38
		Elected Member Allowances and Training	39
		Council Committees	40
		Council Representation on Boards and Committees	44
		Elector Representation	47
		Council Meetings Held in Confidence	48
		List of Mandatory Registers and Codes	50
		Section 270 Reviews	51
		Freedom of Information	51
		Local Nuisance and Litter Control Complaints	52
		Tenders and contracts	54
		National Competition Policy	55
		Financial Report	57
		Council Subsidiaries	112



Welcome

The City of Burnside's 2020/21 Annual Report provides a comprehensive account of the Council's performance, achievements, challenges and financial management from 1 July 2020 to 30 June 2021.

The Annual Report meets the legislative requirements set out in the Local Government Act 1999 (the Act).


In September 2020, Council endorsed Burnside 2030; the City of Burnside's Strategic Community Plan. The first section of the report outlines Council's progress against the outcomes and objectives of this plan and the 2020/21 Annual Business Plan and Budget.

The second section of the report provides the audited financial statements for the City of Burnside. The audited financial statements for the City of Burnside's subsidiaries – Eastern Health Authority, Eastern Waste Management Authority, Highbury Landfill Authority, ERA Water, Brown Hill Keswick Creeks Stormwater Board – are also included.

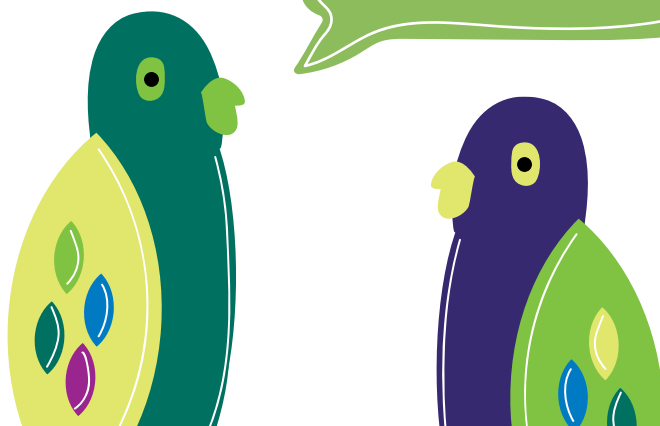
An online version of the Annual Report can be viewed and downloaded at burnside.sa.gov.au

To request a printed copy, please contact:

City of Burnside
(Monday – Friday 8.30 am – 5 pm)
401 Greenhill Road, Tasmore **T** 8336 4200
E burnside@burnside.sa.gov.au



engage.burnside
is another way you can provide
feedback and ideas on Council's
priorities and projects to
help shape Council's plans
for the City of Burnside.
engage.burnside.sa.gov.au



How to use this Annual Report

The 2020/21 Annual Report is divided into seven sections:

1

Our Highlights

Provides reflections from the Mayor and CEO and outlines key capital works and highlights from 2020/21.

2

Our City

Profiles the City of Burnside, outlines our vision and details Council's integrated planning framework.

3

Our Council

Provides details of our Councillors, Wards and the Council organisation.

4

Our Performance

Identifies 2020/21 achievements relating to Burnside 2030, Council's Strategic Community Plan, as well as Council's performance against the commitments identified in the Annual Business Plan and Budget.

5

Corporate Governance

Reports on governance procedures and information linked to statutory requirements.

6

Financial Report

Includes detailed financial statements which fulfill Council's reporting requirements.

7

Annual Reports of Subsidiaries

The Local Government Act 1999 requires that Council's Annual Report includes the annual report of each of its subsidiaries. The City of Burnside's subsidiaries include Eastern Waste Management Authority, Eastern Health Authority, Highbury Landfill Authority, ERA Water and Brown Hill Keswick Creek Stormwater Board.

Our Highlights

1



Mayor's Message

The past 12 months have provided challenges for the City of Burnside. The global pandemic has demanded we be flexible and adaptable in our thinking while ensuring the community has been served as safely as possible and practicable. It has meant the cancellations of events but has not stopped us from delivering essential services. The health of our community in its broadest sense has been, and will continue to be, paramount.

Our Elected Members and Administrative staff have had to lead change, but we have made great progress and created major milestones in spite of these obstacles. The most significant of these was the new Strategic Plan 2020-2030, which provides us with direction for the future. The Strategic Plan resulted from wide consultation with the community over two years and is driven by four major principles: Service Sustainability, Communication and Engagement, Improvement and Innovation and Governing with Integrity. The plan also determined three major themes: Community, Environment and Place. Although my report is divided under these three themes, all equal in priority and essential to our service, it is sometimes difficult to separate them because they all interlink with aspects of public health.

The health of our community in its broadest sense has been, and will continue to be, paramount.



Community

'The Shed' at Glenunga was officially opened in October 2020. This site was developed to include The Men's Shed, but now provides opportunities for women as well. There is a Community Garden, as well as a nursery for the Biodiversity staff and volunteers to grow native species and space for the Depot staff to store materials. 'The Shed' development has won a number of awards.

The Kensington Gardens Reserve Community Welcome Day and Smoking Ceremony in September was significant as the beginning of working with the Kurna people on their traditional land, and they have been involved throughout this project. We have also commenced the development of our Reconciliation Action Plan with the Kurna leaders.

His Excellency, the Governor of South Australia, Mr Hieu Van Le AC, honoured us at our Australia Day Ceremony by presenting awards to our citizens. The 2021 Citizen of the Year, Jenny Cooper, began 'Breadtags for Wheelchairs' in 2018 and has since recycled 5.4 million plastic breadtags to purchase 14 wheelchairs. Our Senior Citizen of the Year was John Moore who had looked after St Saviours' Church historic cemetery for nearly 30 years, and our Young Citizen of the Year was John White, who is the conductor of our Burnside Youth Concert Band. All are dedicated and devoted members of the Burnside Community.

Support for businesses continues through our Council's involvement with Propel SA and we recognise and support small businesses as they have been through 'tough times'. A revised hardship and financial support policy also enabled additional support to ratepayers and residents in Burnside. Sporting clubs have also been supported with rent abatement through COVID.

Our Disability and Inclusion Plan was endorsed by Council in July 2020, meaning much more than just providing access. It is about helping people of all ages with disabilities to engage within our community. An Inaugural Community Forum happened in May, where ideas were sought from various support services in Burnside to determine needs and wants. A second Young Womens' Leadership Forum for senior schoolgirls was also held in October to encourage young women to be strong and resilient leaders.

October saw the first publication of the Adelaide East Herald. Council committed to a fortnightly paid column to promote 'what's on' in Burnside, as well as run articles of interest to Burnside residents, supplied regularly by our Elected Members. We are pleased with the reach it has within our community and it can be read online or collected from around 100 sites across our City.

The largest ever response came from our community engagement on our Annual Business Plan Budget and Long-Term Financial Plan. A further zero percent rate rise was supported for the second year in a row. This requires the council to find savings as they continue to provide no loss in services.

Our Annual Community Survey results for 2021 showed an overall satisfaction with Council with a mean score of 7.7 out of a possible 10, the highest rating since 2013; when this survey commenced. While we acknowledge there is room for improvement, there were many positive highlights provided in the feedback and the use of social media (Facebook and Instagram), email communication and videos on the website have broadened our engagement with the community.

Under the direction of Council, the Heritage Reference Group met over the past year and initiated a Blue Plaque Project to identify and recognise historic homes in Burnside. This dedicated group of independent members, Elected Members and staff continue to be focused on improving the community's understanding of the importance of history and heritage in Burnside.

Burnside's first monthly 'Markets at the Hub' began in September 2020 and are held every third Saturday of the month. Aged Care services continue to provide a Community bus for outings and shopping, as well as providing support services for people over 65 to live independently at home, including respite, social activities, home maintenance and domestic assistance. For the young, the pump track has proven a winner in the locations that it has been trialled within Burnside.





Environment

We continue with our commitment to climate change initiatives and to being Carbon Neutral by 2030. Ways to reduce our carbon footprint are ongoing, with water sensitive design initiatives being used across the city. These have included installation of rainwater tanks, permeable paving, and devices for capturing and re-using stormwater in verges. A new Climate Change Policy and a subsequent Environmental Sustainability Policy were adopted in this year, and we continue to collaborate with Resilient East. A Sustainability Series of workshops were also held through February to June 2021 for residents and advice given to them about fire and flood protection.

For the second year in a row, the City of Burnside was designated a 'Tree City of the World' by the Food and Agriculture Organisation of the United Nations and the Arbor Day Foundation. Trees are our symbol and our promise for the future. We are committed to planting 1,000 trees per year to increase our urban canopy cover, as part of fulfilling our Canopy Action Plan. The Tree Assistance Fund, the advanced Native

Tree Giveaway and the Biodiversity Nursery's Local Native Plant Giveaway continue to encourage and support residents of Burnside to enhance our urban canopy for cooling, calming and habitat.

The fight against landfill continues as we attempt to get more food waste into green bins rather than red ones. Bin audits help East Waste collect data which assists Council to focus on education and saving costs by reducing waste to landfill. Moves to support green waste bins in apartment buildings have been significant as have opportunities to educate residents and award them for their initiatives through our first Environmental Awards, held at Beaumont House in April 2021.

Michael Perry Botanic Reserve in Stonyfell and Moorcroft Reserve in Leabrook have had restoration work completed, with volunteers working with staff to improve garden, creek and woodland environments. Our parks and reserves continue to rank highly (8.39/10) in terms of satisfaction in our Annual Community Survey results.



Place

The closure of theatres during 2020 provided us with the opportunity for major refurbishment of The Regal Theatre. It was reopened in October 2020, celebrating 95 years of service, with new seating, carpets, sound system and interior repainting to restore the building to its former glory. This much-loved place has proven perfect for community events, such as Citizenship ceremonies, the Volunteer Thank You ceremony, popular music concerts and movies.

Constable Hyde Memorial Gardens were completed and a unique sculpture in memory of Hyde was unveiled by the SA Police Commissioner, Grant Stevens, in February 2021. This important occasion was supported by the SA Police Historical Society.



The Burnside Library turned 60 on 8 April 2021, and this much-loved facility continues to rank highly in terms of satisfaction with our community as indicated in the Annual Community Survey results (8.77/10). It continues to host book launches, support writers' and readers' groups, hold special events and provide activities for pre-schoolers, the toy library and school holiday programs.

The Pepper Street Arts Centre celebrated 25 years of educating and promoting local artists' work in August and the George Bolton Swimming Centre Burnside had to adapt its operation to allow for demand over the summer season.

Chambers Gully car park was developed with a grant from the State and Federal Governments. The Honourable Vickie Chapman, the Deputy Premier, Attorney General and Member for Bragg, and James Stevens, Federal Member for Sturt, opened the car park in early April.

James Stevens also joined me turning the sod at the Kensington Gardens development in September 2020 and Josh Frydenberg, the Federal Treasurer, visited the site in May 2021 showing great interest with the works in progress.

Magill Village received \$5.75 million in funding from the Commonwealth Government and the City of Burnside is developing the Village in partnership with Campbelltown Council. Due to the funding grant, this project will be brought forward and is expected to be completed by this time next year.

The 'as yet unnamed' Recreation Space at Glenside was opened by Cedar Woods in May and Council took over the management of the drainage reserve, recreation space and equipment installed in the basin. Work was completed by Cedar Woods in conjunction with the Brown Hill Keswick Creek Project.

The Independent Chair of the Council Assessment Panel, Bill Chandler, retired after seven years at the helm and was replaced by Carol Muzyk in October 2020. Carol is an environmental scientist and a land-use planner with a wealth of experience in Local Government across several states in Australia. A new Independent Chair of the Audit Committee, Emma Hinchey, was also appointed in October 2020 and brings with her experience from overseas and interstate.

Work has also commenced on Burnside Council's City Master Plan with its theme of Connecting People and Places. Ongoing work continues on road re-surfacing, replacement footpaths, bus shelters, kerbs, drainage and lighting improvements, community buildings and traffic projects. We have been fortunate to receive funding through Federal Government's Local Roads and Community Infrastructure Grant Program for a number of these projects.

Again this year, \$40,000 was available for Your Neighbourhood Budget as it encouraged residents to identify (and vote for) places that needed additional items of equipment for their local parks.

It is with pride and pleasure that I provide this Annual Report to you, and endorse the work completed by the CEO, Mr Chris Cowley and his Leadership Team, all of the City of Burnside staff and Elected Members over the past 12 months. Much has been achieved during these 'unprecedented times'.

Anne Monceaux

Mayor





As custodians of our City, Council is determined to create a more sustainable future for our community.

CEO's Message

Welcome to the City of Burnside Annual Report for 2020/21. This financial year Council reflected the resilience it saw in our community as we navigated the challenges and the constantly changing working and living environment brought by the pandemic. Prioritising care for some of the most vulnerable in our City, Council pivoted our services delivery model to continue supporting our residents while still delivering good business performance.

Being acutely aware of the immediate and long-term impacts of this public health crisis on our community, Council adopted a zero per cent rate rise for 2020/21 with an operating surplus of \$1.1m. Although this rate rise was lower than our cost of business, Council continued to deliver its 119 services in modified form and as restrictions allowed and still achieved its \$0.75m savings target.

The maintenance of more than \$600m in community assets to agreed condition levels continued with Council exercising restraint over its finances. We delivered \$1.03m in new and upgraded assets and \$9.75m to renew and replace existing assets as part of Council works throughout 2020/21.

As custodians of our City, Council is determined to create a more sustainable future for our community. In December 2020, Council set a goal to become a carbon neutral organisation before 2030. This goal sees Council do its' bit for climate change while also achieving additional social and community benefits such as less pollution, improved community health, energy conservation, and even reducing costs. Our neutrality will be achieved through renewable energy and energy efficiency projects, and carbon offset initiatives.

In our response to climate change, we saved 500 tonnes in greenhouse gas emissions with the installation of almost 4,000 LED streetlights and a further 56 tonnes in emissions by reducing the Civic Centre's electricity use with upgraded lighting and air conditioning. Solar panels have been installed at The Shed, and Council has committed to purchasing hybrid electric fleet vehicles, installing two electric vehicle charging stations for community and Council use. Other climate change initiatives include improvements in stormwater management through Water Sensitive Urban Design, an intense focus on reducing waste to landfill, and a priority focus on growing our Urban Forest.

The path to sustainability isn't easy, but it's as urgent as it is essential. This challenge of becoming more sustainable is one of the things that gets me motivated to make a change in how we conduct business each day.





Major projects and other infrastructure continued to create jobs and improve services in our City. Significant progress was made on the Magill Village Project, achieving major project milestones by laying the power lines underground and completing the design for the new village heart. Council secured \$5.75m funding for this project from the State Government, ensuring that this precinct renewal is on track to create a thriving future for the Magill Village.

Construction began on the Kensington Gardens Reserve Project in early 2021. A further \$850,000 in funding was secured for the project through the State Government's Planning and Development Fund, complementing the state and federal grant funding received in the 2019/2020 financial year. This project will deliver significant long-term environmental benefits to the reserve and the surrounding creek ecosystem with an extensive vegetation program, new wetland and a dedicated 'biozone' area. For me, this project is unique as it is the first of many where Kaurua are our cultural partners in creating a site with cultural integrity and, through this journey, real opportunities for reconciliation and community education.

Council embarked on creating a new City Master Plan exploring the first theme, 'Connecting People and Places'. This City Master Plan will enable the Council to approach future opportunities and decisions at all levels that are considered holistic and appropriate for its residents, focusing on the community, the environment, and place.

In summary, a year of significant challenge and achievement. Our financial results confirm that our approach to the stewardship of our City is sustainable and robust, positioning us to face the new year with success. I thank our Mayor, Councillors and Administration for their collegiate approach in guiding the City to deliver positive outcomes for our community.

Chris Cowley

CEO



Our City

2

Established in 1856, the City of Burnside is one of Adelaide's oldest residential areas and is located 10 minutes from the central business district of Adelaide, nestled at the base of the Adelaide foothills. It is a city known for its character and amenity featuring tree-lined streets, period architecture, plentiful reserves and gardens and tidy, safe streetscapes.

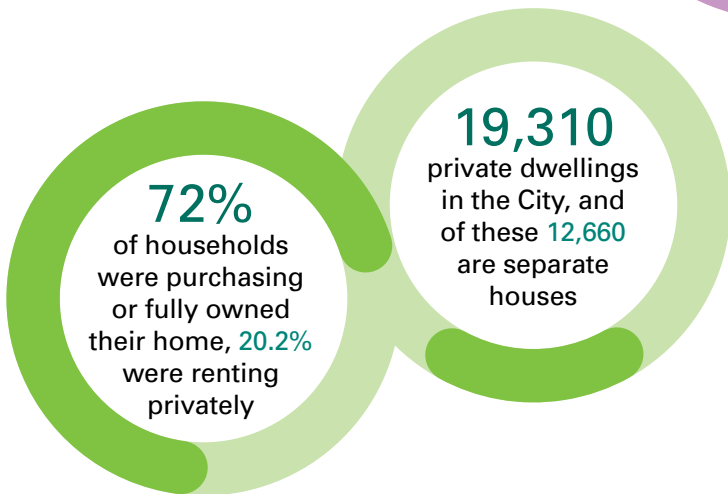
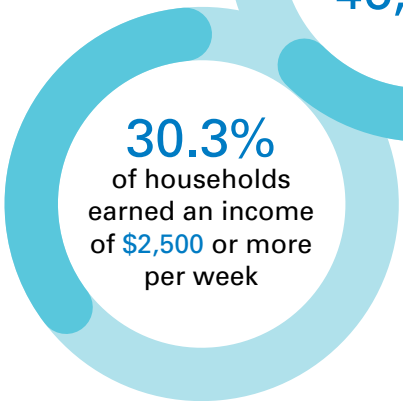
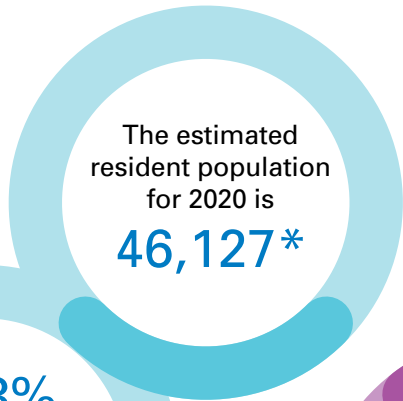
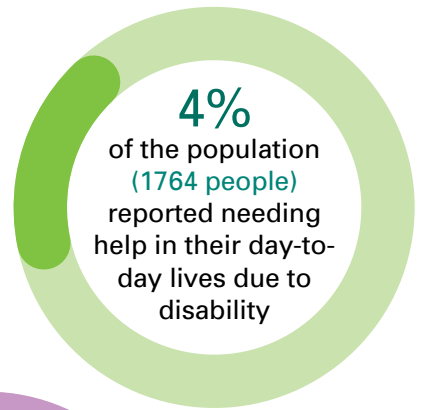
The introduction of the new Planning, Development and Infrastructure Act 2016 and the completion of projects such as the Cedar Woods redevelopment at Glenside has seen a shift in the City's historically stable population and dwelling choices. Population growth reflects these changes with an ever-increasing youth demographic and increased proportion of residents from non-English speaking backgrounds.

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

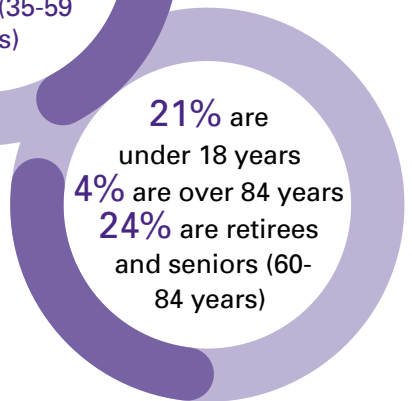
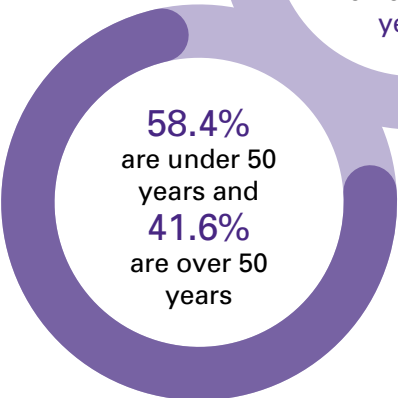
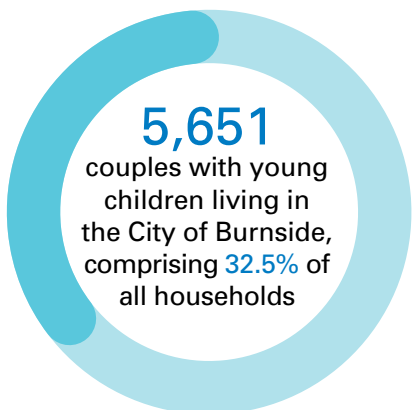
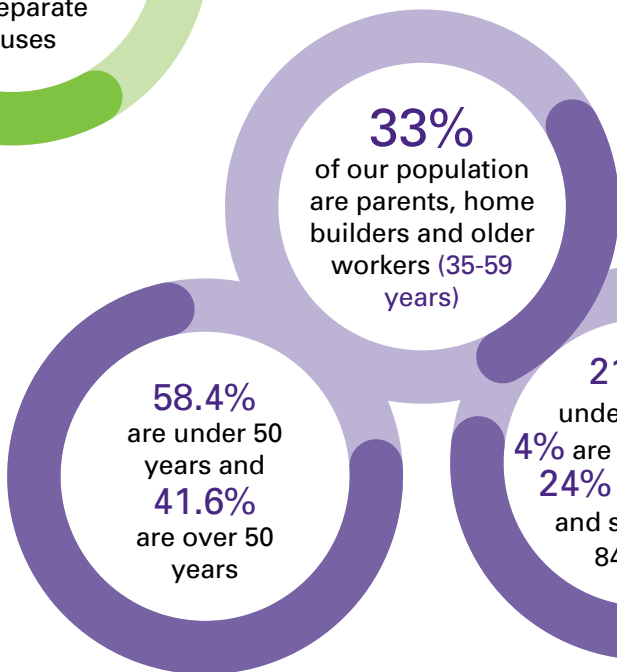
Burnside has evolved into a dynamic community



The Census* reveals the following statistics for the City of Burnside



* The last Census was undertaken in 2016; however the ABS can estimate population growth.





Vision

A prosperous City with a healthy, safe, connected, and active community, living in green leafy neighbourhoods where lifestyle is admired, heritage is valued, and people and nature live in harmony.



Strategic Direction

In September 2020 Council endorsed a new strategic community plan, Burnside 2030, that articulates Council’s vision, goals and priorities that will guide decision making over the next 10 years.

Informed by the community, the plan guides some of our most important projects and programs and helps us respond to emerging opportunities and challenges. This plan builds on our past achievements by providing highly valued community services and identifying and preserving uniquely Burnside qualities.

Burnside 2030 outlines our big picture goals, the future aspirations for our City. The plan guides decisions made in our other strategic plans and is delivered through actions that our community will benefit from every day.

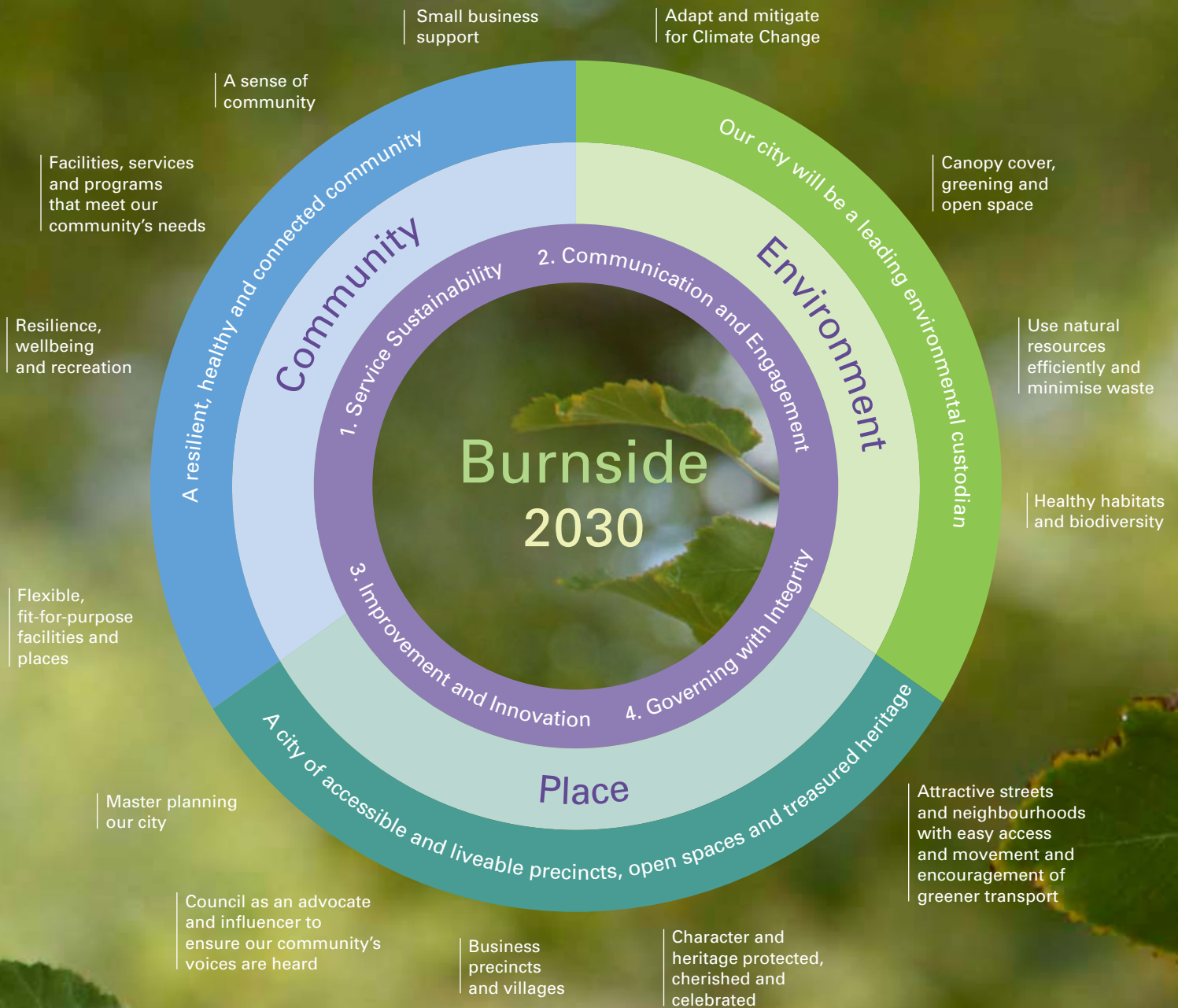
Our Vision describes the aspirations our community and Elected Members have for our City implemented through:

- Four principles that guide how Council will deliver the plan.
- Three themes that reflect the shared priorities of our community and Council that are consistent with our proud history and vision for a liveable future.
- Three goals that describe broad areas for action.
- Fourteen priorities that describe what we aim to achieve with this plan, based on what our community wants and needs.

Many of the priorities contained in Burnside 2030 will require a partnership approach with our community, stakeholders and all levels of government. Council will also work together with its subsidiaries to achieve the goals and priorities contained within this plan.

Council’s strategic management plans consist of Burnside 2030, asset management plans, and the Long Term Financial Plan. These plans are supported by a hierarchy of Council strategies and policies delivered through action plans, management plans, internal work plans and the Annual Business Plan and Budget.

The Strategic Community Plan



3

Our Council

The Act establishes that a Council provides the governance and management of its area at the local level. The Council will be a decision-maker in the community's interests, coordinate public services and facilities, develop initiatives to improve the community's quality of life and represent the interests of its community.

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

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

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

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

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



Council Members

(as at 30 June 2021)



Mayor Anne Monceaux

Eastwood and Glenunga Ward



Cr Helga Lemon



Cr Julian Carbone

Beaumont Ward



Cr Paul Huebl



Cr Harvey Jones

Kensington Gardens and Magill



Cr Grant Piggott



Cr Henry Davis

Burnside Ward



Cr Mike Daws



Cr Jenny Turnbull

Kensington Park Ward



Cr Sarah Hughes



Cr Jane Davey

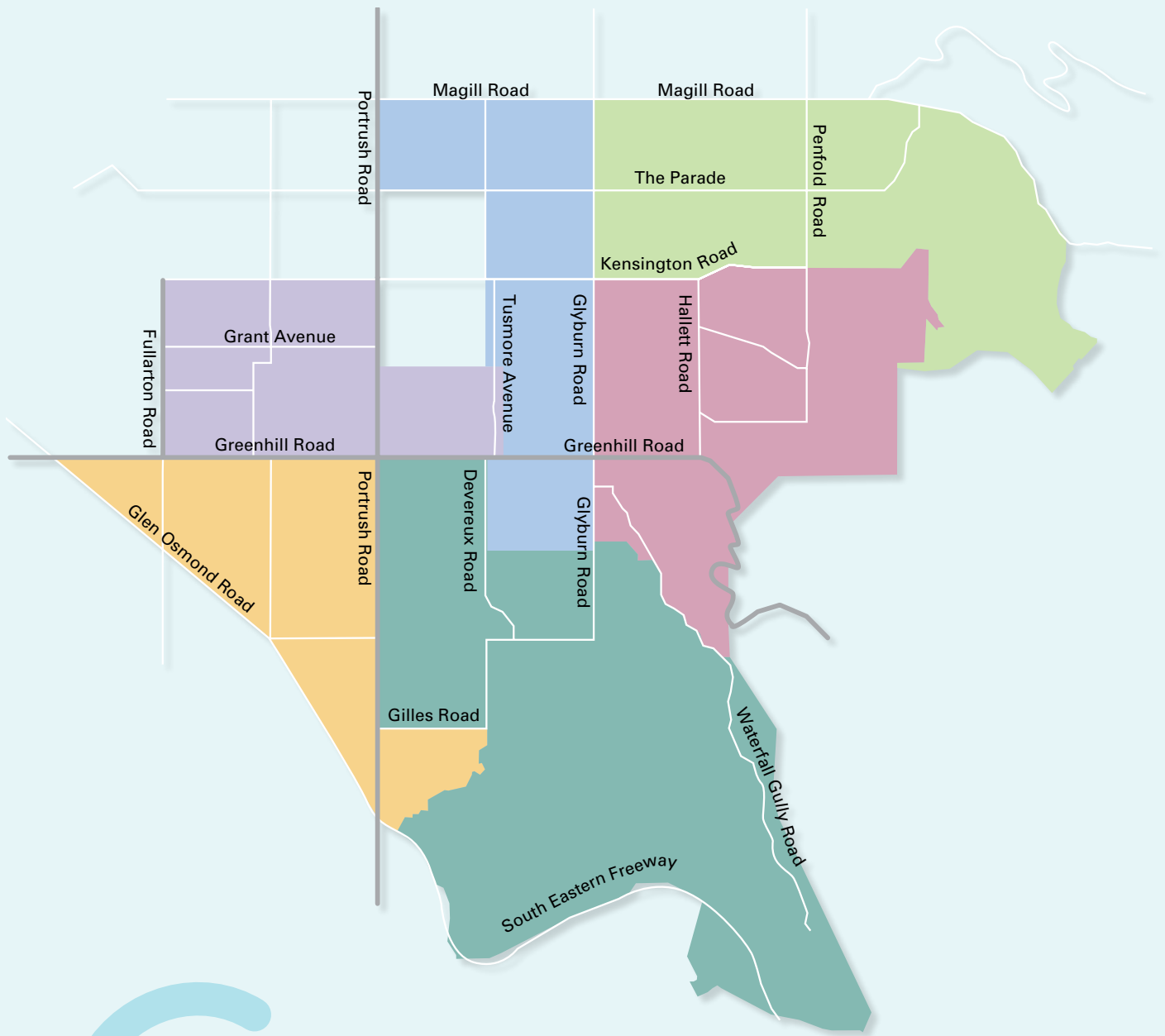
Rose Park and Toorak Gardens Ward



Cr Peter Cornish



Cr Lilian Henschke



City of Burnside Wards

- **Beaumont**
 Beaumont, parts of Glen Osmond, Leawood Gardens, Linden Park, Mt Osmond, St Georges, Waterfall Gully
- **Kensington Gardens and Magill**
 Auldana, Kensington Gardens, Magill, Rosslyn Park, Skye
- **Kensington Park**
 Beulah Park, Hazelwood Park, Kensington Park, Leabrook
- **Rose Park**
 Dulwich, Rose Park, Toorak Gardens, Tusmore
- **Burnside**
 Burnside, Erindale, Stonyfell, Wattle Park
- **Eastwood and Glenunga**
 Eastwood, Frewville, parts of Glen Osmond, Glenside, Glenunga



The Administration

The Council's Administration is responsible for the coordination, implementation, and management of Council decisions, services and activities according to Burnside 2030, the City of Burnside's strategic community plan.

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

Following the Council's endorsement of Burnside 2030, the Administration's structure was realigned to create three divisions to deliver on the three pillars of the strategic plan: Community, Place and Environment.

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

The Chief Executive Officer's office deals with strategic organisational significance and business planning issues, including Elected Member liaison and support, Council and Committee secretariat, Government liaison, and Executive support.

The Directors lead three divisions of Administration:

- Corporate and Development
- Environment and Place
- Community and City Activation.

There were no additional allowances, bonuses or benefits paid to Senior Executive Officers. An option is provided to salary sacrifice superannuation.

Senior Executive salary packages include the following benefits:

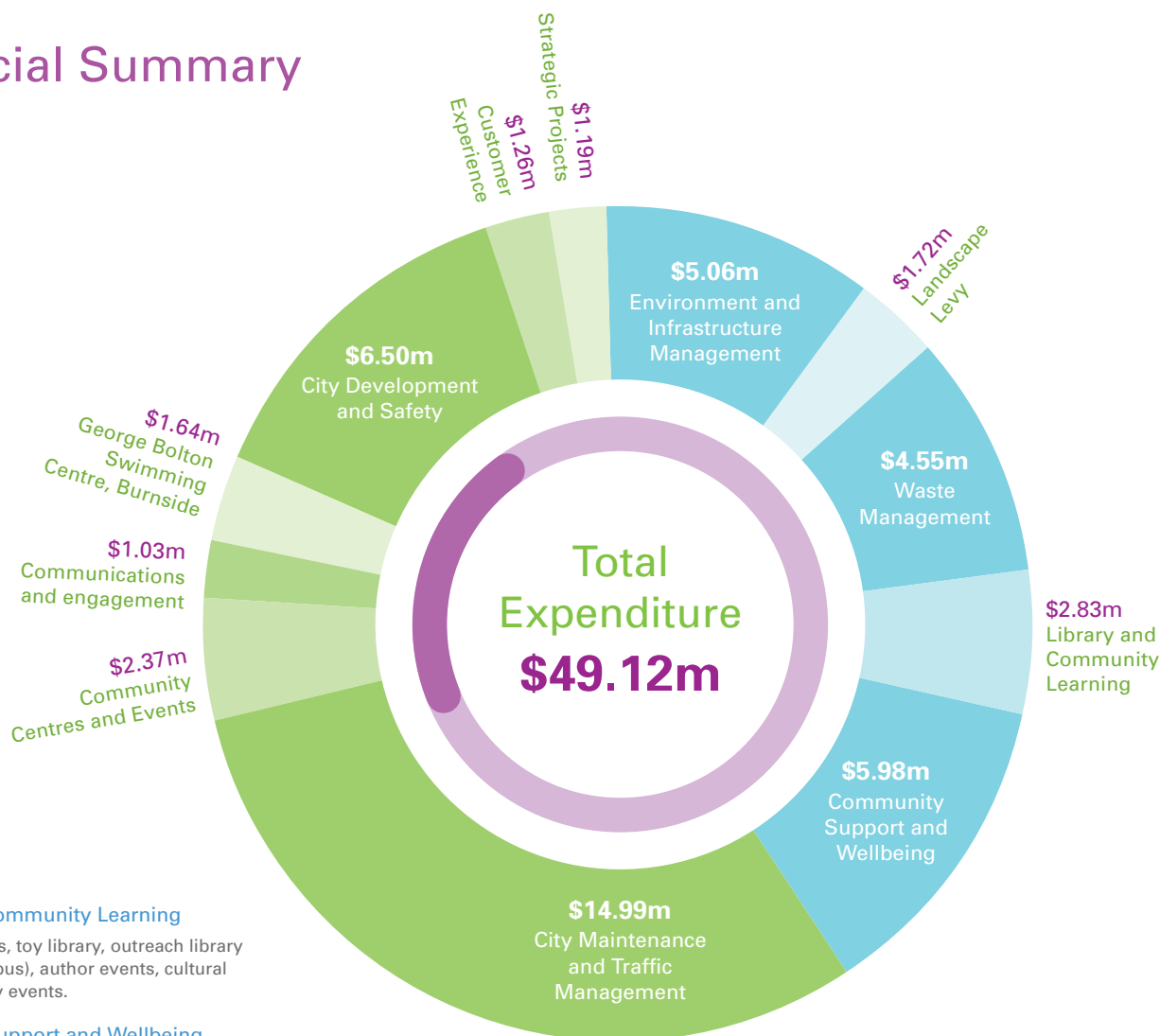
- Competitive salary.
- Salary sacrifice for a fully maintained vehicle or novated lease vehicle.
- Employer-sponsored superannuation contributions.
- Employee salary-sacrificed superannuation.
- Mobile telephone and tablet.

Salary information for all employees can be found on the Register of Remuneration, Salaries and Benefits public register on Council's website.





Financial Summary



Library and Community Learning

Library materials, toy library, outreach library service (library bus), author events, cultural days and history events.

Community Support and Wellbeing

3Rs program, Men's Shed, Community Transport, grants, sponsorship, Home Assist service.

City maintenance and Traffic Management

Graffiti removal, city cleaning, street sweeping, footpath maintenance, storm damage response, park furniture maintenance, tree planting, park watering, biodiversity nursery, tree maintenance, tree planting, playground maintenance, verge mowing, park and reserve maintenance, maintenance of assets and infrastructure, Traffic Management.

Community Centres and Events

Managing school holiday programs and community centres across the City and coordinating events at the centres, Regal Theatre, Pepper Street Art Centre.

Communications and engagement

So you can Have Your Say and find out what is happening in your community – website, social media, online consultation, Business Plan and Budget, Focus newsletter, eNews, community consultations, Annual Community Survey.

George Bolton Swimming Centre, Burnside

City Development and Safety

Bushfire prevention, dog control and animal management, Eastern Health Authority (immunisations, public health, food safety in food businesses), licensing, development applications, heritage, Rangers and compliance.

Customer Experience

Call centre, after hours call centre, waste enquiries, possum and cat trap hire, bookings for parks, tennis courts and banners, venue hire, parking permits, new resident information, possum box sales, compostable bags, compost bin sales.

Strategic Projects

For projects such as Magill Village Master Plan and Kensington Gardens Reserve Master Plan.

Environment and Infrastructure Management

Renewal and upgrade of council assets and infrastructure, waste (recycling, organic, landfill and hard) collection, illegal dumping collection, carbon footprint management.

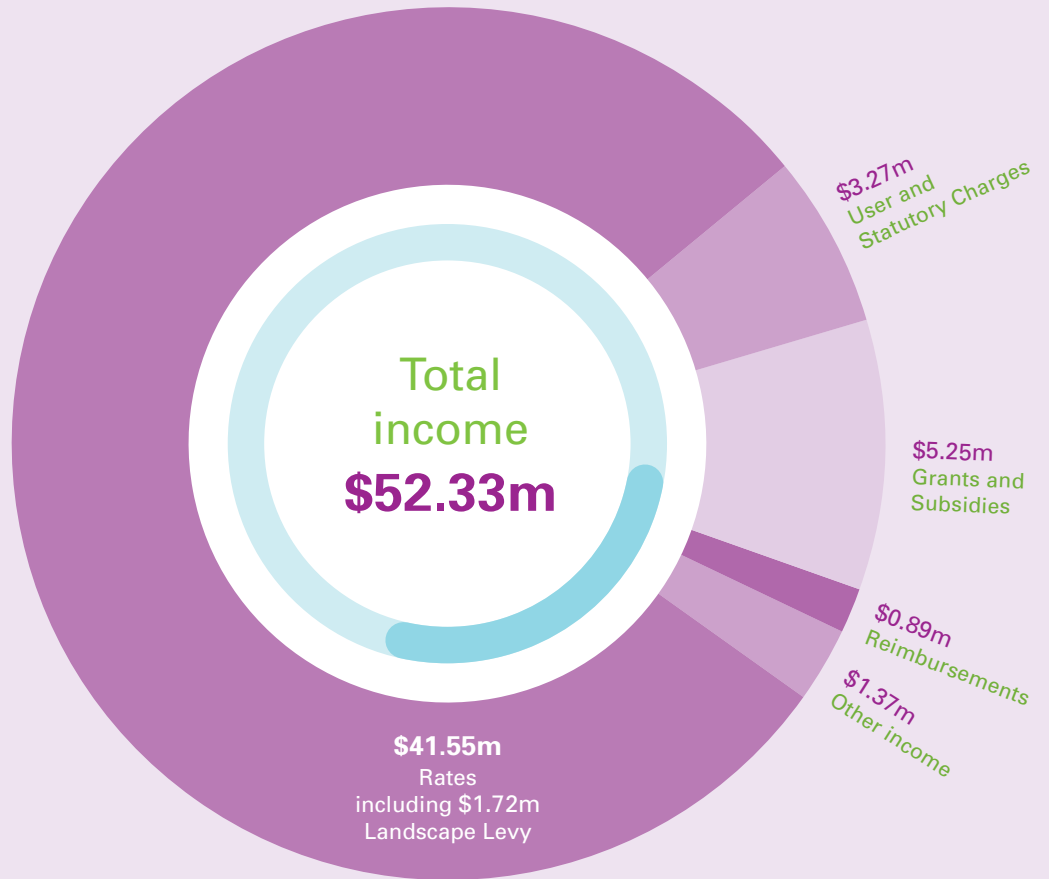
Landscape Levy

The Regional Landscape Levy (previously known as the NRM Levy) is a State Government imposed tax, which councils are required to collect on behalf of the State Government under the Landscape South Australia Act 2019 with all funds going to the State Government and not the City of Burnside.

Waste Management

Waste (recycling, organic, landfill and hard) collection and illegal dumping collection.

All enquiries or concerns about the Regional Landscape Levy should be directed to the Green Adelaide Board at www.landscape.sa.gov.au



Rates

A property tax that is the main source of income for Council; including \$1.72m Landscape Levy.

User and Statutory Charges

Statutory
fees/fines levied through animal registrations, development fees and parking fines.

User
charges for using specific Council services e.g. hire of Council facilities.

Grants and Subsidies

From State and Federal Government.

Reimbursements

Reimbursements for private works and from insurances.

Other income

Interest earned, rebates received, income from recyclables, interest received.





Performance Highlights

121 Dog Expiations

- 73 Unregistered dogs
- 36 Dogs wandering
- 6 Dog attack
- 5 Barking
- 1 Contravene Barking Order



1,266

cats registered
voluntarily

5,698

dogs registered

Rangers

- 383** Fire prevention inspections
- 2,336** Total of Customer Requests
- 64** Permits to burn issued
- 1,622** Parking permits
- 31** Outdoor Dining/On Street/
Mobile Vending permits
- 70** Skip Bin permits
- 5,948** Parking expiations issued
- 318** Parking expiations private
parking/disabled parks
- 11** Local Nuisance and
Litter expiations
- 3** Back yard burning expiations

Planning

Total Development applications received **1,415** (1,056 under the Development Act; 359 under the PDI Act in PlanSA portal)

- 380** Plan search requests processed
- 1,338** Section 7 searches processed
- 334** Compliance requests actioned
- 1,369** Building notifications received



Assets and infrastructure

- 1** New shelter
- 5** New picnic tables
- 3** Playgrounds renewed
- 4** New retaining walls
- 11.1km** Road resurfaced
- 653m** of new stormwater pipes
- 3** Public toilets upgraded
- 1,291** Council facility work orders actioned

- 10** New benches
- 9** New bike racks
- Recycled plastic bollards installed at **6 sites**
- 128** Bpods (WSUD*) installed
- 6** New bus shelters
- 87** Street lights upgraded to LED
- 3** New footpaths
- 4.1km** Footpaths renewed
- 7.3km** New kerb and gutter
- 1** Basketball court resurfaced

*Water Sensitive Urban Design

\$1.02m

invested in renewing community buildings (excl. Regal and Ballroom)



\$764k

invested in renewing State Heritage listed facilities (Regal and Ballroom)





ENVIRONMENT

7,208 tonne

Waste sent to landfill

(4% decrease on previous year),
saving over **\$41,000** in waste levy,
plus over **\$10,000** in landfill fees.

953

Street and reserve
trees planted

3,855

Hard waste
collections (5%
increase on
previous year)



Revegetation Stats

Urban Biodiversity Sites

Planted by Natural Resources
Team, Volunteers and Bio Contractors

Trees **259**
Other Plants **5,952**

Hills Face Reserves

(Including Michael Perry Botanic Reserve)

Planted by Volunteers and Bio Contractors

Trees **260**
Other Plants **1,520**

Indigenous Plants - Resident Giveaway etc

Trees **321**
Other plants **2,900**

Biodiversity Nursery

Total indigenous
plants grown **11,798**

Bio Nursery Plants Supplied to Other

(Arb, Parks, etc)

NB these should be reported by
others in their stats.

Trees **70**
Other Plants **44**



Over **200** visits per month by the Home Service Van out nearly every working day of the year.

Nearly **1,000** people attended Library in the Park in March 2021.

Library delivered **172** programs and events attended by **8,150** people.

220,000 Visits to the Library

1,133 E-Audiobooks and ebook users, an increase of nearly 45%

152 Book Clubs, including English as a second language, young adult, Mandarin and non-fiction groups (the most in the State)

Over 370 People attended Library events as part of History Month in May.



COMMUNITY

Home Support Program

1,529 Individual clients were assisted

46,273 Hours of Home Support services were provided

13,080 Transport trips provided for shopping or to appointments

3,459 Meals were served at community programs

George Bolton Swimming Centre

- 67,642** People attended the pool in the 2020/21 season
- 2,254** Average weekly attendance
- 570** Burnside Swim School had 570 enrolments in Term 4 2020, and 538 enrolments in Term 1 2021
- 199** Participants attended the seven-day Vacs Swim program in January 2021
- 640** Children attended Department of Education swimming lessons
- 8** Schools held swimming carnivals at the Centre; 2,500 students participated

The 'Watch Around Water' program continued to promote water safety and the need for parents and carers to keep watch over their children and avoid smartphone distractions.



- 750** Meals donated to the community (Cooking for a Cause, OzHarvest)
- 300** Attended Family Fun Day
- 600** Attended outdoor movies
- 150** Attended Inaugural Environment Awards
- \$73,242** Awarded in Community Grants
- 155** Attended School Holiday Programs

402 Active volunteers

- 22,000** Hours for 2021 (less due to Covid)
- 33** Volunteer programs

The Regal Theatre celebrated **95 years** of continuous operations.



Our 2020/21 Achievements

Council adopted its new strategic community plan, **Burnside 2030**, with a vision underpinned by three main themes – Community, Environment and Place.

Council has worked closely with Kurna Traditional Owners to see the design completed and construction commence on the **Kensington Gardens Reserve Project**. Over 26,000 new native plants will be planted around a new wetland and complemented by a Kurna place of recognition and artwork. A community welcome day featuring a smoking ceremony and Welcome to Country, was hosted to celebrate the commencement of the project. A grant for \$850,000 was received through the Planning and Development Fund for Local Government programs complementing the \$3m Federal Government and \$215,000 NRM Board grants.

The Cities of Burnside and Campbelltown, with the support of the State Government, are undertaking works to refresh the streetscape on Magill Road to improve **Magill Village** for businesses, residents and visitors. The power lines located in the Village heart have been laid underground and a final design for the streetscape refresh has been approved by the Department for Infrastructure and Transport. Construction is to commence in the 2021/22 financial year.

In August 2020, the Magill Village Master Plan won the **Parks and Leisure Australia 2020 Strategic Planning Award** for the South Australia/Northern Territory region. It was also a finalist in the National Awards in October 2020.

The 2020/21 Annual Business Plan and Budget featured a **zero per cent rate rise**.





Carbon Neutral by 2030

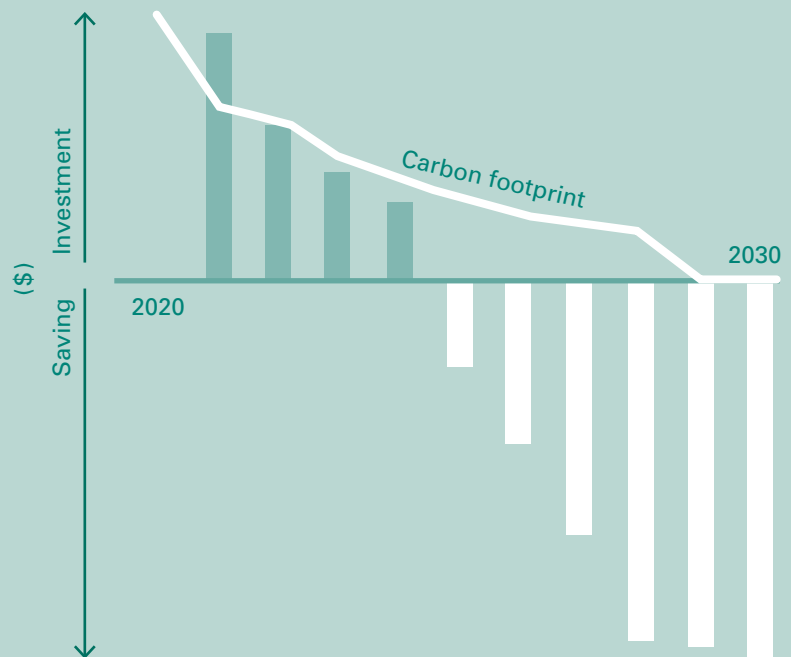
The City of Burnside declared a Climate Emergency in September 2019 and is committed to becoming one of the first councils in South Australia to be **Carbon Neutral by 2030**. Council's approach will achieve long-term benefits, including cost reductions through savings on power and fuel, lower greenhouse gas emissions and the planting of thousands of trees. Council supported the plan by adopting a Climate Change Policy and an Environment Sustainability Strategy. As Council works toward a Carbon Neutral Burnside, it will continue to support the community through this transition to enhance environmental sustainability and community prosperity.



Carbon Neutral Burnside 2030

The City of Burnside's carbon footprint is generated through powering of council facilities, streetlights and vehicles.

The Council has conducted a thorough analysis to determine how best to reduce its carbon footprint and save money, with the graph below showing Council's proposed forward plan.



Council's 10 year plan to achieve carbon neutrality will be delivered through smart investment in:

- Energy efficient infrastructure, including facilities and vehicles.
- Initiatives to reduce Council's energy use.
- Solar energy systems for buildings.
- Carbon offset initiatives (including the Burnside Carbon Offset Scheme, a major tree planting partnership to offset carbon emissions from the The Regal Theatre and George Bolton Swimming Centre).

Recent Achievements

26% decrease in Council's carbon footprint between 2019 and 2020



Almost 4,000 streetlights upgraded to LED, saving around 500 tonnes greenhouse gas emissions – the equivalent of taking 165 cars off the road.



Electricity use reduced by 12% at the Burnside Civic Centre, with upgraded lighting and air conditioning saving around 56 tonnes greenhouse gas emissions a year – the equivalent to taking 19 cars off the road.



Solar panels installed on the new facility on Conyngham Street.



Purchase of hybrid electric vehicles and installation of two electric vehicle charging stations.

In 2020

- 1,500 trees planted on public land.
- 8,500 indigenous plants grown at the Burnside Biodiversity Nursery.
- 11,000 plants used in public and private planting programs.
- City of Burnside recognised as a Tree City of the World.

Water Sensitive Urban Design (WSUD)

Council is improving the way stormwater is managed, to reduce runoff and utilise this valuable resource. During 2020, Council installed rainwater tanks, permeable paving and numerous devices to capture and re-use stormwater in verges. There are around 500 examples of WSUD in action, with more delivered each year.



- Climate Change Policy adopted.
- Environmental Sustainability Strategy adopted.
- Circular procurement initiative commenced.
- Energy audit undertaken and carbon footprint baseline for Council established.
- Resilient East collaboration.



151 tonne

decrease in waste to landfill in 2020 – the equivalent weight of 70 Toyota Landcruisers

A new business support program, **Propel SA**, was launched by Burnside, Campbelltown and Walkerville councils to support local business and encourage growth.

Council endorsed Burnside's first **Disability Access and Inclusion Plan**. This plan strives to demonstrate our recognition of the importance of inclusion, diversity and access for all.

The inaugural **Environment Day Awards** were announced at Beaumont House on Sunday 11 April 2021. The awards celebrate initiatives and activities that Burnside community members are implementing in the City.

The inaugural meeting of the **City of Burnside Reconciliation Working Group** was held to commence the development of the Council's first Reconciliation Action Plan.

The Shed in Glenside officially opened. The Burnside Biodiversity Nursery relocated to the multi award-winning Shed, complementing this unique community space that includes a workshop and open community garden alongside a fully operational Council depot.



Refurbishment works at the 95-year-old **Regal Theatre** were completed, and the theatre reopened following closures due to COVID-19 restrictions. The community provided feedback for the future of the Regal Theatre precinct as work commenced on developing a master plan.

The new **2021-2026 Asset Management Strategy** was endorsed as part of best practice asset management. It is a document that defines how the Council's strategic objectives are integrated with and supported by asset management practices and what the Council intends to do to progress towards best practice asset management.

Burnside's arts and cultural centre, **Pepper Street Arts Centre**, celebrated 25 years of operation. The Centre supports creative endeavour and excellence, promoting arts appreciation and education, and provides social engagement across the artistic and broader community.

The **George Bolton Swimming Centre Burnside** opened with the new Watch Around Water ratios and an online attendance booking system.

Detailed designs were completed for the refurbishment of the **Tusmore Wading Pool** after extensive community feedback.

Master plans were completed for **Tregenza Oval** and **Penfold Park**. These master plans will ensure that future maintenance and development options for the parks are sensitive, planned, purposeful and complementary. They will also provide a basis for scheduling works in a financially sustainable way.





The **Burnside Ballroom's** Tasmanian Oak floor was replaced.

For the second consecutive year, the City of Burnside was named a 'Tree City of the World'.

The installation of a memorial sculpture at the **Constable Hyde Memorial Gardens** marked the completion of this project. The gardens feature a new playground with a 4-metre long blue-tongue lizard carved from a local fallen River Red Gum, new picnic tables, and a redeveloped plaza with a small avenue of trees.

The **Burnside Library** celebrated 60 years of operation in April 2021.

Burnside hosted a **Community Summit** with some of SA's leading service providers and health experts to discuss a wide range of issues impacting our City and to form the foundation for the Council's work in the future.

A final design for the Laurel Avenue Community Garden was completed and construction work commenced. A community engagement to select a name for the garden resulted in **Laurel Avenue Pirkurna Wirra / Peter Bennett Organic Community Garden** being endorsed by Council.

At **Chambers Gully car park**, 32 extra spaces were created to meet the demand for Chambers and Waterfall Gully access.

'Connecting People and Places' is the first theme investigated as work on the **City Master Plan** commences.

Council won three awards at the **Local Government Information Technology South Australia Awards**. They are for Excellence in Information Management; Young Achiever of the Year; and Team of the Year for COVID-19 Response.

Council conducted two community engagements for the **Elector Representation Review**, seeking feedback on all aspects of the composition and structure of the Council. The outcome of the review will be announced in the 2021/22 financial year.

The statistically representative **2020 Annual Community Survey** revealed that our community's overall satisfaction with Council's service delivery performance is the highest since 2013, when this survey commenced. Overall satisfaction with Council has a mean score of 7.7 out of a possible 10.



Corporate Governance

5

Council Meetings are vital part of the City of Burnside's operations. The Council considers information, reports, and recommendations prepared by the Administration to assist Council in making decisions on the budget, strategic planning, policies, and other civic matters. These decisions made by the Elected Members at formal meetings provide the direction and authority for the ongoing operation of the Council.

During the 2020/21 financial year, Council meetings were held on the second and fourth Tuesday of each month (excluding December and January) at 7 pm at the Civic Centre, 401 Greenhill Road, Tasmore.

All Council meetings were open to the public, as COVID restrictions permitted, and were conducted as per the Act and the Local Government (Procedures at Meetings) Regulations, except where items were identified as falling within the provisions of section 90 of the Act. These items were considered in confidence, and members of the public were excluded from the meetings during those items.

All meetings of the Council are live-streamed and published on Council's YouTube channel.

The agendas of Council and Committee meetings are displayed in the Council office no less than three clear days before the meetings. Minutes of the meetings are displayed in the Council office within five days after the meetings. Agendas and minutes are also available on the City of Burnside website at www.burnside.sa.gov.au



Elected Member allowances and training

The Act provides that Elected Members are entitled to receive an annual allowance to assist with expenses incurred in undertaking their role and recognition of the role they perform.

The Remuneration Tribunal of South Australia determines the rate of annual allowance for Elected Members. The allowance is adjusted annually in November using a formula prescribed by the Local Government (Members Allowances and Benefits) Regulations 2010.

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

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

Elected Member Allowance	
Mayoral Allowance	\$72,400
Elected Member	\$18,100

The City of Burnside is committed to providing training and development for Elected Members. It assists Council in remaining compliant with all relevant legislation, standards and codes. Elected Members can attend training sessions, workshops, and conferences throughout the year to broaden their knowledge and skills.

In 2020/21, Elected Members attended informal gatherings and workshops where they were provided briefings on topics. Agendas and attachments for these sessions can be found on the City of Burnside website.

Training provided includes:

- Planning, Development and Infrastructure Act training for Elected Members delivered by Norman Waterhouse Lawyers for all members (\$950).
- Construction Works and Site Management delivered by Norman Waterhouse Lawyers for all members (\$2,990).
- CAP New Member Induction delivered by Norman Waterhouse Lawyers for Cr Mike Daws (\$1,365).

Council Committees



Under Section 41 of the Act, the Council can establish committees that will assist Council in the performance of its functions. These committees make recommendations to the Council.

A summary of the functions, membership and meeting arrangements for each committee follows. The complete Terms of Reference for the Committees can be found on Council's website.

For the period July 2020 to June 2021, the City of Burnside had the following Section 41 Committees:

- Audit Committee.
- CEO Recruitment, Performance Appraisal and Remuneration Review Committee.

The Council Assessment Panel (CAP) is established under the Planning, Development and Infrastructure Act 2016 (the PDI Act) and operates under the Terms of Reference derived from this legislation.

Audit Committee

The Audit Committee of Council is established under Section 41 of the Act, under Section 126 of the Act and in compliance with regulation 17 of the Local Government (Financial Management) Regulations 2011.

The Audit Committee facilitates:

- The enhancement of the credibility and objectivity of internal and external financial reporting.
- Effective management of financial and other risks and the protection of Council assets.
- Compliance with laws and regulations as well as the use of best practice and Governance guidelines.
- The effectiveness of any audit functions.
- The provision of an effective means of communication between the external auditor, management and the Council.



The Independent Chairperson receives a sitting fee of \$687.50 for each meeting attended, and Independent Members receive a sitting fee of \$497.00 for each session attended. No sitting fees are paid to Elected Members on the Committee.

Membership of the Audit Committee on 30 June 2021 was Emma Hinchey, Independent Chairperson, David Powell, Independent Member, Mayor Monceaux and Councillors Jones, Piggott and Davey (proxy member).





CEO Recruitment, Performance Appraisal and Remuneration Review Committee

The Council is responsible for the appointment of the CEO, determining the CEO's Performance Plan, assessing the CEO's performance against that plan and determining the remuneration of the CEO.

The Committee's role is to advise the Council on these matters, including:

- Performing the functions of a selection panel under section 98(4) of the Act.
- Determining the Performance Plan of Council's CEO.
- Monitoring the performance of Council's CEO.
- Reviewing the remuneration and conditions of employment of the CEO at 12 monthly intervals.

The CEO Recruitment, Performance Appraisal and Remuneration Review Committee comprises the Mayor and three Elected Members. Membership on 30 June 2021 was Mayor Monceaux and Councillors Daws, Huebl and Piggott.

No sitting fees are paid for this Committee.



Council Assessment Panel

The Council Assessment Panel (CAP) role is to assist Council with the assessment and determination of development applications against the relevant provisions of the Planning and Design Code.

The membership of the CAP on 30 June 2021 was four Independent members, one Elected Member and a Deputy Member:

- Carol Muzyk (Independent Presiding Member)
- Graeme Brown
- Ross Bateup
- Kate Shierlaw
- Mike Daws (Elected Member)
- Helga Lemon (Proxy Member who will only act if the Elected Member cannot attend a meeting).

The CAP requires representation from Independent Members who receive an allowance for chairing the Committee. Independent Members of the Audit Committee receive an allowance for attending meetings. The sitting fees were as follows:

- Presiding Member \$625 per meeting attended.
- Independent Member \$425 per meeting attended.
- Elected Members \$250 per meeting attended.

Council Representation on Boards and Committees on 30 June 2021

Local
Government
Association
of SA

Mayor Monceaux

Australian Local
Government
Association

Mayor Monceaux

Local
Government
Finance
Authority of SA

Mayor Monceaux



**Eastern Waste
Management
Authority**

Councillor Carbone

**Eastern Region
Alliance**

Mayor Monceaux
and Chief Executive
Officer

**Eastern Health
Authority**

Councillors Cornish
and Davey

ERA Water

Chief Executive Officer,
Director Corporate
and Development
(Deputy Member)
and Councillor Piggott
(ERA Water Audit
Committee)

**Adelaide and
Mt Lofty Ranges
Bushfire
Management
Committee**

Team Leader Ranger
Services

**Highbury
Landfill Authority**

Chief Executive Officer





Elector Representation

The elector ratio (quota) for the City of Burnside is 1:2,468. Burnside is one of seven South Australian councils classified as Urban Development Medium (UDM), and their representation quotas are shown below.

Council	Representation Quota
Burnside	1:2,468
Campbelltown	1:3,296
Holdfast Bay	1:2,197
Mitcham	1:3,495
Norwood, Payneham and St Peters	1:1,847
Unley	1:2,123
West Torrens	1:2,825

Source: 2020/21 Representation Quotas –
Local Government Association of SA

The Act specifies that if a Council is divided into wards, then the number of electors in each ward must fall within a ward quota so that there is fair representation on Council.

Each Council is required to conduct a review of its representation at least once in each relevant period, as prescribed by the regulations of the Act.

The Minister for Local Government publishes a timing schedule to determine the relevant period required for a review. The City of Burnside commenced its Representation Review in 2020 and will complete the review in the 2020/21 financial year.



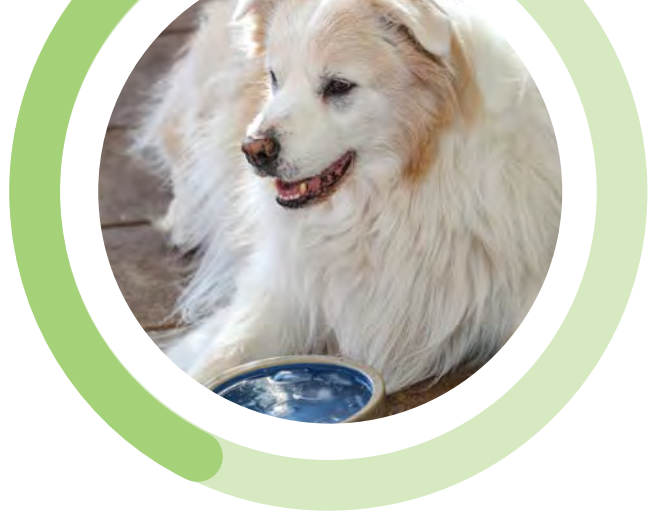
Council Meetings held in confidence

The Council and its Committees may be closed to the public under section 90(2) of the Act, and they may also make an order under section 91(7) to retain information in confidence.

During 2020/21 162 Items were released from confidence, and Council remade the orders on 97 items.

Table below: Confidential items received in the 2020/21 reporting year.

Date	Subject	Meeting Type	Expiry/ Lapse Date	LG Act Reference	Items retained in Confidence	Items released from Confidence
08/06/2021	Appointment of Member to the Brown Hill and Keswick Creeks Stormwater Board (Report No: 143-21)	Council	08/06/2026	90(3)(a)	Attachment A - CV of preferred candidate for appointment	Report No: 143-21 Minutes
21/04/2021	Appointment of a CEO Performance Appraisal & Remuneration Review Consultant	CEO	21/04/2026	90(3)(d); 90(3)(k)	Report Attachment A - Request for Quote Attachment B - Harrison McMillan Response Attachment C - LGA Response Attachment D - McArthur Response Attachment E - Perks Response Minutes	



Date	Subject	Meeting Type	Expiry/ Lapse Date	LG Act Reference	Items retained in Confidence	Items released from Confidence
23/03/2021	Projects for Inclusion in 2021/22 Draft Annual Business Plan and Budget (Elected Member Proposals) (Report No: 078-21)	Council	30/06/2022	90(3)(b)	Report Attachment A - Elected Member Budget Proposals 2021/22 Attachment B - Administration Budget Proposals 2021/22 Minutes	
16/03/2021	Appeal Matter – OTR, 285-287 Kensington Road (Report No: 064-21)	Council	16/03/2027	90(3)(h); 90(3)(i)	Attachment A – Correspondence from Hilditch Lawyers Attachment C – Advice from Norman Waterhouse	Minutes Report Attachment A – plans and diagrams Attachment B – draft order Attachment C – expert

Local Government Act Reference Explanation:

90(3)(a)	Personal Affairs	90(3)(h)	Legal Advice
90(3)(b)	Commercial Advantage	90(3)(i)	Litigation
90(3)(c)	Trade Secret	90(3)(j)	Information provided on a confidential basis by a Minister of the Crown
90(3)(d)	Commercial Information (not a trade secret)	90(3)(k)	Tenders
90(3)(e)	Security/Safety	90(3)(m)	Proposed Amendment to a Development Plan
90(3)(g)	Breach any Law	90(3)(n)	Freedom of Information Act 1991

List of Mandatory Registers and Codes

The Council publishes additional registers on Council's website, burnside.sa.gov.au

Codes

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

Registers

- Register of Elected Member Allowances and Benefits.
- Register of By-Laws and Certified Copies.
- Register of Conflicts of Interest.
- Register of Public Roads.
- Register of Remuneration, Salaries and Benefits.
- Register of Interests.
- Fees and Charges.
- Community Land Register.

By-laws

The City of Burnside's by-laws were gazetted on 6 September 2018 and came into effect on 2 January 2019 and expire in 2026.

Council's by-laws are:

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



Section 270 Reviews

A person aggrieved by a Council decision can request an internal review of the decision under Section 270 of the Act.

In the 2020/21 financial year the City of Burnside received one application for review. The application requested that the Council review the decision to deny an insurance claim regarding Council damaging a fence at the rear of their property. A review was conducted by an external legal provider who found that while the Council was performing works in the area, there was no evidence that the Council damaged the fence, and the review found that the insurance claim should be denied.

Freedom of Information

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

FOI request forms and a list of fees and charges applicable to requests are available from the Council office and website.

During 2020/21 Council processed 13 Freedom of Information requests (two were withdrawn) and provided its annual return to State Records. One FOI application was from the previous financial year. Of the 11 applications received, all were determined, with one application provided in full, six partially released, and four applications refused access.





Local Nuisance and Litter Control Complaints

Local nuisance and litter has an adverse impact on, or interferes with, the enjoyment of people in the area of that nuisance. Council's Compliance Team is committed to guiding the community in local nuisance and litter prevention and handling complaints when it does occur.

The nuisance provisions of the Local Nuisance Litter and Control Act 2016 came into operation on 1 July 2017, regulating the Council's management of nuisance and litter related complaints. Council is required to publish details of complaints received by the community:

Council	Litter	Nuisance
Regulation 5(a)		
Complaints of local nuisance or littering received by Council	133	269
Regulation 5(b)		
(i) Offences under the Act that were expiated	10	1
(ii) Offences under the Act that were prosecuted	0	0
(iii) Nuisance abatement notices or litter abatement notices issued	0	0
(iv) Civil penalties negotiated under Section 34 of the Act	0	0
(v) Applications by the Council to the Court for orders for civil penalties under Section 34 of the Act; and the number of orders made by the Court for those applications	0	0
Regulation 5(c)		
Any other function performed by the Council under the Act	Nil	Nil





Tenders and contracts

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

- Value for money
- Transparent and fair competition
- Ethical behaviour and probity
- Risk management
- Financial responsibility
- Compliance with statutory obligations
- Local economy
- Social sustainability
- Environmental sustainability
- Indigenous enterprises.

A Procurement Thresholds Matrix determines that quotations are obtained when Council is purchasing goods, works or services where the estimated level of expenditure is between \$2,000 and \$50,000. If the estimated level of expenditure exceeds \$50,000 Council will call for formal tenders (either Select or Open).

In circumstances where Council enters into purchasing contracts other than those resulting from a tender or quotation process, Council will record the reasons for entering into those contracts and retain the records as appropriate. Such exceptions, and procurement dispensations over \$100,000, are reported to Council through a monthly CEO Report presented at a meeting of Council.



National Competition Policy

Principles of competitive neutrality are designed to neutralise any net competitive advantage that a government or local government agency engaged in significant business activities would otherwise have, by virtue of its control as a government or local government, over private business operating in the same market. The principle is based on the concept of a level playing field for people competing for business and relates to situations where there is, or the potential for, competition between the private and public sectors.

A significant business activity includes any activity undertaken by a government agency where the activity is primarily involved in producing goods and services for sale, where it has a commercial or profit making focus, or where there is user charging for goods and services. Examples include council-operated child care centres, preschools and public car parks.

Councils are required to identify any significant business activities that it undertakes in either Category One (annual revenue in excess of \$2m or employing assets in excess of \$20m) or Category Two (all other significant business activities).

Council continued to be a member of the Eastern Health Authority Incorporated and Eastern Waste Management Authority (East Waste), and both businesses operate with activity of interest with respect to the National Competition Policy.

Council has a complaints mechanism in place and in 2020/21 no complaints were received with regard to Competitive Neutrality.

Both the Eastern Health Authority and Eastern Waste Management Authority may be categorised as conducting significant business activity for Category One under the principles of the National Competition Policy. There are no business activities falling under Category Two to which the principles of Competitive Neutrality are to be applied.







6

Financial Report

City of Burnside

General Purpose
Financial Statements for the
year ended 30 June 2021



General Purpose Financial Statements
for the year ended 30 June 2021

Contents	Page
Council Certificate	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Principal Financial Statements	8
Independent Auditor's Report – Financial Statements	n/a
Independent Auditor's Report – Internal Controls	n/a
Certificates of Audit Independence	
Council Certificate of Audit Independence	52
Audit Certificate of Audit Independence	53

General Purpose Financial Statements
for the year ended 30 June 2021

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 2021 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.



Chris Cowley
Chief Executive Officer

22 November 2021



[Mayor] Anne Monceaux
Mayor

22 November 2021

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Income			
Rates	2a	41,550	41,099
Statutory Charges	2b	1,589	1,437
User Charges	2c	1,679	1,966
Grants, Subsidies and Contributions	2g	5,246	3,712
Investment Income	2d	21	27
Reimbursements	2e	888	1,084
Other income	2f	1,119	1,222
Net Gain - Equity Accounted Council Businesses	18(a)	233	19
Total Income		52,325	50,566
Expenses			
Employee costs	3a	16,707	16,420
Materials, Contracts and Other Expenses	3b	21,370	21,321
Depreciation, Amortisation and Impairment	3c	10,308	10,289
Finance Costs	3d	398	482
Net loss - Equity Accounted Council Businesses	18(a)	337	536
Total Expenses		49,120	49,048
Operating Surplus / (Deficit)		3,205	1,518
Physical Resources Received Free of Charge	2h	733	-
Asset Disposal & Fair Value Adjustments	4	(2,241)	(473)
Amounts Received Specifically for New or Upgraded Assets	2g	1,999	514
Net Surplus / (Deficit)		3,696	1,559
Other Comprehensive Income			
Changes in Revaluation Surplus - I,PP&E	9a	(8,111)	4,645
Share of Other Comprehensive Income - Equity Accounted Council Businesses	18	1,239	(11)
Total Other Comprehensive Income		(6,872)	4,634
Total Comprehensive Income		(3,176)	6,193

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

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	1,164	2,160
Trade & Other Receivables	5b	2,339	2,163
Inventories	5c	–	19
Total current assets		<u>3,503</u>	<u>4,342</u>
Non-current assets			
Financial Assets	6a	126	122
Equity Accounted Investments in Council Businesses	6b	5,275	3,654
Other Non-Current Assets	6c	5,337	2,590
Infrastructure, Property, Plant & Equipment	7a(i)	668,646	678,257
Total non-current assets		<u>679,384</u>	<u>684,623</u>
TOTAL ASSETS		<u>682,887</u>	<u>688,965</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	5,270	5,156
Borrowings	8b	801	807
Provisions	8c	2,742	2,680
Total Current Liabilities		<u>8,813</u>	<u>8,643</u>
Non-Current Liabilities			
Trade & Other Payables	8a	–	9
Borrowings	8b	12,255	15,083
Provisions	8c	264	209
Liability - Equity Accounted Council Businesses	8d	1,453	1,743
Total Non-Current Liabilities		<u>13,972</u>	<u>17,044</u>
TOTAL LIABILITIES		<u>22,785</u>	<u>25,687</u>
Net Assets		<u>660,102</u>	<u>663,278</u>
EQUITY			
Accumulated surplus		236,703	231,914
Asset revaluation reserves	9a	422,404	430,515
Other reserves	9b	995	849
Total Council Equity		<u>660,102</u>	<u>663,278</u>
Total Equity		<u>660,102</u>	<u>663,278</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2021

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2021					
Balance at the end of previous reporting period		231,914	430,515	849	663,278
Net Surplus / (Deficit) for Year		3,696	–	–	3,696
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	(8,111)	–	(8,111)
- Share of OCI - Equity Accounted Council Businesses		1,990	–	–	1,990
- Other Equity Adjustments - Equity Accounted Council Businesses	18	(751)	–	–	(751)
Other comprehensive income		<u>1,239</u>	<u>(8,111)</u>	<u>–</u>	<u>(6,872)</u>
Total comprehensive income		<u>4,935</u>	<u>(8,111)</u>	<u>–</u>	<u>(3,176)</u>
Transfers between Reserves		(146)	–	146	–
Balance at the end of period		<u>236,703</u>	<u>422,404</u>	<u>995</u>	<u>660,102</u>
2020					
Balance at the end of previous reporting period		230,474	425,870	741	657,085
Net Surplus / (Deficit) for Year		1,559	–	–	1,559
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	4,645	–	4,645
- Share of OCI - Equity Accounted Council Businesses		361	–	–	361
- Other Equity Adjustments - Equity Accounted Council Businesses	18	(372)	–	–	(372)
Other comprehensive income		<u>(11)</u>	<u>4,645</u>	<u>–</u>	<u>4,634</u>
Total comprehensive income		<u>1,548</u>	<u>4,645</u>	<u>–</u>	<u>6,193</u>
Transfers between Reserves		(108)	–	108	–
Balance at the end of period		<u>231,914</u>	<u>430,515</u>	<u>849</u>	<u>663,278</u>

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

Statement of Cash Flows

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		41,944	40,611
Statutory Charges		1,699	1,454
User Charges		1,795	2,162
Grants, Subsidies and Contributions (operating purpose)		5,246	3,712
Investment Receipts		21	27
Reimbursements		888	1,084
Other Receipts		2,860	4,244
<u>Payments</u>			
Finance Payments		(398)	(482)
Payments to Employees		(16,641)	(16,253)
Payments for Materials, Contracts & Other Expenses		(26,519)	(23,528)
Net cash provided by (or used in) Operating Activities	10b	<u>10,895</u>	<u>13,031</u>
Cash flows from investing activities			
Amounts Received Specifically for New/Upgraded Assets		1,999	514
Sale of Replaced Assets		415	169
Repayments of Loans by Community Groups		41	28
Distributions Received from Equity Accounted Council Businesses		-	19
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(9,753)	(9,217)
Expenditure on New/Upgraded Assets		(1,031)	(5,196)
Capital contributed to Equity Accounted Council Businesses		(776)	(588)
Net cash provided (or used in) investing activities		<u>(9,105)</u>	<u>(14,271)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Borrowings		-	1,392
<u>Payments</u>			
Repayments of Borrowings		(2,687)	(660)
Repayment of Finance Lease Liabilities		(99)	(120)
Net Cash provided by (or used in) Financing Activities		<u>(2,786)</u>	<u>612</u>
Net Increase (Decrease) in Cash Held		<u>(996)</u>	<u>(628)</u>
plus: Cash & Cash Equivalents at beginning of period		2,160	2,788
Cash and cash equivalents held at end of period	10a	<u>1,164</u>	<u>2,160</u>

Additional Information:

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

Notes to and forming part of the Principal Financial Statements
for the year ended 30 June 2021

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2	Income	17
3	Expenses	20
4	Asset Disposal & Fair Value Adjustments	22
5	Current Assets	23
6	Non-Current Assets	24
7	Infrastructure, Property, Plant & Equipment	25
8	Liabilities	28
9	Reserves	29
10	Reconciliation to Statement of Cash Flows	31
11(a)	Functions	32
11(b)	Components of Functions	33
12	Financial Instruments	34
13	Capital Expenditure and Investment Property Commitments	37
14	Financial Indicators	38
15	Uniform Presentation of Finances	41
16	Leases	42
17	Superannuation	44
18	Interests in Other Entities	45
19	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	48
20	Events after the Balance Sheet Date	48
21	Related Party Transactions	49

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 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.

1.3 Estimates and assumptions

The COVID-19 pandemic has impacted the 2020/21 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

Examples include:

1. User charges from swimming centre operation were reduced by \$107k due to covid shutdown and restrictions.
2. User charges from other commercial activities were reduced by \$182k due to covid shutdown and restrictions.

COVID-19 is not expected to have a significant financial impact on Council operations with the Council working to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. It is expected further financial impacts will flow into the 2021/22 financial year but these have been largely taken into account during the development of the budget process for 2021/22. The budget assumptions for 2021/22 assume that no further harsher restrictions are put in place by the government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

1.4 Rounding

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

(2) The Local Government Reporting Entity

The City of Burnside is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 401 Greenhill Road, Tasmore, SA 5065. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

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

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

It should also be noted that Council is the sole member of Burnside Retirement Services Incorporated (BRSI). BRSI (trading as 'Pineview Village') is an incorporated body under the *Associations Incorporations Act 1985* and provides retirement accommodation. The 'Association' is managed and controlled by the Board and Board members have a fiduciary duty to the incorporated body. BRSI is a distinct and independent legal entity from the Council and the Council's ability to control its operations is restricted to its powers and rights as the sole member of BRSI. BRSI is not a Section 42 subsidiary under the *Local Government Act 1999* and cannot be consolidated into the Council accounts.

(3) Income Recognition

From the financial year ending 30th June 2020 (Prior Year) the Council recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer. Council have contracts with performance obligations and are complying with AASB15.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

As a result of implementing AASB 1058 Council has recognised volunteer services' of \$917k which have met the following criteria:

1. the fair value of those services can be measured reliably; and
2. the services would have been purchased if they had not been donated.

The valuation of the volunteer services results in recognition of both income and expenditure with a nil impact on the income statement. See note 2f and 3bii.

In recent years the payment of untied grants (financial assistance grants/ local roads/ supplementary grants), has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$2,062,896	\$1,361,451	+\$701,445
2017/18	\$1,707,845	\$1,641,996	+ \$65,849
2018/19	\$2,186,306	\$1,685,393	+ \$500,913
2019/20	\$1,479,001	\$1,709,940	- \$239,939
2020/21	\$1,486,978	\$1,474,845	+\$12,133

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

The Adjusted Operating Surplus Ratio disclosed in Note 14 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

continued on next page ...

10
Page 10 of 54

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(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, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

(5) Inventories

Inventory held on hand as of 30th June 2021 were written off from the balance sheet due to the change of the inventory accounting process. Inventory stored are mostly PPE items and are often low-value items with a slow turnover, any purchase of such items will be accounted for in profit and loss at the time of purchase.

(6) Infrastructure, Property, Plant & Equipment**6.1 Initial Recognition**

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

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

6.2 Materiality

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

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

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

continued on next page ...

11
Page 11 of 54

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

6.3 Subsequent Recognition

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

Asset Class/Category	Short life	Long life
Land	Indefinite	Indefinite
Land Improvement	10 to 60 years	Not applicable
Buildings		
Sub-Structure	40 to 80 years	150 to 195 years
Structure	40 to 80 years	100 to 200 years
Floor Coverings	5 to 26 years	Not applicable
Fit-Out	30 to 40 years	100 to 130 years
Roof	5 to 78 years	20 to 195 years
Mechanical	10 to 39 years	80 to 104 years
Fire Emergency System	10 to 13 years	40 years
Electrical	50 to 52 years	150 to 195 years
Hydraulic System	50 to 52 years	150 to 195 years
Security System	10 to 13 years	Not applicable
Infrastructure		
Sealed Roads - Surface	4 to 70 years	Not applicable
Sealed Roads - Pavement	100 to 125 years	200 years
Sealed Roads - Formation	Indefinite	Indefinite
Footpaths	5 to 50 years	Not applicable
Kerbs & Gutters	40 to 100 years	Not applicable
Stormwater Structure	80 to 100 years	Not applicable
Stormwater Quality Devices	10 to 100 years	Not applicable
Plant and Equipment		
Computer Equipments	3 to 10 years	Not applicable
Major Plants	3 to 20 years	Not applicable
Vehicles	2 to 10 years	Not applicable
Other Plant & Equipments	2 to 30 years	Not applicable
Furniture & Fittings	10 years	Not applicable
Artworks	Indefinite	Indefinite

Heritage & Cultural Assets

As at the 1st July 2018 City of Burnside recognised Attunga House as a Heritage and Cultural asset per AASB116 Property, Plant & Equipment specifically the Australian implementation guidance section. To recognise Attunga as a Heritage & Cultural asset Council met the following criteria:

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

continued on next page ...

12
Page 12 of 54

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

The result of this determination was that Attunga did not have a limited useful life due to Councils curatorial and preservation policy. Attunga is deemed as a non-depreciating asset.

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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

(7) Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

(8) Borrowings

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

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

(9) Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

9.2 Superannuation

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

(10) Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

12.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

See section 6.4 Depreciation of Non Current Assets for useful life details per asset class.

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(11) Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 Investments in Associates and set out in detail in Note 18.

(12) 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.

(13) New accounting standards and UIG interpretations

Council has not applied any new/amended Australian Accounting Standards and Interpretations that have been issued but were not operative for the entire 2020/21 year. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Council.

Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASBs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. This amendment had no impact on the consolidated financial statements.

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.

(14) Comparative Figures

To ensure comparability with the current reporting period's figures Council has reviewed the allocation and classification of some transactions which has been updated in the comparative information presented.

Changes in classifications has resulted in no change to the previously reported financial performance and position of the Council.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income

\$ '000	2021	2020
(a) Rates		
General Rates		
General Rates	40,204	39,768
Less: Mandatory Rebates	(436)	(451)
Less: Discretionary Rebates, Remissions & Write Offs	(51)	(31)
Total General Rates	39,717	39,286
Other Rates (Including Service Charges)		
Regional Landscape Levy	1,708	1,712
Total Other Rates (Including Service Charges)	1,708	1,712
Other Charges		
Penalties for Late Payment	121	97
Rates Postponed - Interest	4	4
Total Other Charges	125	101
Total Rates	41,550	41,099
(b) Statutory Charges		
Development Act Fees	571	560
Town Planning Fees	41	38
Animal Registration Fees & Fines	255	246
Parking Fines / Expiation Fees	673	488
Other Licences, Fees & Fines	49	105
Total Statutory Charges	1,589	1,437
(c) User Charges		
Hall & Equipment Hire	223	255
Property Leases	136	136
Community Program User Charges	375	330
Green Organics Collection Charges	89	94
Library Fees, Fines & Other User Charges	17	14
Other Commercial Activities	376	558
Swimming Centre User Charges	326	433
Rates Searches	63	55
Other User Charges	74	91
Total User Charges	1,679	1,966

continued on next page ...

Page 17 of 54

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$ '000	2021	2020
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	20	23
- Banks & Other	1	4
Total Investment Income	21	27
(e) Reimbursements		
Private Works	21	98
Insurance Rebates	402	336
Workers Compensation Claims	34	6
Other Reimbursements	431	644
Total Reimbursements	888	1,084
(f) Other income		
Gifts & Donations	-	4
Sale of Surplus Equipment	5	5
Other Volunteer Services *	917	1,019
Other Income	197	194
Total Other income	1,119	1,222
(*) New Standard AASB 1058 Income of Not for Profit, see Note 1.		
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	1,999	514
Total Amounts Received Specifically for New or Upgraded Assets	1,999	514
Other Grants, Subsidies and Contributions	5,246	3,712
Total Other Grants, Subsidies and Contributions	5,246	3,712
Total Grants, Subsidies, Contributions	7,245	4,226
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	6,269	3,487
State Government	599	739
Other	377	-
Total	7,245	4,226

continued on next page ...

Page 18 of 54

Notes to the Financial Statements
for the year ended 30 June 2021

Note 2. Income (continued)

(h) Physical Resources Received Free of Charge

Infrastructure	733	–
<u>Total Physical Resources Received Free of Charge</u>	<u>733</u>	<u>–</u>

In the 2020/21 financial year, the Council has recognised \$733k contributed assets from Cedar Woods Development ranging from Recreation & Sporting assets, Road Structure and Other Infrastructure Structure.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses

\$ '000	Notes	2021	2020
(a) Employee costs			
Salaries and Wages		14,748	14,441
Employee Leave Expense		448	531
Superannuation - Defined Contribution Plan Contributions	17	1,184	1,143
Superannuation - Defined Benefit Plan Contributions	17	215	224
Workers' Compensation Insurance		680	662
Other Employee Related Costs		46	23
Less: Capitalised and Distributed Costs		(614)	(604)
Total Operating Employee Costs		16,707	16,420
Total Number of Employees (full time equivalent at end of reporting period)		165	164
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		30	26
Elected Members' Expenses		286	283
Independent Sitting Fees		32	36
Operating Lease Rentals - Non-Cancellable Leases	16		
- Minimum Lease Payments		56	13
Subtotal - Prescribed Expenses		404	358

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses (continued)

\$ '000	Notes	2021	2020
(ii) Other Materials, Contracts and Expenses			
Contractors		10,072	9,777
Energy		732	832
Legal Expenses		702	687
Levies Paid to Government - Regional Landscape Levy		1,716	1,715
Levies - Other		93	88
Parts, Accessories & Consumables		1,388	1,235
Professional Services		793	990
Sundry Materials, Contracts & Expenses		268	323
Less: Capitalised and Distributed Costs		(42)	(87)
Other Contractual Services		2,197	2,148
Water		638	696
Insurance Premiums		646	639
Contributions / Donations		87	85
Bank Fees & Charges		133	128
Advertising		47	112
Postage		157	139
Taxes		98	90
Training		226	248
Subscriptions		98	99
Other Volunteer Services *		917	1,019
Subtotal - Other Material, Contracts & Expenses		20,966	20,963
Total Materials, Contracts and Other Expenses		21,370	21,321

(*) Materials, Contract and Other Expenses includes volunteer services of \$917k which has been offset in Other Income per AASB1058

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses (continued)

\$ '000	Notes	2021	2020
(c) Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvement	7	55	54
Buildings		1,380	1,345
Infrastructure			
- Stormwater Quality Devices		228	217
- Other Structures		1,123	1,090
- Recreation/Sport Structures		584	576
- Road Structures		3,957	4,071
- Traffic Control Devices		168	165
- Stormwater Structures		1,154	1,146
Right-of-use Assets		94	120
Plant & Equipment		1,509	1,449
Furniture & Fittings		56	56
Subtotal		10,308	10,289
Total Depreciation, Amortisation and Impairment		10,308	10,289

(*) New Standard AASB 16 Accounting for Leases. See Note 1 and 16.

(d) Finance Costs

Interest on Loans	398	482
Total Finance Costs	398	482

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2021	2020
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	414	169
Less: Carrying Amount of Assets Sold	(2,656)	(642)
Gain (Loss) on Disposal	(2,242)	(473)
Right of Use Asset		
Other (Lease Written Off)	1	-
Gain (Loss) on Disposal	1	-
Net Gain (Loss) on Disposal or Revaluation of Assets	(2,241)	(473)

Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Current Assets

\$ '000	2021	2020
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	288	1,427
Deposits at Call	876	733
Total Cash & Cash Equivalent Assets	1,164	2,160
(b) Trade & Other Receivables		
Rates - General & Other	684	1,093
Accrued Revenues	642	8
Debtors - General	245	276
GST Recoupment	434	421
Prepayments	307	322
Loans to Community Organisations	18	43
Sundry	9	-
Subtotal	2,339	2,163
Total Trade & Other Receivables	2,339	2,163
(c) Inventories		
Stores & Materials	-	19
Total Inventories	-	19

Notes to the Financial Statements

for the year ended 30 June 2021

Note 6. Non-Current Assets

\$ '000	2021	2020
(a) Financial Assets		
Receivables		
Council Rates Postponement Scheme	126	111
Loans to Community Organisations	—	11
Subtotal	126	122
Total Receivables	126	122
Total Financial Assets	126	122

\$ '000	Notes	2021	2020
(b) Equity Accounted Investments in Council Businesses			
Eastern Health Authority	18(a)i	141	119
East Waste	18(a)i	174	138
Brownhill Keswick Creek Stormwater Authority	18(a)i	3,109	1,219
ERA Water	18(a)i	1,851	2,178
Total Equity Accounted Investments in Council Businesses		5,275	3,654

(c) Other Non-Current Assets

Other			
Capital Works-in-Progress - Buildings		546	492
Capital Works-in-Progress - Infrastructure		4,730	2,034
Capital Works-in-Progress - Plant & Equipment		7	—
Other		54	64
Total Other		5,337	2,590
Total Other Non-Current Assets		5,337	2,590

Notes to the Financial Statements
for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment

(a(i)) Infrastructure, Property, Plant & Equipment

	Fair Value Level	Asset movements during the reporting period											as at 30/06/21				
		as at 30/06/20			Asset movements during the reporting period								as at 30/06/21				
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustment & Transfer	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	
\$ '000																	
Land	2	295,325	-	-	295,325	-	-	-	-	-	-	-	-	295,325	-	-	295,325
Land Improvement	3	1,482	55	(552)	985	-	22	-	(55)	-	-	-	-	1,481	78	(607)	952
Buildings	3	76,426	2,464	(23,732)	55,158	60	2,054	(24)	(1,380)	-	-	-	-	78,479	2,468	(25,079)	55,868
Infrastructure																	
- Stormwater Quality Devices	3	9,258	777	(697)	9,338	-	420	(1,337)	(228)	-	-	-	-	7,730	1,197	(734)	8,193
- Other Structures	3	31,207	1,225	(8,507)	23,925	99	583	(380)	(1,123)	397	-	-	-	30,765	2,199	(9,463)	23,501
- Recreation/Sport Structures	3	17,176	724	(4,989)	12,911	176	712	(397)	(584)	150	-	-	-	16,205	1,743	(4,981)	12,967
- Road Structures	3	282,029	5,154	(90,453)	196,730	116	4,155	(184)	(3,957)	186	(8,111)	-	-	283,636	4,208	(98,910)	188,934
- Traffic Control Devices	3	10,575	141	(604)	10,112	-	53	-	(168)	-	-	-	-	10,576	194	(773)	9,997
- Stormwater Structures	3	107,874	3,802	(46,345)	65,331	528	181	(17)	(1,154)	-	-	-	-	108,547	3,802	(47,480)	64,869
Furniture & Fittings		-	816	(472)	344	-	13	-	(56)	-	-	-	-	-	829	(528)	301
Plant & Equipment		-	21,369	(13,890)	7,479	52	1,560	(317)	(1,509)	-	-	-	-	-	21,984	(14,717)	7,267
Right-of-Use Assets		407	-	(120)	287	-	-	(53)	(94)	-	-	-	-	328	-	(188)	140
Atwork		332	-	-	332	-	-	-	-	-	-	-	-	332	-	-	332
Total Infrastructure, Property, Plant & Equipment		832,091	36,527	(190,361)	678,257	1,031	9,753	(2,709)	(10,308)	733	(8,111)	-	-	833,404	38,702	(203,460)	668,646
Comparatives		866,356	44,625	(241,261)	669,720	5,196	9,215	(641)	(10,289)	407	-	4,645	-	832,091	36,527	(190,361)	678,257

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

This method involves:

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

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

Transfers between fair value hierarchy levels - In the course of revaluing infrastructure assets, the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as of the date of the revaluation.

Highest and best use

Land

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

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

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

Buildings

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

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment (continued)

Infrastructure

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

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

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

Land & Land Improvements

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

Buildings

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

Council adopted the short / long life methodology that split each component of buildings between the renew and recycled components. These components are depreciated separately due to the differences in useful life. Asset Management Plans have been updated to consider this capital renewal approach.

In the 2019/20 financial year, Council conducted an assessment on the proportion of leasehold improvements on the Burnside War Memorial Hospital building assets. It was deemed Attunga was considered a Council asset per the lease agreement provisions thus the Burnside War Memorial Hospital has care and control of all surrounding buildings except for the Attunga building which resulted in a \$50m asset reduction to building assets and revaluation reserve.

Infrastructure

Roads, Kerb and Gutter, Footpath

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2020.
- Valuer: APV Valuers and Asset Management

Desktop Revaluation was carried out for Road Structure assets in 2020/21, this has resulted in an \$8m reduction of fair value (\$1.37m reduction on asset cost and \$6.74m increase on accumulated depreciation) and a \$151k reduction in depreciation expense.

Stormwater Structure

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

Traffic Control Devices, Stormwater Quality Devices, Recreation & Sporting, Other Structure

- Basis of valuation: Fair Value
- Date of valuation: 01 July 2019
- Valuer: Asstetic Australia Pty Ltd

Council undertook revaluation for the above asset categories in 2019/20, this has resulted in an increased fair value of \$16m.

Artworks

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Liabilities

\$ '000	2021	2021	2020	2020
	Current	Non Current	Current	Non Current
(a) Trade and Other Payables				
Goods & Services	1,714	–	1,985	–
Payments Received in Advance	1,150	–	1,542	–
Accrued Expenses - Employee Entitlements	695	–	620	9
Accrued Expenses - Other	1,687	–	986	–
Accrued Fringe Benefits Tax	24	–	23	–
TOTAL Trade and Other Payables	5,270	–	5,156	9

(b) Borrowings

Loans	715	5,997	687	6,712
Cash Advance Debenture *	–	6,200	–	8,200
Lease Liabilities **	86	58	120	171
TOTAL Borrowings	801	12,255	807	15,083

(*) The Cash Advance Debenture has a facility end date of 15th June 2021. Please see Note 11d Financing Arrangements for the details of the additional Cash Advance facility entered into on 15th May 2020.

(**) New disclosure as per AASB 16 Accounting for Leases, see Note 1.

(c) Provisions

Long Service Leave Provision *	1,384	264	1,354	209
Annual Leave Provision	1,274	–	1,255	–
Rostered Days Off Provision	38	–	31	–
Other (Time Off in Lieu)	46	–	40	–
TOTAL Provisions	2,742	264	2,680	209

(*) Council has accrued Long Service Leave for all employees based on probability and discounting factors. Long Service Leave shown above in the 'Current' section relates to employees who are entitled to take long service leave whilst the 'Non-Current' section includes the provision for employees who have yet to achieve 7 years.

Movements in Provisions

2021 (current & non-current)	Other (Time	Long Service	Annual Leave	Rostered Days
	Off in Lieu)	Leave	Provision	Off Provision
	2021	Provision	Provision	Off Provision
	2021	2021	2021	2021
Opening Balance	40	1,563	1,255	31
Additional Amounts Recognised	26	205	1,042	254
(Less): Payments	(20)	(120)	(1,023)	(247)
Closing Balance	46	1,648	1,274	38

continued on next page ...

Page 28 of 54

Notes to the Financial Statements

for the year ended 30 June 2021

Note 8. Liabilities (continued)

\$ '000	2021		2020	
	Current	Non Current	Current	Non Current
(d) Liability Accounted Investments in Council Businesses				
Highbury Landfill Authority	–	1,453	–	1,743
<u>TOTAL Liability Accounted Investments in Council Businesses</u>	–	1,453	–	1,743

Note 9. Reserves

\$ '000	as at 30/06/20				as at 30/06/21
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
Land	157,051	–	–	–	157,051
Buildings	30,124	–	–	–	30,124
Infrastructure	238,210	–	(238,210)	–	–
- Stormwater Quality Devices	–	–	6,987	–	6,987
- Other Structures	–	–	17,902	–	17,902
- Recreation/Sport Structures	–	–	9,661	–	9,661
- Road Structures	–	(8,111)	147,208	–	139,097
- Stormwater Structure	–	–	48,885	–	48,885
- Traffic Control Devices	–	–	7,567	–	7,567
Plant & Equipment	4,798	–	–	–	4,798
Artwork	332	–	–	–	332
<u>Total Asset Revaluation Reserve</u>	430,515	(8,111)	–	–	422,404
Comparatives	425,870	4,645	–	–	430,515

\$ '000	as at 30/06/20				as at 30/06/21
	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Open Space Contribution Reserve	116	–	–	–	116
Burnside Recreation Trust	733	146	–	–	879
<u>Total Other Reserves</u>	849	146	–	–	995
Comparatives	741	108	–	–	849

continued on next page ...

Page 29 of 54

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Reserves (continued)

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Open Space Contribution Reserve

This reserve is used to record increments and decrements in Open Space Contributions. The "Open Space Fund" refers to a fund within which any proceeds from the sale or disposal of public open space are held, to be used for the purpose of purchasing suitable additional open space within the City of Burnside".

Burnside Recreation Trust

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2021	2020
---------	-------	------	------

(a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	1,164	2,160
Balances per Statement of Cash Flows		1,164	2,160

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

Net Surplus/(Deficit)		3,696	1,559
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		10,308	10,289
Equity Movements in Equity Accounted Investments (Increase)/Decrease		1,327	517
Non-Cash Asset Acquisitions		(733)	-
Grants for capital acquisitions treated as Investing Activity		(1,999)	(514)
Net (Gain) Loss on Disposals		2,241	473
Other		(1,223)	(14)
		13,617	12,310
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(216)	(357)
Net (Increase)/Decrease in Inventories		19	3
Net (Increase)/Decrease in Other Assets		(2,747)	493
Net Increase/(Decrease) in Trade & Other Payables		105	328
Net Increase/(Decrease) in Other Provisions		117	254
Net Cash provided by (or used in) operations		10,895	13,031

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Physical Resources Received Free of Charge	733	-
Amounts recognised in Income Statement	733	-
Total Non-Cash Financing and Investing Activities	733	-

(d) Financing Arrangements

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

Corporate Credit Cards	100	128
LGFA Cash Advance Debenture Facility	20,000	20,000

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

Notes to the Financial Statements
for the year ended 30 June 2021

Note 11(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 11(b).

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions/Activities										
Business Undertakings	6	58	6	7	-	51	173	-	12,259	10,708
Community Services	2,492	2,628	4,736	4,596	(2,244)	(1,968)	1,582	1,587	-	-
Culture	304	277	1,923	1,766	(1,619)	(1,489)	170	152	-	-
Economic Development	-	-	45	21	(45)	(21)	-	-	-	-
Environment	156	484	7,707	7,298	(7,551)	(6,814)	46	9	-	-
Recreation	719	715	1,889	2,337	(1,170)	(1,622)	-	-	-	-
Regulatory Services	1,622	1,500	3,123	3,253	(1,501)	(1,753)	-	-	-	-
Transport & Communication	492	493	545	549	(53)	(56)	485	485	-	-
Plant Hire & Depot/Indirect	49	4	3,520	3,689	(3,471)	(3,685)	-	-	-	-
Council Administration	46,252	44,388	25,289	24,996	20,963	19,392	2,790	1,479	670,628	678,257
Total Functions/Activities	52,092	50,547	48,783	48,512	3,309	2,035	5,246	3,712	682,887	688,965

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

(*) Comparative information has been adjusted to remove revenues and expenses relating to net gain/(loss) on equity accounted businesses.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11(b). Components of Functions

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Private Works.

COMMUNITY SERVICES

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

CULTURE

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

ECONOMIC DEVELOPMENT

Support to Local Businesses.

ENVIRONMENT

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

RECREATION

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

REGULATORY SERVICES

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

TRANSPORT

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

PLANT HIRE & DEPOT

Depot operations which includes light vehicle fleet and major fleet.

COUNCIL ADMINISTRATION

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 0.30% and 0.45% (2020: 0.25% and 1.25%). Short term deposits have an average maturity of 60 days and an average interest rate of 0.30% (2020: 60 days and 0.55%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities - Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable by installments; interest is charged at fixed rates between 1.3% and 4.8% (2020: **3.6%** and **4.8%**).

Carrying Amount:

Approximates fair value.

Liabilities - Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 17.

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
2021					
Cash & Cash Equivalents	1,164	–	–	1,164	1,164
Receivables	914	–	–	914	914
Total Financial Assets	2,078	–	–	2,078	2,078
Financial Liabilities					
Payables	5,905	–	–	5,905	5,270
Current Borrowings	995	10,122	3,488	14,605	13,056
Total Financial Liabilities	6,900	10,122	3,488	20,510	18,326
2020					
Cash & Cash Equivalents	2,159	–	–	2,159	2,159
Receivables	329	12	–	341	338
Total Financial Assets	2,488	12	–	2,500	2,497
Financial Liabilities					
Payables	5,254	–	–	5,254	5,177
Current Borrowings	995	12,474	4,132	17,601	15,890
Total Financial Liabilities	6,249	12,474	4,132	22,855	21,067

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

\$ '000	2021		2020	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.37%	13,056	4.36%	15,890
		<u>13,056</u>		<u>15,890</u>

Net Fair Value

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. 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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Capital Expenditure and Investment Property Commitments

\$ '000	2021	2020
---------	------	------

(a) Capital Commitments

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

Infrastructure	7,246	10,301
	<u>7,246</u>	<u>10,301</u>

These expenditures are payable:

Not later than one year	3,250	5,380
Later than one year and not later than 5 years	1,882	2,302
Later than 5 years	2,114	2,619
	<u>7,246</u>	<u>10,301</u>

(b) Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Waste Management Services	5,325	5,212
Employee Remuneration Contracts	4,087	6,517
Other Maintenance Contracts	2,305	2,612
Other Contracts	1,504	1,593
	<u>13,221</u>	<u>15,934</u>

These expenditures are payable:

Not later than one year	5,786	6,007
Later than one year and not later than 5 years	7,152	9,537
Later than 5 years	283	390
	<u>13,221</u>	<u>15,934</u>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Financial Indicators

\$ '000	Indicator 2021	Indicators 2020 2019	
<p>Financial Indicators overview <i>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.</i></p>			
1. Operating Surplus Ratio			
Operating Surplus	6.1%	3.0%	4.7%
Total Operating Income			
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities	33.8%	38.6%	36.7%
Total Operating Income			
<i>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.</i>			
Adjustments to Ratios			
<i>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.</i>			
Adjusted Operating Surplus Ratio			
Operating Surplus	6.1%	3.5%	3.7%
Total Operating Income			
Adjusted Net Financial Liabilities Ratio			
Net Financial Liabilities	33.8%	38.4%	37.1%
Total Operating Income			
3. Asset Renewal Funding Ratio			
Net Asset Renewals	92.6%	89.2%	96.9%
Infrastructure & Asset Management Plan required expenditure			
<i>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. As Council is yet to adopt Asset Management Plans (AMP's) for all asset classes, the following formula has been used: Capital expenditure on renewal and replacement of all assets relative to the expenditure proposed in the adopted AMP's (for those assets classes that have an AMP) and budgeted depreciation (for those asset classes which do not have an AMP).</i>			

continued on next page ...

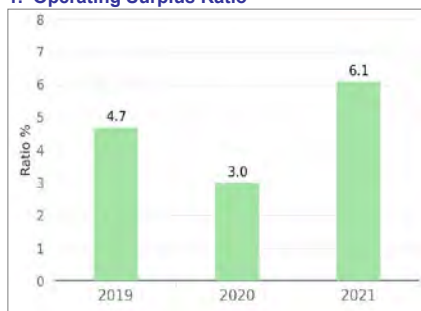
Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Financial Indicators (continued)

Financial Indicators - Graphs

1. Operating Surplus Ratio



Purpose of operating surplus ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2020/21 result

2020/21 ratio 6.1%

Council budgeted for an Operating Surplus of 2.2% (\$1,085,000) in 2020/21. The actual Operating Surplus of 6.1% was mainly due to the additional grant fundings (\$1,301,748) from the Commonwealth Government as part of the Local Roads & Community Infrastructure Program.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

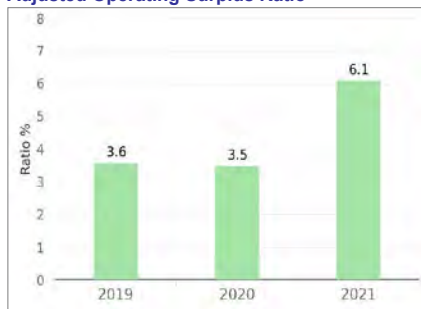
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2020/21 result

2020/21 ratio 33.8%

This ratio demonstrates that Councils liabilities (including debt) are within acceptable levels. The achieved target is below 2020/21 Adopted Budget of 51% and within the recommended target of 0-100%. This is a result of the construction schedule change on multi-year major projects.

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2020/21 result

2020/21 ratio 6.1%

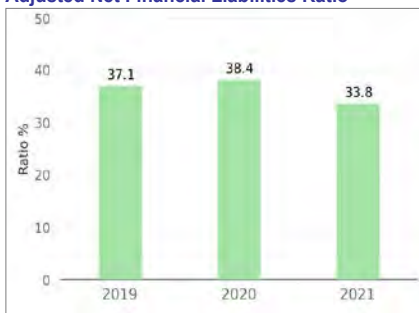
In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. This indicator shows Council's Operating Surplus excluding the Grants advanced payments from both the Financial Assistance Grant and the supplementary local roads grant \$12m (2020 \$240m).

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Financial Indicators (continued)

Adjusted Net Financial Liabilities Ratio



Purpose of adjusted net financial liabilities ratio

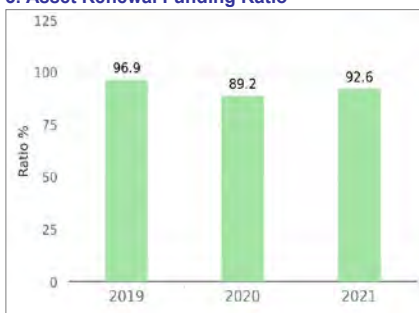
This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2020/21 result

2020/21 ratio 33.8%

This ratio demonstrates that Councils liabilities (including debt) are within acceptable levels. The achieved target is below 2020/21 Adopted Budget of 51%.

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

Commentary on 2020/21 result

2020/21 ratio 92.6%

This ratio demonstrates Councils capital outlay on renewing/replacing assets. The actual ratio achieved is 92.8% in 2020/21 Financial Year. Council is within the LGA recommended target of 90 -110%.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 15. Uniform Presentation of Finances

\$ '000	2021	2020
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	52,325	50,566
less Expenses	(49,120)	(49,048)
Operating Surplus / (Deficit)	3,205	1,518
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,753)	(9,217)
add back Depreciation, Amortisation and Impairment	10,308	10,289
add back Proceeds from Sale of Replaced Assets	415	169
	970	1,241
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(1,031)	(5,196)
add back Amounts Received Specifically for New and Upgraded Assets	1,999	514
	968	(4,682)
Net Lending / (Borrowing) for Financial Year	5,143	(1,923)

Notes to the Financial Statements

for the year ended 30 June 2021

Note 16. Leases

(i) Council as a lessee

Terms and conditions of leases

Plant and Equipment

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

(a) Right of use assets

\$ '000	Right to use Assets	Total
2021		
Opening balance	287	287
Additions to right-of-use assets	–	–
Depreciation charge	(68)	(68)
Balance at 30 June	140	140
2020		
Opening balance	–	–
Additions to right-of-use assets	407	407
Depreciation charge	(120)	(120)
Balance at 30 June	287	287

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2021	2020
Balance at 1 July	(280)	–
Additions	–	(407)
Payments	94	127
Balance at 30 June	(144)	(280)
Classified as:		
Current	(86)	(110)
Non Current	(58)	(170)

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	68	120
Expense relating to leases of low-value assets	56	6
Total amount recognised in profit or loss	124	126

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2021

Note 16. Leases (continued)

(ii) Council as a lessor

\$ '000	2021	2020
Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:		
Not later than one year	314	281
Later than one year and not later than 5 years	1,073	1,119
Later than 5 years	1,716	1,870
	<u>3,103</u>	<u>3,270</u>

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2020/21; 9.50% in 2019/20). 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 2019/20) 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 119.34, 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 Willis Towers Watson as at 30 June 2020. 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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 18. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2021	2020	2021	2020
Associates - in profit	233	19	5,275	3,683
Associates - in loss	(337)	(536)	(1,453)	(1,743)
Council's Share of Net Income				
Joint Ventures	–	–	–	(29)
Associates	(104)	(517)	3,822	1,940
Total Council's Share of Net Income	(104)	(517)	3,822	1,911

((a)i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

\$ '000	Principal Activity	2021	2020
Eastern Waste Management Authority Inc.	Waste Management	174	138
Highbury Landfill Authority Inc.	Discontinued Landfill	(1,453)	(1,743)
ERA Water	Water supply and sale	1,851	2,178
Brownhill Keswick Creek Stormwater Authority	Stormwater Management	3,109	1,219
Eastern Health Authority Inc.	Health	141	119
Total Carrying Amounts - Joint Ventures & Associates		3,822	1,911

Eastern Waste Management Authority Inc.

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

Highbury Landfill Authority Inc.

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

ERA Water

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

Brownhill Keswick Creek Stormwater Authority

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

Eastern Health Authority Inc.

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

continued on next page ...

45
Page 45 of 54

Notes to the Financial Statements

for the year ended 30 June 2021

Note 18. Interests in Other Entities (continued)

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2021	2020	2021	2020	2021	2020
Eastern Waste Management Authority Inc.	14.29%	14.29%	14.29%	14.29%	14.29%	14.29%
Highbury Landfill Authority Inc.	50.41%	50.41%	50.41%	50.41%	50.41%	50.41%
ERA Water	33.33%	33.33%	33.33%	33.33%	33.33%	33.33%
Brownhill Keswick Creek Stormwater Authority	20.00%	20.00%	12.00%	12.00%	12.00%	12.00%
Eastern Health Authority Inc.	25.00%	25.00%	25.00%	25.00%	20.00%	20.00%

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Eastern Waste Management Authority Inc.		Highbury Landfill Authority Inc.		ERA Water		Brownhill Keswick Creek Stormwater Authority		Eastern Health Authority Inc.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Opening Balance	138	118	(1,743)	(1,770)	2,178	2,641	1,219	737	119	122
Share in Operating Result	21	19	189	(59)	(327)	(463)	(10)	(9)	22	(3)
Share in Other Comprehensive Income	15	9	–	–	–	–	1,975	352	–	–
New Capital Contributions	–	–	101	101	–	–	677	488	–	–
Adjustments to Equity	–	(8)	–	(15)	–	–	(752)	(349)	–	–
Council's Equity Share in the Joint Venture or Associate	174	138	(1,453)	(1,743)	1,851	2,178	3,109	1,219	141	119

continued on next page ...

Page 46 of 54

Notes to the Financial Statements

for the year ended 30 June 2021

Note 18. Interests in Other Entities (continued)

(d) Summarised Financial Information of the Equity Accounted Business

\$ '000	Eastern Waste Management Authority Inc.		Highbury Landfill Authority Inc.		ERA Water		Brownhill Keswick Creek Stormwater Authority		Eastern Health Authority Inc.	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Statement of Financial Position										
Cash and Cash Equivalents	3,168	2,322	108	65	106	147	12,135	5,003	783	721
Other Current Assets	661	1,019	22	35	74	47	271	325	189	156
Non-Current Assets	8,098	7,652	137	162	20,573	20,645	13,634	6,410	1,301	1,492
Total Assets	11,927	10,993	267	262	20,753	20,839	26,040	11,738	2,273	2,369
Current Trade and Other Payables	1,609	1,205	10	13	151	240	136	1,579	164	158
Current Financial Liabilities	1,925	1,929	27	26	–	–	–	–	177	262
Current Provisions	654	597	245	203	1	1	–	–	308	308
Non-Current Financial Liabilities	6,423	6,221	132	159	15,048	14,064	–	–	1,037	1,144
Non-Current Provisions	97	77	2,736	3,319	–	–	–	–	22	22
Total Liabilities	10,708	10,029	3,150	3,720	15,200	14,305	136	1,579	1,708	1,894
Net Assets	1,219	964	(2,883)	(3,458)	5,553	6,534	25,904	10,159	565	475
Statement of Comprehensive Income										
Other Income	929	698	19	21	29	435	–	–	648	652
Contributions from Constituent Councils	16,707	16,756	–	–	613	281	472	389	1,822	1,804
Interest Income	–	–	–	1	15	14	25	25	5	8
Total Income	17,636	17,454	19	22	657	730	497	414	2,475	2,464
Employee Costs	6,089	5,851	–	–	103	105	286	270	1,636	1,636
Materials, Contracts & Other Expenses	9,149	9,120	3	3	711	1,179	199	152	509	595
Depreciation, Amortisation and Impairment	1,986	2,069	25	25	462	457	62	37	191	190
Finance Costs	262	281	7	7	362	378	–	–	48	56
Total Expenses	17,486	17,321	35	35	1,638	2,119	547	459	2,384	2,477
Other Revenue / Expense Items	105	–	391	(106)	–	–	–	–	–	–
Operating Result	255	133	375	(119)	(981)	(1,389)	(50)	(45)	91	(13)

Notes to the Financial Statements

for the year ended 30 June 2021

Note 19. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled **263.1 km** of road reserves of average width **8.4 metres**.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council have no appeals against planning decisions made prior to reporting date. Council is also involved with an unfair dismissal claim which was made prior to the reporting date and the costs involved will not be known until the outcome has been determined.

Note 20. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2021, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

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

- After the end of the financial year, Council engaged an external consultant to perform a condition assessment of its Culvert and Open Drain Assets. This assessment found that the Culvert and Open Drain Assets were overall in a more deteriorated state than currently recorded and therefore the remaining useful lives are potentially lower than currently reported. There is a likelihood that once additional work is completed and the impairment can reliably be measured that there is potential for impairment of this asset class in future years.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 21. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 30 persons were paid the following total compensation:

\$ '000	2021	2020
The compensation paid to Key Management Personnel comprises:		
Salaries, Allowances and Short-Term Employee Benefits	2,240	2,029
Total	2,240	2,029

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

Receipts from Key Management Personnel comprise:

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

Contributions for Fringe Benefits Tax purposes	67	57
Total	67	57

Additional Disclosures:

A Member of Council's Executive Management is on the Board of Directors of the Propel SA (formerly Eastside Business Enterprise Centre). In accordance with the Local Government Act 1999, this person declares a conflict of interest relating to matters involving Propel SA. Propel SA provides business advisory services to small local businesses and during the 2020/21 year, Council paid Propel SA \$40,390 towards its membership.

In 2019 the Council committed to funding the Burnside CFS to the value of \$50,000 for a new shed building, the commencement of this project has been delayed and is unlikely to proceed. A Member of the Council has a family member who is on the Burnside CFS Committee. In accordance with the Local Government Act 1999, this council member did not have an interest in the matter at the time that the decision was made. Subsequently, there has been a change in circumstances and the council member is aware of the need to manage future conflict of interest relating to this organisation.

One City of Burnside employee is a board member of ERA Water and Highbury Landfill Authority Inc. No remuneration is received in performing this role for Council.

Transactions with Council Regional Subsidiary entities:

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

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

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

Member Councils have an influence on the financial and strategic operational decisions of the Subsidiary given their equal Board member representation. No one Member Council individually has control over these decisions.

Independent Auditor's Report

To the members of the City of Burnside

Opinion

We have audited the accompanying financial report of the City of Burnside (the Council), which comprises the statement of financial position as at 30 June 2021, statement of comprehensive income, statement 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 the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2021, 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 (Including Independence Standards)* (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* and for such internal control as Council determines is necessary 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, 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



SAMANTHA CRETEN
PARTNER

Signed on the 23rd day of November 2021,
at 214 Melbourne Street, North Adelaide, South Australia, 5006

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 30 164 612 890

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

Opinion

In our opinion, the Council has complied, in all material respects, with Section 125 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 2020 to 30 June 2021.

Basis for opinion

We have audited the Internal Controls of the City of Burnside (the Council) under the requirements of *Section 125 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 2020 to 30 June 2021 have been conducted properly and in accordance with law.

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *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 125 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 procedures 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. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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



SAMANTHA CRETEN
PARTNER

Signed on the 23rd day of November 2021
at 214 Melbourne Street, North Adelaide, South Australia, 5006

CITY OF BURNSIDE

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the City of Burnside for the year ended 30 June 2021, 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*.



Chris Cowley
CHIEF EXECUTIVE OFFICER



Emma Hinchey
PRESIDING MEMBER
AUDIT COMMITTEE

Dated this 18th day of October 2021

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 30 164 612 890

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the City of Burnside for the year ended 30 June 2021, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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



SAMANTHA CRETEN

Partner

DEAN NEWBERY

Dated this 23rd day of November 2021.

Council Subsidiaries

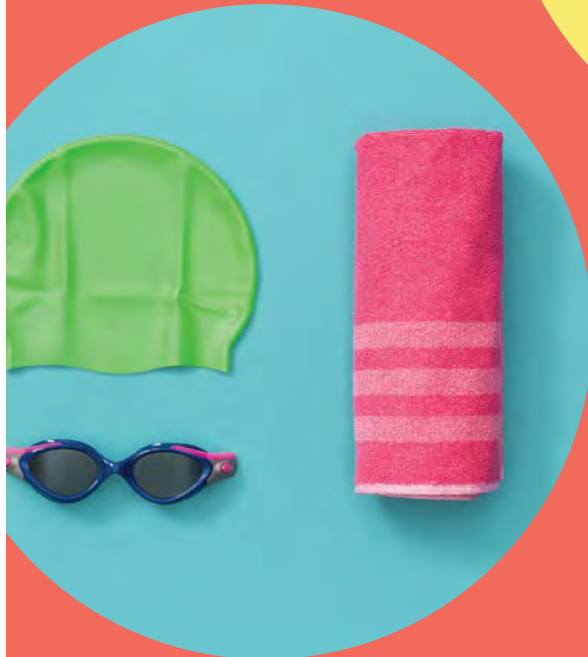
7

The Local Government Act 1999 requires that the annual reports of all Council subsidiaries are included in its Annual Report. The City of Burnside's subsidiaries are:

- Eastern Health Authority
- Eastern Waste Management Authority
- Highbury Landfill Authority
- ERA Water
- Brown Hill Keswick Creeks Stormwater Board

Annual Report

2020/21





Message from the Chairperson

Cr Peter Cornish

With over 125 years of accumulated experience in its public health staff and over 100 years of accumulated experience in its immunisation staff; it is no wonder why EHA provides such a remarkable service for its community.

The Eastern Health Authority (EHA) continues to deliver remarkable service during this continued period of uncertainty of a global pandemic.

The residents and ratepayers of its five constituent Councils (the Cities of Norwood, Payneham and St Peters, Campbelltown, Burnside, Prospect and the Town of Walkerville) continued to benefit directly and indirectly from the operations of EHA. In June 2021, an independent service review which benchmarked EHA against other comparable Councils in Food Inspection, Food enforcement and Immunisation activities was presented.

The review details that EHA conducts more food safety inspection, and the highest follow-up inspections as a total and percentage of premises within our service area. It also details EHA provides a greater immunisation service with the highest proportion of its aggregate population compared to other comparable Councils. The review did make governance and administrative recommendations ensuring EHA continuously improves and maintains and improves its current service levels. The Board will be addressing these recommendations.

With over 125 years of accumulated experience in its public health staff and over 100 years of accumulated experience in its immunisation staff, it is no wonder why EHA provides such a remarkable service for its community.

I thank all the hard working staff at EHA especially during a challenging year in the ever changing public health area. I am thrilled to bring the 2020-21 Annual Report for your consideration.

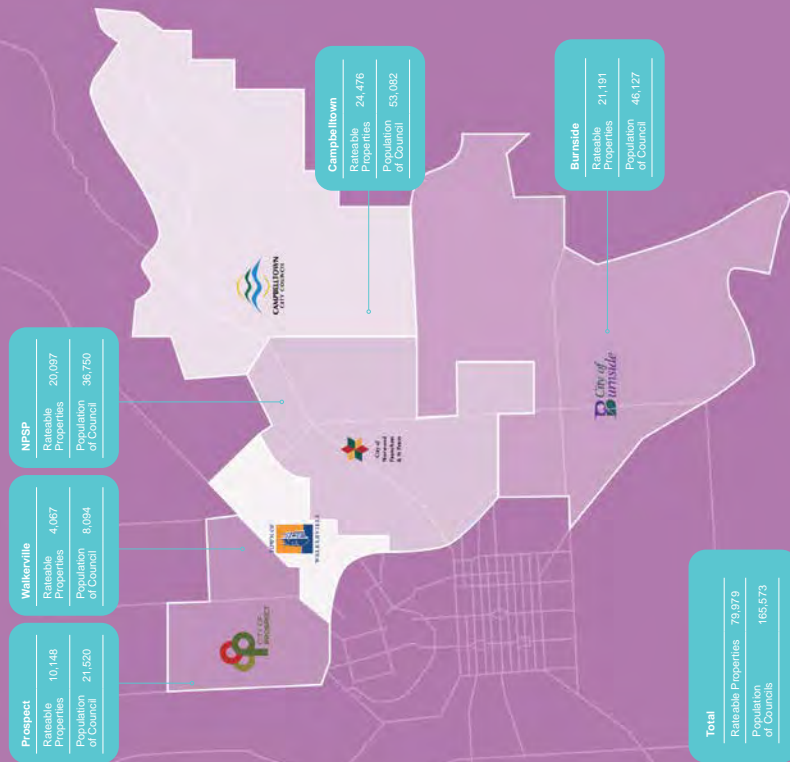
Cr Peter Cornish
Chairperson

Annual Report 2020/21



About Eastern Health Authority

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





Chief Executive Officer's Report

Michael Livori

The continual focus on COVID-19 related issues and disruptions has continued to dominate our lives during the past year. We have had to remain agile and adapt as the situation continues to unfold while continuing our important public health protection responsibilities. In addition to our existing health protection work, our staff continue to undertake COVID-19 compliance checks during their routine assessments in accordance with the Emergency Management Directions put in place to manage the pandemic. The crisis has certainly highlighted the importance of effective public health systems and responses.

Our public immunisation clinics continue to be very popular with 3,775 clients receiving 7,069 vaccines. With ongoing COVID-19 restrictions in place we continued with appointment-based clinics which has had an impact on the number of clients that can be serviced compared to the previous year. The School Based Immunisation Programme delivered 10,497 vaccines to high school students and our coverage rates continue to be higher than the state average. An enhanced SMS reminder system for absenteeism for students at schools are currently under consideration and we stand ready to add it to the programme. Eastern Health Authority's (EHA) Workplace Influenza Program conducted between March and June assists businesses to protect their staff from the highly contagious influenza virus, reducing costly absenteeism. 107 workplace visits were undertaken, including eight new businesses, where 4,164 vaccines were administered.

Healthy communities require access to safe and suitable food. Monitoring food safety standards to ensure this occurs, continues to be one of our most important areas of core business. EHA is responsible for monitoring over 1,300 food businesses to ensure appropriate food safety standards are being maintained. Over 1,500 inspections were conducted during the year. While recognising the significant COVID-19 related pressures faced by food businesses, it was disappointing that there were a significant increase in Prohibition Orders issued. During the year, Prohibition Orders requiring a business to close for a period of time to rectify issues of concern were issued on 16 occasions. This course

of action is not undertaken lightly, however the public must be protected from the small number of proprietors who are willing to put their health at risk.

A food safety training program focusing on the fundamentals of food safety, was designed and developed during the year aimed to improve food handlers' knowledge of safe food practices and in turn, businesses compliance with the Food Safety Standards. The program commenced in June and was fully subscribed with 24 participants with varying levels of experience in the food industry and from a variety of food businesses, such as schools, cafes, cinemas, and restaurants attending. Feedback provided by the participants was overwhelmingly positive with attendees requesting longer and additional sessions. The program will be refined based on the feedback and more sessions offered next year including via virtual platforms.

An independent organisational service review was finalised in June 2020, and we were extremely pleased with the findings. EHA was found to effectively manage the risk profile for public and environmental health and food safety across the region.

Annual Report 2020/21



EHA continues to lead the Eastern Hoarding and Squatter Group. The Group continued into its eighth successful year and met four times. This collaborative forum for Environmental Health officers and representatives from Government and non-Government agencies allows for proactive discussion and information sharing on squatter and hoarding.

On behalf of EHA I would like to thank our hardworking staff for their commitment and efforts during the year.

In terms of local government public health protection, EHA is structured in a unique manner. This structure allows us to have a single focus and be experts and leaders in our field. An independent organisational service review was finalised in June 2020, and we were extremely pleased with the findings. EHA was found to effectively manage the risk profile for public and environmental health and food safety across the region. Centralised services provided through a regional subsidiary model was well recognised and valued by stakeholders. A benchmarking exercise found EHA performs

well against other councils, particularly those that were most comparable in terms of population and resource allocations. The efficient and pro-active way in which EHA was able to adjust responsibilities and liaise with State agencies during COVID-19 was highly valued by stakeholders and the ability to pivot service delivery was seen as a strength. EHA was highlighted as a high performer in delivering immunisation services, citing professionalism and willingness to innovate and improve service quality. A median score of 9 out of 10 given by Constituent Councils for overall service quality, illustrates the value attributable to EHA's service delivery.

I would like to take this opportunity to thank the Board Members for the interest you have in public health and the support you provide to the EHA administration. It is valued and appreciated. On behalf of EHA I would like to thank our hardworking staff for their commitment and efforts during the year. None of the achievements outlined in this report would have been possible without you.

Michael Livori
Chief Executive Officer

6



Governance

Board of Management 2021

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

City/Town	Member	Meetings Attended
City Of Burnside	Cr P Cornish	● ● ● ● ● ●
	Cr J Davey	● ● ● ● ● ●
City Of Norwood Payneham & St Peters	Cr S Whittington	● ● ● ● ● ●
	Cr G Knoblauch	● ● ● ● ● ●
Campbelltown City Council	Cr J Kennedy	● ● ● ● ● ●
	M Hammond	● ● ● ● ● ●
City Of Prospect	Cr K Barnett	● ● ● ● ● ●
	N Cunningham	● ● ● ● ● ●
Town Of Walkerville	A Caddy	○ ○ ○ ○ ○ ○
	Cr J Joshi	○ ○ ○ ○ ○ ○

Finance Audit Committee

Members of EHA's Audit Committee include:

- Claudia Goldsmith Presiding Member
- Independent Member Madeline Vezis
- Board Appointed Member Cr Peter Cornish

The Committee met on three occasions during the year.

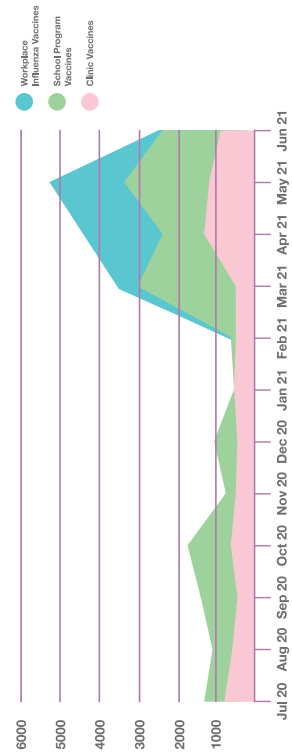
Annual Report 2020/21



Immunisation

EHA provides a comprehensive, specialised, and convenient immunisation service by way of public immunisation clinics, school immunisation program and workplace immunisation programs to the residents of our Constituent Councils.

The combined demand for all immunisation services over the last year



7

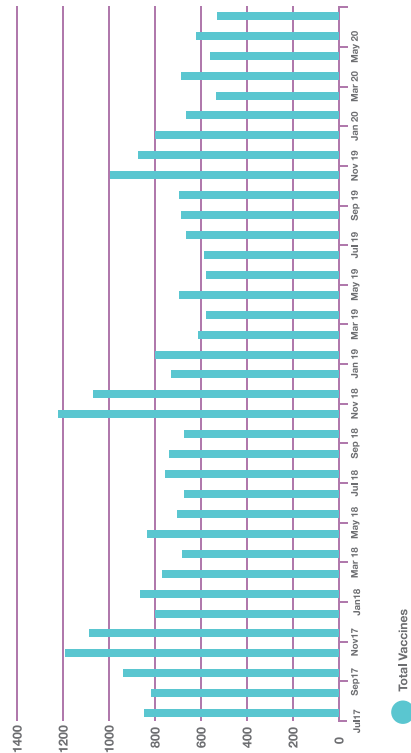


Public Immunisation Clinics

3,775 clients were provided with 7,069 vaccinations.

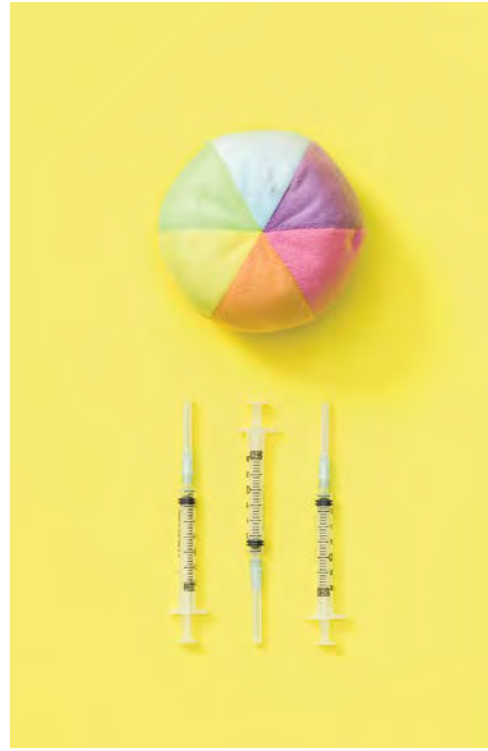
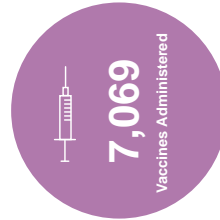


The number of vaccines administered at public clinics for the last 3 years.



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

Where clients come from (Council Area)	Number of clients from Council Area	Where clients attend (Clinic Venue by %)				
		Burnside	Campbelltown	NPSP	Prospect	Walkerville
Burnside	914	21%	3%	76%	0%	0%
Campbelltown	1,092	3%	16%	80%	1%	1%
NPSP	1,020	2%	2%	85%	1%	1%
Prospect	313	1%	2%	76%	21%	0%
Walkerville	183	1%	0%	98%	3%	0%
Other	243	9%	16%	72%	3%	0%
Total Number of Clients	3,775					

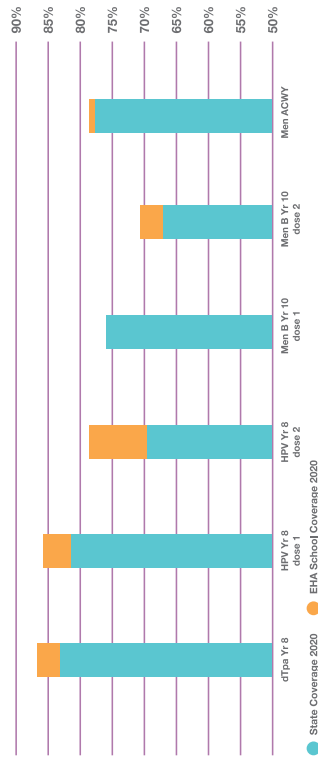




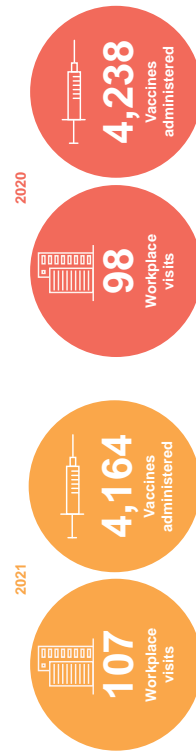
School Vaccinations for Calendar Year to Date – January to December 2020

Council	Human Papillomavirus (HPV)	Diphtheria Tetanus and Pertussis (dTpa)	Meningococcal B (Men B)	Meningococcal ACYW (Men ACYW)	Total
Burnside	1,212	478	1,059	862	3,613
Campbelltown	902	482	868	459	2,712
NPSP	1,193	547	1,040	555	3,335
Prospect	193	106	196	104	599
Wilkerville	141	71	132	79	422
Total	3,641	1,682	3,296	1,878	10,497

A graph illustrating EHA vaccine coverage rates compared with the SA State coverage rates across all vaccines administered.



Workplace Immunisation Program



Public and Environmental Health

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

website: NEHA.EnvironmentalHealth



Complaints and Referrals

Environmental Health Officer's responsibilities under the SA Public Health Act 2017 continued to extend to respond to control of the COVID-19 Pandemic spread within South Australia.

Public health related complaints/referrals from the public or State Government.

2018-19	2019-20	2020-21
162	213	224

1.24 inspections per complaint



Vector Complaints - (Increase)



Squalor



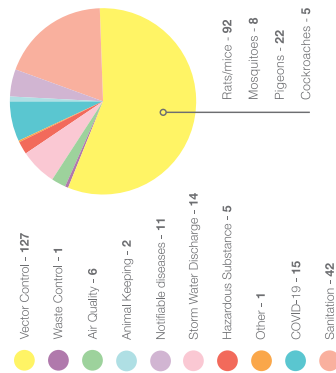
Hearding



1.92 inspections per complaint



Public Health Complaint Category



Waste Control Systems

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

Four wastewater applications for wastewater works were received and approved

Health Care and Community Services



Notifiable Diseases

	2019-20	2020-21
Campylobacter	267	248
Salmonella	79	38
Legionellosis	5	2
Cryptosporidiosis	5	4
Hepatitis A	1	0
Rotavirus	47	15
COVID-19	51	11

Monitoring and Surveillance

Cooling Towers and Warm Water Systems

19 Cooling Towers at 12 sites	
Routine inspections	19
Follow-up inspection	1

18 Warm Water Systems at 4 sites	
Routine inspections	10
Follow-up inspection	1

Water samples taken from all HRWMS sites during routine inspections - two detections of Legionella at two separate sites.

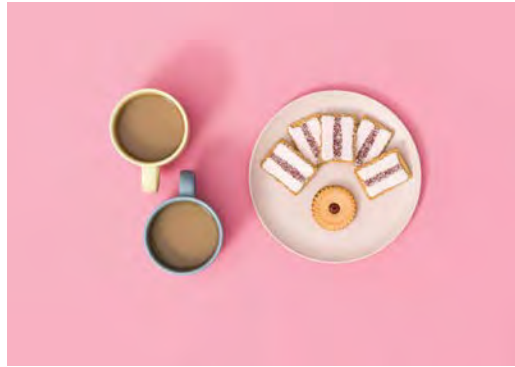
Two Legionella disease notifications were received from SA Health. Both required desktop reviews and no further action.

Public Swimming Pools and Spas

28 swimming pool and spa sites	
Routine inspections	46
Follow-up inspection	16
Compliance Notice issued	1

Personal Care and Body Art (PCBA)

All eight tattoo premises involving high risk skin penetration practice were assessed.



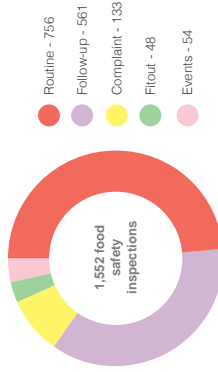


Food Safety

EHA administers the *Food Act 2001* in conjunction with the Food Safety Standards to protect the public from food-borne illness and associated risks.

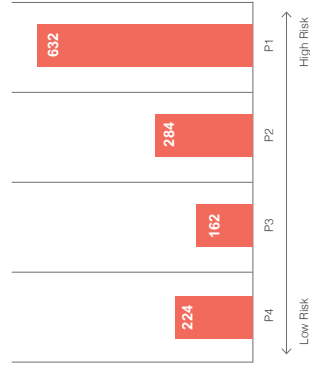
Food Safety Inspections

Type of food safety inspections undertaken during 2020-21

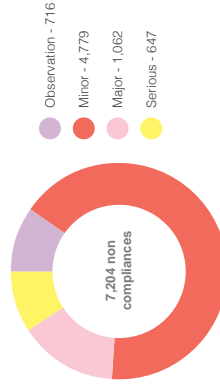


1,302 known food premises are operating as at 30/06/2021

Number of food businesses per risk classification



Type of food safety non-compliances observed during 2020-21



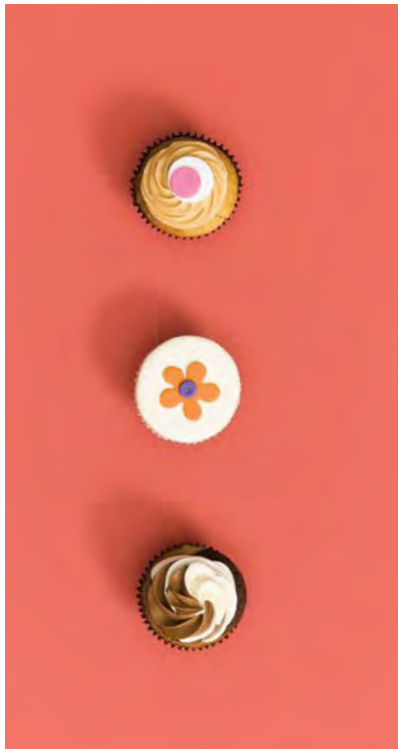
Increase in types of food safety non-compliances observed during routine inspections compared to the previous year. In particular:

64% Increase in the number of routine food inspections when compared to the previous year.

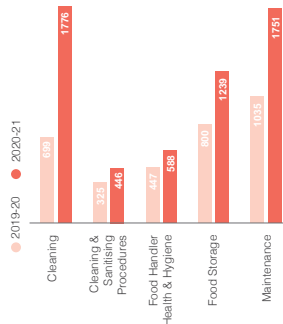
Cleaning **2.5** fold increase

Food storage **1.5** fold increase

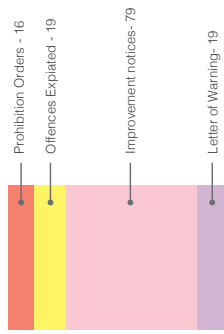
Maintenance **1.7** fold increase



Two year comparison of the types of food safety non-compliances observed during routine inspections during 2020-21.



A graph illustrating the graduated response to enforcement under the Food Act 2007.



The majority of food businesses requiring legal action are P1 high risk businesses.

Number of businesses requiring legal action per risk rating.

	P1	P2	P3
Warning Letter	18	1	0
Improvement Notices	65	13	1
Offences Exploited	12	2	0
Prohibition Orders	14	2	0

105

food premises required more than one follow-up inspection

66%

of routine inspections requiring a follow-up inspection

Food Safety Enforcement



Improvement Notices

79 Improvement Notices issued to 54 food businesses
19 businesses issued with multiple Improvement Notices – accounted for 44 Improvement Notices
7.1% of routine inspections resulted in the issue of an Improvement Notice

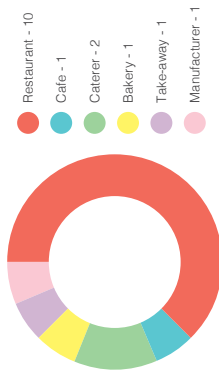
Expiations

14 businesses were expiated under the Food Act 2007
1.85% of routine inspections resulted in the issue of an Expiation Notice

Prohibition Orders

16 Prohibition Orders issued. 13 more when compared to the previous year.

Types of food businesses issued with a Prohibition Order during 2020-21.

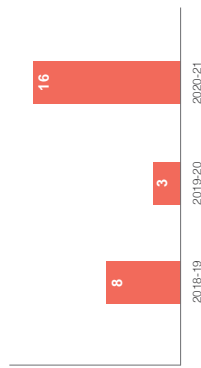


Food Safety Audits

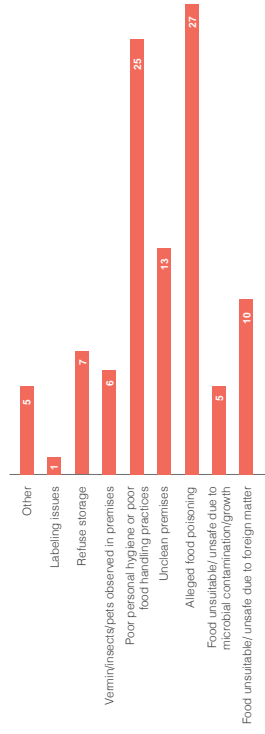
120 scheduled food safety audits food businesses serving food to vulnerable populations



Food Safety Complaints



Types of Food Complaints received in 2021





Summary Financial Statement for the year ending 30 June 2021

	2020	2021
INCOME		
Council Contributions	1,803,571	1,821,865
Statutory charges	72,447	150,625
User charges	330,134	235,151
Grants, subsidies and contributions	245,618	256,514
Investment income	8,183	4,301
Other income	4,031	4,548
TOTAL INCOME	2,463,984	2,474,905
EXPENSES		
Employee Costs	1,636,215	1,635,933
Materials, contracts & other expenses	594,507	509,065
Depreciation, amortisation & impairment	190,358	190,797
Finance costs	56,305	48,445
TOTAL EXPENSES	2,477,385	2,384,240
OPERATING SURPLUS (DEFICIT)		
Asset disposal & fair value adjustments		
NET SURPLUS/(DEFICIT)	(13,401)	90,365
Other Comprehensive Income		
TOTAL COMPREHENSIVE INCOME	(13,401)	90,365
CURRENT ASSETS		
Cash and cash equivalents	721,310	782,898
Trade and Other Receivables	155,650	188,901
TOTAL CURRENT ASSETS	876,960	971,797
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	1,491,511	1,300,714
TOTAL NON-CURRENT ASSETS	1,491,511	1,300,714
TOTAL ASSETS	2,368,471	2,272,511
CURRENT LIABILITIES		
Trade & Other Payables	157,719	163,940
Borrowings	282,051	177,021
Provisions	307,885	307,903
Liabilities relating to Non-current Assets held for Sale		
TOTAL CURRENT LIABILITIES	727,655	648,864
NON-CURRENT LIABILITIES		
Borrowings	1,143,669	1,036,687
Provisions	22,288	21,716
TOTAL NON-CURRENT LIABILITIES	1,165,957	1,058,403
TOTAL LIABILITIES	1,893,612	1,707,267
NET ASSETS	474,879	565,244
EQUITY		
Accumulated Surplus	474,879	565,244
TOTAL EQUITY	474,879	565,244

Annual Report 2020/21





The General Purpose Financial Reports for the year ended 30 June 2021

Eastern Health Authority General Purpose Financial Reports for the year ended 30 June 2021

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	6
Note 2 - Income	10
Note 3 - Expenses	11
Note 4 - Current Assets	13
Note 5 - Property, Plant & Equipment & Investment Property	14
Note 6 - Liabilities	16
Note 7 - Reconciliation of Cash Flow Statement	17
Note 8 - Financial Instruments	18
Note 9 - Uniform Presentation of Finances	21
Note 10 - Leases	22
Note 11 - Superannuation	23
Note 12 - Contingent Assets & Contingent Liabilities	24
Note 13 - Events Occurring After Balance Date	24
Note 14 - Related Party Transactions	25
Audit Report - Financial Statements	26
Authority Certificate of Audit Independence	27
Audit Certificate of Audit Independence	28



EASTERN HEALTH AUTHORITY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards;
- the financial statements present a true and fair view of EHA's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year;
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year;
- the financial statements accurately reflect the Council's accounting and other records.

Michael Livori
CHIEF EXECUTIVE OFFICER

Cr Peter Carrish
CHAIRPERSON
EHA BOARD OF MANAGEMENT

Date: 21/8/21



Eastern Health Authority
Statement of Comprehensive Income
for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
INCOME			
Council contributions	2	1,821,865	1,603,571
Statutory charges	2	150,625	72,447
User charges	2	236,151	330,134
Grants, subsidies and contributions	2	256,514	245,618
Investment income	2	4,901	8,183
Other income	2	4,549	4,031
Total Income		2,474,605	2,463,984
EXPENSES			
Employee costs	3	1,635,933	1,636,215
Materials, contracts & other expenses	3	509,065	594,507
Depreciation, amortisation & impairment	3	190,797	190,358
Finance costs	3	48,445	56,305
Total Expenses		2,384,240	2,477,385
OPERATING SURPLUS / (DEFICIT)		90,365	(13,401)
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		90,365	(13,401)
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		90,365	(13,401)

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



Eastern Health Authority
Statement of Financial Position
as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	762,896	721,310
Trade & other receivables	4	188,901	155,650
Total Current Assets		971,797	876,960
Non-current Assets			
Infrastructure, property, plant & equipment	5	1,300,714	1,491,511
Total Non-current Assets		1,300,714	1,491,511
Total Assets		2,272,511	2,368,471
LIABILITIES			
Current Liabilities			
Trade & other payables	6	163,940	157,719
Borrowings	6	177,021	262,051
Provisions	6	307,903	307,885
Total Current Liabilities		648,864	727,655
Non-current Liabilities			
Borrowings	6	1,036,687	1,143,669
Provisions	6	21,716	22,268
Total Non-current Liabilities		1,058,403	1,165,937
Total Liabilities		1,707,267	1,893,592
NET ASSETS		565,244	474,879
EQUITY			
Accumulated Surplus		565,244	474,879
TOTAL EQUITY		565,244	474,879

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



Eastern Health Authority
Statement of Changes in Equity
for the year ended 30 June 2021

	2021	Notes	Acc'd Surplus	TOTAL EQUITY
			\$	\$
Balance at end of previous reporting period			474,879	474,879
Net Surplus / (Deficit) for Year			90,365	90,365
Balance at end of period			565,244	565,244
	2020	Notes	\$	\$
Balance at end of previous reporting period			488,280	488,280
Net Surplus / (Deficit) for Year			(13,401)	(13,401)
Balance at end of period			474,879	474,879

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



Eastern Health Authority
Statement of Cash Flows
for the year ended 30 June 2021

	2021	Notes	2020
	\$		\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
Council Contributions	1,821,865		1,983,928
Statutory charges	150,625		72,447
User charges	227,736		373,345
Investment receipts	5,757		7,234
Grants utilised for operating purposes	256,514		245,618
Other revenues	4,549		4,031
<i>Payments:</i>			
Employee costs	(1,637,628)		(1,645,676)
Materials, contracts & other expenses	(525,832)		(802,416)
Finance payments	(49,988)		(57,773)
Net Cash provided by Operating Activities	253,598		180,738
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Payments:</i>			
Expenditure on renewal/replacement of assets	-		(24,677)
Net Cash used in Investing Activities	-		(24,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Payments:</i>			
Repayments of borrowings	(70,732)		(67,488)
Repayment of principal portion of lease liabilities	(121,280)		(110,535)
Net Cash used in Financing Activities	(192,012)		(178,023)
Net Increase (Decrease) in cash held	61,586		(21,962)
Cash & cash equivalents at beginning of period	7		743,272
Cash & cash equivalents at end of period	7		721,310

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



Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

Eastern Health Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 101 Payneham Road, St Peters, SA 5068. These consolidated financial statements include the Authority's direct operations and all entities through which 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

3.1 Revenue

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.



Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

4 Cash, Cash Equivalents and Other Financial Instruments

4.1 Cash, Cash Equivalents and Other Financial Instruments

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

5 Property, Plant & Equipment

5.1 Initial Recognition

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

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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 5.

5.3 Depreciation of Non-Current Assets

Property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of 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.

Major depreciation periods for each class of asset are shown in Note 5.

5.4 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 Authority 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).

6 Payables

6.1 Goods & Services

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

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



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

8 Provisions

8.1 Employee Benefits

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based 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 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. Authority does not make payment for untaken sick leave.

Superannuation:

The Authority 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. Details of the accounting policies applied and Authority's involvement with the schemes are reported in Note 12.

9 Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Authority as a lessee:

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset.

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 5.4 - Impairment above.

ii) Lease liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value

The Authority applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

10 GST Implications

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

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

11 New and amended standards and interpretations

The Authority applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Authority are listed below. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material:

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Authority.



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 2 - INCOME

	2021	2020
	\$	\$
COUNCIL CONTRIBUTIONS		
City of Burnside	438,131	437,022
Campbelltown City Council	452,548	426,994
City of Norwood, Payneham & St Peters	586,308	559,954
City of Prospect	210,656	230,650
Town of Walkerville	103,032	102,500
Public Health Plan/Service Review (equal constituent share)	31,190	46,451
	<u>1,821,865</u>	<u>1,803,571</u>
STATUTORY CHARGES		
Inspection Fees: Food	91,852	53,213
Inspection Fees: Legionella	10,665	8,603
SRF Licences	3,255	1,520
Fines / expiation fees	44,853	9,111
	<u>150,625</u>	<u>72,447</u>
USER CHARGES		
Immunisation: Clinic Vaccines	62,086	87,341
Immunisation: Worksite Vaccines	96,879	98,799
Food Auditing	77,186	84,428
City of Unley	-	59,566
	<u>236,151</u>	<u>330,134</u>
INVESTMENT INCOME		
Interest on investments:		
Local Government Finance Authority	4,901	8,183
	<u>4,901</u>	<u>8,183</u>
OTHER INCOME		
Motor Vehicle Reimbursements	3,705	1,627
Sundry	844	2,404
	<u>4,549</u>	<u>4,031</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions		
Immunisation: School Programme	180,024	220,308
Immunisation: ACIR	21,860	25,310
Immunisation: PHN Project	54,630	-
	<u>256,514</u>	<u>245,618</u>



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 3 - EXPENSE

	2021	2020
	\$	\$
EMPLOYEE COSTS		
Salaries and Wages	1,434,514	1,453,727
Employee leave expense	35,942	9,091
Superannuation - defined contribution plan contributions	128,218	124,020
Superannuation - defined benefit plan contributions	16,100	12,212
Workers' Compensation Insurance	17,050	18,441
Other - Agency staff and Consultant/Medical Officer	4,109	15,724
Total Operating Employee Costs	<u>1,635,933</u>	<u>1,636,215</u>
Total Number of Employees	18	15
	<i>(Full time equivalent at end of reporting period)</i>	
MATERIALS, CONTRACTS & OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration	8,000	7,494
- Auditing the financial reports	-	1,227
Bad and Doubtful Debts	4,156	11,144
Governance expenses	3,769	6,000
Lease Expenses - short term leases	10	-
Subtotal - Prescribed Expenses	<u>15,927</u>	<u>25,865</u>
Other Materials, Contracts & Expenses		
Accounting	8,848	5,473
Contractors	26,065	26,466
Energy	9,066	10,808
Fringe benefits tax	14,272	12,447
Human Resources	7,573	15,983
Income protection	29,245	24,177
Insurance	18,355	28,817
IT licencing & support	113,736	161,608
Legal Expenses	28,646	13,605
Motor vehicle expenses	15,399	14,250
Parts, accessories & consumables	143,529	181,373
Printing & stationery	21,155	15,088
Staff training	6,924	6,843
Sundry	24,149	21,889
Telephone	14,414	15,923
Work health & safety consultancy	5,761	7,892
Subtotal - Other Materials, Contracts & Expenses	<u>493,138</u>	<u>568,642</u>
	<u>509,065</u>	<u>594,507</u>



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021
Note 3 - EXPENSE cont.

	2021	2020
	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings & Other Structures	23,642	23,642
Office Equipment, Furniture & Fittings	15,877	20,271
Right of Use Assets	151,278	146,445
	<u>190,797</u>	<u>190,358</u>
FINANCE COSTS		
Interest on Loans	6,332	9,650
Interest on Leases	42,113	46,655
	<u>48,445</u>	<u>56,305</u>



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021
Note 4 - CURRENT ASSETS

	2021	2020
	\$	\$
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	405,770	168,947
Deposits at Call	377,126	552,363
	<u>782,896</u>	<u>721,310</u>
TRADE & OTHER RECEIVABLES		
Accrued Revenues	83	949
Debtors - general	163,116	154,701
Prepayments	25,692	-
Total	<u>186,901</u>	<u>155,650</u>
Less: Allowance for Doubtful Debts	-	-
	<u>186,901</u>	<u>155,650</u>

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 5 - PROPERTY, PLANT & EQUIPMENT (PP&E)

Fair Value Level	2020				2021			
	Fair Value	Cost	Acc Dep'n	Carrying Amount	Fair Value	Cost	Acc Dep'n	Carrying Amount
Buildings & Other Structures	-	472,846	(211,970)	260,876	-	472,846	(235,612)	237,234
Office Equipment, Furniture & Fittings	-	264,186	(220,069)	44,080	-	264,186	(235,983)	28,203
Right of Use Assets	-	1,333,000	(146,445)	1,186,555	-	1,333,000	(297,723)	1,035,277
Total PP&E	-	2,070,032	(578,521)	1,491,511	-	2,070,032	(769,316)	1,300,714
Comparatives	-	712,355	(388,163)	324,192	-	2,070,032	(578,521)	1,491,511

This Note continues on the following pages.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 5 - PROPERTY, PLANT & EQUIPMENT

	2020	Carrying amount movement during year						2021
		Carrying Amount	Net Adjust. AASB 16	Additions		Disposals	Impairt	
				New/Upgrade	Renewals			
Buildings & Other Structures	260,876	-	-	-	-	(23,642)	-	237,234
Office Equipment, Furniture & Fittings	44,080	-	-	-	-	(15,877)	-	28,203
Right of Use Assets	1,186,555	-	-	-	-	(151,278)	-	1,035,277
Total PP&E	1,491,511	-	-	-	-	(190,797)	-	1,300,714
Comparatives	324,192	1,333,000	-	24,677	-	(190,388)	-	1,491,511

This note continues on the following pages.



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 6 - LIABILITIES

	2021		2020	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	122,323		108,316	
Accrued expenses - employee entitlements	38,575		39,736	
Accrued expenses - other	2,451		3,984	
GST Payable	591		5,673	
	<u>163,940</u>	<u>-</u>	<u>157,719</u>	<u>-</u>
BORROWINGS				
Loans	74,132	38,391	70,732	112,523
Leases Liabilities	102,889	998,296	191,319	1,031,146
	<u>177,021</u>	<u>1,036,687</u>	<u>262,051</u>	<u>1,143,669</u>
<i>All interest bearing liabilities are secured over the future revenues of the Authority.</i>				
PROVISIONS				
Employee entitlements (including oncosts)	307,903	21,716	307,885	22,268
	<u>307,903</u>	<u>21,716</u>	<u>307,885</u>	<u>22,268</u>



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

	2021		2020	
	Notes	\$	Notes	\$
(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:				
Total cash & equivalent assets	4	782,896		721,310
Balances per Cash Flow Statement		<u>782,896</u>		<u>721,310</u>
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities				
Net Surplus (Deficit)		90,365		(13,401)
Non-cash items in Income Statement				
Depreciation, amortisation & impairment		190,797		190,358
Net increase (decrease) in unpaid employee benefits		(1,695)		(9,461)
		<u>279,467</u>		<u>167,496</u>
Add (Less): Changes in Net Current Assets				
Net (increase) decrease in receivables		(33,251)		12,550
Net increase (decrease) in trade & other payables		7,382		692
Net Cash provided by operations		<u>253,598</u>		<u>180,738</u>
(c) Financing Arrangements				
Unrestricted access was available at balance date to the following lines of credit:				
Corporate Credit Cards		5,000		5,000
The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.				



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 8 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as loans and receivables.

Accounting Policies - Recognised Financial Instruments

Bank Deposits at Call, Short Term Deposits	Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned Terms & conditions: Deposits are returning fixed interest rates 0.30% (2020: 0.45%). Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Fees & other charges	Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method Terms & conditions: Unsecured, and do not bear interest. Although Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries. Carrying amount: approximates fair value (after deduction of any allowance).
Receivables - other levels of government	Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method. 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 Authority. Terms & conditions: Liabilities are normally settled on 30 day terms.
Liabilities - Interest Bearing Borrowings	Accounting Policy: initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate Terms & conditions: secured over future revenues, borrowings are repayable; interest is charged at fixed rates between 4.75% (2020: 4% and 5%) Carrying amount: approximates fair value.
Liabilities - Finance Leases	Accounting Policy: accounted for in accordance with AASB 16 as stated in note 10



Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 8 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

	2021	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets						
Cash & Equivalents	\$	782,896	\$	-	\$	782,896
Receivables		163,209	-	-	163,209	163,209
Total		946,105	-	-	946,105	946,105
Financial Liabilities						
Payables		122,914	-	-	122,914	122,914
Current Borrowings		74,132	-	-	74,132	74,132
Lease Liabilities		102,889	330,236	668,060	1,101,185	1,101,185
Non-Current Borrowings		-	38,391	-	38,391	38,391
Total		299,935	368,627	668,060	1,336,622	1,336,622
		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020						
Financial Assets						
Cash & Equivalents	\$	721,310	\$	-	\$	721,310
Receivables		155,650	-	-	155,650	155,650
Total		876,960	-	-	876,960	876,960
Financial Liabilities						
Payables		157,719	-	-	157,719	157,719
Current Borrowings		70,732	-	-	70,732	70,732
Lease Liabilities		121,280	386,361	714,824	1,222,465	1,222,465
Non-Current Borrowings		-	112,523	-	112,523	112,523
Total		349,731	498,884	714,824	1,563,439	1,563,439

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

	30 June 2021	30 June 2020
Weighted Average Interest Rate %	4.75	4.75
Carrying Value \$	122,523	183,255
Weighted Average Interest Rate %	4.75	4.75
Carrying Value \$	122,523	183,255



for the year ended 30 June 2021
Note 8 - FINANCIAL INSTRUMENTS (cont.)

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of 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 impairment. 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 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 Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LSA Information Paper 15), liabilities have a range of maturity dates. 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. 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.



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 9 - 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 local government Authority 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 Authority's finances

	2021	2020
	\$	\$
Income	2,474,605	2,463,984
Expenses	<u>(2,384,240)</u>	<u>(2,477,385)</u>
Operating Surplus / (Deficit)	90,365	(13,401)
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	(24,677)
Add back Depreciation, Amortisation and Impairment	190,797	190,358
	190,797	165,681
Net Lending / (Borrowing) for Financial Year	281,162	152,280



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 10 - LEASES

Authority as a Lessee
Right of Use Asset

Set out below are the carrying amounts (written down value) of right of use assets recognised within Property, Plant & Equipment

Carrying Value	Building & Structures	Motor Vehicles	Total
At 1 July 2020	1,104,000	82,555	1,186,555
Depreciation Charge	(96,000)	(55,278)	(151,278)
At 30 June 2021	1,008,000	27,277	1,035,277

Set out below are the carrying amounts of lease liabilities (including under interest bearing loans and borrowings) and the movements during the period:

	2021	2020
Opening Balance	1,222,465	1,333,000
Payments	(191,319)	(110,535)
Closing Balance	1,031,146	1,222,465
Current	102,889	191,319
Non Current	988,296	1,031,146

The maturity analysis of lease liabilities is included in note 8

The following are amounts recognised on profit or loss:

Depreciation expense right of use asset	151,278	146,445
Interest expense on lease liabilities	42,113	46,655
Expenses relating to short term leases	3,769	6,000
Total amount recognised in profit and loss	197,160	199,100



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 11 - 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 2019-20; 9.50% in 2020-21). 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. 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 2019-20) of "superannuation" salary.

In addition, 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 119.34(a), 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 2020. 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 Authority's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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.



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 12 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingencies, asset or liabilities not recognised in the financial statements for the year ended 30 June 2021.

Note 13 – EVENTS OCCURRING AFTER REPORTING DATE

There are no events subsequent to 30 June 2021 that need to be disclosed in the financial statements.



Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 14 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

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

	2021	2020
	\$	\$
Salaries, allowances & other short term benefits	180,314	182,847
TOTAL	180,314	182,847

Amounts received from Related Parties during the financial year:

	2021	2020
	\$	\$
City of Burnside	438,131	437,022
Campbelltown City Council	452,548	426,984
City of Norwood, Payneham & St Peters	586,308	559,954
City of Prospect	210,656	230,650
Town of Walkerville	103,032	102,500
Public Health Plan/Service Review (equal constituent share)	31,190	46,451
TOTAL	1,821,865	1,803,571

Amounts paid to Related Parties during the financial year:

	2021	2020
	\$	\$
City of Norwood, Payneham & St Peters	108,739	106,978
TOTAL	108,739	106,978

Description of Services provided to all related parties above:

Assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act 2011, the Food Act 2007 (SA), the Supported Residential Facilities Act 1992 (SA), the Expiration of Offences Act 1996 (SA), (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA. Take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils.



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2021, the Auditor, Bentleys SA Audit Partnership, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Michael Livori
CHIEF EXECUTIVE OFFICER

.....
Claudia Goldsmith
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 31 August 2021



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2021, the Auditor, Bentleys SA Audit Partnership, 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*.

.....
Chris Coyle
CHIEF EXECUTIVE OFFICER
CITY OF BURNSIDE

Date: 12 August 2021



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Eastern Health Authority for the year ended 30 June 2021, the Auditor, Bentley's SA Audit Partnership, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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


.....
Mario Barode PSM
CHIEF EXECUTIVE OFFICER
CITY OF NORWOOD PAYNEHAM & ST PETERS

Date: 12. 08. 2021.



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2021, the Auditor, Bentley's SA Audit Partnership, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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


.....
Paul Di Julio
CHIEF EXECUTIVE OFFICER
CAMPBELLTOWN CITY COUNCIL

Date: 27.7.21



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2021, the Auditor, Bentleys SA Audit Partnership, 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*.

KIRI CRISTOL
CHIEF EXECUTIVE OFFICER
CORPORATION OF THE TOWN OF WALKERVILLE

Date: 3 August 2021



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2021, the Auditor, Bentleys SA Audit Partnership, 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*.

Alison Hancock
ACTING CHIEF EXECUTIVE OFFICER
CITY OF PROSPECT

Date: 5/8/21

Item 5.1 Attachment 1



Bentleys SA Audit Partnership
Level 5,
33 Pitt Street
Adelaide SA 5000
GPO Box 989
Adelaide SA 5001
ABN 42 617 097 000
T +61 8 8372 7000
F +61 8 8372 7066
admin@bentleys.com.au
bentleys.com.au

Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Eastern Health Authority Inc for the year ended 30 June 2021, 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 1989 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.

Bentleys SA Audit Partnership

David Francis
Partner

Dated at Adelaide this 31st day of August 2021





local councils working together to protect the health of the community



EastWaste

ANNUAL
REPORT
2020-2021



East Waste is on a transformational path moving solely from a reactive waste collection logistics business to a broader resource manager and active community behaviour change agent.

EastWaste

• EASTERN WASTE MANAGEMENT AUTHORITY •

Annual Report 2020-2021 Contents

CHAIRPERSON'S REPORT	5
GENERAL MANAGER'S REPORT	9
GOVERNANCE	13
FINANCIAL STATEMENTS	15



EastWaste

ANNUAL REPORT 2020-2021

Chairperson's Report

It is with much enthusiasm that I commend to you the second Annual Report of my tenure as Chair of East Waste for the 2020/21 financial year.

The challenges, opportunities and learnings that have come with the position have been thoroughly enjoyable and it is hard to communicate to those outside of the industry how much it is continually evolving. A number of moving parts, strategically, politically (policy) and operationally are constantly occurring. All of this is moving in a positive direction and East Waste continues to perform well and participate in the right discussions to benefit our Members and the community.

Financially, East Waste has performed strongly once again and through efficient and diligent budget management, coupled with favourable markets, East Waste has been able to deliver an Operating Surplus of \$726,000. These savings will be returned to our Member Councils. This alone demonstrates one of the key benefits and distinctions of being part of the East Waste subsidiary.

This great financial performance has unquestionably been aided by a highly engaged

and conscientious Audit and Risk Management Committee, which has worked with Management and the Board to further enhance the systems and Governance of the Organisation. I want to take this opportunity to thank all Members of the Audit and Risk Management Committee.

While in this vein, I must thank the members of our Board. Our meetings generate strong robust conversations and decision making which is applied to all matters. As a result, our Member Councils enjoy a high degree of confidence in the governance, processes and strategic direction of the Organisation. We will continue to build upon this. Many of the Board members have been a valuable counsel and this helps from time to time. I would specifically like to acknowledge Mario Barone's time on the Board. Mario sat on the Board and various sub-committees for a number of years. His insights on all matters were very valuable.

Through the 2030 Strategic Plan East Waste set a number of bold targets that it seeks to



'Food scraps to green bin' and the use of kitchen caddies was promoted through bus shelters and street signs. Pictured: Kerry March and Michaela Tamlin from City of Mitcham.

Chairperson's Report



• The popular 'Why waste it? and Which Bin?' education stalls were hosted at a total of 21 Council events.

aspire to achieve and we know that we cannot do these alone. We require the assistance and influence of many individuals and Organisations and are fortunate that we have already built some strong partnerships with parties like the Northern Adelaide Waste Management Authority (NAWMA), Fight Food Waste Cooperative Research Centre (FFW CRC), KESAB, the Environment Protection Authority and Green Industries SA (GISA). We look forward to continuing to work with these Organisations and others for the express benefit of our Member Councils.

Since its transformation from Zero Waste SA, we have been fortunate to have Vaughan Levitzke head up GISA. Vaughan's retirement earlier this year closes a long and distinguished Public Sector career and his legacy on the waste industry and support of local Councils will provides benefits well outliving his career. On behalf of East Waste we congratulate and thank Vaughan. We look forward to Dr Ian Overton, his replacement, putting his own strong stamp on the role and valued Organisation.

Earlier this year, as part of our project with the FFW CRC, which is supported by GISA and Adelaide University, we undertook the most comprehensive individual bin audit ever undertaken in South Australia. While the results

of the project are still being analysed, the early data coming from the project provides insight and will help shape not only East Waste's future behaviour change and education programs, but those more broadly rolled out through state and local government across Australia. The project is a fantastic demonstration of the value of like-minded but diverse Organisations collaborating to advance research and innovate new ways to tackle age old problems.

In my 25 years in the waste industry, the only constant has been change itself. The year ahead will be no different, and undoubtedly will deliver a number of opportunities and challenges. With the engaged Board, Administration and Member Councils that we have, we are exceptionally well placed to tackle each of these issues and maximise them for the benefit of our Member Councils.



Fraser Bell
East Waste Chair



General Manager's Report

In reflecting on the year, the first thing that comes to mind is an enormous sense of gratitude. Gratitude to the East Waste staff who have continually adapted to the changing nature of the COVID environment that we live in. From our Drivers and Mechanics to Customer Service staff and Management, all have worked with us to ensure all our services could continue to be delivered regardless of the phase we found ourselves in.

East Waste adopted (and is continuing to do so) a number of changes to our business operations to ensure the health, safety and welfare of our staff and their families, well ahead of many others in the waste industry and to ensure we can continue to deliver our services. This was (and is) only possible with the continued support and adaptability of our staff. To all, my ongoing thanks.

In late 2020 the Board adopted a new 10-year Strategic Plan for East Waste. The 2030 plan sets the aspirational vision of being "The leading waste logistics Company in Australia through the delivery of innovative collection and resource

management services to our Member Councils and their communities."

Bold Key Performance Targets were set as part of this, most notably (and challengingly), 100% of food waste being separately collected and recycled by 2030. With a baseline of just 13% (2019 East Waste Audit), there is an enormous amount of work and step change required to achieve this. As will driving our kerbside diversion rate up to 75% which currently sit at 54%. Transferring food waste and compostable materials from the landfill bin (which currently make up almost 40% of the total contents (2019 East Waste Audit)) to the organics bin is undoubtedly the

113,332 TOTAL TONNAGES COLLECTED

8,500,000+ ANNUAL BIN COLLECTIONS

3,275 HARD WASTE TONNES CONVERTED TO FUEL

56% OF MATERIAL DIVERTED FROM LANDFILL

45 COLLECTION VEHICLES

5,769 BIN REPAIRS UNDERTAKEN BY THE MOBILE TEAM

4,449 BIN DELIVERIES UNDERTAKEN PER YEAR

2,000+ ENQUIRIES RECEIVED & RESOLVED EACH WEEK



General Manager's Report



key to achieving this target. As Fraser mentions in his report, we appreciate that we cannot do this alone and that we need the support and partnerships of others.

East Waste has for the past 4 years been a strong and active participant in the waste education and behaviour change space and our work over the past year is no different. Through the 2020/21 Annual Plan, East Waste committed to undertaking a review of East Waste's Education Program, principally with a view to determining the return on investment. Measuring the true value/benefit of any educational program is challenging and none more so than waste education, where a process of awareness and behaviour change is first needed before actual results can be realised. Typically, this is not instantaneous and can often be a long-protracted implementation. Undertaken by an independent economic firm, the results showed that the benefit-cost ratio (BCR) of the investment is a minimum of \$310 for every \$100 of investment expenditure incurred in implementing the education program.

This program is largely driven by our Education & Promotions Coordinator Megan Bekeal and her passion and active engagement in this space was

rewarded with being a joint winner of the Green Industries SA 2020 Women in Circular Economy Award winner. As a winner Megan receives funding to further study education in waste and we look forward to seeing her apply her findings to our already successful campaign.

Finally, I want to thank and acknowledge the Board and Audit and Risk Management Committee which have supported our initiatives and provided valuable feedback to solidify our strength as an organisation. To Chair, Mr Fraser Bell, your guidance and encouragement has been invaluable, but above these your enthusiasm for the industry and Organisation ensures the long-term viability of East Waste for our Member Councils.



Rob Gregory
General Manager

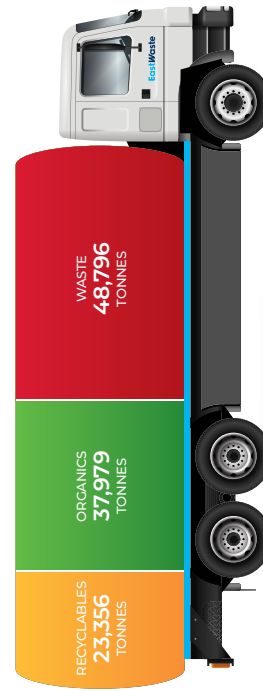


'Food scraps to green bin' and the use of kitchen caddies was promoted through bus shelters and street signs. Pictured: Customer Service staff, Hedy Hashemi and Cristina Nazar from Town of Walkerville.

Kerbside Tonnages Collected

Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,559	4,560	7,190
City of Burnside	4,055	6,858	7,224
Campbelltown City Council	4,124	7,274	9,872
City of Mitcham	5,684	10,128	11,898 ¹
City of Norwood, Payneham & St Peters	3,531	4,931	7,224
City of Prospect	1,740	3,141	4,177
Town of Walkerville	663	1,087	1,211

¹ City of Mitcham undertakes the collection of waste for its residents.



East Waste Governance

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

The membership of the Board comprises of eight directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste. The Board held eight formal meetings over the 2020-2021 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Fraser Bell (Chair)	6/6
Cr Linda Green (Adelaide Hills Council)	5/6
Mr Simon Bradley (City of Prospect) *Ceased 20 May 2021	3/4
Mr Vincent Cammell (City of Prospect) *Appointed 22 May 2021	1/2
Cr Julian Carbone (City of Burnside)	3/6
Mr Paul Di Iulio (Campbelltown City Council)	4/6
Mayor Heather Holmes-Ross (City of Mitcham)	4/6
Mr Mario Barone (City of Norwood, Payneham & St Peters) *Ceased 31 December 2020	2/2
Cr Mike Stock (City of Norwood, Payneham & St Peters) *Appointed 01/01/2021	4/4
Cr Rob Ashby (Corporation of the Town of Walkerville)	6/6

DEPUTY DIRECTOR ATTENDANCE	MEETINGS
Mr Craig Harrison (City of Mitcham)	1/6

East Waste Governance



Audit and Risk Management Committee

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

The principal objective of the Audit Committee is to ensure that the East Waste Board meets its

legislative and probity requirements as required by the *Local Government Act 1999* and other relevant legislation, standards and codes.

The Audit Committee held five formal meetings over the 2020-2021 financial year. The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Fraser Bell (Chair)	4/5
Mr Mario Barone (City of Norwood, Payneham & St. Peters) *Ceased 3/12/2020	2/2
Cr Mike Stock (City of Norwood, Payneham & St. Peters) *Appointed 3/1/2021	1/1
Mr Simon Bradley (City of Prospect) *Appointed 01/01/2021 *Ceased 20/05/2021	1/2
Cr Linda Green (Adelaide Hills Council)	5/5
Mr Tim Mulhaußer (Independent Member) *Ceased 3/12/2020	2/2
Ms Emma Hinchey (Independent Member) *Appointed 01/01/2021	3/3
Ms Sandra Di Blasio (Independent Member) *Appointed 01/01/2020	5/5

The Audited Financial Statements for the year ending 30 June 2021 are provided on the following pages.

EastWaste

FINANCIAL STATEMENTS 2020-2021



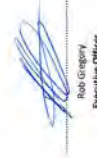
Certification of Financial Statements	17
Principal Financial Statements	18
Statement of Comprehensive Income	19
Statement of Financial Position	21
Statement of Changes in Equity	22
Statement of Cash Flows	23
Notes to, and forming part of, the Principal Financial Statements	31
Note 1 - Significant Accounting Policies	31
Note 2 - Income	33
Note 3 - Expenses	33
Note 4 - Asset Disposal	34
Note 5 - Current Assets	35
Note 6 - Property, Plant & Equipment	37
Note 7 - Liabilities	38
Note 8 - Cash Flow Reconciliation	40
Note 9 - Financial Instruments	40
Note 10 - Expenditure Commitments	40
Note 11 - Leases	40
Note 12 - Post Balance Date Events	41
Note 13 - Related Party Transactions	43
Certification of Auditor Independence	44
Independent Auditor's Report	


CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021
CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the Local Government Act 1999, (Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards;
- the financial statements present a true and fair view of the authority's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year;
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year;
- the financial statements accurately reflect the Authority's accounting and other records.


 Rob Gregory
 Executive Officer


 Fraser Bell
 Chairman

DATE: 30 SEPTEMBER 2021

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$'000	2020 \$'000
INCOME			
User charges	2	16,707	16,756
Investment income	2	12	21
Grants, subsidies and contributions		-	-
Other	2	917	677
Total Income		17,636	17,454
EXPENSES			
Employee costs	3	6,089	5,851
Materials, contracts & other expenses	3	9,149	9,120
Finance costs	3	262	281
Depreciation & amortisation	3	1,986	2,069
Total Expenses		17,486	17,321
OPERATING SURPLUS			
Asset disposal & fair value adjustments	4	105	60
NET SURPLUS		255	193
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		255	193

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

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,168	2,322
Trade & other receivables	5	661	1,019
Total Current Assets		3,829	3,341
Non-current Assets			
Property, Plant & Equipment	6	8,098	7,652
Total Non-current Assets		8,098	7,652
Total Assets		11,927	10,993
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,609	1,205
Provisions	7	654	597
Borrowings	7	1,925	1,929
Total Current Liabilities		4,188	3,731
Non-current Liabilities			
Borrowings	7	6,423	6,221
Provisions	7	97	77
Total Non-current Liabilities		6,520	6,298
Total Liabilities		10,708	10,029
Net Assets		1,219	964
EQUITY			
Accumulated Surplus		1,219	964
Total Equity		1,219	964

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



**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2021**

	Accumulated Surplus \$'000	Total Equity \$'000
Balance at start of period - 1 July 2020	964	964
Net Surplus for Year	255	255
Other Comprehensive Income	-	-
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2021	1,219	1,219
Balance at start of period - 1 July 2019	706	706
Net Surplus for Year	193	193
Other Comprehensive Income	-	-
Contributed Equity	65	65
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2020	964	964

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts		18,457	17,136
Investment receipts	7	7	16
Employee costs		(6,012)	(5,795)
Materials, contracts & other expenses		(9,243)	(8,677)
Finance payments		(233)	(291)
Net cash provided by operating activities	8	2,976	2,289
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of replaced assets	4	124	81
Expenditure on renewal/replacement of assets	6	(2,452)	(2,297)
Net cash used in investing activities		(2,328)	(2,216)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution by member councils		-	65
Proceeds from Borrowings		2,284	2,171
Repayments of Borrowings		(1,834)	(1,834)
Repayment of lease liabilities		(260)	(220)
Net cash provided by (used in) financing activities		198	182
Net increase (Decrease) in cash held		846	355
Cash & cash equivalents at beginning of period	5	2,322	1,967
Cash & cash equivalents at end of period	5	3,168	2,322

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

NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary and is incorporated under the SA Local Government Act 1999. Its principal place of business is at 1 Temple Court Ottoway.

3 Income Recognition

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate. In cases where there is an enforceable contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the asset is significantly less than

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any related amounts is recognised as income immediately, except in the case where a financial asset that has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

4. Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition. Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful. All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

5. Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.
All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

5.2 Materiality

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

5.3 Depreciation of Non-Current Assets

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

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

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plant, Machinery & Equipment	3-10 Years	>\$1000
Buildings & Other Structures	5-20 Years	>\$1000
Right-of-use-assets	Over period of expected lease	n/a

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plant, Machinery & Equipment	3-10 Years	>\$1000
Buildings & Other Structures	5-20 Years	>\$1,000
Right-of-use-assets	Over period of expected lease	n/a

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

5.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use). For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefit would be replaced if the Authority were deprived thereof, the value in use is the replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6 Payables

6.1 Goods & Services

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

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB119.

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

The Authority has recognised for the first time in 2020/21 a liability for employee benefits relating to rostered day off (RDO) entitlements in Note 7 given entitlements are paid-out on termination of employment. Experience indicates that RDO entitlements are generally taken given there is a cap applied to the level of RDO entitlements allowed to be accrued.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). The Scheme has 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 (9.5% in 2020/21; 9.5% 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 as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2019/20) 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, FAA, of Willis Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

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 new assets of the scheme, and no further liability attaches to the Authority.



East Waste's public education program is largely driven by our Education & Promotions Coordinator Megan Bekesi. Her passion and active engagement in this space was rewarded with being a joint winner of the Green Industries SA 2020 Women in Circular Economy Award. Pictured: David Speirs MP, Minister for Environment and Water, and Megan Bekesi.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

8 Borrowings

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

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

9 GST Implications

In accordance with IUC Abstract 1031 'Accounting for the Goods & Services Tax'

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

10 Comparative information

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

11 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

The Authority has recorded a liability totalling \$0.47 million as at 30 June 2021 as a result of cover estimating waste charges required to be recovered from Member Councils to fund operational expenses relating to the current financial year. A liability has been recorded in Note 7 as at 30 June 2021 which will be returned in the form of a reduction in waste collection fees to be charged to Member Councils in the following financial year.

12. New Accounting Standards

The Authority applied for the first-time certain new standards and amendments, which are effective for annual reporting periods beginning on or after 1 January 2020. New standards and amendments relevant to the Authority are listed below. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

financial information about a specific reporting entity". The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Authority.

13 Highbury Landfill Authority Inc.

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

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

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

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

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

The Board of the Authority resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2006 Charter. The loan was fully repaid in the 2019/20 financial year.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2 - INCOME

	2021	2020
	\$'000	\$'000
USER CHARGES		
Waste Collection Income	12,327	12,159
Waste Processing Income	4,640	4,509
Administration	235	225
Member Council Waste Collection Rebate	(640)	(137)
	16,707	16,756
INVESTMENT INCOME		
Interest on investments	12	21
Local Government Finance Authority	12	21
OTHER INCOME		
Bin Supply	254	203
Replacement Bins	642	457
Sundry	21	17
	917	677
EMPLOYEE COSTS		
Salaries and Wages	4,924	4,599
Employee leave expense	76	56
Superannuation	403	391
Wages Casual Agency	490	467
Workers' Compensation Insurance	113	196
Other	83	152
Total Employee Costs	6,089	5,851
Number of FTE Employees as at reporting date	57	59

NOTE 3 - EXPENSES

EMPLOYEE COSTS		
Salaries and Wages	4,924	4,599
Employee leave expense	76	56
Superannuation	403	391
Wages Casual Agency	490	467
Workers' Compensation Insurance	113	196
Other	83	152
Total Employee Costs	6,089	5,851
Number of FTE Employees as at reporting date	57	59

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3 - EXPENSES (Cont.)

	Notes	2021 \$'000	2020 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		9	10
Board Expenses		29	33
Waste Processing Costs		4,614	4,532
Electricity		4	27
Fuel, Gas & Oil		993	1,076
Legal Expenses		27	34
Maintenance		2,214	2,123
Parts, Accessories & Consumables		2	11
Printing, Stationery & Postage		36	24
Professional Services		440	449
Registration & Insurance - Trucks		215	364
Sundry		566	437
		9,149	9,120
FINANCE COSTS			
Interest on Loans		234	247
Interest on Leases		28	34
		262	281
DEPRECIATION & AMORTISATION			
Buildings & Other Structures	6	10	25
Plant, Machinery & Equipment	6	1,725	1,788
Right-of-use assets	6	251	256
		1,986	2,069

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4 - ASSET DISPOSAL

	Notes	2021 \$'000	2020 \$'000
Proceeds from disposal		124	81
Less: Carrying amount of assets sold		(19)	(21)
Gain (Loss) on disposal		105	60

NOTE 5 - CURRENT ASSETS

CASH & CASH EQUIVALENTS			
Cash on Hand and at Bank		2,995	1,160
Deposits at Call		173	1,162
		3,168	2,322

TRADE & OTHER RECEIVABLES

Debtors - general		654	1,013
Accrued Income		-	6
Prepaid Expenses		7	-
		661	1,019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2021 \$'000	2020 \$'000
Buildings & Other Structures - At Cost		325	162
Accumulated Depreciation		(92)	(62)
		233	80
Plant, Machinery & Equipment - At Cost		17,227	16,573
Accumulated Depreciation		(10,176)	(10,090)
		7,051	6,483
Right-of-use-assets		1,321	1,345
Accumulated Depreciation		(507)	(256)
		814	1,089
Total Property, Plant & Equipment		8,098	7,652

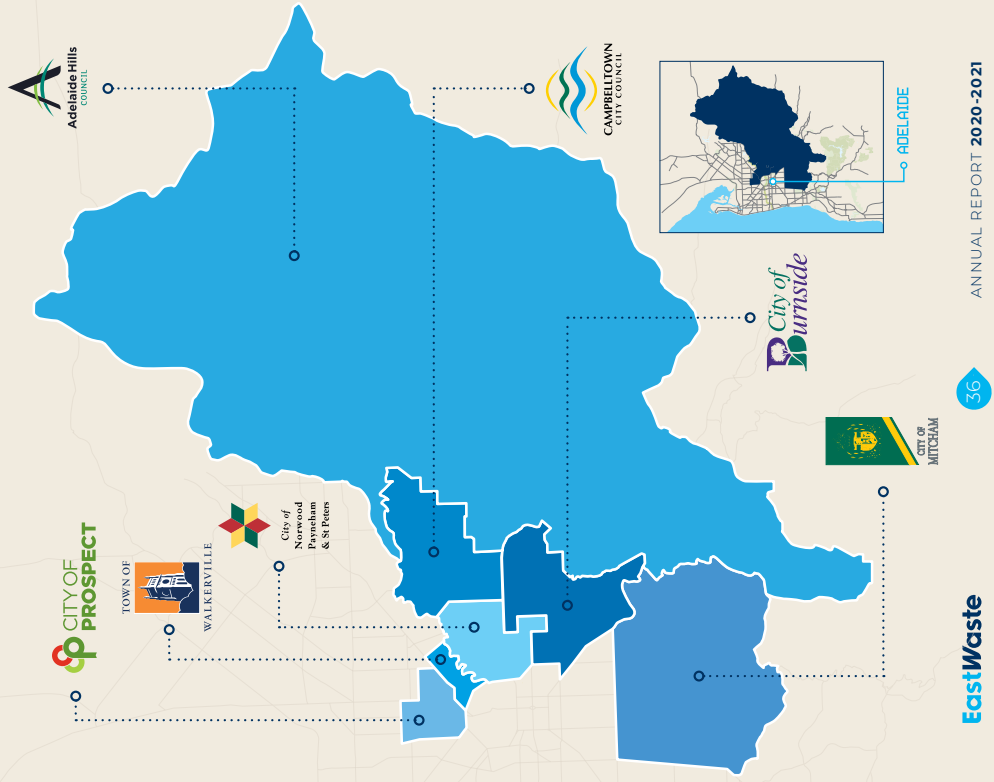
	2020 \$'000	Carrying Value	Additions		Disposals	Depreciation	Adjustment	2021 \$'000	Carrying Value
			New/ Upgrade	Renewal					
Buildings & Other Structures	80	80	163	-	-	(10)	-	233	233
Plant, Machinery & Equipment	6,483	6,483	2,312	-	(19)	(1,725)	-	7,051	7,051
Right-of-use-asset	1,089	1,089	-	-	-	(251)	(24)	814	814
	7,652	7,652	2,475	-	(19)	(1,986)	(24)	8,098	8,098
2020	6,100	6,100	3,642	-	(21)	(2,069)	-	7,652	7,652

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7 - LIABILITIES

	2021 \$'000		2020 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	902	-	998	-
Accrued expenses - other	707	-	207	-
	1,609	-	1,205	-
BORROWINGS				
Loans	1,679	5,805	1,692	5,334
Lease Liabilities	246	618	237	887
	1,925	6,423	1,929	6,221
PROVISIONS				
Annual Leave	302	-	304	-
Rostered-Day-Off (RDO)	51	-	-	-
Long Service Leave	301	97	293	77
	654	97	597	77

Current Service Area



Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 8 - CASH FLOW RECONCILIATION

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:

	2021	2020
	\$'000	\$'000
Total cash & equivalent assets	3,168	2,322
Balances per Cash Flow Statement	3,168	2,322

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

Net Surplus (Deficit)	255	193
Non-cash items in Income Statement of Comprehensive Income		
Depreciation	1,986	2,069
Net increase (decrease) in employee benefits	(77)	(56)
Net increase (decrease) accrued expenses	24	(15)
(Gain) / Loss on Disposal	(105)	(60)
Waste Rebates	470	-
	2,553	2,131
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	363	(297)
Net increase (decrease) in trade & other payables	(94)	443
Net increase (decrease) in other provisions	154	112
Net Cash provided by (or used in) operations	2,976	2,389

(b) Financing Arrangements

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits **Accounting Policy:** Initially recognised at fair value and subsequently measured at amortised cost.

Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 0.3% (2020: 0.4% - 0.45%).
Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Waste Collection Fees & Associated Charges **Accounting Policy:** Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.
Carrying amount: approximates fair value (after deduction of any allowance).

Liabilities - Creditors and Accruals **Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.
Terms & conditions: Liabilities are normally settled on 30 day terms.
Carrying amount: approximates fair value.

Liabilities - Interest bearing borrowings **Accounting Policy:** Initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate.

Terms & conditions: secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 1.7% - 5.35% (2020: 2.55% - 5.55%).

Liabilities - Leases **Accounting Policy:** accounted for in accordance with AASB 16 as stated in Note 11.

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

Risk Exposures

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9 - FINANCIAL INSTRUMENTS (Cont.)

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

Liquidity Analysis

	≤ 1 year	> 1 year ≤ 5 years	> 5 years	Non-Interest Bearing	Total
2021					
Financial Assets	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	3,168	-	-	-	3,168
Receivables	-	-	-	654	654
Total	3,168	-	-	654	3,822
Financial Liabilities					
Payables	-	-	-	902	902
Borrowings	1,925	5,091	1,332	-	8,348
Total	1,925	5,091	1,332	902	9,250
2020					
Financial Assets	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	2,322	-	-	-	2,322
Receivables	-	-	-	1,013	1,013
Total	2,322	-	-	1,013	3,335
Financial Liabilities					
Payables	-	-	-	998	998
Borrowings	1,929	5,460	726	-	8,115
Total	1,929	5,460	726	998	9,113

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10 - EXPENDITURE COMMITMENTS

Expenditure Commitments

The Authority has expenditure commitments totalling an estimated \$2 million as at reporting.

NOTE 11 - LEASES

Authority as a lessee

Right-of-use-assets

The Authority leases its administrative and depot facilities at Otterway.

	Buildings & Other Structures	Total
	\$'000	\$'000
At 1 July 2020	1,089	1,089
Additions of right-of-use-assets	-	-
Depreciation Charge	(251)	(251)
Adjustments to right-of-use-assets	(24)	(24)
At 30 June 2021	814	814

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020
	\$'000
At 1 July 2020	1,124
Additions	-
Accretion of interest	28
Payments	(258)
Adjustments to lease liability	(50)
At 30 June 2021	864

Current

Non-Current

NOTE 12 - POST BALANCE DATE EVENTS

There were no events post balance date that are required to be disclosed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13 - RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the Local Government Act 1989. In all, 4 persons were paid the following total compensation:

	2021	2020
	\$'000	\$'000
Salaries, allowances & other short term benefits	462	476
TOTAL	462	476

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	3,307	55	Provision of kerbside waste collection and hard waste collection services
City of Burnside	3,064	79	Provision of kerbside waste collection and hard waste collection services
City of Mitcham	3,082	171	Provision of kerbside waste collection and hard waste collection services
City of Norwood, Payneham & St Peters	2,823	159	Provision of kerbside waste collection and hard waste collection services
City of Prospect	1,471	35	Provision of kerbside waste collection and hard waste collection services
Corporation of the City of Campbelltown	3,508	76	Provision of kerbside waste collection and hard waste collection services
Corporation of the Town of Walkerville	581	25	Provision of kerbside waste collection and hard waste collection 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 Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.



CERTIFICATION OF AUDITOR INDEPENDENCE



Bentleys SA Audit Partnership
Level 5
511 Pitts Road
Adelaide SA 5000
GPO Box 996
Adelaide SA 5000
4821 43 827 000 1000
T 4821 8 8272 1000
F 4821 8 8272 1044
www.bentleys.com.au
bentleys.com.au

Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Eastern Waste Management Authority Inc for the year ended 30 June 2021, 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 1989 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.

Bentleys SA Audit Partnership



David Papa
Partner

Dated at Adelaide this 30th September 2021

INDEPENDENT AUDITOR'S REPORT



Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasbs.gov.au/handbook>. This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP

[Signature]

DAVID PAPA PARTNER

Dated at Adelaide this 1st day of October 2021

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EASTERN WASTE MANAGEMENT AUTHORITY INC

Opinion

We have audited the accompanying financial report of the Eastern Waste Management Authority Inc, which comprises the statement of financial position as at 30 June 2021, the 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 the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Eastern Waste Management Authority Inc as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial report in Australia, We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and for such internal control as the entity determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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









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

East Waste's behavioural change initiatives include eliminating food waste from being disposed of to landfill by targeting 100% of food waste collected from residential premises to be recycled by 2030.



ANNUAL REPORT 2020-2021

EastWaste

-  1 Temple Court
Ottoway, SA 5013
-  PO Box 26
Mansfield Park SA 5012
-  08 8347 5111
-  east@eastwaste.com
-  EastWasteSA
-  @East_Waste
-  East Waste - Eastern Waste Management Authority
-  eastwaste.com.au

HIGHBURY LANDFILL AUTHORITY

ANNUAL REPORT 2020 / 2021

GOVERNANCE AND ADMINISTRATION

BOARD MEMBERS

BURNSIDE

Mr. Chris Cowley
(Board Member)

NORWOOD, PAYNEHAM

& ST PETERS
Cr John Minney
(Board Member
and Chair)

WALKERVILLE

Mr. Ben Clark
(Board Member)

INDEPENDENT MEMBER – AUDIT COMMITTEE

Corinne Garret

There were no changes to the Board or Audit Committee of the Highbury Landfill Authority (HLA) during the year. TJH Management Services Pty Ltd continued to provide administration and management services to HLA.

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

The landfill gas quality continues to degrade and McMahon Services Australia Pty Ltd through its sub-contractor Biogas Systems is contracted to manage the gas field and flare the landfill gas.

The accounting standards require Highbury to estimate the future costs over an initial period of at least 25 years to meet the legislative requirements of a closed landfill in South Australia. HLA is now 11 years into the post closure management period and the provision in the accounts is a net present value (NPV) calculation of the future cash outflows to manage the remaining 14 years.



Torrens Road Entrance

As recommended by the HLA audit committee the provision calculation assumptions are reviewed every three years. Golder carried out the review this year as part of the financial audit function and found the provision calculation reasonable. Golder did recommend an additional \$100,000 be allowed over the next two years for maintenance of the ageing landfill gas collection system. This has been included in the provision this year.

HLA re-appointed Dean Newbery as its external auditor for the next five years after inviting four Local Government Auditing firms to submit a quote for the work.

SPECIAL POINTS OF INTEREST:

- The Risk Management Plan continued to be the measure of how the site was managed during the year.
- The board has previously resolved to work with Suez Recycling to investigate the feasibility of a solar power plant on the site to export green energy into the electricity grid. This work has been delayed with the takeover of Suez by Veolia. Work will continue on this project in the new year.



Control panel of flare operating



The LoCal flare installed and operating at the Highbury landfill

C/- PO Box 289, Brooklyn Park, SA 5032 Email: trevor@tjhs.com.au

CLOSURE & POST-CLOSURE MANAGEMENT

The site continues to revegetate naturally and is maintained with annual spraying for noxious weeds and regular grass cutting and maintenance in accordance with the landfill closure plan. The Leachate pond is designed to collect leachate from the landfill gas collection infrastructure of pipes and wells in the winter months. This leachate then evaporates during the summer months.

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



Leachate Pond

FINANCIAL SUMMARY FOR THE YEAR ENDING 30 JUNE 2021

Income Statement as at 30 June 2021 Statement of Financial Position as at 30 June 2021

	2021	2020	2021	2020
INCOME				
Interest Received	213	838		
Sundry Income	18,710	21,261	108,078	65,246
Highbury Landfill Provision	391,241		22,282	35,295
TOTAL REVENUE	410,163	22,099	130,360	100,541
EXPENSES				
Materials, contracts & other expenses	3,000	2,830	136,295	161,513
Depreciation, amortisation & impairment	25,218	25,218		
Finance Payments	6,491	7,432	196,295	161,153
Highbury Closure Provision		105,930	266,655	262,054
TOTAL EXPENSES	34,709	141,410		
OPERATING SURPLUS / (DEFICIT)	375,454	(119,311)	9,733	13,329
Borrowings			26,549	25,580
Provisions			244,702	203,471
Total Current Liabilities			280,984	242,980
NON-CURRENT LIABILITIES				
Borrowings			132,467	159,015
Provisions			2,736,319	3,319,228
Total Non-Current Liabilities			2,868,786	3,478,243
TOTAL LIABILITIES			3,149,770	3,720,623
NET ASSETS			(2,883,115)	(3,458,569)
EQUITY				
Accumulated Deficit			(2,883,115)	(3,458,569)
TOTAL EQUITY			(2,883,115)	(3,458,569)



Re-vegetation of the landfill

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



LANDFILL GAS MANAGEMENT AT HIGHBURY

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

HIGHBURY LANDFILL AUTHORITY
General Purpose Financial Reports
for the year ended 30 June 2021

TABLE OF CONTENTS

	<u>Page</u>
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	6
Note 2 - Income	9
Note 3 - Expenses	10
Note 4 - Current Assets	11
Note 5 - Property, Plant & Equipment	12
Note 6 - Liabilities	14
Note 7 - Reconciliation of Cash Flow Statement	15
Note 8 - Financial Instruments	16
Note 9 - Uniform Presentation of Finances	18
Note 10 - Assets & Liabilities not Recognised	19
Note 11 - Events Occurring After Reporting Date	20
Note 12 - Related Party Transactions	21
Authority Certificate of Audit Independence	22
Independent Auditor's Report	23
Member Councils Certificate of Audit Independence	25
Auditor's Independence Declaration	28

HIGHBURY LANDFILL AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2021

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 1997*, *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 2021 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.


 Trevor Hockley
CHIEF EXECUTIVE OFFICER


 Cr John Minney
CHAIRPERSON

Date: 25 September 2021

HIGHBURY LANDFILL AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
INCOME			
Interest Received	2	7	43
Sundry Income	2	18,710	21,261
LGFA Investment Income	2	206	795
Highbury Closure Provision	2	391,241	
Total Income		<u>410,163</u>	<u>22,099</u>
EXPENSES			
Materials, contracts & other expenses	3	3,000	2,830
Depreciation, amortisation & impairment	3	25,218	25,218
Finance Payments		6,491	7,432
Highbury Closure Provision	3	-	105,930
Total Expenses		<u>34,709</u>	<u>141,410</u>
OPERATING SURPLUS / (DEFICIT)		375,454	(119,311)
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>375,454</u>	<u>(119,311)</u>

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

HIGHBURY LANDFILL AUTHORITY

STATEMENT OF FINANCIAL POSITION
as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	108,078	65,246
Trade & other receivables	4	22,282	35,295
Total Current Assets		<u>130,360</u>	<u>100,541</u>
Non-current Assets			
Infrastructure, property, plant & equipment	5	136,295	161,513
Total Non-current Assets		<u>136,295</u>	<u>161,513</u>
Total Assets		<u>266,655</u>	<u>262,054</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	6	9,733	13,329
Borrowings	6	26,549	25,560
Provisions	6	244,702	203,471
Total Current Liabilities		<u>280,984</u>	<u>242,360</u>
Non-current Liabilities			
Borrowings	6	132,467	159,015
Provisions	6	2,736,319	3,319,228
Total Non-current Liabilities		<u>2,868,786</u>	<u>3,478,243</u>
Total Liabilities		<u>3,149,770</u>	<u>3,720,623</u>
NET ASSETS		<u>(2,883,115)</u>	<u>(3,458,569)</u>
EQUITY			
Accumulated Surplus		(2,883,115)	(3,458,569)
TOTAL EQUITY		<u>(2,883,115)</u>	<u>(3,458,569)</u>

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

HIGHBURY LANDFILL AUTHORITY

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2021

	Notes	Accumulated Surplus	TOTAL EQUITY
		\$	\$
2021			
Balance at end of previous reporting period		(3,458,569)	(3,458,569)
Net Surplus / (Deficit) for Year		375,454	375,454
Member Council Contributions - Recurrent Funding of Provision			
- City of Burnside		100,812	100,812
- City of Norwood Payneham & St. Peters		80,714	80,714
- Corporation of the Town of Walkerville		18,474	18,474
Balance at end of period		(2,883,115)	(2,883,115)
2020			
Balance at end of previous reporting period		(3,539,258)	(3,539,258)
Net Surplus / (Deficit) for Year		(119,311)	(119,311)
Member Council Contributions - Recurrent Funding of Provision			
- City of Burnside		100,812	100,812
- City of Norwood Payneham & St. Peters		80,714	80,714
- Corporation of the Town of Walkerville		18,474	18,474
Balance at end of period		(3,458,569)	(3,458,569)

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

HIGHBURY LANDFILL AUTHORITY

STATEMENT OF CASH FLOWS for the year ended 30 June 2021

	Notes	2021	2020
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating Receipts		46,384	17,322
Investment receipts		212	838
<u>Payments</u>			
Operating Payments to Suppliers		(171,500)	(205,704)
Finance payments		(6,685)	(7,618)
Net Cash provided by (or used in) Operating Activities	7	(131,588)	(195,162)
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	-
Net Cash provided by (or used in) Investing Activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Member Council Contributions		200,000	200,000
Proceeds from borrowings		-	-
<u>Payments</u>			
Repayments of borrowings		(25,560)	(24,647)
Net Cash provided by (or used in) Financing Activities		174,420	175,353
Net Increase (Decrease) in cash held		42,832	(19,809)
Cash & cash equivalents at beginning of period	7	65,246	85,055
Cash & cash equivalents at end of period	7	108,078	65,246

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

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

Highbury Landfill Authority (the Authority) is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1989. The Member Councils and their respective percentages of equity are as follows:

Constituent Council/	Equity Share %
City of Burnside	50.269%
City of Norwood Payneham & St Peters Corporation of the Town of Walkerville	49.731%

The financial report was authorised for issue by certificate under clause 11 of the *Local Government (Financial Management) Regulations 2011*. The following is a summary of the material accounting policies adopted by the Authority in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Comparative Neutrality

The Authority does not undertake any commercial (for profit) activities.

(b) Property, Plant and Equipment

The Authority has an environmental duty to manage the landfill as a contaminated site under the Environment Protection Act 1983. Certain class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board of the Authority to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a diminishing value basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
Flare	10%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Highbury Landfill Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually 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 amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

(d) Cash And Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at 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.

All financial instruments are recognised at fair value at the date of recognition.

(e) Investments

Investments represent monies on deposit at twenty-four hour call and on fixed deposit for twelve months or less.

(f) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(h) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(i) Critical Accounting Estimates and Judgments

The Authority evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Key assumptions from the provision calculated:

The provision provides for ongoing administrative costs to be paid per annum to recognise the costs associated with running the Authority and post closure obligations.

The provision has been calculated based on the assumption that the minimum requirements for ongoing operation of the flare will be met with gas collected.

The provision calculation has been based on a 23 year period. This period may be required to be longer if the site poses unacceptable environmental risks.

The Authority expects to construct a bio-filter in approximately 3 years at an estimated cost of \$300,000 for the on-going post closure remediation of the Landfill site. This money is likely to be borrowed from the Local Government Finance Authority and is not included in the Provision cashflow for the on-going post closure remediation of the Landfill site.

Highbury Landfill Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Going Concern Basis

The Board of Management of HLA notes the accumulated deficit of \$2,883,115. The Authority is required to manage the post-closure of the Highbury landfill and the Authority has a statutory guarantee from its Member Councils to meet all financial obligations and accordingly has prepared the financial statements on a going concern basis.

(k) New Accounting Standards

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about an entity or a group of entities." The amendments are effective from 1 July 2020. The Authority has adopted the amendments in combination with other information in the context of the financial statements. A statement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Authority.

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 2 - INCOME

	Notes	2021 \$	2020 \$
OPERATING INCOME			
Interest Income	7	43	
Sundry Income		18,710	21,261
LGFA Investment Income		206	795
Movement in Provision	6	391,241	-
		<u>410,163</u>	<u>22,099</u>

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 3 - EXPENSES

	Notes	2021 \$	2020 \$
Materials, Contracts and Other Expenses		3,000	2,830
- Auditor's Remuneration			
- Auditing the financial reports			
Depreciation		25,218	25,218
Plant & Equipment			
Highbury Closure Provision		-	105,930
Movement in Provision	6		
Total Expenses		<u>28,218</u>	<u>133,978</u>

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 4 - CURRENT ASSETS

	Notes	2021 \$	2020 \$
CASH & EQUIVALENT ASSETS		107,073	64,451
Cash on Hand and at Bank		1,005	795
LGFA Investment Account		<u>108,078</u>	<u>65,246</u>
TRADE & OTHER RECEIVABLES		19,935	32,542
Trade Receivables		2,347	2,753
GST Receivable		<u>22,282</u>	<u>35,295</u>
Total			

HIGHBURY LANDFILL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 5 - PROPERTY, PLANT & EQUIPMENT

	2020 \$	CONTINGENT LIABILITIES DURING YEAR							2021 \$
		Revolutions	Disposals	Depreciation	Impairment	In	Out	Net Revolutions	
Land	1,800	-	-	29,216	-	-	-	-	1,800
Plant & Equipment	199,713	-	-	-	-	-	-	-	134,486
TOTAL PROPERTY, PLANT & EQUIPMENT	161,513	-	-	29,216	-	-	-	-	136,286
<i>The above continues on the following page.</i>	161,513	-	-	29,216	-	-	-	-	161,513

HIGHBURY LANDFILL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 5 - PROPERTY, PLANT & EQUIPMENT

	2020 \$		2021 \$	
	AT FAIR VALUE	AT COST	AT FAIR VALUE	AT COST
Land	-	1,800	-	1,800
Plant & Equipment	-	330,270	-	330,270
TOTAL PROPERTY, PLANT & EQUIPMENT	-	332,070	-	332,070
<i>Comparatives</i>	-	170,557	161,513	(136,286)
	-	(745,359)	(186,721)	(773,077)

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 6 - LIABILITIES

	2021		2020	
	Notes	\$	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services		4,125	8,816	-
Accrued expenses - other		5,608	4,513	-
		<u>9,733</u>	<u>13,329</u>	-
BORROWINGS				
Loans		26,549	25,580	159,015
		<u>26,549</u>	<u>132,467</u>	<u>159,015</u>
PROVISIONS				
Provision for Highbury Post Closure		244,702	203,471	3,319,228
		<u>244,702</u>	<u>2,736,319</u>	<u>3,319,228</u>
Movements in Provisions - 2021 year only				
(Opening & Closing)			3,522,689	
Opening Balance			(150,437)	
(Less) Payments recorded & accrued			(391,241)	
Add (Less) Re-measurement Adjustments			(97,241)	
Closing Balance			<u>2,981,021</u>	

The Authority has an ongoing obligation under its EPA licence to manage the post-closure phase for the landfill for at least 25 years. A provision for the Highbury Landfill closure has been accrued. A net present value (NPV) calculation has then been made by estimating cash flows to manage the Highbury site in accordance with its EPA licence for a 25 year period commencing 1 July 2009. The cash outflows have been escalated at an inflation forecast of 2% per annum (2020:2%) and the discount rate used is equivalent to the 10 year Commonwealth Bond rate - indicative mid rate 30 June 2021 adjusted to 30 June balance dates. This NPV calculation has been incorporated into the provision and represents the Authority's best estimate of its future liability to manage the Highbury Landfill post-closure phase.

In 2012, the Board of the Highbury Landfill Authority resolved to have the cash flow estimates and assumptions in the provision spreadsheet reviewed by Golders Associates. Their summary conclusion was that the provision appears to be reasonable based on available information.

The Audit Committee of the Highbury Landfill Authority has recommended that the provision be reviewed annually and that the provision be independently reviewed every 3 years. As such, a review by Golders Associates was undertaken of the 2021 year-end provision and was found to be reasonable.

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

	2021	2020
(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:		
Total cash & equivalent assets	Notes 4	\$
Balances per Cash Flow Statement		<u>65,246</u>
		<u>108,078</u>
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities		
Net Surplus (Deficit)		375,454
Non-cash items in Income Statement		(391,241)
Movement in Post Closure Provision		25,218
Depreciation, amortisation & impairment		<u>9,431</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables		13,013
Net (increase) decrease in trade & other payables		(3,596)
Net increase (decrease) in other provisions		(150,437)
Net Cash provided by (or used in) operations		<u>(131,589)</u>
		<u>(195,182)</u>

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 8 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

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

Terms & conditions: Deposits are returning fixed interest rates of 0.30%

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

Receivables - Fees & other charges **Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. All receivables are recognised (and reassessed annually) when collection in full is no longer probable.

Terms & conditions: Unsecured, and do not bear interest. Although Council is not contractually obliged to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

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

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

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

Carrying amount: approximates fair value.

Liabilities - Interest Bearing Borrowings **Accounting Policy:** Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at a fixed rate of 3.75%

Carrying amount: approximates fair value.

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 8 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

	2021	Due < 1 year	Due > 1 year, ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets						
Cash & Equivalents	\$ 108,078	\$ -	\$ -	\$ -	\$ 108,078	\$ 108,078
Receivables	22,282	-	-	-	22,282	22,282
Total	130,360	-	-	-	130,360	130,360
Financial Liabilities						
Payables	9,733	-	-	-	9,733	9,733
Current Borrowings	32,265	-	-	-	32,265	26,549
Non-Current Borrowings	-	145,183	-	-	145,183	132,467
Total	41,998	145,183	-	-	187,191	168,749
2020						
Financial Assets						
Cash & Equivalents	\$ 65,246	\$ -	\$ -	\$ -	\$ 65,246	\$ 65,246
Receivables	35,295	-	-	-	35,295	35,295
Total	100,541	-	-	-	100,541	100,541
Financial Liabilities						
Payables	13,329	-	-	-	13,329	13,329
Current Borrowings	32,265	-	-	-	32,265	25,580
Non-Current Borrowings	-	161,325	16,123	-	177,448	159,015
Total	45,594	161,325	16,123	-	223,042	197,924

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.

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.

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.

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 9 - UNIFORM PRESENTATION OF FINANCES

	2021	2020
	\$	\$
Income	410,163	22,099
Expenses	<u>(34,709)</u>	<u>(141,410)</u>
Operating Surplus / (Deficit)	375,454	(119,311)
Net Outlays on Existing Assets		
Add back Depreciation, Amortisation and Impairment	<u>25,218</u>	<u>25,218</u>
Net Outlays on New and Upgraded Assets	<u>25,218</u>	<u>25,218</u>
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	-	-
Amounts received specifically for New and Upgraded Assets	-	-
Net Lending / (Borrowing) for Financial Year	<u>400,672</u>	<u>(94,093)</u>

HIGHBURY LANDFILL AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 10 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED
IN THE STATEMENT OF FINANCIAL POSITION

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

The Authority is expected to construct a bio-filter in the next 3 years for the on-going post closure remediation of the Landfill site at an estimated cost of \$300,000.

HIGHBURY LANDFILL AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021**

Note 11 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2021 that need to be disclosed in the financial statements.

HIGHBURY LANDFILL AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021**

Note 12 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Board and Chief Executive Officer under section 112 of the Local Government Act 1998. In all, one entity (TJH Management Services Pty Ltd) was paid the following total compensation management and administrative services:

	2021
Contractor Payments	\$ 58,715.00
Post-employment benefits	-
Long term benefits	-
Termination benefits	-
TOTAL	\$ 58,715.00

Transactions with Related Parties

Related Party Entity	Sale of Goods & Services (\$)	Equity Contributions (\$)	Amounts Outstanding from Related Parties (\$)	Descriptions of Services provided to Related Parties
City of Burnside	-	100,812	-	Rehabilitation of landfill site
City of Norwood Payneham & St Peters Corporation of the Town of Walkerville	-	80,714	-	Rehabilitation of landfill site
	-	18,474	-	Rehabilitation of landfill site

The Related Parties, disclosed above are equity owners of the Authority and as 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE Highbury Landfill Authority**

Opinion

We have audited the financial report of the Highbury Landfill Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2021, 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 2021, 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 2021, 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.

HIGHBURY LANDFILL AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2021**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Highbury Landfill Authority for the year ended 30 June 2021, the Authority's Auditor, Dean Newbery, 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.


Trevor Hockley
CHIEF EXECUTIVE OFFICER


Cr. John Minney
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 25 September 2021

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 NEWBERRY



SAMANTHA CRETEN
PARTNER

Signed on the 30th day of September 2021,
at 214 Melbourne Street, North Adelaide

27 September 2021

Mr Trevor Hockley
Executive Officer
Highbury Landfill Authority
PO Box 289
BROOKLYN PARK SA 5032
via email: tevor@lhms.com.au

Dear Mr Hockley,

RE: Highbury Landfill Authority Financial Statements Year Ending 30 June 2021

I, Chris Cowley, CEO of the City of Burnside, Member Council of the Highbury Landfill Authority, state that to the best of my knowledge and belief, Dean Newbery, the Auditor of the Highbury Landfill Authority, has complied with Regulation 22(3) in that the Auditor has not undertaken any services to the Highbury Landfill Authority outside of the scope of the Auditor's functions under the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Yours sincerely,



Chris Cowley
Chief Executive Officer



The Corporation of the Town of Walkerville
 ABN 49 190 949 882
 66 Walkerville Terrace, Gilberton SA 5081
 PO Box 55, Walkerville SA 5081

File Number: 5.14.1.2
 Please Quote Ref: OLT202150449
 Contact Officer: Chief Executive Officer, Kiki Cristol

27 September 2021

Trevor Hockley
 Executive Officer
 HIGHBURY LANDFILL AUTHORITY
 C/- PO Box 289
 Brooklyn Park, SA 5032

Via Email: trevor@lhms.com.au

Dear Mr Hockley,

RE: Local Government (Financial Management) Regulations 2011 – Regulation 22(3)

I, Kiki Cristol, CEO of the Corporation of the Town of Walkerville, a Member Council of the Highbury Landfill Authority, state that to the best of my knowledge and belief, Dean Newbery, the Auditor of the Highbury Landfill Authority, has complied with Regulation 22(3) in that the Auditor has not undertaken any services to the Highbury Landfill Authority outside of the scope of the Auditor's functions under the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Yours sincerely

Kiki Cristol
 Chief Executive Officer

File Number: 6A1023
 Enquires To: Lisa Mara
 Direct Telephone: 8366 4549

28 September 2021

Mr Trevor Hockley
 Executive Officer
 Highbury Landfill Authority
 c/- PO Box 289
 BROOKLYN PARK SA 5032

Via email: trevor@lhms.com.au

Dear Trevor

I, Mario Barone, Chief Executive Officer of the City of Norwood Payneham & St. Peters, (Member Council of the Highbury Landfill Authority), state that to the best of my knowledge and belief, Dean Newbery, the Auditor of the Highbury Landfill Authority, has complied with Regulation 22(3) in that the Auditor has not undertaken any services to the Highbury Landfill Authority outside of the scope of the Auditor's functions under the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

If you require any additional information regarding this matter please contact me.

Yours sincerely

Mario Barone PSM
 CHIEF EXECUTIVE OFFICER



175 The Parade
 Norwood SA 5007
 PO Box 204
 Kent Town SA 5071
 Telephone
 8398 4565
 Facsimile
 8332 6338
 Email
town@lhms.com.au
 Website
www.npsa.gov.au



100% Australian Made
 Recycled Paper

Community
 Well-Being
 Social Equity
 Cultural Vitality
 Economic Prosperity
 Environmental
 Sustainability

**Auditor's Independence Declaration under Section 22 of the Local Government
(Financial Management) Regulations 2011 to the Highbury Landfill Authority**

I confirm that, for the audit of the financial statements of the Highbury Landfill Authority for the year ended 30 June 2021, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



SAMANTHA CRETEN
PARTNER

Signed on the 27th day of September 2021,
at 214 Melbourne Street, North Adelaide, South Australia 5006



ANNUAL REPORT 2020-21

ERA WATER



ERA WATER ANNUAL REPORT 2020-21

CONTENTS

ERA WATER ANNUAL REPORT 2020-21	2
GENERAL MANAGER'S REPORT	3
ABOUT ERA WATER	4
THE CONSTITUENT COUNCILS	4
PURPOSE	4
GOVERNANCE	5
BOARD OF MANAGEMENT	5
CONFIDENTIALITY	6
FREEDOM OF INFORMATION	6
STAFFING STRUCTURE	6
SUPPORT FROM CONSTITUENT COUNCILS	6
FINANCIAL MATTERS	6
FY2020 BUDGET and LONG-TERM FINANCIAL PLAN	6
CHARTER	7
FINANCE AUDIT COMMITTEE	7
FINANCIAL STATEMENTS	8
CONSTRUCTION	8
OPERATIONS AND MAINTENANCE	8
RAINFALL DATA	10
DISTRIBUTION NETWORK FOR ERA WATER SCHEME	11
SUMMARY OF FINANCIAL MATTERS	11
General Purpose Financial Statements for the year ended 30 June 2020	11

GENERAL MANAGER'S REPORT

It has been a year of challenges and some progress at Eastern Region Alliance Water (ERA Water). SA Water reduced its price of water by 18.7% from 1 July 2020 and this had a significant impact on the financial performance of ERA Water.

The performance of the project was again constrained by very low rainfall in the winter of 2020 particularly in July and August with totals of 21.4mm and 35.8mm against the averages of 76.6mm & 67.7 mm. It made for difficult injection conditions and the injection volume was less than 2021/20. 202.3 ML of water was injected and 186.3 ML of water was extracted and used for irrigation which means that 15 ML of water was banked.

Rainfall in the winter 2021 has commenced well with injection volumes exceeding expectations.

ERA Water drilled two additional injection/extraction bores which have been tested as successful and one is now connected to the system with the second additional bore to be connected in future years if a business case for doing so can be established.

All of the Constituent Council's used close to their predicted volumes of water. It is pleasing to note that the Constituent Councils are exploring new reserves for irrigation expansion to occur. The first third party sites were connected during the year with two sites connected.

Since its inception ERA Water has injected more water than it has extracted thus building up a bank of water that is available for meeting the Constituent Council's requirements particularly in a drought year when extraction volumes will exceed injection volumes as well as being available for sale to third parties.

ERA Water is committed to doing all that is possible to contain capital and operating costs, as well as seeking to increase revenue. As a result of an operations restructure \$200,000 per annum of ongoing costs has been removed from ERA Water.

ERA Water therefore faces a challenging environment with cost pressures extending the time period to the point where its finances are at breakeven.

WALLY IASIELLO

ERA WATER GENERAL MANAGER

ABOUT ERA WATER

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

THE CONSTITUENT COUNCILS

The Constituent Councils of ERA Water are:

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

PURPOSE

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

ERA Water's prime purpose, is to implement and manage a water recycling scheme which captures, treats and delivers stormwater for irrigation purposes to the Constituent Councils and other customers, which makes a significant contribution to the protection of Adelaide's environment and helping create greener and cooler urban centres with flow on amenity and health benefits, as well as potential reductions in electricity demands (e.g., reduced air conditioner use) and costs and also reduces the reliance of Adelaide upon water from the Murray River. The scheme included the establishment of wetlands and biofilters, aquifer recharge and recovery infrastructure, pipeline installations and water storage facilities and utilises a process known as Managed Aquifer Recharge and Recovery (MAR) - a system of harvesting, treating and injecting the cleaned water into aquifers for later use.

The scheme comprises two treatment sites (which are capable of harvesting 600 ML of stormwater per annum and yielding for use 458 ML of water per annum) as well as 46 km of distribution pipe network covering each of the three Constituent Council areas. The distribution network is designed to deliver water to Constituent Council reserves as well as to other potential customers in these areas and beyond (see page 11 showing a plan of the ERA Water network).

The ERA Water scheme was designed to ultimately sell 458 ML per annum of water of which 204.7 ML per annum is committed to the three Constituent Councils. Once the Scheme is at full production capacity an additional 253.3 ML per annum may be available to be sold to other customers.

GOVERNANCE BOARD OF MANAGEMENT

ERA Water is governed by a Board of Management composed of an Independent Chairperson and a representative from each Constituent Council as shown in the Table below. The Board held nine formal meetings during the 2020-21 financial year. The table below details Board Member attendance for meetings.

	Member	
Independent Chairperson	Bryan Jenkins	1
City of Burnside	Cr Sarah Hughes	9
City of Norwood Payneham and St Peters	Cr John Minney	9
Corporation of the Town of Walkerville	Kiki Cristol	5
Corporation of the Town of Walkerville	Cr MaryLou Bishop	4

Bryan Jenkins completed his term as Independent Chairperson on 11 July 2020.

Cr John Minney was appointed Acting Chairperson on 25 September 2020

Kiki Cristol completed her term as a Board Member on 1 January 2021

Cr MaryLou Bishop was appointed as a Board Member on 2 January 2021

Kiki Cristol was appointed proxy for Cr MaryLou Bishop on 2 January 2021

Cr Sarah Hughes completed her term as a Board Member on 29 June 2021

Chris Cowley commenced his term as a Board Member On 29 June 2021

Meetings were held on the following dates:

8 July 2020

27 August 2020

25 September 2020

13 November 2020

14 December 2020

5 February 2021

29 March 2021

3 May 2021

21 May 2021

Robin English resigned as General Manager on 9 March 2021 and Wally Iasiello was appointed as General Manager from 27 April 2021.

CONFIDENTIALITY

During the 2020-21 financial year, the Board considered reports of a confidential nature at nine meetings where it was necessary to exclude the public from discussion. The table below identifies the grounds on which the Board made this determination

<i>Local Government Act 1999</i>	Description	Number
90(3)(e)	Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);	2
90(3)(c) 90(3)(d)	Information the disclosure of which would reveal a trade secret Information relating to commercial information of a confidential nature (not being a trade secret)	1
90(3)(d) 90(3)(k)	Information relating to commercial information of a confidential nature (not being a trade secret)	9

FREEDOM OF INFORMATION

No requests were received under the *Freedom of Information Act 1991* during the 2020-21 financial year

STAFFING STRUCTURE

The Board employs a General Manager. No additional staff were employed during the year.

SUPPORT FROM CONSTITUENT COUNCILS

The Town of Walkerville continued to provide ERA Water with Board secretarial support functions and services throughout the 2020-21 financial year and a location to hold a majority of Board meetings.

The City of Burnside contributed to accounting support during the year.

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

FINANCIAL MATTERS

FY2021 BUDGET and LONG TERM FINANCIAL PLAN

The Budget FY2020-21 and Long Term Financial Plan (LTFP) for ERA Water were adopted by the Constituent Councils.

CHARTER

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

FINANCE AUDIT COMMITTEE

The ERA Water Audit Committee held five meetings in the 2020-21 financial year. The work of the Committee over the past financial year has included reviewing ERA Water's audited Financial Statements, reviewing the draft Budget and Long Term Financial Plan and the required budget reviews, providing recommendations on financial and accounting policy matters, and considering external audit matters.

The Audit Committee Members in 2020-21 were:

	Meetings Attended
• Michael Parkinson (Chairperson)	5
• Brigid O'Neill	5
• Cr Grant Piggott	5

Meetings were held on the following dates:

- 2 September 2020
- 2 November 2020
- 28 January 2021
- 23 March 2021
- 20 May 2021

FINANCIAL STATEMENTS

The Audited Financial Statements for the year ending the 30 June 2021 are provided in the annual report below and show an Operating Deficit of \$ 981,605 and Total Council Equity of \$ 5,552,379.

PROJECT CONSTRUCTION

Construction and commissioning of a fifth bore was completed which will enable a larger amount of water to be injected.

Two connections to third parties have been made in 2020/21 one being a Port Adelaide Enfield Council reserve and the other a private school.

OPERATIONS AND MAINTENANCE

Engineering management of the Project has been performed by Walbridge Gilbert Aztec (WGA), the Project's designers, for a number of years, including the majority of 2020/21. Responsibility for operations and maintenance transferred from Guidera O'Connor to Mark Millington in November 2020. The term contract of WGA was not renewed when it expired.

At the end of the financial year 255.4 ML of water had been harvested at the Project's two intakes, with 202.3 ML having been treated to the required standard and injected into the aquifer and 186.3 ML had been provided to the Constituent Councils and third parties for irrigation. As the amount of water injected into the aquifer has been greater than the amount extracted since the start of the scheme 250.1 ML of water has been banked and can be used in a drought year when extraction will exceed injection. This is the first year that water has been available for the full watering season.

The harvest for 2020-2021 was constrained by a relatively dry July and August with only 57.2mm of rainfall compared to the mean of 114.7mm and the overall total yearly rainfall of 428.2mm compared 470.4mm for 2020/21 and 551.4mm for average year. The ideal conditions for harvesting is for the catchment to get saturated by mid-June followed by regular low intensity rainfall in winter and spring. This ensures a steady flow of relatively clean water which is suitable for harvesting and injecting into the aquifer.

REGULATORY FRAMEWORK

ERA Water operates within a regulated framework that require licences from the Environment Protection Agency (EPA) and from the Essential Services Commission South Australia (ESCOSA), an Authorisation from the Department for Environment and Water (DEW) and Permits from the Green Adelaide Landscape Board.

The EPA Licence is to discharge stormwater to underground aquifers. There are a number of conditions attached to the licence including specifying criteria for water quality that have to be monitored on a continuous basis and have to be met to enable water to be injected into the aquifer. It is also requires ERA Water to have a Managed Aquifer Recharge Risk Management Monitoring Plan (MARRMMP) which details amongst other things the sampling and testing regime for water quality monitoring as well as reporting requirements regarding injection and extraction data as well as annual reporting requirements.

The ESCOSA Licence is a Water Industry Licence and is issued subject to a number of conditions including compliance with laws and industry codes and reporting to ESCOSA on compliance.

The Authorisation from DEW is to be able to take water from the Central Adelaide Prescribed Wells Area. The amount of water able to be taken is dependent on volume of water recharged over the preceding 5 years minus any volume that was extracted during those years or the annual volumetric limit.

The permits from the Green Adelaide Landscape Board are for Water Affecting Activity and enabled ERA Water to construct infrastructure on Third and Fourth Creeks to enable water to be harvested to inject into the aquifer. The permits were issued with a number of conditions primarily to ensure there are no adverse environmental impacts.

FINANCIAL MANAGEMENT AND STRATEGIC SUPPORT

BRM Advisory continue to provide Financial and Business Management support to the Board and General Manager.

RAINFALL DATA

In view of the dependence of the project upon rainfall, average monthly rainfall for Adelaide, and actual monthly rainfall since the commencement of ERA Water operations to 30th June 2021, has been provided below.

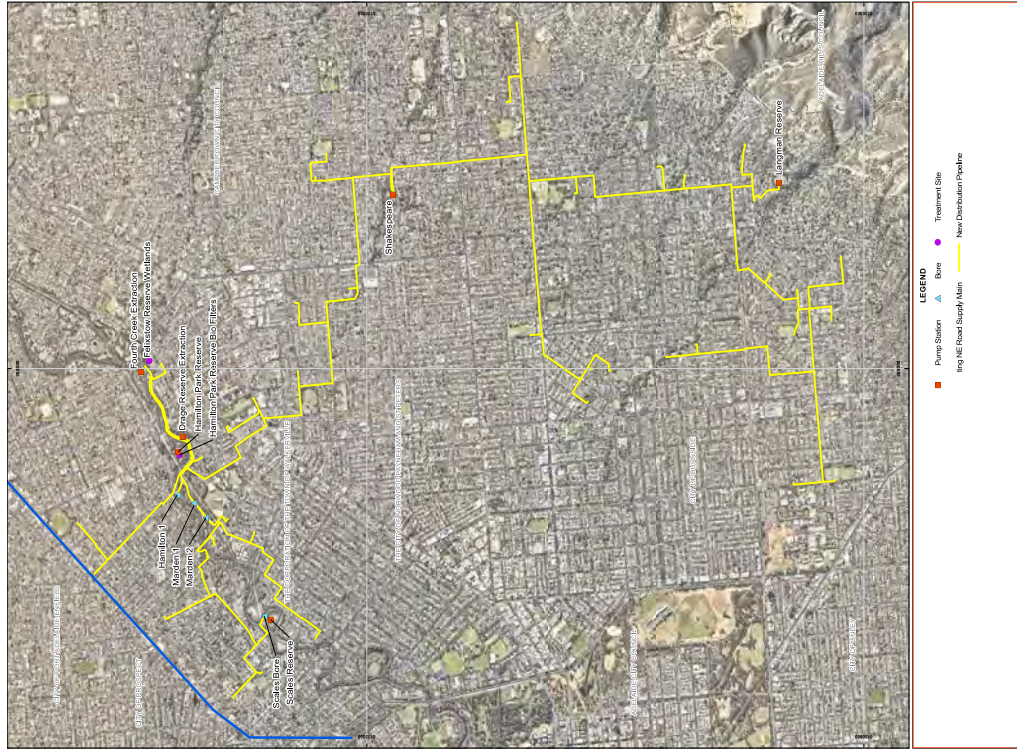
The following rainfall figures have been taken from the Bureau of Meteorology's weather station at Kent Town.

Rainfall Adelaide													
	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<u>Mean rainfall (mm)</u>	20.1	15.5	26.4	38.2	61.5	78.1	76.6	68.1	58.7	41.4	29.9	28.9	551.4
Recorded Rainfall													
2018	7.2	5.8	5.8	22.2	67.8	54.8	67.8	82.6	23.2	21.8	48.6	19.8	427.4
2019	0.0	9.0	8.2	5.4	87.4	82.6	39.2	50.6	48.2	18.6	15.4	9.4	374.0
2020	22.2	44.4	4.6	94.2	52.6	71.0	21.4	35.8	57.6	50.0	13.8	18.8	481.2
2021	30.6	25.8	13.2	16.8	38.0	106.4							

INJECTION AND EXTRACTION DATA

	Injection (ML)	Extraction (ML)	Cumulative Banked (ML)
2017/2018	5.5	3.9	1.6
2018/2019	97.3	19.0	79.9
2019/2020	237.9	83.7	234.1
2020/2021	202.3	186.3	250.1

DISTRIBUTION NETWORK FOR ERA WATER SCHEME





ERA Water Regional Subsidiary

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

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

ERA Water Regional Subsidiary

General Purpose Financial Statements
for the year ended 30 June 2021

Contents

1. Certification of Financial Statements

2. Primary Financial Statements:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

3. Notes to the Financial Statements

4. Certificates of Audit Independence

- Statement by Auditor
- Certification of Audit Independence

5. Audit Report

Page

2

3

4

5

6

8

20

21

22

ERA Water Regional Subsidiary

General Purpose Financial Statements
for the year ended 30 June 2021

Certification of Financial Statements

We have been authorised by ERA Water Regional Subsidiary to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1995, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of ERA Water Regional Subsidiary's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year,
- internal controls implemented by ERA Water Regional Subsidiary provide a reasonable assurance that ERA Water Regional Subsidiary's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect ERA Water Regional Subsidiary's accounting and other records.



Walter Iasello
General Manager

Date: 27th day of September 2021



Jeff Tate
Chairperson

Date: 27th day of September 2021

ERA Water Regional Subsidiary

Statement of Comprehensive Income
for the year ended 30 June 2021

	Notes	2021	2020
\$			
Income			
User Charges	2a	613,297	281,391
Investment Income	2b	14,574	13,350
Reimbursements	2c	28,916	416,288
Other Income	2d	4	19,002
Total Income		656,791	730,231
Expenses			
Employee Costs	3a	103,381	104,661
Materials, Contracts & Other Expenses	3b	710,979	1,179,433
Depreciation, Amortisation & Impairment	3c	462,482	457,025
Finance Costs	3d	361,553	376,377
Total Expenses		1,638,395	2,119,496
Operating Surplus / (Deficit)		(981,605)	(1,389,265)
Amounts Received Specifically for New or Upgraded Assets		-	-
Net Surplus / (Deficit)		(981,605)	(1,389,265)
Total Comprehensive Income		(981,605)	(1,389,265)

ERA Water Regional Subsidiary

Statement of Financial Position
for the year ended 30 June 2021

	Notes	2021	2020
\$			
ASSETS			
Current Assets			
Cash and Cash Equivalents	4a	106,205	146,868
Trade & Other Receivables	4b	65,497	32,973
Prepayments	4b	7,874	14,328
Subtotal		179,576	194,169
Total Current Assets		179,576	194,169
Non-Current Assets			
Other Non-Current Assets	5	20,573,300	20,644,651
Total Non-Current Assets		20,573,300	20,644,651
TOTAL ASSETS		20,752,876	20,838,820
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6a	150,764	240,479
Provisions	6c	1,231	755
Subtotal		151,995	14,304,837
Total Current Liabilities		151,995	14,304,837
Non-Current Liabilities			
Borrowings	6b	15,048,502	14,063,603
Total Non-Current Liabilities		15,048,502	14,063,603
TOTAL LIABILITIES		15,200,497	14,304,837
Net Assets		5,552,379	6,533,983
EQUITY			
Accumulated Surplus		5,552,379	6,533,983
Total Council Equity		5,552,379	6,533,983

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	11
3	Expenses	11
4a	Current Assets	12
4b	Cash & Cash Equivalents	12
	Trade & Other Receivables	12
5	Non-Current Assets	13
	Other Non-Current Assets	13
6a	Liabilities	14
6b	Trade & Other Payables	14
6c	Borrowings	14
	Provisions	14
7	Reconciliation to Statement of Cashflows	15
8	Financial Instruments	16
9	Uniform Presentation of Finances	18
10	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	18
11	Events After the Balance Sheet Date	18
12	Expenditure Commitments	19
13	Related Party Transactions	19

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies

ERA Water is a Local Government Authority Section 43 Regional Subsidiary under the control of the Corporation of the Town of Waterville, the City of Norwood, Plympton & St. Peters, the City of Enfield and the City of Burnside. The Corporation is a public entity and is required to prepare financial statements in accordance with the Australian Accounting Standards adopted by ERA Water Regional Subsidiary (ERA Water) in the preparation of these financial statements are set out below.

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

1 Basis of Preparation

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

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

1.2 Going Concern Basis

The Authority has an operating loss for FY2021 and the 10-year Long Term Financial Plan indicates that its operations are financially unsustainable without the support of its Constituent Councils.

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

1.3 Historical Cost Convention

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

1.4 Critical Accounting Estimates

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

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

1.5 Economic Dependency

Per Section 5.2 of the Authority's Charter, there may be a requirement for additional financial contributions to be made by Constituent Councils. There is insufficient funding to meet these obligations. ERA Water is a public entity and is required to prepare financial statements in accordance with the Australian Accounting Standards adopted by ERA Water Regional Subsidiary (ERA Water) in the preparation of these financial statements are set out below.

1.6 Rounding

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

2 The Local Government Reporting Entity

ERA Water is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 175 The Parade, Norwood SA 5067. These financial statements include the ERA Water's direct operations.

3 Income Recognition

Income is measured at the fair value of the consideration received. Income is recognised when ERA Water has control over the amount, including the enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes.

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

5 Infrastructure, Property, Plant & Equipment

5.1 Initial Recognition

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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 ready for use. The cost is determined as the fair value of the asset, plus consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by ERA Water includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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. No capitalisation threshold is applied to the acquisition of land or interests in land.

5.3 Depreciation of Non-Current Assets

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

5.4 Impairment

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

5.5 Borrowing Costs

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

6 Payables

6.1 Goods & Services

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

6.2 Payments Received in Advance & Deposits

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

7 Borrowings

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

In line with AASB 101, the disclosure of all CAD facility loan balances in the current financial year and comparative figures were reclassified from current liabilities to non-current liabilities as there is no expectation these facilities will be repaid in the next 12 months.

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

10 Provisions for Reinstatement, Restoration and Rehabilitation

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

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. ERA Water's policy to

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

11 Construction Contracts

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

13 GST Implications

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

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

14 New accounting standards and UIG Interpretations

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

ERA Water has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 'Value Disclosures of Not-for-Profit Public Sector Entities'.

Generally ERA Water applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exemplified ERA Water from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial report, AASB 9 'Financial Instruments' and AASB 2015-6 'Amendments to Australian Accounting Standards – Extending Related

Party Disclosures to Not-for-Profit Public Sector Entities are the only new accounting standards with a future application date that are expected to have a material impact on ERA Water's financial statements.

From 1 July 2016, AASB 124 'Related Party Disclosures' will apply to ERA Water which means that ERA Water will disclose more information about related parties and transactions with those related parties.

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

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

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

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

16 Comparative Figures

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

17 Disclaimer

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

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 2. Income

	Notes	
\$	2021	2020
(a). User Charges		
Water Sales including annual supply charges	613,297	281,391
Total User Charges	<u>613,297</u>	<u>281,391</u>
(b). Investment Income		
Interest Income	5	-
LGFA distribution	14,569	13,485
LGAMir distribution	-	64
Total Investment Income	<u>14,574</u>	<u>13,550</u>
(c). Reimbursements		
Reserve connection costs reimbursed	28,916	416,288
Total Reimbursements	<u>28,916</u>	<u>416,288</u>
(d). Other Income		
Insurance Claim	4	19,002
Total Other Income	<u>4</u>	<u>19,002</u>

Note 3. Expenses

(a). Employee Costs		
Salaries and Wages	95,478	90,000
Movement in Leave Provision	476	7,495
Superannuation	7,427	7,166
Total Operating Employee Costs	<u>103,381</u>	<u>104,661</u>
(b). Materials, Contracts and Other Expenses		
Auditor's Remuneration	6,200	5,500
- Auditing the Financial Reports	90,789	101,118
Electricity	40,955	24,824
Insurance	334,822	476,217
Maintenance	64,011	41,374
Professional Services	54,171	433,255
Connection Costs	120,032	97,045
Other	710,979	1,179,433
Total Materials, Contracts and Other Expenses	<u>1,627,687</u>	<u>2,769,362</u>
(c). Depreciation, Amortisation and Impairment		
Depreciation	462,482	457,025
Total Depreciation, Amortisation and Impairment	<u>462,482</u>	<u>457,025</u>
(d). Finance Costs		
Interest Expense	361,553	378,377
Total Finance Costs	<u>361,553</u>	<u>378,377</u>

Page 11

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 4. Current Assets

	Notes	
\$	2021	2020
(a). Cash & Cash Equivalents		
Cash at Bank	92,048	146,868
LGFA Council Deposits - 24HR Mthly	14,157	-
Total Cash & Cash Equivalents	<u>106,205</u>	<u>146,868</u>
(b). Trade & Other Receivables		
Trade debtors	25,666	23,424
Prepayments	7,874	14,328
GST Receivable	39,831	9,549
Subtotal	<u>73,371</u>	<u>47,301</u>
Total Trade & Other Receivables	<u>73,371</u>	<u>47,301</u>

Page 12

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 6. Liabilities

\$	2021		2020	
	Current	Non Current	Current	Non Current
(a). Trade and Other Payables				
Trade and Other Payables	39,463	-	122,892	-
Accrued Expenses - Finance Costs	89,086	-	92,435	-
Accrued Expenses - Other	18,377	-	19,076	-
Accrued Expenses - Employment liabilities	3,838	-	6,075	-
Total Trade and Other Payables	150,764	-	240,479	-

(b). Borrowings

Loans	-	15,048,502	-	14,063,603
Total Borrowings	-	15,048,502	-	14,063,603

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

LGFA Cash Advance Debiture Facility	15,300,000		15,300,000	
Undrawn balance	251,498		1,236,397	
ERA's Maturity Date on current CAD facilities held is as follows:				
Deal	Settlement	End Date		
ERA Water CA 2 Cash Advance	1,000,000	15/03/2033		
ERA 3 CAD	2,300,000	17/06/2034		
ERA CAD	12,000,000	15/12/2031		

Note: ERA Water is currently in discussions with its Constituent Councils in relation to re-capitalising the subsidiary to ensure ongoing trading within ERA Water's existing line of credit.

(c). Provisions

Employee Entitlements	1,231	-	755	-
Total Provisions	1,231	-	755	-

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 5. Non-Current Assets

\$	as at 30/6/2020				as at 30/6/2021			
	Cost	Acc. Dep'n	Written Down Value	New /Upgrds	Asset Additions	Depreciation	Cost	Acc. Dep'n
Civil Assets	13,025,608	337,648	12,687,960	324,580	2,162,626	13,350,188	524,374	12,779,514
Electronic Assets	1,318,265	59,425	1,258,840	-	13,205	1,272,045	42,200	1,229,845
Leasehold Assets & Control Assets	1,785,833	178,833	1,607,000	54,873	17,166	1,624,166	42,200	1,581,966
Mechanical Assets	2,260,502	178,595	2,081,945	11,678	113,074	2,272,190	292,030	1,980,150
Bank Construction Costs	4,346,233	88,308	4,247,925	-	62,089	4,346,233	160,397	4,185,836
Information Technology	1,454	121	1,332	-	291	1,454	414	1,040
Water Treatment Equipment	189,170	15,397	183,803	-	9,953	193,170	25,725	173,445
Water Treatment Property, Plant & Equipment	21,367,378	722,725	20,644,652	381,131	462,482	21,756,599	1,188,289	20,573,300
Comparatives	21,184,857	265,701	20,919,156	182,511	457,024	21,367,378	722,725	20,644,652

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements
for the year ended 30 June 2021

Note 7. Reconciliation to Statement of Cash Flows

\$	2021	2020
(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	106,205	146,868
Balances per Statement of Cash Flows	<u>106,205</u>	<u>146,868</u>
(b). Reconciliation of Change in Net Assets to Cash from Investing Activities		
Net Surplus/(Deficit)	(981,604)	(1,389,265)
Non-Cash Items in Income Statements	462,482	457,025
Depreciation, Amortisation & Impairment	476	4,957
Net increase (decrease) in unpaid employee benefits	<u>(519,646)</u>	<u>(927,383)</u>
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	(32,524)	173,549
Net (Increase)/Decrease in Trade & Other Payables	(89,715)	3,322
Net Cash provided by (or used in) operations	<u>(640,385)</u>	<u>(750,512)</u>

ERA Water

Notes to the Financial Statements
for the year ended 30 June 2021

Note 8. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:
Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

As at 30 June 2021, deposits are returning fixed interest rate of 0.3%.

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities - Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are carried at their principal amounts; interest is charged at both fixed and variable rates between 1.4% and 2.9% (2020: 2.2% and 2.9%).

Carrying Amount:

Approximates fair value.

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 8. Financial Instruments

\$	Due < 1 year		Due > 1 year & ≤ 5 years		Due > 5 years		Total Contractual Cash Flows	Carrying Values
	< 1 year	Due > 1 year & ≤ 5 years	> 5 years	> 5 years	> 5 years			
2021								
Financial Assets								
Cash & Equivalents	106,205	-	-	-	-	-	106,205	106,205
Receivables	65,497	-	-	-	-	-	65,497	65,497
Total Financial Assets	171,702	-	-	-	-	-	171,702	171,702
Financial Liabilities								
Payables	144,261	-	-	-	-	-	144,261	144,261
Non-Current Borrowings	-	-	15,048,502	-	-	-	15,048,502	15,048,502
Total Financial Liabilities	144,261	-	15,048,502	-	-	-	15,192,763	15,192,763
2020								
Financial Assets								
Cash & Equivalents	146,868	-	-	-	-	-	146,868	146,868
Receivables	32,973	-	-	-	-	-	32,973	32,973
Total Financial Assets	179,841	-	-	-	-	-	179,841	179,841
Financial Liabilities								
Payables	239,045	-	-	-	-	-	239,045	239,045
Non-Current Borrowings	-	-	14,063,603	-	-	-	14,063,603	14,063,603
Total Financial Liabilities	239,045	-	14,063,603	-	-	-	14,302,648	14,302,648
The following interest rates were applicable to Council's Borrowings at balance date:								
Other Variable Rates	30 June 2021		30 June 2020		30 June 2020			
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value		
	2.42%	15,048,502	2.63%	14,063,603	2.63%	14,063,603		
		15,048,502		14,063,603		14,063,603		

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

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

Risk Exposures
Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of ERA Water is the carrying amount, net of any allowance for doubtful debts. All ERA Water investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government.

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

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

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. At the balance date, ERA Water has a combination of variable and fixed rate facilities of varying maturities.

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 9. Uniform Presentation of Finances

\$	2021	2020
The following is a high level summary of both operating and capital investment activities of ERA Water prepared on a simplified Uniform Presentation Framework basis. All Councils and Subsidiaries in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
Income	656,791	730,231
less Expenses	(1,638,395)	(2,119,496)
Operating Surplus / (Deficit)	(981,605)	(1,389,265)
less Net Outlays on Existing Assets	-	-
Capital Expenditure on Renewal and Replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	462,482	457,025
Proceeds from Sale of Replaced Assets	-	-
Subtotal	462,482	457,025
less Net Outlays on New and Upgraded Assets	-	-
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(391,131)	(182,511)
Amounts Received Specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets (including Investment Property & Real Estate Developments)	-	-
Subtotal	(391,131)	(182,511)
Net Lending / (Borrowing) for Financial Year	(910,254)	(1,114,751)

Note 10. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

POTENTIAL INSURANCE LOSSES
ERA Water insures against known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance. ERA Water is not aware of any such insurance claims at the reporting date. Other potential claims not reported to ERA Water may have existed at reporting date.

PIPE REMEDIATION OR DAMAGE
ERA Water owns a network of pressurised underground pipes which could result in damage to public or private infrastructure in the event of failure. Further more, there may be long term remediation liabilities attached to some of ERA Water's pipeline assets. The cost of these potential liabilities cannot be reliably estimated and have not been included in these financial statements.

Note 11. Events after the Balance Sheet Date
Events that occur after the reporting date of 30 June 2021, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the authorised for issue date is 23 September 2021.

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

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2021

Note 12. Expenditure Commitments

Capital Commitments

No known capital commitments exist at the balance date.

Other Expenditure Commitments

ERA Water has contracts in place with external providers for operations and maintenance services.

Note 13. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

At the Balance Date, the Key Management Personnel of the Authority include Wally Iasiello (General Manager) and the members of the ERA Water Board including:
 - John Minney (Councillor - City of Nowwood, Payneham and St Peters) (Acting Chairperson)
 - MaryLou Bishop (Councillor - Corporation of the Town of Walkerville)
 - Sarah Hughes (Councillor - City of Burnside)

Compensation paid to Key Management Personnel during the financial year:

MaryLou Bishop, Sarah Hughes and John Minney received \$nil compensation from ERA Water. During FY2021, remuneration paid to the General Manager totalled \$102,904.85 (inclusive of superannuation). The position of General Manager was held by Robin English between 1 July 2020 and 9 March 2021, and Wally Iasiello between 28 April 2021 and 30 June 2021.

Transactions with related parties:

The related parties disclosed below are equity owners of the Authority and are referred to as Constituent Councils. Constituent Councils have representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Constituent Council individually has control of ERA Water.

Amounts received from related parties:

Town of Walkerville provided ERA Water with Board and Audit Committee secretarial support and Bookkeeping / Accounting services for part of the financial year.
 City of Nowwood Payneham & St Peters provided furnished office accommodation for ERA Water General Manager for the whole of the financial year.
 City of Burnside funded part of the cost of bookkeeping and financial management support provided to ERA Water by a third party.
 There were no amounts outstanding from constituent councils relating to unpaid water charges at the end of the financial year.

\$	Sale of Goods and Services	Amounts Outstanding from Related Parties	Description of Services Provided
	77,700	-	Provision of Water Sales and Connection Services
	212,843	-	Provision of Water Sales and Connection Services
	283,220	-	Provision of Water Sales and Connection Services
	573,763	-	
	Total		



Chartered Accountants

HEAD OFFICE
 214 Melbourne Street
 North Adelaide SA 5006
 PO Box 755
 North Adelaide SA 5006
 T: (08) 8257 4777
 www.deannewbery.com.au
 Dean Newbery
 ABN: 90 166 612 890

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

I confirm that, for the audit of the financial statements of the Eastern Region Alliance Water Regional Subsidiary for the year ended 30 June 2021, 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 1995 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 23rd day of August 2021,
 at 214 Melbourne Street, North Adelaide, South Australia 5006

ERA Water Regional Subsidiary

General Purpose Financial Statements
for the year ended 30 June 2021

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of ERA Water Regional Subsidiary for the year ended 30 June 2021, the Council's Auditor, Dean Newbery and Partners has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act

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



Walter Iasiello
General Manager

Date: 27th day of September 2021



Michael Parkinson
Presiding Member, Audit Committee

Date: 27th day of September 2021



Chartered Accountants

HEAD OFFICE
214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 30 164 512 890

INDEPENDENT AUDITOR'S REPORT

To the members of the Eastern Region Alliance Water Regional Subsidiary

Opinion

We have audited the accompanying financial report of the Eastern Region Alliance Water Regional Subsidiary (the Entity), which comprises the Statement of Financial Position as at 30 June 2021, 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 the Financial Statements.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2021, 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.

Basis for Opinion

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

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

Responsibility of the Board and Those Charged with Governance for the Financial Report

The Board is responsible for the preparation of the Entity's financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and for such controls as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

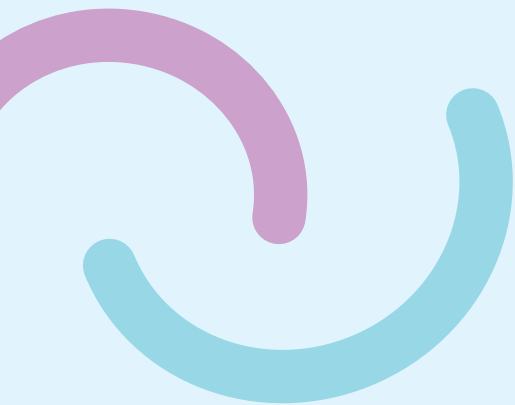
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY



JIM KEOGH
Partner

Signed on the 28th day of September 2021,
at 214 Melbourne Street, North Adelaide, South Australia 5006





Brown Hill Keswick Creek
STORMWATER PROJECT

2020/21 Annual Report

Brown Hill and Keswick Creeks Stormwater Board

For the cities of Adelaide, Burnside, Mitcham, Unley and West Torrens



Contents

Chairperson's Report	1
Project Director's Report	2
Strategy	3
Establishment	4
The Project	5
Governance	6
Acknowledgement of Country	7
Key Stakeholders	8
Project Partners	9
Delivering with Local Industry	10
Project Map	11
Project Schedule	12
Current Sub-projects	13
Current Works	14
Financial Snapshot	15
Audited Financial Statements	16



1

Chairperson's Report

This is the fourth annual report of the Brown Hill and Keswick Creeks Stormwater Management Board, a regional subsidiary established in February 2018 under the Local Government Act 1999 (SA).

The report canvasses the achievements of the Board over the preceding 12 months in implementing the Stormwater Management Plan and provides updates on the progress of continuing projects. Of particular note are:

- completion of the Upper Brown Hill Creek, Area 1 (Everard Park) works and delivery to the City of Unley for development of the 'Wiberforce' Walk-shared use path;
- completion of the Glenside detention basin and stormwater infrastructure and vesting of the works in the City of Burnside for development of a community reserve and playground; and
- building on the Glenside works, commencement of the South Park Lands Victoria Park / Pakapakanthi (Park 16) wetland works.

The challenges posed by COVID-19 and its impacts on the national and State economies, our stakeholders and our community have continued. In addition, our society's increasing awareness and understanding of the impacts of climate change has highlighted the



importance of delivering these projects and doing so in a timely manner. The progress made in the circumstances of the last 12 months in particular is a reflection of the commitment, skill and collaboration of all involved.

Our stakeholders are many and varied and the Board wishes to acknowledge and thank each for their significant contributions to the projects to date. The Board recognises, in particular, the continuing support and efforts of the Chief Executive Officers of the 5 constituent councils and their staff, the Stormwater Management Authority and our Project Director.

Finally, on behalf of the Board, I wish to thank retiring Board member Paul Gelston for his thoughtful input and steady efforts over the last 3 years and to welcome new member, Howard Lacy, to the team.

Judith Choate

2

Project Director's Report

The 2020/21 financial year saw some significant construction milestones for the project. Capacity upgrade works were completed in Everard Park in August 2020, with the existing open concrete channel being replaced by an increased capacity culvert. The site was then handed over to the City of Unley for completion of above-ground shared-use path and landscaping. This project was a positive example of collaboration between the Board and one of our Constituent Councils to add community benefit to flood mitigation works.

Construction commenced on the South Park Lands sub-project in February 2021 and excavation works are now well underway. It is wonderful to see the wetland taking shape on site and we are fortunate to be working alongside some exceptional South Australian businesses to deliver this significant community asset.

In recent months our focus has shifted to future works with a significant project underway to progress all remaining sub-projects to the reference design stage. In addition, a business case is being developed to assist in the pursuit of additional funding to expedite delivery of the project.

Under the direction of Chairperson Judith Choate, our diverse and experienced Board continues to provide leadership and direction to ensure the continued success of the project. Of note, Board member Paul Gelston's tenure has recently concluded and I wish to extend my personal thanks to Paul for his support over the past few years. Paul made a significant contribution to the early establishment phase of the Board's operations and his knowledge and experience in relation to the delivery of infrastructure projects has been invaluable. His measured approach and personable nature will be greatly missed. I would also like to welcome Howard Lacy to the Board. Howard brings extensive experience working on the management and delivery of infrastructure in both



public and private sectors and has held senior executive positions within SA Local Government, including as the City of Mitcham steering group representative for the Brown Hill Keswick Creek Stormwater Project. Howard brings significant Board experience and I am confident he will be a great asset to the Board.

The Stormwater Management Authority plays a key role in the delivery of the project and I thank the SMA Board, led by presiding member Stephen Hains, and General Manager David Trebilcock for their commitment. The success of the project is reliant upon support from our member Councils – the cities of Adelaide, Burnside, Mitcham, Unley and West Torrens – and I extend my appreciation to each of the Councils, their elected members and staff, including representatives of the Owners Executive Committee, technical, finance and support staff.

The Brown Hill Keswick Creek Stormwater Project truly is a collaborative undertaking and I look forward to continuing to work in partnership to deliver over the coming years.


Peta Mantzaropis

3 Strategy



Our Purpose


To effectively and efficiently deliver infrastructure works to mitigate serious flood risks and help safeguard properties across the Brown Hill Keswick Creek catchment.



Our Vision

To create a flood safe Brown Hill Keswick Creek catchment for residents and the public.


The cities of Adelaide, Burnside, Mitcham, Unley and West Torrens aim to become water sensitive cities. This vision is underpinned by six key objectives, the first of which is protection from flooding.



Our Values

The values that underpin the operations of the Board include:

- **Integrity** – acting ethically, doing what is right and doing what we say we will do
- **Collaboration** – respectful and insightful engagement with all stakeholders
- **Excellence** – striving for the best in all that we do and stretching our capabilities
- **Progressive** – thinking outside the box to innovate and improve
- **Simplicity** – focussing our efforts on the things that are important



Strategic Focus Areas

- Effective and efficient delivery of the Stormwater Management Plan
- Pursue opportunities for accelerated delivery
- Maximise the utility of our assets
- Enhance our partnerships and engagement
- Strengthen organisational performance

4 Establishment

The Brown Hill Keswick Creek Stormwater Project is the culmination of many years of investigation and planning. The Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens have worked collaboratively to develop a comprehensive Stormwater Management Plan to mitigate serious flood risk and help safeguard properties across the catchment.

From its inception in 2007 until February 2018, the project was conducted as a joint arrangement between the Constituent Councils. The Plan was developed during this phase, leading to its subsequent approval by the Stormwater Management Authority and gazettal of its adoption in February 2017. A condition of the Stormwater Management Authority approving the Plan was that a regional subsidiary be established within 12 months to implement the plan and manage its works. The Brown Hill and Keswick Creeks Stormwater Board was established in February 2018 as a regional subsidiary pursuant to section 43 of and schedule 2 to the Local Government Act 1999. Initially, the Owners Executive Committee, comprising a representative from each Constituent Council, acted as interim Board.

The Board is governed by a Charter prepared by the five Constituent Councils and subsequently approved by the Minister for Local Government. The inaugural Board was appointed in August 2018 and is responsible for the administration of the affairs of the regional subsidiary.

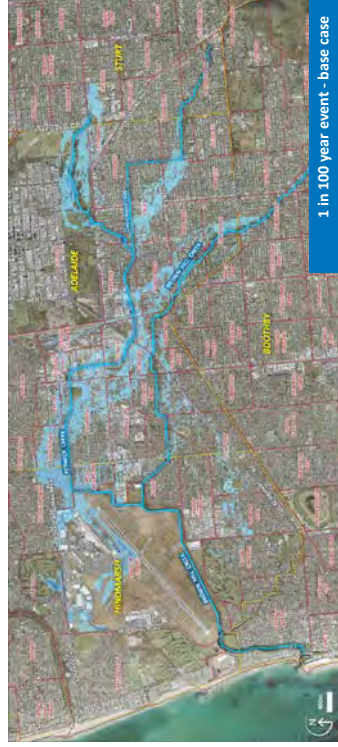


5 The Project

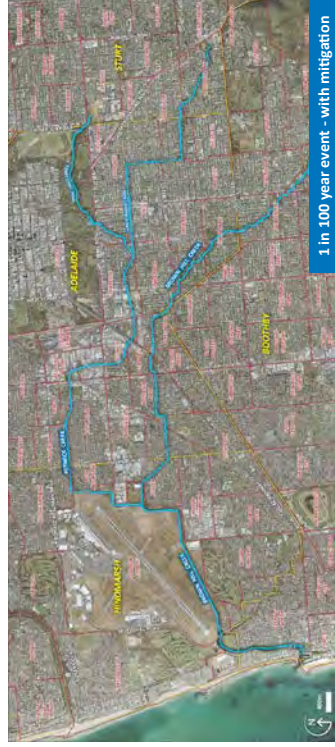
The Brown Hill Keswick Creek Stormwater Project is a collaborative effort between the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens to mitigate significant flood risks arising from four major watercourses in metropolitan Adelaide: Brown Hill, Keswick, Glen Osmond and Park Lands Creeks. The catchment is largely contained within the Constituent Council local government areas, which are home to more than 200,000 residents. The Brown Hill Keswick Creek Catchment Stormwater Management Plan outlines a comprehensive program of flood mitigation works to be delivered across the catchment.

The plan is designed to provide flood protection to the community in the event of a 100 year average recurrence interval (ARI) flood event which would impact over 2,000 properties and result in significant impact to the Adelaide Airport, Ashford Hospital, major arterial roads and freight corridors. Whilst a flood event of this magnitude has not occurred in the catchment since 1930, the high flow events of 2005 and 2016 have provided recent reminders of the impact a significant event would have.

The flood mitigation works outlined in the plan comprise detention storages in the upper reaches of the catchment, diversion of high flows away from flooding hotspots, and upgrades to the flow capacity of the channels. Fundamental to the successful delivery of this program of flood mitigation works is the principle of constraining flows from upstream and then 'working progressively in an upstream direction' to ensure that the downstream reaches of the creek system are ready to cater for the ultimate design flow before the works in the upper catchment are undertaken.



1 in 100 year event - base case



1 in 100 year event - with mitigation

6

Governance

The Brown Hill Keswick Creek Stormwater Project is administered by a Board in accordance with the requirements of the Local Government Act 1999, the Board Charter, and various other policies.

The Board is comprised of 5 independent members, appointed following recommendations made by a Nominations Committee of representatives from each of the Constituent Councils. Each Board member contributes a unique set of skills and experience, particularly covering:

- Corporate financial management
- Corporate governance
- Project management
- General management
- Engineering
- Economics
- Environmental management

We thank outgoing Board member Paul Geilston who has made a significant contribution in his 3 years on the Board, particularly drawing on his extensive experience in project governance, infrastructure delivery and risk management.

Current Board Members



Judith Choate
Chair since August 2018, appointed August 2018



Geoff Vogt
Appointed August 2018



Rachel Barratt
Appointed August 2018



Rob Gregory
Appointed August 2020



Howard Lacy
Appointed August 2021



Paul Geilston
August 2018-2021

Outgoing Board Member

Independent Member of Audit and Risk Committee



Justin Humphrey
appointed November 2018

Project Director



Peta Mantzarapis
appointed January 2019

The Board's Audit and Risk Committee comprises nominated Board members along with an independent member and meets quarterly.

The Board appoints a Project Director who is responsible for implementing the decisions of the Board and managing the operational requirements of the project.

Owners Executive Committee

The Owners Executive Committee is comprised of a representative from each of the Constituent Councils. Meetings between the Board and the Owners Executive Committee are scheduled quarterly and four meetings were held in the 2020-21 financial year.

Membership of the committee in 2020/21 was as follows:

Klinton Devenish	Director, Place	City of Adelaide
Chris Cowley	Chief Executive	City of Burnside
Matthew Pears	Chief Executive	City of Mitcham
Peter Tsokas	Chief Executive	City of Unley
Terry Buss	Chief Executive	City of West Torrens

Board Member Meeting Attendance 2020/21

Date	Judith Choate	Paul Gelston	Geoff Vogt	Rachel Barratt	Rob Gregory
3 Aug 2020	✓	✓	✓	✓	✓
26 Aug 2020	✓	✓	✓	✓	✓
16 Sep 2020	✓	✓	✓	✓	✓
2 Nov 2020	✓	✓	—	—	✓
25 Nov 2020	✓	✓	✓	✓	✓
20 Jan 2021	✓	✓	✓	✓	✓
17 Mar 2021	✓	✓	✓	✓	✓
21 Apr 2021	✓	✓	✓	✓	✓
15 Jun 2021	✓	✓	✓	✓	✓

Audit and Risk Committee Meeting Attendance 2020/21

Date	Judith Choate	Paul Gelston	Geoff Vogt	Rachel Barratt	Justin Humphrey
15 Jul 2020	✓	✓	✓	✓	✓
16 Sep 2020	✓	✓	✓	✓	✓
21 Oct 2020	✓	✓	—	✓	✓
17 Feb 2021	✓	✓	✓	✓	✓
18 May 2021	✓	✓	✓	✓	✓

Working within the Community

The Brown Hill and Keswick Creeks Stormwater Project is pleased to engage with our local communities to provide project updates and educational opportunities.

Project Director Peta Mantzarapis and wetland designer Robin Allison presented to Year 8 geography students from Marysville High School in April 2021.

Students heard about water sensitive urban design, stormwater management and the wetland project, before visiting the site to see the construction works underway.



7

Acknowledgment of Country

The Brown Hill and Keswick Creeks Stormwater Board acknowledges that the project and our Constituent Councils are located on the traditional Country of the Kaurna People of the Adelaide Plains and pays respect to Elders past and present.

We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna people living today.

We also extend that respect to other Aboriginal Language groups and other First Nations.

Kaurna people play a key role in the design and delivery of the Brown Hill Keswick Creeks Stormwater Project and we value the input and guidance of representatives of the Kaurna Nation Cultural Heritage Association (KINCHA) and RAW SA.

Willawilla - Brown Hill Creek



13

8

Key Stakeholders

The Brown Hill and Keswick Creeks Stormwater Board works to deliver successful project outcomes in an efficient and professional manner. We interact with a diverse range of internal and external stakeholders and value the contribution they make.



Constituent Councils



Stormwater Management Authority



Green Adelaide



Adelaide Park Lands Authority



Kaurna Community



Residents



Community Groups



Suppliers



Consultants

Funding Acknowledgement

The Brown Hill Keswick Creek Stormwater Project is jointly funded by five Constituent Councils and the Stormwater Management Authority.



14

9 Project Partners

Constituent Councils

The Brown Hill Keswick Creek Stormwater Project is the result of a collaborative effort over many years from our 5 Constituent Councils – the cities of Adelaide, Burnside, Mitcham, Unley and West Torrens. The majority of the Brown Hill and Keswick Creek catchments are contained within these local government areas, which are home to more than 200,000 residents.

Support is offered to the project from every level of Council, whether it be CEO or delegate involvement in the Owners Executive Committee, technical staff providing design input, finance staff liaison regarding project contributions and budgets, planning and environmental input to construction delivery, and everything in between. Regular project updates and briefing sessions are provided to Council Mayors, Elected Members and audit committees to ensure our member Councils are fully informed.

The project works in close liaison with our Constituent Councils to ensure we are working together to achieve successful project outcomes and identify opportunities to maximise the utility of our assets.



Stormwater Management Authority

Continuing the collaborative approach adopted by the five Constituent Councils, the Stormwater Management Authority provides a key role in the delivery of the Project. Beyond the initial role the Authority played in the review and approval of the Plan, the Board's Project Director is in regular contact with the Authority's General Manager to ensure a well-informed and consistent approach to delivery. Through the Authority the State Government has committed to providing 50% of capital funding up to \$70m over a 20-year timeframe and this funding is vital to ensuring the Project is delivered. Board representatives have established a strong working relationship with the Authority and work in partnership to deliver the works set out in the approved Stormwater Management Plan.



10

Delivering with Local Industry

Integral to the success of the Brown Hill Keswick Creek Stormwater Project are the relationships established with local suppliers, consultants and organisations. The Board places particular emphasis on ensuring a collaborative approach, bringing together a team of professionals who are leaders in their field and are equipped to deliver results.

Our focus is on providing a pipeline of work to build capacity and capability in the local market, with flow-on benefits for the local economy. The construction scheduling and packaging of works has been specifically developed to maximise participation from local tier 2 and tier 3 contractors. These are businesses that do not compete with the larger contractors for major road transport projects.

The project is supported by the knowledge and expertise of a wide range of professionals, providing services including project management, surveying, engineering, legal, environmental, cultural heritage, civil construction, geotechnical advice, property and arborial assessments.

“ *Tonkin is an award-winning professional services consultancy specialising in public sector infrastructure. Tonkin has been involved in the South Park Lands project for more than 10 years. Most recently, we teamed with Designflow and Taylor Cullity Lethlean to develop the detailed design and documentation for the wetland and associated works.*

Tonkin is proud to have worked with the Brown Hill and Keswick Creeks Stormwater Board, City of Adelaide and other key stakeholders to help deliver this important project. We are looking forward to seeing the final result!

Tonkin

“ *Beltrame Civil is a South Australian civil construction contractor, proudly, family owned and operated since 1955.*

The Everard Park culvert constructed by Beltrame Civil was the first project directly delivered by the Brown Hill and Keswick Creeks Stormwater Board. The projects' key objective was to take advantage of a concurrent adjacent high-density residential development allowing access to a 7m wide working corridor.

The project added to the portfolio of flood mitigation works that Beltrame Civil has completed throughout the Brown Hill Keswick Creek Catchment over the past 30 years, with projects including bridge replacements, bank stabilisation, channel and drainage infrastructure upgrades being delivered to each of the five member Councils. We certainly look forward to the opportunity to partner again with the Brown Hill and Keswick Creeks Stormwater Board on future projects.

Beltrame Civil



“ *Bardvalco are a South Australian civil and engineering construction company, who deliver infrastructure projects through our experienced teams and in collaboration with our clients. We have had the privilege to be the head contractor for the construction of the wetland in the South Park Lands, which will not only manage stormwater, but provide a recreational space that can be enjoyed by all.*

In working with the Brown Hill and Keswick Creeks Stormwater Board and their project managers ProcurePM, we have found that we share principals that enable best for project outcomes to be achieved. This relationship has enabled seamless resolution of issues and will enable the successful delivery of a high quality project in an enjoyable environment.

Bardvalco

Focus on Safety

The Brown Hill and Keswick Creeks Stormwater Board places great importance on the health and safety of our employees, our consultants and the communities within which we operate. Our extensive health and safety management systems ensure we partner with like-minded organisations and are subject to regular review and improvement.

Upper Brown Hill Creek, Area 1 (Everard Park)

6,940	0	0	1
Total Site Hours	Incidents	Property Damage	Near Misses

South Park Lands (progress to 30 June 2020)

9,630	0	0	0
Total Site Hours	Incidents	Property Damage	Near Misses

“ *ProcurePM is a professional and specialised organisation that provides project management, procurement and contract management services. We are dedicated to working closely with our clients, partners and stakeholders to share the experiences and passions, and create value that makes a positive difference.*

Appointed as Project Managers by the Brown Hill and Keswick Creeks Stormwater Board to deliver the South Park Lands wetland, we are delighted to be part of one of the most important stormwater infrastructure initiatives in South Australia.

The ability to transform the southern area of Victoria Park/Pakapalanthi (Park 16) into a wetland will not only manage downstream flooding, but create a thriving eco-system that will improve water quality, enhance biodiversity, and create a place of education and amenity for the community now and in the future.

ProcurePM



11 Project Map



12 Project Schedule

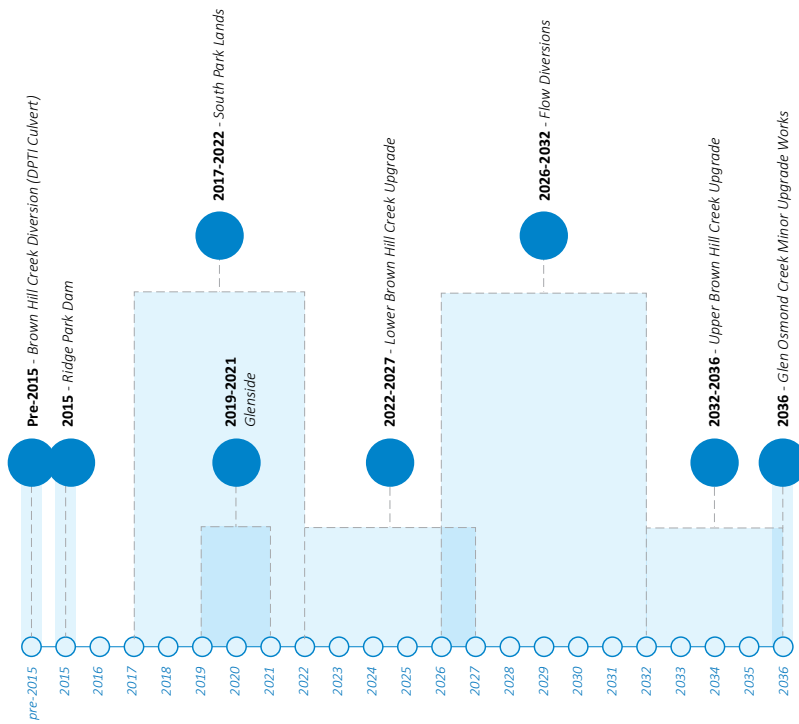
The project works required to successfully meet the objectives of the Stormwater Management Plan are best described as 8 sub-projects. There is a logical progression in which the works should be delivered, with the project stages including:

- Stage 1**
Flood detention
 1. Ridge Park Flood Control Dam **COMPLETE**
 2. Glenside **COMPLETE**
 3. South Park Lands **IN PROGRESS**
- Stage 2**
4. Lower Brown Hill Creek Upgrade
- Stage 3**
5. Flow Diversions from Keswick Creek to Brown Hill Creek
- Stage 4**
6. Brown Hill Creek Diversion (DPTI Culvert) **COMPLETE**
- Stage 5**
7. Upper Brown Hill Creek Upgrade
- 8. Glen Osmond Creek Minor Upgrade Works

There is an opportunity for works to be delivered out of schedule in instances where there is overwhelming justification for expedition. This justification may include access to a site that will no longer be available in the future or contribution to the cost of works by an interested party.



Indicative Timeline



13 Completed Sub-projects

Brown Hill Creek Diversion (DPTI Culvert)

A section of Brown Hill Creek in Forestville was diverted by the Department of Planning, Transport and Infrastructure in 2013 as part of the Goodwood Junction Rail Upgrade project. The works, delivered in collaboration with and funded by the Brown Hill Keswick Creek Stormwater Project, involved diverting the creek into a new underground culvert constructed generally along the eastern side of the railway corridor from the southern side of Victoria Street, Goodwood to the northern side of the Glenelg tramway. The culvert discharges into the existing Brown Hill Creek within Forestville Reserve.



Constructed Culvert

Ridge Park Flood Control Dam

A flood control dam was constructed on Glen Osmond Creek in Ridge Park Reserve, Myrtle Bank to reduce peak stormwater flow in Glen Osmond Creek and reduce the risk of flooding in downstream areas along Glen Osmond and Keswick Creeks.

Commissioned in July 2015, the Ridge Park flood control dam also collects stormwater for the City of Unley's managed aquifer recovery (MAR) scheme. Under the MAR, harvested stormwater is stored in an underground aquifer for irrigation of Unley's parks during periods of dry weather.



Flood Control Dam

Upper Brown Hill Creek, Hawthorn Reserve

The Hawthorn Reserve works comprise a component of the Upper Brown Hill Creek Upgrade sub-project, initially earmarked for completion in the second half of the project's delivery program. Grant funding was sought and obtained by the City of Mitcham to upgrade the Hawthorn reserve precinct and the creek works associated with this community space were therefore expedited. The works involved creek widening and upgrade and were delivered by the City of Mitcham. The site was officially opened on May 9th 2019.

The creek has been widened to ensure sufficient capacity to endure a significant flood event. The banks have been laid back in the area of the creek adjacent the Mitcham library to retain a natural setting with native plantings within the creek channel and on the banks. These plantings have been established using a surface material that provides bank stability and allows plant growth. Stepping boulders and logs have also been installed to create an active nature play space for use when the creek is dry or not flowing. Further downstream, rock filled gabions have been installed. In addition, a floodwall has been constructed at George Street to protect properties from flooding and contain creek flows.



Rock filled gabions



Natural creek setting

Upper Brown Hill Creek, Area 1 (Everard Park)

Comprising portion of the Upper Brown Hill Creek Upgrade sub-project, these works are located between Anzac Highway, Everard Park and Third Avenue, Forestville. The works were expedited to take advantage of access to the site that would be significantly restricted following completion of an adjoining high density residential development. The project involved replacement of an existing open concrete channel with an increased capacity underground covered culvert. Subsequent to installation of the culvert, the City of Unley extended Wilberforce Walk to Anzac Highway, with a shared use path for pedestrians and cyclists traversing the culvert. Culvert construction works commenced in April 2020 and were completed in August 2020, at which point the site was handed over to City of Unley for the shared use path works to be delivered.



Wilberforce Walk shared use path



Excavation progress



Construction progress

25

Glenside

This project involved enlargement of an existing detention basin from a capacity of 18ML to 37ML, to limit flow to the existing capacity of the culvert under the Fullarton and Greenhill Roads intersection. The detention basin, together with other works in the South Park Lands, is intended to reduce the peak stormwater flows along Park Lands Creek and further downstream. Excavation of approximately 25,000m³ of material was required to form the detention basin and primary water quality treatment is provided via 3 new large grass pollutant traps.

The site accommodating the detention basin and associated stormwater infrastructure has been vested to City of Burnside as part of Council's open space and has been developed as a community reserve with playground and associated facilities.

The Glenside project works were delivered by Cedar Woods as part of their residential development and the site was opened to the public on July 2nd 2021.



Completed concrete culvert



Progress - prior to completion



Detention Basin

26

14

Current Works

South Park Lands

The South Park Lands project comprises two areas of work aimed at reducing the peak stormwater flows through the Park Lands and into downstream areas. The project includes:

- **Victoria Park/ Pakapakanthi (Park 16) Wetland**

Located at the southern end of Victoria Park, the wetland will include areas of permanent water, areas that become inundated during "normal" flows, and a broader area that will only become inundated during a large flood event along with a range of features that facilitate recreational use and improved biodiversity outcomes.

This project commenced construction in August 2020 with the removal of a large grove of Poplar trees situated adjacent the existing creek. Poplars are considered a weed species and are detrimental to the health of the creek network. Their removal was scheduled ahead of the main wetland construction to ensure works occurred in the tree's dormant period and to allow sufficient time to treat any shoots or regrowth that appear during Spring.

The plant supply contract was also awarded mid-2020 with local provenance seed collection and plant propagation commencing early. Some 100,000 new plants and more than 120 native tree species will be planted in the wetland site.



The South Park Lands project is supported by funding from Green Adelaide.

Approximately 130,000 cubic metres of soil is being excavated and sorted, either for reuse within the project or to be taken offsite. A large temporary stockpile site was therefore established late in 2020 to support these works. This stockpile site will be removed and the area will be reinstated as park land upon completion of the wetland construction.

Excavation works are well underway on site, having commenced in February 2021. The wetland is due for completion prior to Christmas 2021 and the project is tracking on schedule and on budget.

- **Blue Gum Park/ Kurangga (Park 20) Creek Works**

Works include construction of a low-level mound and the realignment of existing open channels in the southern section of the park. The mound will be constructed to the south and west of the existing playing fields and will stretch for a total distance of approximately 600 metres. The works will integrate with existing users of this space, including TreeClimb.

The Park 20 component of the South Park Lands sub-project will be delivered in 2 stages: excavation and construction works in late 2021 and landscaping works in Autumn 2022, to take advantage of ideal planting weather.

Our Project Team

Project Delivery Design Team	ProcurePM Tonkin, DesignFlow and T.C.L
Plant Supply and Landscaping Poplar Removal	ecoDynamics BMD Constructions
Stockpile Site Establishment	Lead Engineering and Construction
Wetland Construction	Bardavcol
Stakeholder Engagement Cultural Heritage	URPS Kaurna Nation Cultural Heritage Association & RAW
Legal and Planning	Botten Levinson Heyne Planning



Stockpile Site Establishment



Park 16 Wetland Construction



Park 16 Wetland Construction - South Facing Aerial



Park 16 Excavation Works

15 Financial Snapshot

The activities of the Board are funded by the five Constituent Councils and the Stormwater Management Authority.

Operational expenditure is funded equally by the Constituent Councils.

2020/21 Operational Funding	
City of Adelaide	\$94,401
City of Burnside	\$94,401
City of Mitcham	\$94,401
City of Unley	\$94,401
City of West Torrens	\$94,401
Total	\$472,005

50% of Capital expenditure is provided by Constituent Councils and 50% is provided by the Stormwater Management Authority. Constituent Councils provide funding biannually in advance while SMA funding has, historically, been provided biannually in arrears. Agreement has now been reached for SMA funds to be provided annually in advance and the 2020/21 financial year includes both a single payment in arrears for works completed in the January – June 2020 period and a payment in advance for the 2020/21 financial year.

2020/21 Capital Funding	
City of Adelaide	\$451,085
City of Burnside	\$676,628
City of Mitcham	\$563,857
City of Unley	\$1,184,098
City of West Torrens	\$2,762,896
Total	\$12,624,797

Reference Design and Business Case

The Board has engaged a team of consultants to develop the plans for remaining sub-projects to the reference (30%) design stage. The reference design objectives are to:

- Sufficiently detail the major features and functionality of the designs and to demonstrate how the designs will achieve the specified project requirements prior to advancing to the detailed design phase.
- Prepare documentation that can be used by the Board's Cost Consultant to improve the accuracy of the current cost estimates.
- Prepare documentation that can be used by the Board to consult with stakeholders, including adjoining landowners and the wider public.
- Identify the land acquisition requirements for the proposed works.

To date, the reference design process has included detailed engineering and engineering survey, geotechnical and environmental testing, pot-holing of services in key locations, commencement of design review by Constituent Councils, commencement of review of project cost estimates and establishment of a Kaurna reference group.

In conjunction, the Board is developing a business case to explore the merits of an accelerated delivery strategy for the remaining flood mitigation works outlined in the Stormwater Management Plan.

Revised flood damages are being determined with consideration to impacts that were excluded from consideration in the Stormwater Management Plan. This analysis includes input from a property valuer and quantity surveyor to determine updated estimates of flood damages to private property and will incorporate findings from consultation with key stakeholders across the catchment.

16

Audited Financial Statements

**BROWN HILL & KESWICK CREEKS
STORM WATER BOARD**

Financial Statements

For the Year Ended 30 June 2021

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Contents

For the Year Ended 30 June 2021

Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Directors' Declaration	21

Page

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Contributions	472,005	389,655
Investment income	25,483	24,737
Employee Costs	(285,618)	(270,290)
Materials, contracts and other expenses	(198,860)	(151,631)
Depreciation	(62,157)	(36,646)
Finance costs	(293)	(188)
Operating surplus / (deficit)	(49,430)	(45,373)
Capital funding / grants	9,876,755	1,761,766
Total surplus	9,827,325	1,716,393
Other comprehensive income – asset revaluation reserve	279,477	-
Total comprehensive income for the year	10,106,802	1,716,393

The accompanying notes form part of these financial statements.

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Statement of Financial Position

As At 30 June 2021

	Note	2021	2020
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	12,135,273	5,002,849
Trade and other receivables	7	270,819	325,122
TOTAL CURRENT ASSETS		12,406,092	5,327,971
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,634,383	6,410,219
TOTAL NON-CURRENT ASSETS		13,634,383	6,410,219
TOTAL ASSETS		26,040,475	11,738,190
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	117,954	1,568,187
Employee benefits	10	18,791	10,739
TOTAL CURRENT LIABILITIES		135,845	1,578,926
TOTAL LIABILITIES		135,845	1,578,926
NET ASSETS		25,904,630	10,159,264
EQUITY			
Capital contributions	11	13,869,907	8,231,343
Capital funding / grants		11,638,521	1,761,766
Asset revaluation reserve	8	279,477	-
Accumulated surplus		116,725	166,155
TOTAL EQUITY		25,904,630	10,159,264

The accompanying notes form part of these financial statements.

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Statement of Changes in Equity

For the Year Ended 30 June 2021

	2021	2020
Capital Contributions of Councils	8,231,343	5,939,279
Capital Contributions of Councils	1,761,766	1,761,766
Capital Contributions of Councils	11,638,521	7,701,045
Surplus for the year	166,155	211,529
Capital contributions of Councils	9,827,225	1,716,593
Transfer to capital funding / grants	-	-
Revaluation of infrastructure and land improvements	279,477	(8,976,785)
Balance at 30 June 2021	11,638,521	116,725
Balance at 30 June 2020	279,477	116,725
Total	26,904,630	26,904,630

The accompanying notes form part of these financial statements.

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Statement of Cash Flows
For the Year Ended 30 June 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Operating receipts from constituent councils
Payments to employees
Payments to suppliers
Interest received
Interest paid
Net cash used in operating activities

Note	2021	2020
	\$	\$
	581,487	2,298,949
	(285,616)	(266,051)
	(417,837)	(212,587)
	25,483	24,737
	(293)	(198)
12	(96,778)	1,844,850

CASH FLOWS FROM INVESTING ACTIVITIES:

Payments for capital projects
Net cash used in investing activities

	(5,395,595)	(4,872,515)
	(5,395,595)	(4,872,515)

CASH FLOWS FROM FINANCING ACTIVITIES:

Contributions from Constituent Councils
SMA Funding
NRM Board Water Sustainability Funding
Net cash provided by financing activities

	5,638,564	2,302,064
	6,821,233	1,696,767
	165,000	65,000
	12,624,797	4,063,831

Net increase in cash and cash equivalents held
Cash and cash equivalents at beginning of year
Cash and cash equivalents at end of financial year

	7,132,424	1,036,166
	5,002,849	3,966,683
6	12,135,273	5,002,849

The accompanying notes form part of these financial statements.

4

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and relevant South Australian Legislation. These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Brown Hill and Keswick Creeks Stormwater Board (the Board) is a Local Government Regional Subsidiary established under Section 43 of and Schedule 2 to the Local Government Act 1999. The Regional Subsidiary is under the control of City of Adelaide, City of Burnside, City of Unley, City of Mitcham and City of West Torrens.

The Board was established by a Gazette dated 27 February 2018. The Board has been established to implement the construction and maintenance of infrastructure and other measures for the purposes of a stormwater management plan prepared by the constituent councils and approved by the Stormwater Management Authority.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been applied consistently unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical cost, modified, where applicable, by the revaluation at fair value of selected non-current assets, financial assets and liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 22 September 2021 by the members of the Board.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Board expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

5

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

All revenue is stated net of the amount of goods and services tax (GST)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Board are:

Operating revenue from constituent councils

Operating revenue from constituent councils is recognised as income as and when the Board becomes entitled to receive the funds. This is outlined within the Board's Annual Budget which is agreed with all constituent councils.

Interest revenue

Interest revenue is recognised using the effective interest method, which for all floating rate financial assets is inherent in the instrument.

Other income

Other income is recognised on an accruals basis when the Board is entitled to it.

(b) Equity

Capital contributions

Capital contributions from constituent councils are recorded directly against equity as and when the Board becomes entitled to receive the funds. This is outlined within the Board's Annual Budget, which is agreed with all constituent councils.

(c) Income Tax

The activities of the Board are exempt from taxation under the Income Tax Assessment Act.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or 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, engineering design costs and all other costs incurred.

The cost of non-current assets constructed by the Board includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

The Board considers that it controls the infrastructure assets in accordance with its Charter. The constructed infrastructure assets may be located on land owned by constituent councils.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds the materiality thresholds set by the Board within the capitalisation policy. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Current thresholds applicable to Board assets are as follows:

Stormwater infrastructure - \$2,000

Computer equipment - \$1,000

Office equipment - \$1,000

Subsequent Measurement

Stormwater infrastructure is subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is determined using the current replacement cost method.

In line with the Board's capitalisation policy a valuation of completed infrastructure and land improvements has been undertaken as at 30 June 2021. The valuation has been undertaken by Tina-James Freeman, Asset Consultant at Tonkin, FIEAust CPEng. Refer to note 8(b) for additional information on fair value determination of stormwater infrastructure.

Computer equipment and office equipment are carried at cost less accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Board, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

Fixed asset class	Depreciation rate
Stormwater infrastructure	1% - 2%
Freehold Land	0%
Land improvements	1% - 10%
Office equipment	10%
Computer Equipment	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially on the date that the Board becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Board classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Board changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Board's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Impairment of trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Board has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Financial liabilities

The Board measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Board comprise trade payables.

(g) Impairment

At the end of each reporting period the Board assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Trade and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Board during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(j) **Trade and other receivables**

These include amounts due from owner councils for capital contributions, the ATO and accrued interest on deposits in financial institutions. Receivables are expected to be collected within 12 months of the end of the reporting period and are classified as current assets. All other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

(k) **Employee benefits**

Provision is made for the Board's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

No accrual is made for sick leave. The Board does not make payment for untaken sick leave.

Superannuation

All superannuation schemes to which the Board makes contributions on behalf of employees are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Board.

(l) **Adoption of new and revised accounting standards**

The Board has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Board.

(m) **Economic dependence**

Brown Hill and Keswick Creeks Stormwater Board is dependent on its constituent councils and other funding bodies for the majority of its revenue used to achieve its objectives. At the date of this report, the Board believe that the Member Councils and other bodies will continue to support the Board.

3 Critical Accounting Estimates and Judgments

The Board makes estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgments are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgments made have been described below.

Notes to the Financial Statements
For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

Key estimates - impairment of property, plant and equipment

The Board assesses impairment at the end of each reporting period by evaluating conditions specific to the Board that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates – fair valuation of stormwater infrastructure and land improvements

In determining fair values for stormwater infrastructure there is no known market for these assets, and they have been independently valued at depreciated current replacement cost. For further information relating to the estimates made in determining fair value refer to note 8(b)

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Income

	2021	2020
	\$	\$
Operating Contributions		
- City of Mitcham	94,401	77,731
- City of Burnside	94,401	77,731
- City of West Torrens	94,401	77,731
- The Corporation of the City of Adelaide	94,401	77,731
- The Corporation of the City of Unley	94,401	77,731
- Total Operating Contributions	472,005	388,655
Other Income		
- Bank interest	25,483	24,737
- Total Other Income	25,483	24,737
Capital Funding / Grants		
- Stormwater Management Authority	6,821,233	1,696,766
- NRM Water Sustainability Grant	165,000	65,000
- Gifted Infrastructure - Glenside Park	2,890,522	-
- Total Capital Funding / Grants	9,876,755	1,761,766
Total Income	10,374,243	2,175,158

In accordance with the Charter of the Brown Hill and Keswick Creeks Stormwater Board Schedule 1, operating contributions are received equally from each of the constituent councils at an agreed rate. The total value of operating contributions to be received is agreed in the annual budget prepared by the Board.

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

5 Expenses

	2021	2020
	\$	\$
Employee Costs		
Salaries and Wages - Board	82,000	83,500
Salaries and Wages - Employee	178,184	162,282
Superannuation contributions	23,952	22,947
Workers compensation	1,482	1,561
Total Employee Costs	285,618	270,290
Materials, Contracts & Other Expenses		
Prescribed Expenses - Audit Remuneration	5,000	5,000
Administration	13,245	16,788
Asset Maintenance, Management & Valuation	15,530	-
Business Case & Delivery Strategy	72,787	-
Entertainment & Catering	443	4,400
Contractor & Consultant Services	2,250	19,160
Human Resources	550	-
Insurance - Mutual Liability Scheme	33,321	43,458
IT Expenses	3,115	3,671
Legal Expenses	12,630	10,031
Professional Services	21,955	48,788
Other Expenses	17,248	-
Sundry	776	335
Total Materials, Contracts & Other Expenses	198,850	151,631
Depreciation		
Depreciation - Office Equipment	-	2,313
Depreciation - Hawthorn Reserve Creek Upgrade	33,346	34,333
Depreciation - Everard Park	28,811	-
Total Depreciation	62,157	36,646
Finance Costs		
Bank Fees	238	161
Interest Expense	55	37
Total Finance Costs	293	198
Total Expenses	546,918	458,765

12

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

6 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	12,135,273	5,002,849
	<u>12,135,273</u>	<u>5,002,849</u>

As at 30 June 2021, cash held includes an amount of \$7,235,798 (2020: \$3,416,019) which is restricted for the purpose of approved capital development projects.

7 Trade and Other Receivables

	2021	2020
CURRENT		
Trade receivables	104,500	71,500
GST receivable	166,319	253,622
	<u>270,819</u>	<u>325,122</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Property, plant and equipment

Capital Works in Progress	4,764,314	829,633
South Park Lands - Parks 16 and 20	-	2,243,546
Upper Brown Hill Creek - Area 1 Creek Works	-	349,276
Upper Brown Hill Creek - Area 1 Land Acquisition	14,212	8,500
Upper Brown Hill Creek - Area 3 Milliswood	138,114	7,300
Reference Design - Capital	4,916,640	3,438,255
Total Capital Works in Progress	3,006,297	3,006,297
Infrastructure and Land Improvements		
Hawthorn Reserve Creek Upgrade	(33,346)	(34,333)
Accumulated Depreciation - Hawthorn Reserve Creek Upgrade	2,883,081	-
Upper Brown Hill Creek Area 1, Everard Park	(28,811)	-
Accumulated Depreciation - Everard Park	2,890,522	-
Glenside	8,717,743	2,971,964
Total Infrastructure and Land Improvements	4,493	4,493
Office Equipment		
At cost	(4,493)	(4,493)
Accumulated depreciation	-	-
Total Office Equipment	-	-
Total Property, Plant and Equipment	13,654,383	6,410,219

13

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

8 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Infrastructure and Land Improvements	Office Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2021				
Balance at the beginning of year	3,438,255	2,971,964	-	6,410,219
Additions	4,116,322	2,890,522	-	7,006,844
Transfers	(2,637,937)	2,637,937	-	-
Revaluation	-	279,477	-	279,477
Depreciation Expense	-	(62,157)	-	(62,157)
Balance at the end of the year	4,916,640	8,717,743	-	13,634,383

In line with the Board's capitalisation policy a valuation of completed infrastructure and land improvements has been undertaken as at 30 June 2021. The valuation has been undertaken by Tina-James Freeman, Asset Consultant at Tonkin, FEAust CPtEng. Refer to note 8(b) for additional information on fair value determination of stormwater infrastructure.

	Capital Works in Progress	Infrastructure and Land Improvements	Office Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2020				
Balance at the beginning of year	3,206,880	-	2,313	3,209,193
Additions	3,237,672	-	-	3,237,672
Transfers	(3,006,297)	3,006,297	-	-
Depreciation Expense	-	(34,333)	(2,313)	(36,646)
Balance at the end of the year	3,438,255	2,971,964	-	6,410,219

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

8 Property, plant and equipment

(b) Fair Value Determination

Infrastructure and land improvements are carried at fair value. 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).

In determining fair values for infrastructure and land improvements there is no known market for these assets, and they are valued at depreciated current replacement cost. This method involves:

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

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, the fair value of all assets within the infrastructure and land improvements class are considered Level 3 in the fair value hierarchy.

9 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	108,646	1,556,813
Credit Card	(79)	366
PAYG Payable	4,256	4,576
Superannuation Payable	6,765	5,800
Wages Payable	(2,534)	632
	<u>117,054</u>	<u>1,568,187</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

10 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Provision for employee benefits	18,791	10,739
	<u>18,791</u>	<u>10,739</u>

11 Capital Contributions of Constituent Councils

	2021	2020
	\$	\$
Contributions by Owners		
City of Mitcham	1,386,991	823,134
City of Burnside	1,664,389	987,761
City of West Torrens	6,796,254	4,033,358
The Corporation of the City of Adelaide	1,109,593	658,508
Corporation of the City of Unley	2,912,680	1,728,582
Total Contributions by Owners	13,869,907	8,231,343
City of Mitcham Movement Table		
Opening balance	823,134	592,928
Contributions	563,857	230,206
Closing balance	1,386,991	823,134
City of Burnside Movement Table		
Opening balance	987,761	711,513
Contributions	676,628	276,248
Closing balance	1,664,389	987,761
City of West Torrens Movement Table		
Opening balance	4,033,358	2,905,346
Contributions	2,762,896	1,128,012
Closing balance	6,796,254	4,033,358
The Corporation of the City of Adelaide Movement Table		
Opening balance	658,508	474,343
Contributions	461,085	184,165
Closing balance	1,109,593	658,508
Corporation of the City of Unley Movement Table		
Opening balance	1,728,582	1,245,149
Contributions	1,184,098	483,433
Closing balance	2,912,680	1,728,582

Capital contributions of Constituent Councils are payments received for investing in infrastructure. The rates of contributions are agreed in the Charter of the Board.

16

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

12 Cash Flow Information

	2021	2020
	\$	\$
(a) Reconciliation of result for the year to cashflows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
Surplus for the year	9,827,325	1,716,394
Cash flows excluded from profit attributable to operating activities	(9,876,755)	(1,761,767)
- Capital funding / grants		
Non-cash flows in surplus:		
- depreciation	62,157	36,646
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	54,303	1,699,051
- (increase)/(decrease) in trade and other payables	(171,860)	150,288
- increase/(decrease) in employee benefits	8,052	4,239
Cashflows from operations	<u>(96,778)</u>	<u>1,844,850</u>

13 Financial Risk Management

The Board is exposed to a variety of financial risks through its use of financial instruments. The most significant financial risks to which the Board is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

Financial Instruments used

The principal categories of financial instrument used by the Board are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Board's financial risk management framework. This includes the development of policies covering financial governance and the identification and management of financial risk in accordance with the Board's risk management policy.

Details of significant accounting policies and methods adopted including the criteria for the recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial

17

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

13 Financial Risk Management

Objectives, policies and processes

asset, financial liability and equity instruments are disclosed in Note 2 Summary of Significant Accounting Policies.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Board's management of working capital. It is the risk that the Board will encounter difficulty in meeting its financial obligations as they fall due.

The Board manages this risk by preparing and monitoring budgets, only investing surplus cash with major financial institutions and proactively monitoring the recovery of unpaid debts.

At the reporting date, the Board has sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The following table depicts the categorisation of financial instruments held by the Board, noting that due to the nature of the balances held, carrying value is equal to fair value:

	2021	2020
Financial assets		
Held at amortised cost		
Cash and cash equivalents	12,135,273	5,002,849
Trade and other receivables	270,819	325,122
Total financial assets	12,406,092	5,327,971
Financial liabilities		
Held at amortised cost		
Trade and other payables	117,054	1,568,187
Total financial liabilities	117,054	1,568,187

The table below reflects the undiscounted contractual maturity analysis for financial liabilities:

	Within 1 Year		1 to 5 Years		Total
	2021	2020	2021	2020	
Financial liabilities due for payment					
Trade and other payables (excluding estimated annual leave)	-	117,054	-	-	117,054
Financial liabilities due for payment					
Trade and other payables (excluding estimated annual leave)	-	117,054	-	-	117,054

The timing of expected outflows is not expected to be materially different from contracted cashflows.

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

Notes to the Financial Statements
For the Year Ended 30 June 2021

13 Financial Risk Management

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Board.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Credit risk is managed through maintaining procedures to regularly monitor the financial stability of customers and counterparties. There is no collateral held by the Board securing trade and other receivables.

14 Contingent Liabilities and Contingent Assets

In the opinion of the Directors, the Board is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report at 30 June 2021 (30 June 2020: None).

15 Commitments for Expenditure

(a)	Capital Commitments	Contracted Commitments
South Park Lands		
Procure Project Management	-	280,107
Tonkin Design Contract	-	7,997
Weiland Construction	6,414,058	-
	6,414,058	288,104
Upper Brown Hill Creek - Area 1		
Beltrame Construction Contract	-	763,585
Inside Infrastructure Project Management Contract	-	76,492
	-	840,077
Upper Brown Hill Creek - Area 3 Millswood		
Project Management	11,287	-
Engineering	85,460	-
	96,747	-
Reference Design		
Engineering Services	466,420	-
Consultant Services	256,573	-
	722,993	-
Total Contracted Commitments	7,235,798	1,128,181

All contracted commitments noted above are expected to be paid within the next twelve months.

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

**Notes to the Financial Statements
For the Year Ended 30 June 2021**

16 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Board, the results of those operations, or the state of affairs of the Board in future financial years.

17 Related Parties

Key management personnel of the Board include the Project Director and members of the Board appointed under section 112 of the Local Government Act 1989.

Payments made to key management personnel were as follows:

Salaries and Wages for the year ending 30 June 2021 is \$252,132 (2020: 245,782)

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members. There were no transactions with other related parties for the year ending 30 June 2021 (2020: Nil).

18 Statutory Information

The registered office and principal place of business of the Board is:
Brown Hill & Keswick Creeks Stormwater Board
PO Box 124 Unley SA 5061

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

**CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

In the opinion of the committee, the Financial Statements comprising of the Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Members' Funds, Statement of Cash Flows and Notes to the Financial Statements:

1. Presents a true and fair view of the financial position of Brown Hill and Keswick Creeks Stormwater Board as at 30 June 2021 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that Brown Hill and Keswick Creeks Stormwater Board will be able to pay its debts as and when they fall due.

The Board is responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Judith Choate
Chairperson

Name: Judith Choate
Position: Chairperson
Date: Sep 14, 2021 September 2021

G T Vogt
Board Member

Name: G T Vogt
Position: Board Member
Date: Sep 14, 2021 September 2021

BROWN HILL & KESWICK CREEKS STORM WATER BOARD

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Brown Hill and Keswick creeks Stormwater Board for the year ended 30 June 2021, the Board's Auditor,Galpin's..... 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*

Judy Choate

[61725641561320328208337](#)

Name: Judith Choate
Position: Chairperson

Date: Sep 14, 2021 September 2021

G. T. Vogt

[61725641561320328208337](#)

Name: G. T. Vogt
Position: Board Member

Date: Sep 14, 2021 September 2021

3 FY21 Financial Statements

Final Audit Report

2021-09-14

Created: 2021-09-14

By: Pera Mantzarapis (pera.mantzarapis@bhkstormwater.com.au)

Status: Signed

Transaction ID: CBJCHCAABAASvrv7UprQeju8hwZCKTKeKCPQa98X7

"3 FY21 Financial Statements" History

Document created by Pera Mantzarapis (pera.mantzarapis@bhkstormwater.com.au)
2021-09-14 - 6:06:53 AM GMT - IP address: 115.166.21.99

Document emailed to Judy Choate (judychoate@icloud.com) for signature
2021-09-14 - 8:11:56 AM GMT

Document emailed to G. T. Vogt. (vogt@adam.com.au) for signature
2021-09-14 - 8:11:57 AM GMT

Email viewed by G. T. Vogt. (vogt@adam.com.au)
2021-09-14 - 6:43:17 AM GMT - IP address: 119.40.111.188

Document e-signed by G. T. Vogt. (vogt@adam.com.au)
Signature Date: 2021-09-14 - 6:44:24 AM GMT - Time Source: server - IP address: 119.40.111.188

Email viewed by Judy Choate (judychoate@icloud.com)
2021-09-14 - 8:44:09 AM GMT - IP address: 58.174.42.35

Document e-signed by Judy Choate (judychoate@icloud.com)
Signature Date: 2021-09-14 - 8:44:52 AM GMT - Time Source: server - IP address: 58.174.42.35

Agreement completed.
2021-09-14 - 8:44:52 AM GMT



P 1800 934 325

E info@bhkcstormwater.com.au

PO Box 124 Unley SA 5061

www.bhkcstormwater.com.au

