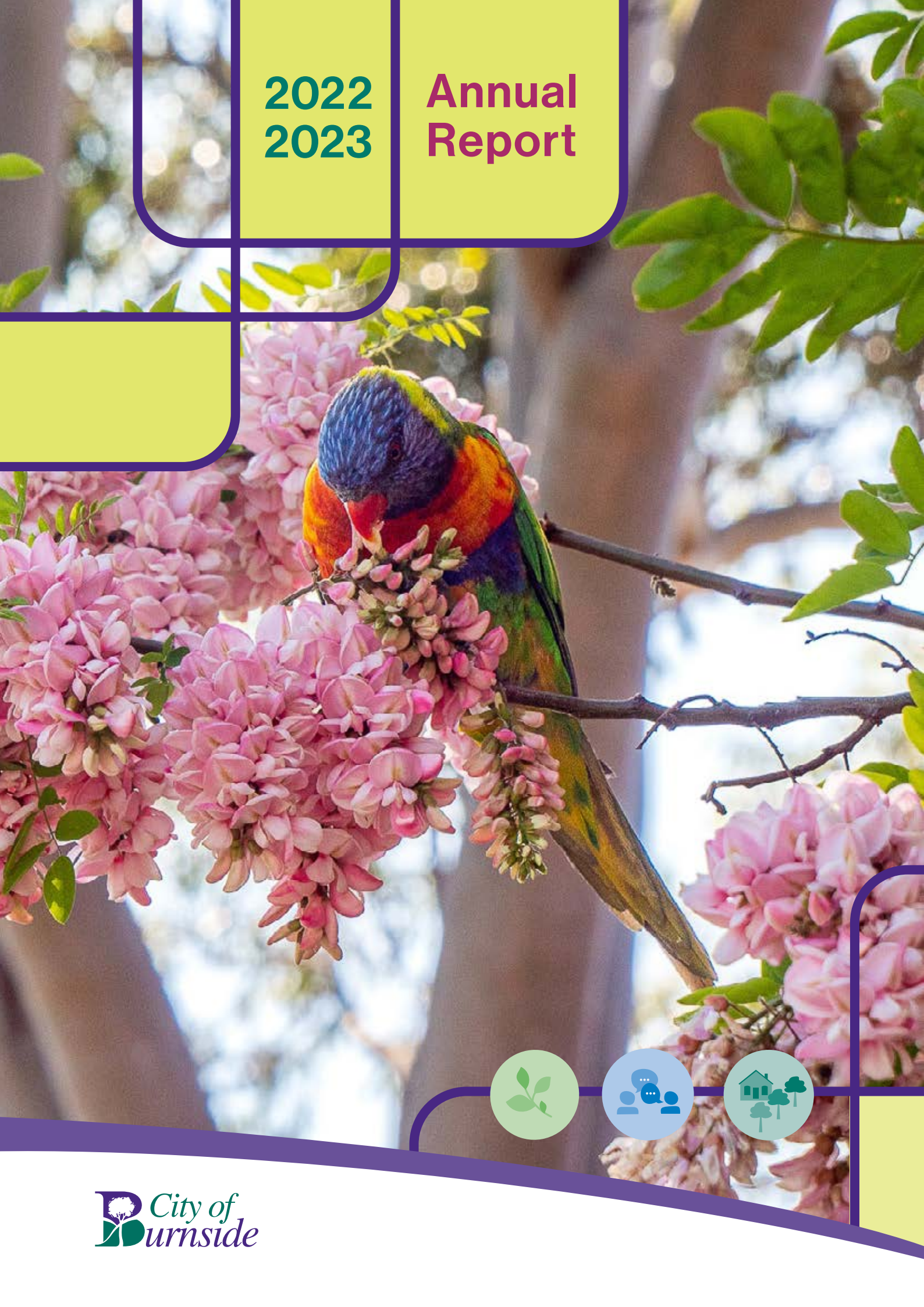


2022  
2023

# Annual Report



# 7

## Subsidiaries

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





# 2023 Annual Report





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EHA ANNUAL REPORT 2022 – 2023



EHA ANNUAL REPORT 2022 – 2023



## Message from the Chairperson



EHA continues to provide exceptional service to the community of its Constituent Councils.

### *EHA completed 83 high school immunisation visits to deliver the annual School Immunisation Program*

A new national Food Safety Standard is in place to assist food businesses in handling and processing food in a way to ensure it is safe to eat. In December 2022, Food Standards Australia New Zealand (FSANZ) added Standard 3.2.2A – Food Safety Management Tools into the Food Standards Code. The Standard is an extension of existing requirements and introduces three food safety management tools for food service, caterers and some retail businesses: a forward step towards a positive food safety culture.

These businesses will be required to implement either two or three new food safety management tools, depending on the risk posed by their food handling activities. Namely:

- mandatory food handler training,
- requirement to have a 'food safety supervisor', and
- requirement to 'substantiate' key food handling activities

Throughout the year, EHA has been actively communicating the new Standard to food businesses located within its Constituent Councils. Environmental Health Officers have also been assisting businesses where possible to help prepare and understand the expectations of these new standards before it becomes effective in December 2023.

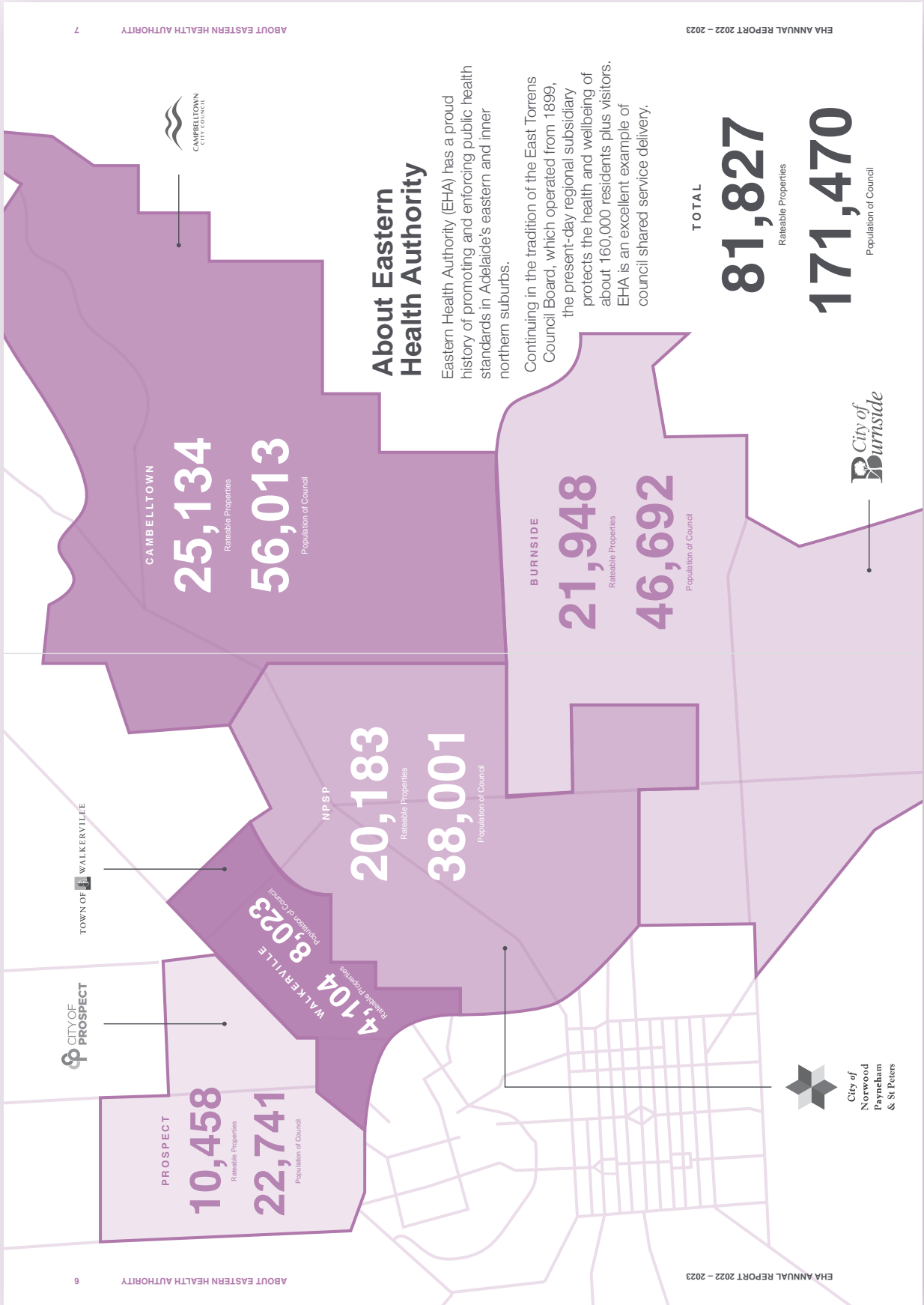
EHA was able to continue to deliver the inspections of food premises, high risk manufactured water system, supported residential facilities, swimming pools, high risk personal care and body art services and vaccination programs.

EHA has continued to promote the benefits of vaccination to all members of community with strong promotional and marketing campaigns through all 5 Constituent Council areas. Immunisation services have remained in high demand with clinics booked months in advance, particularly through the busy influenza season with an additional 3,276 influenza vaccines being provided via EHA's popular Workplace visits.

The School Immunisation Program was delivered in accordance with the SA Health Service Agreement. During 2022, EHA completed 83 high school immunisation visits to deliver the annual School Immunisation Program, with 12,425 vaccines being administered to both Year 6 and 10 students.

EHA continues to provide exceptional service to the community of its Constituent Councils.

Cr Peter Cornish  
Chairperson



### About Eastern Health Authority

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

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

## Chief Executive Officer's Report



I recently read with interest an article in the Journal of Public Health (Oxford, England) by Australian academics titled "Environmental health in Australia: overlooked and underrated". The Authors noted that Environmental health is the one discipline that has historically had the greatest impact on human health. To illustrate this, the World Health Organization is quoted in the paper as estimating that 15 of the extra 20 years of life that we now enjoy compared with a century ago can be attributed to environmental health interventions.

These environmental health interventions include the provision of vaccination, appropriate sewage disposal and safe food and drinking water, all areas that our environmental health profession have been and continue to be involved in. At a local level, most people would not be aware that their local council environmental health team monitors and inspects food premises, investigates food poisoning and legionella outbreaks, and vaccinate their babies and their children at school. They would not be aware that the team monitors the water quality of public pools and ensure there are appropriate standards in Supported Residential Facilities where some of our most vulnerable live.

Despite its extremely beneficial impact on human health, the environmental health profession remains largely invisible, potentially as a consequence of the preventative work that is undertaken. The vaccine preventable disease you didn't contract, the food poisoning you didn't get or the legionella outbreak that didn't occur are not immediately apparent to those who benefit from these interventions.

This lack of visibility has manifested in fewer students undertaking environmental health degrees and a critical shortage of Environmental Health Officers. Environmental Health Australia recently conducted a workshop with Environmental Health Managers to consider these issues. It is hoped that initiatives that have a positive impact on the profile and availability of Environmental Health Officers flow from this workshop.

With the critical shortage of qualified environmental health professionals in mind, we can reflect on the fact that EHA is structured and sized to ensure that it maintains a critical mass of

I recently read with interest an article in the Journal of Public Health (Oxford, England) by Australian academics titled "Environmental health in Australia: overlooked and underrated". The Authors noted that Environmental health is the one discipline that has historically had the greatest impact on human health. To illustrate this, the World Health Organization is quoted in the paper as estimating that 15 of the extra 20 years of life that we now enjoy compared with a century ago can be attributed to environmental health interventions.

professional, specialised staff. EHA has the flexibility to apply resources where and when needed and maintain continuity of services to cover for staff illness, and staff turnover when replacement staff are in short supply.

Over the last year EHA has continued to deliver high-quality public health protection services to more than 170,000 members of the community who live within the footprint of our Constituent Councils. I am extremely proud to continue to have the opportunity to lead talented and dedicated staff who are committed to contributing to this high-quality service and delivering positive public health outcomes.

One of the most important aspects to a healthy community is access to safe and suitable food. Fundamental to this is the appropriate monitoring of standards in Food Businesses. During this financial year there were 1,447 food safety inspections conducted at 1,329 business located within our area. It was pleasing to note that the average non-compliances observed per routine inspection and the number of legal actions required both decreased. This translated to a 17% increase in the number of businesses receiving a Food Safety Star Rating of 3, 4 or 5 stars. An overall improvement in food businesses' willingness to comply with the food safety standards is a step towards a positive food safety culture. These improvements are a reflection of our officers' commitment and willingness to take time to educate food handlers and businesses, as well as follow-up on non-compliances with the standards.

Hearding and squalor continues to be an issue within our community. The ongoing management of these matters are complex and time consuming. It is pleasing to see that the Local Government Association of South Australia is conducting surveys that it hopes will help improve the

way councils deal with the problem. Improvements in inter-agency collaboration in this area would be extremely welcome and of great value to the community.

Immunisation is the safest and most effective way of protecting children and adults from harmful infectious diseases. Significantly, it is estimated that vaccinations currently save up to three million lives worldwide each year. Our immunisation services continue to be incredibly popular with over 24,000 vaccinations given at public clinics, high schools, and worksites during the year. Our accessible public clinics are an important contributor to community herd immunity and disease reduction.

Vaccinations at public clinics (8,490) increased by 15% this year with big numbers seen in the influenza season. Our vaccine coverage rates for the Social Immunisation Program, where we delivered 12,423 vaccines, continue to be well above the state average. As well as servicing our Constituent Council areas, EHA continues to provide immunisation services to the City of Unley, and Adelaide Hills Council. At these venues we have seen an even greater increase in patronage, which is a reflection of the excellent service our staff provide in the immunisation delivery space.

In conclusion, I would like to thank the EHA Board Members for their genuine interest in Public Health and their support for the important work we undertake on behalf of their respective communities. And to EHA's professional and committed staff, my thanks for providing the highest quality health protection service and making EHA such a wonderful organisation to lead.

Michael Livori  
Chief Executive Officer





# Governance

EHA is a body corporate, governed by a Board of Management comprised of two members from each Constituent Council.



## Board of Management 2023

The Board met seven (7) times during the year to consider EHA's business. One (1) of the meetings was via Circular Resolution.

\*Board Member from Jul-Dec 2022 only (August & November meetings 2022)

\*\*Board Member from Feb 2023 to present (February - June meetings 2023)

City / Town	Member	Total Meetings Attended
City Of Burnside	Cr P Cornish	●●●●●○○
	Cr J Davey*	●○
	Cr J Turnbull*	○○
	Cr L Henschke** (as of May 2023)	●○○○
City Of Norwood Payneham & St Peters	Cr S Whittington	●●●●●○○
	Cr G Knoblauch*	●●
	Cr K Moorhouse**	●●●●●
Campbelltown City Council	Cr J Kennedy*	●●
	Cr M Hammond	●●●●●○○
	Cr M Noble**	●●●●●

City / Town	Member	Total Meetings Attended
City Of Prospect	Cr K Barnett	●●●●●●●
	J Pearce*	●●
	Cr T Nguyen**	●●●●○
Town Of Walkerville	Cr J Nenke	●●●●○○
	Cr N Coleman*	○○
	Cr J Allanson**	●●●●●

## Finance Audit Committee

Members of EHA's Audit Committee include:

Madeleine Harding - Presiding Member

Paula Davies - Independent Member

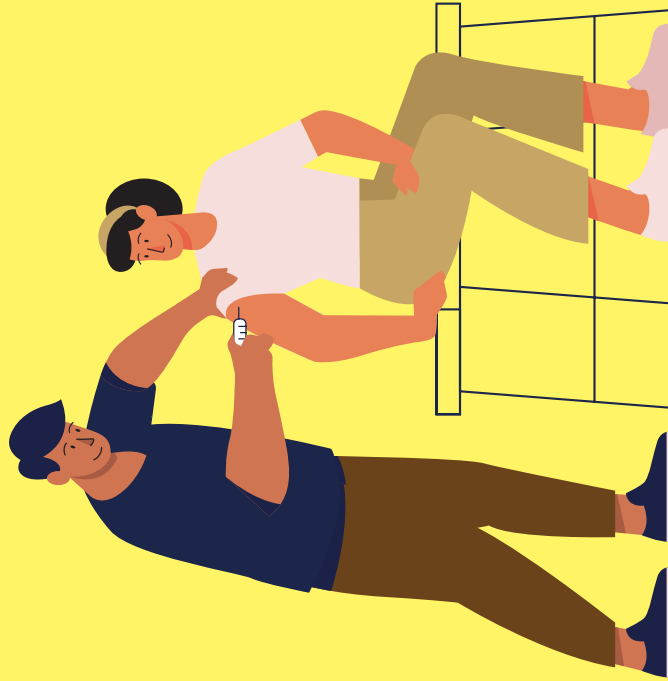
Board Appointed Member Cr Peter Cornish

The Committee met on three occasions during the year.



# 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.



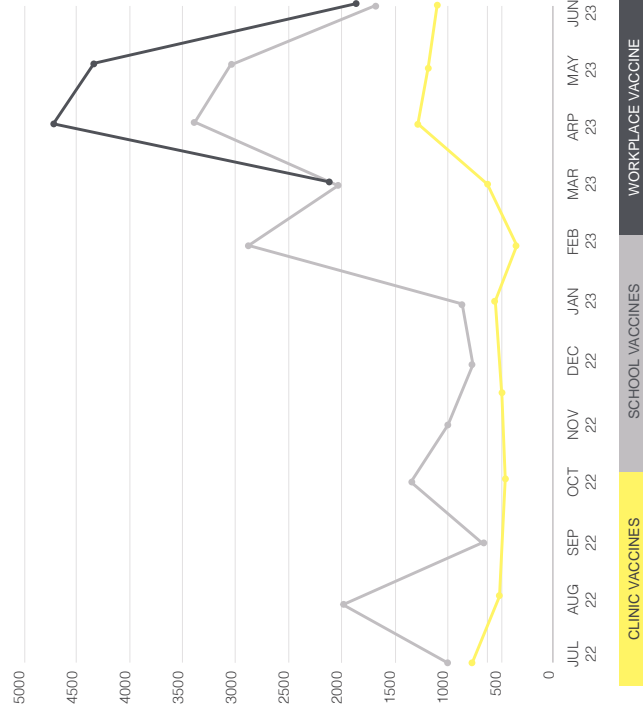




EHA provides a comprehensive, specialised, and convenient immunisation service by way of public immunisation clinics, school immunisation program and workplace immunisation programs to the residents of our Constituent Councils.

A commitment to increasing immunisation coverage rates by providing access to convenient, family-friendly immunisation services is something EHA prides itself on and is a well-known provider within the five Constituent Councils.

Combined demand for all immunisation services over the last year.



EHA offers a 'catch-up' service to residents who have recently arrived in Australia or have overseas records which need to be updated to the Australian Immunisation Register (AIR). Over the past year we have assisted 117 families and children with assessing and updating their immunisation history. In 2020, the State Government introduced a 'no jab, no play' policy that prohibits children that are not fully vaccinated enrolment into childcare and preschool.

Many of these catch-up assessments were completed at our EHA clinics to bring them up to date with the National Immunisation Program (NIP).



# Public Immunisation Clinics

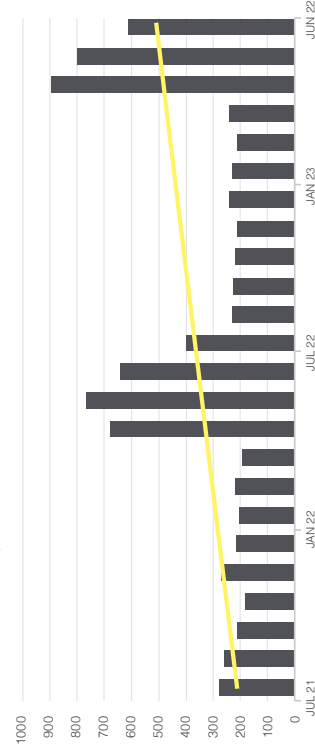
464 INCREASE (11%) from last year

4,550 clients were provided with

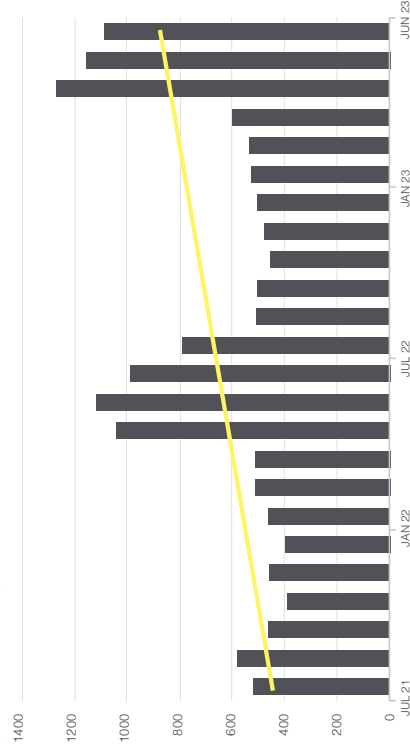
8,490 vaccinations

1,080 INCREASE (15%) from last year

Client attendance at public immunisation clinics for the last 3 years.



The number of vaccines delivered 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 attended (clinic venue by %)						
		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Adelaide Hills	Unley
Burnside	1,036	32%	5%	53%	1%	1%	0%	8%
Campbelltown	1,000	5%	32%	58%	1%	2%	0%	2%
NPSP	1,003	6%	5%	83%	1%	1%	0%	3%
Prospect	333	3%	5%	55%	28%	5%	0%	5%
Walkerville	286	4%	2%	77%	4%	8%	0%	6%
Adelaide Hills	179	8%	4%	13%	0%	1%	69%	5%
Unley	441	7%	1%	30%	1%	1%	0%	60%
Other	272	10%	9%	40%	3%	2%	6%	31%
<b>Total Number of Clients</b>	<b>4,550</b>							

## School Immunisation Program 2022

During 2022, EHA continued its delivery of the School Immunisation Program (SIP). We attended a total of 83 year level visits within the SIP to deliver the total of 12,423 vaccines to both Year 8 and 10 students.

A 16% increase in vaccine numbers and a 24% increase in the school visits is a result of the inclusion of Adelaide Hills Council and City of Unley Council immunisation contracts that began in January 2022.

School Vaccinations for Calendar Year to Date – January to December 2022

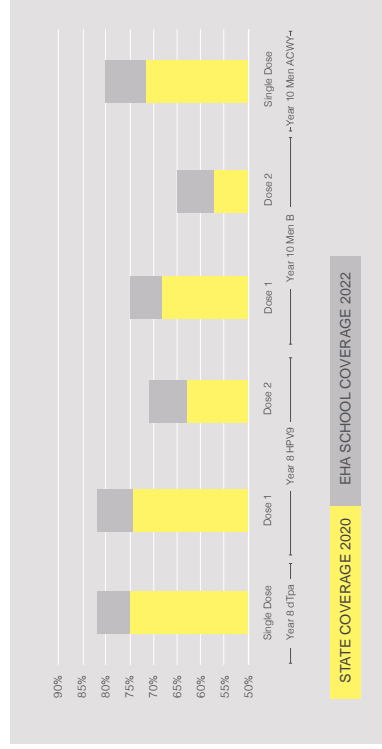
Council	Human Papillomavirus (HPV9)	Diphtheria Tetanus and Pertussis (dTpa)	Meningococcal B (Men B)	Meningococcal ACYW (Men ACWY)	Total
Burnside	1,480	815	1,374	813	4,482
Campbelltown	326	227	442	199	1,194
NPSP	961	485	943	585	2,974
Prospect	221	118	155	88	582
Walkerville	137	73	129	77	416
Unley	294	161	287	175	917
Adelaide Hills	598	326	586	348	1,858
<b>Total</b>	<b>4,017</b>	<b>2,205</b>	<b>3,916</b>	<b>2,285</b>	<b>12,423</b>



Comparison of School Vaccines administered by EHA over a 3-year period.



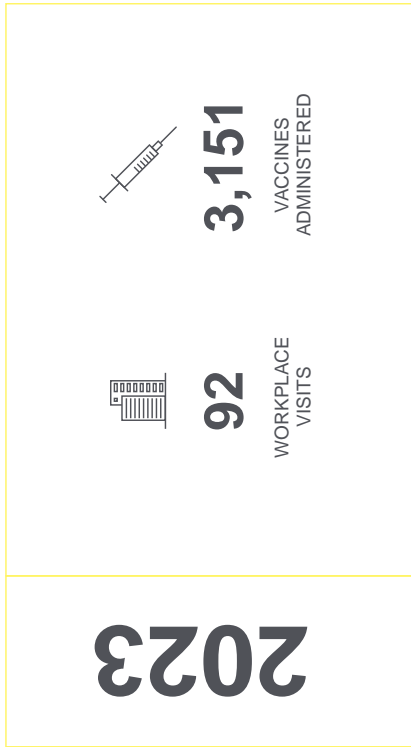
A graph illustrating EHA vaccine coverage rates compared with the SA State coverage rates across all vaccines administered.



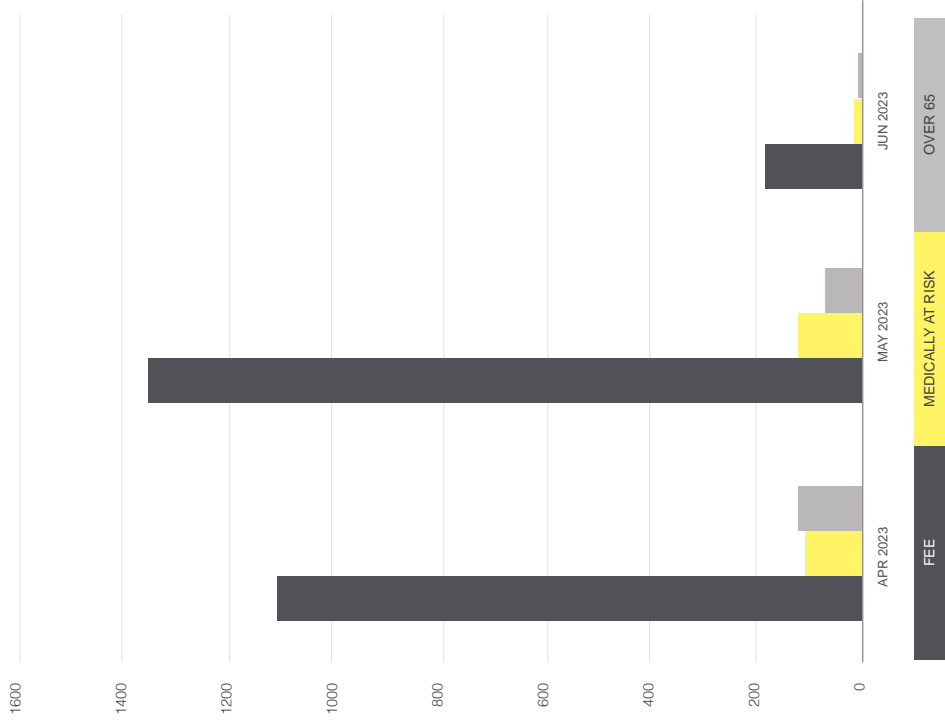


### Workplace Immunisation Program

EHA provides an efficient and competitive service for workplaces to protect their staff from the highly infectious influenza virus. EHA's workplace program enables private businesses, schools, childcare centres, and government departments have their staff vaccinated on site by experienced nurses at a convenient time. During the period, April to June in 2023, a total of 92 workplace visits were conducted, with 3,151 influenza vaccines delivered.



Breakdown of influenza vaccines administered at workplaces during April-June 2023



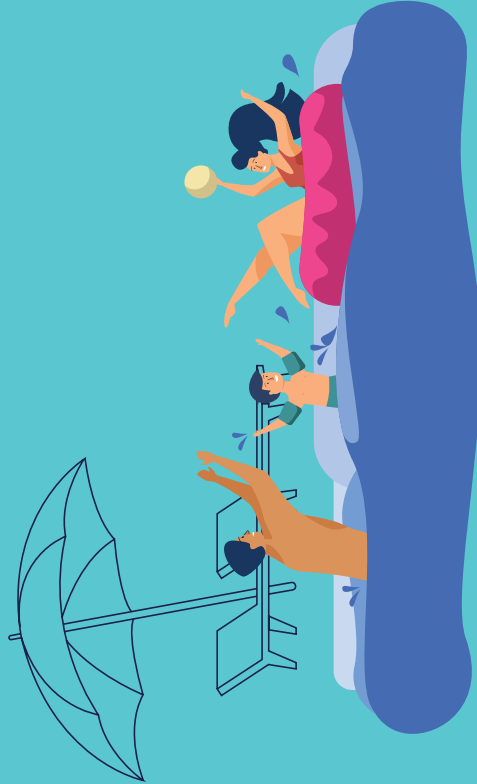




# Public and Environmental Health

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 Environmental health](https://www.neha.org.au)





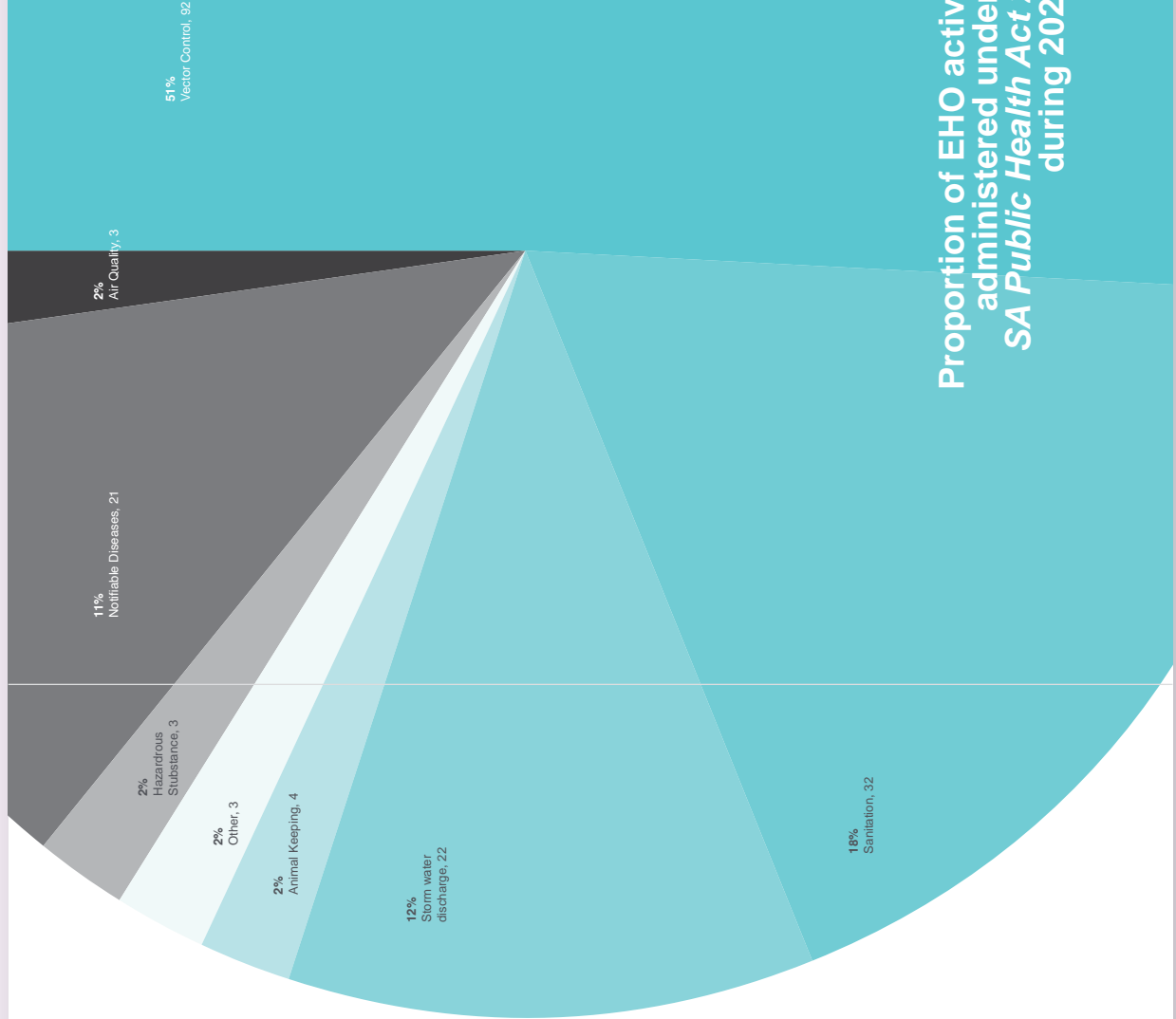
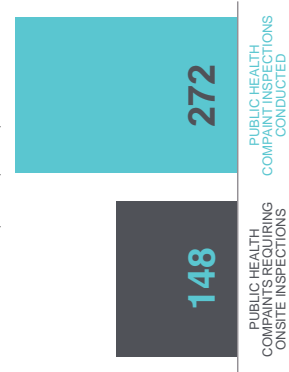
## Complaints and Referrals

Environmental Health Officer's investigate public health related complaints/referrals from the public or State Government agencies under the SA Public Health Act 2011.

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



1.84 inspections per complaint



## Proportion of EHO activities administered under the SA Public Health Act 2011 during 2022-23



Vector Control



44

Rats/Mice

Squalor

10

2020-21



9

Mosquitoes

Hoarding

5

2020-21

3

2021-22



6

Pigeons

4

2022-23

2,699 inspections per complaint

32

SANITATION COMPLAINTS RECEIVED

86

SANITATION COMPLAINT INSPECTIONS CONDUCTED



32

Sanitation complaints decrease from 36 investigations (2021-22)

21

Notifiable Diseases complaints investigated increased from 18 investigations received the previous year

22

Stormwater discharge complaints increase from 15 investigations received the previous year

Notifiable Diseases

	2021-22	2022-23
Campylobacter	261	309 ▲
Salmonella	43	56 ▲
Legionellosis	1	5 ▲
Cryptosporidiosis	5	9 ▲
Hepatitis A	0	1 ▲
Rotavirus	49	66 ▲
COVID-19	6,470	14,467 ▲

There was an increase in notifications in the number of notifiable diseases when compared to the previous year, particularly COVID-19. This increase may be attributed to the introduction of interstate and international travel and easing of social restrictions.

It is also worth noting that number of cases would have been influenced by vaccination rates in the community, circulation of new strains of COVID and the health seeking behaviours of the community.





## Monitoring and Surveillance

Cooling Towers and Warm Water Systems (HRMWS)	4 Warm Water Systems at 8 sites
12 Cooling Towers at 18 sites	4 Warm Water Systems at 8 sites
Routine inspections	Routine inspections
20	9

**2** detections of *Legionella*

**2** from water samples taken from two separate HRMWS sites during routine inspections

**1** from internal water testing taken from a facility.

**3** *Legionella* Disease Notifications

**3** Desktop investigations and two requiring further onsite investigations

### Waste Control Systems

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

**2** Two onsite wastewater applications for wastewater works were received.

**4** Four wastewater applications approved and two pending decisions.

**0** Complaints received.



## Public Swimming Pools and Spas

42 swimming pool and spa's at 27 sites

Routine inspections	55
Follow-up inspections	8
Complaint inspections	2

## Personal Care and Body Art (PCBA)

All 11 tattoo premises involving high risk skin penetration practice were assessed. One follow-up inspection was required. No complaints were received and investigated at a beauty premises.

## Health Care and Community Services

**LICENSING** **3** Licence renewal applications were received and approved. 3 facilities – 1 year

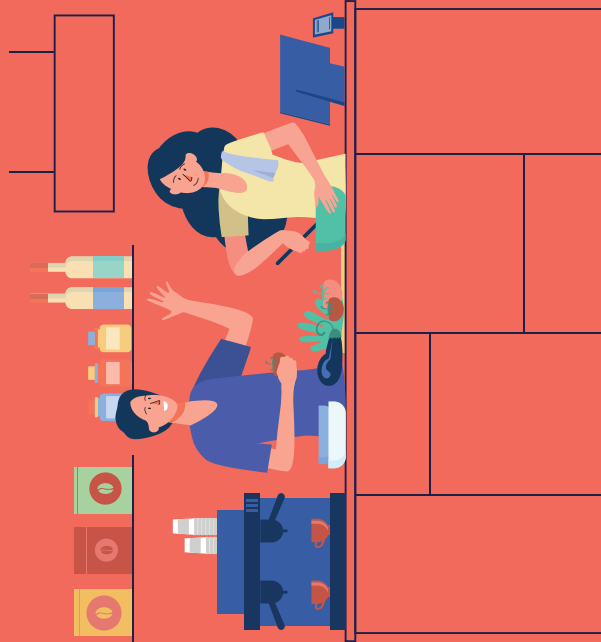
**MONITORING** **5** Routine licensing audits were conducted across 3 facilities.

**COMPLAINTS** **2** Complaint investigations were undertaken / ongoing.



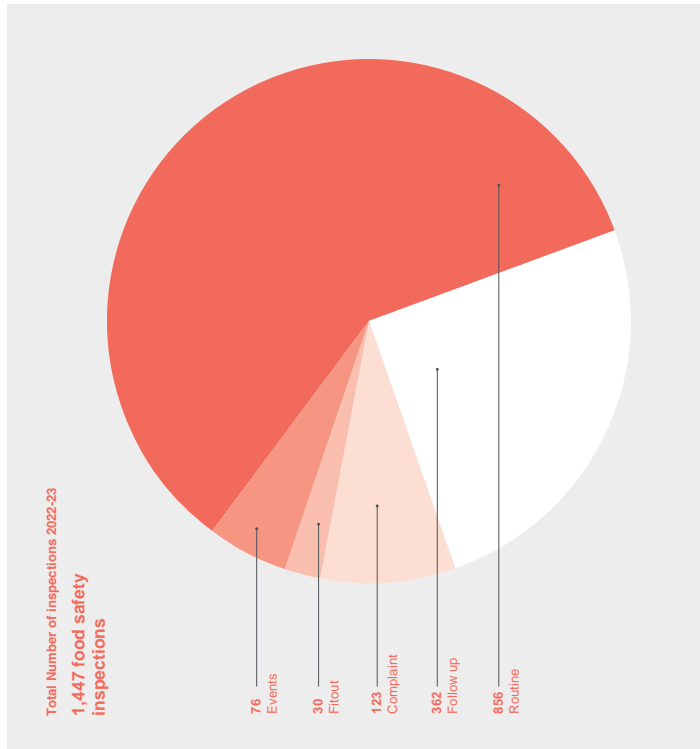
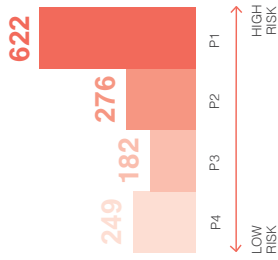
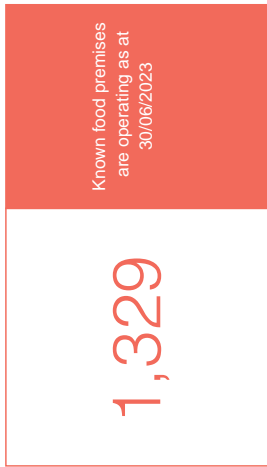
# Food Safety

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



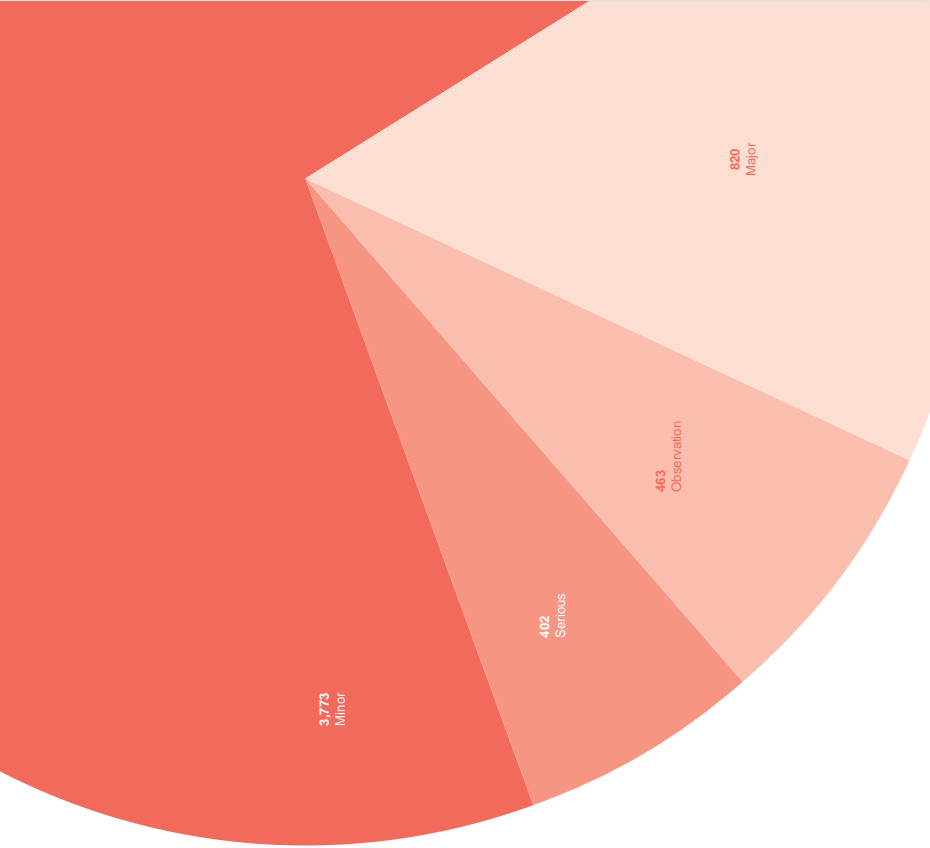


# Food Safety Inspections



# Non compliances observed during routine food inspections in 2022-23

5,458 non compliances



Participation of the SA Health Food Star Rating Scheme (FSRS) commenced on 1 July 2023.

A total of **535** businesses are captured within the scheme.

**598** captured FSRS inspections

**27%**  
42% increase ↗

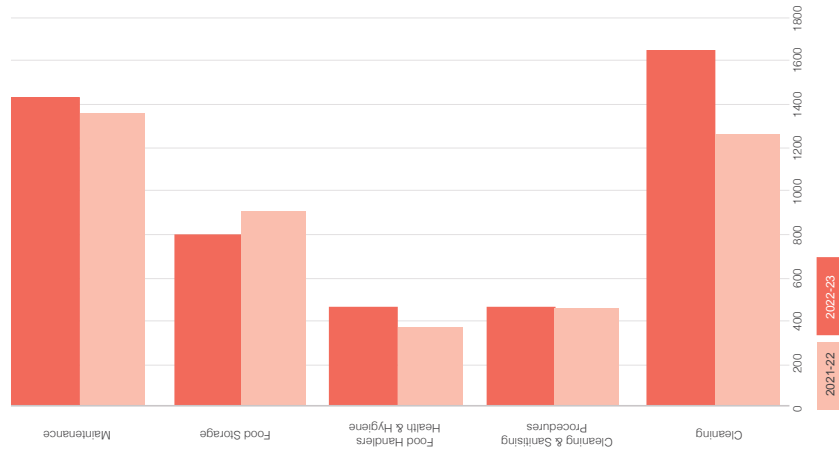
**20%**  
11% increase ↗

**16%**  
0% increase →

**38%**  
19% decrease ↘

## The average non-compliances observed per routine inspections decreased by 17%.

Two year comparison of the types of food safety non-compliances observed during routine inspections during 2022-23.



## Food Safety Enforcement

**43%**

Routine inspections requiring a follow-up  
**Decrease from 59%**

A graph illustrating the graduated response to enforcement under the Food Act 2001.



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

**Number of businesses requiring legal action per risk rating.**

	P1	P2	P3
Warning Letter	10	2	0
Improvement Notices	32	5	0
Offences Expiated	4	3	0
Prohibition Orders	3	0	0

**Improvement Notices**

**37**

Improvement Notices issued to 25 food businesses

**Expiations**

**6**

businesses were expiated under the Food Act 2001.

**25**

Businesses issued with multiple Improvement Notices

**0.70%**

of routine inspections resulted in the issue of an Expiation Notice.

**2.92%**

of routine inspections resulted in the issue of an Improvement Notice.

2021-22

## Food Safety Audits

Scheduled food safety audits of food businesses serving food to vulnerable populations

**157** Scheduled Audits  
9.8% increase

**82**

8 increase Within EHA

**75**

6 increase outside of EHA's area

**4**

follow-up audits

## Food Safety Complaints

**112**

Food related complaints

**29%**

Alleged food poisoning

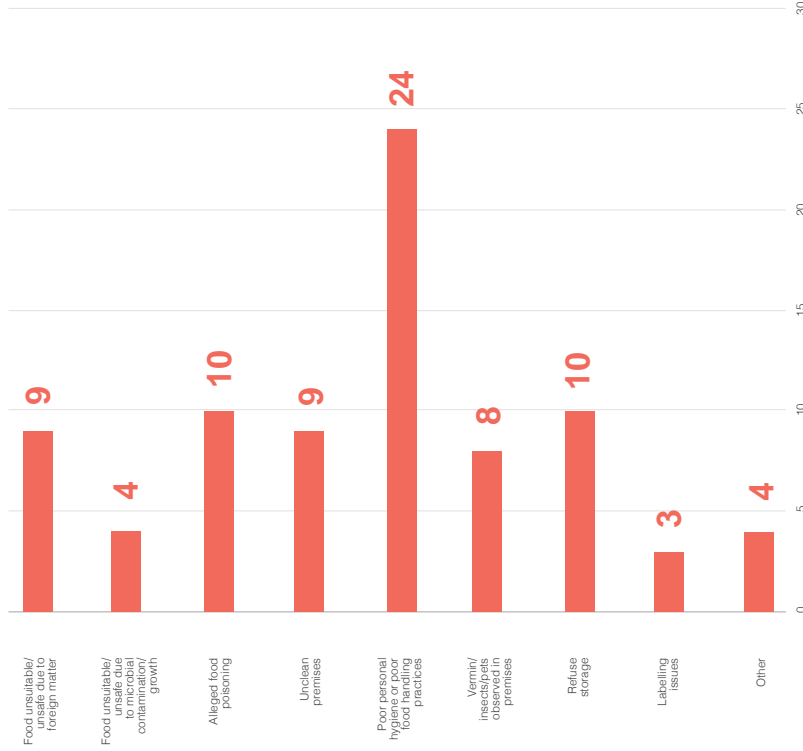
**14%**

Unclean Premises

**19%**

Alleged food poisoning and poor personal hygiene and food handling practices.

Types of Food Complaints received in 2023.



Six food safety training sessions held.  
**75 participants attended.**



	2022	2023
<b>INCOME</b>		
Council Contributions	1,828,263	1,828,000
Statutory charges	111,391	136,026
User charges	295,541	457,619
Grants, subsidies and contributions	226,108	230,170
Investment income	4,320	15,866
Other income	3,585	7,255
<b>TOTAL INCOME</b>	<b>2,469,208</b>	<b>2,674,936</b>
<b>EXPENSES</b>		
Employee Costs	1,750,609	1,881,592
Materials, contracts & other expenses	516,677	571,267
Depreciation, amortisation & impairment	168,844	159,013
Finance costs	44,752	37,681
<b>TOTAL EXPENSES</b>	<b>2,482,882</b>	<b>2,649,553</b>
<b>OPERATING SURPLUS (DEFICIT)</b>		
Asset disposal & fair value adjustments		
NET SURPLUS/(DEFICIT)	(13,674)	25,383
Other Comprehensive Income		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(13,674)</b>	<b>25,383</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	640,883	644,769
Trade and Other Receivables	231,080	271,901
<b>TOTAL CURRENT ASSETS</b>	<b>871,963</b>	<b>916,670</b>
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment	1,214,249	1,104,793
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,214,249</b>	<b>1,104,793</b>
<b>TOTAL ASSETS</b>	<b>2,086,212</b>	<b>2,021,463</b>
<b>CURRENT LIABILITIES</b>		
Trade & Other Payables	133,225	121,916
Borrowings	140,794	111,865
Provisions	289,466	285,063
Liabilities relating to Non-current Assets held for Sale	563,485	518,864
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,126,970</b>	<b>1,037,728</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	961,297	881,032
Provisions	9,860	44,614
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>971,157</b>	<b>925,646</b>
<b>TOTAL LIABILITIES</b>	<b>1,534,642</b>	<b>1,444,510</b>
<b>NET ASSETS</b>	<b>551,570</b>	<b>576,953</b>
<b>EQUITY</b>		
Accumulated Surplus	551,570	576,953
<b>TOTAL EQUITY</b>	<b>551,570</b>	<b>576,953</b>

# Summary

Financial Statement  
for the year ending  
30 June 2023

**Eastern Health Authority**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2023**

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**EASTERN HEALTH AUTHORITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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 1995, 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 2023 and the results of its operations and cash flows for the financial year;
  - internal controls implemented by EHA provide a reasonable assurance that EHA's financial records are complete, accurate and reliable and were effective throughout the financial year;
  - the financial statements accurately reflect EHA's accounting and financial records.

  
 Michael Lee  
**CHIEF EXECUTIVE OFFICER**

  
 Cr Peter Corbish  
**CHAIRPERSON**  
 BOARD OF MANAGEMENT

Date: 30 August 2023

**Eastern Health Authority**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2023**

	Notes	2023	2022
		\$	\$
<b>INCOME</b>			
Council Contributions	2	1,828,000	1,828,263
Statutory charges	2	136,026	111,391
User charges	2	457,619	295,541
Grants, subsidies and contributions - Operating	2	230,170	226,108
Investment income	2	15,866	4,320
Other income	2	7,255	3,585
<b>Total Income</b>		<u>2,674,936</u>	<u>2,469,208</u>
<b>EXPENSES</b>			
Employee costs	3	1,881,592	1,750,609
Materials, contracts & other expenses	3	571,267	516,677
Depreciation, amortisation & impairment	3	159,013	168,844
Finance costs	3	37,681	46,752
<b>Total Expenses</b>		<u>2,649,553</u>	<u>2,482,882</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>25,383</u>	<u>(13,674)</u>
<b>Other Comprehensive Income</b>			
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>25,383</u>	<u>(13,674)</u>

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

**Eastern Health Authority**  
**Statement of Financial Position**  
**as at 30 June 2023**

ASSETS	Notes	2023	2022
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	4	644,769	640,883
Trade & other receivables	4	271,901	231,080
<b>Total Current Assets</b>		<u>916,670</u>	<u>871,963</u>
<b>Non-current Assets</b>			
Property, plant & equipment	5	1,104,793	1,214,249
<b>Total Non-current Assets</b>		<u>1,104,793</u>	<u>1,214,249</u>
<b>Total Assets</b>		<u>2,021,463</u>	<u>2,086,212</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	121,916	133,225
Borrowings	6	111,865	140,794
Provisions	6	285,083	289,466
<b>Total Current Liabilities</b>		<u>518,864</u>	<u>563,485</u>
<b>Non-current Liabilities</b>			
Borrowings	6	881,032	961,297
Provisions	6	44,614	9,860
<b>Total Non-current Liabilities</b>		<u>925,646</u>	<u>971,157</u>
<b>Total Liabilities</b>		<u>1,444,510</u>	<u>1,534,642</u>
<b>NET ASSETS</b>		<u>576,953</u>	<u>551,570</u>
<b>EQUITY</b>			
Accumulated surplus	Notes	2023	2022
		\$	\$
<b>TOTAL EQUITY</b>		<u>576,953</u>	<u>551,570</u>

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 2023

	2023	2022
Balance at end of previous reporting period	551,570	565,244
<b>Net Surplus / (Deficit) for Year</b>	<b>25,383</b>	<b>(13,674)</b>
<b>Balance at end of period</b>	<b>576,953</b>	<b>551,570</b>

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

	Acc'd Surplus	TOTAL EQUITY
Notes	\$	\$
	551,570	551,570
	25,383	25,383
	<u>576,953</u>	<u>576,953</u>

	Notes	\$
Balance at end of previous reporting period		565,244
<b>Net Surplus / (Deficit) for Year</b>		<b>(13,674)</b>
<b>Balance at end of period</b>		<b>551,570</b>

**Eastern Health Authority**  
Statement of Cash Flows  
for the year ended 30 June 2023

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Receipts:</i>		
Council Contributions	1,828,000	1,828,263
Fees & other charges	136,026	111,391
User charges	418,158	227,946
Investment receipts	14,506	4,044
Grants utilised for operating purposes	230,170	226,108
Other revenues	7,633	3,585
<b>Payments:</b>		
Employee costs	(1,847,155)	(1,764,556)
Materials, contracts & other expenses	(586,184)	(536,431)
Finance payments	(38,517)	(48,367)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>162,637</b>	<b>51,983</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<i>Payments:</i>		
Expenditure on renewal/replacement of assets	(49,557)	(82,379)
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(49,557)</b>	<b>(82,379)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<i>Payments:</i>		
Repayments of borrowings	(38,391)	(74,132)
Repayment of principal portion of lease liabilities	(70,803)	(37,485)
<b>Net Cash provided by (or used in) Financing Activities</b>	<b>(109,194)</b>	<b>(111,617)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>3,886</b>	<b>(142,013)</b>
Cash & cash equivalents at beginning of period	7	782,896
<b>Cash &amp; cash equivalents at end of period</b>	<b>7</b>	<b>640,883</b>

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

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**  
**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 on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.  
The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated (insert date).
- 1.2 Historical Cost Convention**  
Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.
- 1.3 Critical Accounting Estimates**  
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Eastern Health Authority's (EHA) accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.
- 1.4 Rounding**  
All amounts in the financial statements have been rounded to the nearest dollar.
- 2 The Local Government Reporting Entity**  
EHA is incorporated under the SA Local Government Act 1999 and has its principal place of business at 101 Payneham Rd, St Peters SA. These consolidated financial statements include EHA's direct operations and all entities through which EHA controls resources to carry on its functions. In the process of reporting on EHA as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

- 3 Income recognition**
- 3.1 Revenue**  
EHA 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 EHA expects to be entitled in a contract with a customer.  
In other cases, AASB 1058 applies when EHA 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 EHA to acquire or construct a recognisable non-financial asset that is to be controlled by the EHA. In this case, EHA 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 2023**  
**Note 1 - Significant Accounting Policies**

- 4 Cash, Cash Equivalents and Other Financial Instruments**
- 4.1 Cash, Cash Equivalent Assets**

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

- 4.2 Other Financial Instruments**  
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 also form part of Note 8.

- 6 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.
- 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 EHA for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 5. No capitalisation threshold is applied to the acquisition of land or interests in land.
- 6.4 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 EHA, best reflects the consumption of the service potential embodied in those assets.  
Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.  
Major depreciation periods for each class of asset are shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to EHA, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.
- 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 EHA 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.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 1 - Significant Accounting Policies**

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

**8 Borrowings**

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

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables". Interest free loans are initially recognised at fair value with any difference between fair value and proceeds recognised in the profit and loss. The loan is subsequently measured at amortised cost with interest being recognised using the effective interest rate method.

**9 Provisions**

**9.1 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 EHA experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. EHA does not make payment for untaken sick leave.

Superannuation:

EHA makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and EHA's involvement with the schemes are reported in Note 11.

**10 Leases**

EHA 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.

**EHA as a lessee**

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

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 1 - Significant Accounting Policies**

**i) Right-of-use assets**

EHA 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.

**ii) Lease liabilities**

At the commencement date of the lease, EHA 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, EHA uses its incremental borrowing rate or the interest rate implicit in the lease.

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

EHA 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.

**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 and amended standards and interpretations**

EHA applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. New standards and amendments relevant to EHA are listed below. EHA has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Nil

**Eastern Health Authority**  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 2 - INCOME

	2023	2022
	Notes	Notes
	\$	\$
<b>COUNCIL CONTRIBUTIONS</b>		
City of Burnside	494,233	448,572
Cambelltown City Council	453,186	478,298
City of Norwood, Payneham & St Peters	584,210	571,786
City of Prospect	214,740	225,897
Town of Walkerville	81,631	103,710
	<u>1,828,000</u>	<u>1,828,263</u>
<b>STATUTORY CHARGES</b>		
Inspection Fees: Food	107,990	91,848
Inspection Fees: Legionella	10,027	8,524
SRF Licences	1,630	2,145
Fines & expiation fees	16,379	8,874
	<u>136,026</u>	<u>111,391</u>
<b>USER CHARGES</b>		
Immunisation: Clinic Vaccines	86,207	68,441
Immunisation: Service Provision	152,625	69,000
Immunisation: Worksite Vaccines	96,177	73,044
Immunisation: Clinic Service Fee	1,640	1,050
Food Auditing	120,970	84,006
	<u>457,619</u>	<u>295,541</u>
<b>INVESTMENT INCOME</b>		
Interest on investments:		
Local Government Finance Authority	15,866	4,320
	<u>15,866</u>	<u>4,320</u>
<b>OTHER INCOME</b>		
Motor Vehicle Reimbursements	4,357	2,992
Sundry	2,898	593
	<u>7,255</u>	<u>3,585</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Other grants, subsidies and contributions - Operating		
Immunisation: School Programme	209,229	182,701
Immunisation: AIR	18,941	18,240
Immunisation: PHN Project	2,000	25,167
	<u>230,170</u>	<u>226,108</u>
	<u>230,170</u>	<u>226,108</u>
<b>Sources of grants</b>		
Other	230,170	226,108
	<u>230,170</u>	<u>226,108</u>

**Eastern Health Authority**  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 3 - EXPENSE

	2023	2022
	Notes	Notes
	\$	\$
<b>EMPLOYEE COSTS</b>		
Salaries and Wages	1,580,063	1,510,095
Employee leave expense	54,041	18,047
Superannuation - defined contribution plan contributions	172,557	144,032
Superannuation - defined benefit plan contributions	20,103	16,909
Workers' Compensation Insurance	20,160	16,451
Other - Agency staff and Consultant Medical Officer	34,668	45,075
	<u>1,881,592</u>	<u>1,750,609</u>
<b>Total Number of Employees</b>	18	18
<i>(Full time equivalent at end of reporting period)</i>		
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
Prescribed Expenses		
Auditor's Remuneration	8,800	8,300
- Auditing the financial reports		4,251
Bad and Doubtful Debts		10,437
Governance expenses	16,038	15,783
Lease Expenses - short term leases	26,942	15,783
Subtotal - Prescribed Expenses	10	<u>38,771</u>
<b>Other Materials, Contracts &amp; Expenses</b>		
Accounting	3,775	5,127
Contractors	28,290	23,154
Energy	7,182	8,868
Fringe benefits tax	14,480	14,272
Human resources	8,794	15,657
Income protection	31,047	25,692
Insurance	39,010	30,085
IT licencing & support	151,411	147,883
Legal Expenses	14,321	13,560
Motor vehicle expenses	25,465	19,895
Parts, accessories & consumables	105,347	94,211
Printing & stationery	24,387	17,660
Staff training	20,974	13,410
Sundry	22,759	22,327
Telephone	16,248	17,758
Work health & safety consultancy	5,997	8,347
Subtotal - Other Materials, Contracts & Expenses	<u>519,487</u>	<u>477,906</u>
	<u>571,267</u>	<u>516,677</u>



**Eastern Health Authority**  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 4 - CURRENT ASSETS

	2023	2022
	\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash on Hand and at Bank	199,093	159,713
Deposits at Call	445,676	481,170
	<u>644,769</u>	<u>640,883</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Accrued Revenues	1,729	369
Debtors - general	270,172	230,711
	<u>271,901</u>	<u>231,080</u>

**Eastern Health Authority**  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 3 - EXPENSE con't

	2023	2022
	\$	\$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings & Other Structures	27,394	23,642
Office Equipment, Furniture & Fittings	3,752	14,247
Right of Use Assets	127,867	130,955
	<u>159,013</u>	<u>168,844</u>
<b>FINANCE COSTS</b>		
Interest on Loans	(836)	5,532
Interest on Leases	38,517	41,220
	<u>37,681</u>	<u>46,752</u>

**Eastern Health Authority**  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

**Note 5- PROPERTY, PLANT & EQUIPMENT (IPPE)**

Fair Value Level	2022				2023			
	Fair Value	Cost	Acc Dep'n	Carrying Amount	Fair Value	Cost	Acc Dep'n	Carrying Amount
	-	472,846	(259,254)	213,592	-	472,846	(266,648)	186,198
Buildings & Other Structures	-	288,730	(250,229)	18,501	-	281,287	(253,981)	27,306
Office Equipment, Furniture & Fixtures	-	1,325,000	(942,846)	892,156	-	1,362,000	(670,711)	891,289
Right of Use Assets	-	2,065,576	(82,327)	1,244,249	-	2,116,133	(1,071,340)	1,104,793
<b>Total IPPE</b>	-	2,070,032	(785,319)	1,300,714	-	2,066,576	(882,327)	1,274,249

**Comparatives**

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 2023

**Note 5- PROPERTY, PLANT & EQUIPMENT**

	Carrying Amounts Movement During the Year									
	\$									
	2022 Carrying Amount	Additions New / Upgrade	Renovations	Disposals	Dep'n	Impairt	Transfers		2023 Carrying Amount	
Buildings & Other Structures	213,592	-	-	-	(27,364)	-	In	Out	-	186,198
Office Equipment, Furniture & Fixtures	18,501	-	12,657	-	(3,752)	-	-	-	-	27,306
Right of Use Assets	892,156	-	37,000	-	(137,887)	-	-	-	-	891,289
<b>Total IPPE</b>	<b>1,214,249</b>	<b>-</b>	<b>49,657</b>	<b>-</b>	<b>(169,013)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,104,793</b>
<b>Comparatives</b>	<b>1,300,714</b>	<b>-</b>	<b>82,279</b>	<b>-</b>	<b>(168,648)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,274,249</b>

This note continues on the following pages.

**Eastern Health Authority**  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 6 - LIABILITIES

	2023		2022	
	Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services	60,791	-	75,708	-
Accrued expenses - employee entitlements	58,987	-	54,921	-
Accrued expenses - other	-	-	836	-
GST Payable	2,138	-	1,760	-
	<u>121,916</u>	<u>-</u>	<u>133,225</u>	<u>-</u>
<b>BORROWINGS</b>				
Loans	-	-	38,391	-
Leases Liabilities	111,865	881,032	102,403	961,297
	<u>111,865</u>	<u>881,032</u>	<u>140,794</u>	<u>961,297</u>
<b>PROVISIONS</b>				
LSL Employee entitlements (including oncosts)	136,974	44,614	165,971	9,860
AL Employee entitlements (including oncosts)	148,109	-	123,495	-
	<u>285,083</u>	<u>44,614</u>	<u>289,466</u>	<u>9,860</u>

Amounts included in provisions that are not expected to be settled within 12 months of reporting date.

**Eastern Health Authority**  
Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

	2023	2022
<b>(a) Reconciliation of Cash</b>		
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Total cash & equivalent assets	644,769	640,883
Balances per Cash Flow Statement	<u>644,769</u>	<u>640,883</u>
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>		
Net Surplus (Deficit)	25,383	(13,674)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	159,013	168,844
Net increase (decrease) in unpaid employee benefits	34,437	(13,947)
	<u>218,833</u>	<u>141,223</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(40,443)	(42,179)
Net increase (decrease) in trade & other payables	(15,753)	(47,061)
<b>Net Cash provided by (or used in) operations</b>	<u>162,637</u>	<u>51,983</u>
<b>(c) Financing Arrangements</b>		
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 2023**

**Note 8 - FINANCIAL INSTRUMENTS (con't)**

**Net Fair Value**

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

**Risk Exposures:**

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of EHA is the carrying amount, net of any impairment. All EHA 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 EHA's boundaries, and there is no material exposure to any individual debtor.

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

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

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

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 9 - UNIFORM PRESENTATION OF FINANCES**

The following is a high level summary of both operating and capital investment activities of EHA prepared on a simplified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.

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.

	2023	2022
	\$	\$
<b>Income</b>		
<i>Council Contributions</i>	1,828,000	1,828,263
<i>Statutory charges</i>	136,026	111,391
<i>User charges</i>	457,619	295,541
<i>Grants, subsidies and contributions - Operating</i>	230,170	226,108
<i>Investment income</i>	15,866	4,320
<i>Other income</i>	7,255	3,585
	<u>2,674,936</u>	<u>2,469,208</u>
<b>Expenses</b>		
<i>Employee costs</i>	(1,881,592)	(1,750,609)
<i>Materials, contracts and other expenses</i>	(571,267)	(516,677)
<i>Depreciation, amortisation and impairment</i>	(159,013)	(168,844)
<i>Finance costs</i>	(37,681)	(46,752)
	<u>(2,649,553)</u>	<u>(2,482,882)</u>
	25,383	(13,674)
<b>Operating Surplus / (Deficit)</b>		
<b>Net Outlays on Existing Assets</b>	(49,557)	(82,379)
Capital Expenditure on renewal and replacement of Existing Assets	159,013	168,844
Add back Depreciation, Amortisation and Impairment	<u>109,456</u>	<u>86,465</u>
<b>Annual Net Impact to Financing Activities</b>	<u>134,839</u>	<u>72,791</u>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 10 - LEASES**

**EHA as a Lessee**  
**Right of Use Assets**

*(include description of assets which are leased)*

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

<b>Right of Use Assets (Carrying Value)</b>	<b>Building &amp; Other Structures</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Total</b>
At 1 July 2022	912,000	70,156	-	982,156
Additions	-	37,000	-	37,000
Depreciation Charge	(96,000)	(31,867)	-	(127,867)
<b>At 30 June 2023</b>	<b>816,000</b>	<b>75,289</b>	<b>-</b>	<b>891,289</b>

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

Opening Balance 1 July 2022	2023
Additions	1,063,670
Payments	37,000
	(107,773)
<b>Closing Balance 30 June 2023</b>	<b>992,897</b>
<b>Current</b>	<b>111,865</b>
<b>Non Current</b>	<b>881,032</b>

The maturity analysis of lease liabilities is included in Note 8.

EHA and its associated entities (the group) had total cash outflows for leases of \$146,321.

**The following are amounts recognised on profit or loss:**

Depreciation expense right of use assets	127,867
Interest expense on lease liabilities	38,517
Expenses relating to short term leases	26,942
<b>Total amount recognised in profit and loss</b>	<b>193,326</b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 11 – SUPERANNUATION**

EHA makes employer superannuation contributions in respect of its employees to Hospitus (formerly Local Government Superannuation Scheme and Statewide Super). 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 (10.5% in 2022-23, 10% in 2021-22). No further liability accrues to EHA as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

**Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. EHA makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2021-22) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), EHA does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2022. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to EHA's contribution rates at some future time.

**Contributions to Other Superannuation Schemes**

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

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 12 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There are no contingencies, assets or liabilities not recognised in the financial statements for the year ended 30 June 2023.

**Note 13 - EVENTS OCCURRING AFTER BALANCE DATE**

There are no events subsequent to 30 June 2023 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 2023**

**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:

	2023	2022
	\$	\$
Salaries, allowances & other short term benefits	192,884	190,215
<b>TOTAL</b>	<b>192,884</b>	<b>190,215</b>

Amounts received from Related Parties during the financial year:

	2023	2022
	\$	\$
City of Burnside	494,233	448,572
Cambelltown City Council	453,186	478,298
City of Norwood, Payneham & St Peters	584,210	571,786
City of Prospect	214,740	225,897
Town of Walkerville	81,631	103,710
<b>TOTAL</b>	<b>1,828,000</b>	<b>1,828,263</b>

Amounts paid to Related Parties during the financial year:

	2023	2022
	\$	\$
City of Norwood, Payneham & St Peters	112,121	2,110,754
<b>TOTAL</b>	<b>112,121</b>	<b>2,110,754</b>

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

Assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act 2011, the Food Act 2001 (SA), the Supported Residential Facilities Act 1992 (SA), the Expiration of Offences Act 1986 (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.



**eha** EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**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 2023, Bentley's SA Audit Partnership, Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

.....  
Michael Lyson  
CHIEF EXECUTIVE OFFICER

.....  
Madeline Harding  
PRESIDING MEMBER  
AUDIT COMMITTEE

Date: 23/6/23



**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**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 2023, 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(5) Local Government (Financial Management) Regulations 2011.

.....  
*Paul Di Iulio*

Paul Di Iulio  
CHIEF EXECUTIVE OFFICER  
CAMPSBELLTOWN CITY COUNCIL

Date: 20.7.2023



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**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 2023, 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 Cowley  
CHIEF EXECUTIVE OFFICER  
CITY OF BURNSIDE

Date: 12/07/2023



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**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 2023, 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*.

  
Mikeo Blanche  
CHIEF EXECUTIVE OFFICER  
CITY OF NORWOOD HAYVENHAM & ST PETERS

Date: 11.07.2023



EASTERN HEALTH AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023, 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.

[Signature]

Chris White  
CHIEF EXECUTIVE OFFICER  
CITY OF PROSPECT

Date: 11/7/23



EASTERN HEALTH AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by EHA provide a reasonable assurance that EHA's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect EHA's accounting and financial records.

[Signature]

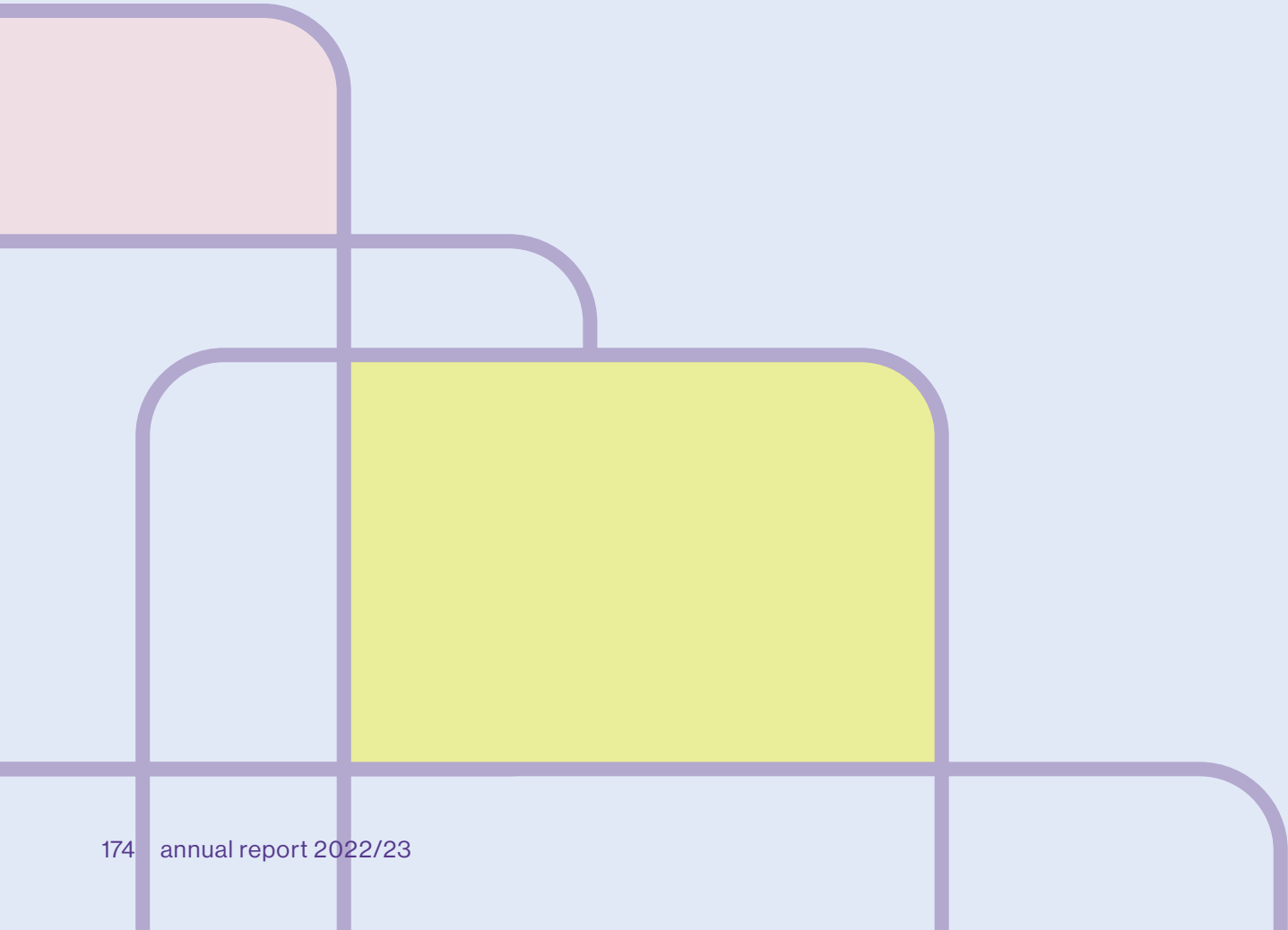
Michael Lee  
CHIEF EXECUTIVE OFFICER

[Signature]

Clarey Corbitt  
CHAIRPERSON  
EHA BOARD OF MANAGEMENT

Date: 30 August 2023







# EastWaste

ANNUAL REPORT  
2022-2023





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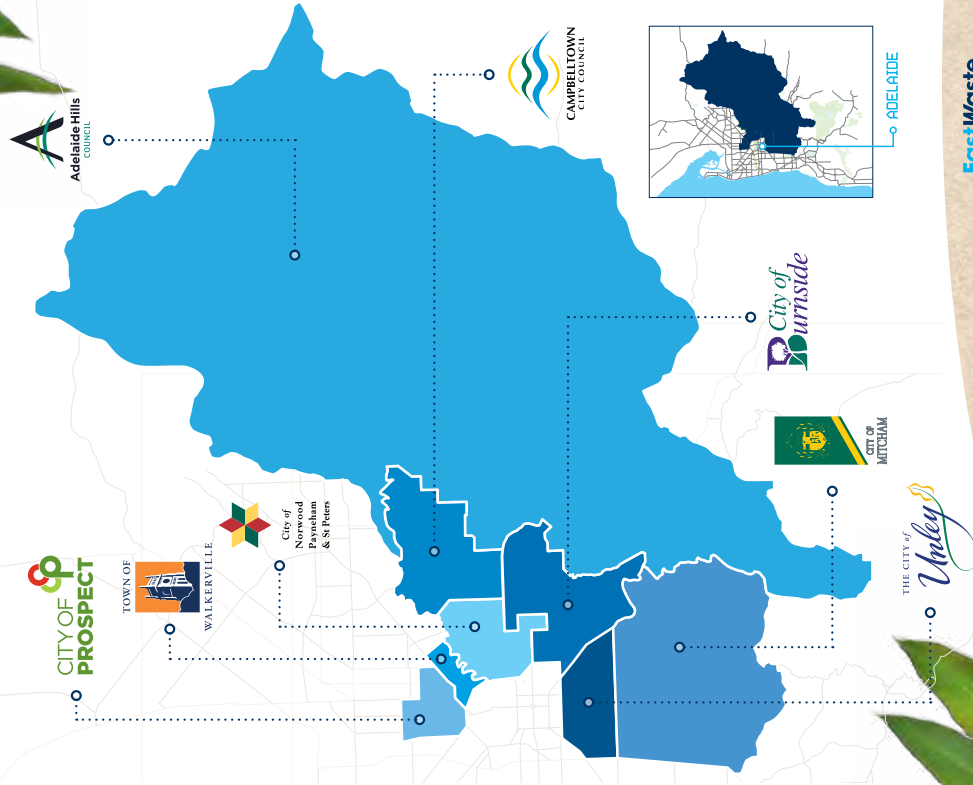


East Waste is a leader in the behaviour change and education space in South Australia and has established on-going partnerships with a number of organisations to ensure that we are driving change through the communities that we serve.

**EastWaste**



## East Waste Service Area



## Chairperson's Report

I am pleased to present my fourth Annual Report as the Chairperson of East Waste, covering the 2022/2023 financial year. This year has been marked by a number of key milestones as we continued to focus on our strategic vision "to be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils and their communities".

Welcoming the City of Unley as a new member Council in August 2022 was a significant achievement for East Waste and helps to highlight the value that East Waste brings to our member Councils and their Communities.

The addition of our eighth (8) member council underlines our commitment to fostering collaboration and ensuring sustainable waste management solutions for our growing community of Member Councils. The ability for the collective East Waste team to effectively plan and remain adaptable resulted in the onboarding of the City of Unley being a seamless transition.

Our Audit and Risk Management Committee has continued to provide invaluable advice on risk management, financial stewardship, and

governance which have been pivotal to our sustained success. I would like to extend my appreciation to all Committee members for their ongoing support and advice.

East Waste's dedication to driving behavioural change and education in South Australia remains a cornerstone of our mission. We have established enduring partnerships with key organisations such as Green Industries and KESAB to champion change within the communities we serve. These partnerships enable us to provide accurate and timely information to our communities, facilitating a transition toward sustainable waste management practices outlined in our 2030 Strategic Plan.



## Chairperson's Report

In line with the local government elections we saw a notable transformation in our Board's composition.

This shift brought about fresh perspectives and diverse expertise during the 2022/2023 financial year. The new additions are poised to reinforce the Board's capacity to drive favourable outcomes for East Waste and our Member Councils.

I would like to take this opportunity to extend my appreciation to both our current and departing Board members for their valuable contributions. Your dedication and insights have been instrumental in steering East Waste, and your continued support is pivotal as we continue to innovate and lead change in the industry.

Drawing upon my extensive experience in the waste industry, I am excited about the ever-changing landscape that lies ahead.

East Waste will continue to lead, evolve, and grow as we collectively address the challenges and opportunities that shape the future of waste management. I look forward to another year of progress and innovation as we work together to create a financially and environmentally sustainable future.

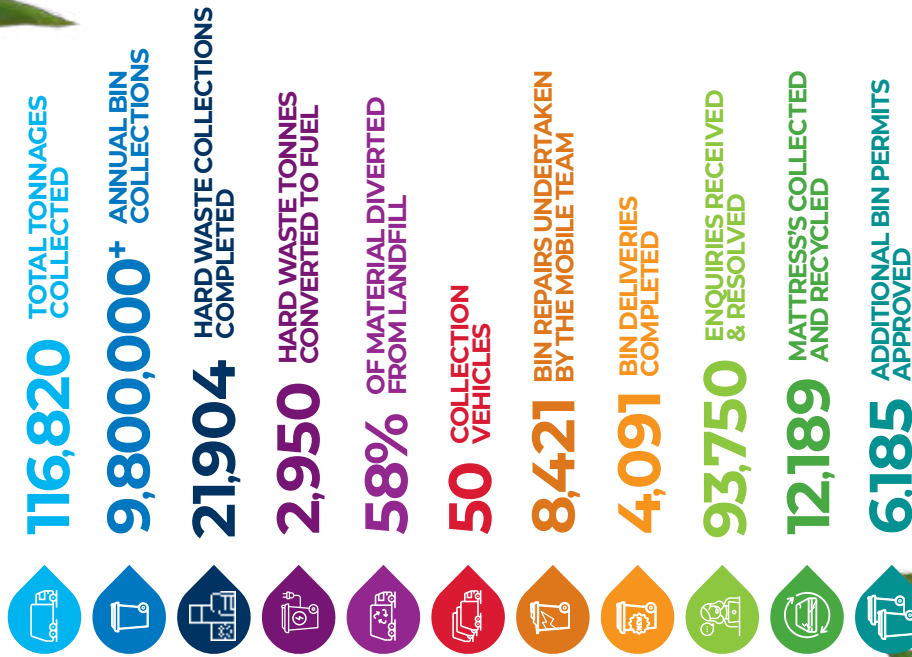


**Fraser Bell**  
Independent Chairperson





## In 2022-2023 East Waste...



## General Manager's Report

This year has been a significant one for us, marked by a number of milestones and achievements. Our commitment to sustainability, innovation, and operational efficiency has ensured our success in delivering exceptional waste management services to our member Councils and their communities.

In August 2022, we were thrilled to welcome the City of Unley as a new Member Council. This is one of the most significant changes for East Waste in recent years, the new addition not only provided our existing Member Councils with reduced costs, it has also strengthened our regional network and opportunities for collective collaboration in waste management initiatives.

We look forward to working closely with the City of Unley who share our commitment to drive positive sustainability change.

During FY23, East Waste established crucial partnerships with two (2) leading recycling facilities being Central Adelaide Waste and Recycling Authority (CAWRA) and the Southern Region Waste Resource Authority (SRWRA). These strategic alliances have provided additional

recycling and circular economy flexibility whilst also enhancing our recycling capabilities and promoting sustainable waste practices. Our joint efforts continue to reduce the environmental impact of waste disposal and improve the circular economy within our region.

We continued our commitment to optimising waste segregation and recycling practices through comprehensive kerbside bin audits. These audits provided valuable insights into the composition of waste generated within our communities, enabling us to tailor educational campaigns and encourage responsible waste disposal habits. By promoting awareness and addressing contamination issues, we aim to continue to increase recycling rates, minimise costs and reduce waste/resources going to landfill.



# General Manager's Report

In our pursuit of our strategic goal associated with reducing organic waste being sent to landfills, we have started working with a number of our Member Councils to investigate weekly Food/Organics bin collections (FOGO trials). FOGO trials will commence in FY24 and will see some of our member Councils introducing fortnightly waste collections services and weekly food/organics collections. These trials will provide valuable information and we anticipate seeing an improvement in waste/ landfill diversion as a direct result.

None of our accomplishments would have been possible without the dedication and hard work of our exceptional team. Their unwavering commitment to excellence, innovation, and customer service has been the driving force behind our continued success. I extend my deepest gratitude to all East Waste staff, Board and Audit & Risk Committee members for their efforts and passion in making a positive impact

on the environment and the communities we serve. As we conclude the 2023 fiscal year, I am proud of the progress we have made towards our vision of being the leading waste logistics company in Australia. We remain steadfast in our commitment to sustainability, continuous improvement, and fostering strong relationships with our member Councils and stakeholders.




**Rob Gregory**  
General Manager





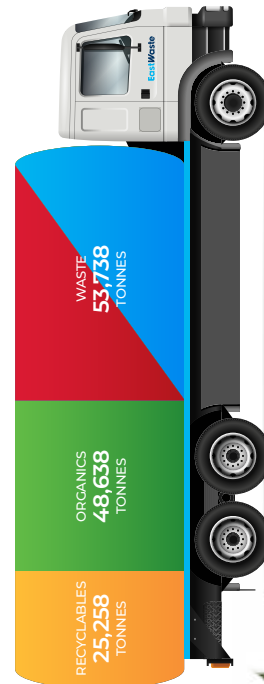
## Kerbside Tonnages Collected



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,347	5,043	7,465
City of Burnside	3,816	7,704	7,021
Campbelltown City Council	4,024	8,000	9,932
City of Mitcham *	5,426	11,792	11,480
City of Norwood Payneham & St. Peters	3,204	5,620	6,799
City of Prospect	1,695	3,393	3,878
City of Unley**	3,088	5,872	5,727
Town of Walkerville	658	1,214	1,436

\*City of Mitcham undertakes the collection of Landfill for its residents

\*\* City of Unley's collections commenced on 1 August, 2022 (11 months of collections).



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EastWaste  
ANNUAL REPORT  
2022-2023

## 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 seven formal meetings over the 2022-2023 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Fraser Bell (Chair)	7/7
Cr Linda Green (Adelaide Hills Council) *ceased November 2022	3/4
Mr Paul Di Iulio (Campbelltown City Council)	2/7
Mayor Heather Holmes-Ross (City of Mitcham)	7/7
Cr Mike Stock (City of Norwood, Payneham & St. Peters) *ceased November 2022	4/4
Cr Rob Ashby (Corporation of the Town of Walkerville) *ceased November 2022	2/4
Cr Jenny Turnbull (City of Burnside) *ceased November 2022	2/4
Mr Sam Dilena (City of Prospect) *commenced September 2022	6/6
Mr Claude Malak (City of Unley) *commenced September 2022	5/6
Cr Claire Clutterham (City of Norwood Payneham & St. Peters) *commenced January 2023	3/3
Cr Lucy Huxter (Adelaide Hills Council) *commenced January 2023	2/3
Mayor Melissa Jones (Corporation of the Town of Walkerville) *commenced January 2023	2/3
Cr Ted Jennings (City of Burnside) *commenced January 2023	2/5

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EastWaste  
ANNUAL REPORT  
2022-2023

DEPUTY DIRECTOR ATTENDANCE	MEETINGS
Mr Peter Tsokas (City of Unley)	1
Mr Peter Brice (Adelaide Hills Council)	1
Cr Victoria McFarlane (City of Norwood Payneham & St Peters)	2
Cr Jay Allanson (Corporation of the Town of Walkerville)	1
Mr Andrian Wiguna (Campbelltown City Council)	1

**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 six formal meetings over the 2022-2023 financial year. The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Fraser Bell (Independent Board Chair)	6/6
Cr Linda Green (Independent Member) *ceased as Board Member and was appointed Independent Member in February 2023	5/6
Ms Emma Hinchey (Independent Member and Chair)	6/6
Ms Sandra Di Blasio (Independent Member)	6/6
Mr Paul Di Iulio (Board Member) *appointed to the Board in April 2023	0/2

The Audited Financial Statements for the year ending 30 June 2023 are provided on the following pages.

EastWaste  
FINANCIAL  
STATEMENTS  
2022-2023



# Financial Statements 2022-2023

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# Financial Statements 2022-2023

## CERTIFICATION OF FINANCIAL STATEMENTS

### EASTERN WASTE MANAGEMENT AUTHORITY INC

Annual Financial Statements  
for the financial year ended 30 June 2023

#### 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 2023 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.

*[Signature]*  
Eric King  
Executive Officer

*[Signature]*  
Julie B.  
Chairperson

Date: 21 September 2023



# Financial Statements 2022-2023

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>INCOME</b>			
User charges	2	21,188	16,579
Investment income	2	46	10
Grants, subsidies and contributions		-	81
Other	2	1,078	932
<b>Total Income</b>		<b>22,312</b>	<b>17,602</b>
<b>EXPENSES</b>			
Employee costs	3	7,476	6,386
Materials, contracts & other expenses	3	12,184	9,303
Finance costs	3	354	246
Depreciation & amortisation	3	2,108	2,043
<b>Total Expenses</b>		<b>22,122</b>	<b>17,978</b>
<b>OPERATING SURPLUS</b>		<b>190</b>	<b>(376)</b>
Asset disposal & fair value adjustments	4	143	7
<b>NET SURPLUS</b>		<b>333</b>	<b>(369)</b>
Other Comprehensive Income		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>333</b>	<b>(369)</b>

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

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# Financial Statements 2022-2023

## STATEMENT OF FINANCIAL POSITION for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	3,953	2,001
Trade & other receivables	5	746	935
Inventory		43	50
<b>Total Current Assets</b>		<b>4,742</b>	<b>2,986</b>
<b>Non-current Assets</b>			
Property, Plant & Equipment	6	9,510	8,542
<b>Total Non-current Assets</b>		<b>9,510</b>	<b>8,542</b>
<b>Total Assets</b>		<b>14,252</b>	<b>11,528</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	1,266	1,436
Provisions	7	871	778
Borrowings	7	2,306	1,940
<b>Total Current Liabilities</b>		<b>4,443</b>	<b>4,154</b>
<b>Non-current Liabilities</b>			
Borrowings	7	8,490	6,410
Provisions	7	136	114
<b>Total Non-current Liabilities</b>		<b>8,626</b>	<b>6,524</b>
<b>Total Liabilities</b>		<b>13,069</b>	<b>10,678</b>
<b>Net Assets</b>		<b>1,183</b>	<b>850</b>
<b>EQUITY</b>			
Accumulated Surplus		1,183	850
<b>Total Equity</b>		<b>1,183</b>	<b>850</b>

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

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# Financial Statements 2022-2023

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2023

	Accumulated Surplus \$'000	Total Equity \$'000
<b>Balance at start of period - 1 July 2022</b>	850	850
Net Surplus for Year	333	333
<b>Other Comprehensive Income</b>	-	-
Contributed Equity	-	-
Distributions to Member Councils	-	-
<b>Balance at end of period - 30 June 2023</b>	<b>1,183</b>	<b>1,183</b>
<b>Balance at start of period - 1 July 2021</b>	1,219	1,219
Net Surplus for Year	(569)	(569)
<b>Other Comprehensive Income</b>	-	-
Contributed Equity	-	-
Distributions to Member Councils	-	-
<b>Balance at end of period - 30 June 2022</b>	<b>850</b>	<b>850</b>

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



# Financial Statements 2022-2023

## STATEMENT OF CASH FLOWS for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating receipts		22,455	17,400
Investment receipts	46	46	9
Employee costs	(7,361)	(7,361)	(6,245)
Materials, contracts & other expenses	(12,397)	(12,397)	(9,613)
Finance payments	(304)	(304)	(258)
<b>Net cash provided by operating activities</b>	8	<b>2,439</b>	1,293
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of replaced assets	4	145	86
Expenditure on renewal/replacement of assets	6	(587)	(2,305)
Expenditure on new/upgraded assets	6	(2,484)	(244)
<b>Net cash used in investing activities</b>		<b>(2,926)</b>	(2,463)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		4,525	2,031
Repayments of Borrowings		(1,815)	(1,791)
Repayment of lease liabilities		(271)	(237)
<b>Net cash provided by (used in) financing activities</b>		<b>2,439</b>	3
<b>Net increase (Decrease) in cash held</b>		<b>1,952</b>	(1,167)
Cash & cash equivalents at beginning of period	5	2,001	3,168
<b>Cash &amp; cash equivalents at end of period</b>	5	<b>3,953</b>	2,001

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

# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### 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, The City of Unley and the Corporation of the Town of Walkerville. The eight 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)



# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

entity enters into a transaction where the consideration to acquire the 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 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	>\$1,000
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.

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# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### 5.4 Impairment

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

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

#### 6. Payables

##### 6.1 Goods & Services

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

#### 7. Employee Benefits

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

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

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

The Authority recognises 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.

##### 7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly Statewide Super and prior to that the Local Government Superannuation Scheme). The Scheme has two types of membership, each of which is funded differently.

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# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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 (10.5% in 2022/23; 10% in 2021/22). 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% (6.5% in 2021/22) of 'superannuation' salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. 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.

#### 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.





# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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 Comparative Information

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

#### 10 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.

#### 11 New Accounting Standards

The Authority did not apply any new accounting standards during the financial year. There are no new accounting standards, interpretations or amendments which are expected to have a material impact on the accounting policies of the Authority for future periods.

#### 12 Authority Membership

The City of Unley became a Member Council of the Authority in July 2022 and waste collection services commenced for the Council as from 1 August 2022. As a result of The City of Unley becoming a Member Council, additional staff have been employed and trucks ordered to meet the additional services being provided by the Authority.

# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 2 - INCOME

	Notes	2023 \$'000	2022 \$'000
<b>USER CHARGES</b>			
Waste Collection Income		15,607	12,662
Waste Processing Income		5,326	3,677
Administration		255	240
Member Council Waste Collection Rebate		-	-
		<b>21,188</b>	<b>16,579</b>
<b>INVESTMENT INCOME</b>			
Interest on investments		46	10
Local Government Finance Authority		<b>46</b>	<b>10</b>
<b>OTHER INCOME</b>			
Bin Supply		382	409
Replacement Bins		681	474
Sundry		15	49
		<b>1,078</b>	<b>932</b>

### NOTE 3 - EXPENSES

<b>EMPLOYEE COSTS</b>			
Salaries and Wages		5,615	5,115
Employee leave expense		114	93
Superannuation		508	443
Wages Casual Agency		1,017	500
Workers' Compensation Insurance		128	148
Other		94	87
		<b>7,476</b>	<b>6,386</b>

Number of FTE Employees as at reporting date

	63	67
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# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 3 - EXPENSES (Cont.)

	2023	2022
	\$'000	\$'000
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
Auditor's Remuneration	11	9
Board Expenses	41	23
Waste Processing Costs	5,354	3,676
Electricity	10	4
Fuel, Gas & Oil	2,041	1,529
Legal Expenses	23	91
Maintenance	2,828	2,323
Parts, Accessories & Consumables	11	17
Printing, Stationery & Postage	33	41
Professional Services	552	487
Registration & Insurance - Trucks	462	299
Sundry	818	804
	<b>12,184</b>	<b>9,303</b>
<b>FINANCE COSTS</b>		
Interest on Loans	338	224
Interest on Leases	16	22
	<b>354</b>	<b>246</b>
<b>DEPRECIATION &amp; AMORTISATION</b>		
Buildings & Other Structures	6	54
Plant, Machinery & Equipment	6	1,733
Right-of-use assets	6	256
	<b>2,108</b>	<b>2,043</b>

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EastWaste  
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# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 4 - ASSET DISPOSALS

	2023	2022
	\$'000	\$'000
Proceeds from disposal	145	86
Less: Carrying amount of assets sold	(2)	(79)
<b>Gain (Loss) on disposal</b>	<b>143</b>	<b>7</b>
<b>NOTE 5 - CURRENT ASSETS</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand and at Bank	3,724	1,818
Deposits at Call	229	183
	<b>3,953</b>	<b>2,001</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Debtors - General	718	901
Accrued Income	28	34
	<b>746</b>	<b>935</b>

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# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2023 \$'000	2022 \$'000
Buildings & Other Structures - At Cost		617	569
Accumulated Depreciation		(212)	(146)
		<b>405</b>	<b>423</b>
Plant, Machinery & Equipment - At Cost		19,747	18,929
Accumulated Depreciation		(10,966)	(11,386)
		<b>8,781</b>	<b>7,543</b>
Right-of-use-assets		1,346	1,339
Accumulated Depreciation		(1,022)	(763)
		<b>324</b>	<b>576</b>
<b>Total Property, Plant &amp; Equipment</b>		<b>9,510</b>	<b>8,542</b>

	2022 \$'000		2023 \$'000		Carrying Value
	Carrying Value	Disposal - Cost	Disposal - Accumulated Depreciation	Depreciation Adjustment	
Buildings & Other Structures	423	(17)	15	(81)	405
Plant, Machinery & Equipment	7,543	(2,188)	2,188	(1,768)	8,781
Right-of-use-asset	576	-	-	(259)	324
	<b>8,542</b>	<b>(2,205)</b>	<b>2,203</b>	<b>(2,108)</b>	<b>9,510</b>
2022 (\$'000)	8,098	244	2,304	(2,043)	8,542

# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 7 - LIABILITIES

	2023 \$'000	2022 \$'000		
	Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services	111	-	1,047	-
Payments received in advance	80	-	80	-
Accrued expenses - other	75	-	80	-
	<b>1266</b>	<b>-</b>	<b>1,436</b>	<b>-</b>
<b>BORROWINGS</b>				
Loans	2,017	8,413	1,673	6,050
Lease Liabilities	289	77	287	360
	<b>2,306</b>	<b>8,490</b>	<b>1,940</b>	<b>6,410</b>
<b>PROVISIONS</b>				
Annual Leave	447	-	388	-
Rostered-Day/Off (RDO)	65	-	25	-
Long Service Leave	359	136	365	114
	<b>871</b>	<b>136</b>	<b>778</b>	<b>114</b>



# Financial Statements 2022-2023

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

## NOTE 8 - CASH FLOW RECONCILIATION

	2023	2022
	\$'000	\$'000
Total cash & equivalent assets	3,953	2,001
Balances per Cash Flow Statement	<b>3,953</b>	<b>2,001</b>

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

Net Surplus (Deficit)	333	(369)
<b>Non-cash items in Statement of Comprehensive Income</b>		
Depreciation	2,108	2,043
Net increase (decrease) in employee benefits	113	119
Net increase (decrease) accrued expenses	234	(12)
(Gain) / Loss on Disposal	(143)	(7)
Lease liability adjustment	7	(18)
	<b>2,652</b>	<b>1,756</b>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	189	(235)
Net increase (decrease) in trade & other payables	(404)	(242)
Net increase (decrease) in other provisions	2	14
<b>Net Cash provided by (or used in) operations</b>	<b>2,439</b>	<b>1,293</b>

### (b) Financing Arrangements

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





# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### 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 4.3% (2022: 1.05%).  
**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% - 5.65% (2022: 1.7% - 5.35%).

**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.

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# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### 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

	Maturity			Non-Interest Bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
<b>Financial Assets</b>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	3,953	-	-	-	3,953
Receivables	-	-	-	718	718
<b>Total</b>	<b>3,953</b>	<b>-</b>	<b>-</b>	<b>718</b>	<b>4,671</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	1,111	1,111
Borrowings	2,017	6,998	1,781	-	10,796
<b>Total</b>	<b>2,017</b>	<b>6,998</b>	<b>1,781</b>	<b>1,111</b>	<b>11,907</b>

#### 2022

	Maturity			Non-Interest Bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
<b>Financial Assets</b>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	2,001	-	-	-	2,001
Receivables	-	-	-	901	901
<b>Total</b>	<b>2,001</b>	<b>-</b>	<b>-</b>	<b>901</b>	<b>2,902</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	1,047	1,047
Borrowings	1,940	4,972	1,438	-	8,350
<b>Total</b>	<b>1,940</b>	<b>4,972</b>	<b>1,438</b>	<b>1,047</b>	<b>9,397</b>

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# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### NOTE 10 - CAPITAL EXPENDITURE COMMITMENTS

The Authority has capital expenditure commitments totalling an estimated \$2,062 million as at reporting date.

### NOTE 11 - LEASES

*Authority as a lessee*  
Right-of-use-assets

The Authority leases its administrative and depot facilities at Otway.

	Buildings & Other Structures \$'000	Total \$'000
At 1 July 2022	576	576
Additions of right-of-use-assets	-	-
Depreciation Charge	(259)	(259)
Adjustments to right-of-use-assets	7	7
At 30 June 2023	324	324

Set out below are the carrying amounts of lease liabilities and the movements during the period

At 1 July 2022	\$'000
Additions	627
Accretion of interest	16
Payments	(269)
Adjustments to lease liability	7
At 30 June 2023	365
Current	289
Non-Current	76

### NOTE 12 - POST BALANCE DATE EVENTS

There were no events after reporting date that occurred that require to be reported.

# Financial Statements 2022-2023

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

### 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 1999. In all, 5 persons were paid the following total compensation:

	2023 \$'000	2022 \$'000
Salaries, allowances & other short term benefits	599	483
TOTAL	599	483

### 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	3,591	81	Provision of kerbside waste collection and hard waste collection services
City of Burnside	3,491	97	Provision of kerbside waste collection and hard waste collection services
City of Mitcham	3,401	166	Provision of kerbside waste collection and hard waste collection services
City of Norwood, Payneham & St Peters	3,233	80	Provision of kerbside waste collection and hard waste collection services
City of Prospect	1,590	100	Provision of kerbside waste collection and hard waste collection services
City of Unley	3,082	104	Provision of kerbside waste collection and hard waste collection services
Corporation of the City of Campbelltown	2,894	27	Provision of kerbside waste collection and hard waste collection services
Corporation of the Town of Walkerville	600	21	Provision of kerbside waste collection and hard waste collection services

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 these policies.

# Financial Statements 2022-2023

## CERTIFICATION OF AUDITOR INDEPENDENCE



Bentleys SA Audit Partnership  
Level 5  
63 Pine Street  
Adelaide SA 5000  
GPO Box 639  
Adelaide SA 5001  
ABN 43 877 091 903  
T +61 8 8372 7900  
F +61 8 8372 7999  
admin@bade.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 2023, 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 30<sup>th</sup> August 2023



A member of Bentleys is a member of independent statutory and accounting firms, licensed throughout Australia, and is separate legal entities and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation. A member of Allinial Global – an association of independent accounting and consulting firms.

EastWaste  
ANNUAL REPORT  
2022-2023

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# Financial Statements 2022-2023

## INDEPENDENT AUDITOR'S REPORT



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### 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 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows, and the related 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 2023, and the performance of the entity for the year then ended in accordance with Australian Accounting Standards and the Local Government Act 1989 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 described in the Appendix to the Independent Auditor's Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Responsibilities of Management and Those Charged with Governance for the Financial Report**  
Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the Local Government Act 1989 and the Local Government (Financial Management) Regulations 2011. It is also responsible for the design, implementation and management of internal controls that are necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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



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EastWaste  
ANNUAL REPORT  
2022-2023

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# Financial Statements 2022-2023

## INDEPENDENT AUDITOR'S REPORT



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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/auasb.asp>. This description forms part of our auditor's report.

### BENTLEYS SA AUDIT PARTNERSHIP

DAVID FRANCIS  
PARTNER









Dated at Adelaide this 22nd day of September 2023

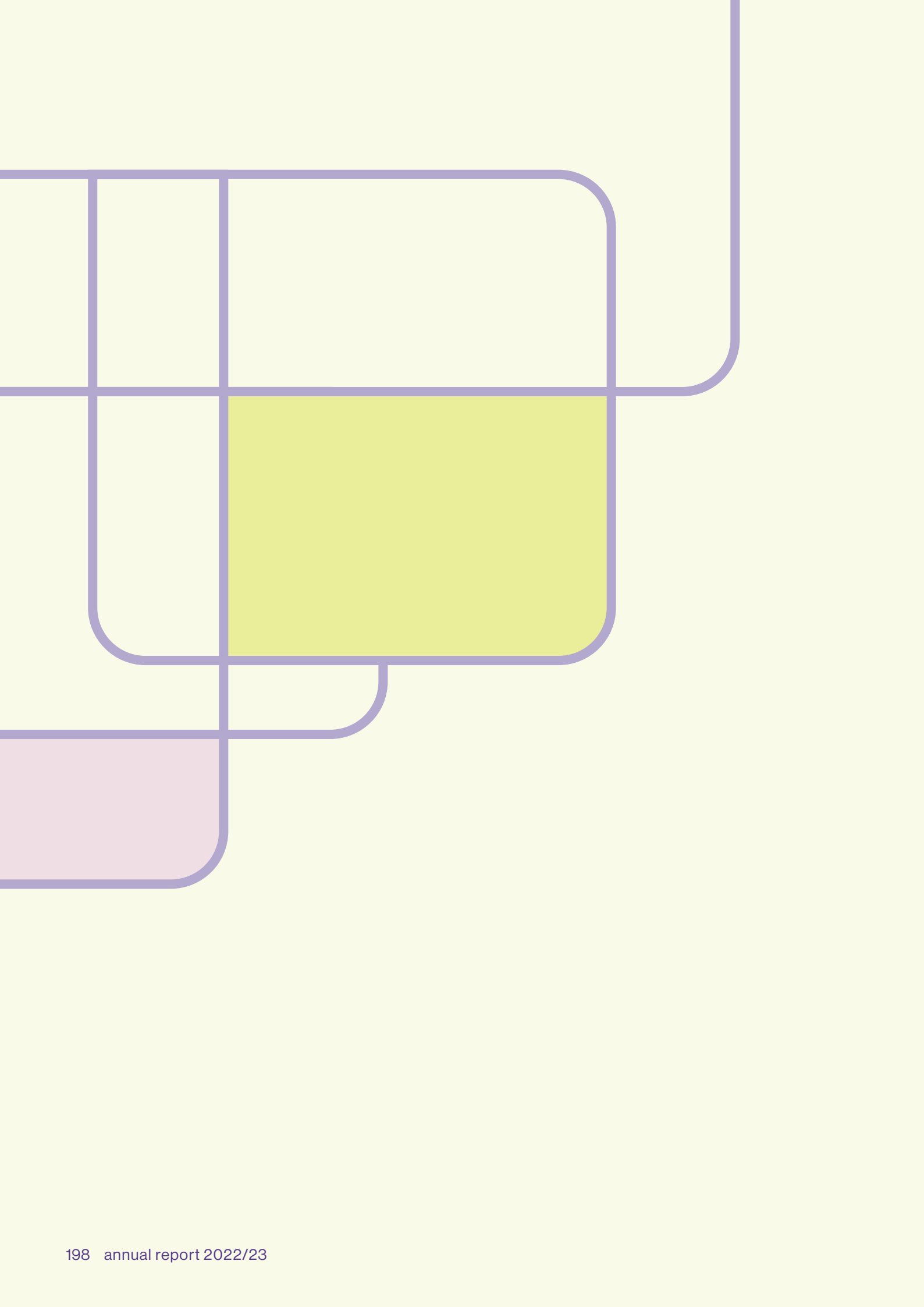
East Waste is on a transformational path moving solely from a reactive waste collection logistics business to a broader resource manager and active community behaviour change agent.





## EastWaste

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-  East Waste - Eastern Waste  
Management Authority
-  **eastwaste.com.au**





# HIGHBURY LANDFILL AUTHORITY

## ANNUAL REPORT 2022 / 2023

### GOVERNANCE AND ADMINISTRATION

#### BOARD AND AUDIT COMMITTEE MEMBERS

##### BURNSIDE

**Mr. Chris Cowley**  
(Board Member)

##### NORWOOD, PAYNEHAM & ST PETERS

**Cr Grant Piggott**  
(Board Member)

##### WALKERVILLE

**Mr. James Kelly**  
(Board Member and Chair)

##### INDEPENDENT AND PRESIDING MEMBER AUDIT COMMITTEE

**Corinne Garrett**

#### 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 noted that the HLA will need to provide carbon emission data to Member Councils to conform to the new accounting standards for carbon to be introduced in 26/27 financial year.
- Dean Newberry is the Authority's Auditor to the 24/25 financial year.

Norwood Payneham and St Peters Council appointed Cr Grant Piggott to replace Cr John Minney on the Board and 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 Board of HLA extend their appreciation for the years of service John has given to Local Government and especially in his role as a long standing Board Member and Chair of the Authority.

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 volume and quality continues to degrade and Ennovo was awarded a three year contract 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 13 years into the post



**Re-vegetated Landfill**

closure management period. The provision in the accounts is a net present value (NPV) calculation of the future cash outflows to manage the remaining 12 years.

An internal review of the provision calculation was undertaken this year by management and the cashflow assumptions were considered appropriate. The inflation rate was increased inline with the RBA projections and the interest rates revised to match future predicted Commonwealth bond rates. These revised rates in the provision calculation has had a material impact on the balance sheet.



**Landfill gas remote boundary monitoring bore**

**ANNUAL REPORT 2022/2023**

**CLOSURE & POST-CLOSURE MANAGEMENT**

The site 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. Ennovo has been awarded a new 3 year contract to manage the landfill gas and the HLA Board has approved an upgrade to the Lo-Cat flare that will increase its life for a further 5-7 years.



Lo-Cat Flare

**FINANCIAL SUMMARY FOR THE YEAR ENDING 30 JUNE 2023**

**Statement of Financial Position as at 30 June 2023**

**Income Statement as at 30 June 2023**

	2023	2022	2023	2022
<b>INCOME</b>				
Interest Received	378	199	141,933	216,772
Sundry Income	20,328	20,454	25,778	25,031
Highbury Landfill Provision	-	457,724		
<b>TOTAL INCOME</b>	<b>20,706</b>	<b>478,377</b>	<b>167,711</b>	<b>241,803</b>
<b>EXPENSES</b>				
Materials, contracts & other expenses	3,300	3,000	85,859	111,077
Depreciation, amortisation & impairment	25,218	25,218		
Finance Payments	4,503	5,514	<b>85,859</b>	<b>111,077</b>
Highbury Closure Provision	328,520	0	<b>253,570</b>	<b>352,880</b>
<b>TOTAL EXPENSES</b>	<b>361,541</b>	<b>33,732</b>		
<b>OPERATING SURPLUS/ (DEFICIT)</b>	<b>(340,835)</b>	<b>444,645</b>	<b>36,138</b>	<b>111,385</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(340,835)</b>	<b>448,827</b>	<b>409,937</b>	<b>343,891</b>
<b>NON-CURRENT LIABILITIES</b>				
Borrowings			76,317	104,913
Provisions			2,146,621	2,142,546
<b>Total Non-Current Liabilities</b>			<b>2,222,938</b>	<b>2,247,459</b>
<b>TOTAL LIABILITIES</b>			<b>2,632,875</b>	<b>2,591,350</b>
<b>NET ASSETS</b>			<b>(2,379,305)</b>	<b>(2,238,470)</b>
<b>EQUITY</b>				
Accumulated Deficit			<b>(2,379,305)</b>	<b>(2,238,470)</b>
<b>TOTAL EQUITY</b>			<b>(2,379,305)</b>	<b>(2,238,470)</b>



Leachate Pond Highbury Landfill

**ANNUAL REPORT 2022/2023**

**AERIAL MAP OF LANDFILL GAS MONITORING LOCATIONS FOR THE HIGHBURY LANDFILL TO MONITOR COMPLIANCE WITH THE RISK MANAGEMENT PLAN FOR THE SITE.**



**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 monthly during the year
- Ennovo extract landfill gas from approximately 80 extraction bores located over the site and flare the landfill gas to reduce the carbon footprint.
- The landfill gas quality and quantity is declining and a modification to the existing flare will allow its continued operation for a further 6-7 years.
- The ongoing flaring of the landfill gas ensures that the gas is controlled from the site to comply with the risk management plan.
- The Landfill gas extraction infrastructure will also be upgraded in the 23/24 year to enhance the performance of the gas field.



**HIGHBURY LANDFILL AUTHORITY**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2023**

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**HIGHBURY LANDFILL AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2023**

**CERTIFICATION OF FINANCIAL STATEMENTS**

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

- > the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- > the financial statements present a true and fair view of the Authority's financial position at 30 June 2023 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  
Executive Officer

  
James Kelly  
Chairperson

Date: 17 August 2023

**HIGHBURY LANDFILL AUTHORITY**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>INCOME</b>			
Interest Received	2	-	-
Sundry Income	2	20,328	20,454
LGFA Investment Income	2	378	199
Highbury Closure Provision	2	-	457,724
<b>Total Income</b>		<u>20,706</u>	<u>478,377</u>
<b>EXPENSES</b>			
Materials, contracts & other expenses	3	3,300	3,000
Depreciation, amortisation & impairment	3	25,218	25,218
Finance Payments	3	4,503	5,514
Highbury Closure Provision	3	328,520	-
<b>Total Expenses</b>		<u>361,541</u>	<u>33,732</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>(340,835)</u>	444,645
Other Comprehensive Income		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(340,835)</u>	<u>444,645</u>

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

**HIGHBURY LANDFILL AUTHORITY**

**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2023

	Notes	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	141,933	216,772
Trade & other receivables	4	25,778	25,031
<b>Total Current Assets</b>		<u>167,711</u>	<u>241,803</u>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	5	85,859	111,077
<b>Total Non-current Assets</b>		<u>85,859</u>	<u>111,077</u>
<b>Total Assets</b>		<u>253,570</u>	<u>352,880</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	36,138	111,385
Borrowings	6	28,597	27,554
Provisions	6	345,202	204,952
<b>Total Current Liabilities</b>		<u>409,937</u>	<u>343,891</u>
<b>Non-current Liabilities</b>			
Borrowings	6	76,317	104,913
Provisions	6	2,146,621	2,142,546
<b>Total Non-current Liabilities</b>		<u>2,222,938</u>	<u>2,247,459</u>
<b>Total Liabilities</b>		<u>2,632,875</u>	<u>2,591,350</u>
<b>NET ASSETS</b>		<u>(2,379,305)</u>	<u>(2,238,470)</u>
<b>EQUITY</b>			
Accumulated Surplus		(2,379,305)	(2,238,470)
<b>TOTAL EQUITY</b>		<u>(2,379,305)</u>	<u>(2,238,470)</u>

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 2023

**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	50.406%
City of Norwood Payneham & St Peters Corporation of the Town of Walkerville	49.594%

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**

Each 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%
Plant	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 2023

**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 25 year period. The remaining life of the provision is 12 years. This period may be required to be longer if the site poses unacceptable environmental risks.

The Authority is expected to engage in the purchase of a Flare in FY24 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 2023**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(j) Going Concern Basis**

The Board of Management of HLA notes the accumulated deficit of \$2,379,805. 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**

There were no new accounting standards implemented during the financial year. There are no proposed changes in future accounting standards, interpretations or guidance statements which are expected to have a material impact on the accounting policies of the Authority in future periods as at the time of preparing the financial statements.

**HIGHBURY LANDFILL AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2023**

**Note 2 - INCOME**

	2023	2022
	\$	\$
<b>OPERATING INCOME</b>		
Interest Income	-	-
Sundry Income	20,328	20,454
LGFA Investment Income	378	199
Movement in Provision	-	457,724
	<u>20,706</u>	<u>478,377</u>

Notes

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**HIGHBURY LANDFILL AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**Note 3 - EXPENSES**

	2023	2022
	Notes	Notes
	\$	\$
<b>Materials, Contracts and Other Expenses</b>		
Auditor's Remuneration	3,300	3,000
- Auditing the financial reports		
Movement in Provision	328,520	-
<b>Depreciation</b>		
Plant & Equipment	25,218	25,218
<b>Total Expenses</b>	<u>357,038</u>	<u>28,218</u>

**HIGHBURY LANDFILL AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2023

**Note 4 - CURRENT ASSETS**

	2023	2022
	Notes	Notes
	\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash on Hand and at Bank	140,351	215,568
LGFA Investment Account	1,582	1,204
	<u>141,933</u>	<u>216,772</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Trade Receivables	21,717	21,856
GST Receivable	4,061	3,175
<b>Total</b>	<u>25,778</u>	<u>25,031</u>

**HIGHBURY LANDFILL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2023**

**Note 5 - PROPERTY, PLANT & EQUIPMENT**

	CARRYING AMOUNTS DURING YEAR										2023	
	2022	Acquisitions	Disposals	Depreciation	Impairment	Transfers	Transfers	Net				
	CARRYING AMOUNT	Transfers In	Transfers Out	Impairment	Impairment	In	Out	Revaluations				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	1,000	-	-	-	-	-	-	-	-	-	-	1,000
Plant & Equipment	109,277	-	-	23,216	-	-	-	-	-	-	-	86,069
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>111,077</b>	-	-	<b>23,216</b>	-	-	-	-	-	-	-	<b>86,869</b>
<b>Comparatives</b>	<b>152,256</b>	-	-	<b>23,216</b>	-	-	-	-	-	-	-	<b>117,077</b>

This note continues on the following page.

**HIGHBURY LANDFILL AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2023**

**Note 5 - PROPERTY, PLANT & EQUIPMENT**

	2022				2023			
	AT FAIR VALUE	AT COST	ACCLM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCLM DEPN	CARRYING AMOUNT
	\$	\$	\$	\$	\$	\$	\$	\$
Land	-	1,000	-	1,000	-	1,000	-	1,000
Plant & Equipment	-	330,270	(220,993)	109,277	-	330,270	(246,211)	84,059
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	-	<b>332,070</b>	<b>(220,993)</b>	<b>111,077</b>	-	<b>332,070</b>	<b>(246,211)</b>	<b>86,869</b>
<b>Comparatives</b>	-	<b>332,070</b>	<b>(195,729)</b>	<b>136,349</b>	-	<b>332,070</b>	<b>(220,993)</b>	<b>111,077</b>



### HIGHBURY LANDFILL AUTHORITY

#### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

##### Note 6 - LIABILITIES

	2023		2022	
	Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services	23,292	-	17,916	-
Accrued Expenses - other	4,095	-	4,004	-
Capital Contributions Received in Advance	8,751	-	89,465	-
	<u>36,138</u>	<u>-</u>	<u>111,385</u>	<u>-</u>

*The Authority has recorded a liability to recognise that a Member Council has pre-paid their annual Member Council Contributions relating to FY2023 & FY2024 prior to 30 June 2022. As at 1 July 2022, the Authority has converted the liability to an equity contribution to be recognised in FY2023. The remaining amount is to be converted to an equity contribution in FY2024.*

<b>BORROWINGS</b>				
Loans	28,597	76,317	27,554	104,913
	<u>28,597</u>	<u>76,317</u>	<u>27,554</u>	<u>104,913</u>
<b>PROVISIONS</b>				
Provision for Highbury Post Closure	345,202	2,146,621	204,952	2,142,546
	<u>345,202</u>	<u>2,146,621</u>	<u>204,952</u>	<u>2,142,546</u>

*Movements in Provisions - 2023 year only*

Opening Balance	2,347,498
(Less) Payments recorded & accrued	(194,196)
Add (Less) Remeasurement Adjustments	328,520
Closing Balance	<u>2,481,822</u>

*The Authority has an ongoing environmental obligation 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 best practice for a 25 year period that commenced on 1 July 2009. The cash outflows have been escalated at an inflation forecast of 3.5% per annum (2022-2.5%) and the discount rate used is equivalent to the 10 year Commonwealth Bond rate - indicative rates as at 30 June 2023. 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 Golder 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. A review by Golder Associates was undertaken of the 2021 year-end provision and was found to be reasonable. The provision is due for further review during the 2024 Financial Year.*

### HIGHBURY LANDFILL AUTHORITY

#### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

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

**(a) Reconciliation of Cash**

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

	2023	2022
Total cash & equivalent assets	\$ 141,933	\$ 216,772
Balances per Cash Flow Statement	<u>141,933</u>	<u>216,772</u>

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

Net Surplus (Deficit)	(340,835)	444,645
Non-cash items in Income Statement	328,520	(457,724)
Movement in Post Closure Provision	25,218	25,218
Depreciation, amortisation & impairment	<u>12,903</u>	<u>12,139</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(747)	(2,749)
Net (increase) decrease in trade & other payables	5,467	12,187
Net increase (decrease) in other provisions	<u>(184,196)</u>	<u>(175,799)</u>
<b>Net Cash provided by (or used in) operations</b>	<u>(186,573)</u>	<u>(154,222)</u>

## HIGHBURY LANDFILL AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

#### Note 8 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as loans and receivables.

**Accounting Policies - Recognised Financial Instruments**  
Bank Deposits at Call, Short Term 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 4.3% (2022:0.55%).

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

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

**Terms & conditions:** Unsecured, and do not bear interest. Although 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).

**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.

**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 (describes basis); interest is charged at a fixed rate of 3.75% (2022:3.75%).

**Carrying amount:** approximates fair value.

## HIGHBURY LANDFILL AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

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

2023	Due < 1 year	Due > 1 year, ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>					
Cash & Equivalents	\$ 141,933	\$ -	\$ -	\$ 141,933	\$ 141,933
Receivables	25,778	-	-	25,778	25,778
<b>Total</b>	<b>167,711</b>	<b>-</b>	<b>-</b>	<b>167,711</b>	<b>167,711</b>
<b>Financial Liabilities</b>					
Payables	36,138	-	-	36,138	36,138
Current Borrowings	32,265	-	-	32,265	28,597
Non-Current Borrowings	-	80,863	-	80,863	76,317
<b>Total</b>	<b>68,403</b>	<b>80,863</b>	<b>-</b>	<b>149,066</b>	<b>141,052</b>
<b>2022</b>					
<b>Financial Assets</b>					
Cash & Equivalents	\$ 216,772	\$ -	\$ -	\$ 216,772	\$ 216,772
Receivables	25,031	-	-	25,031	25,031
<b>Total</b>	<b>241,803</b>	<b>-</b>	<b>-</b>	<b>241,803</b>	<b>241,803</b>
<b>Financial Liabilities</b>					
Payables	111,385	-	-	111,385	111,385
Current Borrowings	32,265	-	-	32,265	27,554
Non-Current Borrowings	-	112,922	-	112,922	112,922
<b>Total</b>	<b>143,650</b>	<b>112,922</b>	<b>-</b>	<b>256,572</b>	<b>243,859</b>

#### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the 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 2023

#### Note 9 - UNIFORM PRESENTATION OF FINANCES

	2023	2022
	\$	\$
<b>Income</b>		
Sundry Income	20,328	20,454
LGFA Investment Income	378	199
Highbury Closure Provision	-	457,724
	<u>20,706</u>	<u>478,377</u>
<b>Expenses</b>		
Materials, contracts & other expenses	3,300	3,000
Depreciation, amortisation & impairment	25,218	25,218
Finance Payments	4,503	5,514
Highbury Closure Provision	328,520	-
	<u>361,541</u>	<u>33,732</u>
<b>Operating Surplus / (Deficit)</b>	<b>(340,835)</b>	<b>444,645</b>
<b>Net Outlays on Existing Assets</b>		
Add back Depreciation, Amortisation and Impairment	25,218	25,218
	<u>25,218</u>	<u>25,218</u>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	-	-
Amounts received specifically for New and Upgraded Assets	-	-
	<u>-</u>	<u>-</u>
<b>Annual Net Impact to Financing Activities</b>	<b>(315,617)</b>	<b>469,863</b>
<b>Surplus/(Deficit)</b>	<b>(315,617)</b>	<b>469,863</b>

## HIGHBURY LANDFILL AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2023

#### Note 10 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

There were no contingent assets or liabilities to 30 June 2023 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 2023**

**Note 11 - EVENTS OCCURRING AFTER REPORTING DATE**

There were no events subsequent to 30 June 2023 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 2023**

**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 1999. In all, one entity (TJH Management Services Pty Ltd) was paid the following total compensation management and administrative services:

	2023
Contractor Payments	\$ 79,380.30
Post-employment benefits	\$ -
Long term benefits	\$ -
Termination benefits	\$ -
<b>TOTAL</b>	<b>\$ 79,380.30</b>

**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	-	80,714	-	Rehabilitation of landfill site
Corporation of the Town of Walkerville	-	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 2023, 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 2023, 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 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility for the Financial Report**

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

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

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

**Auditor's responsibilities for the Audit of the Financial Report**

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

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

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

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

DEAN NEWBERY



SAMANTHA GRETEN  
DIRECTOR

Signed on the 18<sup>th</sup> day of August 2023,  
at 214 Melbourne Street, North Adelaide

9 August 2023

Mr Trevor Hockley  
Executive Officer  
Highbury Landfill Authority  
via email: [trevor@lhms.com.au](mailto:trevor@lhms.com.au)

Dear Trevor,

**RE: HIGHBURY LANDFILL AUTHORITY AUDITED FINANCIAL STATEMENTS  
FY23 - AUDITOR INDEPENDENCE**

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

City of  
Norwood  
Payneham  
& St Peters

CHIEF  
EXECUTIVE'S  
OFFICE

175 The Parade,  
Norwood SA 5067  
PO Box 204  
Kent Town SA 5071

Telephone  
8366 4555

Email  
[townhall@npsap.sa.gov.au](mailto:townhall@npsap.sa.gov.au)

Website  
[www.npsap.sa.gov.au](http://www.npsap.sa.gov.au)



Community  
Well-being is...  
Social Equity  
Cultural Vitality  
Economic Prosperity  
Environmental  
Sustainability

File Number: 0A111243  
Enquires To: Mario Barone  
Direct Telephone: 8386 4520

14 August 2023

Mr Trevor Hockley  
Executive Officer  
Highbury Landfill Authority  
C/- PO Box 289  
Brooklyn Park SA 5032

Via email: [trevor@lhms.com.au](mailto:trevor@lhms.com.au)

Dear Trevor

I, Mario Barone, Chief Executive Officer of the City of Norwood Payneham & St Peters, 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) of the Local Government (Financial Management) Regulations 2011 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



Mario Barone PSM  
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: 40.1.3.9  
 Please Quote Ref: OL T202361403  
 Telephone: (08) 8342 7100  
 Facsimile: (08) 8269 7820  
 Email: walkerville@walkerville.sa.gov.au  
 www.walkerville.sa.gov.au

Contact Officer: EA to Mayor & CEO, Emma Spencer

08 August 2023

**TREVOR HOCKLEY**  
**HIGHBURY LANDFILL AUTHORITY**  
**C/- PO BOX 289**  
**BROOKLYN PARK SA 5032**

Dear Mr Hockley,

I Scott Reardon, Chief Executive Officer of the Town of Walkerville, 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

Scott Reardon  
**Acting Chief Executive Officer**

**HIGHBURY LANDFILL AUTHORITY**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2023**

**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 2023, 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  
 Executive Officer

Corinne Garrett  
 PRESIDING MEMBER  
 AUDIT COMMITTEE

Date: 17 August 2023

**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 2023, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, 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.

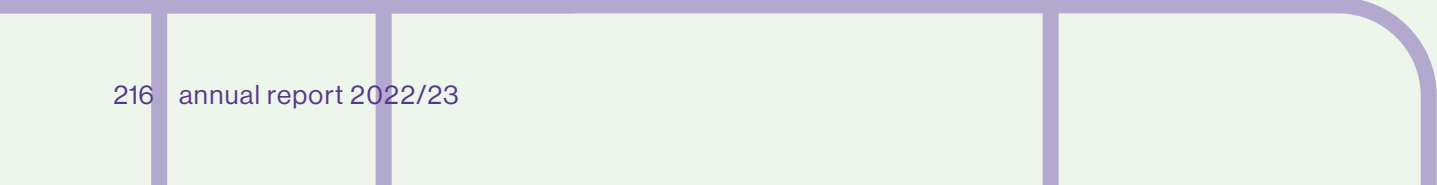
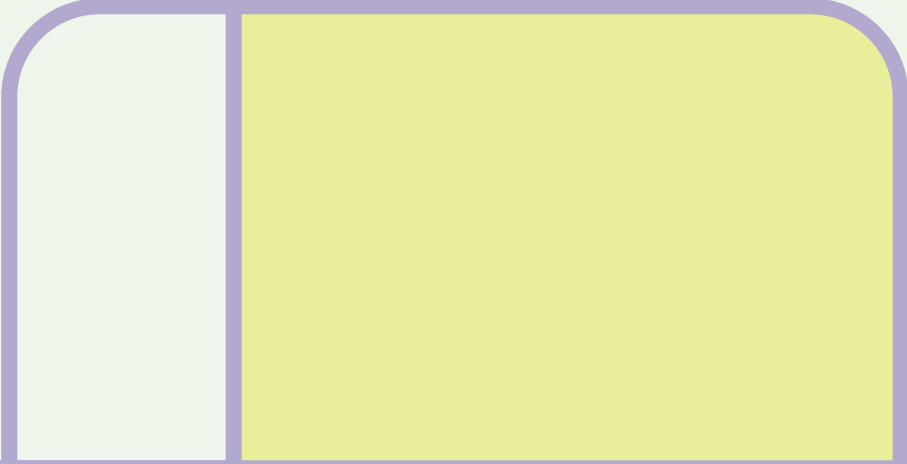
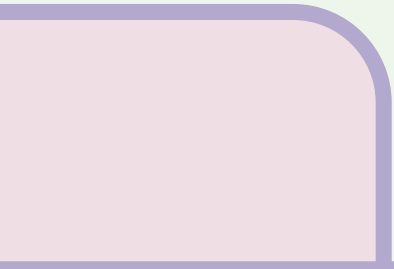
This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



**SAMANTHA CRETEN**  
**DIRECTOR**

Signed on the 18<sup>th</sup> day of August 2023,  
at 214 Melbourne Street, North Adelaide, South Australia 5006





# ANNUAL REPORT 2022-23



**ERA WATER ANNUAL REPORT 2022-23**

**ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**  
*We acknowledge that the land upon which ERA Water conducts its operations and meets is the traditional land of the Kaurna People and that we respect their spiritual relationship with their country. We also acknowledge the Kaurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the Kaurna people today. We pay respect to the cultural authority of Aboriginal people visiting or attending from other areas of South Australia and Australia.*

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**INDEPENDENT CHAIRPERSON'S REPORT**

The 2022-23 financial year was a year of consolidation in ERA Water's third full year of operation. Experience with similar schemes indicates that they take 5-10 years to reach 'maturity' in their operations, as both customer demand and network capacity grows (source: Managed aquifer recharge schemes in the Adelaide Metropolitan Area, DEWNR SA 2017).

During the course of the year the Board sought external advice to identify evidence-based options to improve the scheme's performance, enhance water security and continue to provide benefits to the community. These options also included the potential for additional connections to new customers and leveraging off the updated Adelaide Plains Water Allocation Plan that now enables water allocation transfers to occur with other entities that access water from within the same fractured rock aquifer.

Taking a sustainable and long term approach to the range of options identified from this advice, the Board prioritised a number of projects to be pursued over the next few years which were reflected in the draft budget for 2023-2024. This draft budget was presented to Constituent Councils in April and May 2023, along with long-term 10 year modelling that highlighted the benefits of investing in these projects and in ERA Water. We are very thankful that the Constituent Councils approved this budget and are grateful for their continued support. We recognise the benefits that come with such a strong and collaborative relationship.

While the financial and operational stability of ERA Water remains a priority, it is also important to recognise the environmental and social dividends that the ERA Water scheme brings. To this end, in 2022-23, an additional 180ML were added to our water balance. Importantly, as at 30 June 2023, ERA Water had a water balance of over 705ML (or 282 Olympic sized swimming pools) that can be used for irrigating community spaces to keep them green, cool, useable and appealing.

The Board and I will continue to regularly monitor and work hard to improve the strategic, financial, operational and environmental performance of ERA Water.

I take this opportunity to thank the Board, in particular the outgoing members: former Walkerville Councillor Marylou Bishop and former Norwood, Payneham & St Peters Councillor John Minney, for their commitment and contribution to ERA Water. It is also an opportunity for me to thank Mr Terry Sutcliffe for his dedication to the role of Acting General Manager between January 2022 and March 2023. Terry worked closely with the Board and other stakeholders over that time to oversee a number of changes that benefitted the strategic, operational and governance performance of ERA Water.

**JEFF TATE**  
ERA WATER INDEPENDENT CHAIRPERSON

## GENERAL MANAGER'S REPORT

The 2022-2023 Financial Year has been focused on ensuring that ERA Water remains on a solid and sustainable foundation for the years ahead.

In order to improve financial sustainability, the Constituent Councils, and subsequently the Board, approved an initial capital injection for the 2022-2023 financial year. This provided greater certainty in meeting our debt repayment responsibilities and enabled options to be explored that could enhance the operations of the scheme and its performance.

The 2022-23 period completed the first full year of the ERA Water Strategic Plan 2022-25. To address one of the priority actions in the plan, in September 2022 the Board commissioned an external review, undertaken by WGA, that included a range of options and associated business cases. The review outcomes have now been used by the Board to prioritise projects in 2023-24 and beyond.

The ERA Water Managed Aquifer Recharge (MAR) scheme provides a sustainable source of irrigated water that reduces demand on potable water supplies, including the River Murray, and provides stored recycled water for use during drought conditions. This ensures that public spaces remain green, usable and of high amenity and biodiversity. This in turn has benefits in reducing heat island effects in comparison to dry reserve areas, especially in times of drought. There is also significant community benefit in having access to high quality and fit-for-purpose open spaces, including reserves and sports grounds.

The capacity of the ERA Water MAR scheme continued to grow in 2022-23. The volume of water harvested and injected into the aquifer increased, whereas the volume of extraction was lower than last year, largely due to a late start and early finish to the 2022-23 irrigation season. The volume of water injected to the aquifer increased by around 20% (from 274.5ML to 344.5ML). There has also been a significant increase in the water balance – the accumulated reserve of water held in the aquifer - from 525.3ML to 705.3ML. This water balance provides a buffer for times of drought where seasonal capacity to harvest stormwater for injection is exceeded by water demand for irrigation.

The regulatory environment continues to change with the introduction of the Adelaide Plains Water Allocation Plan. While this plan identifies risks, it also presents opportunities for ERA Water, as has been outlined in this report.

Overall, 2022-23 was a year of consolidation and creating a platform for further maturity of ERA Water's MAR scheme and business performance. I thank the outgoing Acting General Manager, Terry Sutcliffe, for his professional stewardship of ERA Water in his 14 months in the role and look forward to working with the Board into the future to continue delivering outcomes for ERA Water and its stakeholders.

ANDREW AITKEN  
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 an outcome of the Waterproofing Eastern Adelaide Project (Project), funded by the Constituent Councils which were supported through funding from the Australian Government's National Urban Water & Desalination Plan and the Adelaide and Mount Lofty Ranges Natural Resources Management Board (now Green Adelaide Landscape Board).

ERA Water's current prime function is to manage a water recycling scheme that captures, treats and delivers stormwater for irrigation purposes to the Constituent Councils and other customers. By doing so, it makes a significant contribution to the protection of Adelaide's environment and 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 - a system of harvesting, treating and injecting the cleaned water into aquifers for later extraction and use for irrigation.

The scheme comprises two treatment sites (which were modelled to be capable of harvesting 600 ML of stormwater per annum and yielding for use 458 ML of water per annum) as well as 46km of distribution pipe network covering each of the three Constituent Council areas, plus a site in each of the City of Port Adelaide Enfield and the City of Campbelltown 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 13 showing a plan of the ERA Water network).

The ERA Water scheme was designed to ultimately produce 458 ML per annum of water for sale to customers of which a minimum of 204.7 ML per annum is committed to the three Constituent Councils. An additional 253.3 ML per annum is forecast to be sold to other customers when identified and to Constituent Councils as growth in their water demand occurs.

Noting the original ERA Water scheme modelled design objectives, operational experience indicates that the current scheme extent and capacity will not be able to achieve modelled outcomes. This is not unusual with MAR schemes, and is compounded in ERA Water's case by previous decisions to not proceed with some elements of the original scheme in the pursuit of cost savings (such as a second UV injection filter, balancing storage, and injection/extraction wells) limiting the capacity of the scheme.

Notwithstanding the scheme's current limitations, it has delivered significant community benefit through the capacity for it to provide a cost-effective water supply to maintain the high standard of public open space and playing fields. This has both on-going social and environmental benefits, which will be heightened during times of drought and constrained water supply from other sources by enabling these green spaces and associated biodiversity to be maintained to a consistently high standard.

#### 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. The Charter is due for review in 2023-24.

The Charter sets the Objects and Purposes of ERA Water to:

- implement, oversee and manage the Project
- develop, implement, oversee and manage practical solutions to provide water supply diversity within and outside the Region
- supply water to the Constituent Councils and other persons for irrigation purposes within and outside the Region except that priority shall be given to the supply of water for irrigation within the Region
- manage and oversee the distribution of water captured as part of the Project
- provide strategic direction for the Project
- fund, lease or own physical infrastructure required to undertake the Project
- meet all legislative requirements for the Subsidiary
- be responsible for the ongoing maintenance, replacement and other capital requirements of all physical infrastructure owned by the Subsidiary
- utilise proven water management planning principles and technologies
- manage, operate and control the necessary infrastructure for the Project
- maximise economic, environmental and social benefits to the community by developing and implementing innovative water management principles and techniques
- identify, develop and implement water recycling and supply opportunities for the Constituent Councils
- provide technical and other expert services and advice to the Constituent Councils in the area of water management and recycling including identifying emerging issues and opportunities
- represent the Constituent Councils and liaise with State government regarding the implementation or alteration of legislation in relation to water and licensing
- be financially self-sufficient as far as possible.

#### GOVERNANCE BOARD OF MANAGEMENT

ERA Water is governed by a Board of Management comprising an Independent Chairperson and a representative from each Constituent Council. The Board held six (6) ordinary meetings and three (3) special meetings during the 2022-23 financial year. Please note that during the financial year, following the November 2022 Local Government elections, Cr Grant Piggott replaced Cr John Minney as the Board Member representing the City of Norwood, Payneham & St Peters and Cr Anthony Vanstone replaced Cr MaryLou Bishop as the Board Member representing the Corporation of the Town of Walkerville. The Chairperson and Board Member attendance for all meetings at which time they each held office are outlined below.

Member	Member	Member
Independent Chairperson	Mr Jeff Tate	9 of 9 meetings
City of Burnside	Mr Chris Cowley (CEO)	9 of 9 meetings
City of Norwood, Payneham and St Peters	Cr John Minney	4 of 4 meetings
Corporation of the Town of Walkerville	Cr MaryLou Bishop	4 of 4 meetings
City of Norwood, Payneham and St Peters	Cr Grant Piggott	5 of 5 meetings
Corporation of the Town of Walkerville	Cr Anthony Vanstone	5 of 5 meetings

Regular Meetings of the Board were held on the following dates:

21 July 2022
15 September 2022
3 November 2022
25 January 2023
23 March 2023
18 May 2023

Special Meetings of the Board were held on the following dates:

5 September 2022
22 February 2023
28 June 2023

## CONFIDENTIALITY

During the 2022-23 financial year, the Board considered reports of a confidential nature for six (6) separate agenda items at five (5) of its meetings where it was necessary to exclude the public from discussion. The table below identifies the grounds on which the Board made this determination.

### Local Government Act 1999

Section	Description	No. times used
90(3)(b)	(i) information the disclosure of which— could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and (ii) would, on balance, be contrary to the public interest;	1
90(3)(k)	tenders for the supply of goods, the provision of services or the carrying out of works;	
90(3)(d)	commercial information of a confidential nature (not being a trade secret) the disclosure of which— (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest;	1
90(3)(k)	tenders for the supply of goods, the provision of services or the carrying out of works;	
90(3)(a)	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)(d)	commercial information of a confidential nature (not being a trade secret) the disclosure of which— (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest;	2

## FREEDOM OF INFORMATION

No requests were received under the *Freedom of Information Act 1991* during the 2022-23 financial year.

## STAFFING STRUCTURE

Terry Surcliffe was appointed by the Board as Acting General Manager on 31 January 2021, and following his resignation, appointed Andrew Aitken as General Manager on 20 March 2023.  
No additional staff were employed during the year.

## SUPPORT FROM CONSTITUENT COUNCILS

The Town of Walkerville continued to provide ERA Water with Board and Audit Committee secretarial and executive support functions and services throughout the 2022-23 financial year.

The City of Burnside contributed the premises, and some administrative support, to conduct Audit Committee meetings.

The City of Norwood, Payneham & St Peters provided office accommodation as well as some IT and financial/bookkeeping support.

## FINANCIAL MATTERS

### 2022-23 BUDGET and DRAFT LONG TERM FINANCIAL PLAN

The 2022-23 Budget was approved by the Constituent Councils, and subsequently approved by the Board, in accordance with the procedures and requirements under the ERA Water Charter. Earlier in the year, the Board workshopped a revised Draft Long Term Financial Plan and included some of its modelling in Draft FY 2023-24 Budget briefings to the Council Members, and some Audit and Risk Committee Members, of Constituent Councils.

The audited General Purpose Financial Statements form an attachment to the Annual Report.

## AUDIT COMMITTEE

The ERA Water Audit Committee held three (3) meetings in the 2022-23 financial year. The work of the Committee over the past financial year has included:

- reviewing ERA Water's year to date management accounts and preliminary end of financial year financial statements
- reviewing and updating the Audit Committee Terms of Reference that was subsequently adopted by the Board in July 2022
- reviewing 2022-23 budget reviews
- reviewing the draft 2023-24 Budget
- providing recommendations on relevant policy, governance and finance related matters
- reviewing the risk register.

Regular Meetings of the Audit Committee were held on the following dates:

7 September 2022

16 November 2022

21 June 2023

Please note that during the financial year, Sandra Di Blasio replaced Brigitte O'Neil as the Independent Committee Member and Cr Harvey Jones replaced Cr Grant Piggott as Committee Member. Meeting attendance by the Independent Chairperson and Committee Members was as follows:



**Member**

Independent Chairperson  
(Corporation of the Town of Walkerville  
nominee)

Mr Michael Parkinson

3 of 3 meetings

Independent Committee Member  
(City of Norwood, Payneham & St Peters  
nominee – to November 2022)

Ms Brigitte O'Neil

1 of 2 meetings

Committee Member  
(City of Burnside nominee  
– to November 2022)

Cr Grant Piggott

1 of 2 meetings

Independent Committee Member  
(City of Norwood, Payneham & St Peters  
nominee – post November 2022)

Ms Sandra Di Blasio

1 of 1 meeting

Committee Member

(City of Burnside nominee  
– post November 2022)

Cr Harvey Jones

1 of 1 meeting

**FINANCIAL STATEMENTS**

The Audited Financial Statements for the year ending the 30 June 2023 are provided as an attachment to the Annual Report and show an Operating Deficit of \$658,658 (2021-22 \$642,529) and Total Council Equity of \$4,851,192 (2021-22 \$4,909,850).

Total income was \$961,455 (2021-22 \$747,963) and total expenses \$1,620,113 (2021-22 \$1,390,492).

**FINANCIAL MANAGEMENT SUPPORT**

BRM Advisory continued to provide financial management support to the Board and General Manager.

**OPERATIONS AND MAINTENANCE**

Operational management of the ERA Water network has been undertaken by Mark Millington as external operations contractor since November 2020. Engineering consultants WGA continue to provide advice and operational support, including that related to licence compliance reporting.

At the end of the financial year 344.5ML from the scheme's two harvesting sites in Third Creek and Fourth Creek had been treated to the required standard and injected into the aquifer, and 164.5ML had been extracted from the aquifer for distribution to the Constituent Councils and third parties for irrigation.

In addition, as the amount of water injected into the aquifer has been greater than the amount extracted since the start of the scheme, and the Department of Environment and Water determined not to account for extraction during the 2021-22 year whilst the new Adelaide Plains Water Allocation Plan was being introduced, a total of 705.3ML of water has now been 'banked' as the scheme's water balance. The water balance can be drawn down in drought years when extraction is likely to exceed injection.

Above average rainfall conditions assisted harvesting and injection capacity. In addition to total rainfall in any year, the ability to harvest and treat stormwater is impacted by the type of rain event. 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.

Maintenance requirements included a pipe repair where a coupler required replacement, general pump and control system repairs and some initial cleaning of wetland biofilters. The ERA Water MAR scheme continues to require active monitoring and management by the Operations Contractor to optimise the performance of the scheme.

**INJECTION AND EXTRACTION DATA**

YEAR	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Ext. (ML)	0.0	5.9	19.1	83.6	166.3	218.1	104.5
Inj. (ML)	0.0	5.6	97.3	237.9	203.9	274.5	344.5
Water Balance (ML)	0.0	1.6	78.8	234.0	756.8	525.3	705.3

\*21/22 WRE excludes Extraction volume - 2047 DEW

### 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 (ESCOA), an Authorisation from the Department for Environment and Water (DEW) and Permits from the Green Adelaide Landscape Board.

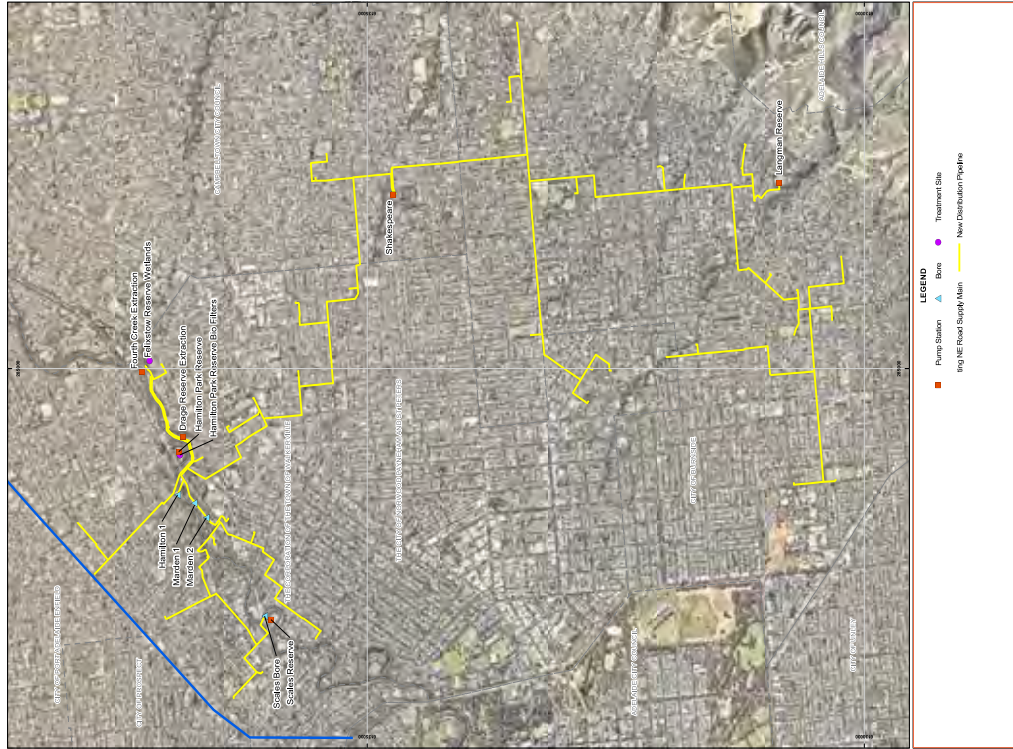
The EPA Licence is to discharge stormwater to underground aquifers. There are a number of conditions attached to the licence including specifying criteria for water quality that have to be monitored on a continuous basis and have to be met to enable water to be injected into the aquifer. It is also requires ERA Water to have a Managed Aquifer Recharge Risk Management Monitoring Plan (MARRMMP) which details among other things the sampling and testing regime for water quality monitoring and reporting requirements regarding injection and extraction data as well as annual reporting requirements. The MARRMMP submitted for 2022-23 did not identify any breaches or water quality requirements through regular water quality monitoring undertaken, with water quality within the specified criteria for turbidity, electrical conductivity, and pH.

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 life of the scheme minus any volume that was extracted during those years, or the authorised annual volumetric limit of 500ML (whichever is the lesser).

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.

### DISTRIBUTION NETWORK FOR ERA WATER SCHEME





# ERA Water Regional Subsidiary

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

*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 2023

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**ERA Water Regional Subsidiary**

General Purpose Financial Statements  
for the year ended 30 June 2023

**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 1998 (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 2023 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.

  
Andrew Adkins  
General Manager

Date: 21 SEPTEMBER 2023

  
Jeff Tate  
Independent Chairperson

**ERA Water Regional Subsidiary**

Statement of Comprehensive Income  
for the year ended 30 June 2023

	Notes	2023	2022
\$			
<b>Income</b>			
User Charges	2a	883,232	731,967
Investment Income	2b	34,004	15,996
Other Income	2c	44,218	-
<b>Total Income</b>		<b>961,455</b>	<b>747,963</b>
<b>Expenses</b>			
Employee Costs	3a	117,121	103,544
Materials, Contracts & Other Expenses	3b	589,309	489,142
Depreciation, Amortisation & Impairment	3c	470,210	468,775
Finance Costs	3d	443,473	329,031
<b>Total Expenses</b>		<b>1,620,113</b>	<b>1,390,492</b>
<b>Operating Surplus / (Deficit)</b>		<b>(658,658)</b>	<b>(642,529)</b>
Amounts Received Specifically for New or Upgraded Assets		-	-
<b>Net Surplus / (Deficit)</b>		<b>(658,658)</b>	<b>(642,529)</b>
<b>Total Comprehensive Income</b>		<b>(658,658)</b>	<b>(642,529)</b>

ERA Water Regional Subsidiary

Statement of Financial Position  
for the year ended 30 June 2023

\$	Notes	2023	2022
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	4a	4,284	175,282
Trade & Other Receivables	4b	82,525	59,649
Prepayments		1,662	8,227
Subtotal		88,471	243,158
<b>Total Current Assets</b>		<b>88,471</b>	<b>243,158</b>
Non-Current Assets			
Other Non-Current Assets	5	19,686,494	20,141,187
<b>Total Non-Current Assets</b>		<b>19,686,494</b>	<b>20,141,187</b>
<b>TOTAL ASSETS</b>		<b>19,774,965</b>	<b>20,384,345</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade & Other Payables	6a	205,191	173,918
Provisions	6c	2,501	577
Subtotal		207,692	174,495
<b>Total Current Liabilities</b>		<b>207,692</b>	<b>174,495</b>
Non-Current Liabilities			
Borrowings	6b	14,716,081	15,300,000
<b>Total Non-Current Liabilities</b>		<b>14,716,081</b>	<b>15,300,000</b>
<b>TOTAL LIABILITIES</b>		<b>14,923,773</b>	<b>15,474,495</b>
<b>Net Assets</b>		<b>4,851,192</b>	<b>4,909,850</b>
<b>EQUITY</b>			
Accumulated Surplus		4,251,192	4,909,850
Capital Contributed - Constituent Councils		600,000	-
<b>Total Council Equity</b>		<b>4,851,192</b>	<b>4,909,850</b>

ERA Water Regional Subsidiary

Statement of Changes in Equity  
for the year ended 30 June 2023

\$	Notes	Accumulated Surplus	Asset Revaluation Reserve	Capital Contributed	Total Equity
<b>2023</b>					
Balance at the end of previous reporting period		4,909,850	-	-	4,909,850
Restated Opening Balance		4,909,850	-	-	4,909,850
Contributed / (Reduction) in Equity		-	-	600,000	600,000
a. Net Surplus / (Deficit) for Year		(658,658)	-	-	(658,658)
b. Other Comprehensive Income		-	-	-	-
Other Comprehensive Income		(658,658)	-	-	(658,658)
<b>Total Comprehensive Income</b>		<b>(658,658)</b>	<b>-</b>	<b>-</b>	<b>(658,658)</b>
c. Transfers between Reserves		-	-	-	-
Balance at the end of period		4,251,192	-	600,000	4,851,192
<b>2022</b>					
Balance at the end of previous reporting period		5,552,379	-	-	5,552,379
Restated Opening Balance		5,552,379	-	-	5,552,379
a. Net Surplus / (Deficit) for Year		(642,529)	-	-	(642,529)
b. Other Comprehensive Income		-	-	-	-
Other Comprehensive Income		(642,529)	-	-	(642,529)
<b>Total Comprehensive Income</b>		<b>(642,529)</b>	<b>-</b>	<b>-</b>	<b>(642,529)</b>
c. Transfers between Reserves		-	-	-	-
Balance at the end of period		4,909,850	-	-	4,909,850



ERA Water Regional Subsidiary

Statement of Cash Flows  
for the year ended 30 June 2023

	Notes		2023	2022
\$				
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
User Charges			860,379	712,070
Investment Receipts			33,983	14,571
Reimbursements			-	2,225
Other Receipts			44,217	-
<b>Payments</b>				
Payments to Employees			(115,197)	(106,242)
Payments for Materials, Contracts & Other Expenses			(585,987)	(431,324)
Finance Payments			(407,957)	(329,031)
<b>Net Cash provided by (or used in) Operating Activities</b>			<b>(171,562)</b>	<b>(137,731)</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts</b>				
Amounts Received Specifically for New/Upgraded Assets				
<b>Payments</b>				
Expenditure on New/Upgraded Assets			(15,517)	(44,691)
<b>Net Cash provided by (or used in) Investing Activities</b>		7	<b>(15,517)</b>	<b>(44,691)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts</b>				
Proceeds from Borrowings			600,000	251,498
Contributions from Constituent Councils			-	-
<b>Payments</b>				
Repayments of Borrowings			(583,919)	-
<b>Net Cash provided by (or used in) Financing Activities</b>			<b>16,081</b>	<b>251,498</b>
<b>Net Increase (Decrease) in Cash Held</b>			<b>(170,998)</b>	<b>69,077</b>
plus: Cash & Cash Equivalents at beginning of period		7	175,282	106,205
<b>Cash &amp; Cash Equivalents at end of period</b>		7	<b>4,284</b>	<b>175,282</b>
<b>Total Cash, Cash Equivalents &amp; Investments</b>			<b>4,284</b>	<b>175,282</b>

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

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## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

### Note 1. Summary of Significant Accounting Policies

**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 working capital available to meet ERA Water's financial obligations in the future. The Authority may be reliant on the ability of the constituent Councils to enable it to continue to operate on a going concern basis.

#### 1.6 Rounding

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

#### 3 Income Recognition

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

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were discharged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes.

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

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

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

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

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

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

#### 1 Basis of Preparation

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

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

#### 1.2 Going Concern Basis

The Authority has an operating loss for FY2023 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 Constituent 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.

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

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

#### 5 Infrastructure, Property, Plant & Equipment

##### 5.1 Initial Recognition

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

All non-current assets purchased, or constructed, are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architect's 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 benefits, services, etc. To capitalise an asset, it 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 offsetting investment revenue) have been capitalised in accordance with AASB 123. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

#### 5.6 Connection Costs

In previous reporting periods, expenditure relating to direct connections to a number of reserves was expensed on the basis that the infrastructure for the most part sits on customer land. ERA Water connection infrastructure sitting on customer land is now being capitalised as a liability or relation to the future upkeep, maintenance and renewal of connection infrastructure. Accordingly, there is an argument that costs which were expensed in previous reporting periods should have been capitalised.

During FY2024, ERA Water will undertake a review of previously expensed connection costs to determine if they meet the definition of an asset and to consider whether or not they should be retrospectively capitalised.

#### 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.

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

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

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 pay-related oncosts) to be made in respect of services rendered by employees during the reporting period. 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. Significant uncertainty exists in the estimation of the future restoration and/or closure costs and accordingly, no provisions for such costs have been made at this time.

#### 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 ERA Water does not extend beyond the reporting period. As such, the staff compensation costs are recognised as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

#### 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

In the current year, ERA Water reviewed 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 and have found none requiring adoption. ERA Water has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

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 Local Government entities.

Effective for NFP annual reporting periods beginning on or after 1 January 2025

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7)

#### 14 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.

#### 15 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 2023

### Note 2. Income

	Notes		2023	2022
			\$	\$
(a) User Charges				
Water Sales including annual supply charges			883,232	731,967
Total User Charges			<u>883,232</u>	<u>731,967</u>
(b) Investment Income				
Interest Income		202	33,802	15,919
LGFA distribution			34,004	15,996
Total Investment Income			<u>67,806</u>	<u>31,915</u>
(c) Other Income				
Insurance Claim			44,219	-
Total Other Income			<u>44,219</u>	<u>-</u>
<b>Note 3. Expenses</b>				
(a) Employee Costs				
Salaries and Wages			103,069	93,574
Movement in Leave Provision			1,924	(654)
Superannuation			12,128	10,624
Total Operating Employee Costs			<u>117,121</u>	<u>103,544</u>
(b) Materials, Contracts and Other Expenses				
Auditor's Remuneration			6,363	6,363
- Auditing the Financial Reports			143,871	102,981
Electricity			51,730	40,524
Insurance			197,088	224,885
Maintenance and Repairs			136,044	72,546
Professional Services			53,751	41,843
Other			589,309	489,142
Total Materials, Contracts and Other Expenses			<u>1,277,236</u>	<u>978,184</u>
(c) Depreciation, Amortisation and Impairment				
Depreciation			470,210	468,775
Total Depreciation, Amortisation and Impairment			<u>470,210</u>	<u>468,775</u>
(d) Finance Costs				
Interest Expense			443,473	329,031
Total Finance Costs			<u>443,473</u>	<u>329,031</u>

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

\$	Notes	2023	2022
<b>Note 4. Current Assets</b>			
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash at Bank		2,341	145,129
Local Government Finance Authority		1,943	30,163
<b>Total Cash &amp; Cash Equivalents</b>		<b>4,284</b>	<b>175,292</b>
<b>(b). Trade &amp; Other Receivables</b>			
Trade debtors		41,485	43,116
GST Receivable		41,040	16,533
<b>Subtotal</b>		<b>82,525</b>	<b>59,649</b>
<b>Total Trade &amp; Other Receivables</b>		<b>82,525</b>	<b>59,649</b>

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2023

Note 5. Non-Current Assets

5	Asset Movements during the Reporting Period						as at 30/6/2022		as at 30/6/2023	
	Cost	Acc. Dep'n	Written Down Value	New / Upgrade	Depreciation	Cost	Acc. Dep'n	Written Down Value		
Own Assets	13,352,519	1,747,223	12,297,290	15,517	225,058	13,367,536	1,962,277	12,285,059		
Investment Assets	1,000,000	165,438	1,165,438	-	20,331	1,000,000	165,438	1,165,438		
Instrumentation & Control Assets	304,560	59,282	245,278	-	20,331	304,960	79,613	225,347		
Mechanical Assets	2,275,690	405,651	1,869,439	-	113,755	2,275,090	519,406	1,755,684		
Bank Construction Costs	4,346,233	222,488	4,123,745	-	62,089	4,346,233	284,575	4,061,658		
Information Technology Assets	193,170	35,683	157,487	-	9,565	193,170	45,641	147,529		
Water Treatment Equipment										
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>21,795,171</b>	<b>1,669,884</b>	<b>20,441,187</b>	<b>15,517</b>	<b>470,210</b>	<b>21,960,688</b>	<b>2,244,384</b>	<b>19,886,494</b>		
<b>Comparatives</b>	<b>21,725,559</b>	<b>1,105,201</b>	<b>20,352,380</b>	<b>30,662</b>	<b>467,715</b>	<b>21,795,171</b>	<b>1,653,964</b>	<b>20,141,387</b>		

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 6. Liabilities

Notes	2023		2022	
	Current	Non Current	Current	Non Current
<b>(a). Trade and Other Payables</b>				
Trade and Other Payables	32,123	-	78,137	-
Accrued Expenses - Finance Costs	123,178	-	87,662	-
Accrued Expenses - Other	18,662	-	6,325	-
Accrued Expenses - Employment liabilities	31,228	-	1,784	-
<b>Total Trade and Other Payables</b>	<b>205,190</b>	<b>-</b>	<b>173,918</b>	<b>-</b>
<b>(b). Borrowings</b>				
Loans	-	14,716,081	-	15,300,000
<b>Total Borrowings</b>	<b>-</b>	<b>14,716,081</b>	<b>-</b>	<b>15,300,000</b>

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

	2023	2022
LGFA Cash Advance Debenture Facility	14,716,081	15,300,000
Undrawn balance	583,919	-

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 has agreed to a recapitalisation proposal which has resulted in an equity injection of \$600,000 from Constituent Councils to ensure that ERA Water has sufficient capital to meet its future liabilities, at least for a further 12 months.

(c). Provisions

Employee Entitlements	2,501	577
<b>Total Provisions</b>	<b>2,501</b>	<b>577</b>

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Reconciliation to Statement of Cash Flows

	2023	2022
<b>(a). Reconciliation of Cash</b>		
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:		
Total Cash & Equivalent Assets	4,284	175,282
<b>Balances per Statement of Cash Flows</b>	<b>4,284</b>	<b>175,282</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Investing Activities</b>		
Net Surplus/(Deficit)	(658,658)	(642,529)
Non-Cash Items in Income Statements	470,210	463,775
Depreciation, Amortisation & Impairment	1,924	(653)
Net increase (decrease) in unpaid employee benefits	-	8,026
Non Cash Asset acquisitions	(186,523)	(166,381)
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	(22,876)	5,848
Net (Increase)/Decrease in Other Current Assets	6,565	(352)
Net Increase/(Decrease) in Trade & Other Payables	31,273	23,154
<b>Net Cash provided by (or used in) operations</b>	<b>(171,562)</b>	<b>(137,731)</b>



ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

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.

**Rates:**  
All deposits are at call earning rates of between 1.05% and 4.30% as at 30 June 2023 (1.05% as at 30 June 2022).

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

**Accounting Policy:**  
Initially recognised at fair value and subsequently measured at amortised cost.

**Terms & Conditions:**  
Unsecured, and do not bear interest. At the balance date, ERA Water is not materially exposed to any individual debtor.

**Carrying Amount:**  
Approximates fair value (after deduction of any allowance).

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

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

**Carrying Amount:**  
Approximates fair value.

**Accounting Policy:**  
Initially recognised at fair value and subsequently, at amortised cost using the effective interest rate.

**Terms and conditions**  
Interest is charged at a range of both fixed and variable rates ranging from 1.66% to 6.05% as at 30 June 2023 (1.66% to 2.8% as at 30 June 2022)

**Carrying Amount:**  
Approximates fair value.

Receivables

Liabilities - Creditors and Accruals

Liabilities - Interest Bearing Borrowings

ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 8. Financial Instruments

Financial Instruments

\$	Due		Due	Total Contractual		Carrying
	< 1 year	Due > 1 year & ≤ 5 years		> 5 years	Cash Flows	
<b>2023</b>						
<b>Financial Assets</b>						
Cash & Equivalents	4,284	-	-	4,284	4,284	4,284
Receivables	82,525	-	-	82,525	82,525	82,525
<b>Total Financial Assets</b>	<b>86,809</b>	<b>-</b>	<b>-</b>	<b>86,809</b>	<b>86,809</b>	<b>86,809</b>
<b>Financial Liabilities</b>						
Trade and other payables	205,191	-	-	205,191	205,191	205,191
Non-Current Borrowings	-	-	14,716,081	14,716,081	14,716,081	14,716,081
<b>Total Financial Liabilities</b>	<b>205,191</b>	<b>-</b>	<b>14,716,081</b>	<b>14,921,272</b>	<b>14,921,272</b>	<b>14,921,272</b>
\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values	
<b>2022</b>						
<b>Financial Assets</b>						
Cash & Equivalents	175,282	-	-	175,282	175,282	175,282
Receivables	59,649	-	-	59,649	59,649	59,649
<b>Total Financial Assets</b>	<b>234,931</b>	<b>-</b>	<b>-</b>	<b>234,931</b>	<b>234,931</b>	<b>234,931</b>
<b>Financial Liabilities</b>						
Payables	172,124	-	-	172,124	172,124	172,124
Non-Current Borrowings	-	-	15,300,000	15,300,000	15,300,000	15,300,000
<b>Total Financial Liabilities</b>	<b>172,124</b>	<b>-</b>	<b>15,300,000</b>	<b>15,472,124</b>	<b>15,472,124</b>	<b>15,472,124</b>
The following interest rates were applicable to Council's Borrowings at balance date:						
Other Variable Rates	30 June 2023		Carrying Value	Weighted Avg Interest Rate	30 June 2023	Carrying Value
	3.49%		14,716,081	2.46%		15,300,000
			<b>14,716,081</b>			<b>15,300,000</b>

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

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

**Risk Exposures**  
Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of ERA Water is the carrying amount, net of any allowance for doubtful debts. All ERA Water investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government.

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

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

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. At the balance date, ERA Water has 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 2023

### Note 9. Uniform Presentation of Finances

\$	2023	2022
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.		
<b>Income</b>		
User Charges	883,232	731,967
Investment Income	34,004	15,996
Other Income	44,219	-
	<u>961,455</u>	<u>747,963</u>
<b>Expenses</b>		
Employee Costs	117,121	103,544
Materials, Contracts & Other Expenses	589,309	489,142
Depreciation, Amortisation & Impairment	470,210	468,775
Finance Costs	443,473	329,031
	<u>1,620,113</u>	<u>1,390,492</u>
<b>Operating Surplus / (Deficit)</b>	<b>(658,658)</b>	<b>(642,529)</b>
<b>less: Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	470,210	468,775
Proceeds from Sale of Replaced Assets	-	-
Subtotal	<u>470,210</u>	<u>468,775</u>
<b>less: Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(15,517)	(44,691)
Amounts Received Specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	(15,517)	44,691
Subtotal	<u>(31,034)</u>	<u>(44,691)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(203,965)</b>	<b>(218,445)</b>

### 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 2023, 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 **(insert date)**.

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 2023

### 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 3rd party contractors for business as usual 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 Andrew Aitken (current Acting General Manager), Terry (former Acting General Manager) and the members of the ERA Water Board including:

- Jeff Taylor (Chairman)
- Mark Piggott (Councillor - City of Norwood, Payneham and St Peters)
- Anthony Vanstone (Councillor - Corporation of the Town of Walkerville)
- Chris Cowley (CEO - City of Burnside)
- Terry Sutcliffe
- Andrew Aitken (Current)

In all, six persons were paid a total of \$125,891.50 of remuneration for services provided to ERA Water.

Key Management Personnel	2023	2022
Salaries, allowances & other short term benefits	\$ 125,891.50	\$ 115,594
Long-term benefits	\$ -	\$ -
Termination benefits	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 125,891.50</b>	<b>\$ 115,594</b>

#### 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 single 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 a location to hold ERA Water board meetings. City of Norwood Payneham & St Peters provided furnished office accommodation for ERA Water General Manager for the whole of the financial year and funded part of the cost of bookkeeping and financial management support provided to ERA Water by a third party.

There are no invoices that remain payable by related parties outside of ordinary trading terms.

Related Party	Sale of Water	Outstanding from Related Parties	Description of Services Provided
Town of Walkerville	\$ 44,740.30	\$ 2,265.60	Water Sales
City of Norwood, Payneham and St Peters	\$ 114,334.08	\$ 5,380.90	Water Sales
City of Burnside	\$ 265,327.98	\$ 6,513.60	Water Sales
<b>TOTAL</b>	<b>\$ 424,399.36</b>	<b>\$ 14,160.10</b>	



ERA WATER REGIONAL SUBSIDIARY

### GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2023


#### 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 2023, the Subsidiary's Auditor, Dean & Newbery Pty Ltd, has maintained its independence in accordance with the requirements of 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(3) *Local Government (Financial Management) Regulations 2011*.

  
Michael Parkinson  
ERA Water Audit Committee Chairperson

Date: 16 Aug 2023

  
Andrew Allixen  
ERA Water General Manager

Date: 16 August 2023

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Dean Newbery  
ABN: 48 007 861 081

### 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 2023, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants (Including Independence Standards), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



JIM KEOGH  
DIRECTOR

Signed on the 7<sup>th</sup> day of September 2023,  
at 214 Melbourne Street, North Adelaide, South Australia 5006

North Adelaide | Boloklobo

Liability limited by a scheme approved under Professional Regulation legislation



ERA WATER REGIONAL SUBSIDIARY

**GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2023**

**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 2023, the Subsidiary's Auditor, Dean & Newbery Pty Ltd, 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  
CITY OF BURNSIDE**

Date: 15 August 2023

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ABN: 60 108 805 716



ERA WATER REGIONAL SUBSIDIARY

**GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2023**

**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 2023, the Subsidiary's Auditor, Dean & Newbery Pty Ltd, 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*.

Marie Berono PSM  
**CHIEF EXECUTIVE OFFICER  
CITY OF NORWOOD PAYNEHAM & ST PETERS**

Date: 19. 08. 2023.

A: 175 The Parade, Norwood SA 5067 | E: gm@erawater.sa.gov.au | W: www.erawater.sa.gov.au  
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Scott Reardon  
ACTING CHIEF EXECUTIVE OFFICER  
TOWN OF WALKERVILLE

Date: 15/08/2023



# 2022/23 Annual Report

**Brown Hill and Keswick Creeks Stormwater Board**

*For the cities of Adelaide, Burnside, Mitcham, Unley and West Torrens*



## 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.

*The Brown Hill and Keswick Creeks Stormwater Board  
tampendi, ngadlu Kaurna yertanaga  
barbababalyamendi (inbarendi). Kaurna meyumna  
yalya matanya Womima Taramdanyaka.*

*Parnako yailya, parnuko tappa purruna, parnuko yerta  
ngadlu tampendi. Yelaka Kaurna meyumna itta yailya,  
tappa purruna, yerta kuma burro martendi, burro  
warriappendi, burro tangka mantulyatendi.*

*Kumarra yalya miyurna iyangka yalaka ngadlu  
tampinhi.*

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 (KNCHA) and RAW SA.

**Willawilla - Brown Hill Creek**



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# 1 Chairperson's Report

*This is the sixth 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).*



On behalf of the Board, I extend our thanks to our many stakeholders for their ongoing support and contribution, including the CEOs, members and staff of our 5 Constituent Councils, the Federal and State governments, Stormwater Management Authority and Green Adelaide.

**Judith Choate**

- 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:
- The creek works in Blue Gum Park / Kurungga (Park 20) were completed in September 2022. These works integrate with existing users of this Park Land area, including TreeClimb, and are part of the broader works to reduce stormwater flows from Park Lands Creek into downstream areas.
  - As part of the Board's work upgrading the flow capacity of Upper Brown Hill Creek, the Millswood upgrade project has commenced to increase the capacity of the existing channel.
  - The Board has also commenced work on 3 of the 5 Lower Brown Hill Creek upgrade projects, following a funding contribution of \$10m from the Commonwealth Government under the Preparing Australian Communities program.

# 2 Project Director's Report



The 2022/23 financial year has been a hive of activity on many fronts for the Board. Completion of the Blue Gum Park/ Kurungga (Park 20) creek works marked the finalisation of works within the South Park Lands. Together with the Victoria Park/Palepakanthi (Park 16) wetland and the Glenside detention basin, this project will offer considerable immediate benefit to downstream properties that would otherwise be susceptible to flooding. The Board is compiling quite a register of completed projects and ensuring operational and maintenance requirements are managed appropriately has become an increased focus.

The Commonwealth Government's \$10m funding contribution under the Preparing Australian Communities Program has allowed for acceleration of packages 1-3 of the 5 Lower Brown Hill Creek upgrade. The existing concrete channel was constructed in the 1930s, which is the last time a 1 in 100 year flood was recorded in the area. Works have commenced adjacent the airport at the downstream end and will extend

upstream across Marion Road toward Birdwood Terrace. Following a lengthy engagement process with local residents, construction has also commenced to upgrade a 235 metre section of Upper Brown Hill Creek in Millswood. These works have been an excellent example of what can be achieved in locations where the creek traverses through privately owned properties, with several different treatments being delivered to cater to the existing natural and built landscape.

Further grant funding commitments have been made by the Commonwealth Government and pre-planning has commenced in preparation for commencement of those works in the coming months. Establishment of a panel of project and contract managers ensures the project is equipped and ready to respond as additional funding becomes available. The Board now has the benefit of having worked with a number of local professionals in recent years and it is the efforts of these consultants that contribute toward the successful delivery of the project. I am proud of the client of choice for industry participants and am proud of the collaborative relationships that have been formed.


I extend my thanks to the Board and staff of the Stormwater Management Authority for their continued commitment to our project. To our Constituent Councils, their elected members and staff, including representatives of the Owners' Executive Committee, technical, finance and support staff, thank you for your continued support. And lastly, thank you to the Board and Audit and Risk Committee for your ongoing dedication and direction.

**Peta Mantzarapis**


# 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**

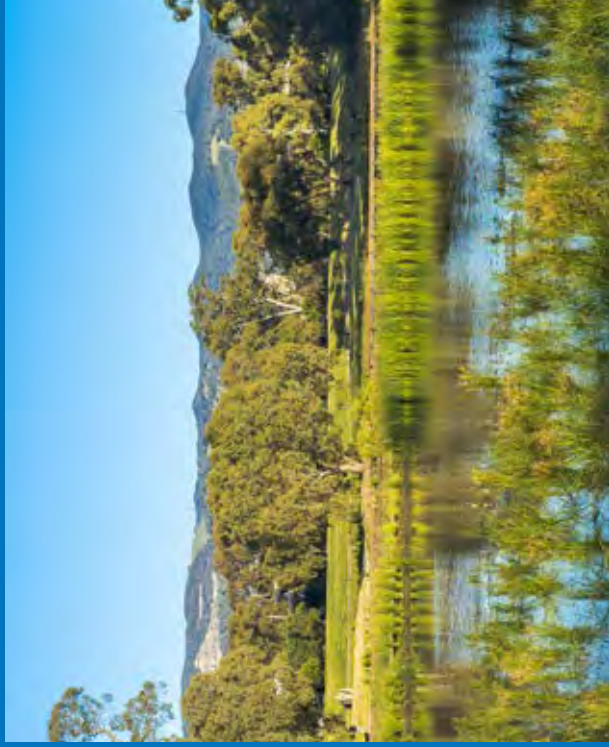
- Effective and efficient delivery of the Stormwater Management Plan
- Pursue opportunities for accelerated delivery
- Maximise the utility of our assets
- Enhance our partnerships and engagement
- Strengthen organisational performance

## 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.

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 whole-of-catchment flood mitigation strategy that comprises 4 key components:

**Stage 1**

Detention storages in the upper catchment that will reduce the downstream flow rates.

**Stage 2**

Upgrading the flow capacity of Lower Brown Hill Creek so that it can receive the diverted flows from Keswick Creek.

**Stage 3**

Diversion of flows from Keswick Creek to Brown Hill Creek, before they can 'break-out' of the channel (upstream of the Showgrounds) and continue overland through the south-western suburbs.

**Stage 4**

Upgrading the flow capacity of Upper Brown Hill Creek and Glen Osmond Creek to prevent 'break-outs' and flooding of private property.

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 almost 4,000 properties and result in significant impact to the Adelaide Airport, Ashford Hospital, major arterial roads and freight corridors. Economic modelling undertaken in 2021 indicated that total damage estimates associated with a significant flood event was \$418.5 million and the completed project would reduce that damage estimate to \$7.5 million, a net benefit of \$411 million.



**3,935** properties would be flood-affected if a significant flood event occurred today



**63** properties would be flood-affected if a significant flood event occurred after proposed mitigation

Whilst a flood event of this magnitude has not occurred in the catchment since the 1930's, the high flow events of 2005 and 2016 have provided recent reminders of the impact a significant event would have.



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 and the Board's Charter. A robust governance structure has been established, including well considered reporting framework, policies and procedures.

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

### 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

### Independent Member of Audit and Risk Committee



**David Linder-Patton**  
appointed February 2023

### 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.

We thank outgoing independent member of the Audit and Risk Committee, Justin Humphrey for his contribution to the project and welcome incoming member David Linder-Patton.

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 2022/23 financial year. Membership of the committee in 2022/23 was as follows:

<b>Tom McCready</b>	Director, City Services	City of Adelaide
<b>Chris Cowley</b>	Chief Executive	City of Burnside
<b>Daniel Baker</b>	General Manager Engineering & Horticulture	City of Mitcham
<b>Aaron Wood</b>	Manager Assets & Operations	City of Unley
<b>Terry Buss</b>	Chief Executive	City of West Torrens

**Board Member Meeting Attendance 2022/23**

Date	Judith Choate	Geoff Vogt	Rachel Barratt	Rob Gregory	Howard Lacy
13 Sep 2022	✓	✓	✓	✓	✓
25 Oct 2022	✓	✓	✓	✓	✓
16 Nov 2022	✓	✓	✓	✓	✓
17 Jan 2023	✓	✓	✓	✓	✓
14 Mar 2023	—	✓	✓	✓	✓
31 Mar 2023	—	✓	✓	✓	✓
18 Apr 2023	✓	✓	✓	✓	✓
13 Jun 2023	✓	✓	✓	✓	✓

**Audit and Risk Committee Meeting Attendance 2022/23**

Date	Judith Choate	Geoff Vogt	Rachel Barratt	David Linder-Patton*	Howard Lacy
30 Aug 2022	✓	✓	✓	✓	✓
25 Oct 2022	✓	✓	✓	—	✓
21 Feb 2023	—	✓	✓	✓	✓
22 May 2023	✓	✓	✓	✓	✓

\* David Linder-Patton joined the Audit and Risk Committee in February 2023





# 7

## 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



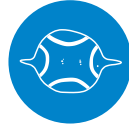
Green Adelaide



Federal and State Members



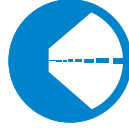
Adelaide Park Lands Authority



Kurna Community



Residents



Commonwealth and State Government Departments



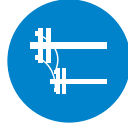
Community Groups



Suppliers



Consultants



Service Utility Providers



# 8

## 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. 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, or engagement with asset managers regarding operational requirements. 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

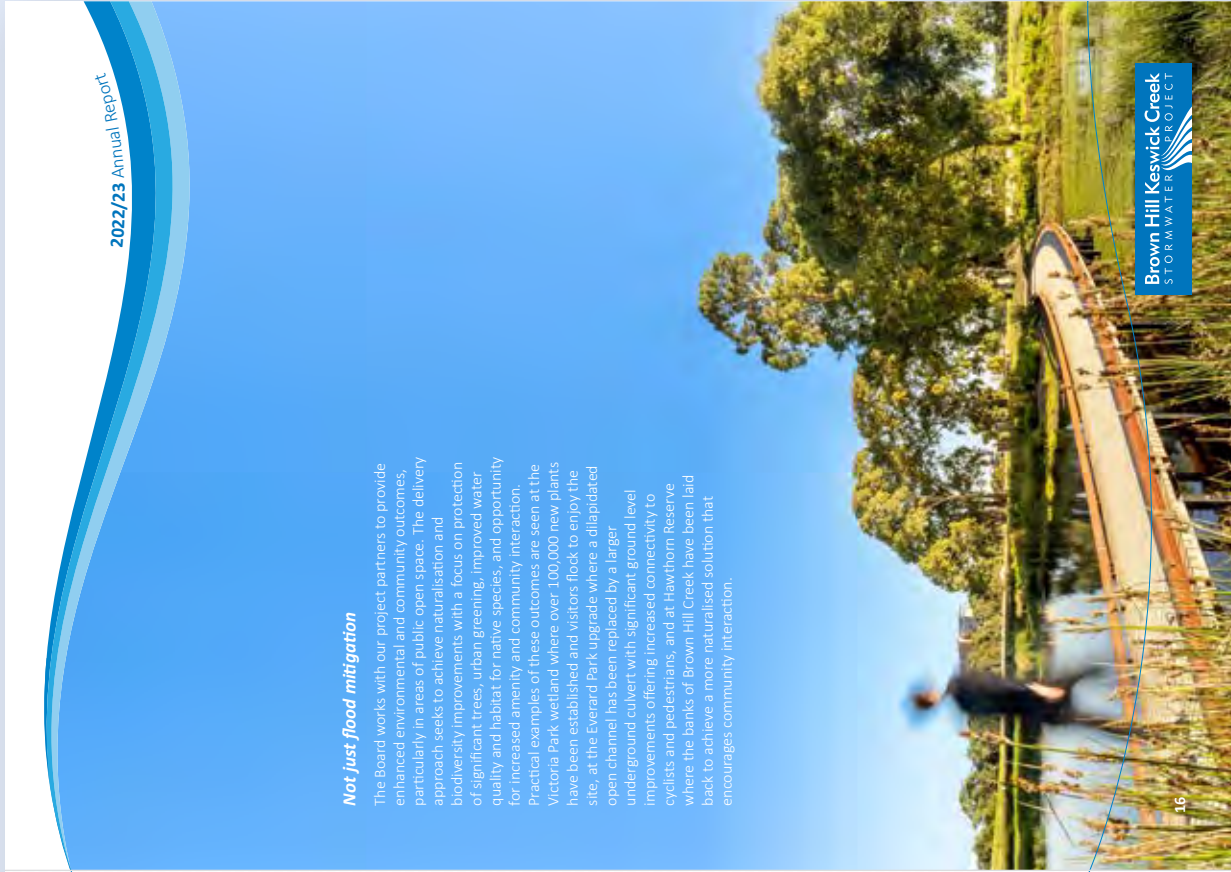
Continuing the collaborative approach adopted by the five Constituent Councils, the Stormwater Management Authority provides a key role in the delivery of the Project. Beyond the initial role the Authority played in the review and approval of the Plan, the Board's Project Director is in regular contact 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 Constituent Council matched capital funding of 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.



Government of South Australia  
Stormwater Management Authority

### Not just flood mitigation

The Board works with our project partners to provide enhanced environmental and community outcomes, particularly in areas of public open space. The delivery approach seeks to achieve naturalisation and biodiversity improvements with a focus on protection of significant trees, urban greening, improved water quality and habitat for native species, and opportunity for increased amenity and community interaction. Practical examples of these outcomes are seen at the Victoria Park wetland where over 100,000 new plants have been established and visitors flock to enjoy the site, at the Everard Park upgrade where a dilapidated open channel has been replaced by a larger underground culvert with significant ground level improvements offering increased connectivity to cyclists and pedestrians, and at Hawthorn Reserve where the banks of Brown Hill Creek have been laid back to achieve a more naturalised solution that encourages community interaction.





# 9 Capital Funding

The Stormwater Management Plan proposed a funding model whereby the three spheres of Government – Commonwealth, State and Local, each contribute one third of the cost of capital works delivery over a 10-year construction program. The Plan further noted that:

*‘If at the outset there is no positive response from the Commonwealth Government, the BHKC project would recommend that the catchment councils endorse a strategy along the following lines:*

- *The five councils allocate funding in their budgets for one third of the cost;*
- *a funding commitment is sought from the State Government to at least match that commitment; and*
- *once the State Government has agreed to that commitment, the five councils through the regional subsidiary work jointly work with the State Government to obtain a commitment from the Commonwealth Government for a minimum of one third of the cost to offset against the state and local government contributions.’*

The South Australian Government’s Stormwater Management Authority (SMA) has committed \$70m in funding toward the delivery of the project, with these funds being provided over a 20-year timeframe. The SMA funding is contingent upon matching funds being provided by the 5 Constituent Councils. While operating costs are shared equally between the 5 Councils, capital costs are based on the following principles:

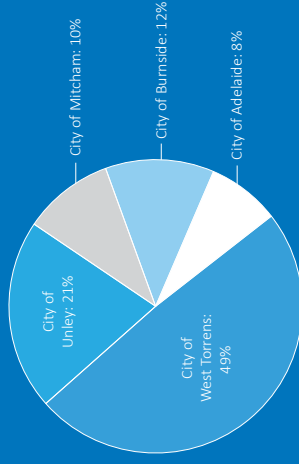
- *‘The proposed works are the type of works covered by the 2006 agreement between the State of South Australia and the LGA on stormwater management and in particular, both spheres of government each have an interest in reducing flood risk.*
- *Cost sharing between councils should reflect both the extent of their contribution to the problem and the benefits that they each receive from any flood management actions and not be related to the specific location where those actions are implemented.*
- *The approach should be as simple and transparent as is reasonably possible.*

*The starting point for proposed local government cost apportionment is based on the benefits that each council will receive from the proposed mitigation works. These benefits are considered in two forms:*

1. *Benefit from the reduction in flood damages; and*
2. *Benefits from urban development that has already or may take place in the future that will contribute to the flooding problem downstream.’*

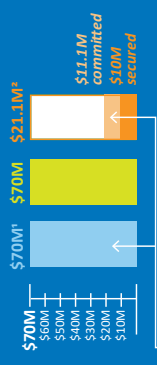
The cost-sharing arrangement between Constituent Councils is defined within the Stormwater Management Plan and the Board’s charter with capital contributions being provided at pre-determined percentage shares.

## Council Capital Contributions



## Current Funding Commitments

A funding shortfall exists as a result of the lack of Commonwealth Government contribution to the project. The Board is seeking to fill this shortfall through pursuit of opportunities to secure smaller grant funding injections and ‘whole-of-project’ funding from the Commonwealth Government. Subsequent to preparation of the Project’s Business Case in 2021/22, \$2.11m in funding has been committed by the Commonwealth Government across 3 grant programs- \$1.0m committed under the Preparing Australian Communities Program, \$6.1m committed under the Disaster Ready Fund and \$5m committed under the Urban Rivers and Catchments Program.



<sup>1</sup> City of West Torrens ongoing contribution to be reviewed in 2027/28.

<sup>2</sup> Commonwealth funding commitment includes \$6.1m under the Disaster Ready Fund and \$5m under the Urban Rivers and Catchments Program. Funding agreements have not yet been executed for these programs.

# 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.

*“Having been successfully awarded contracts at both ends of the project extents – one at Upper Brown Hill Creek, Millswood and the other at Lower Brown Hill Creek, Netley – each with their own distinct challenges, the board’s approach to collaborating with the entire project team has ensured works have continued seamlessly. Peta, Brett and the board have worked tirelessly to overcome a diverse range of stakeholder issues including license agreements on private property, soil contamination and unique engineering solutions. The transparency of communication and flexible approach to scheduling has ensured that we have been able to continue confidently with works. The responsiveness of the entire project team and willingness to embrace innovative ideas in order to manage the key project risks has been the main driver in the success of the projects thus far.*

*Another significant project success was in the procurement strategy. The prioritising of local participation of subcontractors and materials supply significantly reduced lead time risk through better supply chain management. This local focus, unlike many of the other less successful JPP models, recognised local not just at an Australian level, but at a local postcode level.*

*So to Peta, Brett, the board, and the entire team of subconsultants, this project (from a contractors perspective at least) has set a new bench mark how government organisations should approach the delivery of projects moving forward, regardless of size.”*

**Chris Gould, Director Camco**

### 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.

In excess of 60,000 total site hours have been spent delivering our works, with zero notifiable incidents and zero lost time injuries reported.



# 11

## Project Schedule

The Stormwater Management Plan outlines a whole-of-catchment flood mitigation strategy that comprises 4 stages:

### Stage 1 COMPLETE

Detention storages in the upper catchment that will reduce the downstream flow rates.

### Stage 2 IN PROGRESS

Upgrading the flow capacity of Lower Brown Hill Creek so that it can receive the diverted flows from Keswick Creek.

### Stage 3 ON HOLD

Diversion of flows from Keswick Creek to Brown Hill Creek, before they can ‘break-out’ of the channel (upstream of the Showgrounds) and continue overland through the south-western suburbs.

### Stage 4 IN PROGRESS

Upgrading the flow capacity of Upper Brown Hill Creek and Glen Osmond Creek to prevent ‘break-outs’ and flooding of private property.

The Project has a significant funding shortfall which impacts on the ability for all remaining works to be delivered under the current funding model. Additional funding contributions are therefore required to ensure project completion. While priority remains on securing additional project funding to ‘fill the gap’, the Board’s current delivery schedule prioritises completion of Lower Brown Hill Creek upgrades and targeted priority areas within Upper Brown Hill Creek. The Keswick Creek Flow Diversions remain unfunded under the current funding model and delivery will be reliant upon an injection of project funding.



# 12 Project Map





# 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.



After



Excavation progress



Before

**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 25,000m<sup>3</sup> 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.



Concrete swale and fencing



Concrete swale



Open Space



**Lower Brown Hill Creek - Daly Street Bridge**

The Daly Street bridge is located just downstream of Grassmere Reserve, Kurralta Park. The upgrade of this bridge was delivered by City of West Torrens in conjunction with an adjoining road realignment, with funding contribution from the Federal Government's Local Roads and Community Infrastructure Program.

Previously, the bridge comprised a corrugated domed tunnel of 2.3m in height and 3.7m in width with concrete headwalls on the upstream and downstream faces. This bridge, constructed circa 1950, had one of the lowest capacities of all existing bridges along Brown Hill Creek and especially through the lower reaches. It is known from the 2003 SMP flood modelling that a substantial flood plume was anticipated to escape from the creek in this location in the event of higher flows due to the restrictive capacity. Modelling also showed that this was the first location along lower Brown Hill Creek where creek surcharge would occur in a flood event.

The new bridge comprises twin concrete culverts of 1.8m in height and 4.2m in width, providing a total traversable width of 8.4m. Upstream and downstream transitions comprise gabion basket wall elements, in keeping with the requirements for future channel upgrade through this section of lower Brown Hill Creek.

Upgrade of the Daly Street Bridge was completed in September 2021.



Before



After

**South Park Lands – Victoria Park/ Pakapakanthi (Park 16) Wetland**

This project involved construction of a wetland at the southern end of Victoria Park/Pakapakanthi (Park 16), adjacent Park Lands Creek. Flows from approximately 600 hectares of urban land and 100 hectares of hills face land travel down Park Lands Creek, through the Glenside site and beneath the Fullarton and Greenhill Roads intersection into the Park Lands. The wetland is of approximately 3.2 hectares in area and provides 100 million litres of flood storage. It comprises areas of permanent water, areas that become inundated with stormwater during regular flow events and a broader area that will only become inundated during more significant flow events. The system provides regional benefits of flood detention, stormwater pollutant removal, amenity and recreational enhancement, and biodiversity creation with over 120 new trees and over 100,000 new plantings, including aquatic species.

The wetland design incorporates 4 main components-

1. Inlet pond - stormwater enters the site via a deeper pool known as the inlet pond which removes any coarse sediment and slows flow velocities into the vegetated area of the wetland. The pond has a cement treated base that makes it suitable for access by earthmoving equipment and it will need to be cleaned every 5-10 years.
2. Macrophyte zone – the main area of the wetland supports a diverse range of water plants that provide the majority of the stormwater treatment by filtering, collecting and processing stormwater pollutants. This area is designed as a series of deeper pools and marsh zones that will hold permanent water. Marsh zones are typically 100-350mm deep and become more inundated during regular flow events. The macrophyte zone is

designed to increase by up to 250mm in depth during storm events before overflowing from the inlet pond along Park Lands Creek. It takes 2-3 days to drain back down to permanent water levels.

3. Flood basin embankment – a vegetated embankment to the west of the wetland is designed to retain water during a significant storm event. During significant flow events, water levels in the wetland will rise and, once full, flow will overflow the inlet pond and continue along Park Lands Creek. A 1500mm x 1200mm box culvert is located at the downstream end of the wetland and controls outflows from Park 16. Once the capacity of the culvert is exceeded, water will pool behind the flood embankment and spread out over the area, including the wetland. Water will continue to flow through the culvert and, once the flood event has ceased, water levels will recede over a number of hours.

4. Landscape integration – the wetland design ensures integration of the system with the existing natural environment with a focus on protection of the butterfly conservation area and existing significant trees. The wetland creates a natural habitat with significantly increased native plant species and passive recreation opportunities including walking paths, wetland crossing points, viewing areas and extension of the Victoria Park running track.



The South Park Lands wetland project was supported by funding from Green Adelaide.









2022/23 Annual Report

**Brown Hill Keswick Creek**  
STORMWATER PROJECT

**South Park Lands – Blue Gum Park / Kurungga (Park 20) Creek Works**

Together with the Victoria Park/ Pakapakanthi (Park 16) wetland, the creek works in Blue Gum Park/ Kurungga (Park 20) reduce the peak stormwater flows from Park Lands Creek into downstream areas.

Works include construction of a low-level mound (typically up to 1 metre in height) and the realignment of existing creek lines in the southern section of the park. The mound is constructed to the south and west of the existing playing fields and stretches for a total distance of approximately 600 metres. Two new open drainage channels converge at a common point at the northern side of the new mound which enables controlled flows to be discharged through a culvert and under Greenhill Road. When large flows exceed the capacity of the culvert, water will build up and be contained behind the mound and temporarily inundate parts of Blue Gum Park/ Kurungga (Park 20) until it subsides.

The new works enable the existing creeks to be backfilled to support tree health and protect the Red Gums against erosion. The works integrate with existing users of this space, including TreeClimb.

The Park 20 project works were completed in September 2022.



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# 14

## Current Works

### Upper Brown Hill Creek – Millswood

Commencing early in 2023, this project involves:

- Reconstruction and widening of the Brown Hill Creek culverts across Regent Street.
- Reconstruction and widening of a 235 metre long section of the existing creek channel from just downstream of Regent Street, to just upstream of Avenue Street.

The upgrades will result in an approximate doubling of the capacity of the existing channel. The creek passes through several privately owned properties and the project team have been engaging closely with owners over the course of the design development. The design of the widened channel has endeavoured to minimise encroachment into private property and impacts to existing trees, however the works do require the removal of mostly exotic trees and vegetation from the bed and banks of the watercourse. Existing channel walls that are in good condition and the natural cobble stone base of Brown Hill Creek are being retained. Construction is due for completion in 2024.



### Lower Brown Hill Creek – Packages 1-3

Lower Brown Hill Creek is divided into 5 work packages and the Board secured \$10m in Commonwealth Government funding under the Preparing Australian Communities Program to deliver Packages 1-3 over 3 years. The Commonwealth funding is being matched by funding from Constituent Councils and the Stormwater Management Authority.

Packages 1 to 3 of the Lower Brown Hill Creek Upgrade will involve doubling the flow capacity of a 1.7-kilometre-long section of channel beginning at the south-eastern corner of Adelaide Airport and ending at Birdwood Terrace. The channel is primarily situated within a 12-metre-wide reserve owned by City of West Torrens. The upgrades will comprise a 6-metre wide by 1.8 metre high rectangular concrete channel (or an equivalent sized covered culvert) and the upgrade of four crossings using either box culverts or single span bridge structures.

Construction of Package 1 commenced late in 2022 and Package 3 is due for completion in 2025.



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## 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.

2022/23 Operational Funding	
City of Adelaide	\$133,594
City of Burnside	\$133,594
City of Mitcham	\$133,594
City of Unley	\$133,594
City of West Torrens	\$133,594
<b>Total</b>	<b>\$667,970</b>

Capital expenditure is funded by regular contributions from Constituent Councils and the Stormwater Management Authority with additional grant funding being secured for individual work packages on an ad hoc basis.

2022/23 Capital Funding	
City of Adelaide	8% \$196,000
City of Burnside	12% \$294,000
City of Mitcham	10% \$245,000
City of Unley	21% \$514,500
City of West Torrens	49% \$1,200,500
Stormwater Management Authority	\$0 <sup>1</sup>
Commonwealth Grant Funding	\$4,120,105 <sup>2</sup>
<b>Total</b>	<b>\$6,570,105</b>

<sup>1</sup> The Stormwater Management Authority has committed funding of \$4.5m for 2022/23 but transfer of these funds is awaiting approval from the Public Works Committee of Parliament. It is expected that these funds will be paid with the 2023/24 SWA contribution.

<sup>2</sup> This grant funding comprises the first payments made under the \$10m Preparing Australian Communities Program funding.







# 16

## Audited Financial Statements

**Brown Hill & Keswick Creeks Storm Water Board**

**Financial Statements for the year ended - 30 June 2023**

**Brown Hill & Keswick Creeks Storm Water Board**  
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**As at 30 June 2023**

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**Brown Hill & Keswick Creeks Storm Water Board**  
**Certification of financial statements**  
**As at 30 June 2023**

We have been authorised by the Board 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 Brown Hill & Keswick Creeks Storm Water Board's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year;
- internal controls implemented by the Board provide a reasonable assurance that the Board's financial records are complete, accurate and reliable and were effective throughout the financial year; and
- the financial statements accurately reflect the Board's accounting and other records.

On behalf of the Board

*Judith Creake*  
Admin Officer (08) 9233 0455

*Goeff Yeat*  
Chief Financial Officer (08) 9233 0455

Board Member  
14 September 2023

Board Member

**Brown Hill & Keswick Creeks Storm Water Board**  
**Statement of comprehensive income**  
**For the year ended 30 June 2023**

<b>Income</b>			
Operating contributions			
Investment income			
	<b>Note</b>	<b>2023</b>	<b>2022</b>
		\$	\$
	3	667,970	485,885
	4	349,089	59,621
		1,017,059	545,506
<b>Total income</b>		<u>1,017,059</u>	<u>545,506</u>
<b>Expenses</b>			
Employee Costs	5	(370,390)	(316,967)
Materials, Contracts & Other Expenses	6	(327,030)	(471,641)
Depreciation	8	(193,552)	(86,279)
Finance costs	7	(204)	(220)
<b>Total expenses</b>		<u>(891,176)</u>	<u>(875,107)</u>
<b>Operating surplus/(deficit)</b>		125,883	(329,601)
Capital Funding / Grants for New / Upgraded assets	9	585,986	5,000,000
Asset disposal	10	(1,417,180)	-
Physical resources received free of charge		-	463,605
<b>Net surplus/(deficit) for the year</b>		<u>(705,311)</u>	<u>5,134,004</u>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(Loss) on the revaluation of infrastructure and land improvements		161,738	129,175
Other comprehensive income for the year		161,738	129,175
<b>Total comprehensive income for the year</b>		<u>(543,573)</u>	<u>5,263,179</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

**Brown Hill & Keswick Creeks Storm Water Board**  
**Statement of financial position**  
**As at 30 June 2023**

<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	10,151,401	9,502,569
Trade and other receivables	12	295,521	441,304
<b>Total current assets</b>		<u>10,446,922</u>	<u>9,943,873</u>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	13	30,669,487	25,786,423
<b>Total non-current assets</b>		<u>30,669,487</u>	<u>25,786,423</u>
<b>Total assets</b>		<u>41,116,409</u>	<u>35,730,296</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	4,001,388	537,080
Provisions	15	30,719	25,407
<b>Total current liabilities</b>		<u>4,032,107</u>	<u>562,487</u>
<b>Non-current liabilities</b>			
Provisions	15	10,066	-
<b>Total non-current liabilities</b>		<u>10,066</u>	<u>-</u>
<b>Total liabilities</b>		<u>4,042,173</u>	<u>562,487</u>
<b>Net assets</b>		<u>37,074,236</u>	<u>35,167,809</u>
<b>Equity</b>			
Capital contributions of constituent councils	16	20,319,907	17,869,907
Asset revaluation reserve	17	570,390	408,652
Capital funding and grants	18	17,224,448	16,638,521
Accumulated surplus/(deficit)		(1,040,509)	250,729
<b>Total equity</b>		<u>37,074,236</u>	<u>35,167,809</u>

The above statement of financial position should be read in conjunction with the accompanying notes

**Brown Hill & Keswick Creeks Storm Water Board**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

	Capital Contributions of Council	Capital Funding and Grants	Asset Revaluation Reserve	Accumulated Surplus	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	13,869,907	11,638,521	279,477	116,725	25,904,630
Net surplus for the year	-	-	-	5,134,004	5,134,004
Other comprehensive income for the year	-	-	129,175	-	129,175
Total comprehensive income for the year	-	-	129,175	5,134,004	5,263,179
Capital contribution of Councils	4,000,000	-	-	-	4,000,000
Transfer to capital funding / grants	-	5,000,000	-	(5,000,000)	-
Balance at 30 June 2022	17,869,907	16,638,521	408,652	250,729	35,167,809
	<b>Capital Contributions of Council</b>	<b>Capital Funding and Grants</b>	<b>Asset Revaluation Reserve</b>	<b>Accumulated Surplus / (Deficit)</b>	<b>Total equity</b>
	\$	\$	\$	\$	\$
Balance at 1 July 2022	17,869,907	16,638,521	408,652	250,729	35,167,809
Net deficit for the year	-	-	161,738	(705,311)	(705,311)
Other comprehensive income for the year	-	-	-	-	161,738
Total comprehensive income for the year	-	-	161,738	(705,311)	(543,573)
Capital contribution of Councils	2,450,000	-	-	-	2,450,000
Transfer to capital funding / grants	-	585,927	-	(685,927)	-
Balance at 30 June 2023	20,319,907	17,224,448	570,390	(1,040,509)	37,074,236

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Brown Hill & Keswick Creeks Storm Water Board**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

	Note	2023	2022
		\$	\$
<b>Cash flows from operating activities</b>			
Operating receipts from constituent councils		925,240	366,372
Payments to employees		(355,012)	(291,623)
Payments to suppliers		(482,260)	(503,546)
Interest received		323,021	59,621
Interest paid		(204)	(212)
Net cash from/(used in) operating activities	28	410,785	(369,368)
<b>Cash flows from investing activities</b>			
Payments for New / Upgraded assets		(6,332,058)	(11,263,316)
Proceeds from grant funding for new / upgraded assets	9	4,120,105	5,000,000
Net cash used in investing activities		(2,211,953)	(6,263,316)
<b>Cash flows from financing activities</b>			
Contributions from Constituent Councils		2,450,000	4,000,000
Net cash from financing activities	16	2,450,000	4,000,000
Net increase/(decrease) in cash and cash equivalents		648,832	(2,632,704)
Cash and cash equivalents at the beginning of the financial year		9,502,569	12,135,273
Cash and cash equivalents at the end of the financial year	11	10,151,401	9,502,569

The above statement of cash flows should be read in conjunction with the accompanying notes

**Brown Hill & Keswick Creeks Storm Water Board**  
**Notes to the financial statements**  
**As at 30 June 2023**

**Note 1. Significant accounting policies**

**New or amended Accounting Standards and Interpretations adopted**

The Board has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

**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 and Schedule 2 to the Local Government Act 1989. 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. The Board's responsibilities extend to the ongoing maintenance and operation of stormwater infrastructure delivered by the Board under the Stormwater Management Plan. The property owner (whether that be a Council or private land owner) is responsible for maintenance and upkeep of any existing assets, all new non-stormwater assets and all landscaping components. This may require the transfer of assets to the property owner subsequent to the initial construction defects period.

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 costs, modified, where applicable, by the measurement 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 13 September 2023 by the members of the Board.

**Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Board'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 disclosed in Note 2.

**(a) Revenue recognition**

**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.

All revenue is stated net of the amount of goods and services tax (GST).

**Brown Hill & Keswick Creeks Storm Water Board**  
**Notes to the financial statements**  
**As at 30 June 2023**

**Note 1. Significant accounting policies (continued)**

**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 Boards Annual Budget which is agreed with all constituent councils.

**Grant revenue**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

When grant revenue received meets the "enforceability" and "sufficiently specific" criteria in accordance with AASB 1058 and AASB 15, the grant revenue is recognised in the statement of financial position as a liability until the performance obligations have been met and delivered to the contributor.

Otherwise the grant is recognised as income in the statement of comprehensive income when the Board obtains control of the grant. It is probable that the economic benefits gained from the grant will flow to the Board and the amount of grant can be measured reliably.

**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 Boards 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)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

**(e) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(f) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.



**Brown Hill & Keswick Creeks Storm Water Board  
Notes to the financial statements  
As at 30 June 2023**

**Note 1. Significant accounting policies (continued)**

The Board has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

**(g) Financial Instruments**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Board has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

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.

*Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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.

*Impairment of financial assets*

Impairment of financial assets has 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.

**Brown Hill & Keswick Creeks Storm Water Board  
Notes to the financial statements  
As at 30 June 2023**

**Note 1. Significant accounting policies (continued)**

**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.

**(h) 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 or private property owners.

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 assets' 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 infrastructure and land improvements has been undertaken as at 30 June 2023. The valuation was undertaken by Tina-James Freeman, Asset Consultant at Tonkin. Refer to Note 20 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Land Improvements	0.67 - 4%
Office equipment	10%
Computer equipment	10-33%
Stormwater infrastructure	1-6.6%

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 1. Significant accounting policies (continued)**

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed by the Project Director in consultation with the Board's Asset Consultant. In addition, the Board's Asset Capitalisation Policy is reviewed every 2 years, with the last review undertaken in June 2023. Any revisions are accounted for prospectively as a change in estimate.

**(l) Impairment of non-financial assets**

Non-financial assets 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**(j) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Board prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**(k) Employee benefits**

**Short-term 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 comprehensive income.

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.

**Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(l) 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 believes that the Member Councils and other bodies will continue to support the Board.

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 1. Significant accounting policies (continued)**

**(m) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Board for the annual reporting period ended 30 June 2023. The Board has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 2. Critical accounting judgements, estimates and assumptions**

The Board makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements 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 judgements made have been described below.

**Allowance for expected credit losses**

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. Level 3 inputs are unobservable inputs. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. For further information relating to fair value measurement, refer to Note 20.

**Impairment of property, plant and equipment**

The Board assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Board and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**Key estimates fair valuation of stormwater infrastructure and land improvements**

Stormwater infrastructure assets are carried at fair value. As there is no market for the Board to use to determine fair value, all assets have been valued as Level 3 inputs using a cost approach. Level 3 inputs are unobservable inputs. For further information relating to fair value measurement, refer to Note 20.

**Note 3. Operating contributions**

	2023	2022
	\$	\$
City of Mitcham	133,594	97,177
City of Burnside	133,594	97,177
City of West Torrens	133,594	97,177
The Corporation of the City of Adelaide	133,594	97,177
The Corporation of the City of Unley	133,594	97,177
	<u>667,970</u>	<u>485,885</u>

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  
As at 30 June 2023

**Note 4. Investment income**

	<b>2023</b>	<b>2022</b>
	\$	\$
Bank Interest	349,089	59,621
	<u>349,089</u>	<u>59,621</u>

**Note 5. Employee Costs**

	<b>2023</b>	<b>2022</b>
	\$	\$
Salaries and Wages - Board	80,500	82,000
Salaries and Wages - Employee	239,464	197,086
Superannuation contributions	33,596	27,909
Workers compensation	1,452	3,356
Employee entitlement costs	15,378	6,616
	<u>370,390</u>	<u>316,967</u>

**Note 6. Materials, Contracts & Other Expenses**

	<b>2023</b>	<b>2022</b>
	\$	\$
Contractor & Consultant Services	23,056	13,602
Meeting Room Hire and Teleconference	1,256	1,142
Financial Services	33,164	40,391
Insurance - Mutual Liability Scheme	48,981	46,649
IT Services	4,718	2,398
Legal Services	10,422	13,878
Office expenses, Printing and Postage	2,866	1,516
PR, Website and Graphic Design	12,068	9,683
Professional Development	1,182	1,129
Asset Operating Costs & Maintenance	172,829	71,345
Asset Management Plan & Valuations	10,470	21,654
Cyber security cost	-	203,497
Prescribed Expenses - Audit Remuneration	5,270	5,150
Sundry	648	612
	<u>327,030</u>	<u>471,641</u>

**Note 7. Finance costs**

	<b>2023</b>	<b>2022</b>
	\$	\$
Bank fees	204	213
Interest expenses	-	7
	<u>204</u>	<u>220</u>

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 8. Depreciation**

	<b>2023</b>	<b>2022</b>
	\$	\$
Infrastructure and land improvements	192,947	86,279
Office equipment	605	-
	<u>193,552</u>	<u>86,279</u>

**Note 9. Capital Funding / Grants for New / Upgraded assets**

	<b>2023</b>	<b>2022</b>
	\$	\$
Stormwater Management Authority	-	5,000,000
Federal Funding (i)	585,986	-
	<u>585,986</u>	<u>5,000,000</u>

(i) Total Federal funding received during the year is \$4,120,105. Of the total amount received, only \$585,986 is recognised as revenue and the balance \$3,534,119 is recorded as payments received in advance at Note 14 'Trade and other payables'.

**Note 10. Asset disposal**

	<b>2023</b>	<b>2022</b>
	\$	\$
Carrying amount of assets transferred to council	1,417,180	-

**Note 11. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	\$	\$
Current assets	10,151,401	9,502,569
Cash at bank and in hand	<u>10,151,401</u>	<u>9,502,569</u>

As at 30 June 2023, cash held includes an amount of \$8,803,000 (2022: \$1,920,000) which is restricted for the purpose of approved capital development projects (refer to Note 24 'Commitments').

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 12. Trade and other receivables**

	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	-	230,802
GST receivable	248,626	190,981
Accrued revenue	33,344	7,276
Prepayments	13,551	12,245
	<u>295,521</u>	<u>441,304</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.

**Note 13. Infrastructure, property, plant and equipment**

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Infrastructure and Land Improvements - at independent valuation	26,728,566	21,226,430
Infrastructure and Land Improvements - accumulated depreciation	(318,047)	(148,436)
	<u>26,410,519</u>	<u>21,077,994</u>
Computer equipment - at cost	2,454	4,493
Less: Accumulated depreciation	(605)	(4,493)
	<u>1,849</u>	<u>-</u>
Capital works-in-progress	4,257,119	4,708,429
	<u>30,669,487</u>	<u>25,786,423</u>

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 13. Infrastructure, property, plant and equipment (continued)**

*Reconciliations*  
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below.

	Capital Works in Progress	Infrastructure and Land Improvement	Office Equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2021	4,916,640	8,717,743	-	13,634,383
Additions	11,645,539	463,605	-	12,109,144
Transfers in/(out)	(11,853,750)	11,853,750	-	-
Revaluation increments	-	129,175	-	129,175
Depreciation expense	-	(86,279)	-	(86,279)
Balance at 30 June 2022	4,708,429	21,077,994	-	25,786,423
Additions	6,303,763	25,641	2,454	6,332,058
Transfers in/(out)	(6,755,073)	6,755,073	-	-
Revaluation increments	-	161,738	-	161,738
Disposals	-	(1,417,180)	-	(1,417,180)
Depreciation expense	-	(192,947)	(605)	(193,552)
Balance at 30 June 2023	4,257,119	26,410,519	1,849	30,669,487

*Valuations of land and buildings*  
In line with the Board's capitalisation policy a valuation of completed infrastructure and land improvements was undertaken as at 30 June 2023. The valuation was undertaken by Tina-James Freeman, Asset Consultant at Tonkin. The valuation basis used for the infrastructure and land improvement assets is the depreciated replacement cost basis. Following agreement between the Board and the Owners' Executive Group of the Constituent Councils regarding ongoing maintenance responsibilities, some assets delivered by the Board were handed over to the property owner during the year. These assets include non-stormwater infrastructure such as footbridges, boardwalks and pathways. Assets located at Upper Brown Hill Creek- Hawthorn Reserve and the South Park Lands wetland and creek works sites have been handed over to the Cities of Mitcham and Adelaide. The carrying value of those assets handed over to the property owner at 30 June 2023 is \$1,417,180. As further work packages are completed on public and privately owned land, there will continue to be assets delivered by the Board that are returned to the responsibility of the property owner.

	2023	2022
	\$	\$
<b>Capital works-in-progress</b>		
South Parklands Stormwater	-	3,806,423
Reference Design	896,838	744,629
Lower Brown Hill Creek - Package 1	1,928,857	3,135
Upper Brown Hill Creek - Area 3A Millswood	1,382,371	107,389
Upper Brown Hill Creek - Area 1C Forestville	49,053	46,873
	<u>4,257,119</u>	<u>4,708,429</u>

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 14. Trade and other payables**

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	223,822	180,862
Accrued expenses	229,703	341,129
Credit card	(524)	(837)
PAYG payable	5,882	8,899
Superannuation payable	8,386	7,027
Payments received in advance (capital grants)	3,534,119	-
	<u>4,001,388</u>	<u>537,080</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.

**Note 15. Provisions**

<i>Current liabilities</i>		
Provision for annual leave	30,719	25,407
<i>Non-current liabilities</i>		
Provision for long service leave	10,066	-
	<u>40,785</u>	<u>25,407</u>

**Note 16. Capital contributions of constituent councils**

City of Mitcham	2,031,991	1,786,991
City of Burnside	2,438,389	2,144,389
City of West Torrens	9,956,754	8,756,254
Corporation of the City of Adelaide	1,625,593	1,429,593
Corporation of the City of Unley	4,267,180	3,752,680
<b>Total Contributions by Owners</b>	<u>20,319,907</u>	<u>17,869,907</u>
	<b>2023</b>	<b>2022</b>
	\$	\$
City of Mitcham Movement Table	1,786,991	1,386,991
Opening balance	245,000	400,000
Contributions	<u>2,031,991</u>	<u>1,786,991</u>

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 16. Capital contributions of constituent councils (continued)**

City of Burnside Movement Table	2,144,389	1,664,389
Opening balance	294,000	480,000
Contributions	<u>2,438,389</u>	<u>2,144,389</u>
	<b>2023</b>	<b>2022</b>
	\$	\$
City of West Torrens Movement Table	8,756,254	6,796,254
Opening balance	1,200,500	1,960,000
Contributions	<u>9,956,754</u>	<u>8,756,254</u>
	<b>2023</b>	<b>2022</b>
	\$	\$
Corporation of the City of Adelaide Movement Table	1,429,593	1,109,593
Opening balance	196,000	320,000
Contributions	<u>1,625,593</u>	<u>1,429,593</u>
	<b>2023</b>	<b>2022</b>
	\$	\$
Corporation of City of Unley Movement Table	3,752,680	2,912,680
Opening balance	514,500	840,000
Contributions	<u>4,267,180</u>	<u>3,752,680</u>
	<b>2023</b>	<b>2022</b>
	\$	\$
Capital contributions of constituent councils are payments received for investing in infrastructure. The rates of contributions are agreed in the Charter of the Board.		
Summary of capital contributions of constituent councils received during the year:		
	<b>2023</b>	<b>2022</b>
	\$	\$
City of Mitcham	245,000	400,000
City of Burnside	294,000	480,000
City of West Torrens	1,200,500	1,960,000
City of Adelaide	196,000	320,000
City of Unley	514,500	840,000
	<u>2,450,000</u>	<u>4,000,000</u>



**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 17. Asset revaluation reserve**

	2023	2022
	\$	\$
Infrastructure and land improvement		
Opening balance 1 July	408,652	279,477
Net increment/(decrement)	161,738	129,175
Closing balance 30 June	<u>570,390</u>	<u>408,652</u>

**Note 18. Capital funding and grants**

	2023	2022
	\$	\$
Opening balance	16,638,521	11,638,521
Transfer from accumulated surplus	585,927	5,000,000
	<u>17,224,448</u>	<u>16,638,521</u>

Capital funding and grants reserve records the total revenue recognised from the funding providers for capital works to date.

**Note 19. Financial instruments**

**Financial risk management objectives**

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 Members 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 asset, financial liability and equity instruments are disclosed in note 1 Summary of Significant Accounting Policies.

Mitigation strategies for specific risks faced are described below:

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 19. Financial instruments (continued)**

**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.

**Liquidity risk**

Liquidity risk arises from the 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:

	2023	2022
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents (due less than 1 year)	10,151,401	9,502,569
Trade and other receivables (due less than 1 year)	295,521	441,304
	<u>10,446,922</u>	<u>9,943,873</u>
<b>Total financial assets</b>	<u>10,446,922</u>	<u>9,943,873</u>

**Financial liabilities**

Held at amortised cost	467,269	537,080
Trade and other payables	<u>467,269</u>	<u>537,080</u>

**Remaining contractual maturities**

The table below reflects the undiscounted contractual maturity analysis for financial liabilities:

2023	Weighted average interest rate %			Remaining contractual maturities
	1 year or less	Between 1 and 2 years	Between 2 and 5 years	
	\$	\$	\$	\$
	467,269	-	-	467,269
	<u>467,269</u>	<u>-</u>	<u>-</u>	<u>467,269</u>

**Non-derivatives**

**Non-interest bearing**

Trade and other payables (excluding estimated annual leave)

	467,269	-	-	467,269
	<u>467,269</u>	<u>-</u>	<u>-</u>	<u>467,269</u>

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 19. Financial instruments (continued)**

2022	Weighted average interest rate %	Remaining contractual maturities		
		1 year or less	Between 1 and 2 years	Over 2 years
		\$	\$	\$
		537,080	-	-
		537,080	-	-
				537,080
				537,080

The timing of expected outflows is not expected to be materially different from contracted cashflows.

**Note 20. Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and assumes that the transaction will take place either: in the principal market, or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

*Fair value hierarchy*

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: Quoted prices (unadjusted) 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: Unobservable inputs for the asset or liability

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 20. Fair value measurement (continued)**

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.

**Note 21. Key management personnel disclosures**

*Compensation*

Key management personnel of the Board include the Project Director and members of the Board appointed under section 112 of the Local Government Act 1999. The aggregate compensation made to key management personnel of the Board is set out below:

	2023	2022
	\$	\$
Short-term employee benefits	284,774	238,286
Post-employment benefits	29,901	23,829
	<u>314,675</u>	<u>262,115</u>

**Note 22. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by, the auditor of the Board:

	2023	2022
	\$	\$
Audit remuneration	5,270	5,150

**Note 23. Contingent liabilities**

In the opinion of the Board Members, the Board is unaware of any liability, contingent or otherwise, which has not already been recorded elsewhere in this financial report at 30 June 2023 (30 June 2022 : None).

**Note 24. Commitments**

	2023	2022
	\$	\$
<b>South Park Lands</b>		
Park 16 - Weiland	300,000	600,000
Park 20 - Creek works	-	1,000,000
Project management	45,000	100,000
	<u>345,000</u>	<u>1,700,000</u>

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 24. Commitments (continued)**

	2023	2022
	\$	\$
<b>Other capital commitments</b>		
UBHC Milliswood	1,973,000	-
UBHC Forestville	655,000	-
LBHC Packages 1-3	5,427,000	-
	<u>8,055,000</u>	<u>-</u>
	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Reference design</b>		
Engineering Services	50,000	144,000
Consultant Services	200,000	24,000
Geotech	3,000	36,000
Legal	-	4,000
Project management	150,000	12,000
	<u>403,000</u>	<u>220,000</u>
	<b>2023</b>	<b>2022</b>
	\$	\$
Total contracted commitments	<u>8,803,000</u>	<u>1,920,000</u>

All contracted commitments noted above are expected to be paid within the next twelve months.

The Authority was awarded a \$10 million grant from the Commonwealth Government in FY2022 and these funds are being provided over 3 financial years (FY2023, FY2024 and FY2025) to contribute toward the delivery of Packages 1, 2 and 3 of the Lower Brown Hill Creek upgrades.

**Note 25. Related parties**

**Key management personnel**

Dislosures relating to key management personnel are set out in note 21.

There were no transactions with related parties during the current and previous financial year.

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 2023 (2022: Nil).

**Note 26. 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

**Note 27. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Board's operations, the results of those operations, or the Board's state of affairs in future financial years.

**Brown Hill & Keswick Creeks Storm Water Board**  
Notes to the financial statements  
As at 30 June 2023

**Note 28. Reconciliation of net surplus/(deficit) to net cash from/(used in) operating activities**

	2023	2022
	\$	\$
Net surplus/(deficit) for the year	(705,311)	5,134,004
Adjustments for:		
Depreciation and amortisation	193,552	86,279
Capital funding / grants	(585,986)	(5,000,000)
Physical resources received free of charge	-	(463,605)
Net loss on disposal of non-current assets	1,417,180	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	173,156	(150,964)
Increase in accrued revenue	(26,068)	(7,276)
Increase in prepayments	(1,306)	(12,245)
Increase in employee benefits	15,378	6,616
Increase/(decrease) in trade and other payables (excluding income in advance relating to capital grants)	(69,810)	37,803
Net cash from/(used in) operating activities	<u>410,785</u>	<u>(389,388)</u>

**Brown Hill & Keswick Creeks Storm Water Board**  
Certification of auditor independence  
As at 30 June 2023

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 2023, the Board'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.

  
JUDITH CHOATE  
MEMBER OF THE AUDITING BOARD

Judith Choate  
Board Member  
14 September 2023

  
GEOFF VOGT  
MEMBER OF THE AUDITING BOARD

Geoff Vogt  
Board Member  
14 September 2023

**Brown Hill & Keswick Creeks Storm Water Board**  
Statement by the auditor

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### 3 BHKCSB Financial Statements 30-06-2023 V8

Final Audit Report


2023-09-14

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