

2018–19  
**annual  
report**



MOUNT BARKER  
DISTRICT COUNCIL



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## vision

The Mount Barker district will be recognised as being highly liveable, prosperous and safe, built from a foundation of community spirit and energy, quality of lifestyle and unique heritage, environment and landscape.



# vision, values & key achievements



## values

### Accessibility

Ready to listen to ideas and concerns of the individuals, groups or institutions and respond with straightforward answers.

### Commitment

Working hard to deliver appropriate and quality services and projects and build resilient communities.

### Involvement

Decision making processes are transparent and open to community scrutiny. Individuals and communities can be involved in influencing policies and local activities.

### Fairness

All people working, living and visiting the Mount Barker District make this a rich community and we aim to represent them equally.

### Resourcefulness

Making the most of Council and community assets and strengths and building on local resources by attracting investment from outside the District.

### Long term thinking to inform decision making

Council will consider all the consequences of decisions and ensure they reflect the Strategic Plan. We need to act for now and the future. Council will have regard to the long term and cumulative effects of its decisions.

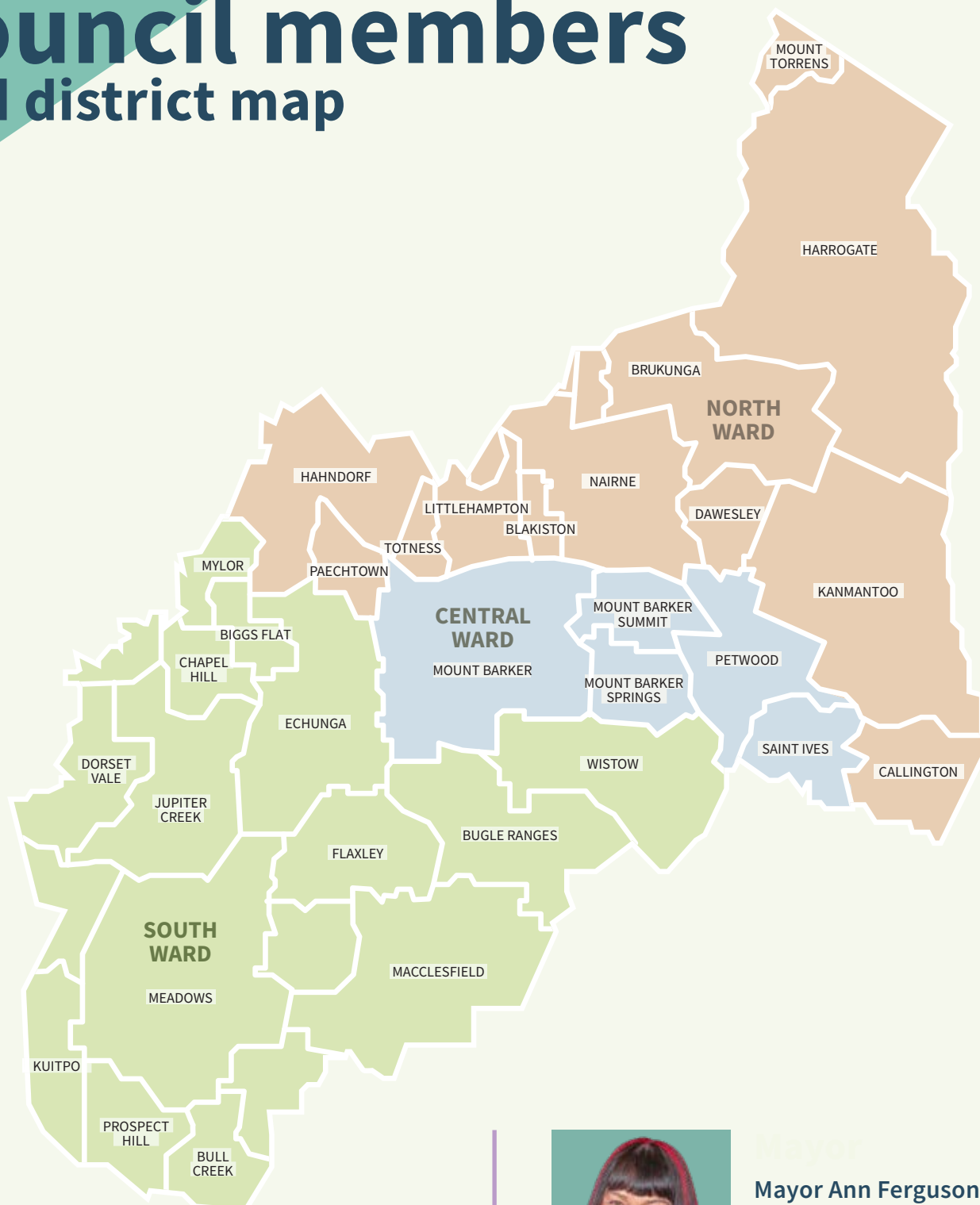
## key achievements

- External funding commitments for the Regional Sports Hub Stage 1 were increased to a total of \$12.644 million, detailed design was completed and construction tendering commenced
- Over 17,893 hours of volunteer time was gifted to the community across seven Council volunteer programs
- Entrance sculpture to Gawler Street, Mount Barker installed
- Adelaide Road / Gawler Street, Mount Barker intersection with pedestrian crossing completed
- \$4.8 million was invested in buildings including the Environmental Service Centre and Volunteer Hub
- Completion of \$1million synthetic hockey pitch at Anembo Park of which Council contributed \$330,000
- Totness Employment Lands DPA community consultation completed and endorsed by Council
- Approximately 973 megalitres of recycled water was produced from the Springs Road wastewater treatment plant
- Council elections were held and Council Members received induction and training
- 280,000 physical items were loaned from the library
- In partnership with Business SA, Council has committed funding to support the delivery of business scholarships as part of the South Australian Young Entrepreneur Scheme (SAYES)
- Macclesfield Main Street stage 2 completed
- \$447,000 was spent renewing footpaths across the district
- Commencement of new toilet and storage facilities at Littlehampton Peace Memorial Hall
- Opening of the indoor Community Sports Centre with shared St Francis de Sales College and community use.
- Desludging of eastern lagoon of the wastewater treatment plan.



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## council members and district map



**Mayor**

**Mayor Ann Ferguson**

OAM, FAICD, JP



## North Ward

**Prior to November 2018 election:** Cr Debs Buchmann Cr Jeff Bettcher Cr Susan Hamilton Cr Harry Seager



Cr Narelle Hardingham



Cr David Leach



Cr Harry Seager



Cr Simon Westwood

## Central Ward

**Prior to November 2018 election:** Cr Carol Bailey Cr Lindsay Campbell Cr Ian Grosser Cr Trevor Keen



Cr Carol Bailey, BEM



Cr Ian Grosser



Cr Samantha Jones



Cr Bradley Orr

## South Ward

**Prior to November 2018 election:** Cr Greg Morrison Cr Roger Irvine



Cr Tess Minett



Cr Greg Morrison





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## community profile and population

**Council's district estimated resident population in 2018 was 35,545 persons, an increase of 2.36% from 2017.**

Population forecasts detail demographic changes in the community and how the population, age structure and household types will change each year between 2016 and 2036.

The forecasts are designed to provide community groups, Government departments, Council, investors, business, students and the general public with knowledge to make confident decisions about the future.

Council's district population forecast for 2019 is 36,477, and is anticipated to grow to 56,710 by 2036. These forecasts were last updated in December 2017 by .idcommunity, on behalf of the Mount Barker District Council.

Forecasts are available for each year from 2016 to 2036. Further information is available on Council's website, enabling the resident and business community to access and utilise this information. (see <https://forecast.id.com.au/mount-barker>).









## Decision making structure of council

**Decisions are made through either Council meetings, Committee meetings, Council Assessment Panel or by staff through delegated authority. Council's decision making structure comprised:**

- Council meetings which are held on the 1st Monday of every month) (other than January when it is held on the 3rd Monday of the month other than where this is a public holiday when it is held on the Tuesday following
- Audit and Risk Committee meetings which are held at least six times per year
- Community Grants Assessment Committee meetings which are held at least once per year
- Council Assessment Panel meetings are held every third Wednesday or when required.

All these meetings are open to the public. Notice of meetings, agenda with reports and attachments and minutes are available from the Local Government Centre and on Council's website. A limited number of hard copies are provided at the meeting.

As part of this decision making, Council may engage with particular community groups or undertake widespread consultation.

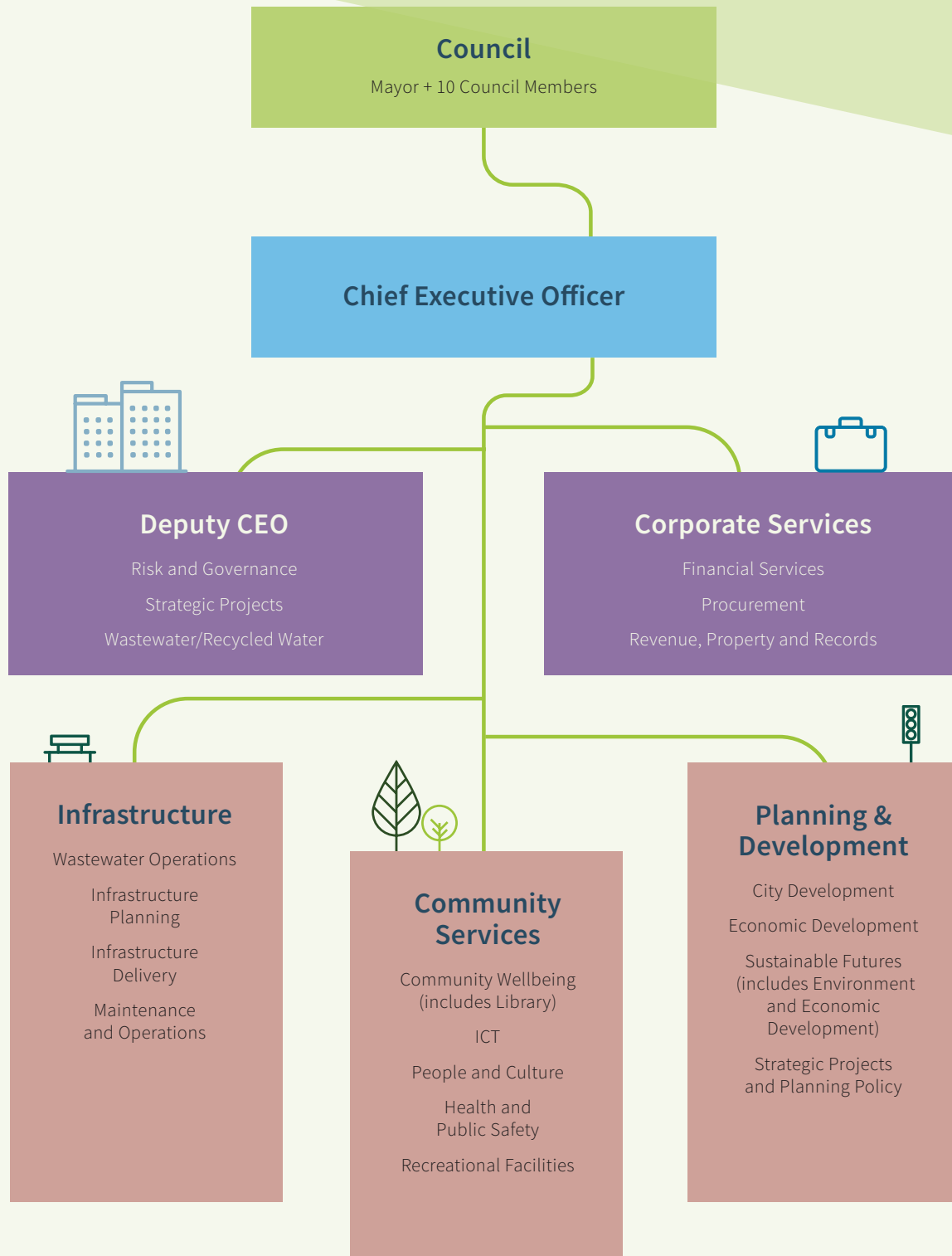
Once a decision is determined the outcome is communicated to the relevant person or authority.

## Forecast Population Growth

Population and household forecast, 2016 to 2036, prepared by .id, December 2017.



## organisation chart





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## annual business plan performance measures

### Community Wellbeing

Performance Measure	Outcome
<b>Regional Sports Hub Project</b>	
Complete design documentation of the Regional Sports Hub stage 1	<b>Achieved</b>
Undertake 50% of the Regional Sports Hub stage 1 construction (subject to development approval and external funding)	<b>Not Achieved</b> 100% documentation completed, development approval issued, additional grant funding secured and construction tender in progress. Scheduled commencement of construction Oct/Nov 2019 (subject to contract award by Council, contract negotiations and weather).
<b>Library and Customer Services</b>	
Maintain or improve current library (Libraries Board – ‘metropolitan’) ranking of 6th for Membership as % of Population	<b>Achieved</b>
Maintain or improve visitor numbers from previous year’s corresponding quarter	<b>Achieved</b>
Improve current library (Libraries Board – ‘metropolitan’) ranking of 10th for Loans per Capita	<b>Achieved</b>
Maintain or improve event participation numbers from previous year’s corresponding quarter	<b>Achieved</b> – for half the year
Implement Library Review findings	<b>Achieved</b> and Ongoing. Customer feedback survey finalised.







## Community Wellbeing

Performance Measure	Outcome
<b>Environmental Health</b>	
Percentage inspection of food premises in accordance with risk schedule (100% target)	<b>Not Achieved</b>
Percentage of health premises inspected (piercing, tattooists, public pools) according to the schedule (80% target)	<b>Achieved</b>
Percentage of waste control applications (80% target)	<b>Achieved</b>
Report annually to SA Health regarding activities undertaken under the Food Act 2001	<b>Achieved</b>
Five (5) public Immunisation Clinics held per month	<b>Achieved</b>
<b>Public Safety</b>	
Monitor private parking areas according to contract agreements	<b>Not Achieved</b> for majority of the year.
Number of school parking patrols (target 40 per quarter)	<b>Not Achieved</b> ranged between 32-36
Premises providing outdoor dining to be registered (100% target)	<b>Achieved</b>
Incidents of Council infrastructure damaged by new developments reinstated (100% target)	<b>Achieved</b>

## Community Wellbeing

Performance Measure	Outcome
<b>Community Wellbeing</b>	
Implement improvements to Council's website and online services	<b>Achieved</b>
80 social outings for over 65 cohort	<b>Achieved</b>
Meet contract requirements for Home Assist Community Care and Hills Community Passenger Network	<b>Achieved</b>
New Mount Barker Community Centre site identified and relocation completed	<b>Achieved</b>
Action graffiti reports within 7 days	<b>Achieved</b>
4 District Matters produced annually	<b>Achieved</b>
Design corporate documents within legislated or agreed timeframes	<b>Achieved</b>
Maintain an appropriate number of volunteers for existing programs	<b>Achieved</b> – 173 volunteers
Ensure new volunteers are inducted and trained	<b>Achieved</b>
Develop new volunteer program related to open space areas	<b>Achieved</b>
Maintain two (2) existing youth programs and further develop Youth Engagement Program	<b>Achieved</b>
Manage agreements that are in place with each incorporated association	<b>Partially Achieved</b> – 95% (1 outstanding)
Maintain service levels for building and built recreation assets	<b>Achieved</b> and ongoing





## Economic Prosperity

Performance Measure	Outcome
<b>Economic Development and Sustainable Futures</b>	
Economic Development strategy initiatives pursued	<b>Achieved</b>
Economic Development strategy reviewed	<b>Not Achieved</b> – in progress
Involvement in Regional economic development initiatives	<b>Achieved</b>
Number of community events and major events supported	<b>Achieved</b> – 93 events supported
Investment and business opportunities promoted	<b>Achieved</b>
Level of support provided to businesses	<b>Achieved</b>

## The Urban Environment

Performance Measure	Outcome
<b>Planning Policy and Strategy</b>	
Prepare Council for transition to new Planning and Design Code	<b>Achieved</b>
Implement Main Street strategies	<b>Achieved</b>
Develop and implement Township Plans	<b>Achieved</b>
Develop and implement community infrastructure strategies and actions	<b>Achieved</b>
Co-ordinate the strategic planning of Mount Barker's Growth area	<b>Achieved</b>



## The Urban Environment

Performance Measure	Outcome
<b>City Development</b>	
Compliance with statutory assessment timeframes	<b>Not Achieved</b> – between 92-95%
100% of known breaches of the Development Act investigated	<b>Achieved</b>
Comply with statutory building inspection regulations requirements	<b>Achieved</b>
100% of known pool applications inspected	<b>Achieved</b>
100% of mandatory (hold point) development engineering inspections undertaken	<b>Not Achieved</b> – 95-100%
80% of quality assurance documentation received for infrastructure inherited by Council in major land division developments.	<b>Achieved</b>
80% of new housing planning applications (with all relevant information submitted) issued a decision within 15 working days	<b>Achieved</b>
<b>Transport Assets</b>	
Deliver 100% of the budgeted capital works program for unsealed roads and footpath renewal	<b>Achieved</b>
Deliver 100% of the budgeted new footpath connectivity program	<b>Not Achieved</b> – Hurling Trail (adjacent railway) is to be completed early 2019/20.
Review the annual line marking program – target 100%	<b>Achieved</b>
<b>Stormwater</b>	
Deliver the stormwater maintenance and minor capital program	<b>Not Achieved</b> – two projects are due for completion early 2019/20.
Review the street sweeping program	<b>Achieved</b>







## The Urban Environment

Performance Measure	Outcome
<b>Infrastructure Projects</b>	
85% of the capital projects managed by the technical services / project team are completed within the approved construction budget and by 30 June 2019	<b>Not Achieved</b> – Excluding Regional Sports Hub and Environmental Services Centre 92% of the adopted budget has been expended.
<b>Wastewater to Service Growth</b>	
Develop sewer strategy to service Mt Barker Town Centre	<b>Not Achieved</b> – preparation of business case in progress
Future augmentation identified, costed and impact on customers quantified	<b>Achieved</b>
Finalise the long-term wastewater and recycled water strategy	<b>Not Achieved</b> – in progress
<b>Wastewater</b>	
Enhance and implement the planned maintenance program	<b>Achieved</b>
Zero discharge from November to March to Mt Barker and Nairne creeks	<b>Not Achieved</b> – 2ML was discharged in second quarter due to limited storage capacity as a result of the eastern lagoon being taken offline for desludging.
Sign-up potential customers for recycled water	<b>Not Achieved</b> – Discussion continuing via Regional Development Australia
Compliance with the EPA, Essential Services Commission of South Australia (ESCOSA) and Department for Health and Wellbeing (SA health) requirements	<b>Not Achieved</b> – one Type 1 incident reported to SA Health for the Meadows Wastewater Recycling Plant
Target of zero complaints received via the Energy and Water Ombudsman that are considered by the Ombudsman to require Council action	<b>Achieved</b>
Ensure agreed water quantity is delivered to Laratinga Wetland	<b>Achieved</b>



## The Natural Environment & Sustainable Living

Performance Measure	Outcome
<b>Open Space and Environment</b>	
Completion of the Landscape Plan	<b>Not Achieved</b> – in progress
Implementation of the Environment Strategy	<b>Achieved</b>
Completion of identified actions from Biodiversity Strategy	<b>Achieved</b>
Completion of review of Laratinga Reserve Management Plan	<b>Not Achieved</b> – due to be completed in 2019/20
Seedlings planted with success rate of 70% of 8,500 seedling survival	<b>Not Achieved</b> – 50-60% due to extreme weather impacts

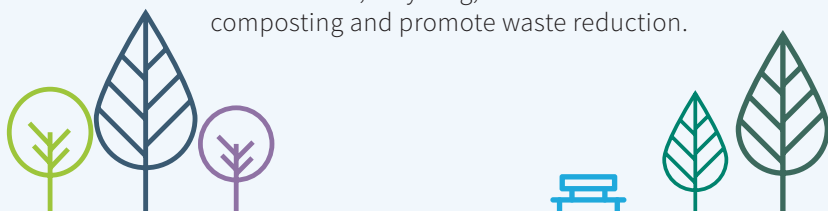
### Economic Development and Sustainable Futures

**Strategic initiatives related to sustainability pursued:** **Achieved**

- Level of engagement and involvement in local and regional sustainability
- Initiatives and partnerships
- Level of commitment to climate change mitigation and adaptation programs and partnerships.

**Environment Strategy initiatives pursued:** **Achieved**

- |   |  |
|---|--|
| • Carbon neutrality investigated  | This is included in draft Climate Change Action Plan                         |
| • Energy and climate mitigation action plans developed  | Climate Change Action Plan drafted   |
| • Level to which lower environmental footprint Housing and sustainable development is demonstrated and encouraged           | Sustainable living workshops developed and promoted<br>Tours of the wetlands |
| • Number of actions to raise awareness about landfill waste, recycling, e-waste and composting and promote waste reduction. | Event management waste guidelines developed                                  |









## The Natural Environment & Sustainable Living

Performance Measure	Outcome
<b>Waste Kerbside</b>	
Reduce the amount of waste to landfill to below 9kg per household per week	<b>Achieved</b> – 8.66kg per household
Maintain diversion levels of recycling from landfill of 48% per year	<b>Achieved</b>
Reduce contamination in recycling by 2% annually	<b>Not Achieved</b> – The recycling contamination rate for MBDC is 14.05%
<b>Transfer Station</b>	
Maintain or improve the net cost of Transfer Station Operations	<b>Not achieved</b> due to reduced income from waste dumping fees and out of cycle processing costs
<b>Cemeteries</b>	
Cemeteries maintained to the current service level	<b>Achieved</b>
<b>Fire Prevention and Emergency Management</b>	
Identify the number of non-compliant properties within the District	<b>Achieved</b>
Complete 100% of fire prevention program of rural roads to be slashed/sprayed	<b>Achieved</b>
Completion of the Emergency Management Plan Treatment Options	<b>Not Achieved</b> – drafted for internal consultation
Assess and report on the progress of the draft Adelaide Mt Lofty Ranges Bushfire Management Area Plan.	<b>Achieved</b>
<b>Parks and Public Places</b>	
Continue to develop and implement the rural roadside reserves corridor pruning program	<b>Achieved</b>
Maintain Councils Parks and Public Places in accordance with service standards	<b>Achieved</b>







## Governance and Leadership

Performance Measure	Outcome
<b>Governance</b>	
Council elections are promoted	<b>Achieved</b>
Council Members are inducted and mandatory training provided	<b>Achieved</b>
The senior management team and Audit Committee receive risk reports quarterly	<b>Achieved</b>
<b>Finance</b>	
Review and update the Long Term Financial Plan	<b>Achieved</b>
Develop enhanced processes for Corporate Planning and Budgeting	<b>Achieved</b>
Develop and implement financial training for staff with financial delegation	<b>Achieved</b>
Develop and prepare timely financial reporting for Council's commercial business units	<b>Achieved</b>
<b>Assets</b>	<b>Achieved</b>
Develop revised asset management plan for buildings and transport assets	
Develop and implement the building and recreation asset renewal programs	<b>Achieved</b>
<b>Rates</b>	
Rate arrears reduced to 4% of total rates	<b>Achieved</b>
Reduce limited title debt (limited title is a certificate of title issued as part of the conversion process from the old system, where either survey data or proof of ownership is insufficient to issue a regular certificate of title)	<b>Achieved</b>

## Governance and Leadership

Performance Measure	Outcome
<b>Information, Communication and Technology</b>	
More than 97% uptime of ICT corporate systems	<b>Achieved</b>
Introduce Wi-Fi in main street of Hahndorf and Mount Barker	<b>Partially Achieved</b> – Council in association with Adelaide Hills Tourism introduced limited Wi-Fi in Hahndorf
Upgrade e-services and implement workforce mobility to improve customer service	<b>Achieved</b> and ongoing
<b>Procurement</b>	
Number of regional contractors/suppliers v total contractors/suppliers engaged in the previous 3 months	<b>Achieved</b> – An average of 140 engagements per quarter
<b>Tourist Park</b>	
2% increase in visitor numbers	<b>Not Achieved</b> – Whilst unique visitor numbers were consistent with the prior year, the average length of stay has increased by 9%. Overall revenue had increased by 2% compared to the prior year
Asset renewal/program cabin replacement	<b>Achieved</b>
Nil Work Health and Safety incidents	<b>Not Achieved</b> – 2 minor incidents occurred with no injuries







## Governance and Leadership

Performance Measure	Outcome
<b>People and Culture</b>	
Achievement of targets in the Work Health and Safety and Return to work Plan	<b>Partially Achieved</b> <ul style="list-style-type: none"> <li>• SkyTrust system implemented across Council</li> <li>• WHS Evaluation program – close out non-conformances and address observations from the 2017 WHS &amp; RTW Evaluation</li> <li>• Hazard Management program</li> </ul>
Organisational Development Strategy developed and implemented	<b>Partially Achieved</b> – Workforce Development Strategy developed, implementation to roll out in 2019/20
Quarterly Workplace Consultative Committee meetings held	<b>Achieved</b>
Revised Employee Performance Management System implemented	<b>Achieved</b>
<b>Business Systems Improvement</b>	
Progressing the Council's Continuous Improvement Program 2017/18 "Key Performance Indicators" identified within each of the nine Continuous Improvement Program initiatives	<b>Achieved</b>



# delivering mount barker 2035

## district strategic plan

Council's Strategic Plan is delivered against its 5 goal areas being: [Community Wellbeing](#), [Economic Prosperity](#), [The Urban Environment](#), [The Natural Environment and Sustainable Living and Governance](#) and [Leadership](#). High level objectives and more specific strategies guide key delivery areas and capital projects and operational activities to achieve community outcomes. High priorities are also identified under each goal area.







# community wellbeing

## Public Safety

### Public Safety

Public Safety Officers play an important role in the community by performing the following activities:

- Regular school patrols at drop off and pick up times to ensure the safety of school children
- Responding to dog attacks and barking dog complaints
- Patrolling reserves and parks to monitor animal management issues
- Responding to parking complaints
- Monitoring outdoor dining
- Monitoring timed parking areas to ensure the turnover of vehicles which benefits local businesses.

A key action from Council's Animal Management Plan (2018-2022) is implementing a cat By-law, this has been a focus during 2018-19 and has included extensive community and stakeholder consultation.

### Environmental Health

The Environmental Health team perform a variety of tasks which ensure the public health of the community. Routine food premises inspections are undertaken and food premises complaints are also investigated.

Environmental Health officers also assess wastewater applications and inspect sanitary plumbing for waste control systems. Public health complaints such as stormwater pollution, noise, odour issues and vermin complaints are also investigated.

## Immunisation

Council's Immunisation Team held public clinics every Tuesday morning and on the second Saturday of every month in the Civic Centre, Mt Barker and one on the third Thursday of every month in the Murray Bridge Library, as well as extra clinics to provide the National Influenza Program.

They contributed to the roll out of the State wide Meningococcal B Program for children under 4 years old and the catch up Meningococcal ACWY Program for adolescents aged 17 to less than 21 years old.

The School Based Immunisation Program is also delivered by Council's Immunisation Team and they visited 7 schools in the Mt Barker and Murray Bridge areas 6 times each to administer vaccines according to the adolescent schedule, which expanded in 2019 to include Year 8, Year 10 and Year 11 students.







Local Nuisance and Litter Control Act	Number
(a) the number of complaints of local nuisance or littering received by the council;	53
(b) the number and nature of—	
(i) offenses under the Act that were expiated	0
(ii) offenses under the Act that were prosecuted;	0
(iii) nuisance abatement notices or litter abatement notices issued;	0
(iv) civil penalties negotiated under section 34 of the Act;	0
(v) applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications	0
(c) any other functions performed by the council under the Act.	0



## Community and Sporting Facilities Development



## Open Spaces

### Regional Sports Hub

External funding commitments were increased to a total of \$12.644 million, detailed design was completed and construction tendering commenced.

#### Stage 1 Project

Detailed design was completed and development approval was granted. Council grants were confirmed from Australian Rules Football/South Australian National Football League \$250,000; Cricket Australia/South Australian Cricket Association \$100,000; and, Office of Recreation, Sport and Racing Grassroots Football, Cricket and Netball Program (includes further funding from Aussie rules and cricket) grant for \$342,450 towards the premier oval sports lighting. Total external grant funding for stage 1 is now \$12.644 million. Construction tendering was commenced. Construction of stage 1 is anticipated to commence in 19/20. Follow the project's progress via the webpage: [www.mountbarker.sa.gov.au/rsh](http://www.mountbarker.sa.gov.au/rsh)

### Community and Sporting Facilities Development

Council has 26 Management Agreements with Incorporated Associations who manage community buildings and recreation grounds on behalf of Council.

Council also has Management Agreements with Belgravia Leisure who manage the Adelaide Hills Recreation Centre and the Mount Barker Mountain Pool on behalf of Council.

### Open Spaces

- Review and amendment of Landscape Guidelines for new developments
- Rollout of environment plan – on track
- Roll out of biodiversity plan – not on track
- Review of Laratinga Management Plan – partially complete (awaiting finalisation of Natural Logic report)
- Draft Playspace Strategy and Guideline complete (awaiting endorsement)
- Draft Trails Strategy for Mt Barker complete (awaiting endorsement)
- Seedlings planted 2018/19 – 8,500  
Low survival rate due to extreme weather
- Stage 1 upgrade of Mt Barker Summit complete
- Byethorne Park upgrade 50% complete
- Weld Park upgrade deferred
- Landscape provision for trails and major roadworks complete
- Playground shade program (shade trees) 50% complete.

### Community Sports Centre

The new indoor community sports centre located at St Francis de Sales College was officially opened. The facility features shared use by the community and College through a partnership approach to funding.

### Reserve Maintenance

Council continues to maintain its parks and gardens and received support from Mount Barker Business with the donation of 40,000 daffodil and tulip bulbs to contribute towards town beautification. Over 10,000 native plants have been planted as part of Council's revegetation program across the district which was supported by National Tree Day, Schools and various community volunteers Groups.

### Trail Network

The walking trail on the south side of Mount Barker Creek adjacent the Laratinga wetlands was extended by a total of 1.3km and joins the end of the existing trail near Fletcher Road through to Parkview Drive. Also a further 1km extension of the walking trail alongside the railway line between Alexandrina Road and Hurling Drive was completed.







## Community Development

### Library

The Community Library provided a diverse and inspiring range of programs, services and resources. Customers used the library services and participated in programs within the library and externally in the community. Partnerships with local schools, community groups and local businesses created opportunities for the library to enrich, engage and educate residents and visitors in the district.

#### Library programs offered included:

- Live streaming of Adelaide Writers Week
- South Australia's History Festival – Mount Barker History talk at the Town Hall
- Taking the Library to Four Oaks Farm for National Simultaneous Storytime
- Authors Fiona McIntosh and Marcus Zusak presenting their new books at sold out events
- Partnering with Mount Barker High School disability unit – providing students with the opportunity to gain on-the-job experience with a café in the library
- Storytime sessions presented by library staff in local child care centres
- STEM based learning activities – tadpole and butterfly exhibitions observed and monitored in the library and via social media platforms
- The Be Connected program, aimed at over-50s to improve their digital skills.

**6,000** new items were added to the collection, including books, toys and DVDs, and **280,000** physical items were loaned. **14,000** eBooks and **8,700** eAudiobooks were loaned through the two services available to Mount Barker Community Library customers.

## Community Connections

### Volunteers

Over 17,893 hours of volunteer time was gifted to the community across seven Council volunteer programs. The annual Regional Volunteer Movie Day event was on Friday 24 May 2018 to recognise and celebrate volunteering Adelaide Hills and Alexandrina Council areas. The event was sponsored by the three councils and supported by Wallis Cinemas Mount Barker with 939 volunteers attending.

- Community Bus volunteers drove 2,468km
- Hills Community Transport volunteers contributed 4,340 hours to drive clients to do shopping and attend appointments
- Social Options supported community members to attend over 100 outings
- Graffiti volunteers visited 429 sites and cleaned over 1103m<sup>2</sup> of graffiti vandalism
- Justice of the Peace day room service saw 2,378 clients and processed 7,414 documents
- Laratinga Wetland Warriors have been very busy with over 5,000 plantings, maintenance and upkeep
- Library Services volunteers devoted 2,458 hours towards the Local History Centre, Children's Services and general library.

### Youth

Council delivered Sunday Sessions at the Mount Barker Skate Park, Adelaide Hills Youth Sector Network quarterly meetings, Youth Week Movie Event, internal Traineeship program, Stephen Street Art Program, Reconciliation Event, Anembo Park BMX track upgrade and the online youth services directory. Council supported Nature Play Festival, Operation Flinders Program, Star of the Hills program, Living Skills Program for young people with a disability, Adelaide Hills Career Expo, Just Too Deadly Awards, Lantern Making Workshops in local schools and the Hahndorf Winter Lantern Festival and the Heartlands Program.



## Community Wellbeing

### Arts & Culture

Council has worked in collaborative partnership with a number of individuals and groups within our community to celebrate and enable the wide diversity of arts and cultural talents within our communities.

#### These activities and events include:

- Celebration and recognition of the traditional custodians of the Adelaide Hills, the Peramangk People
- Concerts held in the Ukaria Cultural Centre providing a unique experience for audiences including Festival of Arts or Adelaide Festival
- Community and school workshops in collaboration with the Hahndorf Academy and continuing our partnership with Ink Pot Arts in the delivery of Performing Arts outcomes
- Increased opportunities for local visual artists through the Hills Art Collective's exhibitions
- Regular opportunities for local musicians to display their talents at the Meadows Cheese Factory; and
- Successful SALA events throughout the District.



### Hills Community Transport

Hills Community Transport (HCT) is funded by the State Department of Human Services (DHS), State Department of Planning Transport & Infrastructure (DPTI), Commonwealth Department of Health and Mount Barker District, Adelaide Hills and Alexandrina Councils.

The Program provides transport for people who live in the Adelaide Hills region and do not have any other transport options and this year assisted 416 people with 8,023 one-way trips (an increase of 68%) for medical appointments and social activities.

The Mount Barker Shopping Shuttle delivered 2,223 one-way trips to residents who needed transport assistance – an increase of 4.5%.

Kalyra Communities is a major sponsor of Council's 12 seat community bus, contributing \$10,000 to the transport program for 2018–19. The bus is used for various Shopping Shuttles and the Social Options program.

Council charts a 19 seat bus to community groups in the District, which was used by 14 different groups on 33 separate occasions.

These transport services were provided with the assistance of 43 transport and administrative volunteers who contributed 7,766 hours to their local community (an increase of 20%).

### Mount Barker Community Centre

Council continued to support the Mount Barker Community Centre in delivering services and programs and facilitated its relocation to the TAFE SA Dumas Street Community Learning Precinct.

## Home Assist, Social Options and Respite

The Community Programs Unit is funded by the State Government's Home and Community Care (HACC) Program, the Commonwealth Home Support Program (CHSP) and Council to deliver the Home Assist, Social Options and Respite programs.

These programs support people over 65, people with a disability and their carers to continue to remain living in their homes by providing minor home and garden maintenance, house cleaning, social activities and respite.

**In 2018/19 Home Assist provided the following assistance:**

Service Type	Outputs
Cleaning	<b>2,459</b> (an increase of 10.7%)
Home & Garden Maintenance	<b>2,233</b> (an increase of 7%)

The Social Options Program continues to provide vital social connection to Council residents aged 65 and over, including information sessions at the Library, cinema outings, Barker Blokes, Coffee Club, full day bus trips, 'Spotlight' Sessions and 'Living Well' information sessions.

**The Social Options and Respite Programs provided the following assistance in 2017/18:**

Service Type	Outputs
Social Support	<b>7,881</b> (a decrease of 6.2%)
Transport for Social Program	<b>3,306</b> (an increase of 33%)
Respite	<b>588</b> (a decrease of 8%) – this program is being phased out due to cessation of funding





# economic prosperity

## Branding and Marketing

The final edition of 'The Barker' magazine was produced in partnership with The Advertiser. 'The Barker' promoted community, sustainability and investment to a potential readership of 300,000+.

Overall 7 editions of 'The Barker' were produced over a 3 year period highlighting the benefits of living and working in the district.

An 'Invest Mount Barker LinkedIn Profile' has been established which will be used to promote a range of investment related opportunities in Mount Barker.

Council has adopted the Small Business Friendly Initiative of the Office of the Small Business Commissioner and the requirements of this program include a range of initiatives that are designed to support local business development and growth. Having adopted the program, Council is able to use the 'Small Business Friendly Initiative' logo on its marketing and publicity materials.

## Employment Growth

Activities included May Business Month where 40 events were held and Women in Business network, the hosting of the Federal Government's Small Business Fair and Future Jobs in the Adelaide Hills event in partnership with the Department of Industry and Skills and the Department of Education.

Significant progress was made in establishing an innovation precinct in Mount Barker including confirmation of a partnership with the Flinders University's New Venture Institute at the TAFE Mount Barker complex.

In partnership with Business SA Council has committed funding to support the delivery of business scholarships as part of the South Australian Young Entrepreneur Scheme (SAYES), Encore and Export Ready programs. In addition to these programs, Council is also working with Business SA to provide financial support for up to 4 places in a Youth Entrepreneur Workshop for disadvantaged youth 12-18 years to attend a two-day workshop that will cover: identifying entrepreneurial opportunity, creative thinking, collaboration and working in teams, how to present and pitch an idea and how to evaluate thinking.

Economic Development delivered 2 x Internet of Things events to help create awareness to both for the business and wider community about the use of data and the connectivity of things to solve issues and create new ways of operating.

Council continues to engage in effective and mutually beneficial partnerships with RDA, regional councils and others to explore employment growth opportunities.

## Regional projects included:

- Regional Transport study completed
- Grant Guru tool adopted
- Expanded economy id resource subscription which provides demographic information about the region; and
- World Heritage project review, digital knowledge base and website development.







## Main Streets

- Entrance sculpture to Gawler Street Mount Barker installed at a cost of \$202,250 over 2 years
- Adelaide Road / Gawler Street Mount Barker intersection complete
- Stephen Street, Mount Barker upgrade complete
- Macclesfield Main Street stage 2 complete
- Hahndorf Main Street Revitalisation concept framework commenced with community consultation in FY19/20
- Continued parklet program along Gawler Street, Mount Barker.



## Tourism and Events

Tourism marketing of the region was significant during 2018/19 with full page advertisements in the Adelaide Hills Regional Guide, Due South Magazine, and the creation of a short promotional video aired during South Aussie with Cosi.

Printed material for Hahndorf, Mount Barker, the Old Princes Highway, Nairne heritage walks and Battunga Country have been produced to enhance the visitor experience in the region.

The regional tourism website [www.adelaidehills.org.au](http://www.adelaidehills.org.au) has increased hits to approximately 19,000 each month and is being transformed by Adelaide Hills Tourism to meet future needs.

Events continue to drive visitation to the region, provide economic and social benefit within our communities, and showcase the rich beauty and wonderful lifestyle that we enjoy. They were estimated to have attracted 50,000 people, generated \$6 million economic benefit to the region and received \$600,000 in-kind support from within our communities.

Council's Event of the Year for 2018/19 was "Hahndorf Christmas Village".

84 events throughout the district were recipients of Council sponsorship and other assistance.

Council continues to contribute to Adelaide Hills Tourism Inc and the achievement of its strategic objectives.

## Visitor Information Centre

Council fully funds and manages the Adelaide Hills Visitor Information Centre (AHVIC) in Hahndorf. Managed by Council's Visitor Centre Co-ordinator 25 volunteers provide in excess of 6,000 hours of time annually. The centre won a Visitor Centre award of excellence in innovation and collaboration in 2019.

Economic modelling undertaken by Tourism Research Australia indicates the AHVIC contributes to additional spending in the order of \$4.5 million.

The Centre serviced the needs of 61,491 visitors this year which represents an increase of 17.3% from the previous year.

Advancements in digital immersion, performance surveys, external operations and industry engagement ensure the Visitor Centre can remain relevant.

## Mt Barker Caravan and Tourist Park

Council operates the Mount Barker Caravan and Tourist Park and the day to day operations are undertaken by Managers under a contract.

The location of the Park in central Mount Barker is highly valued by visitors to the area and the 2018/19 financial year saw a total of 6,890 guests staying at the park, staying an average of 5 nights each.

The Park consists of a range of cabins from budget, family and executive cabins, regular and drive through caravan sites.

Over the past year there have been several upgrades to the park including a camp kitchen area, drive through caravan sites, kerbing/drainage works and a new 2 bedroom executive cabin.





# the urban environment

## Trees

Mount Barker's trees provide the quality in our urban spaces and surrounding natural areas.

One of councils strategic goals is to 'ensure that trees are an integral part of the landscape' so in 2018/19 more than 877 mostly exotic trees (including Australian natives) were planted in streets and parks by council initiatives. In excess of 12,300 indigenous tube stock were installed in parks and natural areas around the district. Recent operational and capital works programs have delivered trees to Nairne, Littlehampton, Macclesfield, Kanmantoo, Hahndorf, Prospect Hill, Meadows, Brukunga and Flaxley. New feature trees installed as trials around the district include Flame Tree, American Linden and Japanese Dogwood.

Modern tree installation techniques in urban precinct areas are on the rise and recognised as essential components of civil upgrades. Techniques to improve tree survival such as tree trenches, loadbearing structural soil mixes have been used.

In order to increase urban shade in reserves a new initiative 'Pocket forests' was commenced where groves of the same species are planted in open bare areas.

Council continued building a tree database to assist in future planning programs, conditions and risks ratings. A new maintenance program has demonstrated cost savings and efficiencies which will enable more positive proactive tree works to continue. The 'Hollows for habitat' program was also advanced with the addition of a trail camera which remotely captures images of fauna using arborist created habitat.

## Springs Road Upgrade Stages 1 & 2

- Stages 1 & 2 of a 4 stage upgrade, between Dutton Road and Bald Hills Road.
- Over 1km of a 2.1km upgrade has now been completed.
- The scope of works included pavement renewal, widening to incorporate sealed shoulders, drainage improvements, road safety improvements such as guard rails, and a reconfigured junction at Waterford Avenue incorporating a new pedestrian refuge crossing towards the school bus stop.

### Stage 1 - Volunteer Hub

Construction completed March 2019 and occupied shortly thereafter. Official opening held early July 2019. The scope of works included construction of a 1500m<sup>2</sup> storage / workshop facility to house community groups such as Men's Shed and storage of Christmas Pageant Floats. Building incorporated toilet and kitchen amenities for user groups.

### Stage 2 - Environmental Services Centre including Interpretive Centre

Commenced October 2018. During 2018/19 year construction was substantially progressed including all site earthworks and construction of workshops and storage sheds. Administration and interpretive centre buildings structurally complete and undergoing internal fitout.

## Infrastructure Projects Bicycle/ Pedestrian/ Roads

Council invested over \$21.2 million into critical infrastructure projects for the community. Specifically, \$4.8m was invested in buildings including the Environmental Service Centre and Volunteer Hub.

\$447,000 was spent renewing footpaths.

A further \$1m was spent on renewing our unsealed road network and \$1.4m was allocated to resealing our bitumen surface roads.

Stage 2 of Springs Road was completed and numerous township roads sealed as part of Council's Roads to Recovery program.

'Photosynthesis', a new sculpture at the Adelaide Road end of Gawler Street was unveiled together with other beautification work on Gawler Street at Walker Street and Stephen Street.







## Town Centre Strategy & Various Masterplans

### Hahndorf Township Plan

- Pine Avenue footpath extension to the recreation grounds complete
- Playground upgrade to Alec Johnson Park complete
- Main Street tree succession plantings commenced
- Arts and Culture precinct planning commenced with construction anticipated in FY19/20
- Main Street Revitalisation project commenced for community consultation
- Department of Planning, Transport and Infrastructure led traffic and planning study commenced.

### Littlehampton Township Plan

- Funding for undergrounding of powerlines along the Main Street secured with work commencing in FY19/20
- Sale of 2A Fulford Terrace with funding directed to the Glebe Land
- Commencement of new toilet and storage facilities at Littlehampton Peace Memorial Hall
- Completion of \$1million synthetic hockey pitch at Anembo Park of which Council contributed \$330,000.
- Planning for new club rooms commenced at Anembo Park.

### Nairne Township Plan

- Community consultation on Nairne Village Green with detailed design work occurring throughout FY19/20
- Continued advocacy through State Government for upgrade to Old Princes Highway and Woodside Road
- Completed community consultation and construction of new play space at Bythorne Park.

### Township planning

- Commencement of community consultation on the draft Meadows Township Plan
- Commencement of production of township plans for Callington, Echunga and Macclesfield due for completion in FY19/20
- Mount Barker 30 Year Plan due for completion in FY19/20.

### Housing strategy for the District due for completion in FY19/20.

### Development Plan Amendments (DPA)

- Totness Employment Lands DPA community consultation completed and endorsed by Council, the DPA will be forwarded to the Minister for Planning once the relevant infrastructure deeds are executed
- Council staff continue to monitor, review and respond to documentation as part of the Planning Development and Infrastructure Act 2016 implementation.

### Development Application Data

In 2018/19 1,249 development applications and 53 land division applications were lodged. 1,092 planning assessments were completed.

415 building rules assessments were completed and 686 privately certified building rules assessments were received.

1,128 development applications and 55 land division applications were issued full development approval.



## Recycled Water

Council distributed approximately 973ML of recycled water from the Springs Road wastewater plant. The Laratinga Wetlands water requirements were fully met.

The largest recycled water customer continues to be the Hillgrove Resources mine and used 829ML. Hillgrove Resources have commenced reducing their consumption and will cease taking water in April 2020 unless their proposed underground mine commences operations. Council has also concluded an investigation into reuse opportunities and in discussions with various parties including AGL who are proposing to construct a pumped hydro energy storage (PHES) system at the Hillgrove site.

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The largest recycled water customer continues to be the Hillgrove Resources mine and used 829ML. Hillgrove Resources have commenced reducing their consumption and will cease taking water in 2020 unless they proceed with underground mining operations. Council has also concluded an investigation into reuse opportunities and are in discussions with various parties including AGL who have the rights to construct a pumped hydro energy storage (PHES) system at the Hillgrove site.

## Wastewater

### Wastewater Infrastructure Expansion Project

MBDC is progressing strategies; for delivering of staged expansion of existing Wastewater treatment plant, wastewater reticulation network and recycled water reticulation network, to allow for growth and economic development in the district. During period of 2018/19, the following works have been completed.

- Desludging of the Eastern Lagoon of the Mount Barker WWTP as a part of process improvement
- Littlehampton Gravity main upgrade project Stage 5
- Callington Recycled water pipeline replacement
- Manhole restoration and asset replacement programs (various)
- Designing of Central Sector and Eastern Sector Trunk mains
- Preliminary design of Eastern Sector Trunk Main Stage 2 and Hampden Road pipe line





# the natural environment and sustainable living

## Biodiversity programs or Promotion of Environment Awareness

**Implementation of the Environment and Biodiversity strategies was a focus during 2018/19. Outcomes included:**

- Community tree planting (National tree day and school plantings) – (12,000 plants)
- Bushcare support – 23 sites
- Biodiversity priority works program
- Sustainable Living Mount Barker delivered
- Tree canopy mapping project instigated
- Living Smart Community Course coordinated and completed in partnership with Adelaide and Mount Lofty Ranges NRM
- Water Sensitive Urban Design training workshops delivered
- Mount Barker wildlife project including planned workshops and native plants
- Six wetland tours delivered
- Successful grant application for Weeds of National Significance program
- Bee Hotel construction
- Habitat advice and site planning for integration into Laratinga wetland
- Butterfly project development for Byethorne Park.

## Bushfire Management

Council continues to provide a representation on the Adelaide Mount Lofty Rangers Bushfire Management Committee and fulfil our obligations under the Interim Bushfire Management Plan.

## Climate Change Mitigation and Adaptation

The development of the draft Climate Change Action Plan achieved in 2018/19 with finalisation of the plan to occur in the second quarter of 2019/20.

**Council continued involvement in Resilient Hills and Coast, the regional climate change adaptation project. This included progressing the following initiatives:**

- Community energy program including accessing grant funding to develop a preferred model and assess for legal and financial risk
- ‘Where We Build What We Build’ including accessing grant funding from the National Disaster Resilience Program and the Insurance Council of Australia
- Climate Governance Assessment.

## Wetlands

The Wetlands continue to be well utilised by local residents as well as a major drawcard for tourists visiting the region. Continued focus has been put on the management and removal of woody weeds with a focus on blackberry and ash trees. Over 2000 native plants were planted in the wetlands over the past 12 months, which included the revegetation of the “old nursery site”, which was acquired by Council for increased wetland buffer zones and biodiversity.

The Wetland Warriors volunteer group has provided approximately 500 volunteer hours over the past 12 months towards general planting and maintenance activities.

## Community Land Management Plans

A Community Land Management Plan was on consultation for the Western Sector Recreation Land, Bollen Road, Mount Barker ready for adoption in FY19/20.





# governance and leadership

## Strategic Plan and Corporate Planning

Corporate implementation and reporting of Council's Strategic Plan is being integrated across the organisation including through the development of a 4 year Corporate planning framework guided by Lead Strategy plans for key subject areas.

## Training for Council Members

**Training was provided for Council Members related to the following topics:**

- Introduction to Local Government
- Council and Committee Meetings and Procedures
- Financial Management
- Legal Responsibilities
- Social Media
- Audit and Risk Committee Member training.

**Other training/conferences attended:**

- Heritage and Tourism Conference
- Council Members Leadership Program.

## Freedom of Information Requests

Twenty three (23) Freedom of information requests were received.

**Topic of request:**

- Development concerns (x3)
- Dog attack (x3)
- Council expenditure (x2)
- Animal dispute/incident
- Minister correspondence
- Site contamination
- Noise complaint
- Nuisance Dog Order
- Property complaints
- Cooling towers
- Installation of 5G Tower
- Vehicle accident
- Stormwater/Drainage (x2)
- Development Plan Amendment (DPA)
- Health concerns
- Neighbour dispute
- Service locations.

## Community Consultations

- Revocation Proposal – Community land – Springs Road Mount Barker
- Mobile Food Vendors Trial
- Draft Strategic Asset Management Plan
- Draft Long Term Financial Plan 2018–2028
- Hutton Reserve Playground Kanmantoo
- Brukung Partial Road Closure
- Draft Waste to Resources Management Plan 2018–2025
- Draft Cat By-Law
- Nairne Village Green
- Draft Annual Business Plan 2019/20
- Proposed Wastewater Infrastructure Augmentation Separate Rate.







## Internal Reviews

One internal review was conducted in relation to a development on Adelaide Road. As this was a CAP decision it cannot be internally reviewed. A meeting was held between Council and parties requesting the review to discuss issues of concern.

## Council Member allowances & benefits

**Mayor** – \$69,320

**Deputy Mayor** – \$21,662

**Councillors** – \$17,330

## Policies reviewed

- Commercial Policy
- Rating Policy
- Council Members Training and Professional Development Policy
- Recreation Sport and Community Infrastructure In Kind Contributions Policy
- Media Policy
- Council Members' Allowances and Benefits Policy
- Infrastructure Contributions – Separate Rate Relief Policy
- Septic Tank Desludge Program Policy
- Unsolicited Proposal Policy and Procedure
- Code of Practice for Meeting Procedures
- Records and Information Management Policy and Procedure

## Council Member meeting attendance

During 2018/19 Council held 13 meetings:

July–November: 5 Meetings	Number
Mayor Ann Ferguson	5
Cr Carol Bailey	5
Cr Lindsay Campbell	4
Cr Harry Seager (Deputy Mayor)	5
Cr Jeff Bettcher	5
Cr Roger Irvine	5
Cr Ian Grosser	5
Cr Greg Morrison	5
Cr Susan Hamilton	5
Cr Debs Buchmann	5
Cr Trevor Keen	2
Post 2018 Council Election December–June: 8 meetings	Number
Mayor Ann Ferguson	8
Cr Narelle Hardingham	8
Cr David Leach	8
Cr Harry Seager	8
Cr Simon Westwood	8
Cr Carol Bailey	8
Cr Ian Grosser	6
Cr Samantha Jones	8
Cr Bradley Orr	8
Cr Tess Minett	8
Cr Greg Morrison (Deputy Mayor)	8

## Equal Employment, Human Resource Management or Development Programs

**The following People & Culture policies and procedures were reviewed and/or created:**

- Classification / Remuneration Review Procedure
- Disqualification of Licence Procedure
- Fair Treatment in the Workplace Policy
- Management of Staff Establishment Procedure
- Managing Unsatisfactory Performance Guideline
- Recruitment and Selection Policy & Procedure
- Return to Work for Non-Work Related Illness/Injury Procedure
- Work Experience Procedure.

**As part of Council's commitment to develop our staff and ensure compliance requirements are met, the following training programs were delivered:**

- HR Management Essentials for Managers
- ICT Security Policy
- Navigating the Road to Retirement
- Social Media
- Drug and Alcohol Awareness
- Managers and Supervisors WHS Responsibilities
- Work Zone Traffic Management.

**Councils Organisation Development Strategy continued with the development and implementation of various initiatives in the following areas:**

- Leadership Development
- Customer Service
- Continuous Improvement.

**Council implemented a range of wellbeing and lifestyle programs including:**

- Retirement Planning
- Health Assessments
- Skin Cancer Screening
- Participated in local government Ageing Workforce pilot program
- Specialised talks from Hepatitis and Cancer SA.







## Work Health and Safety

Council has revised their Work Health and Safety & Return to Work (RTW) Plan 2018-20 to systematically address the requirements set out in the WHS legislation and the RTWSA Performance Standards for Self-Insurers (PSSI). Key actions are to:

- Review, implement and develop a robust hazard management system for Community Services teams
- Complete findings from the 2017 Risk Evaluation (Audit)
- Further develop SkyTrust (Online WHS management system) throughout the Council, targeting Contactor Management
- Plant Management – actions following the WHS Procedure Validation Audit
- Hazardous Chemical Management.

## Hazard, Injury and Incident Reports

- A total of 124 reports have been received for the financial year 2018/19
- 50 Injury/Illness (Report only, First Aid, Medical Treated injury, Lost Time Injury)
- 48 Other incidents (property damage, near miss, contractor reports)
- 26 Hazards.

## Return to Work Claims

In 2018/19 Council has had 6 RTW claims with 56 days in lost time.

Rebate / Penalty Summary	Number
Contributions (48 month period)	<b>2,426,924</b>
Claims paid (48 month period)	<b>498,365</b>
Loss Ratio	<b>21%</b>
Rebater entitlement	<b>44%</b>
Gross contribution 2018/19	<b>647,723</b>
WHS Rebate Component	<b>142,499</b>





Council's Strategic Plan includes a number of high priorities and performance indicators. High priorities and indicators are listed below. High priorities are reported on separately within this report in the relevant section. At the time of writing Council was in the process of reviewing its Strategic Plan including assessment of performance against stated indicators where data is available and determining new goals and objectives for the coming period.

## Sitting fees for Audit & Risk Committee / CAP

### Audit and Risk Committee

Independent Chairperson	<b>\$482</b>
Other Independents	<b>\$362</b>

### Council's Assessment Panel

Independent Chair	<b>\$484</b>
All other members	<b>\$407</b>

### Executive Officers Remuneration

Chief Executive Officer	<b>\$251,244</b>
Deputy CEO, General Managers and Chief Financial Officer	<b>\$147,682 – 183,563</b>

In addition, superannuation, mobile phones, laptop/ipad and private use of a vehicle was also provided.



## Representation Quota

Council	Electors	Total Council Members	Representation Quota	Mayor or Chairperson	Number of Wards	Number of Area Councillors	Aust Class. Of LG (ACLG)
Onkaparinga	123939	13	9533	M	6	0	UFV
Coober Pedy	930	9	103	M	0	0	URS
Mt Barker	24593	11	2235	M	3	0	URM
Mt Gambier	19282	9	2142	M	0	0	URS
Pt Augusta	9491	10	949	M	0	0	URS
Pt Lincoln	10360	10	1036	M	0	0	URS
Roxby Downs <sup>#</sup>	–	–	–	–	–	–	URS
Whyalla	15248	10	1524	M	0	0	URS

<sup>#</sup> Roxby Downs does not yet have an elected Council UFV – Urban Fringe Very Large URM – Urban Regional Medium URS – Urban Regional Small

## Representation Review

Council last undertook a Representation Review in 2013 where the only change was Paechtown moving from Central Ward into North Ward.

Council will undertake a further review of Council composition and wards in October 2020.

In accordance with existing provisions in Section 12 of the *Local Government Act 1999*, the Representation Review Process requires Council to review all aspects of the composition of Council including ward boundaries. The process involves the opportunity for community submissions at key stages of the review. The Council is then provided with a report on the consultation and the proposals for any amendment (if any). The report is then submitted to the Electoral Commissioner to determine if the requirements have been satisfied.





## Audit & Risk Committee

### Strategic Plan

The Audit and Risk Committee met six times this year.

Its purpose is to enquire, observe and then report to Council its concerns and observations that relate to Council operations, policies, risk and compliance. The Audit and Risk Committee has received regular reports as per its work plan that is derived from its Terms of Reference.

### Members of the Committee prior to the 2018 Council Election were:

- **Independent Members** – Michael Bails (Chairperson), Chris Howis, Greg Holman
- **Council Members** – Cr Jeff Bettcher and Cr Susan Hamilton.

### Members of the Committee after the 2018 Council Election were:

- **Independent Members** – Michael Bails (Chairperson), Chris Howis, Greg Holman, Pamela Lee (appointed 4 March 2019)
- **Council Member** – Cr Narelle Hardingham.

## Community Grants Assessment Committee

The Community Grants Assessment Committee met once during the year due to the Caretaker period prior to the 2018 Council Election.

Its purpose is to recommend to Council appropriate recipients for community grants and discretionary rebates.

### Members of the Committee were:

- **Chair** - Mayor Ann Ferguson, Cr Ian Grosser, Cr Narelle Hardingham, Cr Samantha Jones, Cr Bradley Orr.

## Council Assessment Panel

The CAP met seven times this year and considered 11 reports:

- 8 merit applications
- 3 non-complying applications
- 3 were granted Development Approval
- 4 were granted Development Plan consent
- 3 were granted development plan consent subject to Development Assessment Commission concurrence
- 1 application was deferred until the following meeting for a decision.

The Mount Barker District Council Assessment Panel (CAP) was appointed as a relevant authority under Section 82 and 83 of the Planning, Development and Infrastructure Act 2016 (Act) by resolution of the Mount Barker District Council (the Council) on 3 July 2017.

The CAP is a relevant authority under the Act and, during transition to the Act, will act as a delegate of the Council for the purpose of the Development Act 1993.

### Members of the CAP were:

- Mike Canny (Presiding Member), Judith Urquhart, Tom Gregory and Cr Carol Bailey.

## List of Registers & codes

### List of Codes

The list of Codes required under the *Local Government Act* is:

- Code of Conduct for Council Members (prescribed by regulation)
- Employees Code of Conduct (partially prescribed by regulation)
- Code of Practice – (for Access to Council, Committee Meetings and Documents).

In addition Council has an optional Code:

- Code of Practice for Meeting Procedures.

### List of Registers

Under the *Local Government Act 1999* the following Registers are required:

- Council Members Registers of Interest
- Officers Registers of Interest
- Register of Allowances and Benefits
- Register of Remuneration, Salaries and Benefits
- Register of Community Land
- Register of Public Roads
- Register of By-Laws.

### Auditors Remuneration

Council's Auditor for 2018/19 was Dean Newbery and Partners. Remuneration paid for the annual audit of Council's financial state was \$24,100 ex GST.





## Confidential items to Council & Committees

The following confidential orders were made:

### Order made under 90(3)(a)

- (a) Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead).

### Section 91 (7) Order To keep the item confidential

<b>3 Sept 18</b>	CEO's Annual Performance Review	<b>No</b>
<b>4 Mar 19</b>	Appointment of Audit and Risk Committee Member	<b>Yes</b>
<b>1 Apr 19</b>	Appointment to Adelaide Hills Recreation Working Group	<b>Yes</b>

### Order made under 90(3)(b)

- (b) Information the disclosure of which:

(i) 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.

### Section 91 (7) Order To keep the item confidential

<b>3 Sept 18</b>	Regional Sports Hub Precinct Plan and Regional Aquatic/Leisure Detailed Concept	<b>Yes</b>
<b>5 Nov 18</b>	Recycled Water	<b>Yes</b>
<b>21 Jan 19</b>	Proposed Strategic land Acquisition	<b>Yes</b>
<b>1 Apr 19</b>	Proposed Disposal of 64 Alexandrina Road Mt Barker	<b>Yes</b>

The following confidential items were revoked during the financial year to keep the item confidential:

Date	Topic
<b>4 Jul 2016</b>	Adelaide Hills Recreation Centre Extension with YMCA
<b>4 Sept 2017</b>	Adelaide Hills Region Waste Management Authority
<b>3 Oct 2017</b>	Tender Evaluation for the Management of the Adelaide Hills Recreation Centre and Mountain Pool
<b>3 Sept 2018</b>	CEO Performance Review Report 2018
<b>21 Jan 2019</b>	Proposed Strategic Land Acquisition



**29 items remain operative or part operative at the end of the financial year as listed below (excluding confidential orders made before November 2010):**

Date	Topic
3/12/12	Adelaide Hills Region Waste Management Authority (AHRWMA)
17/6/13	October 2008 Ombudsman's report
17/6/13	December 2008 Ombudsman's report
17/6/13	2009 Ombudsman's report
16/12/13	AHRWMA
16/12/13	Outcome of First Stage Office and Multi-level Carpark EOI
23/6/14	Multi-Deck Car Park & Council Office Accommodation
18/5/15	Regional Tender for Waste, Recycling, Green Organics & Street Litter Bin Collection Services for Recycling/Green Organics Processing Services
15/2/16	The Cedars Marketing & Pre-Feasibility Study
21/3/16	Council Wastewater Services New Customer
6/6/16	Mount Barker Tourist and Caravan Park
6/6/16	AHRWMA – Offer from Resource Co
4/7/16	Proposed Sale of Portion of Unmade road known as Haines Road Mt Barker
15/8/16	Rate Relief Remission – Long Term Debt Mt Barker Springs
17/10/16	Mt Barker City Centre Land Strategy
24/4/17	Appointment of External Auditor
16/1/17	Public Lighting Services Business Case
1/5/17	Adelaide Hills Region Waste Management Authority
7/8/17	Hillgrove Resources Debt
4/9/17	Adelaide Hills Region Waste Management Authority
6/11/17	Hillgrove Resources Debt to Council update
4/12/17	Mount Barker Wastewater Treatment Plant – CMF Upgrade – Project Close Out
5/2/18	Hillgrove Resources Debt to Council Further Update
7/5/18	Recycled Water Initiatives
3/9/18	Regional Hub Precinct Plan and Regional Indoor Aquatic Leisure Detailed Concept
5/11/18	Recycled Water
4/3/19	Appointment of Additional Audit and Risk Committee Members
1/4/19	Proposed Disposal of 64 Alexandrina Road Mt Barker
1/4/19	Appointments to Adelaide Hills Reconciliation Working Group





## National Competition Policy

The following statement has been prepared in accordance with the reporting requirements of Clause 7 Statement on the application of competition principles to Local Government under the Competition Principles Agreement.

Competitive neutrality measures applied to each significant business activity has continued.

The By-laws related to Moveable Signs, Local Government Land and Roads have potential to restrict competition, however the benefits outweigh that potential.

### Category 1

Category 1 applies to business activities with annual revenue in excess of \$2 million or employing assets with a value in excess of \$20 million which includes:

- Community Wastewater Management Scheme (CWMS).

### Category 2

Category 2 applies to all other significant business activities which includes:

- Mount Barker Tourist Park
- Windmill Hill Waste Transfer Station
- Various Council owned building/properties which are leased or managed.

No complaints were received and therefore none were referred to the State Competition Commissioner.



## Customer Request Management (CRMs)

### 2018/2019 Customer Requests categories



Grand Total **4428**

### 2017/2018 Customer Requests categories



Grand Total **4687**





## Council Election Results

Local Government Elections were held in November 2018.

Of the eleven Members on Council six are new Members.

Council achieved an overall participation rate of 31.2% which is a significant improvement on the 2014 voter turnout of 26.53%. This compares to the statewide average participation rate of 32.66%.

## Performance in Implementing the Long Term Financial Plan & projections and targets for 2019/20

Council adopted the 2018-2028 Long Term Financial Plan at the Council Meeting on 3 September 2019 following community consultation. The 2019-20 Annual Business Plan and Budget was developed in the context of the adopted Long Term Financial Plan.

## Performance in Implementing the Asset Management Plan & projections and targets for 2019/20

Council's adopted Strategic Asset Management Plan is progressively being implemented with a number of asset renewal and maintenance programs being delivered across the year. As an example, the footpath renewal program was fully delivered as was an unsealed road resheeting and maintenance program with a total expenditure of over \$2m.

A planned audit of roads, footpaths, bridges, culverts and kerbs was completed enabling Council to identify any assets that are underperforming or not meeting desired service levels. These assets will be considered for renewal or upgrade in coming years. In addition, Council's asset management system and data has been improved with the intent of providing a better service to the community.

## Information and Communication (ICT)

The following advancements in Information and Communications Technology were implemented to enhance and enable service delivery across all facets of Council including:

### Environmental Service Centre

- Provide research and direction for ICT requirements for the centre;
- Change management for “ICT hot desking;”
- Arrangements for the rollout of hardware and software;
- Preparation of the decommissioning of the Field Services Unit; Alexandria Road site.

### Support of the Internet, Extranet and Intranet upgrades:

Roll out of Council members laptops and decommissioning members previous devices, Continuation of the deployment of hardware and software to enable mobility and customer service.

### Virtual Chief Information Officer Report

ICT Review carried out and recommendations considered and implemented.

### Information and Communications Technology

Other ICT initiatives included:

- Development of a draft Digital Strategy
- Modernising GIS system
- Completion of an Intranet upgrade for enhanced customer service delivery
- Implementation of corporate hardware and software to improve mobility and remote access services
- Upgraded Council’s electronic records management software
- Upgraded Council’s principal business system to support a number of essential business systems and associated services
- Conducted a Technical Security Audit and ICT Risk Audit as part of Council’s Computer Network Security upgrade – Phase 2”
- Formation of a Service Improvement Group to consider cross organisation adoption of technology.

## Business Improvement

### Internal Audits

Council has undertaken a program of internal audits and reports with findings and recommendations to the Audit Committee. Internal Audits that had commenced previously but which still had outstanding actions include:

- Planning Assurance and Development Assessment
- Communication Processes
- Ministerial DPA Land Division Clearance Process.

### Internal Audits that were commenced this year include:

- Project Management Framework.

## Competitive Tenders

The number of local/Regional contractors (Mount Barker District Council/Adelaide Hills Council/Alexandrina Council) increased to 22% and totalled an average of 140 engagements per quarter.

### The level of participation in strategic contracts with other organisations is noted below:

- Local Government Association Procurement (LGAP) for electricity supply
- Council Solutions for rubble supply.

### Significant Tenders

- New Environmental Services Centre (\$5M)
- Roads to Recovery (\$900k)
- Gawler Street Stephens Street Intersection (\$500k)
- Hurling Trail Stage 3 (\$600k)
- Flaxley Road Pedestrian Crossing (\$450k).



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# General Purpose Financial Statements

for the year ending 30 June 2019



MOUNT BARKER  
DISTRICT COUNCIL



## Mount Barker District Council

### General Purpose Financial Statements for the year ended 30 June 2019

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## Mount Barker District Council

### General Purpose Financial Statements for the year ended 30 June 2019

### Certification of Financial Statements

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

**In our opinion:**

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



Andrew Stuart  
**CHIEF EXECUTIVE OFFICER**



Ann Ferguson  
**MAYOR**

**Date: 17 October 2019**



## Mount Barker District Council

### General Purpose Financial Statements for the year ended 30 June 2019

## Understanding Council's Financial Statements

---

### Introduction

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

### About the Certification of Financial Statements

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

### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2019.

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

The Financial Statements incorporate 4 "primary" financial statements:

#### 1. A Statement of Comprehensive Income

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

#### 2. A Balance Sheet

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

#### 3. A Statement of Changes in Equity

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

#### 4. A Statement of Cash Flows

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

### About the Notes to the Financial Statements

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

### About the Auditor's Reports

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

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

### About the Independence Certificates

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

### Who uses the Financial Statements?

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

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

## Mount Barker District Council

### Statement of Comprehensive Income for the year ended 30 June 2019

\$ '000	Notes	2019	2018
<b>Income</b>			
Rates Revenues	2a	39,468	37,051
Statutory Charges	2b	1,370	1,413
User Charges	2c	2,612	2,533
Grants, Subsidies and Contributions	2g	4,703	3,661
Investment Income	2d	201	243
Reimbursements	2e	622	653
Other Income	2f	403	647
Net Gain - Equity Accounted Council Businesses	19	161	-
<b>Total Income</b>		<b>49,540</b>	<b>46,201</b>
<b>Expenses</b>			
Employee Costs	3a	15,787	15,107
Materials, Contracts & Other Expenses	3b	21,004	20,198
Depreciation, Amortisation & Impairment	3c	8,976	8,666
Finance Costs	3d	314	431
Net loss - Equity Accounted Council Businesses	19	-	138
<b>Total Expenses</b>		<b>46,081</b>	<b>44,540</b>
<b>Operating Surplus / (Deficit)</b>		<b>3,459</b>	<b>1,661</b>
Asset Disposal & Fair Value Adjustments	4	(461)	(1,011)
Amounts Received Specifically for New or Upgraded Assets	2g	8,806	5,858
Physical Resources Received Free of Charge	2i	14,671	7,281
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>26,474</b>	<b>13,789</b>
<b>Other Comprehensive Income</b>			
Changes in Revaluation Surplus - I,PP&E	9a	(14,159)	4,595
<b>Total Other Comprehensive Income</b>		<b>(14,159)</b>	<b>4,595</b>
<b>Total Comprehensive Income</b>		<b>12,315</b>	<b>18,384</b>

<sup>1</sup> Transferred to Statement of Changes in Equity



## Mount Barker District Council

### Statement of Financial Position as at 30 June 2019

\$ '000	Notes	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	8,678	6,938
Trade & Other Receivables	5b	5,401	4,065
Inventories	5d	2	8
<b>Subtotal</b>		<b>14,081</b>	<b>11,011</b>
Non-Current Assets Held for Sale	20	2,223	2,223
<b>Total Current Assets</b>		<b>16,304</b>	<b>13,234</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	1,508	1,511
Equity Accounted Investments in Council Businesses	6b	407	246
Infrastructure, Property, Plant & Equipment	7a	516,369	508,383
Other Non-Current Assets	6c	9,532	6,774
<b>Total Non-Current Assets</b>		<b>527,816</b>	<b>516,914</b>
<b>TOTAL ASSETS</b>		<b>544,119</b>	<b>530,148</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	7,078	5,349
Borrowings	8b	218	208
Provisions	8c	2,281	2,184
<b>Total Current Liabilities</b>		<b>9,577</b>	<b>7,741</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	6,733	6,940
Provisions	8c	407	380
<b>Total Non-Current Liabilities</b>		<b>7,140</b>	<b>7,320</b>
<b>TOTAL LIABILITIES</b>		<b>16,717</b>	<b>15,061</b>
<b>Net Assets</b>		<b>527,402</b>	<b>515,087</b>
<b>EQUITY</b>			
Accumulated Surplus		210,532	189,564
Asset Revaluation Reserves	9a	294,984	309,143
Other Reserves	9b	21,886	16,380
<b>Total Council Equity</b>		<b>527,402</b>	<b>515,087</b>

## Mount Barker District Council

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

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2019</b>					
<b>Balance at the end of previous reporting period</b>		189,564	309,143	16,380	<b>515,087</b>
<b>a. Net Surplus / (Deficit) for Year</b>		26,474	-	-	<b>26,474</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(14,159)	-	<b>(14,159)</b>
<b>Other Comprehensive Income</b>		-	(14,159)	-	<b>(14,159)</b>
<b>Total Comprehensive Income</b>		<b>26,474</b>	<b>(14,159)</b>	<b>-</b>	<b>12,315</b>
<b>c. Transfers between Reserves</b>		(5,506)	-	5,506	<b>-</b>
<b>Balance at the end of period</b>		<b>210,532</b>	<b>294,984</b>	<b>21,886</b>	<b>527,402</b>
<b>2018</b>					
<b>Balance at the end of previous reporting period</b>		176,359	304,548	15,796	<b>496,703</b>
<b>a. Net Surplus / (Deficit) for Year</b>		13,789	-	-	<b>13,789</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	4,595	-	<b>4,595</b>
<b>Other Comprehensive Income</b>		-	4,595	-	<b>4,595</b>
<b>Total Comprehensive Income</b>		<b>13,789</b>	<b>4,595</b>	<b>-</b>	<b>18,384</b>
<b>c. Transfers between Reserves</b>		(584)	-	584	<b>-</b>
<b>Balance at the end of period</b>		<b>189,564</b>	<b>309,143</b>	<b>16,380</b>	<b>515,087</b>



## Mount Barker District Council

### Statement of Cash Flows for the year ended 30 June 2019

\$ '000	Notes	2019	2018
<b>Cash Flows from Operating Activities</b>			
<b><u>Receipts</u></b>			
Operating Receipts		47,612	46,634
Investment Receipts		201	243
<b><u>Payments</u></b>			
Operating Payments to Suppliers and Employees		(34,820)	(35,112)
Finance Payments		(317)	(431)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>12,676</b>	<b>11,334</b>
<b>Cash Flows from Investing Activities</b>			
<b><u>Receipts</u></b>			
Amounts Received Specifically for New/Upgraded Assets		8,806	5,858
Sale of Replaced Assets		288	287
Sale of Surplus Assets		568	146
Repayments of Loans by Community Groups		2	4
<b><u>Payments</u></b>			
Expenditure on Renewal/Replacement of Assets		(7,164)	(7,585)
Expenditure on New/Upgraded Assets		(13,361)	(14,588)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(10,862)</b>	<b>(15,879)</b>
<b>Cash Flows from Financing Activities</b>			
<b><u>Receipts</u></b>			
Proceeds from Bonds & Deposits		123	320
<b><u>Payments</u></b>			
Repayments of Borrowings		(197)	(302)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(74)</b>	<b>18</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>1,740</b>	<b>(4,527)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>6,938</b>	<b>11,465</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>8,678</b>	<b>6,938</b>

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

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## Mount Barker District Council

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

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## Mount Barker District Council

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

#### Note 1. Summary of Significant Accounting Policies

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

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 17 October 2019.

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

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

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

Mount Barker District Council is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 6 Dutton Road, Mt Barker, SA 5251. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Council has an investment in the following subsidiaries, which are detailed in Note 19:

- Adelaide Hills Waste Management Authority
- Southern & Hills Local Government Association

#### 3 Income Recognition

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$1,840,328	\$1,214,131	+ \$626,197
2017/18	\$1,676,156	\$1,582,607	+ \$93,549
2018/19	\$2,345,179	\$1,675,632	+ \$669,547

## Mount Barker District Council

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

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

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

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

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

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

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

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

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

#### 5 Inventories

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

##### 5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on

financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

##### 5.2 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

#### 6 Infrastructure, Property, Plant & Equipment

##### 6.1 Initial Recognition

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

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



## Mount Barker District Council

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

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

##### 6.2 Materiality

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

Bridges & Major Culverts	\$5,000
Buildings & Other Structures	\$10,000
Furniture, Plant & Equipment	\$5,000
Paving & Footpaths, Kerb & Gutter	\$5,000
Recreation & Other Structures	\$5,000
Road Assets	\$5,000
Stormwater Drainage	\$5,000
Wastewater & Water Assets	\$5,000

##### 6.3 Subsequent Recognition

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

##### 6.4 Depreciation of Non-Current Assets

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

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

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

Bridges & Major Culverts	80 to 100 years
--------------------------	-----------------

Building & Other Structures	20 to 300 years
Paving & Footpaths, Kerb & Gutter	15 to 80 years
Plant, Furniture & Equipment	5 to 20 years
Recreation & Other Structures	5 to 200 years
Road Assets	15 to 270 years
Stormwater Drainage	80 to 120 years
Wastewater & Water Assets	5 to 100 years

##### 6.5 Impairment

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

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

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

##### 6.6 Borrowing Costs

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

##### 7 Payables

###### 7.1 Goods & Services

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

## Mount Barker District Council

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

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

##### 7.2 Payments Received in Advance & Deposits

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

##### 8 Borrowings

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

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

##### 9 Employee Benefits

###### 9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 0.16% (2018, 0.34%)  
Weighted avg. settlement period 0.55 years (2018, 0.54 years)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting

periods. Council does not make payment for untaken sick leave.

##### 9.2 Superannuation

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

##### 10 Provisions for Reinstatement, Restoration and Rehabilitation

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

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

##### 11 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.



## Mount Barker District Council

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

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

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

#### 12 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

#### 13 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

#### 14 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.

#### 15 New accounting standards and UIG interpretations

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

Mount Barker District Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

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

**The 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.**

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

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

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 1058 Income of Not-for-Profit Entities
- AASB 1058 Income of Not-for-Profit Entities (Appendix D)
- AASB 1059 Service Concession Arrangements: Grantors

## Mount Barker District Council

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

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

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- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

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

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

#### 16 Comparative Figures

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

#### 17 Disclaimer

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



## Mount Barker District Council

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

#### Note 2. Income

\$ '000	Notes	2019	2018
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		28,901	27,280
Less: Mandatory Rebates		(390)	(374)
Less: Discretionary Rebates, Remissions & Write Offs		(80)	(76)
<b>Total General Rates</b>		<b>28,431</b>	<b>26,830</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		1,539	1,490
Water Supply		8	6
Wastewater		6,084	5,522
Waste Management		2,903	2,719
Mount Barker Separate Rate		115	115
Hahndorf Separate Commerce Rate		105	94
Meadows Water Supply		20	19
<b>Total Other Rates</b>		<b>10,774</b>	<b>9,965</b>
<b>Other Charges</b>			
Penalties for Late Payment		181	161
Legal & Other Costs Recovered		82	95
<b>Total Other Charges</b>		<b>263</b>	<b>256</b>
<b>Total Rates Revenues</b>		<b>39,468</b>	<b>37,051</b>
<b>(b). Statutory Charges</b>			
Building & Development Act Regulatory Fees		620	612
Septic Tank Inspection Fees		194	208
Animal Registration Fees & Fines		313	357
Parking Fines / Expiation Fees		58	76
Other Licences, Fees & Fines		60	68
Sundry		40	10
Rates Search Fees		85	82
<b>Total Statutory Charges</b>		<b>1,370</b>	<b>1,413</b>
<b>(c). User Charges</b>			
Cemetery Fees		110	71
Sundry		28	20
Sale of Reclaimed Water		788	740
Mount Barker Tourist Park		843	825
Rental of Council Facilities		415	403
Waste Dumping Fees		428	474
<b>Total User Charges</b>		<b>2,612</b>	<b>2,533</b>

## Mount Barker District Council

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

#### Note 2. Income (continued)

\$ '000	Notes	2019	2018
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		142	180
- Banks & Other		58	62
- Loans to Community Groups		1	1
<b>Total Investment Income</b>		<b>201</b>	<b>243</b>
<b>(e). Reimbursements</b>			
Library		196	210
Immunisation		38	44
Sundry		240	283
Other		148	116
<b>Total Reimbursements</b>		<b>622</b>	<b>653</b>
<b>(f). Other Income</b>			
Insurance & Other Recoupments		95	359
Sundry		215	61
Contributions and Donations		93	227
<b>Total Other Income</b>		<b>403</b>	<b>647</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		8,806	5,858
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>8,806</b>	<b>5,858</b>
Other Grants, Subsidies and Contributions		3,318	3,567
Individually Significant Item - Additional Grants Commission Payment (refer below)		1,385	94
<b>Total Other Grants, Subsidies and Contributions</b>		<b>4,703</b>	<b>3,661</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>13,508</b>	<b>9,519</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		2,216	1,511
State Government		4,697	6,179
Other		6,596	1,829
<b>Total</b>		<b>13,508</b>	<b>9,519</b>
<b>(ii) Individually Significant Items</b>			
Grant Commission (FAG) Grant Recognised as Income		1,385	94

Refer to Note 1 for details of Grant Commission (FAG) grant payment recognised as income.



## Mount Barker District Council

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

#### Note 2. Income (continued)

\$ '000	Notes	2019	2018
<b>(h). Conditions over Grants &amp; Contributions</b>			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
<b>Unexpended at the close of the previous reporting period</b>		11,944	9,500
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(1,327)	(5)
Recreation Infrastructure		(272)	-
Other		(1,142)	(669)
<b>Subtotal</b>		<b>(2,741)</b>	<b>(674)</b>
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Roads Infrastructure		1,661	154
Recreation Infrastructure		1,947	335
Other		6,907	2,629
<b>Subtotal</b>		<b>10,515</b>	<b>3,118</b>
<b>Unexpended at the close of this reporting period</b>		<b>19,718</b>	<b>11,944</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<b>7,774</b>	<b>2,444</b>
<b>(i). Physical Resources Received Free of Charge</b>			
Land & Improvements		1,116	1,720
Roads, Bridges & Footpaths		8,560	3,116
Stormwater Drainage		3,754	1,124
Wastewater		1,203	1,263
Recycled Water		38	58
<b>Total Physical Resources Received Free of Charge</b>		<b>14,671</b>	<b>7,281</b>

## Mount Barker District Council

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

#### Note 3. Expenses

\$ '000	Notes	2019	2018
<b>(a). Employee Costs</b>			
Salaries and Wages		12,635	12,299
Employee Leave Expense		2,059	1,857
Superannuation	18	935	867
Superannuation - Defined Benefit Plan Contributions	18	426	422
Workers' Compensation Insurance		379	371
Other		254	236
Less: Capitalised and Distributed Costs		(901)	(945)
<b>Total Operating Employee Costs</b>		<b>15,787</b>	<b>15,107</b>
Total Number of Employees (full time equivalent at end of reporting period)		165	161
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		24	23
- Other Auditors		13	18
Elected Members' Expenses		270	251
Election Expenses		151	10
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		623	605
<b>Subtotal - Prescribed Expenses</b>		<b>1,081</b>	<b>907</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		6,262	6,326
Energy		1,173	1,105
Separate Rates Forwarded		220	209
Legal Expenses		256	172
Levies Paid to Government - NRM levy		1,519	1,471
Levies - Other		209	245
Parts, Accessories & Consumables		1,671	1,684
Professional Services		181	145
Sundry		1,938	1,999
Waste Collection & Disposal		2,547	2,329
Septic Tank Clean Outs		417	391
Street Lighting		539	514
Rates Assessments		94	92
Water		259	240
Communication		381	430
Insurance		363	386
Grants, Contributions & Donations		1,098	821
Software Licences		601	531
Cleaning & Hygiene		217	248
Less: Capitalised and Distributed Costs		(22)	(47)
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>19,923</b>	<b>19,291</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>21,004</b>	<b>20,198</b>

## Mount Barker District Council

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

#### Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		493	467
Infrastructure			
- Road Assets		4,151	3,865
- Wastewater		1,156	1,113
- Drainage		569	523
- Bridges & Major Culverts		413	399
- Footpaths		611	544
- Recreation & Open Space		585	599
Furniture, Plant & Equipment		701	705
Recycled Water		194	190
<b>Subtotal</b>		<b>8,873</b>	<b>8,405</b>
<b>(ii) Impairment</b>			
Capital Work in Progress		103	261
<b>Subtotal</b>		<b>103</b>	<b>261</b>
<b>Total Depreciation, Amortisation and Impairment</b>		<b>8,976</b>	<b>8,666</b>
<b>(d). Finance Costs</b>			
Interest on Loans		314	431
<b>Total Finance Costs</b>		<b>314</b>	<b>431</b>

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

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

###### (i) Assets Renewed or Directly Replaced

Proceeds from Disposal	288	287
Less: Carrying Amount of Assets Sold	(1,090)	(1,285)
<b>Gain (Loss) on Disposal</b>	<b>(802)</b>	<b>(998)</b>

###### (ii) Assets Surplus to Requirements

Proceeds from Disposal	568	146
Less: Carrying Amount of Assets Sold	(227)	(159)
<b>Gain (Loss) on Disposal</b>	<b>341</b>	<b>(13)</b>

<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>(461)</b>	<b>(1,011)</b>
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## Mount Barker District Council

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

#### Note 5. Current Assets

\$ '000	Notes	2019	2018
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		2,055	1,133
Deposits at Call		6,623	5,805
<b>Total Cash &amp; Cash Equivalents</b>		<b>8,678</b>	<b>6,938</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		1,605	1,400
Accrued Revenues		224	38
Debtors - General		2,612	1,982
GST Recoupment		758	679
Prepayments		198	150
Loans to Community Organisations		4	3
<b>Subtotal</b>		<b>5,401</b>	<b>4,252</b>
Less: Allowance for Doubtful Debts		-	(187)
<b>Total Trade &amp; Other Receivables</b>		<b>5,401</b>	<b>4,065</b>
Amounts included in receivables that are not expected to be received within 12 months of reporting date.			
Private Works		22	33
<b>(c). Inventories</b>			
Stores & Materials - Fuel		2	8
<b>Total Inventories</b>		<b>2</b>	<b>8</b>

## Mount Barker District Council

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

#### Note 6. Non-Current Assets

\$ '000	Notes	2019	2018
<b>(a). Financial Assets</b>			
<b>Receivables</b>			
Loans to Community Organisations		8	11
Loan - Hans Heyesen Foundation - "The Cedars"		1,500	1,500
<b>Total Receivables</b>		<b>1,508</b>	<b>1,511</b>
<b>Total Financial Assets</b>		<b>1,508</b>	<b>1,511</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Adelaide Hills Regional Waste Management Authority	19	369	246
Southern & Hills Local Government Association	19	38	-
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>407</b>	<b>246</b>
<b>(c). Other Non-Current Assets</b>			
Capital Works-in-Progress		9,532	6,774
<b>Total Other Non-Current Assets</b>		<b>9,532</b>	<b>6,774</b>

# Mount Barker District Council

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

## Note 7a. Infrastructure, Property, Plant & Equipment

		as at 30/6/2018				Asset Movements during the Reporting Period							as at 30/6/2019				
		Fair Value Level	At Fair Value	At Cost	Acc. Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Acc. Dep'n	Carrying Value
							New / Upgrade	Renewals									
\$ '000																	
Land - Other	2	22,290	1,864	-	24,154	469	-	(10)	-	-	-	-	-	22,254	2,359	-	24,613
Land - Community	3	60,482	7,728	-	68,210	588	-	(218)	-	-	-	-	-	60,852	7,728	-	68,580
Buildings & Other Structures	3	48,265	1,129	7,742	41,652	2,579	107	-	(493)	-	-	-	-	48,819	3,261	8,235	43,845
Infrastructure																	
- Road Assets	3	229,955	8,511	51,072	187,394	10,518	3,305	(508)	(4,151)	1,676	(14,159)	-	-	248,800	-	64,724	184,076
- Wastewater	3	81,881	5,195	22,235	64,841	2,021	2,629	(186)	(1,156)	-	-	-	-	82,850	8,642	23,343	68,149
- Drainage	3	55,524	627	12,705	43,446	4,151	174	(13)	(569)	-	-	-	-	59,261	1,197	13,270	47,188
- Bridges & Major Culverts	3	36,446	-	7,602	28,844	31	-	-	(413)	-	-	-	-	36,446	31	8,015	28,462
- Footpaths	3	28,106	-	7,175	20,931	2,543	361	(137)	(611)	-	-	-	-	30,029	784	7,727	23,086
- Recreation & Open Space	3	14,611	5,945	7,406	13,150	1,173	362	(46)	(585)	(1,676)	-	-	-	11,518	7,480	6,620	12,378
Furniture, Plant & Equipment	2	-	8,030	4,093	3,937	-	1,019	(200)	(701)	-	-	-	-	-	6,806	2,750	4,056
Recycled Water	3	12,794	186	1,157	11,823	38	268	-	(194)	-	-	-	-	12,832	454	1,351	11,935
Total Infrastructure, Property, Plant & Equipment		590,355	39,215	121,187	508,383	24,110	8,224	(1,317)	(8,873)	-	(14,159)	-	-	613,662	38,742	136,035	516,369
Comparatives		576,704	25,383	111,591	490,496	18,759	6,605	(1,444)	(8,405)	-	-	-	4,595	590,355	39,215	121,187	508,383



## Mount Barker District Council

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

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

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\$ '000

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##### Valuation of Assets

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

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

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

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

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

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

##### Information on Valuations

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

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

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

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

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

## Mount Barker District Council

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

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

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\$ '000

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##### Valuation of Assets (continued)

##### Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

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

##### Highest and best use

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

##### Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

##### Land & Land Improvements

Council being of the opinion that it is not possible to attribute value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports.

Land - Level 2, Council officers applied the market approach for valuation of non specialised land, the market value was deemed to be as per the Valuer General values as at 30 June 2015 or where material valuation information inputs were available such as recent sales of similar land parcel this input was applied.

Additions in the current year are held at cost.

Land - Level 3, Land which is subject to restriction for its use or sale. ie Community Land, etc or land where there is no active market such as Drainage Reserves or subject to Community Service Obligations. Land assets revaluation was undertaken by Council officers using the Valuer Generals values as at 30 June 2015.

##### Buildings & Other Structures

Council's Buildings and other structures were revalued at 30th June 2014 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use. The valuation technique applied was the depreciated replacement cost approach. The valuation has been indexed at 30th June 2015 based on the Rawlinson's 'Australian Construction Handbook 2015' estimated comparative rates for Adelaide. Unobservable inputs have been utilised and therefore these assets are classified as level 3.

## Mount Barker District Council

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

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

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\$ '000

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##### Valuation of Assets (continued)

##### Infrastructure

For the purpose of AASB 13 Fair value Measurement, Council has determined classes of infrastructure and level of fair value hierarchy to be Level 3. Level 3 inputs have been applied to these classes of assets as there are no relevant observable inputs (Markets) available and other unobservable inputs have been utilised such as estimates of useful lives, residual values and asset conditions. Therefore these assets are classified as level 3.

**Recreation and Open Space Assets** were valued by Council officers at depreciated current replacement costs during the reporting period ending 30 June 2013. The values have been adjusted based on Rawlinson's 'Australian Construction Handbook 2013' estimated comparative rates for Adelaide. All additions post 30 June 2013 are held at cost.

**Road Assets** were revalued as at the 30th June 2019 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Road infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

**Bridges and Major Culverts Assets** were revalued as at the 30th June 2018 by an independent valuer Ashay Prabhu, Ashay Prabhu, MIE(Aust) CPEng, NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use. All additions post 30 June 2018 are held at cost.

All Bridges and Major Culverts infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

All Bridge infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

**Footpaths Assets** were revalued as at the 30th June 2018 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use. All additions post 30 June 2018 are held at cost.

Footpath infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.



## Mount Barker District Council

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

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

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\$ '000

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##### Valuation of Assets (continued)

**Wastewater Assets** were revalued as at the 30th June 2015 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Wastewater infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. All additions post 30 June 2015 are held at cost.

**Recycled Water Assets** were revalued as at the 30th June 2015 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

Recycled water infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. All additions post 30 June 2015 are held at cost.

**Drainage Assets** were revalued as at the 30th June 2016 by an independent valuer Ashay Prabhu, MIE(Aust) CPEng NPER, Assetic Pty Ltd. There were no assets valued where it was assumed that the highest and best use was other than its current use.

All Drainage infrastructure assets were valued using Level 3 valuation inputs using the cost approach. This approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors.

All acquisitions made after the respective dates are recorded at cost.

##### Furniture, Plant & Equipment

These assets are recognised on a cost basis.

## Mount Barker District Council

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

#### Note 8. Liabilities

\$ '000	Notes	2019	2019	2018	2018
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods & Services		4,046	-	2,679	-
Payments Received in Advance		35	-	314	-
Accrued Expenses - Employee Entitlements		1,633	-	1,577	-
Accrued Expenses - Finance Costs		108	-	111	-
Accrued Expenses - Other		574	-	109	-
Deposits, Retentions & Bonds		682	-	559	-
Total Trade and Other Payables		7,078	-	5,349	-

#### (b). Borrowings

Loans - LGFA	218	6,733	208	6,940
<b>Total Borrowings</b>	<b>218</b>	<b>6,733</b>	<b>208</b>	<b>6,940</b>

All interest bearing liabilities are secured over the future revenues of the Council

#### (c). Provisions

Employee Entitlements (including oncosts)	2,281	407	2,184	380
<b>Total Provisions</b>	<b>2,281</b>	<b>407</b>	<b>2,184</b>	<b>380</b>

#### Note 9. Reserves

\$ '000	Notes	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
(a). Asset Revaluation Reserve						
Land - Other		10,569	-	-	-	10,569
Land - Community		50,557	-	-	-	50,557
Buildings & Other Structures		35,627	-	-	-	35,627
Infrastructure						
- Road Assets		136,037	(14,159)	-	-	121,878
- Wastewater		23,024	-	-	-	23,024
- Drainage		9,573	-	-	-	9,573
- Bridges & Major Culverts		24,286	-	-	-	24,286
- Footpaths		10,177	-	-	-	10,177
- Recreation & Open Space		6,594	-	-	-	6,594
Recycled Water		2,700	-	-	-	2,700
Total Asset Revaluation Reserve		309,143	(14,159)	-	-	294,984
Comparatives		304,549	4,595	-	-	309,143

## Mount Barker District Council

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

#### Note 9. Reserves (continued)

\$ '000	Notes	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
<b>(b). Other Reserves</b>						
Wastewater Maintenance Reserve		4,809	7,169	(7,940)	-	4,038
Indirect Developer Contributions		3,347	131	(471)	-	3,006
Infrastructure Fund		727	11	-	-	738
Car Park Reserve		301	-	-	-	301
Refuse Reserve		1,342	301	-	-	1,643
Open Space Development		2,586	973	(693)	-	2,866
Wastewater Infrastructure Fee		563	4,063	-	-	4,626
MDPA Recreation & Open Space		1,403	993	-	-	2,396
MDPA Transport		890	1,593	(818)	-	1,666
Other Reserves		412	414	(220)	-	606
<b>Total Other Reserves</b>		<b>16,380</b>	<b>15,647</b>	<b>(10,142)</b>	<b>-</b>	<b>21,886</b>
<b>Comparatives</b>		<b>15,796</b>	<b>11,238</b>	<b>(10,654)</b>	<b>-</b>	<b>16,380</b>

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserves

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

##### Wastewater Reserves

Wastewater Maintenance Reserve - Surplus wastewater service charges raised for the specific purpose of establishing, operating, maintaining, improving and replacing (including by future capital works and depreciation of assets) as per Section 155 of the Local Government Act 1999, LGA Costing Principles for Local Government and ESCOSA principles.

Wastewater Infrastructure Fee Reserve - Surplus wastewater connection fee funds specifically for capital expansion of the wastewater network.

##### Refuse Reserve

Surplus refuse service charges raised for the specific purpose of maintaining the Council's domestic rubbish collection requirement.

##### Infrastructure Reserve

A percentage of budgeted general rate for future Infrastructure which is reviewed by Council on an annual basis.

##### Open Space Development

Capital grants from State Government and developers for the development of open space.

##### Car Park Reserve

Developers capital contribution for the purpose of car parking facilities.

##### Indirect Developer Contributions

Developers capital contribution for the development of infrastructure within Mt Barker precinct.



## Mount Barker District Council

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

#### Note 9. Reserves (continued)

\$ '000	Notes	3,347.00	Tfrs to Reserve	Tfrs from Reserve	Other Movements	3,006.45
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#### (b). Other Reserves (continued)

##### MDPA Recreation & Open Space Reserve

Developer contributions which contribute to Recreation, Sport and Community Infrastructure required due to growth within the 2010 Mount Barker Urban Growth DPA.

##### MDPA Transport Infrastructure Reserve

Developer contributions which contribute to Transport Infrastructure required due to growth within the 2010 Mount Barker Urban Growth DPA.

#### Note 10. Assets Subject to Restrictions

\$ '000	Notes	2019	2018
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The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

##### Cash & Financial Assets

Open Space Contributions	381	238
Developer Contributions	736	554
Unexpended amounts received from Government	2,383	2,346
<b>Total Cash &amp; Financial Assets</b>	<b>3,500</b>	<b>3,138</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>	<b>3,500</b>	<b>3,138</b>

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

##### (a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	8,678	6,938
<b>Balances per Statement of Cash Flows</b>		<b>8,678</b>	<b>6,938</b>

## Mount Barker District Council

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

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

\$ '000	Notes	2019	2018
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
<b>Net Surplus/(Deficit)</b>		<b>26,474</b>	<b>13,789</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		8,976	8,666
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(161)	138
Non-Cash Asset Acquisitions		(14,671)	(7,281)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(8,806)	(5,858)
Net (Gain) Loss on Disposals		461	1,011
		<b>12,274</b>	<b>10,465</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(1,148)	674
Change in Allowances for Under-Recovery of Receivables		187	-
Net (Increase)/Decrease in Inventories		7	(5)
Net (Increase)/Decrease in Other Current Assets		(374)	-
Net Increase/(Decrease) in Trade & Other Payables		1,606	6
Net Increase/(Decrease) in Unpaid Employee Benefits		124	194
<b>Net Cash provided by (or used in) operations</b>		<b>12,675</b>	<b>11,334</b>
<b>(c). Non-Cash Financing and Investing Activities</b>			
<b>Acquisition of assets by means of:</b>			
- Physical Resources Received Free of Charge	2i	14,671	7,281
<b>Amounts recognised in Income Statement</b>		<b>14,671</b>	<b>7,281</b>
<b>Total Non-Cash Financing &amp; Investing Activities</b>		<b>14,671</b>	<b>7,281</b>
<b>(d). Financing Arrangements</b>			
<b>Unrestricted access was available at balance date to the following lines of credit:</b>			
Corporate Credit Cards		150	150
LGFA Cash Advance Debenture Facility		16,861	8,872

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

## Mount Barker District Council

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

#### Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
<b>\$ '000</b>										
Rates	30,543	28,877	2,671	2,592	27,872	26,285	-	-	-	-
Wastewater & Recycled Water	6,953	6,633	6,081	5,496	872	1,137	-	-	80,084	76,664
Field Services	3,149	2,346	9,100	8,488	(5,951)	(6,142)	2,591	1,743	295,192	293,765
Commercial Assets	992	941	1,416	1,137	(425)	(195)	-	-	-	-
Community & Customer Services	1,558	1,420	4,942	4,749	(3,384)	(3,329)	1,156	1,014	-	-
Corporate Services	1,340	1,137	1,681	1,691	(341)	(554)	823	794	15,624	12,522
Health & Public Safety	754	806	2,024	1,949	(1,270)	(1,143)	52	65	-	-
Planning Policy & Development	677	723	5,841	6,090	(5,164)	(5,367)	34	-	-	-
Infrastructure & Projects	4	2	1,895	2,110	(1,892)	(2,107)	-	-	-	-
Asset Management	52	48	7,262	7,042	(7,210)	(6,994)	47	44	152,851	146,950
Waste Management	3,519	3,267	3,167	3,197	352	71	-	-	369	246
<b>Total Functions/Activities</b>	<b>49,540</b>	<b>46,201</b>	<b>46,081</b>	<b>44,540</b>	<b>3,459</b>	<b>1,661</b>	<b>4,703</b>	<b>3,661</b>	<b>544,119</b>	<b>530,148</b>

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



## Mount Barker District Council

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

#### Note 12b. Components of Functions

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\$ '000

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**The activities relating to Council functions are as follows:**

##### **RATES**

General, separate & other rates.

##### **CORPORATE SERVICES**

Chief Executive Officer, Information Communication & Technology, Financial Services, Records & Information Management, People & Culture, Governance & Administration.

##### **ASSET MANAGEMENT**

Asset Management, Contracts, Procurement & Depreciation of Assets.

##### **COMMUNITY & CUSTOMER SERVICES**

Library, Home & Community Care, Community Development, Customer Services, Hills Community Transport, Community Bus, Marketing & Communications.

##### **FIELD SERVICES**

Works Depot, Street Cleaning, Sealed & Unsealed Roads, Bridges, Footways, Traffic Management, Vandalism, Cemeteries, Parks & Gardens & Sporting Facilities, Property Management, Halls & Civic Centres, Public Conveniences, Fire Prevention & Stormwater.

##### **PLANNING & STRATEGIC DEVELOPMENT**

Planning Policy & Development Assessment, Building Act, Strategic Planning & Economic Development, Open Space, Visitor Information Centre & Tourism.

##### **HEALTH & PUBLIC SAFETY**

Animal Control, Health Inspection, Immunisation, Council By Laws & Parking.

##### **INFRASTRUCTURE & PROJECTS**

Project Management, Engineering, Major Capital Works.

##### **WASTEWATER**

Water Supply, Community Waste Water Management Schemes, Sewage & Recycled Water.

##### **COMMERCIAL ASSETS**

Caravan Park, Pool & Recreation Centre.

##### **WASTE MANAGEMENT**

Sanitary & Garbage, Refuse Management & Adelaide Hills Regional Waste Management Authority Equity

## Mount Barker District Council

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

#### Note 13. Financial Instruments

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\$ '000

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##### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

##### Accounting Policy:

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

##### Terms & Conditions:

Deposits are returning fixed interest rates at an average interest rate of 1.00% (2018: 1.50%). Short term deposits are held in either LGFA or NAB at call deposit accounts.

##### Carrying Amount:

Approximates fair value due to the short term to maturity.

##### Receivables

##### Rates & Associated Charges

(including legals & penalties for late payment)

##### Accounting Policy:

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

##### Terms & Conditions:

Secured over the subject land, arrears attract interest of 6.60% (2018: 6.75%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

##### Receivables

##### Fees & Other Charges

##### Accounting Policy:

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

##### Terms & Conditions:

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

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

## Mount Barker District Council

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

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

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\$ '000

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#### Recognised Financial Instruments

##### Receivables

##### Other Levels of Government

##### Accounting Policy:

Carried at nominal value.

##### Terms & Conditions:

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

##### Carrying Amount:

Approximates fair value.

##### Liabilities

##### Creditors and Accruals

##### Accounting Policy:

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

##### Terms & Conditions:

Liabilities are normally settled on 30 day terms.

##### Carrying Amount:

Approximates fair value.

##### Liabilities

##### Interest Bearing Borrowings

##### Accounting Policy:

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

##### Terms & Conditions:

Secured over future revenues, fixed borrowings are repayable by two instalments annually; interest is charged at a fixed rate of 4.75% (2018: 4.75%). Variable interest cash advance loans are drawdown for short term cash requirements and are charged at a variable interest rate.

##### Carrying Amount:

Approximates fair value.



## Mount Barker District Council

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

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

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2019</b>					
<b><u>Financial Assets</u></b>					
Cash & Equivalents	8,678	-	-	8,678	8,678
Receivables	5,181	22	-	5,203	5,203
Other Financial Assets	-	8	1,500	1,508	1,508
<b>Total Financial Assets</b>	<b>13,859</b>	<b>30</b>	<b>1,500</b>	<b>15,389</b>	<b>15,389</b>
<b><u>Financial Liabilities</u></b>					
Payables	7,043	-	-	7,043	7,043
Current Borrowings	468	-	-	468	218
Non-Current Borrowings	-	1,872	7,036	8,908	6,733
<b>Total Financial Liabilities</b>	<b>7,511</b>	<b>1,872</b>	<b>7,036</b>	<b>16,419</b>	<b>13,994</b>
<b>2018</b>					
<b><u>Financial Assets</u></b>					
Cash & Equivalents	6,938	-	-	6,938	6,938
Receivables	5,366	33	-	5,399	5,426
<b>Total Financial Assets</b>	<b>12,304</b>	<b>33</b>	<b>-</b>	<b>12,337</b>	<b>12,364</b>
<b><u>Financial Liabilities</u></b>					
Payables	7,375	-	-	7,375	5,035
Current Borrowings	468	-	-	468	208
Non-Current Borrowings	-	1,872	7,493	9,365	6,940
<b>Total Financial Liabilities</b>	<b>7,843</b>	<b>1,872</b>	<b>7,493</b>	<b>17,208</b>	<b>12,183</b>

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates	3.35%	1,639	3.73%	1,643
Fixed Interest Rates	4.75%	5,312	4.75%	5,505
		<b>6,951</b>		<b>7,148</b>

#### Net Fair Value

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

## Mount Barker District Council

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

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

\$ '000

##### Risk Exposures

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

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

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

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

#### Note 14. Commitments for Expenditure

\$ '000	Notes	2019	2018
<b>(a). Capital Commitments</b>			
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>			
Buildings		2,390	-
Infrastructure		1,063	3,728
Plant & Equipment		362	189
		<b>3,815</b>	<b>3,917</b>
<b>These expenditures are payable:</b>			
Not later than one year		3,815	3,917
		<b>3,815</b>	<b>3,917</b>

##### **(b). Finance Lease Commitments**

Council has no Finance Leases.

## Mount Barker District Council

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

#### Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2019	2019	2018	2017

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### 1. Operating Surplus Ratio

Operating Surplus	3,459	7.0%	3.6%	2.8%
Total Operating Income	49,540			

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

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	1,130	2.3%	5.5%	(6.5%)
Total Operating Income	49,540			

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

#### Adjustments to Ratios

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

Adjusted Operating Surplus Ratio	4.2%	3.4%	1.4%
Adjusted Net Financial Liabilities Ratio	2.3%	5.5%	(6.5%)

#### 3. Asset Renewal Funding Ratio

Net Asset Renewals	6,876	78.2%	92.4%	78.7%
Infrastructure & Asset Management Plan required expenditure	8,794			

*Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.*



## Mount Barker District Council

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

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

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## Mount Barker District Council

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

#### Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	49,540	46,201
less Expenses	(46,081)	(44,540)
<b>Operating Surplus / (Deficit)</b>	<b>3,459</b>	<b>1,661</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(7,164)	(7,585)
add back Depreciation, Amortisation and Impairment	8,976	8,666
add back Proceeds from Sale of Replaced Assets	288	287
<b>Subtotal</b>	<b>2,100</b>	<b>1,368</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(13,361)	(14,588)
add back Amounts Received Specifically for New and Upgraded Assets	8,806	5,858
add back Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	568	146
<b>Subtotal</b>	<b>(3,988)</b>	<b>(8,584)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>1,571</b>	<b>(5,556)</b>

#### Note 17. Operating Leases

##### Leases Providing Revenue to the Council

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

##### Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of plant, equipment and property.

##### Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	630	617
Later than one year and not later than 5 years	1,147	1,776
Later than 5 years	-	1
	<b>1,777</b>	<b>2,394</b>

## Mount Barker District Council

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

#### Note 18. Superannuation

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\$ '000

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

##### **Accumulation only Members**

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

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

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

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

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

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

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

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



## Mount Barker District Council

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

#### Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
Regional Subsidiaries	161	(138)	407	246
<b>Total</b>	<b>161</b>	<b>(138)</b>	<b>407</b>	<b>246</b>

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

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Southern & Hills Local Government Association	Regional coordination, representing, advocating & marketing	38	-
Adelaide Hills Regional Waste Management Authority	Waste Management	369	246
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>407</b>	<b>246</b>

##### (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2019	2018	2019	2018	2019	2018
Southern & Hills Local Government Association	17%	17%	17%	17%	17%	17%
Adelaide Hills Regional Waste Management Authority	32%	32%	41%	48%	25%	25%

##### (c) Movement in Investment in Joint Venture or Associate

	Southern & Hills Local Government Association		Adelaide Hills Regional Waste Management Authority	
	2019	2018	2019	2018
Opening Balance	-	-	246	384
Share in Operating Result	38	-	123	(138)
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>38</b>	<b>-</b>	<b>369</b>	<b>246</b>

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

\$ '000

	2019	2018
<b>Non Current Assets &amp; Disposal Group Assets</b>		
- Land	2,223	2,223
<b>Total Non Current Assets &amp; Disposal Group Assets</b>	<b>2,223</b>	<b>2,223</b>

## Mount Barker District Council

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

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

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

##### 1. LAND UNDER ROADS

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

At reporting date, Council controlled 818 km of road reserves of average width 20 metres.

##### 2. POTENTIAL INSURANCE LOSSES

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

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

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

##### 3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 1 appeal against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

##### 4. CONTINGENT LIABILITY - REGIONAL SUBSIDIARY

Mount Barker District Council is a member of the Adelaide Hills Regional Waste Management Authority. The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, Mount Barker District Council and Rural City of Murray Bridge.

The Authority has disclosed in their Audited Financial Statements the following contingent liability:

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

## Mount Barker District Council

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

#### Note 22. Events after the Balance Sheet Date

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

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

Accordingly, the "authorised for issue" date is 17/10/19.

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

#### Note 23. Related Party Transactions

\$ '000	2019	2018
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##### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 24 persons were paid the following total compensation:

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

Short-Term Employee Benefits	1,573	1,448
Post-Employment Benefits	133	109
Long-Term Benefits	46	7
<b>Total</b>	<b>1,752</b>	<b>1,564</b>

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

##### Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees etc.), no other receipts greater than \$1,000 were recorded.

Planning and Building Application Fees	1	-
<b>Total</b>	<b>1</b>	<b>-</b>

##### Transactions with Council Regional Subsidiary entities:

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



## Mount Barker District Council

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

#### Note 23. Related Party Transactions (continued)

\$ '000	2019	2018
---------	------	------

Member Councils have equal representation on the Board of which Council is a member of the following Subsidiaries:

- Adelaide Hills Regional Waste Management Authority
- Southern & Hills Local Government Association

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

No one Member Council individually has control over these decisions.

The following material transactions occurred with the Regional Subsidiaries during the financial year:

	Payments Made to Entity		Outstanding Balances Owed to the Entity	
	2019	2018	2019	2018
Adelaide Hills Regional Waste Management Authority	850	698	61	54
Southern & Hills Local Government Association	22	22	-	-
<b>Total</b>	<b>872</b>	<b>720</b>	<b>61</b>	<b>54</b>

Amounts recorded above as outstanding are recorded as a liability in Note 8.



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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

### To the members of the Mount Barker District Council

#### Opinion

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

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

#### Basis for Opinion

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

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

#### Council's Responsibility for the Financial Report

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

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

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

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

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

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

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

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

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN  
PARTNER**

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





214 Melbourne Street  
North Adelaide SA 5006

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North Adelaide SA 5006

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ABN: 30 164 612 890

## **INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE MOUNT BARKER DISTRICT COUNCIL**

### **Opinion**

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

### **Basis for opinion**

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

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

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

### **The Council's Responsibility for the Internal Controls**

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

### **Our Independence and Quality Control**

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

### **Assurance Practitioner's Responsibilities**

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

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

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

#### **Limitation on Use**

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

#### **Limitations of Controls**

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

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

**DEAN NEWBERY & PARTNERS  
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN  
PARTNER**

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

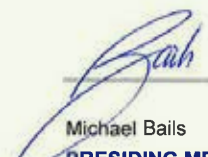
## Mount Barker District Council

### General Purpose Financial Statements for the year ended 30 June 2019

#### Certification of Auditor Independence

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

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

  
\_\_\_\_\_  
Andrew Stuart  
**CHIEF EXECUTIVE OFFICER**  
\_\_\_\_\_  
Michael Bails  
**PRESIDING MEMBER, AUDIT COMMITTEE**

**Date: 17 October 2019**





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### **Certification of Auditor's Independence**

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

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

A handwritten signature in black ink, appearing to read 'S Creten', with a stylized flourish at the end.

**SAMANTHA CRETEN**

**Partner**

**DEAN NEWBERY & PARTNERS**  
**CHARTERED ACCOUNTANTS**

**Dated this 15<sup>th</sup> day of October 2019**

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## Southern & Hills Local Government Association

Adelaide Hills Council | Alexandrina Council | Kangaroo Island Council |  
Mount Barker District Council | City of Victor Harbour | District Council of Yankalilla

# annual report 2018-2019





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Southern & Hills Local Government Association

Annual Report 2018 - 2019

Area of 8,656 Km<sup>2</sup>



Population  
127,975



Prominent retirement  
destination



Coastline 652 Kilometres



Total Council revenue  
\$182.4 million



Adelaide Hills, Fleurieu and  
Kangaroo Island are major  
tourism destinations



5,539 kilometres of Local  
Roads



25% projected  
Population increase  
by 2026



**About the Southern & Hills Local Government Association region**

The Southern & Hills Local Government Association was first formed in July 1969 and is now constituted as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. Consisting of six (6) local government Councils:

- Adelaide Hills Council
- Alexandrina Council
- Kangaroo Island Council
- Mt Barker District Council
- City of Victor Harbor
- District Council of Yankalilla

Collectively these six (6) Councils have:

- ☑ More than 127,000 people as at 30<sup>th</sup> June 2018.
- ☑ 5,539 kilometres of local roads
- ☑ Area consists of 8,656 square kilometres.
- ☑ An ocean coastline of 652 Km.
- ☑ The River Murray and lakes form the southeast boundary of the region.
- ☑ The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- ☑ Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- ☑ The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- ☑ Much of the area has, (by South Australian standards) a high rainfall.
- ☑ A large part of the area is within the 30 Year Plan for Greater Adelaide.
- ☑ Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- ☑ Projected change in the population to 2026 by approximately 25%.
- ☑ Within the region, Victor Harbor and Goolwa are key retirement destinations.
- ☑ Within the region, The Adelaide Hills, The Fleurieu and Kangaroo Island are all major tourism destinations.
- ☑ Kangaroo Island is a major component of the Australian and SA tourism plan with tourist numbers targeted to double over the next decade.



Southern &amp; Hills Local Government Association

Annual Report 2018 - 2019

**The Southern and Hills Local Government Association Board****June 2019**

<b>Council</b>	<b>Elected Member Representative</b>	<b>Council Staff Representative</b>
<b>Adelaide Hills Council</b>	Deputy Mayor Jan - Claire Wisdom	CEO Andrew Aitken
<i>Post November 2018 LG election</i>	Mayor Jan – Claire Wisdom	CEO Andrew Aitken
<b>Alexandrina Council</b>	Mayor Keith Parkes	CEO Glenn Rappensberg
<b>Kangaroo Island Council</b>	Mayor Peter Clements	CEO Andrew Boardman
<i>Post November 2018 LG election</i>	Mayor Michael Pengilly	CEO Greg Georgopolous
<b>Mt Barker District Council</b>	Mayor Ann Ferguson	CEO Andrew Stuart
<b>City of Victor Harbor</b>	Mayor Graham Philip	CEO Victoria MacKirdy
<i>Post November 2018 LG election</i>	Mayor Moira Jenkins	CEO Victoria MacKirdy
<b>District Council of Yankalilla</b>	Mayor Glen Rowlands	CEO Nigel Morris

Southern &amp; Hills Local Government Association

Annual Report 2018 - 2019

**Office Bearers 2018 – 2019**

President	Mayor Keith Parkes, Alexandrina Council	
Deputy President	Mayor Glen Rowlands, District Council of Yankalilla	
Executive Officer	Mr Graeme Martin	
Auditor	Mr Jon Colquhoun, FCA, HLB Mann Judd	
Elected under the provisions of the Constitution of the Local Government Association		
Delegates to LGA Board	Mayor Keith Parkes Mayor Jan – Claire Wisdom (via Metro/GAROC)	
Delegates to SAROC	Mayor Keith Parkes	Alexandrina Council
	Mayor Glen Rowlands	District Council of Yankalilla

## President's Forward

The 2018-2019 year yet again has largely seen Southern and Hills Local Government Association consolidate its role and activities.

Core activities remain and have included the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, monitoring the S&HLGA Regional Public Health plan and implementing the region's Climate Change Adaptation Plan, working very closely with the RDA to further the Regional Infrastructure Plan, as well as maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and adopting a new 4 year Business Plan. These activities are all designed to drive and improve the wellbeing of our communities.

Critically during the year we have developed and presented the S&HLGA Value proposition which demonstrated a hugely significant 3,500% return on member Council subscriptions as well as conduct a future directions and strategy forum for the organisation.

Following on from the Local Government Association of SA governance review and restructure the S&HLGA has been an active player in the further development of its regional SAROC committee.

We acknowledge and continue to work with the Local Government Association of SA and State Government's Office of Local Government. We have partnered with our regional economic development organisation, Regional Development Australia as well as PIRSA and the Natural Resource Management Boards as we continue to confront the many impacting regional issues.

We were able to welcome new S&HLGA Board members in Mayors Moira Jenkins (Victor Harbor) and Michael Pengilly (KI) and new CEOs Victoria MacKirdy (Victor Harbor) and Greg Georgopolous (KI).

Thank you to our Executive Officer, Graeme Martin for his continued energy and drive in supporting the body.

In closing, I acknowledge and thank all the member councils for their support during the year, and say how much I value ongoing contribution of member Mayors and CEOs.

**Mayor Keith Parkes  
President**





## The Board

The Board held 6 ordinary bi-monthly meetings during the year. Board Members are generally the Mayor and Chief Executive Officer of each Council. To provide the opportunity for Board Members to gain first hand knowledge of regional issues, meetings are hosted by Member Councils on a rotational basis and were held at:

17 August 2018	–	City of Victor harbor
19 October 2018	-	Yankalilla
14 December 2018	-	Mt. Barker
8 February 2019	-	Kangaroo Island
26 April 2019	-	Yankalilla
28 June 2019	-	City of Victor Harbor

Key Issues acted on by the Board included:

- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to complete the 2019 Regional Public Transport study, develop the regional Infrastructure Priority Plan, the regional middle - east trade engagement strategy, Board governance and membership and a regional workplan in partnership with PIRSA.
- o Continued working with the Local Government Association and SAROC on lobbying on the review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards and conversion to Landscapes Boards, continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits, equitable road funding for SA, continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy, input into the LGA governance and organisational review and SAROC 2019 -2023 Strategic Plan and 2019-2020 Annual Business Plan, working with the State government on the management and control of abundant pest species particularly Little Corellas, telecommunications Black Spot funding, working on the LG Coastal Alliance project and cost shifting policies such as e-planning portal contributions, hard waste levy and the transfer of rate exempt community housing and developing and promoting the regional decentralisation and population growth strategies.
- o Monitoring and implementing the S&HLGA Regional Public Health Plan.
- o Monitoring and implementing the S&HLGA Regional Climate Change Adaptation Plan
- o Input into the SA Visitor strategy
- o Continued the updating of the Roads Database component of the regional 2020 Transport Plan, special local roads funding applications and continued the comprehensive review of the Regional Transport Plan including the development of the South Coast Freight Corridor marketing material and advocating on Public Transport issues
- o Working with the State Government and lobbying on Local Government reform around the key elements such as Council member capacity and conduct, representation, benchmarking and simpler regulation
- o Updating and maintaining of the S&HLGA Website and developing new promotional material.

Regional Consultations and briefings were coordinated to occur on the day of Board meetings.

10 various speakers addressed meetings of the Board.

In addition the CEO's group conducted several of their meetings in the morning preceding the Board meeting.

The Board reviewed its achievements to date and developed a new Action Plan for 2018-2019

At the commencement of 2018-2019 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance covering the previous period. The Board also conducted a comprehensive Strategic Futures workshop in May 2019.

### **S&HLGA Value proposition**

The S&HLGA provided a report back to its Council members on the estimated value of their membership. This is based on the same methodology utilised by the LGA in determining its membership value.

The value from membership in a regional organisation can be summarised in the following key categories; advocacy and representing the region, establishing and implementing high level regional partnerships and links, developing and strengthening regional capacity.

The table below summarises the 2018-2019 value per council and for the region as a total.

<b>2019 Summary</b>	<b>Value per Council</b>	<b>Value for the S&amp;HLGA region</b>
<b>General advocacy</b>	<b>\$20,000</b>	<b>\$120,000</b>
<b>Programs and Projects</b>	<b>\$375,005</b>	<b>\$2,003,500</b>
<b>Capacity building</b>	<b>\$35,948</b>	<b>\$165,692</b>
<b>Total</b>	<b>\$430,953</b>	<b>\$2,289,192</b>

### Task Force and Working Groups

The S&HLGA EO was a member of the following Task Force and Working Groups during the course of the year:

Committee	S&HLGA Executive Officer Role	Meeting Frequency	Comment
Regional Public Health	Secretarial/Administration	Every 2 months	ongoing
Resilient Hills & Coast - Climate change Adaptation	Committee member	Every 2 months	ongoing
Regional Economic Development Officers	Committee member	Every 2 months	ongoing
SA Coastal Alliance	Committee member	Every 2 months	Estimated phase 2 project to be complete by Dec 2020
Regional EO Management Group	Committee member	Every 2 months	Precedes SAROC
S&HLGA CEO group	Secretarial/Administration	Every 3 months	Precedes S&HLGA Board
S&HLGA Roads Works Group	Secretarial/Administration	Ad hoc but at least 3 times per annum	ongoing
S&HLGA CWMS User Group	Secretarial/Administration	Every 2-3 months	ongoing
SAROC	Advisor/Observer	Every 2 months	ongoing

### S&HLGA Roads Working Party

The Roads Working Party (RWP), with membership drawn from directors /managers of technical services of Councils and regional managers and infrastructure planners of the Department of Planning, Transport and Infrastructure held meetings in November 2018 and March 2019 to review the S&HLGA 2020 Transport Plan (Plan) Roads database priority summary list and to make recommendations on regional priorities for the Special Local Roads Program (SLRP). The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.
- Co-ordinated and supported the application process of Councils to the SLRP.
- Review and plan the update of the S&HLGA Roads Database that comprises the roads nominated by Councils under the policies of the 2020 Transport Plan
- Reviewed the next 3 year work plan for the region



- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2019 – 2020

Project	Council	Total Project Cost for this stage	SLRP request	Council contribution	comment
Waitpinga Rd	City of Victor Harbor	\$600,000	\$400,000	\$200,000	Stage 4 of 4
Springs Rd	Mt Barker	\$1,160,000	\$773,000	\$387,000	Stage 3 of 4
Wedgewood/Hickmans Rd	Kangaroo Island	\$840,649	\$560,432	\$280,217	Stage 2 of 3
Springs Rd	Mt Barker	\$1,146,000	\$774,000	\$372,000	Stage 4 of 4
<b>Total</b>		<b>\$3,746,649</b>	<b>\$2,507,432</b>	<b>\$1,239,217</b>	

### CWMS Group

The S&HLGA Community Waste Water Management Systems (CWMS) User group has been formally constituted with member establishment levies set comprising a base rate plus a percentage based on the number of connections.

Following on the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, The S&HLGA Council CEO group has been reviewing options for CWMS assets in light of:

- The risk factors and increasingly time and resource consuming compliance regime associated with this critical asset management.
- The opportunity for regional scale
- Continued investment interest from the private sector
- Adopting best practice and efficient operations

The CWMS User group meeting on 28 May and 20 June 2018 as well as attending the CWMS state conference in the Barossa

### S&HLGA Regional Public Health Plan

Role: Secretary and Task group member - Implementation and Monitoring of a Regional Public Health Plan for S&HLGA:

- Working group meetings ( preparation Agendas & Minutes ) 20/07/2018, 29/01/2019, 21/02/2019, 3/07/2019
- Liaise with LGA Public Health Program Manager

- Liaise with SA Public Health Office
- Represent the region at Forums and workshops
- Liaise with Public Health Researchers
- Prepare funding submissions for regional Public Health projects

Of significant importance was the successful application to run the Community Wellbeing alliance Pilot study for the S&HLGA region

### **S&HLGA Regional Climate Change Adaptation Committee**

Role: Committee member (Resilient Hills and Coast) - Implementation and Monitoring of the Regional Climate Change Adaptation Plan for S&HLGA:

- Working group meetings 22/08/2018, 19/12/2018, 10/04/2019, 20/06/2019
- S&HLGA presentations
- Liaise and co-ordinate with Project Manager
- Prepare funding submissions for regional Climate adaptation projects

Of significant importance was the successful application to run the Resilient Regions Central Co-ordinator Pilot study for the S&HLGA region to be rolled out in 2019-2020

### **Regional Economic Development Officers Committee**

The S&HLGA has strongly supported the activities and research of the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and worked closely with RDA officers to partner with the organisation in the general Economic Development of the region.

Role: Task Group member - A Working Group has been formed with the Economic Development Officers from the S&HLGA Member Councils. - The principal activity is to share information, achieve procurement and resource sharing efficiencies and develop a regional infrastructure Plan by:

- Identify and collating infrastructure projects from Council plans
- Grade them according to Local, District or Regional category, dollar value and impact and probability
- The Working group has held meetings 18/09/2018, 12/11/2018, 4/02/2019 and 6/05/2019
- In conjunction with the CEO and Chair of the RDA, the EO S&HLGA met regularly with the regions State government MPs (Finniss, Kavel and Heysen) to discuss key priorities and policy impact for the region.
- Liaise and regularly meet with GTA Consultants who were commissioned to review the region's public transport and provide strategic directions and an action plan.

### Regional LGA Organisations EO Management Group

Role: Committee member – To provide input into the sector, develop capacity, share knowledge and develop co-operation between the regions:

- Meetings were held 22/08/2018, 4/12/2018, 20/03/2019, 15/05/2019
- Have input into SAROC Business Plan and the Agenda
- Develop a working relationship with the LGA Management team
- Have input into sector issues
- Advocate on behalf of the regions
- Share information and provide collegiate support
- Develop a priority issues and action list

### SAROC

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that focuses on key issues affecting country Councils.

The S&HLGA supports the Governance process by contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to S&HLGA Board meetings and collegiate support to prepare submissions on behalf of country Councils that included:

- Continuing lobbying and input into the ongoing review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits as well as advocating the return of appropriate Road funding for SA
- Lobbying and continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy and cost shifting policies such as e-planning portal contributions, hard waste levy, transfer of rate exempt community housing.
- Working with the State Government on the management and control of abundant pest species particularly Little Corellas
- Developing and promoting the Regional Decentralisation and population growth strategies
- Working on Coastal Council Alliance project and working with State Government on a Jetties and Wharves replacement and maintenance plan
- Member of the Regional Task Group to oversee the Ratings Equity Project
- Input into LGA Governance review and the SAROC 2019-2023 Strategic Plan and 2019-2020 Annual Business Plan
- Reviewing and having input into the SA Visitor strategy
- Taking a leadership position on Climate risk
- Developing a measurement project with the RDAs on the socio economic impact on regions of the NDIS delay and rollout

- Working with the State Government and lobbying on Local government reform around key elements such as Council member capacity and conduct, representation, benchmarking and simpler regulation.

### **Regional Research Papers and Submissions**

The following Papers and Submissions have been prepared on behalf of Member Councils during the course of the year:

- To the LGA on behalf of the S&HLGA region – Expression of interest for pilot study “Community Well Being Alliance regional trial”
- To Minister for the Environment on behalf of the S&HLGA region – Abundant Bird Species Management
- To SA Grants Commission on behalf of the S&HLGA region – Review of methodology
- To Department of Environment & Water – Funding application for Resilient Regions Central co-ordinator
- LGA R&D application for “Peri-Urban” research grant
- S&HLGA Value proposition paper
- To SA Health on behalf of S&HLGA Regional Public Health progress report for the period 2016 – 2018
- To EO Management Group – project briefs on Peri Urban organisation, overabundant pest species and Financial Assistance Grants reform

### **Workshops and seminars**

The Executive officer represented the member Councils at various workshops and seminars during the course of the year:

- LGA Showcase / OGM
- LGA Conference / AGM
- LGA Smart Cities Forum
- CWMS state conference
- Yorke & Mid North Bio Energy Forum
- Commissioner for Kangaroo Island meeting
- Various Council presentations on S&HLGA Key Activities and Projects
- Australian Institute of Company Directors Economic Outlook Forum
- SA Grants Commission Forum
- LGA Rate Capping Forum x 2
- Climate Change and risk officers Forum
- Adelaide Hills and Fleurieu Peninsula Public Transport workshop



Southern &amp; Hills Local Government Association

Annual Report 2018 - 2019

- S&HLGA Regional Community Energy Project Forum
- SAROC Planning and Business plan workshop x 2
- Goyder Economic development and resilience roundtable
- “Where we build, What we build” stakeholder inception forum
- RDA SA state conference

### **Rubble Royalties**

The S&HLGA received top up funds from Rubble Royalties in 2018-2019. The S&HLGA has member Council Kangaroo Island as the sole contributor to this scheme. During the year funds were allocated to:

- Contribution to the Resilient Hills & Coast Climate Change Adaptation Project Officers 12 month contract extension
- S&HLGA Strategic directions forum 10 May 2019
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.

### **LGA Board**

Mayor Jan – Claire Wisdom (Adelaide Hills Council) along with Mayor Keith Parkes (Alexandrina Council) have represented the Southern and Hills Region at the Local Government Association State Board meetings.

### **Resources**

The continuation of the capacity building grant from the Local Government Research and Development Scheme and the final Outreach Grant has improved the capacity of the Executive Officer that has been applied across a range of Association activities during the year.

Part of the additional capacity has supported the administrative processes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC, the regional EO group, the regional working groups and various reports, submissions and forums throughout the year.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement for the period July 2018 – February 2019.

He has continued in the role as an employee of S&HLGA from February 2019.



## KEY CATEGORIES & THEMES

### THE 2017-2021 S&HLGA BUSINESS PLAN

OBJECTIVE
1. To provide leadership and advocacy for Member Councils on regional issues.
2. To market & promote the Southern & Hills Local Government Association
3. To support sustainable economic, environmental and social development in the region
4. To improve infrastructure to meet the community's needs.
5. To strengthen the capacity of the Association to meet its service obligations.















### THE 2018-2019 S&HLGA ANNUAL KEY ACTION PLAN


Theme	Items & Actions
<b>General Administration (sound financial and compliance management)</b>	Budget, Charter Review, Board meetings, Subscriptions and Levies, Key Actions, Audit, Annual Report, Grant reporting & acquittals
<b>Projects and support (sustainability and development)</b>	Regional Public Health Plan, Resilient Hills & Coast Climate adaptation Plan, Northern Freight Bypass Project, Fleurieu Futures Pilot, Regional Transport Plan, Grants Commission review.
<b>Leadership, advocacy and marketing</b>	LGA Governance review, New Government Policies (e.g Rate Capping ), Relationship building with new Government MPs, Website maintenance
<b>Opportunities (capacity and infrastructure)</b>	CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, External Funding, Regional Development Assessment Panel


Theme	Items & Actions	Item	Status	Comment
<b>General Administration (sound financial and compliance management)</b>	Budget, Charter Review, Board meetings, Subscriptions and Levies, Key Actions, Audit, Annual Report, Grant reporting & acquittals	Budget	●	
		Charter review	●	
		Subscriptions & levies	●	
		Audit	●	
		Annual Report	●	
		LGA Grants	●	Successful LGA R&D \$45,000 CEP
<b>Projects and support</b>	Regional Public Health Plan,	Regional Public Health Plan	●	Successful LGA pilot region submission/2 year report


## Southern &amp; Hills Local Government Association

## Annual Report 2018 - 2019

<b>(sustainability and development)</b>	Resilient Hills & Coast Climate adaptation Plan, Northern Freight Bypass Project, Fleurieu Futures Pilot, Regional Transport Plan			submitted/Committee regularly meeting
		Resilient Hills & Coast Climate adaptation Plan		Committee meeting regularly. \$45,000 CEP grant, \$95,000 What we build where we build grant
		Grants Commission Review Project		
		Fleurieu Futures Pilot,		Councils Seeking funding for next stage investigation
		Regional Transport Plan		
<b>Leadership, advocacy and marketing</b>	LGA Governance review, New Government Policies (e.g Rate Capping ), Relationship building with new Government MPs, Website maintenance	LGA Governance review		Peri-urban regional organisation to be investigated
		Rate Capping		
		Relationship with MPs		Regularly meeting
		Website		Updated after Council elections
<b>Opportunities (capacity and infrastructure)</b>	CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, External Funding, Regional Development Assessment Panel	CWMS		Committee meeting regularly
		Waste		
		Infrastructure Plan		Recent RDA priority project forum/ Committee meeting regularly
		Procurement		
		External funding		Seeking Native Veg Plan contributions
		DAP		

 = Not on track / yet to commence further action required

 = on track

 = completed / no

Category	S&HLGA Role	Item	Comment/Description
<b>Administration</b>	Active/Lead	Charter Review	Original target date Dec 2018, revised August 2019.
	Active/Lead	Draft Budget 2019-2020	Endorsed by Board 26/04/2019 out for individual Council approval. Majority approval received
	Active/Lead	Draft Key Action 2019-2020	Draft June 2019
	Active/Lead	Regional Capacity grant acquittal 2018-2019	Due July 2019
	Active/Lead	Audit 2018-2019	Due July-Aug 2019
	Active/Lead	Annual Report 2018-2019	Due Sept 2019
<b>Projects – Lead/S&amp;HLGA Committee</b>	Active/Lead	Regional Public Health Plan	Community Wellbeing Alliance Pilot funding of \$75,000 received. Expect at least 18 month delivery

## Southern &amp; Hills Local Government Association

## Annual Report 2018 - 2019

Category	S&HLGA Role	Item	Comment/Description
			timeframe. Consultant contractor appointed and work plan being developed
	Active/Lead	Resilient Hills & Coast	Community Energy Scheme funding \$45,000. Working through the second phase of this at present and seeking external funding for phase three (State Bank grant application unsuccessful)
	Active/Lead		Where we build, what we build project has received \$95,000 Natural disaster Program grant and \$60,000 Insurance Council of Australia grant commitment. Milestones 1&2 completed.
	Active/Lead	Road Works Party	Completed HV assessment of South Coast Freight Corridor. Issues with Middleton main street traffic to be resolved. Developing a new Roads database and new 2030 Transport Plan for 2020-2021
	Active/Lead	CWMS	Committee now active with regular meetings scheduled. Just waiting for LGA availability. Key focus is on audit/description of each Council scheme and then seek common ground for efficiencies around operations and procurement. Meeting scheduled 24 June 2019
<b>Projects – Lead</b>	Active/Lead	Grants Commission methodology review	March 2019 - Completed submission to SA Grants Commission
	Active/Lead	Regional Native Vegetation Plan	Reviewing cost and opportunity for some external contributory funding
	Lead/Partner/Influence	Regional LGA Management Group	Regular meeting of the LGA EOs and development of priority projects in conjunction with SAROC
<b>Projects - Partner</b>	Partner/Influence	Coastal Alliance project	We have a significant interest in this but S&HLGA role is largely information provision via steering committee and input into the report.
	Partner/Advocate	Digital Maturity	S&HLGA role is largely information provision and input into the report although EO is on monitoring task group



## Southern &amp; Hills Local Government Association

Annual Report 2018 - 2019

Category	S&HLGA Role	Item	Comment/Description
	Partner/Influence	Economic Development Officers Forum	RDA lead but focus on Regional Infrastructure plan and Public Transport
<b>Relationships</b>	Active/Lead/Influence	New Elected members	Updated S&HLGA Value Proposition presented to all 6 member Councils 1 <sup>st</sup> May 2019
	Active/Lead	Peri –Urban Group	Advocate and seek input from potential expanded Council members into a larger peri – urban Regional Organisation

Southern &amp; Hills Local Government Association

Annual Report 2018 - 2019

## Acronyms

AICD.....	Australian Institute of Company Directors
AMLNRN.....	Adelaide and Mt Lofty Ranges Natural Resources Management Board
CEO.....	Chief Executive Officer
CWMS.....	Community Wastewater Management Systems
DEW.....	Department of Environment and Water
EO.....	Executive Officer
ESCOSA.....	Essential Services Commission of South Australia
GAROC.....	Greater Adelaide Region of Councils
LGA.....	Local Government Association
MDBA.....	Murray Darling Basin Authority
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
OLG.....	Office of Local Government
PIRSA.....	Primary Industries & Regions SA
RDA.....	Regional Development Australia
SAROC.....	South Australian Regional Organisation of Councils
SEB.....	Significant Environmental Benefits
S&HLGA.....	Southern and Hills Local Government Association
SLRP.....	Special Local Roads Program

**Southern & Hills Local Government Association  
Past Presidents and Secretaries / Executive Officers**

Years	President	Council	Secretary / EO
2018 - 2019	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
2017 – 2018	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
2016 - 2017	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2015 - 2016	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2014 - 2015	Mayor Bill Spragg <sup>f</sup>	Adelaide Hills Council	Graeme Martin
	Mayor Ann Ferguson	DC Mount Barker	
2013 - 2014	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2012 - 2013	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2011 - 2012	Mayor Ann Ferguson	DC Mount Barker	Fred Pedler <sup>d</sup> Graeme Martin <sup>e</sup>
2010 - 2011	Mayor Ann Ferguson <sup>c</sup>	DC Mount Barker	Fred Pedler <sup>b</sup>
	Mayor Brian Hurn OAM	The Barossa Council	
2009 - 2010	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2008 - 2009	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2007 - 2008	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2006 - 2007	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2005 - 2006	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler <sup>b</sup>
2004 - 2005	Mayor Kym McHugh	Alexandrina Council	Fred Pedler <sup>b</sup>
2003 - 2004	Mayor Kym McHugh	Alexandrina Council	Fred Pedler <sup>b</sup>
2002 - 2003	Mayor John Crompton <sup>a</sup>	City of Victor Harbor	Fred Pedler <sup>b</sup>
2001 - 2002	Mayor John Crompton	City of Victor Harbor	Fred Pedler <sup>b</sup>
1999 - 2000	Mayor Bernie Eglinton APM	DC Mt Barker	Fred Pedler <sup>b</sup>
1998 - 1999	Mayor Bernie Eglinton APM	DC Mt Barker	Dean Gollan
1997 - 1998	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1996 - 1997	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1995 - 1996	Mayor Anita Aspinall	DC Stirling	Peter Vlatko
1993 - 1994	Cr GR Mayfield	DC Yankalilla	Malcolm Davis
1991 - 1992	Mayor Val Ball	DC Strathalbyn	John Coombe
1989 - 1990	Cr Val Bonython	DC East Torrens	Eric March
1987 - 1988	Cr PD Secker	DC Mt Barker	Dean Gollan
1985 - 1986	Mayor Leon O'Driscoll	DC Strathalbyn	Vernon Cotton
1984 - 1985	Cr CA Phieffer	DC Onkaparinga	David Seaman
1982 - 1983	Cr Brian Pym	DC Mt Pleasant	Adrian Hamiester
1980 - 1981	Cr Roy Galpin	DC Port Elliot and Goolwa	Ron Wellington
1979	Mayor M Checker	DC Gumeracha	Malcolm Anderson
1978	Mayor M Checker	DC Gumeracha	John Grosvenor
1976 - 1977	Mayor A Davidson	DC Strathalbyn	Vernon Cotton
1975	Cr Ray Orr	DC Mt Barker	Reginald Walters
1974	Cr L Hughes	DC Meadows	Wally Richards
1969-1973	No minutes available		
30 <sup>th</sup> July 1969	First Constitution for S&HLGA Adopted		
Attendance register maintained for annual and half yearly conferences from 1968 to 1990			

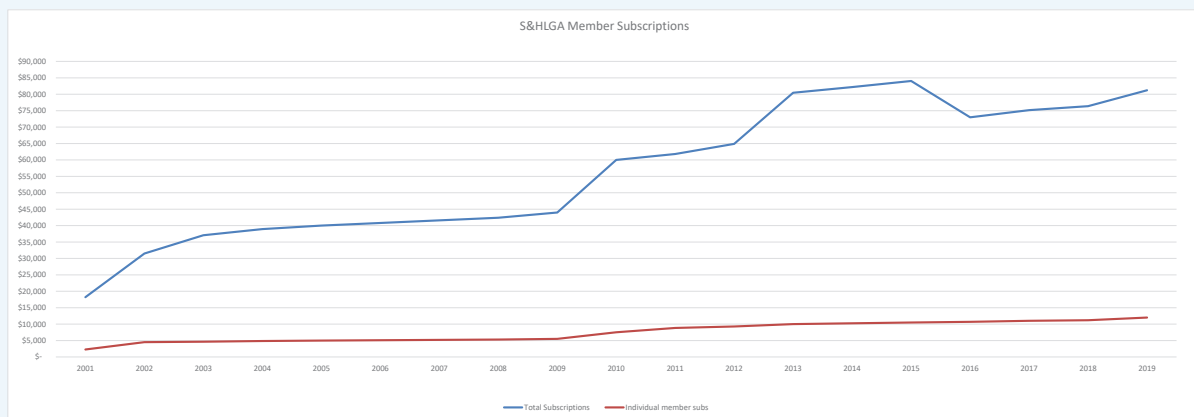
<sup>a</sup> Until 12<sup>th</sup> May 2003 <sup>b</sup> Executive Officer <sup>c</sup> From February 2011 <sup>d</sup> To December 2011 <sup>e</sup> From January 2012

<sup>f</sup> From February 2015

Southern and Hills LGA Membership subscription history

Financial Year ended	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Individual member subs	\$ 2,275	\$ 4,500	\$ 4,635	\$ 4,867	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,500	\$ 7,500	\$ 8,829	\$ 9,270	\$ 10,000	\$ 10,250	\$ 10,500	\$ 10,685	\$ 11,000	\$ 11,200	\$ 12,000
Total Subscriptions	\$ 18,200	\$ 31,500	\$ 37,080	\$ 38,936	\$ 40,000	\$ 40,800	\$ 41,600	\$ 42,400	\$ 44,000	\$ 60,000	\$ 61,803	\$ 64,890	\$ 80,443	\$ 82,172	\$ 84,037	\$ 72,995	\$ 75,173	\$ 76,373	\$ 81,214
\$ Change from previous year		\$13,300	\$5,580	\$1,856	\$1,064	\$800	\$800	\$800	\$1,600	\$16,000	\$1,803	\$3,087	\$15,553	\$1,729	\$1,865	-\$11,042	\$2,178	\$1,200	\$4,841
% Change from previous year		73.1%	17.7%	5.0%	2.7%	2.0%	2.0%	1.9%	3.8%	36.4%	3.0%	5.0%	24.0%	2.1%	2.3%	-13.1%	3.0%	1.6%	6.3%

NB 8 members 2001-2010  
7 members 2011-2015  
6 members 2016





**SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION****FINANCIAL STATEMENTS****Statement of Comprehensive Income for the Year Ended  
30<sup>th</sup> June 2019**

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

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

## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### Balance Sheet as at 30<sup>th</sup> June 2019

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

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

## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### Statement of Changes in Equity for the Year Ended 30<sup>th</sup> June 2019

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

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

## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### Statement of Cash Flows for the Year Ended 30<sup>th</sup> June 2019

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

### Reconciliation of Change in Net Assets to Cash from operating activities

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

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



## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

#### **Note 1 - Significant Accounting Policies**

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

#### **1 Basis of Preparation**

##### **1.1 Compliance with Australian Accounting Standards**

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

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

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

##### **1.2 Historical Cost Convention**

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

##### **1.3 Critical Accounting Estimates**

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

##### **1.4 Rounding**

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

##### **1.5 Non Current Assets and Non Current Liabilities**

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

##### **1.6 Employees**

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

##### **1.7 Investments**

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

##### **1.8 Subscriptions**

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

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

## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 1.9 Income recognition

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

#### 1.10 Cash

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

#### 1.11 New accounting standards for application in future periods

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

## 2 Functions / Activities of the Association

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

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

- Administration:** The operation of the Office of the Association and its decision making forums.
- Special projects:** The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.
- Transport and Communication:** The review and implementation of the S&H 2020 Transport Plan.

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

#### Administration

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

#### Projects

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

#### Transport and Communication

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

## SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

#### 3. Contractual Services

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

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

#### 4. Comparison of Budget and Actual Results

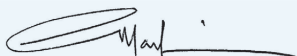
	2019		2018	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	174,273	187,818	202,369	118,115
Projects (incl Transport Plan )	20,050	182,905	18,350	140,279
<b>Total Revenue</b>	<b>194,323</b>	<b>370,723</b>	<b>220,719</b>	<b>258,394</b>
Expenditure				
Administration	170,000	184,529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

**Southern & Hills Local Government Association – Financial Statements Year Ended 30<sup>th</sup> June 2019****CERTIFICATION OF FINANCIAL STATEMENTS**

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

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

Dated 23<sup>rd</sup> August 2019



**Graeme Martin**  
**EXECUTIVE OFFICER**



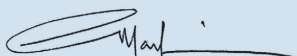
**Mayor Keith Parkes**  
**PRESIDENT**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

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

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

Dated 23<sup>rd</sup> August 2019



**Graeme Martin**  
**EXECUTIVE OFFICER**



**Mayor Keith Parkes**  
**PRESIDENT**





The Board  
C/- Graeme Martin  
Executive Officer  
Southern & Hills Local Government Association  
13 Ringmer Drive  
Burnside SA 5066

**TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION**

**STATEMENT OF AUDITORS INDEPENDENCE  
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

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

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

*HLB Mann Judd*

**HLB Mann Judd Audit (SA) Pty Ltd**  
Chartered Accountants

**Jon Colquhoun**  
Director

**Adelaide, South Australia**

**23 August 2019**

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097**

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## **Independent Auditor's Report to the Members of Southern & Hills Local Government Association**

### **Opinion**

We have audited the financial report of Southern & Hills Local Government Association ("the Entity") which comprises the Balance Sheet as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2019, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards.

### **Basis for Opinion**

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

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

### **Responsibilities of Management and Board Members for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Board Members are responsible for overseeing the Entity's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

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**HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097**

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

*HLB Mann Judd*

**HLB Mann Judd Audit (SA) Pty Ltd**  
Chartered Accountants

Adelaide, South Australia  
23 August 2019

**Jon Colquhoun**  
Director

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097**

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# AHRWMA

Adelaide Hills Region Waste Management Authority

**"Sustainable Waste Management Through Shared Services"**



## 2018-19 Annual Report



Bridge to Opportunity

The Rural City of  
**MURRAY  
BRIDGE**



**Adelaide Hills  
COUNCIL**



**ALEXANDRINA**



**MOUNT BARKER  
DISTRICT COUNCIL**



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## ABOUT AHRWMA

The Adelaide Hills Region Waste Management Authority (AHRWMA) is a Local Government Regional Subsidiary established by its constituent Councils – the Adelaide Hills Council, The Alexandrina Council, The Mount Barker District Council and The Rural City of Murray Bridge (Member Councils).

Waste management and recycling services for local ratepayers, residents and visitors is a key Local Government function. The Member Councils resolved to work together through the AHRWMA to coordinate waste management and recycling within the region.

The Authority undertakes landfill operations, resource recovery centre management, hooklift truck transport services, mobile crushing and recyclables baling for the benefit of its Member Councils. The AHRWMA provides an avenue for Member Councils to be represented in relevant forums and provides technical waste and resource management advice to Member Councils when required, along with coordinated education services to Member Council communities. The Authority also facilitates a shared Waste Strategy Coordinator resource for three of the Member Councils.

The Authority continues to focus on evaluating waste and recycling services throughout the region to determine where it can add value to Member Councils by applying a resource sharing model.

AHRWMA Annual Report 2018/19

## REPORT FROM THE CHAIR

I would like to thank our Member Councils for their support throughout the year and am pleased to report another year of achievement for AHRWMA on behalf of our Constituent Councils and their communities.

Council elections took place during 2018/19 and AHRWMA underwent a significant change in Board Membership, welcoming several new Board Members. I would like to take this opportunity to thank all previous Board Members for their commitment to the Authority, in what I understand to be a challenging time. The AHRWMA is still awaiting the outcome of a legal case that concluded in December 2017.



Chair: Cr John Kemp

The new Board was inducted and held its first meeting in January 2019 where I was pleased to be elected Chair. In my short time as Chair I have recognized the ongoing commitment the Authority's Board Members show in striving to achieve the best outcomes for AHRWMA, its Member Councils and the Environment. During the induction of new board members and the site tour, I was very impressed with the management team. I'm compelled to give thanks to the Executive Officer, Leah Maxwell who has been a great help in my role as Chair.

The Auditor General undertook a Governance review of the AHRWMA in 2017 and in response the AHRWMA continues to focus on governance improvement across all areas of operation.

The Authority continues to provide;

- Landfilling services at the Brinkley Landfill with cell 8 now in use and construction of cell 9 commencing.
- Concrete crushing services for council's construction & demolition materials.
- Bailing services for recyclables.
- Resource Recovery operations.
- Hooklift transportation services.
- Waste Strategy Coordinator services.
- General waste and resource advisory and coordination services.

With a close focus on asset management, operations and repairs and maintenance we have ensured efficient and effective service provision and have achieved a positive budget result. The operation of both the Brinkley and Heathfield Resource Recovery Centres on behalf of Murray Bridge and Adelaide Hills Councils were also undertaken within budget. Along with core services the Authority continues to enhance its representation within the industry and represents its Constituent Councils in relevant forums.

We now move to finalizing our Charter review and update our Strategic Plan, ensuring strong guiding documents and governance into the future.



AHRWMA Annual Report 2018/19

## AHRWMA SERVICE AREA MAP



AHRWMA Annual Report 2018/19

## STRATEGIC DIRECTION

### The Vision

*"Sustainable Waste Management through Shared Services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge"*

### The Mission

- To meet Resource Recovery Targets across the region where economically and environmentally justified.
- To continue to develop and manage the Authority's landfill as an EPA compliant model regional landfill that provides the most cost-effective disposal option for Member Councils and commercial customers.
- To educate the regional community on responsible waste choices that enhance and maintain their environment.

### The Objectives

**The Authority's vision and mission will be achieved through five key objectives:**

- To take a leadership role in resource recovery and community education.
- Responsibly develop and manage the Authority's landfill to be a model regional landfill meeting all legislative requirements and operating benchmarks.
- Financial sustainability in waste services for Member Councils by pursuing a shared services model.
- Advocate, research and promote best practice waste management and actively represent Member Councils in all forums.
- A fully compliant Regional Subsidiary that meets the highest standards in governance, financial and human resource management.

## GOVERNANCE

### Board

The AHRWMA is administered by a Board in accordance with the Local Government Act (1999) and AHRWMA Charter. The Board consists of eight Members, being one Elected Member appointed by each Constituent Council and one employee appointed by each Constituent Council. Each Constituent Council also appoints a Deputy Board Member.

The Chairperson and Deputy Chairperson of the Board are elected by ballot of the whole Board from those Board Members who are Elected Members.

The Board meets as required and at least once every four months excluding the AGM, the Board held six meetings in 2018/19. The Board is responsible for managing all activities of the Authority, ensuring that the Authority acts in accordance with its Charter. The Board's responsibilities include development of strategic and business directions and strategies aimed at improving the business of the Authority. The Board appoints an Executive Officer responsible for implementing the decisions made by the Board and managing the day-to-day operations of the Authority.

#### 2018-19 Board Members (June 2018 – Dec 2019)

##### Rural City of Murray Bridge

Cr Theo Weinmann –Deputy Chairperson  
Anthony Brown, General Manager Corporate Services (Vacated position at Council Feb 2019)  
Cr Jerry Wilson, Deputy Board Member

##### Mount Barker District Council

Greg Parker, General Manager Community Services  
Cr Lindsay Campbell – Chairperson  
Cr Greg Morrison, Deputy Board Member

##### Alexandrina Council

Simon Grenfell  
Cr Jim Davis  
Cr Ben Brazzalotto, Deputy Board Member

##### Adelaide Hills Council

Marc Salver, Director Strategy and Development  
Cr Nathan Daniel  
John McArthur, Manager Waste, Health & Reg Services, Deputy Board Member

#### 2018-19 Board Members (Current)

##### Rural City of Murray Bridge

Heather Barclay, General Manager Assets & Infrastructure  
Cr Mat O'Brien  
Malcolm Downie, Manager City Assets (Deputy)

##### Mount Barker District Council

Greg Parker, General Manager Community Services  
Cr Harry Seager (Deputy Chairperson)  
Cr Simon Westwood, Deputy Board Member

##### Alexandrina Council

Elizabeth Williams, General Manager Resources  
Cr Mike Farrier  
Cr John Carter, Deputy Board Member

##### Adelaide Hills Council

John McArthur, Manager Waste & Emergency Services  
Cr John Kemp (Chairperson)  
Cr Ian Bailey, Deputy Board Member

AHRWMA Annual Report 2018/19

### Current Board Members



Cr John Kemp  
Chair  
AHC



Cr Harry Seager  
Deputy Chair  
MBDC



Cr Mike Farrier  
Alexandrina



Cr Mat O'Brien  
RCMB



Cr Simon  
Westwood  
Dep. Member  
MBDC



Cr Ian Bailey  
Dep. Member  
AHC



Heather Barclay  
General Manager  
Assets &  
Infrastructure  
RCMB



Greg Parker  
General Manager  
Community  
Services  
MBDC



John McArthur  
Manager, Waste &  
Emergency  
Management  
AHC



Elizabeth Williams  
General Manager  
Resources  
Alexandrina



Cr John Carter  
Dept. Member  
Alexandrina



Malcolm Downie  
Dep. Member  
Manager City  
Assets  
RCMB



AHRWMA Annual Report 2018/19

### Audit Committee

In accordance with the Local Government Act (1999) the AHRWMA has an Audit Committee. The principal objective of the Audit Committee is to add value to and improve AHRWMA's operations, by assisting the Board to meet its legislative and probity requirements as required by the Local Government Act 1999 and other relevant Legislation, Standards and Codes. The Audit Committee is comprised of two Board Members as determined by resolution of the Board and one Independent Member, who is also the Chair.

The Audit Committee meets as required and at least once every four months, prior to Board Meetings.

The Current Audit Committee Members include;

Independent Member: Peter Brass

Board Members: Greg Parker, Elizabeth Williams

### Management & Operations Committee

In 2018/19 the Board re-established the Management and Operations Committee. The Committee includes a staff member from each Constituent Council and provides valuable support to the Executive Officer. The committee meets as required to discuss strategic and operational matters.

The current Management & Operations Committee Members include;

Malcolm Downie – Rural City of Murray Bridge

Greg Parker – Mount Barker District Council

John McArthur – Adelaide Hills Council

Elizabeth Williams – Alexandrina Council

## 2018/19 ACHIEVEMENTS

### Landfill & Operations

- A new litter collection vacuum was purchased, enabling efficient collection of litter across the landfill and site boundary.
- Line marking has been undertaken across the site, ensuring adequate traffic management.
- Fees and charges have been reviewed and updated, taking into account the waste disposal levy increases for the period.
- Focus has been placed on regularly surveying the landfill site and landfill cell management.
- Landfill construction planning has been undertaken, ensuring staged construction in line with airspace and budget requirements.
- A Landfill Gas generation review and assessment has been completed, which will inform an updated Landfill Gas Management Plan.
- A Draft Capping & Closure Plan was submitted to the EPA and a review of capping methodology undertaken in order to inform the final plan development.
- Significant clean up has been undertaken of soil and concrete stockpiles in conjunction with the Rural City of Murray Bridge.
- Site processes have been established to recover steel and recyclables from the landfill cell – where these items are included within mixed waste loads destined for landfill.
- The Authority assisted the Rural City of Murray Bridge with obtaining funding from Green Industries SA for a street sweepings pad at the Brinkley Transfer Station. This pad will enable the Council to deposit their street sweepings for transportation to a licenced composting facility, rather than being disposed to landfill.



## AHRWMA Annual Report 2018/19

## Governance

- The Charter review process is continuing, with consultation with Constituent Council CEOs.
- The Governance action plan continues to be implemented.
- Several policies have been reviewed including;
  - Annual Budget Policy
  - Treasury Management Policy
  - Corporate Credit Card Policy
  - Purchasing Policy & Delegations
  - Code of Conduct
  - Entertainment Policy
  - Asset Code of Tendering Policy
- WHS is being reviewed across all operations.
- A Draft Asset Management Plan has been established and the AHRWMA has continued to focus on improved asset management practices.

## Resource Sharing, Resource Recovery Centres & Value Add

- Asbestos is now received at Brinkley and Heathfield Resource Recovery Centres (RRC).
- Free greens days have been held across the RRCs.
- Positive working relationships have been maintained with Constituent Councils, commercial and non-member local government customers.
- The new hooklift vehicle is now in place and providing waste transport services across the region.
- Assistance has continued to be provided to Member Councils regarding the recycling market changes resulting from the China Sword Policy and the AHRWMA has ensured Member Council representation across all forums.
- The AHRWMA has participated in a high level education working group assisting Green Industries SA with the implementation of a state wide education program titled "Which Bin".
- A Household Paint and Chemical Facility (funded by Green Industries SA) has been established at the Heathfield RRC which will be commissioned mid-2019. This facility will provide a valuable free service to users across the region.
- The Authority assisted three of our Member Councils with participation in the Local Government Association sustainable procurement pilot program. This initiative is an important step in encouraging a circular economy within South Australia.
- With Green Industries SA Funding support the Authority's Waste Strategy Coordinator project managed a bin tagging education program across three of our Member Councils, fulfilling a project outlined within the Councils Waste & Resource Strategies.
- The Waste Strategy Coordinator also assisted with obtaining funding from Green Industries SA for Member Councils to continue the provision of kitchen caddy bins and compostable bags, including educational and promotional materials to assist with diverting food waste from landfill.

## AHRWMA Annual Report 2018/19

### Finances

- The Audited financials have been completed for the year 2018/19 and are attached.
- The year to 30 June 2019 ended with the AHRWMA achieving a total surplus of \$380,923 compared to a May 2019 budget review projecting a \$290,000 surplus.
- The Brinkley Resource Recovery Centre achieved very close to budget and the Heathfield Resource Recovery Centre finished ahead of budget for the year.



\*The facility will be commissioned in 19/20

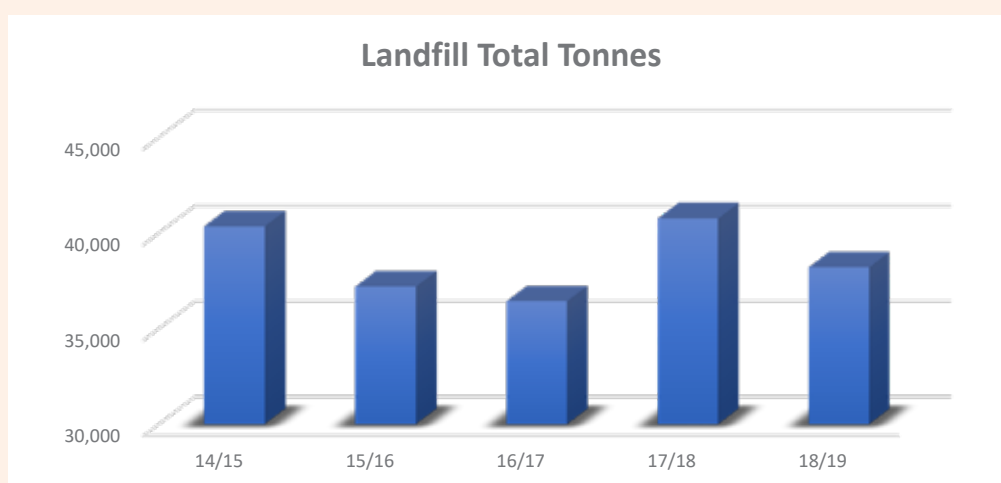


AHRWMA Annual Report 2018/19

## LANDFILL OPERATIONS

### Brinkley Landfill Statistics

Waste disposed to landfill reduced by 2,556 tonnes in the 18/19 financial year. This is largely due to the receipt of fire impacted material from a one-off event in 17/18 and is an increase of 1,768 tonnes on the 16/17 year. Overall landfill tonnes are showing an increasing trend, while total Member Council tonnes to landfill have decreased.



Non-member Local Government tonnes maintained consistent this financial year, with a slight increase of 67 tonnes on 17/18 and commercial tonnes also remained steady for the period.

The Authority continues to focus on providing quality service and looking at opportunities to value add for customers.

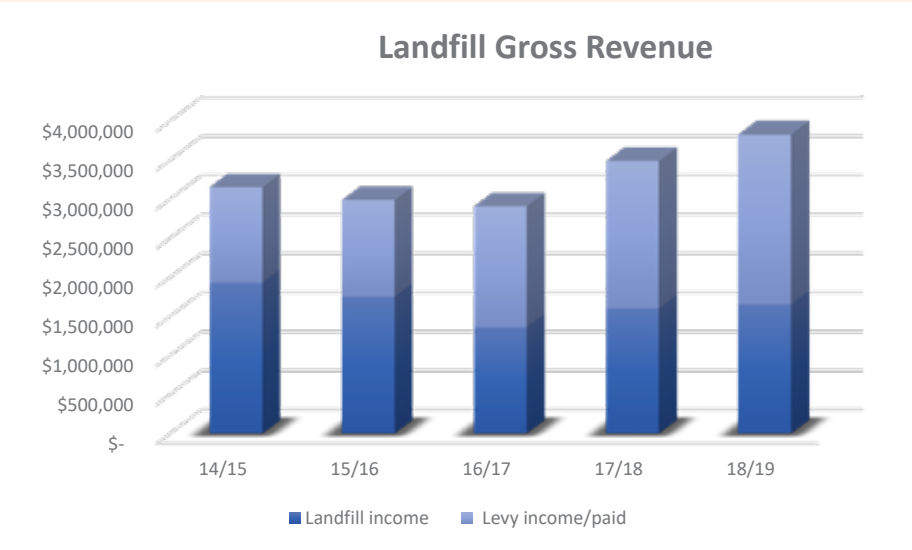
### Revenue

Landfill gross revenue increased in 2018/19, which is partially due to the increase in the Solid Waste Disposal Levy.

The Authority is required to pay the Solid Waste Disposal Levy for every tonne of waste disposed to landfill and therefore collects the levy from Member Councils and landfill customers as part of the landfill gate fees.

In 2018/19 the Levy increased to \$100 per tonne for metropolitan waste and \$50 for non-metropolitan waste, an increase of close to 15% on the previous year.

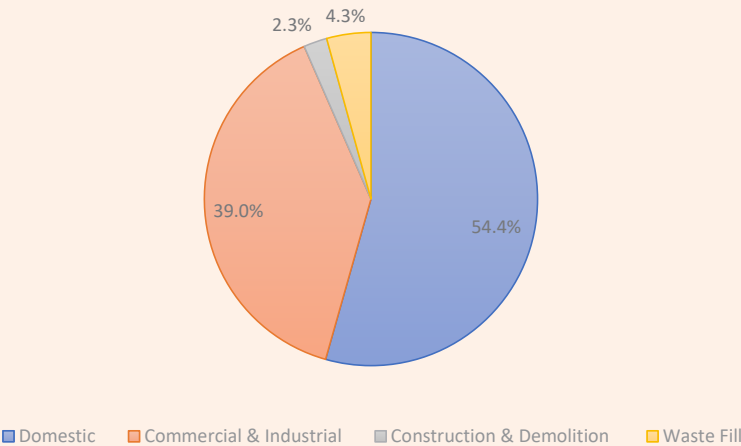
AHRWMA Annual Report 2018/19



### Waste Streams

Over 50% of the material disposed to landfill is made up of domestic waste from kerbside collection services. 39% of the material disposed is from the commercial and industrial sector, which includes material from Member and non- member Local Government transfer stations or resource recovery centres and commercial customers, some of which collect skip bins etc. throughout the member council regions or on behalf of Member Councils. A small portion of material is C&D waste, where recovery is not possible and is disposed directly to landfill and approximately 4% is waste fill, which is used for daily cover and will be utilised for capping material.

### Waste streams to landfill



AHRWMA Annual Report 2018/19

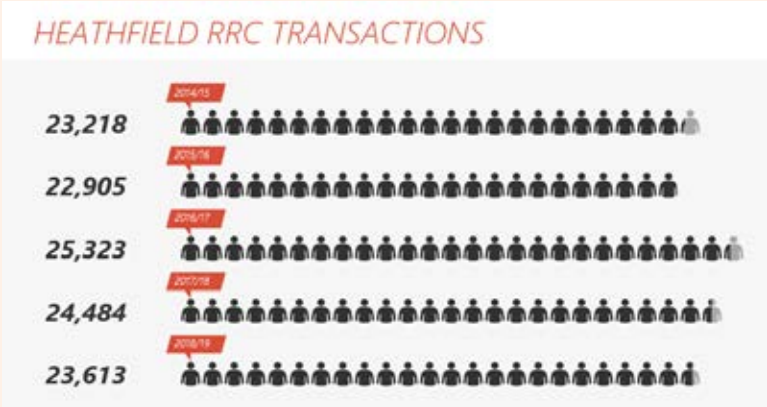


# RESOURCE RECOVERY CENTRE OPERATIONS

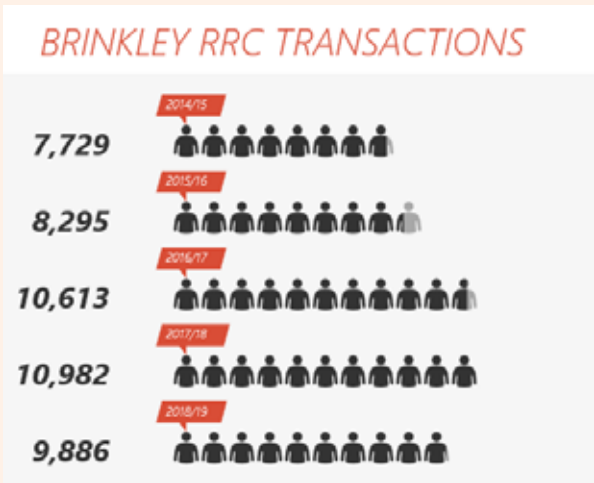
The Authority manages two Resource Recovery Centres (RRCs) on behalf of its Member Councils. These sites are the Heathfield RRC, which serves the Adelaide Hills Council area with an approximate population of 40,000 people and the Brinkley RRC, which serves the Rural City of Murray Bridge area with an approximate population of 22,000 people.

## Site Usage

Both facilities have shown strong customer growth since the Authority commenced operations. This has been assisted by the continued and consistent use of the facilities by the Council’s operations area and joint projects to produce quality road base materials from recycled products, particularly within the Adelaide Hills Council area. The AHRWMA and Murray Bridge Council have formed a strong working relationship and continue to positively manage Murray Bridge Council soil and concrete stockpiles at the Brinkley site. In 2018/19 patronage across both sites dropped slightly on 2017/18.



*WE COLLABORATE WITH OUR  
CONSTITUENT COUNCILS TO FOCUS ON  
RESOURCE RECOVERY AND BUILDING A  
CIRCULAR ECONOMY WITHIN OUR  
REGION.*





## AHRWMA Annual Report 2018/19

## Tonnes to Landfill

The tonnes of waste disposed to landfill from both the Brinkley and Heathfield sites have reduced in 2018/19. The AHRWMA maintains a strong focus on diversion of waste from landfill and achieves a diversion rate across the sites of approximately 80%.

All material that can be reused, reprocessed or recycled is removed from the waste stream prior to transportation to landfill. For example, green organics are chipped on site and sold as mulch and construction and demolition material is stored for crushing and reuse as road base.

Resource Recovery Sites - Waste Tonnes to Landfill				
	2015/16	2016/17	2017/18	2018/19
Heathfield	2,010	1,840	1,562	1,533
Brinkley	1,682	1,818	1,719	1,623

## Financials

The Heathfield RRC exceeded the 2018/19 budget target, finishing the year with a net loss of approximately \$34,100, compared to a budgeted loss of \$45,000, a positive variance of approximately \$10,900. The Brinkley site finished the year on budget with a net loss of approximately \$54,000.

The Authority will continue to monitor the Transfer Station budgets and adjust operations where required, aiming to minimise the losses across the site. It is recognised that the sites are operated for community benefit and we aim to recover costs at the sites and work towards a break-even position, without significantly increasing user fees.

**We create mulch from greens materials dropped off at our RRCs which is then sold to customers.**





**We remove tyre rims for efficient & cost effective processing. Recovering steel, decreasing disposal costs and generating income for the sites.**

***IN 2018/19 WE RECOVERED:***

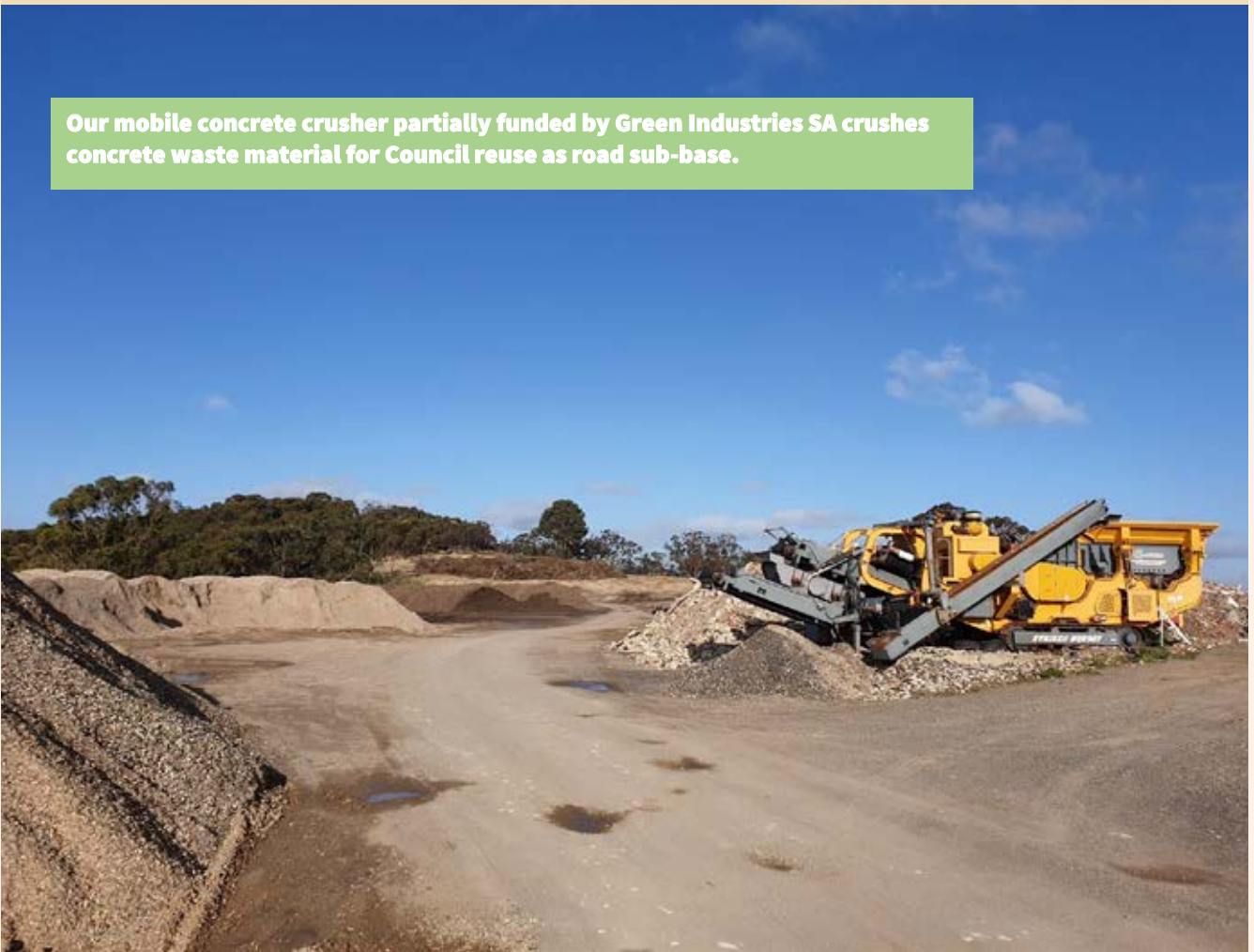
***52 TONNES OF E-WASTE  
794 TONNES OF METALS &  
259 TONNES OF CARDBOARD  
FOR RECYCLING ACROSS OUR RRCs***



**We collect asbestos, Drummuster containers and tyres across our RRCs for recycling or appropriate disposal at licenced facilities.**

AHRWMA Annual Report 2018/19

**Our mobile concrete crusher partially funded by Green Industries SA crushes concrete waste material for Council reuse as road sub-base.**



# KERBSIDE WASTE & RECYCLING COLLECTIONS

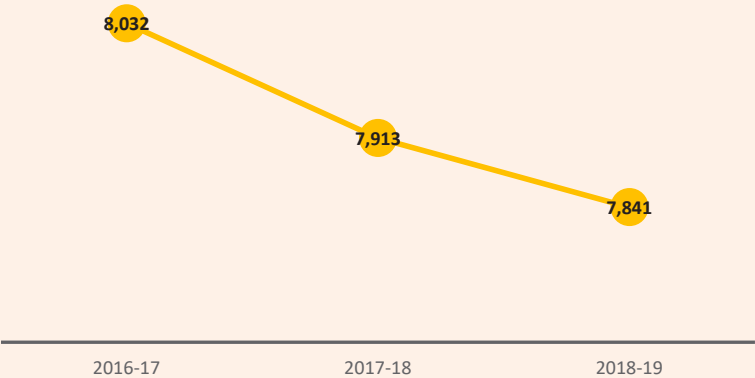
## Adelaide Hills, Mount Barker & Murray Bridge

The Authority facilitates a shared Waste Strategy Coordinator resource across three of the Member Councils: Adelaide Hills Council, the Mount Barker District Council and the Rural City of Murray Bridge. The Waste Strategy Coordinator manages waste & resource services on behalf of the councils.

### Recycling Service

Across the three Councils a total of 7,841 tonnes of recycling was collected via the kerbside service, which is a decrease of 72 tonnes compared to the 2017/18 year, compared to a decrease of 191 tonnes from the previous 2016/17 year. The impact of the National China Sword Policy may influence resident’s recycling behavior.

Kerbside Recycling Tonnes

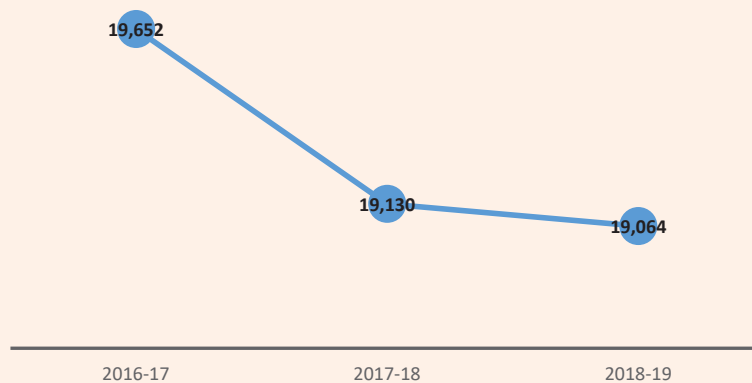




## Waste Service

Total kerbside waste disposed to landfill from within the three Member Council regions has decreased by a total of 66 tonnes in comparison to the previous year, while the population continues to grow.

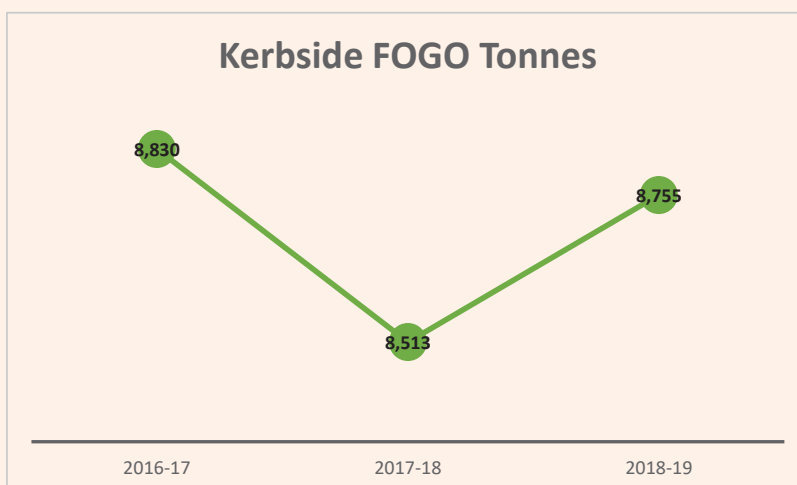
### Kerbside Waste Tonnes to Landfill



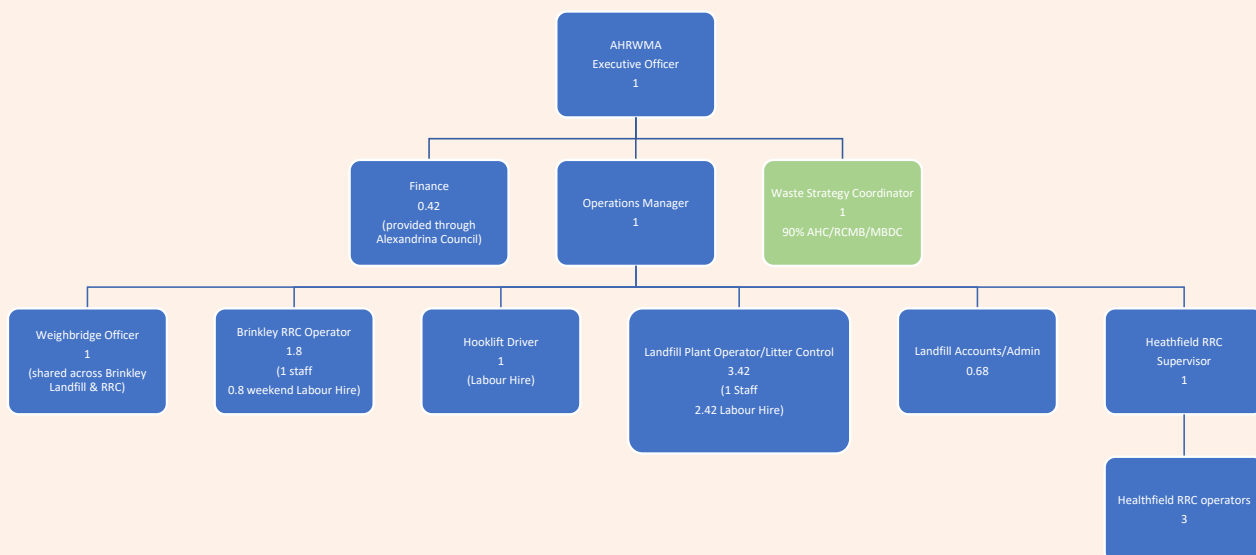
## Kerbside Green Organics (FOGO)

Properties within the Township areas of the three Councils are entitled to a green bin service, which also accepts food waste (FOGO). The 2018/19 financial year saw an increase of green organics of 241 tonnes from the previous 2017/18 financial year. Green organics can be heavily dependent on rainfall, however BOM data suggests rainfall recorded within the Mount Barker area in 2018 was lower than 2017 indicating an increase in FOGO independent of climatic conditions.

### Kerbside FOGO Tonnes



## Organisation Chart 2018/19



## Adelaide Hills Region Waste Management Authority

### General Purpose Financial Reports for the year ended 30 June 2019

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## Adelaide Hills Region Waste Management Authority

STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>INCOME</b>			
User charges	2	3,827,815	3,488,750
Grants, subsidies and contributions	2	11,887	-
Investment income	2	262	586
Other income	2	2,135,142	1,938,670
<b>Total Income</b>		<b>5,975,106</b>	<b>5,428,006</b>
<b>EXPENSES</b>			
Employee costs	3	1,121,692	955,444
Materials, contracts & other expenses	3	3,953,400	4,489,959
Depreciation, amortisation & impairment	3	481,832	426,238
Finance costs	3	57,531	43,031
<b>Total Expenses</b>		<b>5,614,455</b>	<b>5,914,672</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>360,651</b>	<b>(486,666)</b>
Asset disposal & fair value adjustments	4	272	55,419
Amounts received specifically for new or upgraded assets	2	20,000	-
<b>NET SURPLUS / (DEFICIT)</b>		<b>380,923</b>	<b>(431,247)</b>
transferred to Equity Statement			
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>380,923</b>	<b>(431,247)</b>

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



## Adelaide Hills Region Waste Management Authority

STATEMENT OF FINANCIAL POSITION  
as at 30 June 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	309,592	272,356
Trade & other receivables	5	403,816	367,632
Inventories	5	3,791	4,376
<b>Total Current Assets</b>		<b>717,199</b>	<b>644,364</b>
<b>Non-current Assets</b>			
Infrastructure, Property, Plant & Equipment	6	4,214,420	3,831,862
<b>Total Non-current Assets</b>		<b>4,214,420</b>	<b>3,831,862</b>
<b>Total Assets</b>		<b>4,931,619</b>	<b>4,476,226</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	661,953	1,294,259
Borrowings	7	1,579,500	1,312,683
Provisions	7	244,212	163,646
<b>Total Current Liabilities</b>		<b>2,485,665</b>	<b>2,770,588</b>
<b>Non-current Liabilities</b>			
Provisions	7	1,551,010	1,191,617
<b>Total Non-current Liabilities</b>		<b>1,551,010</b>	<b>1,191,617</b>
<b>Total Liabilities</b>		<b>4,036,675</b>	<b>3,962,205</b>
<b>NET ASSETS</b>		<b>894,944</b>	<b>514,021</b>
<b>EQUITY</b>			
Accumulated Surplus	8	894,944	514,021
<b>TOTAL EQUITY</b>		<b>894,944</b>	<b>514,021</b>

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

## Adelaide Hills Region Waste Management Authority

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2019

	Notes	Accumulated Surplus \$	TOTAL EQUITY \$
<b>2019</b>			
Balance at end of previous reporting period		514,021	514,021
<b>Net Surplus / (Deficit) for Year</b>		<u>380,923</u>	<u>380,923</u>
<b>Balance at end of period</b>		<u>894,944</u>	<u>894,944</u>
<b>2018</b>			
Balance at end of previous reporting period		945,268	945,268
<b>Net Surplus / (Deficit) for Year</b>		<u>(431,247)</u>	<u>(431,247)</u>
<b>Balance at end of period</b>		<u>514,021</u>	<u>514,021</u>

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

## Adelaide Hills Region Waste Management Authority

### STATEMENT OF CASH FLOWS for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Operating receipts		6,269,299	6,040,322
Investment receipts		262	624
<u>Payments</u>			
Operating payments to suppliers & employees		(6,138,872)	(5,856,566)
Finance payments		(55,707)	(34,579)
<b>Net Cash provided by (or used in) Operating Activities</b>	9	<b>74,982</b>	149,801
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		20,000	-
Sale of replaced assets	4	78,364	112,091
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(59,146)	(699,137)
Expenditure on new/upgraded assets		(343,781)	(497,452)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(304,563)</b>	(1,084,498)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Proceeds from Borrowings		407,317	1,250,000
<u>Payments</u>			
Repayments of Borrowings		(140,500)	(337,317)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>266,817</b>	912,683
<b>Net Increase (Decrease) in cash held</b>		<b>37,236</b>	(22,014)
Cash & cash equivalents at beginning of period	9	272,356	294,370
<b>Cash &amp; cash equivalents at end of period</b>	9	<b>309,592</b>	272,356

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

## ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

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

#### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

##### **1 Basis of Preparation**

###### **1.1 Compliance with Australian Accounting Standards**

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Adelaide Hills Council, Alexandrina Council, Mount Barker District Council and The Rural City of Murray Bridge.

###### **1.2 Historical Cost Convention**

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

###### **1.3 Critical Accounting Estimates**

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

###### **1.4 Rounding**

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

##### **2 The Local Government Reporting Entity**

Adelaide Hills Region Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act 1999, and has its principal place of business at c/-of Mount Barker District Council, 6 Dutton Road, Mt Barker. These financial statements have been prepared for use by constituent councils of the Authority.

##### **3 Income recognition**

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

Where grants, contributions and donations recognised as income during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as income in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period. The Authority does not receive Grants Commission funding.



## Adelaide Hills Region Waste Management Authority

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

## Note 1 - Significant Accounting Policies (cont)

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

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policy applied to financial instruments forms part of Note 10.

**5 Inventories**

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

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

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

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

**6.2 Materiality**

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

Office Furniture & Equipment	\$1,000
Other Plant & Equipment	\$1,000
Road Construction & Reconstruction	\$10,000

**6.3 Depreciation of Non-Current Assets**

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

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

## Adelaide Hills Region Waste Management Authority

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

## Note 1 - Significant Accounting Policies (cont)

Plant, Furniture & Equipment

Office Equipment	5 years
Other Plant & Equipment	5 years

Infrastructure

Unsealed Roads	15 years
Fencing	15 years
Water Tanks	30 years
Litter Fence	5 years
Pumps	5 years
Monitor Bore	10 years
Buildings	20 years
Roads	25 years

Cell construction expenditure for this year has been capitalised and will be amortised over the estimated filling life of the cell. Any further expenditure on the cell to complete its useful life will be amortised over that remaining life.

**6.4 Impairment**

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

**6.5 Borrowing Costs**

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

**7 Payables****7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Borrowings**

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

**9 Employee Benefits****9.1 Salaries, Wages & Compensated Absences**

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

## Adelaide Hills Region Waste Management Authority

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

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

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

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

#### **9.2 Superannuation**

The Authority makes employer superannuation contributions in respect to its employees to the Local Government Superannuation Scheme. The scheme has two types of membership, each of which is funded differently. The Authority's employees are only members of the accumulated fund.

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

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

#### **10 Rehabilitation**

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

Golders Associates Pty Ltd have undertaken an assessment of the estimated capping costs of existing landfill operation sites at the Brinkley Landfill in July 2019. As a result of the work conducted, the Authority has updated its capping liability estimates in Note 7 which resulted in a net increase to the cell capping provision of \$102,821. Part of this movement saw non cash income amount, totalling \$141,451, recognised in the Statement of Comprehensive Income. A corresponding increase to the cell capping asset has also been recorded in accordance with the requirements under AASB 116.

The Authority recognises a capping liability for all past and present active landfill cell operational areas. The Authority is as at reporting date constructing a cell which will result in additional capping liability being realised once the cell becomes operational in future periods.

The Authority recognises a capping liability for a historical cell given it is believed that it will be responsible for capping this area in future years and has accordingly recognised a liability. The Authority however is not presently obligated to undertake this work given the liability to cap the cell resides with the existing owners of the site.

The Authority has calculated the liability based on an alternate capping design being accepted by the Environmental Protection Authority South Australia (EPA) which is in the process of being approved. Should there be an unfavourable outcome from the alternate capping plan application process, this may result in further increases to the liability needing to be recorded in future periods.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustment to the liability as required ensuring an accurate projected cost of the liability is showing in the Statement of Financial Position. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

Adelaide Hills Region Waste Management Authority

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

Note 1 - Significant Accounting Policies (cont)

**11 Revenue from Contracts with Customers**

AASB 15 Revenue from Contracts with Customers commences 1 January 2018 and hence will first affect the financial reports for 2018/19. (The commencement date has already been deferred once, and there may be further deferrals).

The commencement of the new Standard will not result in any changes to the amounts recognised in the Authority's financial statements under this classification, as the Authority does not enter into contracts with customers.

**12 Leases**

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



## Adelaide Hills Region Waste Management Authority

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

#### Note 2 - INCOME

	Notes	2019 \$	2018 \$
<b>USER CHARGES</b>			
Waste disposal fee - Adelaide Hills Council		1,009,573	883,933
Waste disposal fee - Alexandrina Council		202,767	192,082
Waste disposal fee - Mount Barker District Council		720,287	674,476
Waste disposal fee - Rural City of Murray Bridge		581,874	459,895
Waste disposal fee - Other Customers		1,313,314	1,278,364
		<u>3,827,815</u>	<u>3,488,750</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		262	586
		<u>262</u>	<u>586</u>
<b>OTHER INCOME</b>			
Consultancy service		1,140	3,962
Waste officer contribution		121,387	134,838
Waste Transfer Station Income		1,407,851	1,380,918
Waste Transfer Station Management		88,385	74,580
Transport Income		206,204	180,602
Fuel Tax Rebate		48,825	53,967
Machinery Charge Out		92,066	100,932
Recycled Income		1,078	258
Movement in Landfill Liabilities	1.10	141,451	0
Sundry		26,755	8,613
		<u>2,135,142</u>	<u>1,938,670</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Amounts received specifically for new or upgraded assets		20,000	-
Other grants, subsidies and contributions			
Sundry		11,887	-
		<u>31,887</u>	<u>-</u>

## Adelaide Hills Region Waste Management Authority

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

#### Note 3 - EXPENSES

	2019	2018
Notes	\$	\$
<b>EMPLOYEE COSTS</b>		
Salaries and Wages	848,816	729,082
Employee leave expense	120,183	106,210
Superannuation	86,821	74,196
Workers' Compensation Insurance	31,472	22,164
Other	34,400	23,793
<b>Total Operating Employee Costs</b>	<b>1,121,692</b>	<b>955,444</b>
 <b>Total Number of Employees</b>	 <b>11</b>	 <b>11</b>
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>		
<u>Prescribed Expenses</u>		
Auditor's Remuneration		
- Auditing the financial reports	7,663	4,205
 <u>Other Materials, Contracts &amp; Expenses</u>		
Contractors	261,878	249,291
Waste Transfer Station Expenses	986,892	963,056
Repairs and Maintenance	185,269	191,010
Research and Development	42,609	1,873
Administration and Accountancy Service	63,047	113,770
EPA Waste Levy	2,176,048	1,885,851
EPA Licence Fees	5,329	8,100
Land Lease	49,681	48,788
Insurance and Legal	25,887	762,159
Professional Services	-	98,568
Parts, accessories & consumables	141,962	150,896
Sundry	7,135	12,392
Subtotal - Other Materials, Contracts & Expenses	3,945,737	4,485,754
	<b>3,953,400</b>	<b>4,489,959</b>

# Adelaide Hills Region Waste Management Authority

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

### Note 3 - EXPENSES (cont)

	Notes	2019 \$	2018 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Road Infrastructure	6	5,534	5,534
Buildings	6	12,012	13,879
Vehicles	6	19,269	19,048
Plant & Equipment	6	231,843	190,468
Landfill Cells	6	132,873	143,126
Lechate Ponds	6	8,697	8,697
Landfill Rehabilitation	6	20,045	13,990
Landfill Cell Capping	6	51,559	31,496
		<u>481,832</u>	<u>426,238</u>
<b>FINANCE COSTS</b>			
Interest on borrowings		57,531	43,031
		<u>57,531</u>	<u>43,031</u>

## Adelaide Hills Region Waste Management Authority

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

#### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	2019	2018
Notes	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	78,364	112,091
Less: Carrying amount of assets sold	6      78,092	56,672
<b>Gain (Loss) on disposal</b>	<b>272</b>	<b>55,419</b>
<b>NET GAIN (LOSS) ON DISPOSAL OF ASSETS</b>	<b>272</b>	<b>55,419</b>



## Adelaide Hills Region Waste Management Authority

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

#### Note 5 - CURRENT ASSETS

	2019	2018
<b>CASH &amp; EQUIVALENT ASSETS</b>	<b>\$</b>	<b>\$</b>
Cash on Hand and at Bank	309,592	272,356
	<u>309,592</u>	<u>272,356</u>
 <b>TRADE &amp; OTHER RECEIVABLES</b>		
Accrued Revenues	14,986	-
Debtors - general	388,830	367,632
	<u>403,816</u>	<u>367,632</u>
 <b>INVENTORIES</b>		
Stores & Materials	3,791	4,376
	<u>3,791</u>	<u>4,376</u>

# Adelaide Hills Region Waste Management Authority

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

### Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2018				2019			
	\$				\$			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Road Infrastructure	-	138,352	(27,739)	110,613	-	138,352	(33,273)	105,079
Buildings	-	266,763	(65,700)	201,063	-	270,949	(77,712)	193,237
Vehicles	-	92,963	(56,820)	36,143	-	129,622	(76,089)	53,533
Plant & Equipment	-	3,019,850	(1,224,580)	1,795,270	-	3,133,972	(1,360,627)	1,773,345
Landfill Cells	-	2,072,965	(1,109,682)	963,283	-	2,147,038	(1,242,555)	904,483
Leachate Ponds	-	173,938	(36,712)	137,226	-	173,938	(45,409)	128,529
Landfill Rehabilitation	-	395,900	(135,092)	260,808	-	691,182	(155,137)	536,045
Landfill Cell Capping	-	726,589	(399,133)	327,456	-	986,195	(466,026)	520,169
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	-	6,887,320	(3,055,458)	3,831,862	-	7,671,248	(3,456,828)	4,214,420
<b>Comparatives</b>		<b>5,447,809</b>	<b>(2,968,001)</b>	<b>2,479,808</b>		<b>6,887,320</b>	<b>(3,055,458)</b>	<b>3,831,862</b>

This Note continues on the following page.

\* Please note Landfill Cells includes an amount relating to Cell 9 which is in WIP.

# Adelaide Hills Region Waste Management Authority

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

### Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont.)

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR							2019
	\$	\$							\$
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Adjustments	Net Revaluation	CARRYING AMOUNT
		New/Upgrade	Renewals						
Road Infrastructure	110,613	-	-	-	(5,534)	-	-	-	105,079
Buildings	201,063	4,186	-	-	(12,012)	-	-	-	193,237
Vehicles	36,143	-	36,659	-	(19,269)	-	-	-	53,533
Plant & Equipment	1,795,270	265,522	22,488	(78,092)	(231,843)	-	-	-	1,773,345
Landfill Cells	963,283	74,073	-	-	(132,873)	-	-	-	904,483
Lechate Ponds	137,226	-	-	-	(8,697)	-	-	-	128,529
Landfill Rehabilitation	260,808	295,282	-	-	(20,045)	-	-	-	536,045
Landfill Cell Capping	327,456	244,272	-	-	(51,559)	-	-	-	520,169
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>3,831,862</b>	<b>883,335</b>	<b>59,147</b>	<b>(78,092)</b>	<b>(481,832)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,214,420</b>
<b>Comparatives</b>	<b>2,479,808</b>	<b>825,741</b>	<b>1,009,223</b>	<b>(56,672)</b>	<b>(426,238)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,831,862</b>

\* Please note Landfill Cells includes an amount relating to Cell 9 which is in WIP.

## Adelaide Hills Region Waste Management Authority

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

#### Note 7 - LIABILITIES

		2019		2018	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		577,941	-	1,236,014	-
Accrued expenses - other		13,860	-	12,036	-
Other		70,152	-	46,209	-
		<u>661,953</u>	<u>-</u>	<u>1,294,259</u>	<u>-</u>
<b>BORROWINGS</b>					
Cash Advance Debenture		1,579,500	-	1,312,683	-
		<u>1,579,500</u>	<u>-</u>	<u>1,312,683</u>	<u>-</u>
<b>PROVISIONS</b>					
Annual Leave		113,179	-	102,818	-
Long Service Leave		131,033	30,417	60,828	69,128
Future reinstatement / restoration		-	696,183	-	395,900
Cell Capping		-	824,410	-	726,589
		<u>244,212</u>	<u>1,551,010</u>	<u>163,646</u>	<u>1,191,617</u>
<b>Movements in Provisions - 2019 year only</b>					
<i>(current &amp; non-current)</i>		<i>Future Reinstatement</i>		<i>Cell Capping</i>	
				<i>Total</i>	
Opening Balance		400,900	721,589	1,122,489	
Add Additional amounts recognised		295,283	102,821	398,104	
Closing Balance		<u>696,183</u>	<u>824,410</u>	<u>1,520,593</u>	



## Adelaide Hills Region Waste Management Authority

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

#### Note 8 - RESERVES & EQUITY

##### DISTRIBUTION SHARE OF SURPLUS/(DEFICIT)

The net surplus for the year has been allocated in proportion to the volumes of waste deposited by each respective constituent council.

	2019	2018
Volumes of waste dumped (in tonnes)	%	%
Adelaide Hills Council	33.1%	32.9%
Alexandrina Council	8.9%	9.4%
Mount Barker District Council	32.3%	32.0%
Rural City of Murray Bridge	25.7%	25.7%
	<u>100%</u>	<u>100%</u>

Distribution in accordance with the above percentages

	\$	\$
Adelaide Hills Council	125,941	(141,880)
Alexandrina Council	33,720	(40,537)
Mount Barker District Council	123,185	(137,999)
Rural City of Murray Bridge	98,077	(110,831)
	<u>380,923</u>	<u>(431,247)</u>

##### DISTRIBUTION SHARE OF EQUITY

Adelaide Hills Council		
Balance at end of previous reporting period	244,637	386,517
Share of surplus	<u>125,941</u>	<u>(141,880)</u>
<b>Balance at end of period</b>	<u>370,578</u>	<u>244,637</u>

Alexandrina Council		
Balance at end of previous reporting period	65,124	105,661
Share of surplus	<u>33,720</u>	<u>(40,537)</u>
<b>Balance at end of period</b>	<u>98,844</u>	<u>65,124</u>

Mount Barker District Council		
Balance at end of previous reporting period	245,716	383,715
Share of surplus	<u>123,185</u>	<u>(137,999)</u>
<b>Balance at end of period</b>	<u>368,901</u>	<u>245,716</u>

Rural City of Murray Bridge		
Balance at end of previous reporting period	(41,456)	69,375
Share of surplus	<u>98,077</u>	<u>(110,831)</u>
<b>Balance at end of period</b>	<u>56,621</u>	<u>(41,456)</u>

<b>TOTAL EQUITY AT END OF REPORTING PERIOD</b>	<b>894,944</b>	514,021
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## Adelaide Hills Region Waste Management Authority

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

#### Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

**(a) Reconciliation of Cash**

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

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	5	<b>309,592</b>	272,356
Balances per Cash Flow Statement		<b>309,592</b>	272,356

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

Net Surplus (Deficit)	<b>380,923</b>	(431,247)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	<b>481,832</b>	426,238
Net increase (decrease) in unpaid employee benefits	<b>41,855</b>	42,537
Movement in landfill liability	<b>(141,451)</b>	-
Grants for capital acquisitions treated as Investing Activity	<b>(20,000)</b>	-
Net (Gain) Loss on Disposals	<b>(272)</b>	(55,419)
	<b>742,887</b>	(17,891)
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	<b>(36,184)</b>	44,285
Net (increase) decrease in inventories	<b>585</b>	(838)
Net (increase) decrease in other current assets	-	-
Net increase (decrease) in trade & other payables	<b>(632,306)</b>	124,245
Net increase (decrease) in other provisions	-	-
<b>Net Cash provided by (or used in) operations</b>	<b>74,982</b>	149,801

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

Acquisition of assets by means of:		
- Estimated future reinstatement etc. costs	<b>398,104</b>	328,289

**(d) Financing Arrangements**

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

Cash Advance Debenture Facility (CAD)	<b>1,650,000</b>	1,650,000
Corporate Credit Cards	<b>8,000</b>	8,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice, this facility is provided by the Local Government Finance Authority of SA.

As at 30 June 2019 the Authority has drawn down \$1,579,500 of the available CAD limit.

## Adelaide Hills Region Waste Management Authority

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

#### Note 10 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

<b>Bank, Deposits at Call</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits at call have an average maturity of 90 days and an average interest rate of 1.25% (2018: 90 days, 1.5%).</p> <p><b>Carrying amount:</b> Approximates fair value due to the short term to maturity.</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p> <p><b>Carrying amount:</b> Approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> Approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p><b>Carrying amount:</b> Approximates fair value.</p>
<b>Liabilities - Overdraft</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> Secured over future revenues interest is charged at an average variable rate of 3.57%.</p> <p><b>Carrying amount:</b> Approximates fair value.</p>

## Adelaide Hills Region Waste Management Authority

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

#### Note 10 - FINANCIAL INSTRUMENTS (cont.)

##### Liquidity Analysis

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	309,592	-	-	309,592	309,592
Receivables	403,816	-	-	403,816	403,816
<b>Total</b>	<b>713,408</b>	<b>-</b>	<b>-</b>	<b>713,408</b>	<b>713,408</b>
<b>Financial Liabilities</b>					
Payables	648,093	-	-	648,093	648,093
Borrowings	1,579,500	-	-	1,579,500	1,579,500
<b>Total</b>	<b>2,227,593</b>	<b>-</b>	<b>-</b>	<b>2,227,593</b>	<b>2,227,593</b>

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	272,356	-	-	272,356	272,356
Receivables	367,632	-	-	367,632	367,632
<b>Total</b>	<b>639,988</b>	<b>-</b>	<b>-</b>	<b>639,988</b>	<b>639,988</b>
<b>Financial Liabilities</b>					
Payables	1,282,223	-	-	1,282,223	1,282,223
Borrowings	1,312,683	-	-	1,312,683	1,312,683
<b>Total</b>	<b>2,594,906</b>	<b>-</b>	<b>-</b>	<b>2,594,906</b>	<b>2,594,906</b>

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

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Overdraft	3.57	1,579,500	3.56	1,312,683
Non Interest Bearing	-	648,093		1,282,223
		<b>2,227,593</b>		<b>2,594,906</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 Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and there is no material exposure to any individual debtor.

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

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

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

## **Adelaide Hills Region Waste Management Authority**

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

#### **Note 11 - COMMITMENTS FOR EXPENDITURE**

The Authority as at 30 June 2019 had no commitments for expenditure.

#### **Note 12 - OPERATING LEASES**

The Authority as at 30 June 2019 has a commitment to lease the land on which the Brinkley landfill presides. The current lease expires on the 13th February 2021, with one right of extension of 5 years.

#### **Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED**

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

#### **Note 14 - EVENTS OCCURRING AFTER REPORTING DATE**

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



## Adelaide Hills Region Waste Management Authority

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

#### Note 15 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

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

	2019	2018
Salaries, allowances & other short term benefits	\$ 145,397	\$ 223,168
Post-employment benefits	\$ -	\$ -
Long term benefits	\$ 13,813	\$ 12,983
Termination Benefits	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 159,210</b>	<b>\$ 236,151</b>

#### Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Adelaide Hills Council	1,010	63	Provision of waste processing and disposal services.
Alexandrina Council	197	15	Provision of waste processing and disposal services.
Mount Barker District Council	598	70	Provision of waste processing and disposal services.
Rural City of Murray Bridge	582	37	Provision of waste processing and disposal services.

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

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

## Adelaide Hills Region Waste Management Authority

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

#### Note 16 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2019 \$	2018 \$
Income	5,975,106	5,428,006
Expenses	<u>(5,614,455)</u>	<u>(5,914,672)</u>
<b>Operating Surplus / (Deficit)</b>	<b>360,651</b>	<b>(486,666)</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(59,146)	(699,137)
Add back Depreciation, Amortisation and Impairment	481,832	426,238
Proceeds from Sale of Replaced Assets	<u>78,364</u>	<u>112,091</u>
	<b>501,050</b>	<b>(160,808)</b>
<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>	(343,781)	(497,452)
Amounts received specifically for New and Upgraded Assets	20,000	-
	<u>(323,781)</u>	<u>(497,452)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>537,920</u></b>	<b><u>(1,144,926)</u></b>

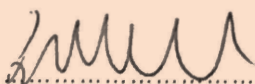
## **Adelaide Hills Region Waste Management Authority**

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

#### **CERTIFICATION OF FINANCIAL STATEMENTS**

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

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



Leah Maxwell  
**EXECUTIVE OFFICER**



Councillor John Kemp  
**CHAIR PERSON**

Date: 9 September 2019

**ADELAIDE HILLS REGION WASTE MANAGEMENT  
AUTHORITY**

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

**CERTIFICATION OF AUDITOR INDEPENDENCE**

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

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



Andrew Aitken  
**CHIEF EXECUTIVE OFFICER**  
Adelaide Hills Council

Date: 5/8/2019


**ADELAIDE HILLS REGION WASTE MANAGEMENT  
AUTHORITY**

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

**CERTIFICATION OF AUDITOR INDEPENDENCE**

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

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

Date: 07/08/2019



**ADELAIDE HILLS REGION WASTE MANAGEMENT  
AUTHORITY**

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

**CERTIFICATION OF AUDITOR INDEPENDENCE**

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



.....  
Andrew Stuart  
**CHIEF EXECUTIVE OFFICER**  
Mount Barker District Council

Date: 16/3/19


**ADELAIDE HILLS REGION WASTE MANAGEMENT  
AUTHORITY**

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

**CERTIFICATION OF AUDITOR INDEPENDENCE**

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

  
.....  
Michael Sedgman  
**CHIEF EXECUTIVE OFFICER**  
Rural City of Murray Bridge

Date: 16.07.2019





MOUNT BARKER  
DISTRICT COUNCIL

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6 Dutton Road, Mount Barker

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