

City of Salisbury 12 James Street Salisbury 5108 South Australia PO Box 8 Salisbury SA 5108

www.salisbury.sa.gov.au

Telephone 08 8406 8222 TTY 08 8406 8596 (For people with hearing impairment) Facsimile 08 8406 5466

Email city@salisbury.sa.gov.au







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MAYOR'S Message



Salisbury is one of the most diverse and innovative cities in the State and I am delighted how we continue to work together to shape our vibrant community as a rewarding place to live, work, study and play.

We have a prosperous business sector contributing greatly towards advancements in electronics, information technology and defence; development approval values were 18% above the five-year average, and Council responsibly achieved a small surplus. While the pending closure of GM Holden will impact our city – the thing I am most proud of in 2015/16 are our efforts to support Holden workers and unemployed or underemployed youth. This work has included:

- Being a stakeholder in the Holden Transition Centre and Jobs Fairs
- Council's annual Phoebe Wanganeen Scholarship and youth work experience programs
- Programs and training through our Twelve25
 Salisbury Youth Enterprise Centre, Salisbury Library
 Service and community centres; and
- Partnerships with local Job Active providers.

Our community events schedule was again a success highlighted by the Matsuri on Mobara Festival, Salisbury Writers' Festival, Harmony Day, NAIDOC Week, Youth Week, Seniors' Month, Salisbury Secret Garden, and the launch of the St Kilda Playground Renewal which attracted more than 10,000 people.

A significant addition was made to our community recognition program – The Legends Awards – and the inaugural winners were inspiring examples of how people are making out City a wonderful place to live,

work and play. This year volunteers of the Home Assist Program were named Living Legend, Kim McNamara was named Working Legend and Simon Moran was named Active Legend. The awards will continue on an annual basis and strengthen our community recognition program that continues to include the Citizen of the Year awards presented on Australia Day. The winners were April Young (Citizen), Murray and Ros Whitcher (Senior Citizen), Bianca Bilsborow (Young Citizen), and the Salisbury RSL's Centenary of ANZAC Commemorations (Event). I'm extremely proud that our Young Citizen Bianca Bilsborow went on to be named joint winner of the South Australian Young Citizen of the Year Award.

I look forward to working with my Council colleagues, our dedicated staff and wonderful volunteers to continue building a flourishing City with opportunity for all. A key focus in coming years is the multimillion dollar revitalisation of the City Centre, which will position our City for future growth as a modern, multifunctional and inviting hub.

Gillian Aldridge, Mayor



Message



The past year has seen a continued focus on ensuring the Salisbury community has access to the services it needs, now and into the future.

This is being delivered through improving the way Council operates, looking for ways to increase non-rate revenue, and by the provision of capital works and programs which are directed at stimulating and growing the economic base of Salisbury.

Looking at the long term, Council adopted its City Plan 2030 – the blueprint for achieving our vision; Salisbury – a flourishing City with opportunity for all. It identifies the strategies and critical actions required to achieve this vision. It shapes Council services and provides strategic guidance to our entire community, and our partners, with regard to community priorities for the future. It was developed with substantial input from every quarter, but most importantly, the people of Salisbury and an analysis of local and global trends that will affect our city and the way we will service our community in the years ahead.

There has been a continued focus on ensuring that the community of Salisbury is well serviced and has access to employment opportunities.

Council recognises the importance of continuing with the Salisbury City Centre Revitalisation

programme, involving improvements to infrastructure and encouraging more investment in mixed use developments. Planning is well underway into the establishment of a Community Hub, integrating civic and community spaces, community centre, meeting areas, and library and learning facilities within the City Centre.

Also, new recreational facilities and development opportunities are proposed for the nearby Salisbury Oval Precinct. Both will see site improvements to traffic, pedestrian and public transport movements, and Council owned sites freed up for future development.

Council and our highly skilled and motivated workforce are responding to new opportunities and adapting services, programs and initiatives to ensure we remain relevant and aligned with the needs of our community. Some of the key highlights for 2015/16 include:

- Export/Trade opportunities: Designed to assist Salisbury-based companies with building trade relationships with businesses and consumers internationally, but initially focused on China.
- Tourism and Visitor Strategy / Tourism Sub

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Committee: Positioning the City as a tourism and visitor destination with a specific focus on nature-based and environmental tourism, market and economic development opportunities and growing visitor numbers.

- Para Hills Community Hub: A major extension of the Para Hills Library and Positive Ageing Centre will deliver a community hub (combined library, seniors' services and community centre).
- \$18M Asset Renewal / \$10M Capital Works: This
 investment into sports and community clubs, open
 spaces, roads and infrastructure create economic
 opportunities and promote growth in sports and social
 participation as we strive for a healthy and active
 community.

Council is a key stakeholder in the State Government's recently released Northern Economic Plan, which is helping to shape the future of the north. It's vital that we think regionally, and work across Local Government Boundaries, and maximise the benefits and opportunities presented by future developments including the Northern Connector, the Food Park at Parafield Airport, electrification of the Gawler rail line, the Futures Submarines and Frigates projects, and development of the former Dry Creek salt fields site.

Council continues to undertake projects that return revenue. This provides the threefold benefit of reducing reliance on rates income, supporting local economic development and employment, and increasing our capacity to fund community projects. In 2015/16 Salisbury Water delivered about 1,330 million litres of recycled

water to more than 900 external customers including 26 schools. A further 1,144 million litres was used to irrigate more than 100 Council-owned parks, reserves and sports fields. Our Strategic Properties projects include Boardwalk at Greentree, The Reserve, Greentree Walk, Riverwalk and Emerald Green, which are a collection of residential projects being master planned and developed by Council. At completion these projects will be home to nearly 1,000 new residents. I'm proud to say this work was acknowledged with the 'Innovative Management Initiatives Award' at the 2016 National LG Professionals Australia Federation Awards.

I look forward to the Council, and our community, continuing to work together and putting our words into actions to realise the full potential of this great City.

John Harry, Chief Executive Officer





Sustainable Futures

The Salisbury City Plan 2020 - Sustainable Futures establishes what and who we are, and what we as a community would like to become. It presents a myriad of opportunities for the Council and its stakeholders, along with the obstacles and challenges to be overcome to be successful.

The City Plan is supported by four Key Directions:

- The Prosperous City (Economic Development Strategy)
- The Sustainable City (Environmental and Climate Change Strategy)
- The Living City (Community Development Strategy
- Achieving Excellence (Organisational Excellence Strategy)

Sustainable Futures reflects the importance of long-term sustainability for the city in all of its aspects.

Salisbury's Planning Framework

The City of Salisbury has structured its planning process around the four Key Directions presented within the City Plan. This chart illustrates the relationship of the high level strategic directions with the State Strategic Plan and Planning Strategy and the action plans for supporting Council's annual budget.

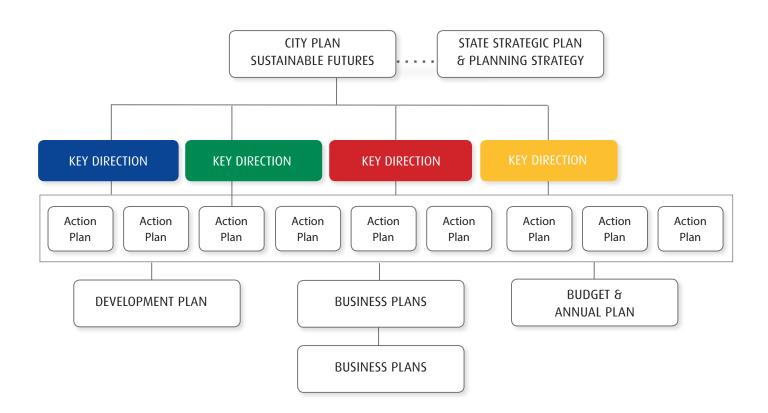
Our Community and Economy

Salisbury is the second largest Local Government community in South Australia with more than 134,300 residents.

Our community is diverse and growing rapidly. Between the 2001 and 2006 Census, Salisbury's population grew by almost three per cent. Our community is also changing. In the next 15 years, Salisbury's percentage of seniors is set to treble.

Our population is also very diverse with some 30 per cent of residents born overseas and about 56 different cultural groups represented. Salisbury also has a higher percentage of Indigenous residents than most metropolitan Councils in Australia.

Salisbury is also the State's most productive manufacturing region, the source of considerable innovation, and it has undergone unprecedented residential and commercial growth.



OTHER COMMITTES & SUB-COMMITTEES AS REQUIRED



Our vision is for 'excellence in building a community of opportunity and spirit in a quality environment'.





Sustainability:

We will balance economic, social, cultural and environmental factors with a longer term perspective to ensure the sustainability of the organisation and our community.

Community and Customer Service:

We will seek to understand our community and customer expectations. We will listen to their needs and respond to their changing requirements.

Professional Performance:

We will strive to be a leader in Local Government emphasising best practice and innovation.

Probity, Ethics and Accountability:

We will act with honesty and integrity and be open and transparent in our decision-making.

Access, Equity and Inclusion:

We will celebrate our diverse community in which people, regardless of their race, culture, religion, age, gender or level of ability can participate and have access to the services and processes of the Council.



The City of Salisbury's 2016/17 Annual Plan continues to place Council in a sustainable financial position while meeting ongoing community needs.

The 2016/17 Annual Plan includes the first allocation of funds towards Council's proposed multi-million dollar investment into revitalising the Salisbury City Centre through the establishment of a Community Hub. This is a once in a generation opportunity to revitalise our City Centre while also modernising and improving the way Council operates.

Our investment into a Community Hub will support ongoing face-to-face customer and community services, new civic spaces, council chambers, gallery, community accessible meeting areas and library, learning and information facilities, together with functional office space for Council's administration. We believe the Community Hub has the potential to free up Council-owned sites within the City Centre for alternate development or uses and attract significant private and government investment. We don't expect it to have any impact on rates as the upper costs of this proposal have been incorporated into our Long Term Financial Plan. Grant opportunities are also being explored.

This year's budget continues to build upon the work Council has recently undertaken to increase and improve the provision of open space, and looks to create a greener, healthier and appealing community through projects such as the Bridgestone Park, Underdown Park and St Kilda Adventure Playground redevelopments.

Features of the 2016/17 Budget

In 2016/17 the City of Salisbury will be finalising investigations and is aiming to commence preliminary works on the Salisbury City Centre Community Hub vision. This multi-million dollar project will bring together our community, civic and learning functions within a central precinct. It would be a place where the community can access services, activities and programs while also participating in unstructured opportunities to gather, learn, socialise and feel a part of the Salisbury community.

Site works for the second stage of the Bridgestone Park redevelopment have commenced and the new recycled water infrastructure is now in place. This \$1.7 million project will include new play spaces, fitness equipment, a recreational oval and amenities. Consultation and detailed designs are now complete for the Underdown Park redevelopment. The project will include construction of a new building, new playground, renewal of the car park and sportsfield configuration which is scheduled for completion in 2016/17. This work is part of the overall \$3.6 million Underdown Park Redevelopment project.

The City of Salisbury has allocated \$1.1 million to upgrading Diment Road, and \$2 million to upgrading the Mawson Lakes Interchange – both projects are dependent on receiving grant funding. The Diment Road upgrade would see reconstruction and widening of Diment Road between Bolivar Road and Heaslip Road, located predominantly in the commercial / industrial zone in order to cater for B-Double access. Works planned for Mawson Lakes Interchange include an At-Grade crossing of Augustine Street on the southern side of Elder Smith Road with stair and ramp access linking to the Dry Creek corridor, east and west of the rail corridor.

More than \$16 million will go towards renewing community assets to ensure they continue to perform the functions that they were built for, and improve outdoor areas, facilities and transportation for families, sporting clubs and community groups including:

- City Wide Trails \$0.1 million
- Road reseal and reconstruction \$8.6 million
- Building Renewal \$2 million
- Council Funded New Footpath Program: \$0.4 million
- Play Space / Playground Program \$0.6 million
- Local Flooding Program \$0.35 million
- Major Flooding Program \$0.59 million
- Streetscape Renewal Program \$1.3 million
- Underdown Park upgrade \$0.7 million
- Kiekebusch Reserve Pump Station Upgrade \$0.5 million

Rate Increase

The 2016/17 Annual Plan includes an average rate increase of 3%, which equates to a \$39 increase on the average residential rate. Our operating surplus is high, and reflects non-recurring road funding of \$2.5 million. Our debt levels remain low, and financially Council is in good shape, meaning that the community's assets can be appropriately maintained.

Rates are a significant income for Council representing 79 per cent of the operating budget. Rates are a tax based on property value they are not a user charge, so those with higher value properties contribute more to the funding of Council activities.

Setting rates is a balance between needing to fund Council operations, maintain our financial sustainability and the need to contain increases to minimise the impact on ratepayers. Council is mindful of the impact and affordability of rates and regularly compares our rates with those of other metropolitan Councils; in terms of average rates Salisbury ranks third lowest.

Significant factors placing pressure on the budget include:

- · Declining Federal Assistance Grant
- Depreciation associated with new infrastructure
- Mandatory rate concessions for Community Housing Associations.

Rate Categories / Differential Rating

Minimum Rates – apply to all properties where the value falls below a certain level so that all ratepayers make a fair contribution. The minimum rate will increase from \$930 to \$958 for 2016/17.

Differential Rating – different rates may be applied to different categories of property called 'land uses' as determined by the Valuer General. A higher rate in the dollar is applied to commercial and industrial properties and to vacant land. Residential and other properties pay the base rate.

The differential for vacant land is 30 per cent higher which reflects Council's desire to promote the development of large land holdings in the city.

Separate Rates – Council collects rates for three distinct purposes:

- Salisbury City Centre Business Association to enable it to market and promote the centre
- Globe Derby Community Club to maintain an area of common land belonging to 63 allotments
- Natural Resources Management (NRM) Levy is a State
 Government imposed tax, which councils are required to
 collect on behalf of the State Government under the Natural
 Resources Management Act 2004, with all funds going to
 the State Government and not the City of Salisbury. The City
 of Salisbury objects to the method of collection of the levy,

and we support the Local Government Association of South Australia's efforts to lobby the State Government for the cessation of the current collection method. For the 2016/17 rates notice the NRM Levy is increasing by 7.9% which is more than two and a half times the City of Salisbury's rate increase. All enquiries or concerns about the NRM Levy should be directed to the Adelaide and Mount Lofty Ranges NRM Board on 08 8273 9100 or www.nrm.sa.qov.au.

These separate rates are paid to respective entities.

Key Services

| | | 2016 / 17 | | |
|--|----------------|----------------|----------------|--|
| OPERATING BUDGET BY KEY DIRECTION | EXP \$000'S | INC \$000'S | NET \$000'S | |
| THE PROSPE | | | | |
| ECONOMIC DEVELOPMENT | 1,622 | 359 | 1,263 | |
| DEVELOPMENT MANAGEMENT | 2,885 | 1,152 | 1,733 | |
| URBAN PLANNING | 1,435 | 110 | 1,325 | |
| ROADS | 4,100 | 4,086 | 14 | |
| FOOTPATHS | 1,601 | - | 1,601 | |
| TOTAL THE PROSPEROUS CITY | 11,643 | 5,707 | 5,936 | |
| THE SUSTAINABLE CITY | | | | |
| WATER MANAGEMENT | 4,446 | 2,825 | 1,622 | |
| WASTE MANAGEMENT | 16,100 | 1,307 | 14,793 | |
| PARKS AND LANDSCAPE | 17,100 | 91 | 17,009 | |
| CITY INFRASTRUCTURE | | 1,165 | (1,165) | |
| TOTAL THE SUSTAINABLE CITY | 37,646 | 5,388 | 32,259 | |
| THE LIVIN | | | | |
| COMMUNITY DEVELOPMENT | 1,823 | 19 | 1,804 | |
| RECREATION CENTRES | 1,144 | | 1,144 | |
| COMMUNITY SPORT AND CLUB FACILITIES | 2,236 | | 2,236 | |
| LIBRARIES SERVICES | 5,293 | 602 | 4,691 | |
| COMMUNITY CENTRES | 2,061 | 344 | 1,717 | |

| COMMUNITY HEALTH & WELLBEING | 4,767 | 2,842 | 1,925 |
|---------------------------------------|----------|---------|----------|
| CEMETERY | 587 | 478 | 109 |
| FOOD AND HEALTH REGULATION | 1,117 | 145 | 973 |
| PARKING AND BYLAWS CONTROL | 624 | 313 | 311 |
| DOG CONTROL | 1,586 | 1,126 | 461 |
| CRIME PREVENTION AND REPAIR | 766 | | 766 |
| STREET LIGHTING | 2,536 | | 2,536 |
| TOTAL THE LIVING CITY | 24,541 | 5,868 | 18,672 |
| ACHIEVING EX | | | |
| ACHIEVING EX | CELLENCE | | |
| CORPORATE SERVICES | 54 | 453 | (399) |
| GOVERNANCE | | 2 | (2) |
| SUNDRY | 3,603 | 6,441 | (2,838) |
| INFRASTRUCTURE DEPRECIATION | 21,763 | | 21,763 |
| TOTAL ACHIEVING EXCELLENCE | 25,420 | 6,896 | 18,524 |
| | | | |
| CAPITAL WORKS AND PROJECT PREPARATION | 1,993 | | 1,993 |
| CORPORATE UNALLOCATED | 6,108 | | 6,108 |
| CORPORATE GOVERNANCE OVERHEAD | 3,974 | | 3,974 |
| RATE REVENUE | - | 90,418 | (90,418) |
| TOTAL OPERATING SURPLUS/(DEFICIT) | 111,325 | 114,277 | 2,952 |
| | | | |

Members



Back Row: David Bryant, Riccardo Zahra, Damien Pilkington, Steve White,

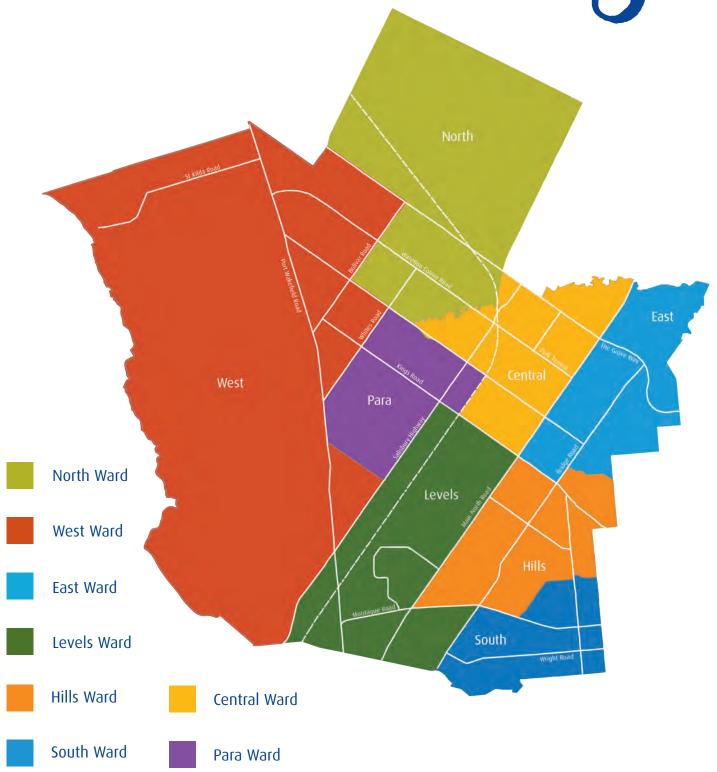
Deputy Mayor David Balaza, Sean Bedford, Guiseppe (Joe) Caruso, Graham Reynolds.

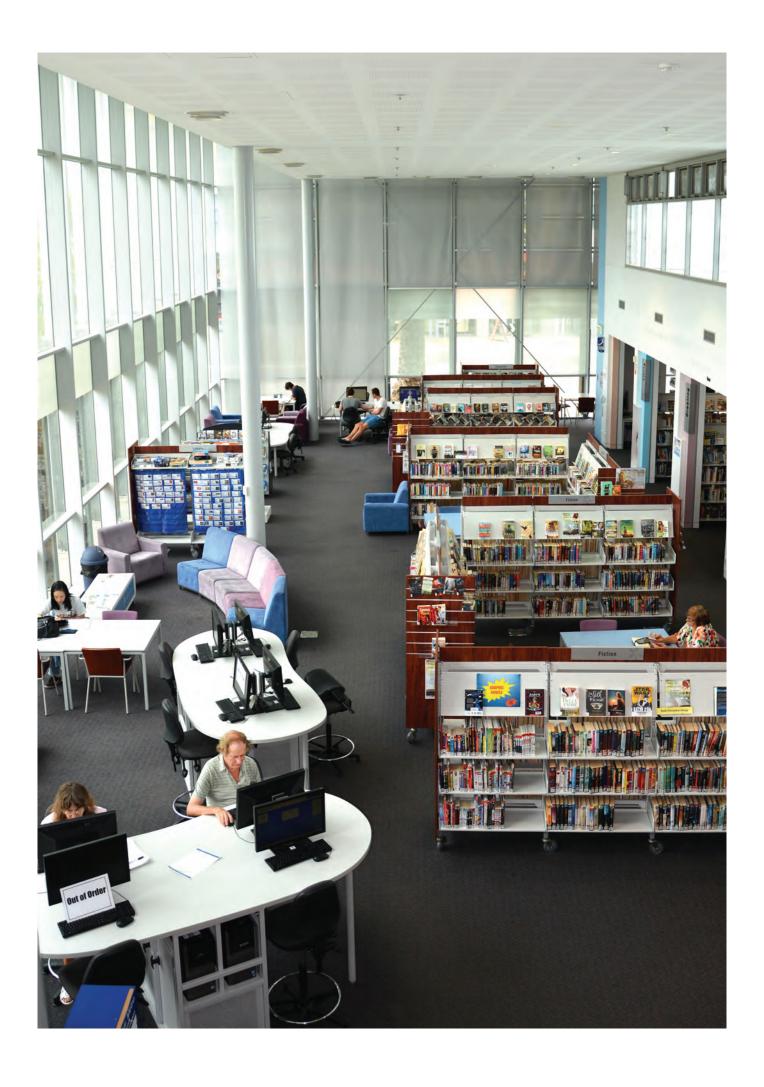
Middle Row: Elizabeth (Betty) Gill JP, Julie Woodman JP, Donna Proleta, Robyn Cook.

Front Row: Linda Caruso, Brad Vermeer (Deputy Mayor Nov 2014 to Nov 2015),

Mayor Gillian Aldridge JP, Shiralee Reardon JP, Chad Buchanan JP

boundaries

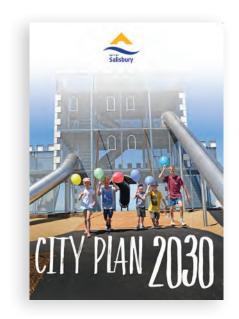






A key milestone for the City of Salisbury in 2015/16 was the finalisation and introduction of the City Plan 2030 – the blueprint for achieving our renewed vision; Salisbury – a flourishing City with opportunity for all.

The City Plan 2030 is a plan for the whole community, outlining the long-term vision for the City of Salisbury over the next 15 years. It identifies the necessary strategies and critical actions within the next five years required to achieve this vision. It shapes not only the services provided by Council, but provides strategic guidance to our entire community and our partners with regard to community priorities and our commitment to shaping our future.



It is Council's commitment to achieving the best for our community, and making a positive difference for those who live, work, play and study in the City of Salisbury. That is why it was developed with a great deal of community input, and achieving our vision for the City requires a collective commitment and partnerships between Council and the community. We recognise that we are facing challenges in the future, and that we need to move beyond a "business as usual" approach in order to meet those challenges.

The City Plan 2030 provides practical strategies and actions to build on our existing assets and make the most of opportunities that have potential to be transformative for not only the City of Salisbury, but the Northern Adelaide region more broadly. Key infrastructure projects, our diverse environmental assets, economic strengths and the liveability of this City provide us with immense opportunities that will benefit the entire community. We have a diverse population that brings with it a wealth of knowledge and an entrepreneurial spirt that needs to be encouraged.

To view the City Plan 2030, please visit www.salisbury.sa.gov.au/cityplan2030

PLEASE NOTE: The City Plan 2030 comes into effect from 1 July 2016, with operations, visions and values in 2015/16 quided by the City Plan 2020 – Sustainable Futures document outlined on pages 8 to 10.



Elected Members

(June 2015 - July 2016)

Mayor: Gillian Aldridge

Central Ward: Cr David Balaza (Deputy Mayor

December 2015 - Current)

Cr Betty Gill

East Ward : Cr Joe Caruso

Cr Damien Pilkington

South Ward: Cr Sean Bedford

Cr Julie Woodman

Hills Ward : Cr Shiralee Reardon

Cr David Bryant

Para Ward: Cr Riccardo Zahra

Cr Robyn Cook

North Ward: Cr Linda Caruso

Cr Graham Reynolds

Levels Ward: Cr Brad Vermeer (Deputy Mayor

November 2014 - November 2015)

Cr Steve White

West Ward: Cr Chad Buchanan

Cr Donna Proleta

Elector Representation

The community of Salisbury is represented on Council by a Mayor who is elected from the whole community, and 16 Elected Members. Elected Members represent one of eight wards, and are elected by the residents of their ward.

The representation quota for the City of Salisbury, that is the number of electors represented by each Councillor, is shown in the table. Comparative data for other major metropolitan Councils in Adelaide has also been included.

| Council | Elected Members ² | Electors | Representation Quota ³ |
|--------------------------------------|---------------------------------|----------|--------------------------------------|
| Salisbury | 17 | 91,305 | 5370 |
| Playford | 16 | 56,595 | 3537 |
| West Torrens | 15 | 40,134 | 2675 |
| Charles Sturt | 17 | 80,628 | 4742 |
| Port Adelaide/ Enfield | 18 | 79,895 | 4438 |
| Marion | 13 | 62,759 | 4827 |
| Onkaparinga | 21 | 118,774 | 5655 |
| Tea Tree Gully | 13 | 72,561 | 5581 |
| Metropolitan Average ⁴ | 14 | 46,693 | 3151 |

- 1 Data supplied by the Local Government Association.
- 2 Including the Mayor
- 3 Representation quota for a council is an amount ascertained by dividing the number of electors for the area of the council (as at the last closing date under the Local Government (Elections) Act 1999) by the number of members who constitute the council (ignoring any fractions resulting from the division and expressed as a quota). Local Government Act1999, Schedule 4.
- 4 Based on 19 metropolitan councils, including the City of Adelaide

In accordance with Section 12 of the Local Government Act 1999, a Council is required to conduct an Elector Representation Review at least once in every eight years. The City of Salisbury last conducted a Representation Review in 2009/10, in readiness for the November 2010 Local Government Elections.

The Representation Review did not result in any change to the number of wards or Elected Members in the City of Salisbury; however, Ward Boundaries were adjusted to ensure a balanced and appropriate representation quota within each ward. The City of Salisbury is currently conducting a Representation Review which will conclude in April 2017.

COUNCIL

Elected Representatives

Following the conclusion of the November 2014 elections, the elected body of the City of Salisbury comprised the following representatives:

Mayor: Gillian Aldridge

Central Ward: Cr David Balaza (Deputy Mayor

December 2015 - Current)

Cr Betty Gill

East Ward: Cr Joe Caruso

Cr Damien Pilkington

South Ward: Cr Sean Bedford

Cr Iulie Woodman

Hills Ward: Cr Shiralee Reardon

Cr David Bryant

Para Ward: Cr Riccardo Zahra

Cr Robyn Cook

North Ward: Cr Linda Caruso

Cr Graham Reynolds

Levels Ward: Cr Brad Vermeer (Deputy Mayor

November 2014 - November 2015)

Cr Steve White

West Ward: Cr Chad Buchanan

Cr Donna Proleta

Elected Member Allowances

Changes to the Local Government Act in 2010 resulted in the Remuneration Tribunal being responsible for the determination of Elected Member Allowances to be applied from the first Council Meeting following the November 2010 Elections. Elected Member allowances were reviewed by the Remuneration Tribunal in Determination No. 7 of 2014, which resulted in an increase to allowances for City of Salisbury Elected Members plus the introduction of a new allowance for a sub-committee chairman as follows:

| Councillor | \$21,744 per annum |
|--|--|
| Mayor | \$86,976 per annum |
| Deputy Mayor | \$27,180 per annum |
| Chairman of Standing Committees | \$27,180 per annum |
| Sitting fee payable to a Councillor (other than the principal member or deputy principle member, chairperson or deputy chairperson or a presiding member of a prescribed committee) who is the presiding member of a committee, that is not a prescribed committee, such as a sub-committee. | \$203 per meeting limited to an aggregate amount of \$1,214 per annum |

In accordance with section 76(9) and 76(15) of the Local Government Act, allowances set out in Determination No. 7 of 2014: Members of Local Government Councils will be adjusted annually on the first, second and third anniversary of the 2014 local government election to reflect changes in the Consumer Price Index, where the Consumer Price Index is defined as "the Consumer Price Index (All groups index for Adelaide) Published by the Australian Bureau of Statistics.

In addition to an allowance, Elected Members are provided with resources to assist in the representation of their community and conducting Council business. This includes an Apple iPad, laptop computer and printer, broadband internet access, stationery and business cards. The Mayor has access to a personal assistant and is provided with a mobile phone and car. The Elected Members Allowances, Facilities and Support Policy provides full details of resources (including reimbursement of expenses) provided to Elected Members.

COUNCIL

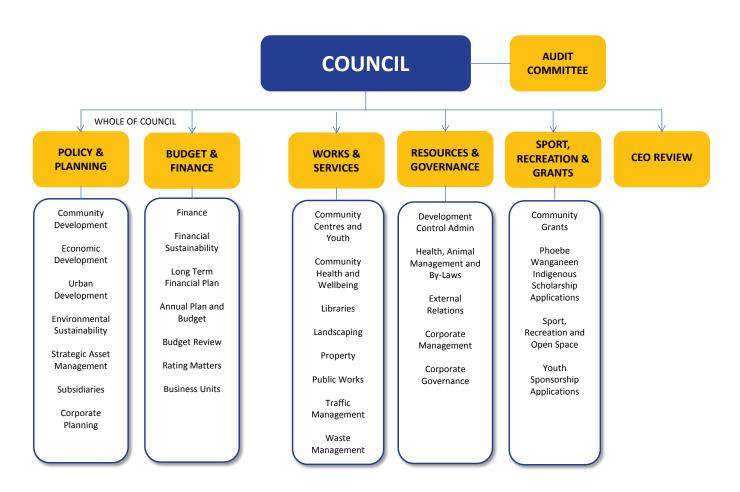
Council and Committee Structure June 2015 to July 2016

Council is supported in its decision making process by six Standing Committees: Policy & Planning; Budget & Finance; Works & Services; Resources & Governance; Sport, Recreation & Grants; and Audit Committee. The Sport, Recreation & Grants Committee meets on the second Monday of the month and the remaining standing committees meet on the third Monday of each month. The Audit Committee meets on a quarterly basis.

The CEO Review Committee has also been established by Council and meets at a minimum twice per year or as required.

Council also has a Development Assessment Panel (DAP) as an independent Committee comprising of experts external to Council as well as Elected Members which meet as required.

The Mayor is, ex officio, a member of the Works & Services Committee, Resources & Governance Committee and the Sports, Recreation & Grants Committee. The Committee structure and membership is set out below:



OTHER COMMITTEES & SUB-COMMITTEES AS REQUIRED

COUNCIL

Membership of each of the Committees in 2015/16:

Policy and Planning Committee

Cr Linda Caruso (Chairman)

Cr Shiralee Reardon (Deputy Chairman)

All members of Council

Works and Services Committee

Cr Julie Woodman (Chairman) - South Ward

Cr Joe Caruso (Deputy Chairman) - East Ward

Cr Chad Buchanan - West Ward

Cr Elizabeth Gill - Central Ward

Cr Shiralee Reardon - Hills Ward

Cr Graham Reynolds - North Ward

Cr Steve White - Levels Ward

Cr Riccardo Zahra - Para Ward

The Mayor is, ex-officio, a member of this Committee

Resources and Governance Committee

Cr David Balaza (Chairman December 2014 -

November 2015) - Central Ward

Cr David Bryant (Deputy Chairman December 2014 -

November 2015) - Hills Ward

Cr Sean Bedford - South Ward

Cr Linda Caruso - North Ward

Cr Robyn Cook – Para Ward (Deputy Chairman December 2015 –

November 2016)

Cr Damien Pilkington - East Ward

Cr Donna Proleta - West Ward

Cr Brad Vermeer - Levels Ward (Chairman December 2015 -

November 2016)

The Mayor is, ex-officio, a member of this Committee

Budget and Finance Committee

Cr Damien Pilkington (Chairman)

Cr Sean Bedford (Deputy Chairman)

All members of Council

Sports Recreation and Grants Committee

Cr Donna Proleta (Chairman)

Cr Riccardo Zahra (Deputy Chairman December 2014 -

November 2015)

Cr David Balaza

Cr David Bryant (Chairman December 2015 –

November 2016)

Cr Linda Caruso

Cr Damien Pilkington

Cr Brad Vermeer

Cr Julie Woodman

The Mayor is, ex-officio, a member of this Committee

Audit Committee

Mr Peter Brass (Chairman)

Mr Mark McAllister (July 2015 - 31/08/2015)

(Deputy Chairman July 2015 - 31/08/2015)

Mr Craig Johnson

Cr Joe Caruso

Cr Graham Reynolds

Development Assessment Panel

From July 2015 to June 2016

Mr Doug Wallace (Presiding Member)

Mr Ross Bateup

Ms Stephanie Johnston

Mr John Watson

Cr Chad Buchanan (July 2015 - 22/05/2016)

Cr Graham Reynolds (23/05/2016 - June 2016)

Cr Linda Caruso

Cr Steve While



Open and transparent decision-making

The City of Salisbury is committed to open and transparent decision-making through minimising the number of occasions that the provisions listed in Section 90 (excluding the public during debate) OR Section 91 (documents to be kept confidential for a period of time) were used during the 2015/16 financial year.

In 2015/16 a total of 573 items were considered by Council and Committees. Of these, 55 were confidential.

| | No. of items considered in confidence | Confidential items as a % of total no. of items considered |
|---------|---------------------------------------|--|
| 2003/04 | 34 | 6.30% |
| 2004/05 | 20 | 4.00% |
| 2005/06 | 1 | 0.20% |
| 2006/07 | 1 | 0.20% |
| 2007/08 | 6 | 1.00% |
| 2008/09 | 4 | 0.80% |
| 2009/10 | 5 | 1.19% |
| 2010/11 | 12 | 2.15% |
| 2011/12 | 14 | 2.33% |
| 2012/13 | 14 | 2.54% |
| 2013/14 | 34 | 5.61% |
| 2014/15 | 38 | 6.59% |
| 2015/16 | 55 | 9.56% |

The following table is a summary of the occasions that the provisions listed in Section 90 (excluding the public during debate) OR Section 91 (documents to be kept confidential for a period of time) were used during the 2015/16 financial year:

| Date | Item | Council/Committee/ Sub-Committee | Subject matter including Section 90(3) subsection reference | Number of occasions moved into confidence Section 90 | Number of occasions with retention order on reports, minutes and/or appendices. |
|-----------|--------|-------------------------------------|---|--|---|
| July 2015 | 8.2.1 | CEO Performance Review Committee | (a) | 1 | 1 |
| July 2015 | 8.2.2 | CEO Performance Review Committee | (a) | 1 | 1 |
| July 2015 | 8.2.3 | CEO Performance Review Committee | (a) | 1 | 1 |
| July 2015 | 1.10.1 | Policy and Planning Committee | (b) & (d) | 1 | 1 |
| July 2015 | 1.10.2 | Policy and Planning Committee | (b) | 1 | 1 |

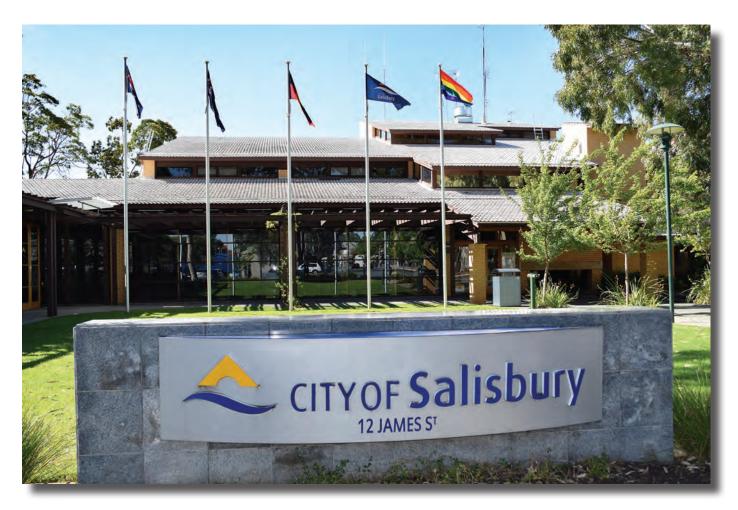
| Date | Item | Council/Committee/ Sub-Committee | Subject matter including Section 90(3) subsection reference | Number of occasions moved into confidence Section 90 | Number of occasions with retention order on reports, minutes and/or appendices. |
|----------------|---------|---|---|--|---|
| August 2015 | PRSC5 | Program Review Sub- Committee | (a) | 1 | 1 |
| August 2015 | 6.9.1 | Budget and Finance Committee | (a) | 1 | 1 |
| August 2015 | 3.8.1 | Resources and Governance Committee | (a) | 1 | 1 |
| August 2015 | 3.8.2 | Resources and Governance Committee | (a), (g) and (h) | 1 | 1 |
| August 2015 | C1 | Council | (a) & (h) | 1 | 1 |
| September 2015 | SPDSC3 | Strategic Property Development Sub- Committee | (b) | 1 | 1 |
| September 2015 | 1.10.1 | Policy and Planning Committee | (b) & (d) | 1 | 1 |
| September 2015 | 2.9.1 | Works and Services Committee | (a) | 1 | 1 |
| September 2015 | 2.9.1FI | Council | (a) | 1 | 1 |
| September 2015 | 2.9.2 | Council | (b) | 1 | 1 |
| September 2016 | 2.9.3 | Council | (b) | 1 | 1 |
| September 2015 | C1 | Council | (a) | 1 | 2 |
| September 2015 | C2 | Council | (a) | 1 | 1 |
| October 2015 | C1 | Council | (b), (d) & (h) | 1 | 1 |
| October 2015 | 2.9.1 | Works and Services Committee | (b) | 1 | 1 |
| October 2015 | 2.9.1FI | Council | (b) | 1 | 1 |
| October 2015 | 2.9.2 | Works and Services Committee | (b) | 1 | 1 |
| October 2015 | 4.4.1 | Audit Committee | (k) | 1 | 1 |
| October 2015 | 6.9.1 | Budget and Finance Committee | (a) | 1 | 1 |

| Date | Item | Council/Committee/ Sub-Committee | Subject matter including Section 90(3) subsection reference | Number of occasions moved into confidence Section 90 | Number of occasions with retention order on reports, minutes and/or appendices. |
|---------------|--------|---|---|--|---|
| November 2015 | 3.8.1 | Resources and Governance Committee | (d) | 1 | 1 |
| November 2015 | 6.9.1 | Budget and Finance Committee | (b) & (d) | 1 | 1 |
| November 2015 | C1 | Council | (j) | 1 | 1 |
| December 2015 | SPDSC2 | Strategic Property Development Sub-Committee | (b) & (h) | 1 | 1 |
| December 2015 | 2.9.1 | Works and Services Committee | (b) | 1 | 1 |
| December 2015 | 2.9.2 | Works and Services Committee | (d) | 1 | 1 |
| December 2015 | 6.9.1 | Budget and Finance Committee | (b) & (d) | 1 | 1 |
| December 2015 | 6.9.2 | Budget and Finance Committee | (a) | 1 | 1 |
| January 2016 | SPDSC1 | Strategic Property Development Sub- Committee | (b) | 1 | 1 |
| January 2016 | 2.9.1 | Policy and Planning Committee | (b) | 1 | 1 |
| January 2016 | 2.9.2 | Policy and Planning Committee | (b) | 1 | 1 |
| January 2016 | 6.9.1 | Budget and Finance Committee | (d) | 1 | 1 |
| February 2016 | SPDSC2 | Strategic Property Development Sub-Committee | (b) | 1 | 1 |
| February 2016 | 4.4.1 | Audit Committee | (d) & (k) | 1 | 1 |
| February 2016 | 2.9.1 | Works and Services Committee | (b) | 1 | 1 |
| February 2016 | C1 | Council | (a) | 1 | 1 |
| February 2016 | C2 | Council | (a) | 1 | 1 |
| February 2016 | СЗ | Council | (a) | 1 | 1 |
| March 2016 | 3.8.1 | Resources and Governance Committee | (h) | 1 | 1 |

| Date | Item | Council/Committee/ Sub-Committee | Subject matter including Section 90(3) subsection reference | Number of occasions moved into confidence Section 90 | Number of occasions with retention order on reports, minutes and/or appendices. |
|------------|---------|---|---|--|---|
| March 2016 | 6.9.1 | Budget and Finance Committee | (b), (d) & (h) | 1 | 1 |
| April 2016 | 2.9.1 | Works and Services Committee | (b) & (d) | 1 | 1 |
| April 2016 | 6.9.1 | Budget and Finance Committee | (a) | 1 | 1 |
| April 2016 | C1 | Council | (a) | 1 | 1 |
| April 2016 | C2 | Council | (b) | 1 | 1 |
| May 2016 | 6.9.1 | Budget and Finance Committee | (a) | 1 | 1 |
| May 2016 | C1 | Council | (a) | 1 | 1 |
| June 2016 | SPDSC4 | Strategic Property Development Sub- Committee | (b) | 1 | 1 |
| June 2016 | 1.10.1 | Policy and Planning Committee | (b) | 1 | 1 |
| June 2016 | 2.9.1 | Works and Services Committee | (b) | 1 | 1 |
| June 2016 | 2.9.2 | Policy and Planning Committee | (a) & (b) | 1 | 1 |
| June 2016 | 2.9.1FI | Council | (b) | 1 | 1 |

³³ confidentiality orders were revoked or expired during 2015/16. Remaining orders will be reviewed internally twice per year and should it be deemed appropriate, the Chief Executive Officer has the delegation to revoke the orders.

⁷³ orders remained operative at the end of 2015/16.



Management and Governance

The City of Salisbury places particular emphasis on its commitment to democratic principles. These principles include fair representation, openness and transparency in all its operations.

The Local Government Act 1999 provides the legislative foundation for Council and contains a range of reporting and operating requirements that contribute toward good governance. As part of its compliance with the Local Government Act 1999, the City of Salisbury maintains the following registers, codes of conduct and policies:

Registers

Register of Interests for Elected Members

Register of Allowances and Benefits for Elected Members

Register of Salaries (Remuneration) for Staff

Register of Interests (Officers)

Register of Public Roads*

Register of By-laws*

Register of Gifts and Benefits

Codes

Code of Conduct for Council Members*

Code of Conduct for Council Employees*

Code of Practice for Access to Meetings and Documents*

Policies

Procurement Policy*

Rating Policy*

By-Laws and Order Making Policy*

Public Consultation Policy*

Internal Review of Council Decision Making Procedures*

Other

Internal Audit Charter

Governance Framework and Statement

Risk Management Charter

Whistleblower Policy*

A comprehensive list of codes, documents, policies, registers and guidelines are available for public inspection either at the Council offices, 12 James Street, Salisbury or at www.salisbury.sa.gov.au

Copies of most documents are available for purchase for a small fee. All of these documents are updated on a regular basis as required by the Act. Documents marked with * are also available at www.salisbury.sa.gov.au

Number of Requests for a Review of Council Decisions

During the 2015/16 financial year, the City of Salisbury received 3 requests for a review of a Council decision.

The requests asked for a review of the following topics:

- a request to review a Council decision to refuse to remove a
 tree adjacent to a property. Following consideration of the
 information it was determined that the review not proceed
 as there was, at that time, a review being undertaken of the
 Tree Removal Committee's decision to refuse removal of the
 tree pursuant to Council's Tree Removal Policy and Procedure.
- a request to review a Council decision that a reserve contribution requirement will be required as open space following the layout of Council's concept plan severely hampering the design capacity of the land. Following consideration of the information it was determined that the review not proceed as it was determined that the application did not make any reference to when, or the manner in which, the decision was received. Under the Internal Review of Council Decisions Policy, applications for review of a Council decision should be received within 6 months of the decision of Council.
- Request to review a Council decision to take no further action with respect to complaints regarding the impact of a dwelling approved by Council on the adjoining property- this matter is still proceeding.

Internal Control Framework

The City of Salisbury has implemented an extensive financial internal control framework. The framework is designed to ensure financial processes, procedures, policies and systems are applied efficiently and effectively. Oversight of the financial internal control framework is provided by the Audit Committee of Council, through the Governance Division. An external audit of the framework is conducted annually.

Audit Committee of Council

As a critical component of the Council's governance framework, and in compliance with Section 126 of the Local Government Act 1999, the Audit Committee of Council provides an oversight function for the City's risk management and internal control frameworks.

The Committee reports to Council on a quarterly basis and is committed to assuring Council that the governance and control frameworks are in place and operating effectively. As part of its operational program the Audit Committee also provides assurance to Council regarding the efficiency and effectiveness of overall Council operations.

A number of explicit aspects were given close scrutiny during 2015/2016 through specific internal audit activity. These included:

- Strategic Asset Management Delivery Gap Analysis;
- External Review of Internal Audit;
- Event Management;
- Petty Cash and Till Float Management.

The Committee maintains a close working relationship with the City's external auditor, with a particular focus on the end of year financial statements, the external audit opinions on the statements and the internal control framework.

The Committee also provides oversight for the internal audit work program and receives regular reports from the City's Business Analyst Internal Audit & Risk. On a quarterly basis outstanding recommendations and agreed actions resulting from internal audit activity are considered by the Committee.

Audit Committee Membership

July 2015 - September 2015

Mr Peter Brass (Chairman & Independent Member) – General Manager Operations, Water Quality Research Australia Ltd., attended one of one meeting.

- Mr Mark McAllister (Deputy Chairman & Independent Member) – Southcott Advisory, attended one of one meeting.
- Mr Craig Johnson (Independent Member) Independent Consultant, attended one of one meeting.
- Cr Joe Caruso (Elected Member of Council) attended one of one meeting.
- Cr Graham Reynolds (Elected Member of Council) attended one of one meeting.

October 2015 - June 2016

- Mr Peter Brass (Chairman & Independent Member) General Manager Operations, Water Research Australia Ltd., attended three of three meetings.
- Mr Craig Johnson (Deputy Chairman Independent Member) Independent Consultant, attended three of three meetings.
- Ms Kristyn Briggs (Independent Member from October 2015) – Legal Counsel / Company Secretary at StatewideSuper, attended three of three meetings.
- Cr Joe Caruso (Elected Member of Council) attended three of three meetings.
- Cr Graham Reynolds (Elected Member of Council) attended three of three meetings.

Ombudsman SA Investigations

During 2015/16, 38 complaints were received by the SA Ombudsman; 21 were referred back to Council for action, nine were declined, two had alternative remedy availability, three were resolved with the cooperation of Council, two were withdrawn by the Complainant and one is continuing.

Elected Members Training and Development

Below is a table showing training and development activities attended by Elected Members during the past financial year

| Gillian Aldridge JP | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Local Government Association Annual General Meeting and Networking Dinner, Elected Member Development Program, Elected Member Weekend Workshop. |
|--------------------------|---|
| David Balaza | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Local Government Association Ordinary General Meeting, Elected Member Development Program, Elected Member Weekend Workshop, Diploma of Local Government (Elected Members). |
| Sean Bedford | Due Diligence, Bullying, Harassment and other WHS Obligations training, Local Government Association Workshop: Mandatory Training Modules 1-4, Elected Member Development Program, Elected Member Weekend Workshop. |
| David Bryant | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Diploma of Local Government (Elected Members), Elected Member Development Program, Elected Member Weekend Workshop, Public Speaking. |
| Chad Buchanan JP | Due Diligence, Bullying, Harassment and other WHS Obligations training, Local Government Association Workshop: Mandatory Training Modules 1-4, Elected Member Development Program, Elected Member Weekend Workshop, Diploma of Local Government (Elected Members). |
| Giuseppe (Joe) Caruso | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Elected Member Development Program, Elected Member Weekend Workshop. |
| Linda Caruso | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Elected Member Development Program, Elected Member Weekend Workshop. |

| Robyn Cook | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Elected Member Development Program, Elected Member Weekend Workshop, Diploma of Local Government (Elected Members). |
|------------------------------|---|
| Elizabeth (Betty) Gill JP | Due Diligence, Bullying, Harassment and other WHS Obligations training, Local Government Association Workshop: Mandatory Training Module 2, Local Government Association Networking Dinner, Elected Member Development Program, Elected Member Weekend Workshop. |
| Damien Pilkington | Due Diligence, Bullying, Harassment and other WHS Obligations training, Local Government Association Workshop: Mandatory Training Module 4, Norman Waterhouse Online Training Modules 1, 2 and 3, Elected Member Development Program, Elected Member Weekend Workshop, Diploma of Local Government (Elected Members). |
| Donna Proleta | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Local Government Association Online Training Module 1, 2 and 3, Elected Member Development Program. |
| Shiralee Reardon JP | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Elected Member Development Program, Elected Member Weekend Workshop, Diploma of Local Government (Elected Members). |
| Graham Reynolds | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Elected Member Development Program. |
| Brad Vermeer | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Elected Member Development Program, Elected Member Weekend Workshop, Diploma of Local Government (Elected Members). |
| Steve White | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Council and Committee Meeting Procedures and Chairing Skills, Norman Waterhouse Online Training Modules, Elected Member Development Program. |
| Julie Woodman JP | Due Diligence, Bullying, Harassment and other WHS Obligations training, Strategic Planning/Financial Matters training, Elected Member Weekend Workshop, Elected Member Development Program. |

| Riccardo Zahra | Due Diligence, Bullying, Harassment |
|----------------|--|
| | and other WHS Obligations training, Part |
| | Local Government Association Workshop: |
| | Mandatory Training Module 4, Local |
| | Government Association Online Training, |
| | Elected Member Development Program, |
| | Elected Member Weekend Workshop. |
| | |

Elected Members Representation on External Bodies

| Gillian Aldridge JP | Local Government Association (Voting Delegate) |
|------------------------------|--|
| | Local Government Association Board (Deputy Member) |
| | Mawson Lakes Community Trust Fund |
| | Metropolitan Local Government Group Reconciliation Action Plan Working Group (Co-Chair) |
| David Balaza | Northern Adelaide Waste Management Authority Board (Member) Salisbury City Centre Business Association Salisbury Park Primary School Governing |
| | Council |
| Sean Bedford | Local Government Finance Authority of South Australia (Deputy Voting Delegate) |
| David Bryant | Para Hills Primary School Governing Council |
| Chad Buchanan JP | Metropolitan Seaside Councils' Committee |
| Giuseppe (Joe) Caruso | Salisbury East High School Governing Council |
| Linda Caruso | Local Government Finance Authority of SA (Voting Delegate) |
| | Lake Windemere B-7 School Governing Council |
| Robyn Cook | Twelve25 Youth Advisory Group |
| Elizabeth (Betty) Gill JP | Australian Local Government Women's Association – President (SA Branch) |
| | Australian Local Government Women's Association - Vice President (National) |
| | Northern Adelaide Waste Management Authority Board (Deputy Member) |
| | Social Participation and Diversity Advisory Committee - Chair |
| | |
| | Parafield Airport Consultative Committee |
| | Parafield Airport Consultative Committee Twelve25 Youth Advisory Group |

| Donna Proleta | Burton Community Centre |
|---------------------|--|
| | St Kilda and Surrounds Development and Tourism Association |
| Shiralee Reardon JP | Salisbury and Districts Historical Society |
| | Para Hills High School Governing Council |
| Graham Reynolds | Northern Adelaide Waste Management Authority Board (Deputy Member) |
| | Paralowie R-12 School Governing Council |
| | Salisbury High School Governing Council |
| Brad Vermeer | Local Government Association of SA (Deputy Voting Delegate until Nov 2015) |
| | Local Government Finance Authority (Deputy Voting Delegate) |
| Steve White | Parafield Airport Consultative Committee |
| | Twelve25 Youth Advisory Group |
| Julie Woodman JP | Valley View Secondary High School Governing Council Northern Adelaide Waste Management Authority Board (Member) |
| Riccardo Zahra | Twelve25 Youth Advisory Group |



ABOVE: General Manager City Infrastructure Mark van der Pennen, General Manager Community Development Jane Trotter, General Manager Business Excellence Charles Mansueto, Chief Executive Officer John Harry, General Manager City Development Terry Sutcliffe.

Executive Allowances

The Executive Management Structure is comprised of the Chief Executive Officer and four General Managers. Salary packages for these five executives are comprised of:

- A negotiated annual salary;
- Statutory Superannuation;
- Option to salary sacrifice a fully maintained Council vehicle or equivalent.

There are no allowances or bonuses available as part of a salary package.

General Managers membership on External Boards and Committees -

Below is a list of membership on external bodies by City of Salisbury General Managers, during the past financial year.

General Manager Membership

Chief Executive Officer - John Harry

- Northern Economic Leaders Group
- Metropolitan CEO's Group
- · Council Solutions
- Northern Economic Development Plan Implementation Group

General Manager City Development, Terry Sutcliffe

- Burial Discovery Working Group
- United Nations Office for Disaster Risk Reduction Urban Planning Advisory Group

General Manager Business Excellence, Charles Mansueto

- Local Government Association Workers Compensation Scheme
- Council Solutions

General Manager Community Development, Jane Trotter

- Local Government Professionals Australia SA Board Member and Treasurer
- Discovery Circle Advisory Committee

General Manager City Infrastructure, Mark van der Pennen

- Adelaide Mt Lofty Ranges Bushfire Management Committee (Deputy Member)
- Northern Adelaide Waste Management Authority (NAWMA)
- Community Floodsafe Steering Committee
- Institute of Public Works Engineering Australasia Committee Member

Covalent KPI's

Participation in decision-making forums (AR.03.02.03)

Until March 2016, there were four Committees with 39 nonelected members in their membership. The Committees are Youth Council (24) Audit Committee of Council (3), Development Assessment Panel (4) and Strategic and International Partnerships (8). On 29 March Council endorsed the Terms of Reference for a Tourism and Visitor Sub Committee which provides for six (6) nonelected members in their membership.

| Youth Council | 24 |
|--|----|
| Audit Committee of Council | |
| Development Assessment Panel | |
| Strategic & International Partnerships Sub-Committee | |

Number of internal controls rating 4 or higher (CAMS) (AR.04.02.01)

The Control Assessment Management System (CAMS) is a support tool for performing self-assessments on the effectiveness of internal financial controls. City of Salisbury currently utilises 373 controls within the CAMS across 6 classes: Assets, Expenses, External Services, Liabilities, Revenue and Strategic Financial Planning.

The CAMS uses a five point rating scale (1=ineffective, 2=requires significant improvement, 3=partially effective, 4=majority effective and 5=effective). This indicator reports the number of controls assessed as 4 or higher of the controls utilised. The total number of controls assessed in 2015/16 was 373, of these controls 364 were assessed as a 4 or a 5, which represents 98% of controls assessed against a target of 80%. Both Core and Additional controls were assessed and this will be the case in subsequent years, although the overall number of controls assessed is likely to decrease as duplicate controls are eliminated.

High risk outcomes/findings from internal audits/ program reviews

No high risk outcomes / findings from internal audits were identified in the 2015/16 financial year.

Chambing



2015 CITIZEN OF THE YEAR AWARD WINNERS

Citizen: April Young

Young Citizen: Bianca Bilsborow

Senior Citizen: Murray and Ros Whitcher

Event of the Year: Salisbury RSL's Centenary of ANZAC Commemorations

2015 LEGENDS AWARDS WINNERS



Legen Award

The Regends Chear prosented to groups or in the Salisbury continued in the Salisbury continued to survive salisbury continued to survive survive salisbury continued to survive su

Living Legend:

Volunteers of the Home Assist Program
(accepted by Ron Smith, Elva Baxter, Kym Hardwick)

Working Legend:
Kim McNamara
(accepted by Tim Burton)



Active Legend: Simon Moran



Economic growth is a key factor in shaping a better quality of life for the Salisbury community.

Industry in Salisbury is well positioned to participate in some of the fastest growing market sectors such as information and communications technology, advanced manufacturing, defence and environmental management. Policies and actions are necessary to shape the full social and economic potential of the city to create a more prosperous future.

Skills that provide rewarding careers and are valued by employers

The City of Salisbury provides a wide range of education and training support thanks to:

- Salisbury Library Service: Training workshops connect students with resources available outside of the school environment. Homework Help, online databases and school visits have supported 600 students over the past 12 months. Free digital literacy training is coordinated through a volunteer-run program.
- Adult Community Education: Learning opportunities are provided through our community centres, supported by State Government grant funding.
- Foundation Skills Programs: Focus on building core skills and increasing confidence and capacity, which enhances opportunities for participants to go on to further training, volunteering or employment.
- Twelve25 Salisbury Youth Enterprise Centre: The City
 of Salisbury's principal youth facility delivers youth
 centred programs focused on employment, education
 and enterprise outcomes. It also manages the venue
 for hire, recording well over 35,000 visits with an
 increased focus on publically accessible events.
- Youth Leadership Flexible Learning Opportunities (FLO Programs): More than 500 students participated across 24 different programs and a further 70 FLO students studied in seven different FLO programs all based at Twelve25, thereby maintaining their connection with the education system.

City of Salisbury programs are developed with current skills shortages in mind and target those with low literacy and low skills, and the unemployed and underemployed. Programs provided a diversity of learning options, including language literacy and numeracy, digital and financial literacy, preparation for work, introduction to office, recreation and sport, retail, children's services, career development, various hospitality, cafe and barista programs, blue collar trades such vas basic mechanics, aged and disability services and volunteer development.

In total, 919 people participated in either Accredited or Non-Accredited programs or both. Of these, 74 went on to volunteering, 315 pursued further study opportunities and another 128 gained employment within six months.

Quality urban areas with high amenity and integrated infrastructure

In 2015/16 the City of Salisbury endorsed the Salisbury City Centre DPA for Ministerial approval. Other strategic work completed included a new City Plan (see page 7), Adapting Northern Adelaide and the Salisbury City Centre Urban Design Framework.



The continued implementation of the Salisbury City Centre Renewal Strategy is underway with the completion of an Urban Design Framework and Streetscape Guidelines which will be implemented in three stages over a period of 20 years. Planning for the Salisbury Community Hub incorporating Council service centre, Council Chamber, library, community meeting rooms, gallery and staff accommodation has progressed with site selection close to completion. A project governance structure was established and architectural design will commence in 2016/17.

In 2015/16 various Development Plan amendments (DPAs) were completed including:

- Main Roads (Salisbury Highway and Main North Road) DPA,
- · Saints Road Neighbourhood Centre Retail Limits Review DPA,
- · Globe Derby Park Surplus Lands DPA; and
- Mawson Lakes DPA.

The City of Salisbury's first tranche of residential development projects have progressed with the majority of civil and landscape construction complete on the first four projects; Greentree Walk, The Reserve – Diment Road, Emerald Green and Riverwalk. The majority of lots have been sold.

The first of the Residential Tranche 2 projects was launched to market this year, Boardwalk at Greentree, which incorporates 122 allotments including 30 affordable two storey homes, parkfront townhouses and conventional allotments to increase housing diversity and promote affordability in Salisbury. Complementary to this project is a significant investment in the upgrade of the surrounding public realm with a one kilometre walking trail, new playground and boardwalk under construction to link the existing Paralowie community to the Little Para River Green Trail Network.



Prosperous and adaptive business sector

The City of Salisbury continues to play an active role in providing targeted services to business owners through the Polaris Business and Innovation Centre. This included providing business advice, workshops, mentoring and networking events. A new international trade program has been introduced with a specific focus on Linyi City to support firms to consider export opportunities.

Staff continue to promote Salisbury through the Makes Good Business Sense campaign and worked with 41 firms considering locating or expanding within Salisbury.

A review of City of Salisbury policies relating to business commenced with a view to removing unnecessary impediments to economic growth. To support local firms to do business with Council, procurement workshops were held and staff helped arrange and participated in a major northern Adelaide Meet the Buyer event.

The City of Salisbury provided input into development of the Northern Economic Plan and actively participated in planning for the Northern Adelaide Food Park at Parafield and the proposed Land Combat Systems precinct at Edinburgh. The City of Salisbury also had a presence in the GM Holden Transition Centre supporting workers who are considering starting or buying a business.

Integrated infrastructure to maximise economic efficiencies and opportunities

Council will continue to work in partnership with infrastructure service providers to ensure that infrastructure provision and development is timely and orderly.

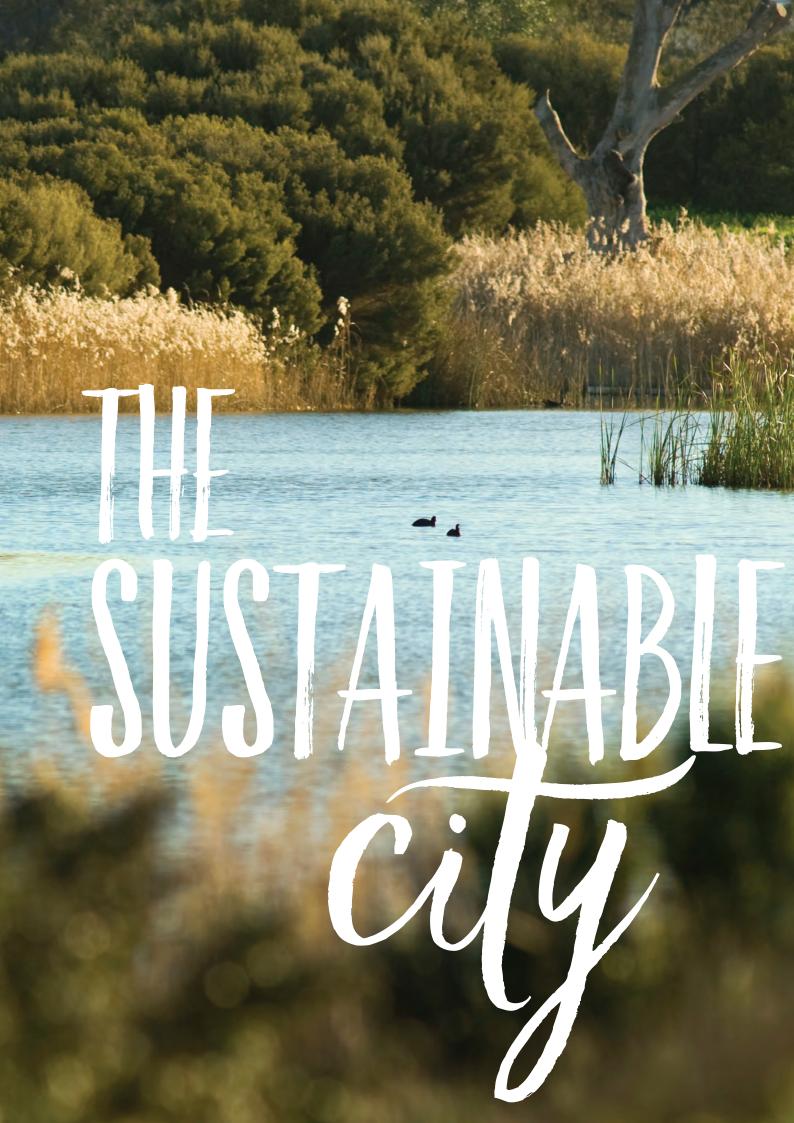
Regional culture of collaboration

The City of Salisbury is a major stakeholder in the Northern Economic Plan with the Mayor representing Council on the Community Leaders Group and the Chief Executive representing Council on the Project Implementation Group.

Participation in regional initiatives has also included responses to the announcement of the pending closure of GM Holden, climate adaptation planning and delivery of business support services. Opportunities to develop Northern Economic Leaders into a regional business voice are being pursued. The City of Salisbury participates in a number of regional forums including the Elizabeth LSA Community Safety Committee, Northern Futures Board, Regional Homeless Collaboration and Northern Cultural Diversity Group.

Our community centres actively collaborate with representatives from Not For Profits, other agencies and welfare services to develop and support groups with low cost or no cost hire of facilities and access to programs. Centres regularly liaise with and promote programs through service providers and training organisations. They work with local Children's Services Centres to deliver training and school holiday programs, have representation on peak bodies undertaking work in the wider northern community centre sector, youth sector and results based accountability network. In 2015/16 our centres provided more than 2,000 individual referrals and linkages to external organisations.

The Salisbury Library Service works in collaboration with primary and secondary schools, childcare centres, kindergartens, and other literacy sites across the city, reaching 7,782 children in 2015/16. The Service also participates in State initiatives promoting reading and lifelong learning such as Book Week, School Holiday Program, Reading Hour, Library Lovers Day and Simultaneous Story Time.



The City of Salisbury has many outstanding environmental achievements in areas including water conservation, waste management and preservation of open space. However, our community faces continuing challenges in the quest to achieve economic, environmental and social sustainability and prosperity.

Salisbury, the Sustainable City is a practical and pragmatic response to those challenges and the impacts at local, statewide and national levels. It is our contribution to the principle that by meeting the challenges in our own backyard, we can make a difference.

Sustainable and resilient natural environments

The Water Course Management Plan is being implemented along our waterways that have had significant erosion or siltation built up. It enables better management and development of our wetlands and waterways, with a focus on natural creek design and biodiversity plantings for erosion protection. The first projects have been completed in the Lower Little Para and Dry Creek with current works focused around Pratt Avenue and Mawson Lakes, Dry Creek. Significant works have also been undertaken on the St Kilda Sea Wall to address the concerns of sea level rise at St Kilda and the surrounding environment.

In 2015/16 more than 15,600 plants and trees were planted, and environmental infrastructure was improved within the City of Salisbury thanks to:

- Street Tree Renewal Program: Renewals occurred in Ronald Drive, Salisbury East; Oleander Drive, Parafield Gardens; Teasdale Crescent, Parafield Gardens; Barnstaple Road, Salisbury; Compuda Street, Salisbury; Cornwall Drive, Gulfview Heights; Seville Avenue, Gulfview Heights; Kensington Way, Burton; Henderson Avenue, Pooraka; Jenkins Drive, Salisbury Park; Lavendar Drive, Parafield Gardens; Canterbury Drive, Salisbury Heights; and Delamere Drive, Paralowie.
- Irrigation Renewal Program: Infrastructure was renewed at Pitman Park, Salisbury; Bolivia Crescent Reserve, Paralowie; Dry Creek Linear Park Upper, Pooraka; and designs were completed in preparation for the following year for Creaser Park, Salisbury Downs and Jackson Green, Salisbury East.
- Feature Landscape Renewals: Undertaken at the corner of Salisbury Highway/Elder Smith Road and Shearwater Lake Reserve, Mawson Lakes, and Stockman Place Reserve, Walkley Heights.
- Tree Screen Renewal: Undertaken along Bolivar Road, Paralowie, and a section of Montague Road, Ingle Farm.

In 2015/16 several playgrounds and reserves were renewed thanks to:

 Playground Renewal Program: St Kilda Playground, Madison Park and Kelly Green, Salisbury East; Cokers Reserve, Salisbury; and Golding Oval, Para Vista.

- Reserve Upgrade Program: Broadstock Green at Para Hills and Kentish Green at Para Vista.
- Outdoor Furniture Program and the Parks and Reserves Information Signage Program: Numerous minor infrastructure improvements throughout the City.

Reducing carbon emissions and optimising renewable energy options

The City of Salisbury is currently implementing a bill validation process to monitor and manage power demand and cost. More efficient air-conditioning systems, voltage optimisation and building management systems are being installed to reduce our energy operating budgets. Staff are assisting the LGA in developing a Public Lighting Management Plan for the Adelaide region, which is hoped will significantly reduce energy costs in the sector and allow councils to innovate with more energy efficient and compliant public lighting.

Reducing resource consumption and minimising waste

Development of the Transfer Station as a Resource Recovery Facility is providing much improved recycling facilities with more than 50% of materials now being recycled on site. Of the balance of materials, 95% is diverted from landfill by being further recycled or used as an energy source. Access about the site has been improved significantly for patrons allowing greater ease in





accessing storage bins and bays. A review of the Transfer Station is currently being undertaken to ensure that hard waste disposal facilities meet industry norms and community needs, with the focus placed on safety and efficiency. Dry cell battery and mobile phone disposal facilities are now available at the Transfer Station, Civic Centre, Len Beadell and Mawson Lakes libraries.

Waste to energy processes that can treat domestic and commercial/industrial waste streams will continue to be investigated. The City of Salisbury is working with Green Industries and UniSA and a report will be produced this financial year on the data analysis and cost/benefits of 'bio-methane' as a potential energy source. It is anticipated that a pilot plant will be constructed to further explore this initiative.

The Northern Adelaide Waste Management Authority is relocating a large section of its operation to Woomera Avenue in the Edinburgh Industrial Park during 2016/17. This will allow expansion of activities to ensure recycling activities can meet future growth.

Sustainable water management and water security

Salisbury Water delivered 2,476 million litres of recycled water to the community during 2015/16. About 1,330 million litres were supplied to more than 900 external customers including 26

schools. A further 1,140 million litres were used to irrigate more than 100 Council-owned parks, reserves and sports fields.

Through the Water Course Management Plan, the City of Salisbury is ensuring that the waterways and wetlands are maintained and improved to minimise the impacts of urban pollution into the Barker Inlet, and to improve the quality of water available for harvesting.

The Flood Management Program has seen a significant reduction in local and major flooding with works completed in Salisbury Heights, Barker Road, St Kilda, the former Bridgestone site, Frost Road and the Paddocks, Maxwell Road.

Sustainable and resilient built environments

All open space development in the City of Salisbury includes a biodiversity and energy reduction component. For example, the green trails project has included solar lighting and bio-diverse plantings to ensure a quality and sustainable amenity for the city. Two new underpass projects include solar lighting to provide amenity and security improvement on the trails.

The City of Salisbury has completed the trail between Little Para River Port Wakefield Road to Port Wakefield Road Dry Creek. The underpass at Dry Creek is under construction with additional modifications to further reduce major tidal affects.



The Living City strategy reflects the need to integrate social, environmental and economic dimensions of policy and planning. It is central in forming policies and actions that set the direction for the City of Salisbury's long-term approach to overall sustainable development.

Embracing healthy and active lifestyles

During 2015/16 there were more than 370,000 visits to Parafield Gardens Recreation Centre, Ingle Farm Recreation Centre, Salisbury Recreation Precinct and St Jays Recreation Centre. A major focus was developing initiatives that do not feature in mainstream recreation programs and development programs for children. The following is an overview of new programs and events developed at:

Parafield Gardens Recreation Centre:

 Erin Bell Netball Clinics, Junior development programs including Aussie Hoops, Netskillz, Kickstart Futsal and Inclusion Net Set Go, STAA netball training sessions, STAA netball school holiday session (October), Amateur boxing

Ingle Farm Recreation Centre:

 STAA basketball program, Basketball Lightning Carnival, STAA netball training sessions, Kate Shimmin School Holiday Netball Clinic, Junior development programs including Aussie Hoops, Netskillz and Kickstart Futsal, Increased kindigym, Increased roller skating (Saturday night themed parties), Junior Futsal Carnival, Children's birthday party options, Zumba, Kindi sports, Sports Ability

Salisbury Recreation Precinct:

 Working to appoint new tennis coach, School holiday swim program, Growth of Swim School, Block 2 increased to 11 lessons, Wednesday Swim School lessons now available, Movie nights

City of Salisbury recreation centres host to a vast diversity of community groups and user groups from long term hirers and well established clubs to groups that have more recently formed or relocated to the area. New users in 2015/16 include:

Parafield Gardens Recreation Centre:

 Dance Inc, Wing Chun FIST, Russian Molokan School, Bolderoff Youth Group, Shree Swaminarayan Temple, Sunday Night Youth Group, University of South Australia, Youth Conference Centre, Amazing Grace, Gospel Church, World Buda Kon event, Concept 2 Creation, Ready Steady Go Kids, Afghan Sports Association, Football Federation SA

Ingle Farm Recreation Centre:

 The Health Arts College, Baptist Church, Dale Fitness, Weight Watchers, ALAP Indian Association



The City of Salisbury and Belgravia Leisure continued successful partnerships with a number of peak sporting bodies including Basketball SA, Netball SA, Tennis SA, Baseball SA, Table Tennis SA and Uni SA.

The City of Salisbury became a member of the World Health Organization's Global Network of Age-friendly Cities and Communities. The Global Network supports cities and communities around the world that are working towards becoming great places to grow old. The City of Salisbury pledged to develop an age-friendly city that will ensure a safe and supportive community that is accessible for all. A new age-friendly strategy titled Age Friendly Salisbury is being developed focusing on creating a city that supports and encourages active ageing, which is the 'process of optimising opportunities for health, participation, security and lifelong learning in order to enhance the quality of life as people age' (World Health Organisation – Active Ageing Framework 2002). The strategy has a series of goals and actions on each of the domains identifies in the active ageing framework.

The City of Salisbury coordinates programs that support our diverse community to live healthy, active and engaged lives. Programs include healthy ageing and wellness programs; social support programs; senior centres; support services and social activities; in-home support to help older people remain living independently at home in the community, social programs for older people from various cultural backgrounds; programs designed for people with a disability, housing options and support for older residents and volunteering options.

Over the school holidays more than 800 children participated in recreational and wellbeing activities delivered outdoors, in the library branches and community centres including healthy eating options, active games, dancing and cartoon creation.

Community centres provided a range of health and well-being opportunities and programs for the community including:

- Physical and emotional health and wellbeing programs totalling 6,129 individual visits. These include a wide range of physical exercise programs, and leisure and social connection opportunities,
- Formal adult education courses have embedded healthy lifestyle strategies into both accredited and non-accredited curriculums where appropriate; and
- The kitchen garden programs provide weekly opportunities for members from various backgrounds including culturally diverse groups, elderly and socially isolated, to come together.

City of Salisbury events and programs that supported healthy and active lifestyles in 2015/16 included:

- Provision of the OPAL program within the City of Salisbury
- Growing for Gold program conducted during the October school holidays, approximately 500 children participated
- Commenced work on second stage of the St Kilda Master Plan
- Commenced work developing the Salisbury Oval Precinct Plan
- Provision of programs under Council's endorsed Drug & Alcohol Framework – including Life Education, North on Target
- Comprehensive review of the Salisbury Youth Council
- Commenced work on the development of the City's Youth Action Plan; and
- Implementation and endorsement of the next stage of the City's Sports Development Framework.

The City of Salisbury continued to participate in the Northern Adelaide Zone Emergency Management Committee (NAZEMC) together with the Cities of Playford and Port Adelaide/Enfield.

The Salisbury Emergency Plan is complete; however ongoing work is being carried out on the Risk Assessments for the various types of incidences that may occur within the city. The Plan is based on the All Hazards approach endorsed by the Emergency Management Council and Emergency Management Australia. The Plan provides for an incident management team comprising of staff members representative of key departments within the City of Salisbury that are likely to be involved in prevention, response and recovery operations.

Vitality, pride and strong sense of belonging

Harmony Day was celebrated in 2016 in combination with the launch of the City of Salisbury becoming a Refugee Welcome Zone, which means we made a commitment in spirit to welcoming refugees into the community, upholding the human rights of refugees, demonstrating compassion for refugees and enhancing cultural and religious diversity in the community.

Around 850 seniors from different CaLD communities are engaged in social support activities organised by the City of Salisbury on a regular basis. Along with providing Commonwealth Home Support Program services to the older people from CaLD backgrounds, our service model includes an introduction to other City of Salisbury services.

The Salisbury Library Service was a focal point for community engagement and participation in 2015/16 recording:



- 578,768 library visits
- 4,028 new members
- 26,673 people utilized the Justice of Peace Service
- 68,980 people used the public computers and wireless internet connection
- Library loans reached 856,789 items
- 6,385 children attended early literacy programs
- 114,493 library website visits

Community centres are managed by volunteer management committees. During the year, approximately 50 management committee members across the centres provided an estimated average of 200 hours service. More than 200 volunteers provided a total of 38,089 hours of service to the community in other roles as diverse as centre administration support, tutoring and program support, catering, crèche and childcare, financial support, data entry and customer service. During this period volunteers and committee members participated in professional development and training including on-the-job experience, and building employment related skills through their volunteer roles. Specifically, community centres provided social and leisure activities and programs that build social capital by fostering connections, access to networks, and other opportunities totalling 6,757 individual visits.

Community vitality and pride were supported by City of Salisbury events including:

- 11th Salisbury Writers' Festival attracting more than 500 people
- Mayoral International Women's Day breakfast
- Legends Awards presentations
- · Citizen of the Year awards presentations
- Matsuri on Mobara Festival attracting 6,000 people
- Salisbury Secret Garden attracting more than 11,500 people
- Ceremonial events were held for the Vietnam Veteran's Day and Asbestos Victims
- Grand Opening of the St Kilda Adventure Playground Renewal attracting about 11,000 people
- A Reconciliation in the North breakfast as part of Reconciliation Week; and
- Staging NAIDOC and Reconciliation program of events.



The City of Salisbury continued to engage with the community in decision-making. As of June 2016, the City of Salisbury Facebook page had 5,554 followers (increase of 32% on 2015), St Kilda Adventure Playground had 16,188 followers (increase of 32%), the Salisbury Library Service had 905 followers (increase of 12.7%), Youth in Salisbury had 1,788 followers and the Polaris Centre had 785 followers (increase of 17%). The City of Salisbury website achieved 843,333 hits - down from 1.14 million. The decrease in reported traffic can be attributed to data for website hits being unavailable for approximately two months while a new website was installed, as well as the removal of the Recreation Centres from the website which contribute many events and services.

The community was kept up-to-date with vital information distributed via the Salisbury Aware Magazine. The magazine was distributed in July, November and March to more than 55,000 residential addresses per edition as well key stakeholders and partners throughout SA. The City of Salisbury prepared a quarterly full page advert titled 'Live It Up' for distribution in the Northern Messenger Salisbury edition.

Quality of life

OPAL Salisbury brings the community together to create ways of enjoying healthy eating and to have fun being active. The OPAL team supports communities by coordinating activities and making changes to local services to make sure healthy choices are easily accessible.

The City of Salisbury continued to improve local facilities including construction of new clubrooms at Parafield Gardens Soccer Club, Northpines, and the Ingle Farm Junior Soccer Club. The masterplan of Underdown Park, Salisbury North was completed and Council has approved \$3.625 million to undertake works in 2015/16 and 2016/17. Works are currently underway for the construction of new clubrooms, an additional pitch, upgraded lighting, irrigation, playspace and carpark.

The City of Salisbury had a minor capital works program with funding of \$250,000 to enable clubs leasing Council facilities to apply for funding to assist with minor upgrades of their facilities. The building renewal program continued with an allocated capital budget of \$1.4 million.

A community that aspires to and embraces learning as a lifelong goal

Opportunities for lifelong learning were imbedded into a range of community centre activities. These ranged from social groups through to accredited structured learning, health and wellbeing, parenting and life skills, personal and professional development and volunteer development initiatives. Community centres achieved this by providing a wide variety of courses, programs and events in response to community needs. In 2015/16 there were 135,659 recorded visits to the centres with 24,462 people attending structured courses and programs.

The City of Salisbury helped the community to embrace learning through:

- Management of the educational exchange program with Mobara in Japan
- Salisbury Youth Council
- The Phoebe Wanganeen Scholarship Program
- The City of Salisbury Traineeship Program
- Youth work experience program; and
- Delivery of Council's week long work experience program



The City of Salisbury faces many challenges as we strive to achieve excellence in building a community of opportunity and spirit in a quality environment. Our success is dependent on addressing these challenges in a coordinated manner.

The City of Salisbury's commitment to achieving excellence is based on the creation and ongoing enhancement of our organisational culture, processes and systems.

Dynamic and skilled workforce

The City of Salisbury introduced updated individual Performance and Development Plans (PDP) for all employees in 2015/16. This included performance expectations, behavioural expectations linked to the organisational Values and an individual Development Plan. An annual Learning & Development Plan was produced based on PDPs and included organisation-wide topics such as Psychological Wellbeing - Wellness at work, Conducting the PDP Final Review; as well as Corporate Development topics ranging from Presentation Skills, Project Management Basics and Time management.

The Safety and Compliance Training Program continued, which included competency assessments of skid steer and backhoe operators, chainsaw safety, venomous animal awareness, excavator training, vehicle recovery, fire/emergency warden,

first aid, CPR and other emergency response requirements. New additions to the Compliance Program were; Return to Work Training for Managers and Supervisors, Working with Hot Bitumen for the Civil and Waste Division, Playground Operational Inspection Training for Parks and Landscape staff and also the introduction to the iResponda Framework. Other safety and wellbeing sessions run throughout the year included Dealing with Difficult Customers, Audiometric Testing, Flu Vaccinations and Understanding Grief and Loss Signs of Secondary Trauma or Burnout session for Cemetery based workers.

The City of Salisbury selected one employee for the Local Government Professionals Emerging Leaders Program. A City of Salisbury team participated in the LGMA Australasian Management Challenge and was successful at the State level and went on to compete in the Australasian Management Challenge Final in Melbourne. The Field Staff Training Calendar



is still active, providing a more proactive, planned approach to operations training. The City of Salisbury continued its Traineeship Program with five administration-based trainees and five field-based trainee / apprentices, managed through Maxima Group Training.

Other notable achievements include:

- Code of Conduct Refresher training being conducted for all employees.
- The Municipal Officers Enterprise Agreement was approved by the SA Industrial Relations Commission on 23 December 2015.
- Staff turnover has reduced to 12.2% compared to 16.7% in FY2015, and remains consistent with turnover rate of 12.5% in FY2014.

Awards recognising leadership



The City of Salisbury was recognised in 2015/16 with a number of major industry awards which highlight the leadership of Council in many innovative projects including:

- LG Professionals SA LGMA Australasian Management Challenge winner the City of Salisbury's 'JustCoS' team,
- LG Professionals SA Innovative Management Initiatives Metro Councils winner
- 2016 Messenger Newspapers Best free fun activity: Winner St Kilda Adventure Playground
- 2016 Messenger Newspapers Best local park/green space: Winner St Kilda Adventure Playground
- 2016 Messenger Newspapers Creating Opportunities for Young People (Aged 0-5) Winner Salisbury Library Service – the service's ABC 30 & 3 program.
- 2016 Messenger Newspapers Best event (staged in the past 12 months): Honourable Mention to Salisbury Secret Garden

Building a constructive organisational culture and environment

The City of Salisbury's peer recognition program Salisbury Leaders continued its high engagement from workers with 32 nominations, same as the previous year. The Luminosity Program for Executive and Divisional Managers continued with updates on internal projects and external guest speakers.

Our Workplace Health & Safety system continues to develop with the City of Salisbury showing improvement in the annual KPI Audit conducted by the LGA Workers Compensation Scheme with one non-conformance only. The focus over the past 12 months has been in relation to simplification of systems and reporting, identification of high risk construction activity Safe Work Method Statements, as well as providing assistance to line managers in investigation of incidents and hazards.

There has been a reduction in our Lost Time Injury Frequency Rate (LTIFR), from 15.7 at 30 June 2014 to 5.6 as at 30 June 2015, with an increase to 9.5 at 30 June 2016, due to several undetermined claims.

Sustainable, creative and innovative solutions

A new initiative to deliver mobile solutions for health inspectors and infringement compliance staff was successfully completed, delivering a range of efficiencies and other improvements.

A major upgrade of our core computing infrastructure was completed, which reduced risk and improved operations.

Informed and transparent decisionmaking and financial sustainability

As part of our commitment to customer service, the City of Salisbury has been revising the existing Customer Service Framework to further improve our service delivery standards. The Customer Service Improvement Program that was initiated in 2015 has identified areas for improvement and commenced implementing project interventions aimed at improving our service delivery.



| Objectives | City Indicators | Explanation of Indicator | Result |
|--|--|--|--|
| BUSINESS DEVELOPMEN | NT AND EMPLOYMENT | | |
| To have a community with skills that are valued by employers and provide rewarding careers for residents To have a prosperous and adaptive business | Number of introductions between research and business | The Polaris Centre helps to facilitate partnerships between education, research and industry, and promotes investment in research and development | Close working relationship with the University of SA maintained through joint funding of Manufacturing Development Officer role. Approximately 30 links made between business and university staff. |
| sector that supports community wellbeing, is globally oriented and creates employment opportunities To deliver a regional culture of collaboration | Opportunities to support the growth of small enterprises through the Polaris Centre. | A range of these activities include business networking, advisory services, mentoring, coaching and educational workshops covering key business topics | Information and advice provided to 1,083 individual businesses. Thirty two workshops held and attended by 547 people. Twenty two networking events held and attended by 2,143 people. Intensive mentoring provided to 43 clients. Digital economy program accessed by 200 business owners. High level of satisfaction by clients with 96% indicating they would refer Polaris services to other businesses. International trade program commenced. |

| Objectives | City Indicators | Explanation of Indicator | Result |
|--------------------|--|---|--|
| BUSINESS DEVELOPME | NT AND EMPLOYMENT | | |
| | Number of learning opportunities provide to 'at risk' students | Identifies the number of learning opportunities (courses and programs) created via partnership between Council (Twelve25 Salisbury Youth Enterprise Centre) and DECS (Flexible Working Opportunities Program – FLO). FLO programs are designed to encourage young people at risk of disengaging from education in the traditional model in schools. Programs are delivered by Northern Adelaide Senior College at Twelve25 Salisbury Youth Enterprise Centre under a collaborative agreement. | A total of 503 different students participated across 24 different programs managed by Twelve25 staff and a further 70 FLO students studied in 7 different FLO programs based at Twelve25 and importantly thereby maintained their connection with the education system. |
| | Number of initiatives to support employment and education strategies | Accredited and Non Accredited programs with pathways to further education or employment delivered through the community centres. Support provided to organisations such as Northern Futures to create local community benefits in relation to the types of jobs available locally | Adult Community Education Programs and other initiatives delivered by community centres: Approximately 90 Representation on Northern Futures Board and close engagement with Automotive Transformation Taskforce and Northern Economic Plan. |

| Objectives | City Indicators | Explanation of Indicator | Result |
|---|---|--|------------------------------------|
| LAND AND INFRASTRI | JCTURE SERVICES | | |
| To deliver suitably integrated infrastructure that maximises economic efficiencies and opportunities for the community To enhance and create quality urban areas with high amenity and integrated infrastructure | Percentage of development applications refused | To ensure that development undertaken in Salisbury complies with the quantitative and qualitative provisions of the City's Development Plan ensuring that development that does not meet these provisions is refused | 0.58% |
| | Increase rateable values compared to State – metropolitan rates | This indicator reports the City of Salisbury rateable value in percentage terms compared to the State – metropolitan rates | 7.28% |
| | Percentage of appeals lodged and lost | To ensure that the determination of development applications, when tested in appeal, withstands the rigour of external scrutiny by minimising the number of decisions reversed | 0.00% (0 appeals lost of 4 lodged) |



| Objectives | City Indicators | Explanation of Indicator | Result |
|---|---|--|--|
| ENVIRONMENT | | | |
| To reduce corporate carbon emissions via mitigation as well as optimising renewable energy options | Increase biodiversity land in area - habitat | This is being undertaken to reduce operating costs by using self-managing plans and to produce a calculated greenhouse carbon effect | 0.4 HaEdinburgh Biodiversity Corridor = 0.4 hectares |
| To deliver sustainable water management and improve water security for the City of Salisbury To have sustainable and resilient built environments that | Increase biodiversity land in area – open space | The land available for biodiversity enhancement increases with designed variation in habitat | 0.6 Ha The Paddocks = 0.08 hectares Dry Creek Valley View = 0.5 hectares |
| contribute to quality amenity | Increase number of species per hectare | Differing designs in biodiversity enhancement increase bird and animal species | 63.8 species per Ha planted: Edinburgh Biodiversity Corridor = 55 species per hectare The Paddocks = 112.5 species per hectare Dry Creek Valley View = 24 species per hectare |
| | Water quality through wetlands to Barker Inlet (average 12 months) | The purpose of this measure is to determine effectiveness of wetland systems on reducing pollutant load being discharged to the Barker Inlet. Water quality is measured predominantly using turbidity (ntu). Turbidity is a standard industry measurement of water clarity and provides a strong indication of water health. Turbidity can also be used to give a broad indication of the level of pollution in the water (ie. Suspended solids and heavy metals). | 58.77 NTU |

| Objectives | City Indicators | Explanation of Indicator | Result |
|-------------|--|--|--|
| ENVIRONMENT | | | |
| | Water quality through wetlands to Barker Inlet (peak loads) | The purpose of this measure is to determine the peak turbidity load during a significant storm event. The wetlands reduce the amount of turbidity being discharged into Barker Inlet during a peak event. Water quality is measured predominately using turbidity (ntu). Turbidity is a standard industry measurement of water clarity and provides a strong indication of water health. Turbidity can also be used to give a broad indication of the level of pollution in the water (ie. Suspended solids and heavy metals). | 1360.81 NTU |
| | Water quality through wetlands to Barker Inlet (number of storm events) | The number of significant storm events (greater than 25mm/hour) identified during the financial year is an indicator of storm water bypassing or overflowing the wetland treatment systems. The majority of the sediment/silt and other pollution in the water that discharges to the Barker Inlet is from significant storm events. | 2 events, on 10 and May 2016 |
| | Quantity and quality of water we are harvesting from the wetlands, stored via Managed Aquifer Recharge (MAR) and distributed to the community. | Quality of water is reported as: MAR Exceedances: wetland water hasn't met EPA licence values and harvesting stops. Customer QA: a quality parameter is exceeded and supply to customers is stopped. | Harvested water 2,981,000 KL EPA (MAR) Exceedances: 37 Customer Supply: 2,476,000 KL Customer QA exceedances: 9 |

| Objectives | City Indicators | Explanation of Indicator | Result |
|--|---|---|----------|
| ENVIRONMENT | | | |
| | Carbon management reduction in CO2 emissions | To voluntarily report the City of Salisbury's annual corporate greenhouse gas emissions in accordance with the National Greenhouse and Energy Reporting Act 2007. In accordance with the Act, only emissions for direct sources (Scope 1) and electricity consumption (Scope 2) are reported. Emissions that are created due to Council activity, but occur off-site (Scope 3) are not reported here, but are detailed in the data source | 4,116 |
| SERVICE DELIVERY | | | |
| To reduce resource consumption and minimise waste generation To have sustainable and resilient natural environments that support biodiversity and contribute to quality amenity | Waste - diversion from landfill | Long-term trend for this data is 100% but that target is currently unachievable based on outside factors. Salisbury remains well ahead of the majority of Councils, including the other members of NAWMA | 44.15% |
| | Waste – green waste participation | Whilst setting the target at 100% would be ideal, there are cost implications of that target that cannot currently be met. The take-up of the green waste participation continues to grow at a steady rate | 59.52% |
| | Waste recycling per household per service | Residents continue to increase the amount of waste they recycle. Council's efforts to increase awareness over what can be recycled should ensure this figure continues to grow | 715.54kg |

| Objectives | City Indicators | Explanation of Indicator | Result |
|-------------|--|---|---|
| ENVIRONMENT | | | |
| | Percentage of development applications with water sensitive urban design principles (WSUD) | Current environment legislation requires that stormwater pollution loads discharged from new development to downstream drainage systems be reduced to acceptable levels. All commercial and industrial building development applications have conditions requiring the application of WSUD principles to capture stormwater pollutants and treat storm run-off to improve water quality prior to discharge from the site. For residential development, conditions requiring WSUD principles are applied at the land division stage. | 100% (Of Industrial, Commercial and Multi-Unit Residential developments that have implications for stormwater management) |
| | Metres of street renewed under Streetscape Renewal | Council continues to work in a pro-active manner to ensure its network of streets are renewed sustainably | 26.75km of streetscape completed in 2015/16, removing approximately 1282 trees and replanting approximately 830 trees. |

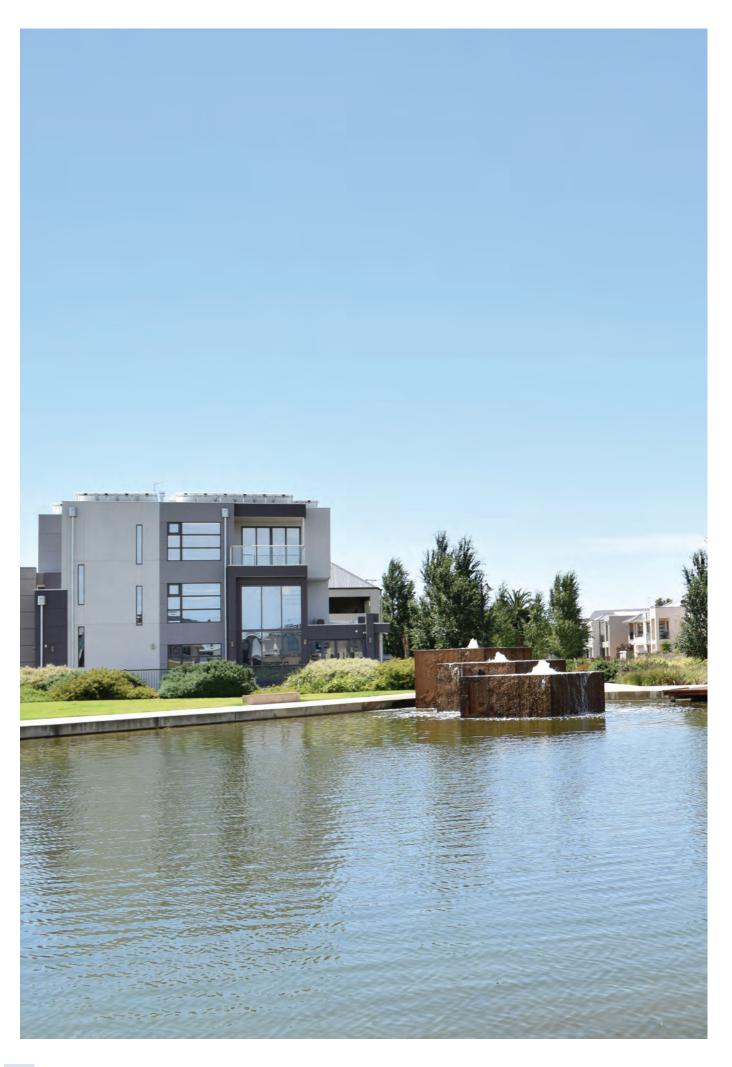
| | Objectives | City Indicators | Explanation of Indicator | Result |
|---|--|-------------------------------------|---|--|
| | LIVABILITY | | | |
| ٠ | To have a community that embraces healthy and active lifestyles | Perceptions of community safety | Respondents feel significantly safer than the 2012 result of 6.7. | 2014 result - 7: Rating out of 10 with 10 being highest rating |
| • | To have a city where a quality of life is achievable | Perceptions of quality of life | Decline from a high of 7.7 in 2012 | 2014 result - 7.3: Rating out of 10 with 10 being highest rating |
| | | Housing affordability | Slight increase on the 2012 result | 2014 result - 7.3: Rating out of 10 with 10 being highest rating |
| | | Perception of quality of open space | Satisfaction with parks and reserves remains the same from previous years | 2014 result - 7.5: Rating out of 10 with 10 being highest rating |
| | ENGAGEMENT AND PA | RTICIPATION | | |
| ٠ | To have an engaged community with a strong sense of vitality, pride and belonging | Number of volunteer hours | Council had the support of 462 active volunteers. This does not include volunteers engaged to support events. | Hours contributed: 80,280 hours with a \$1,933,945 economic value (based on \$24.09 per hour) |
| | | Voting in elections | This indicator is intended to measure the level of participation by electors in Local Government elections. The raw data result represents the total number of ballots returned for elections conducted within the City of Salisbury. Participation rates are generally reported as a percentage, based on the responses received from total ballots issued. Comparisons with other Councils and Statewide rates is also generally based on % results | 21,993 electors. Participation rate of 25.07% in the 2014 Election. |

| Objectives | City Indicators | Explanation of Indicator | Result |
|--|---|---|--|
| ENGAGEMENT AND PA | RTICIPATION | | |
| To have an engaged community with a strong sense of vitality, pride and belonging | Participation in decision-making forums | This indicator is intended to measure the extent to which community members participate in the decision-making process of Council, via membership on Council Sub-Committees and Committees established in accordance with the requirements of Section 41 of the Local Government Act 1999 | 2015/16 - 45 |
| SERVICE DELIVERY | | | |
| To have a community that aspires to and embraces learning as a lifelong goal | The level of satisfaction with services offered within the community | Satisfaction levels from the 2014 community survey all remain high, but have slightly decreased from 2012 | Library: 8.4 rating Community Centres: 7.5 rating Senior services: 7.3 rating (All ratings are out of 10) |
| | Number of attendances for structured learning activities in Community Centres | Records the number of individual participation visits in activities, courses and programs delivered across the community centres in the City. | Total number of recorded centre visits: 135,659 Number of attendees for structured learning activities in community centres: 24,462 |

| Objectives | City Indicators | Explanation of Indicator | Result |
|---|---|--|---|
| PEOPLE | | | |
| To have a workforce that is planned, dynamic and | Staff turnover | Number of staff leaving the organisation. | The rate of turnover is 12.2% |
| skilled that enables the organisation to achieve excellence To build an organisational culture and environment that is constructive, diverse and supports organisational wellbeing | Learning and development programs | A new program of learning and development has been introduced to the organisation with a view to getting more employees to participate in developmental opportunities | In regards to instructor led workshops, a total of 21 courses (134 sessions) were run with a total of 1,361 participants completing 2,985 hours of learning. In regards to online learning, we had 49 participants completing 23 various online courses. |
| PROCESSES AND SYSTEM | S | | |
| To deliver sustainable, creative and innovative solutions that enable excellent operations and service delivery | Internal controls assessment results (CAMS) | The Control Assessment Management System (CAMS) is a support tool for internal controls assessments that provides a system based approach to monitoring the effectiveness of internal controls such as policies and procedures. The City of Salisbury currently utilises 373 controls within the CAMS across six classes: Assets, expenses, external services, liabilities, revenue and strategic financial planning. The CAMS uses a five point rating scale to assess controls (1 = ineffective, 2 = requires significant improvement, 3 = partially effective, 4 = majority effective and 5 = effective). | For 2015/16 the average total score across all six classes was 4.7. This is broken down as follows; Assets = 4.7, Expenses = 4.8, External Services = 4.2, Liabilities = 4.7, Revenue = 4.8 and Strategic Financial Planning = 4.9. |

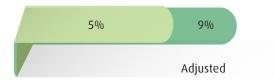
| Objectives | City Indicators | Explanation of Indicator | Result |
|--|---|---|--|
| PROCESSES AND SYSTEM | S | | |
| | Annual surveys of (internal) customer satisfaction with corporate systems | The annual survey is measured over 10 systems, which are considered to be the main corporate systems. The survey uses a scale 1-7 where 1 is poor and 7 is excellent. The average score for the survey across all 10 systems was 4.9 for 2013/14. | The annual survey was not performed. There will be a wider review of corporate systems in 2016/17. |
| | % positive outcomes/findings from internal audits/ program reviews | This indicator reports the number of internal audits/ program reviews conducted and the nature of findings, within risk categories, from those internal audits/program reviews. Favourable results are reflected in findings that fall within the 'low' risk category as these generally indicate minor opportunities for improvement, rather than a failure of internal controls, processes or systems | No high risk outcomes were identified in 2015/16. |
| GOVERNANCE AND PLAN | NING | | |
| To ensure informed and transparent decision-making that is accountable and legally compliant To apply business and resource management that enables excellent service delivery and financial sustainability | Approaches and complaints to Ombudsman | This indicator reports the number of approaches and complaints made to the Ombudsman in relation to the City of Salisbury. The figure is provided by the Ombudsman's office and is reported in the Ombudsman SA Annual Report. In some instances, a matter referred to the Ombudsman will be addressed through simple telephone contact with relevant City of Salisbury staff, or where the Ombudsman deems appropriate, a full investigation/review of the matter, may be undertaken | During 2015/16, 38 complaints were received by the SA Ombudsman; 21 the complainant was referred back to Council for action, 9 were declined, 2 had alternative remedy availability, 3 were resolved with the cooperation of Council, 2 were withdrawn by the Complainant and 1 is continuing. |

| Objectives | City Indicators | Explanation of Indicator | Result |
|--|---|--|--|
| GOVERNANCE AND PLAN | INING | | |
| | Unqualified end of financial year audit | This indicator reports whether Council achieves an unqualified audit report each financial year. The result is reported as either yes or no | Yes |
| CUSTOMERS AND COMM | UNITY | | |
| To provide our customers with excellent service that meets their needs | Overall level of satisfaction with Council's service delivery (as determined by the community survey) | Rating has remained high and unchanged from 2012. | 2014 result - 7.4: Rating out of 10 with 10 being highest rating (2014 result is the same as the 2012 result) |
| | Number of requests for internal review of decisions | This indicator reports the number of requests received for a review of Council decisions in accordance with the requirements of Section 270 of the Local Government Act 1999 | During the 2015/16 financial year, the City of Salisbury received three requests for a review of a Council decision. |



KEY PERFORMANCE INDICATORS

Operating Surplus Ratio



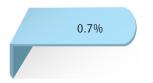
Operating Surplus (deficit) – The difference between income and expenditure: Council operating with a surplus means that current rate payers are meeting the costs of the services that they are consuming.

Net Financial Liabilities Ratio



Net Financial Liabilities Ratio - Indicates the extent that Council can meet its net financial liabilities out of operating revenue: Councils with a falling ratio over time are becoming stronger in their capacity to meet their financial obligations..

Interest cover ratio



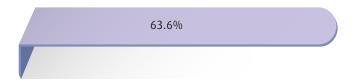
Interest Cover Ratio - Indicates the amount of income committed to interest expense: Councils with a low ratio have low levels of interest expense relative to income.

Asset sustainability ratio



Asset Sustainability Ratio - Indicates whether capital assets are being renewed or replaced at the same rate as these assets are wearing out. Councils with a high ratio are replacing and renewing capital assets at a rate comparable to depreciation/wear.

Asset consumption ratio



Asset Consumption Ratio - Shows the written down value of Council's physical assets, relative to their 'as new' value. Councils with a high ratio are maintaining and renewing assets responsibly, and are less likely to have significant asset replacement needs in the medium terms than Councils with much lower ratios.

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2016

Excellence in building a community of opportunity and spirit in a quality environment'



General Purpose Financial Statements for the year ended 30 June 2016

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General Purpose Financial Statements for the year ended 30 June 2016

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 2016 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.

John Harry

CHIEF EXECUTIVE OFFICER

2/10/2016.

Gillian Aldridge

MAYOR

General Purpose Financial Statements for the year ended 30 June 2016

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 2016.

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 four "primary" financial statements:

1. A Statement of Comprehensive Income

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

2. A Balance Sheet

A snapshot as at 30 June 2016 of Council's financial position including its assets and 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 four primary Financial Statements.

About the Auditor's Reports

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

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

About the Independence Certificates

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

Who uses the Financial Statements?

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

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

Statement of Comprehensive Income for the year ended 30 June 2016

| | | | Restated |
|--|------------|---------|-------------------|
| \$ '000 | Notes | 2016 | 2015 |
| Income | | | |
| Rates Revenues | 2a | 87,704 | 83,929 |
| Statutory Charges | 2b | 2,989 | 2,741 |
| User Charges | 2c | 5,629 | 5,898 |
| Grants, Subsidies and Contributions | 2g | 11,583 | 18,001 |
| Investment Income | 2d | 518 | 520 |
| Reimbursements | 2e | 540 | 561 |
| Other Income | 2f | 1,210 | 1,309 |
| Net Gain - Equity Accounted Council Businesses | 19 _ | 707 | 859 |
| Total Income | | 110,880 | 113,818 |
| Expenses | | | |
| Employee Costs | 3a | 34,651 | 34,832 |
| Materials, Contracts and Other Expenses | 3b | 45,713 | 45,683 |
| Depreciation, Amortisation and Impairment | 3c | 23,802 | 23,531 |
| Finance Costs | 3d | 1,255 | 1,431 |
| Net loss - Equity Accounted Council Businesses | 19 | 1- | 20 |
| Total Expenses | S makes | 105,422 | 105,497 |
| Operating Surplus / (Deficit) | | 5,458 | 8,321 |
| Asset Disposal and Fair Value Adjustments | 4 | (1,588) | 3,198 |
| Amounts Received Specifically for New or Upgraded Assets | 2g | 1,437 | 1,536 |
| Physical Resources Received Free of Charge | 2i | 3,379 | 2,691 |
| Net Surplus / (Deficit) 1 | | 8,686 | 15,746 |
| Other Comprehensive Income | | | |
| Amounts which will not be reclassified subsequently to operating result Nil | | | |
| Changes in Revaluation Surplus - I,PP&E | 00 | 6,011 | (16 907) |
| Share of Other Comprehensive Income - Equity Accounted Council Businesses | 9a 19 | - | (16,807) (829) |
| Total Other Comprehensive Income | - | 6,011 | (17,636) |
| Total Comprehensive Income | SER-ACTION | 14,697 | (1,890) |

¹ Transferred to Equity Statement

Statement of Financial Position

as at 30 June 2016

| A | | | Restated | Restated |
|---|----------|---------------------|-----------|-----------|
| \$ 1000 CVP-PSPSTOCY POW MAKE DAKAGE HORSESSESSES AND CONTROL OF THE PSPSTOCH POWER PROPERTY OF THE PSPSTOCH POWER PSPSTOCH POWER PSPSTOCH | Notes | 2016 | 2015 | 2014 |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | 5a | 16,816 | 19,460 | 14,583 |
| Trade and Other Receivables | 5b | 5,042 | 4,831 | 5,667 |
| Inventories | 5c | 270 | 271 | 458 |
| Total Current Assets | | 22,128 | 24,562 | 20,708 |
| Non-current Assets | | | | |
| Financial Assets | 6a | 1,025 | 1,024 | 1,277 |
| Equity Accounted Investments in Council Businesses | 6b | 4,030 | 3,323 | 3,313 |
| Infrastructure, Property, Plant and Equipment | 7a | 1,328,507 | 1,301,431 | 1,314,852 |
| Other Non-Current Assets | 6c | 27,889 | 42,328 | 33,255 |
| Total Non-Current Assets | | 1,361,451 | 1,348,106 | 1,352,697 |
| TOTAL ASSETS | | 1,383,579 | 1,372,668 | 1,373,405 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Trade and Other Payables | 8a | 12,821 | 14,517 | 11,086 |
| Borrowings | 8b | 2,560 | 2,399 | 2,762 |
| Provisions | 8c | 6,918 | 6,620 | 6,064 |
| Total Current Liabilities | THE SALE | 22,299 | 23,536 | 19,912 |
| Non-current Liabilities | | | | |
| Borrowings | 8b | 14,580 | 17,140 | 19,539 |
| Provisions | 8c | 1,600 | 1,589 | 1,661 |
| Total Non-current Liabilities | | 16,180 | 18,729 | 21,200 |
| TOTAL LIABILITIES | | 38,479 | 42,265 | 41,112 |
| Net Assets | | 1,345,100 | 1,330,403 | 1,332,293 |
| EQUITY | | | | |
| Accumulated Surplus | | 300 064 | 305 007 | 070.000 |
| Asset Revaluation Reserves | 0- | 309,864 | 305,007 | 278,288 |
| Other Reserves | 9a 0b | 1,003,494 31,742 | 997,483 | 1,015,119 |
| | 9b | | 27,913 | 38,886 |
| Total Equity | | 1,345,100 | 1,330,403 | 1,332,293 |

Statement of Changes in Equity for the year ended 30 June 2016

| | | | Asset | | |
|--|-------------|---|--|--------------------|--|
| | Notes | Accumulated Surplus | Revaluation Reserve | Other Reserves | Total Equity |
| 2016 | | | | | |
| Balance at the end of previous reporting period | | 305,007 | 997,483 | 27,913 | 1,330,403 |
| Net Surplus / (Deficit) for Year | | 8,686 | - | + | 8,686 |
| Other Comprehensive Income | | | | | |
| - Gain (Loss) on Revaluation of I,PP&E | 7a | - | 6,011 | 2 | 6,011 |
| Other Comprehensive Income | to america. | | 6,011 | - | 6,011 |
| Total Comprehensive Income | | 8,686 | 6,011 | = | 14,697 |
| Transfers between Reserves | | (3,829) | - | 3,829 | |
| Balance at the end of period | | 309,864 | 1,003,494 | 31,742 | 1,345,100 |
| | | | Asset | | |
| A 1700 | | Accumulated | Revaluation | Other | Total |
| \$ '000 | Notes | Surplus | Reserve | Reserves | Equity |
| | Notes | Surplus | Reserve | _ | |
| 2015 | Notes | nami (mini) kostinustaressassassamini (hippini) (hippini) (hippini) | | Reserves | Equity |
| 2015 Balance at the end of previous reporting period | Notes | 271,948 | 1,014,349 | _ | Equity 1,325,183 |
| 2015 Balance at the end of previous reporting period | | nami (mini) kostinustaressassassamini (hippini) (hippini) (hippini) | | Reserves | Equity 1,325,183 7,110 |
| 2015 Balance at the end of previous reporting period a. Adjustments (Correction of Prior Period Errors) | | 271,948 6,340 | 1,014,349 770 | Reserves 38,886 | 1,325,183 7,110 1,332,293 |
| 2015 Balance at the end of previous reporting period a. Adjustments (Correction of Prior Period Errors) Restated Opening Balance | | 271,948 6,340 278,288 | 1,014,349 770 | Reserves 38,886 | 1,325,183 7,110 1,332,293 |
| 2015 Balance at the end of previous reporting period a. Adjustments (Correction of Prior Period Errors) Restated Opening Balance Net Surplus / (Deficit) for Year Other Comprehensive Income | | 271,948 6,340 278,288 | 1,014,349 770 1,015,119 | Reserves 38,886 | 1,325,183 7,110 1,332,293 15,746 |
| 2015 Balance at the end of previous reporting period a. Adjustments (Correction of Prior Period Errors) Restated Opening Balance Net Surplus / (Deficit) for Year Other Comprehensive Income - Gain (Loss) on Revaluation of I,PP&E | 22 | 271,948 6,340 278,288 | 1,014,349 770 | Reserves 38,886 | 1,325,183 7,110 1,332,293 15,746 |
| 2015 Balance at the end of previous reporting period a. Adjustments (Correction of Prior Period Errors) Restated Opening Balance Net Surplus / (Deficit) for Year Other Comprehensive Income - Gain (Loss) on Revaluation of I,PP&E - Share of OCI - Equity Accounted Council Businesses | 22 7a | 271,948 6,340 278,288 | 1,014,349 770 1,015,119 - (16,807) | Reserves 38,886 | 1,325,183 7,110 1,332,293 15,746 (16,807 (829 |
| 2015 Balance at the end of previous reporting period a. Adjustments (Correction of Prior Period Errors) Restated Opening Balance Net Surplus / (Deficit) for Year Other Comprehensive Income - Gain (Loss) on Revaluation of I,PP&E - Share of OCI - Equity Accounted Council Businesses Other Comprehensive Income | 22 7a | 271,948 6,340 278,288 | 1,014,349 770 1,015,119 - (16,807) (829) | Reserves 38,886 | 1,325,183 7,110 1,332,293 15,746 (16,807 (829 |
| 2015 Balance at the end of previous reporting period a. Adjustments (Correction of Prior Period Errors) Restated Opening Balance Net Surplus / (Deficit) for Year Other Comprehensive Income | 22 7a | 271,948 6,340 278,288 15,746 | 1,014,349 770 1,015,119 - (16,807) (829) (17,636) | Reserves 38,886 | |

Statement of Cash Flows

for the year ended 30 June 2016

| \$ '000 | Notes | 2016 | 2015 |
|---|----------------------------------|----------|---------------|
| Cash Flows from Operating Activities | | | |
| Receipts | | | |
| Rates Receipts | | 87,773 | 83,670 |
| Statutory Charges | | 2,989 | 2,741 |
| User Charges | | 6,084 | 9,123 |
| Grants, Subsidies and Contributions (operating purpose) | | 12,363 | 18,001 |
| Investment Receipts | | 525 | 520 |
| Reimbursements | | 594 | 582 |
| Other Receipts | | 7,598 | 7,476 |
| <u>Payments</u> | | | , |
| Payments to Employees | | (34,337) | (34,518) |
| Payments for Materials, Contracts and Other Expenses | | (55,321) | (47,683) |
| Finance Payments | | (1,255) | (1,431) |
| Net Cash provided by (or used in) Operating Activities | 11b | 27,013 | 38,481 |
| Cash Flows from Investing Activities | | | |
| Receipts Amounto Described Considerable for New // Lease In 1.4 | | | |
| Amounts Received Specifically for New/Upgraded Assets | | 1,437 | 1,536 |
| Sale of Replaced Assets | | 465 | 141 |
| Net Disposal of Investment Securities | | | 72 |
| Sale of Real Estate Developments | | 7,782 | 11,055 |
| Repayments of Loans by Community Groups Payments | | 3 | 3 |
| | | (40.750) | (04.000) |
| Expenditure on Renewal/Replacement of Assets | | (13,750) | (21,996) |
| Expenditure on New/Upgraded Assets Development of Real Estate for Sale | | (18,837) | (17,298) |
| | record of a residence of the Age | (4,358) | (4,355) |
| Net Cash provided by (or used in) Investing Activities | | (27,258) | (30,842) |
| Cash Flows from Financing Activities | | | |
| Receipts | | | |
| Nil | | | |
| Payments NIII | | | |
| Nil | | (2.222) | |
| Repayments of Borrowings | | (2,399) | (2,762) |
| Net Cash provided by (or used in) Financing Activities | | (2,399) | (2,762) |
| Net Increase (Decrease) in Cash Held | surregue | (2,644) | 4,877 |
| plus: Cash and Cash Equivalents at beginning of period | 11 _ | 19,460 | 14,583 |
| Cash and Cash Equivalents at end of period | 11 | 16,816 | 19,460 |
| Additional Information: | Caten | | |
| plus: Investments on hand - end of year | 6a | 988 | 000 |
| | | | |
| Total Cash, Cash Equivalents and Investments | VQ. | 17,804 | 988 20,448 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Contents of the Notes accompanying the Financial Statements

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|--------|--|------|
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Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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 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 12 October 2016.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

City of Salisbury is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at *12 James Street, Salisbury*. These financial statements include the Council's direct operations and all entities through

which Council controls resources to carry on its functions.

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 June of prior years, the Federal Government has paid amounts of untied financial assistance grant, which was recognised on receipt, in advance of the year of allocation. The Federal Government had indicated that this process of pre-paying grant funding was to cease after 2013/14 and was the case for the 2014/15 grant, which was paid entirely in the correct financial year. However, on 30 June 2015, Council received two quarters of the 2015/16 grant amounting to \$4,065,160. There were no untied financial assistance grants paid in advance during the 2015/16 reporting period. The advance payments received are summarised in the table below:

| | Payment Received In Advance \$'000 | |
|---------|---|--------------------|
| 2010/11 | 2,399 | Relates to 2011/12 |
| 2011/12 | 4,625 | Relates to 2012/13 |
| 2012/13 | 4,394 | Relates to 2013/14 |
| 2013/14 | Nil | |
| 2014/15 | 4,065 | Relates to 2015/16 |
| 2015/16 | Nil | |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies (continued)

Because these grants are untied, AASB 1004 Contributions 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.

There were no untied financial assistance grants paid in advance during the 2015/16 reporting period.

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.

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.

6 Infrastructure, Property, Plant and Equipment

6.1 Initial Recognition

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

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

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant and equipment when completed ready for use.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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 in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

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. Residual values are no longer recognised for any value relating to re-use of materials. This change in accounting estimate has resulted in the following changes on residual values and useful lives of infrastructure assets:

- The residual value for Road Pavement assets has been removed and the Road Pavement component has been split into two components being Road Base and Sub-Base.
- The useful lives for Road Base assets have been adjusted to 50 years for higher use roads (i.e. Collector roads) and 75 years for lower use roads (i.e. Residential roads).
- The useful lives for Road Sub-Base assets have been set at 150 years for higher use roads (i.e. Collector Roads) and 225 years for lower use roads (i.e. Residential roads).
- Other minor assets such as Streetscapes, Signs and Road Furniture assets have had their residual value removed.

The change in estimate has caused an increase in depreciation expense and resulted in decreased carrying value of infrastructure assets. Council have calculated the best estimate of the impact on depreciation expense in the current period as follows:

| Asset Class | Impact | \$'000 |
|-------------------|----------|--------|
| Land Improvements | Decrease | 54 |
| Infrastructure | Increase | 604 |
| Total | Increase | 550 |

Council has deemed it impractical to estimate the future year impact of these changes.

Major depreciation periods for each class of asset are shown in Note 7. 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.

6.5 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).

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

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

7 Payables

7.1 Goods and 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 date of the invoice received. No interest is payable on these amounts.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

7.2 Payments Received in Advance and Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages and Compensated Absences

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

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

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Council also makes contributions to other Superannuation Schemes selected by employees under the 'Choice of Fund' legislation.

No changes in accounting policy have occurred during either the current or previous reporting

periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Leases

Lease arrangements have been accounted for in accordance with AASB 117. In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

11 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.

12 GST Implications

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

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

13 New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

Apart from the AASB disclosures below, there are no other standards that are 'not yet effective' which are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Applicable to Local Government:

AASB 9 – Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- Fair value, and
- Amortised costs (where financial assets will only be able to be measured at amortised costs where very specific conditions are met)

AASB 15 – Revenue from contracts with customers (and associated amending standards)
AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods and services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this Standard is for annual reporting periods beginning on or after 1 January 2018.

AASB 124 - Related party disclosures

From 1 July 2016, AASB 124 Related party disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council employees. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014-10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this Standard is for annual reporting periods beginning on or after 1 January 2016.

This Standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 1. Summary of Significant Accounting Policies

AASB 2014 – Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (AASB 1 and AASB 11)

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) The acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) The acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

AASB 2016-2 Disclosure Initiative – changes to AASB 107 – Statement of Cashflows

From periods commencing on or after 1 January 2017 changes to AASB 107 will require Council to provide disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Effective for periods commencing 1 January 2019:

AASB 16 - Leases

From 1 January 2019 changes to AASB 16 require Council to disclose both operating and finance leases in the same manner. This impact is considered to be too remote in time to have a potentially material effect on the interpretation of the

2015/16 Financial Statements, and has been omitted on this basis.

Not applicable to Local Government per se: None

14 Comparative Figures

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

15 Disclaimer

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income

| \$ '000 | Notes | 2016 | 2015 |
|--|--|---------|--------|
| (a). Rates Revenues | | | |
| General Rates | | | |
| General Rates | | 86,878 | 83,107 |
| Less: Mandatory Rebates | | (1,056) | (974) |
| Less: Discretionary Rebates, Remissions and Write Offs | Annual State of the Annual | (305) | (322) |
| Total General Rates | .~ | 85,517 | 81,811 |
| Other Rates (Including Service Charges) | | | |
| Natural Resource Management Levy | | 1,770 | 1,694 |
| Salisbury Town Centre Separate Rate | | 160 | 185 |
| Globe Derby Separate Rate | | 6 | 6 |
| Mawson Centre Carparking Separate Rate | | 19 | 18 |
| Total Other Rates | | 1,955 | 1,903 |
| Other Charges | | | |
| Penalties for Late Payment | | 232 | 215 |
| Total Other Charges | Section of the sectio | 232 | 215 |
| Total Rates Revenues | | 87,704 | 83,929 |
| (b). Statutory Charges | | | |
| Development Act Fees | | 862 | 755 |
| Town Planning Fees | | 429 | 380 |
| Animal Registration Fees and Fines | | 1,106 | 1,089 |
| Parking Fines / Expiation Fees | | 316 | 277 |
| Other Licences, Fees and Fines | | 276 | 240 |
| Total Statutory Charges | - | 2,989 | 2,741 |
| (c). User Charges | | | |
| Cemetery Fees | | 452 | 603 |
| Property Lease | | 655 | 546 |
| Waste Disposal Fees | | 1,336 | 1,307 |
| Recreation Centres | | 36 | 515 |
| Water Supply | | 2,097 | 1,988 |
| Aged and Disability Services | | 469 | 414 |
| Sundry | | 584 | 525 |
| Total User Charges | | 5,629 | 5,898 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income (continued)

| And a country of the | | | (20.12) (20.13) (27.4) |
|---|--|-------|------------------------|
| \$ '000 | Notes | 2016 | 2015 |
| (d). Investment Income | | | |
| Interest on Investments | | | |
| - Local Government Finance Authority | | 189 | 246 |
| - Banks | | 327 | 272 |
| - Loans to Community Groups | | 2 | 2 |
| Total Investment Income | RANGE OF THE PARTY | 518 | 520 |
| (e). Reimbursements | | | |
| Contract Maintenance | | 228 | 168 |
| Other | | 312 | 393 |
| Total Reimbursements | distribution | 540 | 561 |
| (f). Other Income | | | |
| Insurance & Other Recoupments - Infrastructure, IPP&E | | 14 | 1 |
| Rebates Received | | 698 | 791 |
| Sundry | | 423 | 386 |
| Scrap Metal | | 52 | 87 |
| Sponsorship | | 23 | 44 |
| Total Other Income | | 1,210 | 1,309 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income (continued)

| \$ '000 | otes | 2016 | 2015 |
|--|------|--------|-----------------|
| (g). Grants, Subsidies, Contributions | | | |
| Amounts Received Specifically for New or Upgraded Assets | - | 1,437 | 1,536 |
| Total Amounts Received Specifically for New or Upgraded Assets | | 1,437 | 1,536 |
| Other Grants, Subsidies and Contributions | | 11,583 | 13,936 |
| Individually Significant Item - Additional Grants Commission Payment (refer below Total Grants, Subsidies, Contributions | v) | 13,020 | 4,065 19,537 |
| The functions to which these grants relate are shown in Note 12. | | | |
| (i) Sources of grants | | | |
| Commonwealth Government | | 3,969 | 2,071 |
| State Government | | 7,993 | 15,652 |
| Other | | 1,058 | 1,814 |
| Total | **** | 13,020 | 19,537 |
| (ii) Individually Significant Items Nil | | | |
| Grant Commission (FAG) Grant Recognised as Income | | - | 4,065 |

As at 30 June 2016, Council did not receive any advance payments for the 2016/17 Financial Assistance Grant as per previous financial years.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income (continued)

| \$ '000 | Notes | 2016 | 2015 |
|---|-------|---|---------|
| (h). Conditions over Grants and Contributions | | | |
| Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are | | | |
| not yet expended in accordance with those conditions, are as follows: | | | |
| Unexpended at the close of the previous reporting period | | 1,848 | 3,786 |
| Less: | | | |
| Expended during the current period from revenues | | | |
| Roads Infrastructure | | (394) | - |
| St Kilda Playground Renewal | | (363) | (637) |
| Parafield Soccer | | (200) | - |
| Resilient Salisbury | | (99) | (46) |
| Business Advisory Service - Playford | | (87) | (56) |
| Green Trails | | (78) | (348) |
| Economic Regional Collaboration - Business Taskforce | | (60) | (95) |
| Digital Growth Program | | (50) | - |
| Pine Lakes ASR Tank and Booster | | (32) | - |
| OPAL Program | | (26) | (62) |
| Healthy Communities Initiative | | (16) | (31) |
| Gawler St Salisbury Safety Initiative | | (9) | - |
| Indigenous Capability and Development Program | | (8) | (63) |
| Aged Friendly Retail Project | | (7) | - |
| Leap Program | | (5) | - |
| Acquisition portion 22 Stanley St Salisbury | | - | (300) |
| Kings/Whites Road Roundabout | | 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - | (295) |
| Acquisition portion 11 Hunt St Salisbury | | 1 = | (100) |
| Cultural Development Project Funds | | - | (62) |
| Resource Recovery Park | | 196 | (57) |
| Willowbrook Reserve - Connect Salisbury | | 2 | (50) |
| Digital Enterprise Program | | | (13) |
| Digital Local Government Program | | 8 | (13) |
| Other | | (98) | (613) |
| Subtotal | | (1,532) | (2,841) |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 2. Income (continued)

| \$ '000 | Notes | 2016 | 2015 |
|---|--|--|---------|
| Plus: | | The second secon | |
| Amounts recognised as revenues in this reporting | | | |
| period but not yet expended in accordance with the conditions | | | |
| Diment Road, Burton/Direk - Upgrade | | 280 | - |
| St Kilda/Robinson Rd - Traff Mng Dev | | 134 | - |
| Crime Prevention Grant | | 100 | |
| St Kilda CCTV Renewal - 16/17 | | 41 | _ |
| Digital Growth Program | | 33 | 50 |
| Economic Regional Collaboration - Business Taskforce | | 28 | 60 |
| Building Safe Communities | | 26 | 00 |
| Resilient Salisbury | | 11 | 30 |
| Youth Network Grant | | 5 | - |
| Waterwatch General Program | | 5 | |
| Roads Infrastructure | | - | 394 |
| Parafield Soccer | | _ | 200 |
| Business Advisory Service - Playford | | | 92 |
| Pine Lakes ASR Tank and Booster | | | 32 |
| OPAL Program | | _ | 25 |
| Aged Friendly Retail Project | | | 15 |
| Leap Program | | | 5 |
| Other | | 2 | 3 |
| Subtotal | * Mildelindricht für sehner sehnerhend | 665 | 903 |
| oubtotal | | 003 | 903 |
| Unexpended at the close of this reporting period | dan sanganang | 981 | 1,848 |
| Net increase (decrease) in assets subject to conditions | | | |
| in the current reporting period | striptinised | (867) | (1,938) |
| (i). Physical Resources Received Free of Charge | | | |
| Land and Improvements | | 2,280 | 198 |
| Roads, Bridges and Footpaths | | 710 | 1,992 |
| Stormwater Drainage | | 389 | 501 |
| Total Physical Resources Received Free of Charge | | 3,379 | 2,691 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 3. Expenses

| \$ '000 | Notes | 2016 | 2015 |
|---|-------|---------|---------|
| (a). Employee Costs | | | |
| Salaries and Wages | | 28,162 | 28,142 |
| Employee Leave Expense | | 5,049 | 5,162 |
| Superannuation - Defined Contribution Plan Contributions | 18 | 1,261 | 1,285 |
| Superannuation - Defined Benefit Plan Contributions | 18 | 1,787 | 1,781 |
| Workers' Compensation Insurance | | 1,529 | 1,624 |
| Less: Capitalised and Distributed Costs | | (3,137) | (3,162) |
| Total Operating Employee Costs | 6/16 | 34,651 | 34,832 |
| Total Number of Employees (full time equivalent at end of reporting period) | | 408 | 428 |
| (b). Materials, Contracts and Other Expenses | | | |
| (i) Prescribed Expenses | | | |
| Auditor's Remuneration | | | |
| - Auditing the Financial Reports | | 43 | 52 |
| Bad and Doubtful Debts | | 4 | 20 |
| Elected Members' Expenses | | 468 | 425 |
| Election Expenses | | 39 | 339 |
| Operating Lease Rentals - Cancellable Leases | | 957 | 1,138 |
| Subtotal - Prescribed Expenses | _ | 1,511 | 1,974 |
| (ii) Other Materials, Contracts and Expenses | | | |
| Contractors | | 30,400 | 29,733 |
| Energy | | 3,702 | 4,050 |
| Legal Expenses | | 256 | 211 |
| Levies Paid to Government - NRM levy | | 1,738 | 1,694 |
| Levies - Other | | 309 | 327 |
| Parts, Accessories and Consumables | | 2,982 | 3,007 |
| Sundry | | 2,951 | 2,817 |
| Water Rates | | 870 | 886 |
| Insurance | | 994 | 984 |
| Subtotal - Other Material, Contracts & Expenses | ,,,,, | 44,202 | 43,709 |
| Total Materials, Contracts and Other Expenses | | 45,713 | 45,683 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 3. Expenses (continued)

| \$ '000 | Notes | 2016 | 2015 |
|---|-------|--------|--------|
| (c). Depreciation, Amortisation and Impairment | | | |
| (i) Depreciation and Amortisation | | | |
| Land Improvements | | 4,177 | 4,382 |
| Buildings and Other Structures | | 1,262 | 1,132 |
| Infrastructure | | 16,491 | 16,301 |
| Plant and Equipment | | 1,725 | 1,547 |
| Library Books | | 147 | 169 |
| Total Depreciation, Amortisation and Impairment | | 23,802 | 23,531 |
| (d). Finance Costs | | | |
| Interest on Loans | | 1,255 | 1,431 |
| Total Finance Costs | Apple | 1,255 | 1,431 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 4. Asset Disposal and Fair Value Adjustments

| \$ 1000 | Notes | 2016 | 2015 |
|--|---------------|---------|---------|
| Infrastructure, Property, Plant and Equipment | | | |
| (i) Assets Renewed or Directly Replaced | | | |
| Proceeds from Disposal | | 465 | 141 |
| Less: Carrying Amount of Assets Sold | | (378) | (112) |
| Gain (Loss) on Disposal | | 87 | 29 |
| (ii) Assets Surplus to Requirements | | | |
| Carrying Amount of Assets Sold | | (4,769) | (2,225) |
| Gain (Loss) on Disposal | - Villerialis | (4,769) | (2,225) |
| Real Estate Development Assets | | | |
| Proceeds from Disposal | | 7,782 | 10,875 |
| Less: Carrying Amount of Assets Sold | | (4,688) | (5,481) |
| Gain (Loss) on Disposal | Ye | 3,094 | 5,394 |
| | and Surgeon | | |
| Net Gain (Loss) on Disposal or Revaluation of Assets | And American | (1,588) | 3,198 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 5. Current Assets

| \$ '000 | Notes | 2016 | 2015 |
|-------------------------------------|-------------|--------|--------|
| (a). Cash and Cash Equivalents | | | |
| Cash on Hand at Bank | | 2,388 | 4,948 |
| Short Term Deposits and Bills, etc. | | 14,428 | 14,512 |
| Total Cash and Cash Equivalents | MARKAGARINA | 16,816 | 19,460 |
| (b). Trade and Other Receivables | | | |
| Rates - General and Other | | 2,390 | 2,385 |
| Accrued Revenues | | 41 | 48 |
| Debtors - General | | 1,128 | 1,272 |
| GST Recoupment | | 1,061 | 929 |
| Prepayments | | 418 | 194 |
| Loans to Community Organisations | | 4 | 3 |
| Subtotal | | 5,042 | 4,831 |
| Total Trade and Other Receivables | | 5,042 | 4,831 |
| (c). Inventories | | | |
| Stores and Materials | | 270 | 271 |
| Total Inventories | | 270 | 271 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 6. Non-Current Assets

| \$ '000 | Notes | 2016 | 2015 |
|--|-------|--------|--------|
| (a). Financial Assets | | | |
| Receivables | | | |
| Council Rates Postponement Scheme | | 19 | 14 |
| Loans to Community Organisations | | 18 | 22 |
| Total Receivables | | 37 | 36 |
| Other Financial Assets (Investments) | | | |
| Mortgage over Property - Affordable Housing Scheme | | 988 | 988 |
| Total Other Financial Assets (Investments) | _ | 988 | 988 |
| Total Financial Assets | 300 | 1,025 | 1,024 |
| (b). Equity Accounted Investments in Council Businesses | | | |
| Northern Adelaide Waste Management Authority | 19 | 3,929 | 3,222 |
| Council Solutions | 19 | 101 | 101 |
| Total Equity Accounted Investments in Council Businesses | 1000 | 4,030 | 3,323 |
| (c). Other Non-Current Assets | | | |
| (i) Inventories | | | |
| Real Estate Developments | | 11,828 | 12,158 |
| Total Inventories | | 11,828 | 12,158 |
| (ii) Other | | | |
| Capital Works-in-Progress | | 16,061 | 30,170 |
| Total Other | | 16,061 | 30,170 |
| Total Other Non-Current Assets | | 27,889 | 42,328 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 6. Non-Current Assets

| \$ '000 | Notes | 2016 | 2015 |
|--|--------|--------|--------|
| Real Estate Developments - Current and Non-Current | | | |
| (Valued at the lower of cost and net realisable value) | | | |
| Residential | | 11,828 | 12,158 |
| Total Real Estate for Resale | 75/4 | 11,828 | 12,158 |
| Represented by: | | | |
| Acquisition Costs | | 5,926 | 7,344 |
| Development Costs | | 5,902 | 4,814 |
| Total Real Estate of Resale | EX.300 | 11,828 | 12,158 |
| (ii) Apportionment of Real Estate Developments | | | |
| Non-Current Assets | | 11,828 | 12,158 |
| | Common | 11,828 | 12,158 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 7a (i). Infrastructure, Property, Plant and Equipment

| | - | | | | | | As | sset Movemen | Asset Movements during the Reporting Period | porting Perio | - | | | | | 6AE - 76 |
|--|------------|------------|---------|-----------------|-----------|---|----------|------------------------------|---|--------------------|----------------------------------|----------------------------------|------------|-----------------|-----------------|---------------------|
| | - H-/A-E | | as at 3 | as at 30/6/2015 | | Asset Additions | ditions | | | | Revaluation | Revaluation | | as at 30/6/2016 | 16/ 2016 | Odderla) - bissower |
| | Fair Value | Ą | Aŧ | Accumulated | Carrying | New/ | Renewals | wbv of Asset Disposals | Depreciation Expense (Note 3c) | Real Estate Assets | Decrements to Equity (ARR) | Increments to Equity (ARR) | At | Ą | Accumulated | Carrying |
| 000. \$ | Level | Fair Value | Cost | Dep'n | Value | opana na | | | | | (Note 9) | (Note 9) | Fair Value | Cost | Dep'n | Value |
| Land - Other | 2 | 389,231 | - | - | 389,231 | 2,534 | 1 | - | , | , | ' | 1,701 | 393,466 | ı | - | 393,466 |
| Land Improvements | 8 | 144,693 | • | 52,988 | 91,705 | 8,340 | 5,138 | (329) | (4,177) | 1 | I | 1,896 | 159,789 | 1 | 57,216 | 102,573 |
| Buildings and Other Structures | 3 | 103,149 | 1 | 25,366 | 77,783 | 1,998 | 3,992 | (1,314) | (1,262) | ı | l I | 617 | 107,956 | I | 26,142 | 81,814 |
| Infrastructure | 8 | 1,156,607 | • | 422,845 | 733,762 | 12,396 | 12,701 | (3,126) | (16,491) | 1 | I | 1,797 | 1,180,145 | I | 439,106 | 741,039 |
| Plant and Equipment | | I | 20,213 | 12,655 | 7,558 | 2,756 | 1 | (378) | (1,725) | 1 | I | I | ı | 22,015 | 13,804 | 8,211 |
| Library Books | | 1 | 1,392 | 1 | 1,392 | 159 | 1 | 1 | (147) | 1 | P. | I | 1 | 1,404 | , | 1.404 |
| Total Infrastructure, Property, Plant & Equipment | | 1,793,680 | 21,605 | 513,854 | 1,301,431 | 28,183 | 21,831 | (5,147) | (23,802) | • | 1 | 6,011 | 1,841,356 | 23,419 | 536,268 | 1,328,507 |
| Comparatives | | 1,814,871 | 20,015 | 520,034 | 1,314,852 | 19,990 | 9,774 | (2,337) | (23,531) | (510) | (21,051) | 4,244 | 1,793,680 | 21,605 | 513,854 | 1,301,431 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$ '000

Valuation of Assets

Council measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land
- Land Improvements
- Infrastructure
- Buildings and Other Structures

Council does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Information on Valuations

a) Fair Value Hierarchy

AASB 13 Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be characterised into. The levels are outlined below:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset.

The fair value of assets that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset is included in Level 2. If one or more significant inputs are not based on observable market data, the asset of liability is included in Level 3.

b) Valuation Techniques

Council selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends upon the specific characteristics of the asset being measured. The valuation techniques selected by Council are consistent with one or more of the following valuation approaches:

- Market Approach uses prices and other relevant information generated by market transactions involving identical or similar assets.
- *Income Approach* converts estimated future cash flows or income and expenses into a single current (ie. discounted) value.
- Cost Approach reflects the current replacement cost of an asset at its current service capacity.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$ '000

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset, including assumptions about risks. When selecting a valuation technique, Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

c) Capitalisation Thresholds

Capitalisation Thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

| Office Furniture and Equipment | \$5,000 |
|---|----------|
| Plant and Light Vehicles | \$5,000 |
| Buildings - new construction/extensions | \$10,000 |
| Park and Playground Furniture and Equipment | \$5,000 |
| Road construction and reconstruction | \$10,000 |
| Paving and footpaths, Kerb and Gutter | \$5,000 |
| Drains and Culverts | \$20,000 |
| Reticulation extensions | \$20,000 |
| Sidelines and household connections | \$5,000 |
| Artworks | \$5,000 |

d) Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture and Equipment:

| Office Equipment | 3 to 10 years |
|------------------------------------|---------------|
| Office Furniture | 3 to 10 years |
| Vehicles and Road-making Equipment | 4 to 25 years |
| Other Plant and Equipment | 3 to 25 years |

Building and Other Structures:

| Buildings | 40 to 150 years |
|----------------------|-----------------|
| Playground Equipment | 15 to 25 years |
| Benches, Seats, etc | 5 to 15 years |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$ '000

Infrastructure:

| Roads - Seal | 20 to 25 years |
|--|-----------------|
| Roads - Pavement | 50 to 225 years |
| Unsealed Roads | 5 to 10 years |
| Bridges | 100 years |
| Footpaths | 5 to 50 years |
| Kerb, Gutter and Medians | 40 to 100 years |
| Drainage Pipes | 80 to 100 years |
| Culverts, Headwalls and Junction Boxes | 40 to 80 years |
| Dams and Reservoirs | 100 years |
| Bores | 50 years |
| Reticulation Pipes - PVC | 60 to 80 years |
| Pumps and Telemetry | 10 to 30 years |
| | |

Other Assets:

Library Books 3 to 7 years Artworks/Local History Indefinite

e) Table of Fair Values 2015/16

| | Level 1 \$'000s | Level 2 \$'000s | Level 3 \$'000s | Total \$'000s |
|-------------------|--------------------|--------------------|--------------------|------------------|
| Land | - | 393,466 | - | 393,466 |
| Land Improvements | - | - | 159,789 | 159,789 |
| Infrastructure | - | - | 1,180,145 | 1,180,145 |
| Building | - | - | 107,956 | 107,956 |
| Total | -) | 393,466 | 1,447,890 | 1,841,356 |

f) Disclosed Fair Value Measurements

| Asset Category | Fair Value Hierarchy Level | Valuation Technique | Fair Value \$,000's |
|---|----------------------------------|-------------------------|------------------------|
| Land | 2 | Market Value | \$393,466 |
| Valuations of assets in this category are und | dertaken using the State | Valuer Generals Site Va | alues. |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$ '000

| Asset Category | Fair Value Hierarchy Level | Valuation Technique | Fair Value \$,000's |
|-------------------|----------------------------------|------------------------|------------------------|
| Land Improvements | 3 | Cost Approach | \$159,789 |

Valuations of assets in this category are undertaken via one of three methods:

- a. Independent valulations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates to derive a unit rate used to calculate a depreciated replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing and Carpark Pavement/Seals all situated on Council Reserves.
- b. Revalued using the Local Government Pricing Index (LGPI). Assets valued via this method include Fencing, Irrigation Equipment, Playgrounds, Sports Courts/Facilities, Reserve Furniture, Landscaping and Other Structures all situated on Council Reserves.
- c. Independent valuations were provided by Inside Infrastructure and Aquenta Consulting in 2014/15 (as sub-consultant to Inside Infrastructure) using a methodology that utilises observable rates and cost information from their extensive knowledge across the water industry. Assets valued via this method include all those associated with Councils Recycled Stormwater Business Unit, which includes assets such as Pipework, Pumps, Bores, Valves, Electrical and Computer Equipment. In 2015/16 an independent valuation of the current depreciated replacement cost for these assets was undertaken using an ASR Asset Price Index provided by Tonkin Consulting, derived from references to various construction guides (such as Rawlinsons Australian Construction Handbook).

| Asset Category | Fair Value Hierarchy Level | Valuation Technique | Fair Value \$,000's |
|----------------|----------------------------------|------------------------|------------------------|
| Infrastructure | 3 | Cost Approach | \$1,180,145 |

Valuation of assets in this category are undertaken via one of two methods:

- a. Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates to derive a unit rate used to calculate a depreciated replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing, Carpark Pavements/Seals, Road Pavement/Seals and Drainage Pipes/Pits all situated on Council Roads.
- b. Revalued using the Local Government Pricing Index (LGPI). Assets valued via this method include Bridges, Irrigation Equipment on Roads, Road Furniture, Landscaping on Roads, Open Drainage Systems and Drainage Dams.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$ '000

| Asset Category | Fair Value Hierarchy Level | Valuation Technique | Fair Value \$,000's |
|--------------------------------|----------------------------------|------------------------|------------------------|
| Buildings and Other Structures | 3 | Cost Approach | \$107,956 |

Valuation of assets in this category are undertaken via the following method:

a. Independent valuation of the current depreciated replacement cost for buildings at a component level was undertaken by APV Valuers and Asset Management for the year ending 30 June 2010 and was indexed in the 2010/11 and 2011/12 financial years by APV Valuers and Asset Management using an index derived from references to various construction guides (such as Rawlinson's Australian Construction Handbook) and ABS data. In 2012/13, 2013/14, 2014/15 and 2015/16 an independent valuation of the current depreciated replacement cost for buildings was undertaken using a Building Component Price Index provided by Tonkin Consulting, derived from building rates contained within the Rawlinson's Australian Construction Handbook.

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013. There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements from previous years.

Highest and best use

All of Council's non financial assets are considered as being utilised for the highest and best use unless market or other factors suggest a different use by market participants would maximise the value of the asset.

Land Under Roads

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

Land

Much of the land under Councils care and control is Crown land or has been declared as community land under the provision of the *Local Government Act 1999*. Other types of restrictions on the land may also apply. Valuations of this land are based on the State Valuer Generals Site Values, which are based on observable sales in an active market of similar properties with a similar land use on both vacant land and land with improvements. Adjustments to these values are then made by the State Valuer General taking into consideration the highest and best use of the property e.g. if there is a single house on the land but zoning would allow it to be divided for home units.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

\$ '000

Infrastructure, Buildings and Land Improvements

As there is no known active market for the majority of infrastructure, building and land improvement assets owned by Council, these assets have been valued at depreciated replacement cost using the *Cost Approach*. Upon revaluation, the current replacement cost and accumulated depreciation are restated such that the difference (the current depreciated replacement cost) represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*.

This method involves the determination of the current cost to construct the asset (or its modern engineering equivalent) and then calculating the value of its remaining service capacity (depreciated replacement cost). Council utilise a number of observable and unobservable inputs in the calculation of these values which may include:

Observable Inputs:

- Council specific contract rates
- Recent construction costs for similar assets
- Independent valuations

Unobservable Inputs/Estimates:

- Quantities of materials used
- Economic (Useful) Lives of assets
- Residual Value of assets
- Preserved Value of assets
- Pattern of consumption of an assets economic benefits
- Condition
- Obsolescence
- Impairment
- Industry construction pricing indexes e.g. Rawlinson's Construction Handbook and Cost Guide
- Other construction pricing indexes e.g. Local Government Pricing Index which is an index developed by the Australian Bureau of Statistics and is prepared quarterly by the South Australia Centre for Economic Studies and is based on price movements in the goods and services purchased by Local Governments.

Street Trees

Council is of the opinion that street trees and tree screens are tangible assets that the City uses to support the provision of environmental and recreational services to the community, and have an initial cost that can be reliably measured (that is the cost of planting and establishment). It is therefore considered that costs relating to tree plantings for street trees and tree screens only meet the recognition criteria of property, plant and equipment and should be recognised as an asset.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

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

| 4 | | | |
|------|------|------|----|
| 4 | 7.45 | 10 | m |
| - 63 | - 8 | 14.7 | 11 |

Plant, Furniture & Equipment

Assets are carried at cost, less any accumulated depreciation and impairment losses.

Library Books

Library books are accounted for under the replacement method. Library stock at 30 June 2016 is valued using nominal values recommended by PLAIN (Public Libraries Automated Information Network). All new purchases are treated as replacement items and the expense is classified as depreciation. This expense is then adjusted by the movement in the calculated value of the library stock.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 8. Liabilities

| | | 2016 | 2016 | 2015 | 2015 |
|--|-----------|--|--|----------------|-------------|
| \$ 1000 CCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCCC | Notes | Current | Non Current | Current | Non Current |
| (a). Trade and Other Payables | | | | | |
| Goods and Services | | 10,621 | 4 | 12,422 | |
| Payments Received in Advance | | 1,109 | C ≜ i | 1,072 | 0.72 |
| Accrued Expenses - Employee Entitlements | | 723 | | 555 | - |
| Accrued Expenses - Other | | 98 | • | 311 | 0 = 0 = |
| Deposits, Retentions and Bonds | NAMES | 270 | and the control of th | 157 | - |
| Total Trade and Other Payables | | 12,821 | ÷ | 14,517 | - |
| (b). Borrowings | | | | | |
| Loans | | 2,560 | 14,580 | 2,399 | 17,140 |
| Total Borrowings | | 2,560 | 14,580 | 2,399 | 17,140 |
| All interest bearing liabilities are secured over the future revenues of the Council | | | | | |
| (c). Provisions | | | | | |
| Employee Entitlements (including oncosts) | | 6,918 | 1,522 | 6,620 | 1,521 |
| Salisbury Memorial Park Maintenance Provision | ļ. | - | 50 | - | 40 |
| Mortgage Loss Provision | | 0,7271 | 28 | u - | 28 |
| Total Provisions | afreins | 6,918 | 1,600 | 6,620 | 1,589 |
| | | Salisbury Memorial Park Maintenance Provision | Mortgage Loss Provision | | |
| Opening Balance | | 40 | 28 | | |
| Additional Amounts Recognised | eriorie e | 10 | | | |
| Closing Balance | | 50 | 28 | | |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 9. Reserves

| \$ '000 | 1/7/2015 | Increments (Decrements) | Transfers | Impairments | 30/6/2016 |
|--|---|--|--------------------------------|--------------------|--|
| (a). Asset Revaluation Reserve | | | | | |
| Land - Other | 300,746 | 1,701 | | • | 302,447 |
| Land Improvements | 15,646 | 1,896 | - | _ | 17,542 |
| Buildings and Other Structures | 33,955 | 617 | - | p. | 34,572 |
| Infrastructure | 644,446 | 1,797 | | _ | 646,243 |
| Library Books | 2,338 | E . | | _ | 2,338 |
| JV's / Associates - Other Comprehensive Income | 352 | 1 | 4 | - 4 | 352 |
| Total Asset Revaluation Reserve | 997,483 | 6,011 | | _ | 1,003,494 |
| Comparatives | 1,015,119 | (17,636) | _ | _ | 997,483 |
| \$ '000 | 1/7/2015 | Tfrs to Reserve | Tfrs from Reserve | Other Movements | 30/6/2016 |
| (b). Other Reserves | | | | | |
| Plant Replacement Reserve | 1,565 | _ | (636) | | |
| Outcome to the control of the contro | • | | | | 929 |
| Subdivision Works Reserve | 1,340 | 370 | ` , | 140 | |
| | 1,340 1,294 | 370 477 | (123) | | 1,587 |
| Open Space Reserve | | | ` , | - | 1,587 1,771 |
| Subdivision Works Reserve Open Space Reserve Car Parking Reserve Property Disposal Reserve | 1,294 | 477 | ` , | | 1,587 1,771 944 |
| Open Space Reserve Car Parking Reserve | 1,294 907 | 477 37 | ` , | | 1,587 1,771 944 4,417 |
| Open Space Reserve Car Parking Reserve Property Disposal Reserve | 1,294 907 1,330 | 477 37 3,087 | ` , | | 1,587 1,771 944 4,417 690 |
| Open Space Reserve Car Parking Reserve Property Disposal Reserve Mausoleum Perpetual Care Reserve Salisbury Memorial Park Reserve | 1,294 907 1,330 636 | 477 37 3,087 54 | (123) - - - - - | | 1,587 1,771 944 4,417 690 866 |
| Open Space Reserve Car Parking Reserve Property Disposal Reserve Mausoleum Perpetual Care Reserve Salisbury Memorial Park Reserve Carried Forward Funds Reserve | 1,294 907 1,330 636 849 | 477 37 3,087 54 17 | ` , | | 1,587 1,771 944 4,417 690 866 18,657 |
| Open Space Reserve Car Parking Reserve Property Disposal Reserve Mausoleum Perpetual Care Reserve Salisbury Memorial Park Reserve | 1,294 907 1,330 636 849 18,997 | 477 37 3,087 54 17 18,657 | (123) - - - - - | | 929 1,587 1,771 944 4,417 690 866 18,657 1,881 31,742 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 9. Reserves (continued)

5 '000

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).

Plant Replacement Reserve

Used to fund the purchase of items of major plant.

Subdivision Works Reserve

For developer contributions towards future drainage, footpaths, street signs and street trees.

Open Space Reserve

For developer contributions towards the future acquisition of open space areas.

Carpark Reserve

For the provision of car parking areas within the Salisbury Town Centre, Ingle Farm Town Centre and Mawson Lakes Town Centre.

Property Disposal Reserve

To retain the proceeds of any property sales under the provision of Section 194 of the *Local Government Act 1999* and subject to compliance with all legal requirements thereof, and to be utilised to repay debt or reduce future borrowings.

Mausoleum Perpetual Care Fund Reserve

To provide maintenance for the mausoleum at Salisbury Memorial Park.

Salisbury Memorial Park Reserve

To fund future development work and maintenance at the Salisbury Memorial Park.

Carried Forward Funds Reserve

Used for unspent budget funds at the end of financial year that are to be carried forward for use in the following year.

Salisbury Water Business Unit Reserve

Funded from surpluses generated by Salisbury Water. Allocations are only to be made following a resolution of Council and can only be utilised to fund either business development, asset renewal, offset losses or to distribute dividends to Council.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 10. Assets Subject to Restrictions

| \$ 1000 | Notes | 2016 | 2015 |
|--|-------|-------|-------|
| 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 and Financial Assets | | | |
| Unexpended amounts received from Federal Government | | | |
| Open Space Contributions | 9 | 1,771 | 1,294 |
| Developer Contributions | 9 | 2,531 | 2,247 |
| Unexpended Grants and Subsidy Funds | 2 | 981 | 1,848 |
| Total Cash & Financial Assets | | 5,283 | 5,389 |
| | | | |

Developer Contributions are received primarily to fund infrastructure works in new subdivisions. These funds are held in reserves until required and as such are regarded as restricted. Grant and Subsidy Funds received but not yet expended are regarded as restricted.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 11. Reconciliation to Statement of Cash Flows

| \$ '000 | Notes | 2016 | 2015 |
|---|--------|---------------|---------------|
| (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 and Equivalent Assets | 5 | 16,816 | 19,460 |
| Balances per Statement of Cash Flows | | 16,816 | 19,460 |
| | | | |
| (b). Reconciliation of Change in Net Assets to Cash | | | |
| from Operating Activities | | | |
| Net Surplus/(Deficit) | | 8,686 | 15,746 |
| Non-Cash Items in Income Statements | | | |
| Depreciation, Amortisation and Impairment | | 23,802 | 23,531 |
| Equity Movements in Equity Accounted Investments (Increase)/Decrease | | (706) | (839) |
| Non-Cash Asset Acquisitions | | (3,379) | (2,691) |
| Grants for Capital Acquisitions (Treated as Investing Activity Receipts) | | (1,437) | (1,536) |
| Net (Gain) Loss on Disposals | | 1,588 | (3,198) |
| | | 28,554 | 31,013 |
| Add (Less): Changes in Net Current Assets | | | |
| Net (Increase)/Decrease in Receivables | | (215) | 854 |
| Change in Allowances for Under-Recovery of Receivables | | (±) | 20 |
| Net (Increase)/Decrease in Inventories | | 1 | 187 |
| Net (Increase)/Decrease in Other Assets | | (F) | (65) |
| Net Increase/(Decrease) in Trade and Other Payables | | (1,636) | 5,988 |
| Net Increase/(Decrease) in Unpaid Employee Benefits | | 299 | 473 |
| Net Increase/(Decrease) in Other Provisions Net Cash provided by (or used in) operations | | 27,013 | 38,481 |
| Not outsit provided by (or used in) operations | 1000.0 | 27,013 | 30,401 |
| (c). Non-Cash Financing and Investing Activities | | | |
| Acquisition of assets by means of: | | | |
| - Physical Resources Received Free of Charge | 2i | 3,379 | 2,691 |
| Total Non-Cash Financing & Investing Activities | | 3,379 | 2,691 |
| | • | | 300 |
| (d). Financing Arrangements | | | |
| | | | |
| Unrestricted access was available at balance date to the | | | |
| following lines of credit: | | | |
| Bank Overdrafts | | E00 | 500 |
| Corporate Credit Cards | | 500 | 500 |
| LGFA Cash Advance Debenture Facility | | 500 28,747 | 500 28 747 |
| ==: Submitted bobolitato i dollity | | 20,747 | 28,747 |

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term drawdown facility and variable interest rate borrowings under a cash advance facility from the Local Government Finance Authority of South Australia.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 12a Functions

| | | lno | Income, Expenses and Assets have been directly attributed to the following Functions / Activities Details of these Functions/Activities are provided in Note 12(b). | and Assets have tails of these | s and Assets have been directly attributed to the following Fun Details of these Functions/Activities are provided in Note 12(b) | attributed to the | e following Fun ed in Note 12(b) | ctions / Activiti | es. | 17 THE REAL PROPERTY. |
|--|---------|---------|--|--------------------------------|---|-------------------|-------------------------------------|---------------------------|---|-----------------------------|
| Functions/Activities | INCOME | H W | EXPENSES | 1SES | OPERATING SURPLUS (DEFICIT) | TING DEFICIT) | GRANTS INCLUDED IN INCOME | NTS INCLUDED IN INCOME | TOTAL ASSETS HELD (CURRENT & NON-CURRENT) | ETS HELD ENT & RRENT) |
| | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| \$.000 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Public Order and Safety | 2,978 | 2,727 | 3,234 | 3,142 | (256) | (415) | 70 | 30 | 593 | 354 |
| Health | 186 | 175 | 1,573 | 1,565 | (1,387) | (1,390) | 6 | 14 | 204 | 88 |
| Social Security and Welfare | 3,265 | 3,197 | 6,227 | 5,622 | (2,962) | (2,425) | 2,660 | 2,615 | 23,804 | 23,818 |
| Housing and Community Services | 4,440 | 4,432 | 23,895 | 23,721 | (19,455) | (19,289) | 401 | 325 | 434,883 | 425,258 |
| Recreation and Culture | 1,101 | 1,532 | 21,186 | 21,602 | (20,085) | (20,070) | 511 | 565 | 851,091 | 826,447 |
| Transport and Communication | 3,741 | 3,494 | 8,362 | 8,305 | (4,621) | (4,811) | 3,736 | 3,494 | 6,080 | 6,453 |
| Economic Affairs | 300 | 602 | 5,734 | 5,179 | (5,434) | (4,577) | 183 | 432 | 158 | 173 |
| Other, Not Attributed and Administration | 94,162 | 96,800 | 35,210 | 36,341 | 58,952 | 60,459 | 4,013 | 10,526 | 992'99 | 720,06 |
| Total Functions/Activities | 110,173 | 112,959 | 105,421 | 105,477 | 4,752 | 7,482 | 11,583 | 18,001 | 1,383,579 | 1,372,668 |

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2016

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

Public Order and Safety

Supervision of various laws, fire prevention, crime prevention and repair, road safety and dog control.

Health

Health Act administration, immunisation services and pest and pest plant control.

Social Security and Welfare

Operation of senior citizens centre, aged care services, youth services and community information.

Housing and Community Services

Town planning, community development planning, road sweeping, roadside rubbish collection, domestic refuse collection, operating of waste transfer station and rubbish tips, stormwater drainage, operation of the St Kilda Mangrove Trail, street signs, landscape design, tree management and operation of cemetery.

Recreation and Culture

Maintenance and operation of libraries, recreation centres, swimming pool, community centre, parks, gardens and reserves, neighbourhood houses, clubrooms, playgrounds, sports grounds, halls and plant nursery.

Transport and Communication

Construction and maintenance of roads, footpaths, bridges, parking facilities and bus shelters.

Economic Affairs

Building Act administration, economic initiatives, tourism.

Other, Not Attributed and Administration

Rates, public debt transactions, administration costs, capital works in progress and costs which relate to multiple functions but cannot accurately be split between these functions.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 1.9% and 2.35% (2015: 2.00% and 2.85%). Short term deposits have an average maturity of 35 days and an average interest rate of 2.04% (2015: 39 days and 2.51%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 2% (2015: 2%). 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).

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).

Receivables

Rates and Associated Charges

(including legals and penalties for late payment)

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

Receivables

Fees and Other Charges

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Liabilities

Creditors and Accruals

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Carried at nominal value.

Terms and 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.

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 and Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Accounting Policy:

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

Terms and Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 5.6% and 7.07% (2015: 5.60% and 7.52%).

Carrying Amount:

Approximates fair value.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments (continued)

| | Due | Due > 1 year | Due | Total Contractual | Carryin |
|-----------------------------|----------|--------------|-----------|-------------------|---------|
| \$ '000 | < 1 year | & ≤ 5 years | > 5 years | Cash Flows | Value |
| 2016 | | | | | |
| Financial Assets | | | | | |
| Cash and Equivalents | 16,816 | _ | 2 | 16,816 | 16,816 |
| Receivables | 1,173 | 18 | | 1,191 | 1,19 |
| Other Financial Assets | ., | | 988 | 988 | 988 |
| Total Financial Assets | 17,989 | 18 | 988 | 18,995 | 18,99 |
| Financial Liabilities | | | | | |
| Payables | 11,712 | _ | - 2 | 11,712 | 11,712 |
| Current Borrowings | 3,661 | - | 4 | 3,661 | 2,560 |
| Non-Current Borrowings | | 13,136 | 5,389 | 18,525 | 14,58 |
| Total Financial Liabilities | 15,373 | 13,136 | 5,389 | 33,898 | 28,852 |
| | | | | | |
| | Due | Due > 1 year | Due | Total Contractual | Carryin |
| \$ '000 | < 1 year | & ≤ 5 years | > 5 years | Cash Flows | Value |
| 2015 | | | | | |
| Financial Assets | | | | | |
| Cash and Equivalents | 19,460 | - | - | 19,460 | 19,460 |
| Receivables | 1,323 | 22 | - | 1,345 | 1,34 |
| Other Financial Assets | 4 | _ | 988 | 988 | 98 |
| Total Financial Assets | 20,783 | 22 | 988 | 21,793 | 21,79 |
| Financial Liabilities | | | | | |
| Payables | 13,445 | - 4 | - | 13,445 | 13,44 |
| Current Borrowings | 3,661 | - | | 3,661 | 2,399 |
| Non-Current Borrowings | | 14,688 | 7,498 | 22,186 | 17,140 |
| Total Financial Liabilities | 17,106 | 14,688 | 7,498 | 39,292 | 32,984 |

| The following interest rates were applicable | 30 June | 2016 | 30 June 2015 | | |
|--|---------------|----------|---------------|----------|--|
| to Council's Borrowings at balance date: | Weighted Avg | Carrying | Weighted Avg | Carrying | |
| | Interest Rate | Value | Interest Rate | Value | |
| Overdraft | 7.22% | - | 7.47% | 1.5 | |
| Other Variable Rates | 0.00% | 20,228 | 0.00% | 21,654 | |
| Fixed Interest Rates | 6.34% _ | 8,624 | 6.78% | 11,330 | |
| | | 28,852 | | 32,984 | |

Net Fair Value

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

<u>Credit Risk</u> 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. Councils investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government, and also with the NAB. Except as detailed in Notes 5 and 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.

<u>Market Risk</u> 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 <u>currency risk</u> apply.

<u>Liquidity Risk</u> is the risk that Council will encounter difficulty in meeting obligations with financial liabilities.

In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 14. Commitments for Expenditure

| \$ '000 ################################## | Notes | 2016 | 2015 |
|--|--|--------|-------|
| (a). Capital Commitments | | | |
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: | | | |
| Buildings | | 3,756 | 1,421 |
| Infrastructure | | 6,994 | 6,810 |
| Plant and Equipment | - | 36 | 740 |
| | - | 10,786 | 8,971 |
| These expenditures are payable: | | | |
| Not later than one year | | 10,786 | 8,971 |
| | | 10,786 | 8,971 |
| (b). Other Expenditure Commitments | | | |
| Other expenditure committed for (excluding inventories) at the repodate but not recognised in the financial statements as liabilities: | orting | | |
| Audit Services | | 55 | 57 |
| | | 55 | 57 |
| | | | |
| These expenditures are payable: | | | |
| Not later than one year | | 55 | 57 |
| | PRODUCTION OF THE PRODUCTION O | 55 | 57 |

(c). Finance Lease Commitments

Council has no Finance Leases.

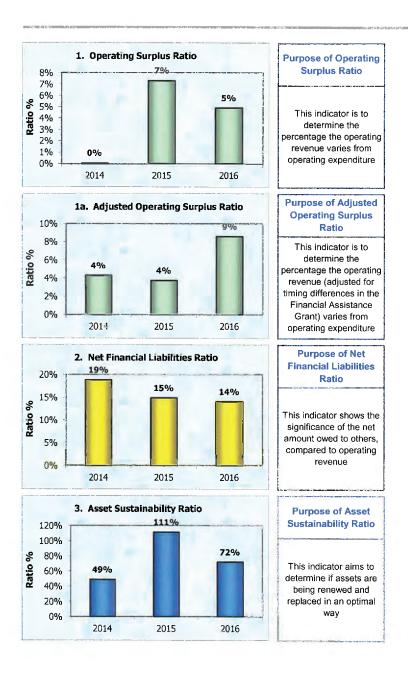
Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 15. Financial Indicators

| | Amounts | Indicator | Prior F | Periods |
|---|-------------------|--------------|---------------|---------|
| \$ '000 | 2016 | 2016 | 2015 | 2014 |
| These Financial Indicators have been calculated in accordance with <i>Informal Indicators</i> prepared as part of the LGA Financial Sustainability Program for Australia. The Information Paper was revised in May 2015 and the financial calculated in accordance with the revised formulas. | the Local Gov | ernment Asso | ciation of Sc | outh |
| Operating Surplus Ratio Operating Surplus Total Operating Revenue | 5,458 110,880 | 5% | 7 % | 0% |
| This ratio expresses the operating surplus as a percentage of total operating revenue. | | | | |
| 1a. Adjusted Operating Surplus Ratio | | | | |
| In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as | 9,523 | 9% | 4% | 4% |
| explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year. | | | | |
| 2. Net Financial Liabilities Ratio Net Financial Liabilities Total Operating Revenue | 15,596 110,880 | 14% | 15% | 19% |
| Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue. | | | | |
| 3. Asset Sustainability Ratio | | | | |
| Net Asset Renewals Infrastructure and Asset Management Plan required expenditure | 13,285 18,438 | 72% | 111% | 49% |
| 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. | | | | |
| 3a. Adjusted Operating Surplus Ratio The Adjusted Asset Sustainability Ratio is provided as it better reflects City of Salisbury's achievements in renewing and maintaining its assets. The denominator | 13,285 14,765 | 90% | | |
| of the ratio is the renewal disclosed in the Asset Management Plans (AMPs) | | | | |
| adjusted to reflect changes in practice since the adoption of the plans. Adjustments are for items included in AMPs as renewal, which are actually upgrade | | | | |
| or new including \$2.3M in relation to buildings, with these amounts excluded from | | | | |
| both the actual and planned expenditures in the adjusted ratio. Road assets are being maintained differently to how originally planned in the AMPs with renewal | | | | |
| expenditure being directed to microsurfacing treatments, which are treated | | | | |
| as a new component of our road assets, with the expectation that this will further | | | | |
| extend the life of our road assets, which will decrease the cost of maintaining our | | | | |
| road infrastructure over the longer term. These changes in practice will be reflected | | | | |
| in future iterations of our AMPs with both Transport and Building AMPs being | | | | |
| reviewed and updated in the 2016/17 financial year. | | | | |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 15. Financial Indicators - Graphs (continued)



Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 16. Uniform Presentation of Finances

| \$ '000 | 2016 | 2015 |
|---------|------|------|

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

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

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

| Income | 110,880 | 113,818 |
|---|-----------|-----------|
| less Expenses | (105,422) | (105,497) |
| Operating Surplus / (Deficit) | 5,458 | 8,321 |
| less Net Outlays on Existing Assets | | |
| Capital Expenditure on Renewal and Replacement of Existing Assets | 13,750 | 21,996 |
| less Depreciation, Amortisation and Impairment | (23,802) | (23,531) |
| less Proceeds from Sale of Replaced Assets | (465) | (141) |
| Subtotal | (10,517) | (1,676) |
| less Net Outlays on New and Upgraded Assets | | |
| Capital Expenditure on New and Upgraded Assets (including Investment Property and Real Estate Developments) | 23,195 | 21,653 |
| less Amounts Received Specifically for New and Upgraded Assets | (1,437) | (1,536) |
| less Proceeds from Sale of Surplus Assets | | |
| (including Investment Property and and Real Estate Developments) | (7,782) | (10,875) |
| Subtotal | 13,976 | 9,242 |
| Net Lending / (Borrowing) for Financial Year | 1,999 | 755 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 17. Operating Leases

| \$ '000 | 2016 | 2015 |
|---------|------|------|

Leases Providing Revenue to the Council

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

(i) Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable

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

| Not later than one year | 612 | 603 |
|--|-------|-------|
| Later than one year and not later than 5 years | 1,042 | 1,554 |
| Later than 5 years | 2,242 | 2,018 |
| | 3,896 | 4,175 |
| | | |

(ii) Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment. Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased. No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

No leases contain any escalation clause.

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

| Not later than one year | 737 | 907 |
|--|-------|-------|
| Later than one year and not later than 5 years | 697 | 889 |
| | 1,434 | 1,796 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 18. Superannuation

\$ '000

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2015/16; 9.50% in 2014/15). 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 2014/15) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 19. Interests in Other Entities

5 0000

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

| | Council's Shar | e of Net Income | Council's Share of Net Assets | | |
|----------------|----------------|-----------------|-------------------------------|-------|--|
| | 2016 | 2015 | 2016 | 2015 | |
| Joint Ventures | 706 | 839 | 4,030 | 3,323 | |
| Total | 706 | 839 | 4,030 | 3,323 | |

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

| Name of Entity | Principal Activity | 2016 | 2015 |
|---|--------------------|-------|-------|
| Northern Adelaide Waste Management | • | | |
| Authority | Waste Management | 3,929 | 3,221 |
| Council Solutions | Procurement | 101 | 102 |
| Total Carrying Amounts - Joint Venture | s and Associates | 4,030 | 3,323 |

Northern Adelaide Waste Management Authority

Manages the waste collection, recycling and waste disposal for the Cities of Salisbury and Playford and the Town of Gawler.

Council Solutions

Established by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully in December 2012, this regional subsidiary has been established for the purposes of providing a centre of excellence in procurement and to provide services to the Constituent.

| (b) Relevant Interests | Interest in | | Owne | Ownership | | |
|--|-------------|-------|------|-----------|--------|----------|
| | Oper | ating | Shar | re of | Propos | rtion of |
| | Res | sult | Equ | uity | Voting | Power |
| Name of Entity | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Northern Adelaide Waste Management Authority | 57% | 57% | | 57% | | 33% |
| Council Solutions | 17% | 17% | | 17% | | 17% |

(c) Movement in Investment in Joint Venture or Associate

| | Northern Adeia | aide waste | | |
|--|----------------------|------------|--------------|-------|
| | Management Authority | | Council Solu | tions |
| | 2016 | 2015 | 2016 | 2015 |
| Opening Balance | 3,221 | 3,191 | 102 | 122 |
| Share in Operating Result | 707 | 859 | (1) | (20) |
| Share in Other Comprehensive Income | - | (829) | 8#6 | - |
| Council's Equity Share in the Joint Venture or Associate | 3,928 | 3,221 | 101 | 102 |

Northern Adelaide Wasto

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 19. Interests in Other Entities (continued)

| 0 | 1000 | | | |
|---|------|--|--|--|

| (d) Summarised Financial Information of the Equ | uity Accounted Bu | siness | | | |
|---|-------------------|------------|-------------------|--------|--|
| | Northern Adela | iide Waste | | | |
| Statement of Financial Position | Management | | Council Solu | utions | |
| | 2016 | 2015 | 2016 | 2015 | |
| Cash and Cash Equivalents | 3,600 | 4,212 | 267 | 446 | |
| Other Current Assets | 2,852 | 3,061 | 390 | 204 | |
| Non-Current Assets | 9,699 | 5,878 | | - 4 | |
| Total Assets | 16,151 | 13,151 | 657 | 650 | |
| Current Trade and Other Payables | 2,243 | 2,238 | 28 | 21 | |
| Current Financial Liabilities | 1,579 | 1,305 | 27 | 21 | |
| Current Provisions | 318 | 293 | - | - | |
| Non-Current Financial Liabilities | 2,518 | 1,597 | - | _ | |
| Non-Current Provisions | 2,556 | 2,092 | _ | - | |
| Total Liabilities | 9,214 | 7,525 | 55 | 42 | |
| Net Assets | 6,937 | 5,626 | 602 | 608 | |
| | Northern Adela | nide Waste | | | |
| Statement of Comprehensive Income | Management | Authority | Council Solutions | | |
| | 2016 | 2015 | 2016 | 2015 | |
| Other Income | 25,951 | 24,780 | 110 | 31 | |
| Contributions from Constituent Councils | | - | 933 | 926 | |
| Interest Income | 248 | 206 | 10 | 20 | |
| Total Income | 26,199 | 24,986 | 1,053 | 977 | |
| Employee Costs | 1,731 | 1,353 | | 14 | |
| Materials, Contracts & Other Expenses | 21,466 | 20,472 | 1,058 | 1,097 | |
| Depreciation, Amortisation and Impairment | 1,374 | 1,475 | | 1.2 | |
| Finance Costs | 246 | 224 | | (4) | |
| Total Expenses | 24,817 | 23,524 | 1,058 | 1,097 | |
| Other Revenue / Expense Items | (5) | (8) | - | - | |
| Operating Result | 1,377 | 1,454 | (5) | (120) | |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 19. Interests in Other Entities (continued)

\$ '000

(e). Share of Joint Operations Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

(i) Capital Expenditures Payable

No capital expenditure is committed at the reporting date that has not been recognised in the financial statements as a liability.

(ii) Operating Expenditures Payable

| | Northern Ad | elaide Waste | | | | |
|--|-------------|----------------------|------|--------------------------------|--|-----------|
| | Manageme | Management Authority | | ent Authority Council Solution | | Solutions |
| | 2016 | 2015 | 2016 | 2015 | | |
| Not later than one year | 20,003 | 13,517 | 4 | _ | | |
| Later that one year and not later than 5 years | 9,882 | 8,299 | _ | - | | |
| Later than 5 years | - | - | _ | - | | |
| | 29,885 | 21,816 | | | | |

The Northern Adelaide Waste Management Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf on its Constituent Councils and customers. The commitments disclosed above reflect a consolidation of multiple contracts entered into with external suppliers. In future years, all contracts will be required to be renewed with external suppliers in accordance with adopted procurement policies and procedures of the Authority.

(iii) Lease Payment Commitments Payable

| | Northern Adelai | | | |
|--|----------------------|-------|-------------------|------|
| | Management Authority | | Council Solutions | |
| | 2016 | 2015 | 2016 | 2015 |
| Not later than one year | 855 | 563 | | - |
| Later that one year and not later than 5 years | 2,895 | 2,252 | ÷ . | > = |
| Later than 5 years | 600 | 2,815 | | 112 |
| | 4,350 | 5,630 | _ | |

(ii) INDIVIDUALLY IMMATERIAL COUNCIL BUSINESSES

Council did not have any individually immaterial businesses

(iii) UNCONSOLIDATED STRUCTURED ENTITIES

Council has no Unconsolidated Structured Entities

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

\$ '000

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

1. LAND UNDER ROADS

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

2. POTENTIAL INSURANCE LOSSES

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

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductable "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. BANK GUARANTEES

Council in the past had guaranteed certain loans and other banking facilities advanced to community organisations and sporting bodies. These loans have now been discharged by the respective parties and consequently Council has no exposure at reporting date (2015: \$25,012).

A Bank Guarantee amounting to \$940,000 has been issued in favour of the Commonwealth Government Department of Families, Housing, Community Services and Indigenous Affairs as security for an equivalent grant under the Housing Affordability Fund. This Guarantee is due to expire on 31 December 2016 and Council does not expect to incur any loss arising from the Guarantee.

4. LEGAL MATTERS

Council is the planning consent authority for its area under the *Development Act 1993* (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

5. CEMETERY

Council operates a Cemetery Facility - Salisbury Memorial Park. A Contingent Liability exists for the ongoing maintenance of this Cemetery. This liability remains for a period of 100 years after the expiry of the lease on the last burial of the site. In addition, Council has negotiated a new lease of the Mausoleum, requiring the facility to be maintained by the lessee. The lessee will continue to contribute to the Perpetual Care Fund to ensure that maintenance of the facility for the next 100 years is funded. The contribution value will be assessed twice during the proposed lease period for adjustment purposes to ensure the Fund will be sufficient to provide for the ongoing maintenance of the Mausoleum.

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 21. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2016, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 12/10/16.

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 22. Equity - Retained Earnings and Revaluation Reserves Adjustments

| \$ '000 | 2016 | 2015 |
|---------|------|------|
| | =919 | 2010 |

(a). Correction of Error/s relating to a Previous Reporting Period

As part of the City of Salisbury's 2016 end of financial year review of its Infrastructure Assets it was ascertained that there were donated assets, received as developer contributions that had not been recognised as assets in the City of Salisbury's financial statements as at 30 June 2015 and prior periods.

This resulted in an error in the calculation of certain line items within the financial statements, specifically the opening written down value, additions at cost and depreciation relating to the land improvements and infrastructure asset categories, which were understated in the statement of financial position. Further, as some of these assets were received in the 2015 financial year, the amounts disclosed in the statement of comprehensive income for depreciation and physical assets received free of charge were also understated. The total value of these asset received that related to prior financial years was \$8,603k

In order to appropriately value the donated assets the City of Salisbury firstly applied the 2014/15 Unit Rates to the replacement value of the assets that were received in the 2014/15 financial year resulting in an increase of \$1,596k. Secondly Council reviewed the assets received that pre-dated the 2014/15 financial year and deemed it impractical to revalue these assets at the relevant unit rates for the years that they were received. Consequently Council revalued these assets utilising the 2014/15 Unit Rates and made this adjustment against the opening balance of both Accumulated Surplus \$6,340k and the Asset Revaluation Reserve \$770k in 2014/15, reflecting what Council estimates the value of use of these Assets would have been at the end of the 2013/14 Financial Year.

This resulted in the financial statements for the year ended 30 June 2015 disclosing depreciation expense of \$23,421k when it should have been disclosed as \$23,531k and physical resources received free of charge of \$1,095k, where it should have been \$2,691k. Consequently the net surplus transferred to equity line item on both the statement of comprehensive income and the statement of changes in equity was understated by \$1,486k which represents the value of the donated assets received, less depreciation, in the 2015 financial year.

The amounts disclosed for infrastructure, property, plant and equipment were also effectively understated as the financial statements of the year ended 30 June 2015 disclosed this amount as being \$1,292,828k when it should have been disclosed as \$1,301,431k. Consequently net assets and the accumulated surplus line items on the statement of financial position were understated \$8,603k.

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors' the following tables represent changes in the relevant line items for the comparative year 2015.

| | 2015 Revised | Movement | 2015 Original |
|---|--------------|----------|---------------|
| Table 1 - Statement of Comprehensive Income (Extract) | (00 =0 () | | |
| Depreciation, amortisation & impairment | (23,531) | (110) | (23,421) |
| Physical resources received free of charge | 2,691 | 1,596 | 1,095 |
| Net surplus / (deficit) transferred to equity statement | 15,746 | 1,486 | 14,260 |
| Changes in Revaluation Surplus - 1,PP&E | (16,807) | 7 | (16,814) |
| Total comprehensive income | (1,890) | 1,493 | (3,383) |
| Table 2 - Statement of Financial Position (Extract) Non-current assets: | | | |
| Infrastructure, property, plant and equipment Equity: | 1,301,431 | 8,603 | 1,292,828 |
| Accumulated surplus | 305,007 | 7,826 | 297,181 |
| Asset Revaluation Reserve | 997,483 | 777 | 996,706 |

Notes to and forming part of the Financial Statements for the year ended 30 June 2016

Note 22. Equity - Retained Earnings and Revaluation Reserves Adjustments (cont)

2015 Revised

Movement

2015 Original

| Table 3 - Statement of Changes in Equity (Extract) | | | |
|--|-----------------------------------|-------|--|
| Accumulated Surplus | | | |
| Balance at the end of previous reporting period | 271,948 | - | 271,948 |
| Restated opening balance | 278,288 | 6,340 | 271,948 |
| Net surplus/(deficit) for the year | 15,746 | 1,486 | 14,260 |
| Transfers between reserves | 10,973 | * | 10,973 |
| Balance at the end of the period | 305,007 | 7,826 | 297,181 |
| Table 3 - Statement of Changes in Equity (Extract) (cont) | | | |
| Asset Revaluation Reserve | | | |
| Balance at the end of previous reporting period | 1,014,349 | 0.00 | 1,014,349 |
| Restated opening balance | 1,015,119 | 770 | 1,014,349 |
| Gain (Loss) on revaluation of IPP&E | (16,807) | 7 | (16,814) |
| Share of OCI - Equity Accounted Council Businesses | 829 | 200 | 829 |
| Balance at the end of the period | 997,483 | 777 | 996,706 |
| Table 4 - Infrastructure, Property, Plant and Equipment (extra Land Improvements: | act) | | |
| Opening balance at fair value | 144,693 | 21 | 144,672 |
| Accumulated Depreciation | (52,988) | (1) | (52,987) |
| Carrying amount as at 30 June 2015 | 91,705 | 20 | 91,685 |
| ouni, ing amount do at oo bank 2010 | 01,100 | 20 | 31,003 |
| Infrastructure: | | | |
| Opening balance at fair value | 1,155,005 | 7,090 | 1,147,915 |
| Additions at cost | 1,596 | 1,596 | _ |
| Revaluation Increments to Equity (ARR) (Note 9) | 7 | 7 | |
| Accumulated Depreciation | (422,845) | (109) | (422,736) |
| Carrying amount as at 30 June 2015 | 733,762 | 8,583 | 725,179 |
| (b). Retrospective Restatement to Opening Equity | | | |
| In accordance with AASB 108 - Accounting Policies, Cha Accounting Estimates and Errors, the above Prior Period have been recognised retrospectively. | _ | | |
| These amounted to the following Equity Adjustments: | | | |
| - Adjustments to Opening Equity - 1/7/14(relating to adjustments for the 30/6/14 reporting year end and prior periods |) | | 7,110 |
| Total Prior Period Adjustments - Prior Period Errors | Consequence con success area con- | | 7,110 |
| - | | - | The state of the s |



Deloitte Touche Tohmatsu ABN 74 490 121 060

11 Waymouth Street Adelaide SA 5000 GPO Box 1969 Adelaide SA 5001 Australia

Tel: +61 8 8407 7000 Fax: +61 8 8407 7001 www.deloitte.com.au

Independent Auditor's Report to the Members of the City of Salisbury

We have audited the accompanying financial report of the City of Salisbury, which comprises the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and Certification of the Financial statements as set out on pages 1 to 56.

Chief Executive Office's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and for such internal control as the Chief Executive Officer determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

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

Deloitte

Opinion

In our opinion, the financial report of the City of Salisbury presents fairly, in all material respects, the Corporation of the City of Salisbury's financial position as at 30 June 2016 and its financial performance for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Debitte Touche Tohnatsu

DELOITTE TOUCHE TOHMATSU

Partner

Chartered Accountants Adelaide, 12 October 2016



Deloitte Touche Tohmatsu ABN 74 490 121 060

11 Waymouth Street Adelaide SA 5000 GPO Box 1969 Adelaide SA 5001 Australia

Tel: +61 8 8407 7000 Fax: +61 8 8407 7001 www.deloitte.com.au

Independent Assurance Report on Internal Controls to the Members of The City of Salisbury Council

We have audited the compliance of The City of Salisbury Council (the "Council") with the requirements of *Section 125 of the Local Government Act 1999* in relation to the design and implementation of Internal Controls established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2015 to 30 June 2016 are in accordance with legislative provisions.

The Council's Responsibility for the Internal Controls

The Council is responsible for compliance with the material requirements of Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions.

Our Responsibility

Our responsibility is to express a conclusion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to express a conclusion whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls for the period 1 July 2015 to 30 June 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of internal controls on a sample basis based on the assessed risks.

Limitation on Use

This report has been prepared for the members of the Council in accordance with Section 129 of the Local Government Act 1999 in relation to the design and implementation of internal controls. 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.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the requirements as measured by Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with Section 125 of the Local Government Act 1999 in relation to the design and implementation of Internal Controls are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

Deloitte

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Council has complied, in all material respects, with Section 125 of the Local Government Act 1999 in relation to the design and implementation of Internal Controls, established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2015 to 30 June 2016 are in accordance with legislative provisions.

Debitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Penny Woods Partner

Chartered Accountants Adelaide, 12 October 2016

General Purpose Financial Statements for the year ended 30 June 2016

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Salisbury for the year ended 30 June 2016, the Council's Auditor, Deloitte Touche Tohmatsu 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.

John Harry

CHIEF EXECUTIVE OFFICER

Date: ///10/2016

Craig Johnson

PRESIDING MEMBER, AUDIT COMMITTEE



Deloitte Touche Tohmatsu ABN 74 490 121 060

11 Waymouth Street Adelaide SA 5000 GPO Box 1969 Adelaide SA 5001 Australia

Tel: +61 8 8407 7000 Fax: +61 8 8407 7001 www.deloitte.com.au

John Harry Chief Executive Officer City of Salisbury 12 James Street SALISBURY SA 5108

12 October 2016

Dear Members

Auditor's Independence Declaration to the City of Salisbury

In accordance with the Local Government (Financial Management) Regulations 2011, I am pleased to provide the following declaration of independence to the councillors of the City of Salisbury.

I confirm that, for the audit of the financial statements of the City of Salisbury for the 30 June 2016 financial year, I have maintained my independence in accordance with the requirements of APES 110—Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, and in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

Yours sincerely

Debilte Touche Tohnnatsu

DELOITTE TOUCHE TOHMATSU

Penny Woods Partner

Chartered Accountants



Council Solutions Annual Report 2015/2016

Council Solutions is a joint initiative of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully (Constituent Councils). Established as a Regional Authority in December 2012 in accordance with the Local Government Act 1999 (SA), its purpose is to optimise the financial sustainability of its constituent councils through the benefits of collaborative strategic procurement and contract negotiation and management. Council Solutions is governed by a Board of Management comprising an independent Chairperson and the Chief Executive Officer of each Constituent Council.

Northern Adelaide Waste Management Authority Annual Report 2015/2016

The Northern Adelaide Waste Management Authority (NAWMA) is a Local Government Regional Subsidiary of the Cities of Salisbury and Playford and the Town of Gawler. It also provides waste management services to client councils including Barossa, Barunga West, Clare/Gilbert Valley, Copper Coast, Goyder Regional, Light Regional, Mallala, Mount Remarkable, Peterborough, Yorke Peninsula and Wakefield Regional

NAWMA coordinates our kerbside waste management and hard waste collection. The three-bin collection service incorporates household waste, recyclables and garden/food organics.





Contract Extensions

In addition, over the past 12 months Councils Solutions has facilitated the extension of 12 existing collaborative contract arrangements across 33 suppliers with a combined total value in excess of \$13 million per annum.

Governance

During 2015/16, achievements include:

- The continued prudent review and assessment undertaken by the Audit Committee.
- Review and endorsement by the Audit Committee of new policies including Whistleblower Protection and Fraud & Corruption Policies, to be provided to the Board of Management for adoption.
- Continued assessment of efficient and effective execution of all decisions made by the Board, and management of Council Solutions.

People

Council Solutions is a small and dedicated team comprising expertise in strategic procurement, contract management, legal and data analysis skills.

To address capacity following the departure of a team member and to assist in supporting the Regional Forward Procurement Plan project and other procurement initiatives Ms Tammy Whitehouse, Senior Project Officer was engaged in March 2016 on a temporary contract basis.

Finance

Council Solutions has reported a break even operating result for the financial year ending 30 June 2016. This means in simple terms that the Authority has covered its operating expenses from its available operating revenue.

Whilst management fee revenue has remained consistent with the amount received in the 2014/15 financial year, savings have been generated due to reduced salary costs resulting from unfilled positions at different times throughout the year. Non salary expenditure has also been closely monitored with savings generated in this area as well. Accordingly the Authority has maintained a strong level of cash reserves.

Communications

Effective and efficient stakeholder communication is essential to the effective operation of Council Solutions. In 2015/16 the Council Solutions Members Website was launched to support this.

This portal is a central hub providing supporting information such as meeting dates, agendas and papers to key groups comprising the Council Solutions operating framework including the Board of Management, Council Solutions Directorate and Procurement Leaders Group. The Members Website is also used as a central information and documentation hub to support the management of existing contracts and to assist the project teams delivering new collaborative procurement initiatives.



Council Solutions is a joint initiative of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully that make up the Constituent Councils.

Established in 2012 as a Regional Authority in accordance with Section 43 of the *Local Government Act* 1999, Council Solutions provides a collaborative and strategic approach to the procurement of goods and services on behalf of its Constituent Councils, including negotiating and managing contracts, and investigating the provision of other shared functions.

This collaborative approach to procurement not only provides significant purchasing power to attain the best value for the community, but it also optimises the financial sustainability of each of the Constituent Councils by reducing administrative costs, the number of tender processes and replicated contract management activities.

The goal of Council Solutions is to improve community prosperity and wellbeing by undertaking local government procurement and collaborative services that:

- Deliver best value for money
- Explore innovative ways of delivering infrastructure and services
- Value partnership between councils and suppliers

Background

Council Solutions provides the legal structure to the G6 Procurement Group formed in 1994 by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully to address the combined \$415 million annual spend on infrastructure and services by these Constituent Councils.

Ministerial approval was given for Council Solutions Regional Authority to be established by notice in the SA Government Gazette on 20 December 2012. The Gazette states the purpose of the Authority as "promoting procurement and service delivery amongst the constituent councils."

As a South Australian local government body, it is governed by the:

- Local Government Act 1999
- Local Government (Financial Management) Regulations 2011
- Council Solutions Regional Authority Charter 2012

Council Solutions Regional Authority

25 Pirie St, Adelaide SA 5000 councilsolutions.sa.gov.au
ABN 92 168 067 160

Data was a sand 20 Cambanah

Date prepared 30 September 2016





Foreword from the Chair

Council Solutions, now in its fourth year of operation since being established as a Regional Authority in 2012, has implemented a strong platform to optimise the financial sustainability of Constituent Councils through the benefits of collaborative strategic procurement and contract management, and the provision of other shared functions.

In the past financial year in excess of \$51 million of Council expenditure has been managed under collaborative procurement arrangements. Procurement spend diagnostics software has been utilised across the Constituent Councils to target and schedule further strategic procurement

opportunities and support the development of a Regional Forward Procurement Plan.

I would like to acknowledge the efforts of the Board and thank them for their cooperation and support in leveraging the economies of scale across Constituent Councils to maximise the value each Council is able to provide to the community.

I thank our Audit Committee who supports us in achieving the highest standards of accountability, transparency and governance.

I would also like to acknowledge Maggie Dowling for her significant contribution as Chief Executive Officer from December 2013 to January 2016. I also thank Ian Thompson, Acting Chief Executive Officer from February to May 2016 and the Council Solutions team for their commitment, dedication and support.

Finally, I welcome Oliver Barry, who commenced as Chief Executive Officer in May 2016.

Catherine Cooper

Chair of the Board, Council Solutions Regional Authority





Report from the Chief Executive Officer

Since my commencement on 16 May 2016 it is clear to me that Council Solutions is in a unique position to work in partnership with our Constituent Councils to deliver outstanding outcomes for Councils and ratepayers.

A number of key enabling systems and frameworks have been established such as the Procurement Dashboard software supporting expenditure analysis and the Regional Forward Procurement Plan process. There is a fantastic opportunity to further build upon the achievements of recent years in order to support Constituent Councils in providing improved services to the community.

Over the past 12 months our two highest value contracts comprising a combined annual expenditure in excess of \$34 million have been successfully re-tendered with excellent outcomes achieved.

In addition, Councils Solutions has facilitated the exercise of extension options for 12 existing contract arrangements across 33 suppliers with a combined total value in excess of \$13 million per annum.

I thank the Board for their support and the Council Solutions team: Taryn Alderdice, Clare Couper, Audrey Rangel and Ian Thompson and previous team members Maggie Dowling and Rachel Bell.

I look forward to continuing to work with our key stakeholders across Constituent Councils including the Procurement Leaders Group, Directorate and Chief Executive Officers to achieve optimum collaborative procurement outcomes and explore additional service opportunities that may be delivered jointly to maximise efficiency and effectiveness.

Oliver Barry

Chief Executive Officer, Council Solutions Regional Authority



Board of Management 2016



Independent Chairperson Ms Catherine Cooper



Adelaide City Council Mr Mark Goldstone



City of Charles Sturt Mr Paul Sutton



City of Marion Mr Adrian Skull



City of Onkaparinga Mr Mark Dowd



City of Salisbury Mr John Harry



City of Tea Tree Gully Mr John Moyle



Board of Management 2016

Council Solutions is a body corporate, governed by a Board of Management, comprising seven members being the Chief Executive Officer from each Constituent Council: Adelaide City Council and the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully, and one person who is not a member or officer of a Constituent Council who holds the position of Chair.

The Board held five formal meetings during the year to consider the strategic direction and financial integrity of the organisation. Attendance at meetings was as follows:

| Board Position | Board Member | Meetings Attended |
|-------------------------|---|-------------------|
| Independent Chairperson | Ms Catherine Cooper | 5 |
| Adelaide City Council | Mr Stephen Hains, Acting CEO ¹ | 1 |
| | Mr Mark Goldstone, CEO ² | 3 |
| City of Charles Sturt | Mr Paul Sutton, CEO | 5 |
| City of Marion | Mr Geoff Whitbread, Acting CEO ³ | 1 |
| | Mr Adrian Skull, CEO ⁴ | 4 |
| City of Onkaparinga | Mr Mark Dowd, CEO | 4 |
| City of Salisbury | Mr John Harry, CEO | 5 |
| City of Tea Tree Gully | Mr John Moyle, CEO | 4 |

¹ Mr Stephen Hains completed his Acting CEO assignment with Adelaide City Council in August 2015

Audit Committee

The Council Solutions Board is supported by one designated committee being the Audit Committee which is formally appointed pursuant to the requirements under the Local Government Act 1999 (the Act) and the Local Government (Financial Management) Regulations 2013.

The function of the Audit Committee includes reviewing annual financial statements to ensure that they present fairly the state of affairs of the Authority and reviewing the adequacy of financial management systems and practices. The Audit Committee is governed by a terms of reference with the work flow controlled by an Audit Committee Work Program. The Audit Committee Work program is updated after each meeting to reflect Committee achievements as well as to include actions arising from the meeting as well as from Board meetings.

² Mr Mark Goldstone was appointed CEO of Adelaide City Council in October 2015

³ Mr Geoff Whitbread completed his Acting CEO assignment with the City of Marion in August 2015

⁴ Mr Adrian Skull was appointed CEO of the City of Marion in August 2015



Committee Membership and Meetings Attended

The Audit Committee met on 4 occasions during the financial year.

| Member | Meetings Attended |
|---|-------------------|
| Ms Tanya Johnston (Chair) Independent Member | 4 |
| Mr David Papa Independent Member | 4 |
| Mr Mark Dowd Board Member (Resigned 1 May 2016) | 1 |
| Mr John Moyle Board Member (Appointed 2 May 2016) | 2 |
| Mr Thornton Harfield (Nominated Proxy) | 1 |

As illustrated in the table above there was a change in membership during the year with Mark Dowd (CEO Onkaparinga) resigning with John Moyle (CEO Tea Tree Gully) replacing him from 2 May 2016.

The Committee thanks Mark for his services and the dedication shown to this Committee since its inception on 14 February 2014.

Governance and Operating Framework

Led by the Chief Executive Officer, Council Solutions works in partnership with its Constituent Councils to deliver value outcomes.

This is supported by the expertise of staff at Constituent Councils, applied through a structured operating management framework providing the oversight, advisory and/or operational input to the Council Solutions administrative team.

The operating framework comprises the following groups:

- Council Solutions Directorate
- Procurement Leaders Group
- Contract Development (and management) Teams
- Shared Functions Working Groups

This framework enables Council Solutions to:

- Develop and maintain a strong collaborative culture that is the key to its ongoing success
- Solicit strategic input, influence and hands-on involvement from its Constituent Councils
- Provide a service that delivers value to its Constituent Councils

Structure and Staffing

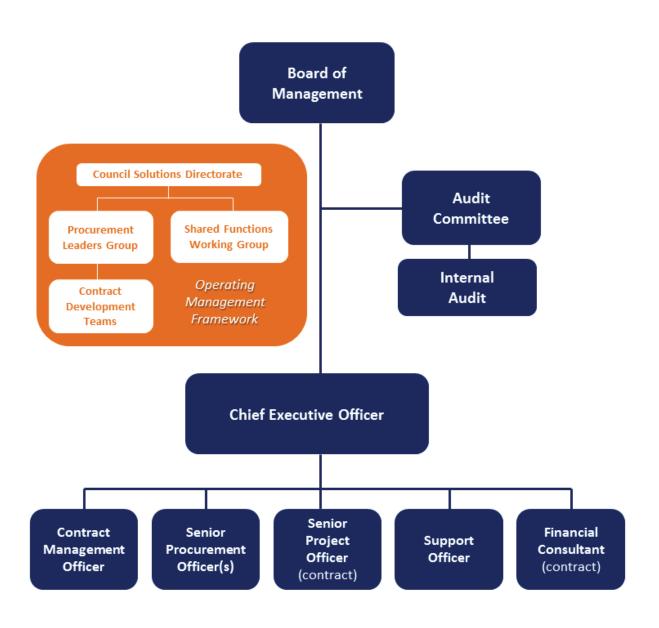
As at 30 June 2016, Council Solutions comprised five staff (4.2 FTE) delivering expertise in management, procurement, contract management, governance and policy and administration. In addition, support has also been provided to the team by two contractors, Tammy Whitehouse, Senior Project Officer and Rex Mooney, Financial Consultant.



The Council Solutions team comprises:

- Chief Executive Officer Oliver Barry
- Contract Management Officer Taryn Alderdice
- Senior Procurement Officers Clare Coupar and Ian Thompson
- Support Officer- Audrey Rangel

Governance and Organisation Structure





Achievements 2015-2016

In 2015/16 the Regional Forward Procurement Plan project commenced. Utilising the spend diagnostics information available via the implementation of the Procurement Dashboard software across Constituent Councils, this project supports targeted opportunity identification and scheduling so as to maximise the combined leverage of procurement expenditure.

Council Solutions also successfully undertook procurement processes to renew the Bituminous Roadworks and Temporary Labour Hire contracts. The annual expenditure by Councils under these two contracts is the highest in the Council Solutions suite.

Bituminous Roadworks

Council Solutions undertook a tender process for Bituminous Works on behalf of the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and a non-Constituent Council, Mount Barker District Council (Participating Councils). The resulting outcome is a robust four year contract (extendable by another two x two year extension options) that captures the best value outcome for the Participating Councils from a competitive market.

Significant savings have been achieved which will allow the Participating Councils to deliver best value to residents, organisations and businesses in managing the annual programme of works that will be delivered across the road network, comprising approximately 4,085km of local, collector and distributor roads.

Continuous improvement is a strong focus for the Participating Councils and accordingly the contract established will deliver:

- environmental improvements by further reducing the carbon footprint;
- improved asset management and asset life;
- innovation in products and methods of work to enhance the sustainability, serviceability and safety across the road network;
- opportunities to participate in research and development; and
- benefit to the South Australian economy through local employment.

Temporary Labour Hire

Council Solutions undertook a tender process on behalf of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully for Temporary Labour Hire. The resulting outcome is an initial three year term contract (with the option of a further three year extension).

In establishing this contract, the following benefits have been achieved:

- A convenient 'one stop' sourcing framework for both office and field staff.
- Online Timesheets for all temporary staff, streamlining approval processes with the ability to utilise a onestep approval for single or multiple timesheets.
- Real time online reporting providing full transparency of temporary staff usage and costs.
- The provision of temporary staff calculators to assist in budgeting temporary staff costs.
- Improved governance through the alignment of rates to appropriate Awards and Enterprise Agreements.
- Reduced costs to Councils via the provision of job role specific Personal Protective Equipment (PPE) for temporary staff.



Procurement and Contract Management

The total combined procurement expenditure by Constituent Councils is approximately \$415 million per annum. This provides a compelling opportunity for collaboration to gain the best value and drive efficiencies for the Constituent Councils.

During the 2015/16 year a total of \$51.2 million of Council expenditure was undertaken utilising collaborative procurement contracts established by Council Solutions. Our existing contracts cover 41 suppliers, across five procurement categories: Finance & Professional Services, Human Resources, Roads Infrastructure, Facilities Management and Parks. Our strong focus on contract management is key to extracting value from the contracts for both Councils and suppliers.

The Regional Forward Procurement Plan initiative that is currently underway will provide the roadmap to further expand the portfolio of collaborative procurement contracts utilised by Constituent Councils.

In 2015/16 Council Solutions undertook procurement processes in the market to renew the two largest contracts; Bituminous Roadworks and Temporary Labour Hire.

Council Solutions has also lodged an application for authorisation from the Australian Competition and Consumer Commission to undertake the Waste Management Services Project, with an expected Determination in November 2016.

In addition, Council Solutions has commenced a review and refresh of tender documentation and contractual documents to ensure that they reflect any legislative changes and contemporary practices.

Council Solutions Contract Management List: as at 30 June 2016

| Contract | Contract Value \$ (2015/16 expenditure) |
|--|---|
| Bituminous Treatments For Various Roadworks | 23,070,000 |
| Temporary Labour Hire | 11,490,000 |
| Legal Services | 3,420,000 |
| Cleaning Services | 2,980,000 |
| Supply Or Supply & Install Of Segmental Pavers | 2,600,000 |
| Tree Removal, Pruning & Ancillary Services | 2,340,000 |
| Leasing Finance of IT Equipment | 1,620,000 |
| Supply, Supply & Delivery Of Quarry Materials | 1,150,000 |
| Manufacture, Supply & Delivery Of Concrete | 1,080,000 |
| Supply & Installation of Irrigation Systems | 570,000 |
| Supply, Installation And Repair Of Fencing | 430,000 |
| Roadworks – Crack Sealing | 378,000 |
| Provision of a Printing and Mailing Service for Rate & Dog Notices | 230,000 |
| Arboricultural Consultancy Advice Services | 140,000 |
| Design Consultancy of Irrigation Systems | 120,000 |
| Maintenance & Repair of Irrigation Systems | 24,000 |
| Provision Of Pest Control Services - European Wasps | 21,000 |
| Transactional Banking Services | Not Applicable |



Financial Summary Report: as at 30 June 2016

| Statement of Comprehensive Income | 2016 \$'000 | 2015 \$'000 |
|--|----------------|----------------|
| Income | 1053 | 977 |
| Less: Operating expenses | 1059 | 1097 |
| Operating Surplus (Deficit) for the year | (6) | (120) |
| Total other comprehensive income | - | - |
| Comprehensive result for the year | (6) | (120) |

| Balance Sheet | | |
|-------------------------|-----|-----|
| Current assets | 657 | 650 |
| Non-current assets | - | - |
| Total assets | 657 | 650 |
| Current liabilities | 55 | 42 |
| Non-current liabilities | - | - |
| Total liabilities | 55 | 42 |
| Net assets | 602 | 608 |
| Accumulated surplus | 459 | 465 |
| Share Capital | 143 | 143 |
| Total Equity | 602 | 608 |

Audited Financial Statements

General Purpose Financial Reports for the year ending 30 June 2016

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Council Solutions Regional Authority Certification Of Financial Statements for the year ending 30 June 2016

I have been authorised by the Council Solutions Regional Authority Board to certify the financial statements of the Council Solutions Regional Authority in their final form. In my 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 Solutions Regional Authority's financial position at 30 June 2016 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 Council Solutions Regional Authority's accounting and other records.

Catherine Cooper
Chair Of The Board

Date: 26/8/16

Council Solutions Regional Authority Statement Of Comprehensive Income for the year ending 30 June 2016

| | Notes | 2016 \$'000 | 2015 \$'000 |
|---------------------------------------|-------|----------------|----------------|
| Income | | | |
| Investment Income | 2 | 10 | 20 |
| Management Fee | 2 | 933 | 926 |
| Other Income | 2 | 110 | 31 |
| Total Income | 2 | 1,053 | 977 |
| Expenses | | | |
| Materials, contracts & other expenses | 3 | 1,059 | 1,097 |
| Total Expenses | 3 | 1,059 | 1,097 |
| Operating Surplus | _ | (6) | (120) |
| Net Surplus | _ | (6) | (120) |
| Total Other Comprehensive Income | 2 | - | |
| Total Comprehensive Income | _ | (6) | (120) |

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

Council Solutions Regional Authority Balance Sheet as at 30 June 2016

| | | Notes | 2016 \$'000 | 2015 \$'000 |
|---------------------------|--------------------------|-------|----------------|----------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | | 4 | 267 | 446 |
| Receivables | | 4 | 390 | 203 |
| Te | otal Current Assets | 4 | 657 | 650 |
| Total Assets | | 4 | 657 | 650 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Trade & Other Payables | | 5 | 28 | 21 |
| Other Current Liabilities | | 5 | 27 | 21 |
| To | otal Current Liabilities | 5 | 55 | 42 |
| Total Liabilities | | 5 | 55 | 42 |
| Net Assets | | | 602 | 608 |
| Equity | | | | |
| Accumulated Surplus | | | 459 | 465 |
| Share Capital | | | 143 | 143 |
| Total Equity | | | 602 | 608 |

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

Council Solutions Regional Authority Statement of Changes in Equity

as at 30 June 2016

| | Initial Contribution by Owners | Accumulated Surplus | Total |
|--------------------------|--------------------------------------|------------------------|--------|
| 2016 | \$'000 | \$'000 | \$'000 |
| Opening Balance | 143 | 465 | 608 |
| Net Surplus for Year | - (6) | | (6) |
| Balance at end of period | 143 | 459 | 602 |
| | Initial Contribution by Owners | Accumulated Surplus | Total |
| 2015 | \$'000 | \$'000 | \$'000 |
| Opening Balance | 143 | 585 | 728 |
| Net Surplus for Year | - | (120) | (120) |
| Balance at end of period | 143 | 465 | 608 |

Council Solutions Regional Authority Cash Flow Statement

for the year ending 30 June 2016

| | | 2016 | 2015 |
|--|-----------|---------|---------|
| | Note s | \$'000 | \$'000 |
| Cash Flows From Operating Activities | | | |
| Receipts | | | |
| Operating receipts | | 856 | 1,162 |
| Investment Receipts | | 10 | 20 |
| Payments | | | |
| Operating payments to suppliers & employees | _ | (1,047) | (1,350) |
| Net Cash provided by (or used in) Operating Activities | 6 _ | (179) | (169) |
| Net Increase (Decrease) in cash held | <u>-</u> | (179) | (169) |
| Cash & cash equivalents at beginning of period | _ | 446 | 615 |
| Cash & cash equivalents at end of period | 4 _ | 267 | 446 |

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

Council Solutions Regional Authority

Notes to and forming part of the Financial Statements for the year ending 30 June 2016

Note 1 - Significant Accounting Policies

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

Council Solutions Regional Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

| Constituent Council | Equity Share |
|------------------------|--------------|
| Adelaide City Council | 16.67% |
| City of Charles Sturt | 16.67% |
| City of Marion | 16.67% |
| City of Onkaparinga | 16.67% |
| City of Salisbury | 16.67% |
| City of Tea Tree Gully | 16.67% |

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. The financial report was authorised for issue by certificate under regulation 14 of the *Local Government* (Financial Management) Regulations 2011 dated 1 May 2011.

1 Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 Income recognition

Management Fee Income is recognised when the Constituent Councils enter into the purchase of a good or service from a Supplier contracted to provide the Authority (or in the case of some prior contracts that were created jointly between the six constituent Council) with a Management Fee.

3 Cash, Cash Equivalents and other Financial Instruments

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

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

All financial instruments are recognised at fair value at the date of recognition.

4 Infrastructure, Property, Plant & Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

5 Employee Benefits

All employees are employed through Adelaide City Council, one of the Constituent Councils. Those employees are then contracted to the Authority.

Council Solutions Regional Authority

Notes to and forming part of the Financial Statements for the year ending 30 June 2016

6 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.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

7 Comparative Information

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

8 Critical Accounting Estimates and Judgements

The Authority evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the authority.

Accounts receivable are reviewed at each reporting date to establish the collectability.

9 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been used in preparing these reports.

AASB 7 Financial Instruments – Disclosures

AASB 9 Financial Instruments

AASB 15 Revenue from Contracts with Customers

AASB 124 Related Party Disclosures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4. AASB 15-5 and AASB 2015-6.

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

The Authority is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

Council Solutions Regional Authority Notes to and forming part of the Financial Statements for the year ending 30 June 2016

Note 2 - Income

| | 2016 \$'000 | 2015 \$'000 |
|-----------------|----------------|----------------|
| Investments | · | · |
| Interest Income | 10 | 20 |
| | 10 | 20 |
| Management Fee | | |
| Management Fee | 933 | 926 |
| | 933 | 926 |
| Other Income | | |
| Reimbursements | 110 | 31 |
| | 110 | 31 |

Note 3 - Expenses

| | 2016 \$'000 | 2015 \$'000 |
|---------------------------------------|----------------|----------------|
| Materials, Contracts & Other Expenses | | |
| Advertising | 11 | 10 |
| Audit Fees | 4 | 6 |
| Catering | 3 | 4 |
| Contractors | 73 | 45 |
| Consultant Fees | 199 | 204 |
| Entertainment Costs | 1 | 1 |
| Fringe Benefits Tax | 8 | 10 |
| Insurance | 26 | 25 |
| IT Expenses | 3 | 3 |
| Legal Fees | 75 | 145 |
| Membership Fees & Subscriptions | 1 | 5 |
| Motor Vehicle | 17 | 18 |
| Recruitment | 15 | 11 |
| Reimbursements - Salary & Wages | 541 | 533 |
| Rent | 24 | 24 |
| Sitting Fees | 25 | 26 |
| Sundry | 29 | 23 |
| Telephone | 1 | 3 |
| Training and Development | 3 | 3 |
| | 1,059 | 1,097 |

Council Solutions Regional Authority

Notes to and forming part of the Financial Statements for the year ending 30 June 2016

| Note 4 - Current Assets | | |
|---|-------------------------|--------------------------|
| | 2016 | 2015 |
| | \$'000 | \$'000 |
| Cash & Cash Equivalents | | |
| Cash at Bank | 267 | 446 |
| | 267 | 446 |
| Receivables | | |
| Accounts Receivables | 282 | 132 |
| Accrued Income | 106 | 71 |
| Prepaid Expenses | 2 | - |
| | 390 | 203 |
| Total Current Assets | 657 | 650 |
| Note 5 - Liabilities | | |
| | | |
| | 2016 | 2015 |
| | 2016 \$'000 | 2015 \$'000 |
| Trade & Other Payables | | |
| Trade & Other Payables Creditors | | |
| | \$'000 | \$'000 |
| Creditors | \$'000 24 | \$'000 |
| Creditors | \$'000 24 4 | \$'000 10 11 |
| Creditors Accruals | \$'000 24 4 | \$'000 10 11 |
| Creditors Accruals Other Current Liabilities | \$'000 24 4 28 | \$'000 10 11 21 |

Council Solutions Regional Authority Notes to and forming part of the Financial Statements for the year ending 30 June 2016

Note 6 - Reconciliation To Cash Flow Statement

(a) Reconciliation of Cash

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

| | 2016 | 2015 | |
|--|--------|--------|--|
| | \$'000 | \$'000 | |
| Cash at Bank | 267 | 446 | |
| Balances per Cash Flow Statement | 267 | 446 | |
| (b) Reconciliation of Change in Net Assets to Cash from Operating Activities | | | |
| Net Surplus | (6) | (120) | |
| Net (increase)/decrease in Receivables | (185) | 205 | |
| Net increase/(decrease) in Current Liabilities | 12 | (253) | |
| Net Cash provided by (or used in) operations | (179) | (169) | |

Council Solutions Regional Authority Notes to and forming part of the Financial Statements for the year ending 30 June 2016

Note 7 - Financial Instruments

(a) Interest Rate Risk

The Authority's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those applicable financial assets and liabilities is as follows;

| 2016 | Weighted Average Interest Rate | Fair Value of Variable Interest Rate Instrument s | Fair Value of Fixed Interest rate instruments maturing within One Year | Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs | Fair Value of Non-Interest Bearing Instruments |
|--|---|--|--|---|---|---|
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial Assets: | | | | | | |
| Cash | 1.8% | 267 | - | - | - | - |
| Receivables | | - | - | - | - | 390 |
| Total Financial Assets | | 267 | - | - | - | 390 |
| Financial Liabilities: | | | | | | |
| Creditors and Provisions | 0.0% | - | - | - | - | 55 |
| Total Financial Liabilities | | _ | - | - | - | 55 |
| | | | | | | |
| | | | | | | |
| 2015 | Weighted Average Interest Rate | Fair Value of Variable Interest Rate Instrument | Fair Value of Fixed Interest rate instruments maturing within One Year | Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs | Fair Value of Non-Interest Bearing Instruments |
| 2015 | Average Interest | of Variable Interest Rate | of Fixed Interest rate instruments maturing within One | of Fixed Interest rate instruments maturing Due > 1 less | of Fixed Interest rate instruments maturing | Non-Interest Bearing |
| 2015 Financial Assets: | Average Interest | of Variable Interest Rate Instrument | of Fixed Interest rate instruments maturing within One Year | of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | of Fixed Interest rate instruments maturing Due > 5 Yrs | Non-Interest Bearing Instruments |
| | Average Interest | of Variable Interest Rate Instrument | of Fixed Interest rate instruments maturing within One Year | of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | of Fixed Interest rate instruments maturing Due > 5 Yrs | Non-Interest Bearing Instruments |
| Financial Assets: | Average Interest Rate | of Variable Interest Rate Instrument | of Fixed Interest rate instruments maturing within One Year | of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | of Fixed Interest rate instruments maturing Due > 5 Yrs | Non-Interest Bearing Instruments |
| Financial Assets: Cash | Average Interest Rate | of Variable Interest Rate Instrument | of Fixed Interest rate instruments maturing within One Year | of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | of Fixed Interest rate instruments maturing Due > 5 Yrs | Non-Interest Bearing Instruments \$'000 |
| Financial Assets: Cash Receivables Total Financial | Average Interest Rate | of Variable Interest Rate Instrument \$'000 | of Fixed Interest rate instruments maturing within One Year | of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | of Fixed Interest rate instruments maturing Due > 5 Yrs | Non-Interest Bearing Instruments \$'000 |
| Financial Assets: Cash Receivables Total Financial Assets | Average Interest Rate | of Variable Interest Rate Instrument \$'000 | of Fixed Interest rate instruments maturing within One Year | of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | of Fixed Interest rate instruments maturing Due > 5 Yrs | Non-Interest Bearing Instruments \$'000 |
| Financial Assets: Cash Receivables Total Financial Assets Financial Liabilities: Creditors and | Average Interest Rate | of Variable Interest Rate Instrument \$'000 | of Fixed Interest rate instruments maturing within One Year | of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs | of Fixed Interest rate instruments maturing Due > 5 Yrs | Non-Interest Bearing Instruments \$'000 |

(b) Credit Risk

Credit Risk represents the loss that would be recognised if other entities failed to perform as contracted.

The Authority's exposure to credit risk is limited to receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

(c) Net Fair Value

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability.

The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

Due to the nature of financial instruments held in the Authority, the cost associated with their settlement would not be material and have not been considered.

Council Solutions Regional Authority

Certification Of Auditor Independence for the year ending 30 June 2016

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the year ended 30 June 2016, the Council's Auditor, Ian G McDonald, 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) (b) Local Government (Financial Management) Regulations 2011.

Catherine Cooper CHAIR

Date: 24-8-2016

Mark Dowd
CHIEF EXECUTIVE OFFICER
City of Onkaparinga

Date:

23/8/16

Paul Sutton
CHIEF EXECUTIVE OFFICER
City of Charles Sturt

Date: 29 8

John Harry CHIEF EXECUTIVE OFFICER City of Salisbury

Date: 24/4/2016

Tanya Johnston

PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 26 08 16

Mark Goldstone
CHIEF EXECUTIVE OFFICER
Adelaide City Council

Date: 23/8/16

Adrian/Skull

CHIEF EXECUTIVE OFFICER City of Marion

City of Warion

Date: 24.8.16

John Moyle

CHIEF EXECUTIVE OFFICER

Tea Tree Gully

Date: 24 8 16

Ian G McDonald FCA



Council Solutions Regional Authority

ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2016

STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the year ended 30 June 2016, we have maintained our 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.

Ian G McDonald FCA

Dated this 22nd day of August 2016

You me Dandd

lan G McDonald FCA



Independent Auditor's Report to the Members of the Council Solutions Regional Authority

We have audited the accompanying financial report of the Council Solutions Regional Authority which comprises the statement of comprehensive income for the year ended 30 June 2016, statement of financial position, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Council Solutions Regional Authority, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

Ian G McDonald FCA Chartered Accountant

Registered Company Auditor 16458

Signed at Adelaide, South Australia this 13th day of September 2016

ianmcdonald@creativeauditing.org

In Doch





Ensuring our 250,000 residents across the northern region of Adelaide and beyond are active participants in world's best practice in waste minimisation

2015-2016 ANNUAL REPORT

A Regional Subsidiary

NAWMA was established by its constituent Councils – the City of Playford, the Town of Gawler and the City of Salisbury. Together they form the Northern Adelaide Region of Local Government. A function of Local Government is to provide services and facilities that benefit local ratepayers, residents and visitors. This includes waste management.

The constituent Councils resolved to work together through NAWMA to facilitate waste management within the region. As a result, NAWMA implemented many innovative approaches in the management of waste and resources. Its achievements in delivering efficient and effective outcomes for the constituent Councils and their communities are widely acknowledged.

NAWMA continues to focus on achieving economies of scale and this has impacted positively on the cost of waste management and resource recovery within the region.



- for the sorting of recyclables for market;
- for baling of residual waste for landfill;
- o a Resource Recovery Centre, incorporating a public drive through Waste Transfer Station; and
- an active education program to promote environmentally sustainable waste management practices.
- In addition, NAWMA operates a major landfill at Uleybury.

Mission Statements

Operations

To deliver responsible, sustainable and best practice waste and resources management outcomes to constituent and client Councils.

Education

To inform and educate the community about the importance and practice of responsible waste and resources management.

Ensuring our 250,000
residents across the northern region of Adelaide and beyond are active participants in world's best practice in waste minimisation



GENERAL WASTE



GARDEN ORGANICS

Values

NAWMA has the capacity and the willingness to:

- > extend its reach in waste management;
- > introduce new sophistication and solutions in resource recovery; and
- > educate and inform its communities of the benefits that will result from a shared commitment to these actions.



CO-MINGLED RECYCLING

Report from the Chair

During the past year, I was delighted to be appointed as the Independent Chair of NAWMA to help navigate the Authority into an increasingly commercial business environment.

In 2015-16, NAWMA made strategic decisions that will take the Authority and the communities we serve into a new and more environmentally sustainable future as leaders in waste management and resource recovery.

We are entering an exciting phase of NAWMA's development with the intention to purchase new premises to house state-of-the-art equipment and processes, along with the introduction of new contractual arrangements and partnerships.

NAWMA's commitment to community awareness and education is directed to ensuring our 250,000 residents across the northern region of Adelaide and beyond are active participants in world's best practice in waste minimisation.

The decision to purchase a new site will enable NAWMA to establish a dynamic Environment Education Centre along with outstanding operational services, including a new Material Recovery Facility, administration offices and truck parking and re-fuelling stations.

The NAWMA Waste Management Strategy 2015-2020 is embedded with business plans to guide local and regional activities in waste management and to deliver new capabilities in resources recovery, recycling and re-use as we take more direct control of our operational services.

Highlights during the past financial year have included:

- the decision to pursue a major property investment in the region and to have it operational in 2017. This expenditure will include the truck parking facilities, gas refuelling stations, workshops and service offices to be jointly funded by SUEZ, which shares with NAWMA a major commitment to the most advanced recycling and resource recovery systems.
- the appointment of Peats Soils to partner with NAWMA in improved processing of the region's garden and food organics;
- completion of Stage 3A of the Uleybury landfill within budget; and
- negotiating a partnership with KESAB environmental solutions, South Australia's leading not-for-profit organisation delivering world-class community-based environmental sustainability education programs.





Report from the Chair

NAWMA's state-of-the-art Resources Recovery Centre (RRC), the associated Salvage & Save retail outlet and Scout recycling service for bottles and cans will remain at its current site on Bellchambers Road, Edinburgh North.

The Northern Adelaide community has enthusiastically embraced the services and convenience of the RRC and this is increasingly contributing to a reduction in waste to landfill.

Strategic decisions made in the past year will deliver significant benefits to the community and the environment by ensuring the Authority is at the leading edge of latest technologies and innovation.

The decision to take out a loan for a new property investment, rather than continuing to pay rent at the current Edinburgh North site, means NAWMA will ultimately own the asset, infrastructure and improvements at a more desirable location. This will allow the subsidiary to chart our future course much more confidently.

More modern offices and factory facilities and ease of access and parking for the fleet of compressed natural gas powered kerbside collection vehicles will contribute to improved administrative and operational efficiencies. Overall, it will provide surety into the future with room for growth to meet an expanding population base in the region.

To that end, we will continue to measure our proactivity within the Member Councils and our responsiveness to community demands in order to ensure that we exceed expectations.

I extend many thanks to Executive Officer, Brian King, and his senior leadership team for their most significant contribution to the performance of NAWMA in a year of enormous change. To all our staff members, I also say thanks and well done on providing our Member Councils with excellent service, for improving our efficiencies and complementing the Councils' reputations in each of their communities through delivery of high quality services.

These achievements would not have been possible without the commitment and astute advice of the Board of NAWMA. The members of the Board provide valuable professional support to the Executive Officer and his senior team.

To all the Directors of NAWMA, I thank you for your guidance and support, and we all look confidently forward to an even more successful year ahead in 2016-17.

Brian Cunningham Chair, NAWMA



Report from the Executive Officer

NAWMA's financial performance for the reporting period was better than anticipated – a similar outcome to the previous financial year.

The Authority has achieved a solid operational result, reflected in the financial statements, showing a surplus of \$1.311 million compared with \$1.454 million in 2014-15.

A key savings factor is a reduction of 3.6 per cent (\$923,338) in operating expenses from the original budget forecast for 2015-16. There are a number of contributing factors including:

- actual growth in new housing being below forecast levels;
- the Consumer Price Index being below expected levels, and
- continuous improvement in NAWMA's operations and cost structures.

The content of the 2015-16 Annual Report summarises the achievements of the Authority and its service delivery programs.

Through customer contact and reports from Constituent Councils, residents are receiving a high level of service in all aspects of NAWMA's operations. This is substantiated through the key performance indicators established with collection and processing contractors.

The NAWMA Board concurred with the Audit Committee recommendation to appoint a Finance Manager and this has occurred. In addition with the retirement of the Administrative Service Manager, an Officer Supervisor has been employed to oversee the Customer Service function.

Both of the new appointments will be positive for the Authority.

The major challenge in the 2016-17 financial year is to achieve development approval to establish and commence operations of the new Material Recovery Facility, Environmental Education Centre and NAWMA administration building.

Brian King Executive Officer, NAWMA



Strategy Development and Implementation

The current population of NAWMA's constituent Councils is approximately 250,000 residents in 110,000 households. This population is expected to grow to 276,000 by 2020.

As it continues to evolve to meet the challenges created by this expanding population, NAWMA's focus will be on quality outcomes in resources recovery, recycling and re-use to ensure waste management is conducted to the highest levels of environmental and economic sustainability.

The decision to purchase a new site is in line with the NAWMA Waste Management Strategy 2015-2020 that identifies the importance of securing long-term tenure of its operational facilities, education centre and administration offices.

This will assist NAWMA to address growing demands and opportunities in regional waste management with the implementation of new capabilities to reduce reliance on landfill operations.

Underpinning the NAWMA Waste Management Strategy 2015-2020 are key objectives including:

- achieving performance outcomes that are beyond accepted standards for waste minimisation and responsible waste and resources management;
- integrating an accredited quality and environmental management system;
- continually reviewing technology and practices in waste minimisation/ resources management and solid waste disposal options; and
- ensuring funds are secured to meet NAWMA's strategic business activities, as well as the ongoing requirement for growth and development.

With increased revenue available through a new contract with Peats Soils and the renewed kerbside collection contract with SUEZ, NAWMA made a strategic decision to invest in an environmentally friendly education vehicle. Featuring prominent branding, the vehicle will be used by the Promotions/Education Officer and other staff to promote NAWMA's environmental achievements and objectives.

A key factor in renewing the contract with SUEZ was the company's commitment to progressively introduce "next generation" Compressed Natural Gas (CNG) kerbside collection vehicles that are superior in environmental performance to the current fleet.

The contract with SUEZ was due to expire on 28 February 2017. However, it was renewed through an early tender call process based on the need for SUEZ to:

- place CNG truck orders to ensure timely delivery; and
- manage investment in the new CNG refuelling facilities at the new site.



Introducing "next generation" Compressed Natural Gas (CNG) kerbside collection vehicles

Strategy Development and Implementation

Meanwhile, NAWMA's strategic alliance with KESAB will deliver additional expertise in education programs, community activities and specialised waste auditing.

A fundamental step in achieving waste reduction targets and developing long-term markets for recyclables is the provision of reliable baseline data for quantity and composition of the waste streams.

During the reporting period, NAWMA engaged Dynamic 3E to undertake a waste analysis of a strategically valid sample from the three waste streams placed on the kerb for collection.

A strategically valid sample for each of the Council areas was defined as 300 kerbside collection bins (100 per waste stream) to achieve a 95 per cent accuracy rate

Data gained from the analysis is informing waste minimisation planning and promotion in the region and it will assist the Resource Recovery Manager in managing sorting and marketing of recyclables.

As part of NAWMA's commitment to keep abreast of latest technologies and innovation in waste management, the Resource Recovery Manager and Supervisor attended the Australasian Waste and Recycling Expo in Melbourne in August 2015.

Attendance at the Expo was timely to examine technologies associated with Material Recovery Facilities and their application to NAWMA, particularly in regard to the new plant design and equipment for the new Material Recovery Facility. A key outcome from engaging with exhibitors and delegates at the Expo is that NAWMA's new Material Recovery Facility will be at the leading edge of design, operation and workplace health and safety standards.



NAWMA's new environmentally friendly education vehicle features prominent branding

Resources Recovery

NAWMA's state-of-the-art Resource Recovery Centre (RRC) at Edinburgh North is playing a vital role in waste minimisation and re-use of materials.

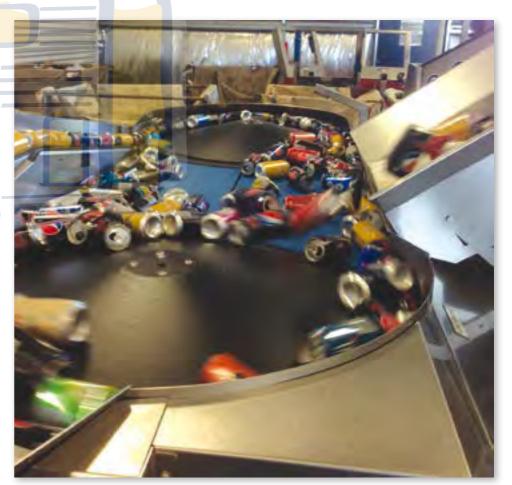
The fully automated facility on Bellchambers Road includes:

- a drive-through Waste Transfer Station for people to bring in their own waste products, including materials for recycling;
- a Salvage & Save retail outlet operated by Finding Workable Solutions in association with NAWMA offering quality second-hand building and household products to the community; and
- a recycling service for bottles and cans operated by Scouts SA.

A key performance indicator for the RRC is the reduction of waste from landfill.

Following are details of operations of the RRC for the year to 30 June 2016:

- 18,927 paying customers accessed the facility delivering green waste and general waste. This is an increase of 10 per cent from 2014-15;
- a further 3,000 customers delivered recyclables only, which were free of charge;
- revenue was consistent with the previous reporting period at 6 per cent above expenditure;
- 1,431 tonnes of material (steel, mattresses, cardboard, e-waste, car batteries) were recovered and marketed;
- 25,000 litres of waste oil was collected and recycled;
- 4,258 tonnes of garden organics was processed into mulch products;
 and
- 2,084 tonnes of residual waste was transported to SUEZ-ResourceCo for processing into Refuse Derived Fuel (RDF).



Recycling service for bottles and cans

Material Recovery Facility

NAWMA's Material Recovery Facility (MRF) at Edinburgh North has been the operational centre for diverting from landfill.

During 2015-16:

- 20,790 tonnes of recyclables were received from member Councils;
- 6,447 tonnes of recyclables were received from client and rural Councils; and
- 16,372 tonnes of mixed paper products were either exported or forwarded to Visy's mills for processing generating a pleasing financial return to NAWMA.

The MRF outcomes in 2015-16 were similar to the previous year.

Household Hard Waste Collection

The chart below shows participation levels and material sourced from household hard waste collection. It is reported in actual tonnages.

All material collected through the hard waste program is recycled, recovered or subjected to further processing.

Levels of customer satisfaction with the hard waste service are very pleasing.

| Hard Waste | Salisbury | | Pla | yford |
|-------------------------|-----------|---------------|-----------|---------------|
| | 2014/15 | 2015/16 | 2014/15 | 2015/16 |
| Participation | 4035 | 5146 up 21% | 8596 | 9238 up 7.5% |
| Residual Waste (tonnes) | 585.88 | 636.60 | 878.27 | 850.94 |
| Steel (tonnes) | 52.32 | 65.20 | 156.78 | 195.51 |
| Mattresses | 1816 | 1831 | 2269 | 2173 |
| E-Waste | 904 each | 52.66 tonnes* | 1518 each | 34.72 tonnes* |
| Vouchers | 8194 | 8180 | | |

Note:

- Televisions and monitors are no longer counted individually. Rather they are measured in tonnes.
- Salisbury's participation rate for hard waste collections plus vouchers equals 22.73 per cent
- Playford participation for hard waste collection equals 24.30 per cent.

Performance of Constituent Councils 2015-2016 through kerbside collection services

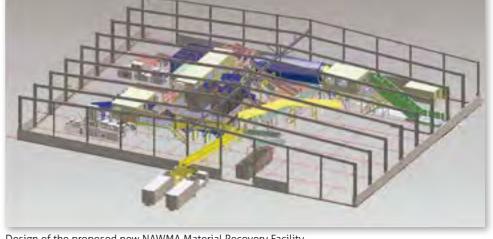
| Region | Recyclables (tonnages) | Waste (tonnages) | Percentage recovered from landfill | Compared with 2014-15 |
|-----------|---------------------------|---------------------|--|--------------------------|
| Gawler | 3,773 | 5,085 | 42.60% | 44.53% |
| Playford | 12,141 | 19,771 | 38.05% | 36.07% |
| Salisbury | 25,619 | 31,597 | 44.78% | 44.97% |

The percentages recovered (shown above) are based on the kerbside collection service only. They do not include recycling and resource recovery initiatives in place at member Councils' Waste Transfer Stations and NAWMA's Resource Recovery Centre, or via the Container Deposit Legislation (CDL) depots where steel, aluminium, glass or plastic drink containers are returned for cash payment.

Material Recovery Facility

Kerbside regional performance comparison with previous years

| Year | Recyclables (tonnages) | Waste (tonnages) | Percentage Recovered from landfill |
|--------|---------------------------|---------------------|--|
| 10 -11 | 39,210 | 50,903 | 43.51% |
| 11-12 | 36,816 | 51,592 | 41.64% |
| 12-13 | 37,258 | 52,246 | 41.62% |
| 13-14 | 41,283 | 53,697 | 43.46% |
| 14-15 | 38,394 | 54,882 | 42.06% |
| 15-16 | 41,534 | 56,453 | 42.39% |



Design of the proposed new NAWMA Material Recovery Facility

The recyclables tonnages also include material collected via the hard waste program, none of which is landfilled.

Regional performance from all sources (kerbside and waste transfer stations)

| Year | Kerbside Recyclables | Tonnages diverted from landfill from waste transfer stations | Waste tonnages landfilled | Total percentage recovered from landfill |
|-------|-------------------------|--|---------------------------------|---|
| 13-14 | 41,283 | 19,887 | 53,697 | 53.25% |
| 14-15 | 38,394 | 21,678 | 54,882 | 52.26% |
| 15-16 | 41,534 | 25,435 | 56,453 | 54.26% |

Environmental Outcomes

NAWMA is committed to ecologically sustainable waste management and minimisation practices. Following are some of the highlights of NAWMA's environmental achievements in the past year.

Gas flaring at the Uleybury Landfill

The volume of landfill gas captured and flared each year continues to grow steadily. In total, 3,637,512 cubic metres of landfill gas were flared at the Uleybury site in 2015-16. This represented a 66 per cent increase in the volume of gas flared over the previous year, and almost three times more than the first year of gas flaring in 2011-12.

One of the key environmental benefits is that about 50 per cent landfill gas is methane (CH4), which is approximately thirteen times more polluting than 'base' carbon dioxide (CO2). Flaring of the methane converts it back into Carbon Dioxide (CO2) and water (H2O) creating a far more environmentally friendly outcome.

New landfill gas wells in Stages 1 and 2 are planned for drilling in early 2016-17. This will significantly increase gas flows through the flare. Work is continuing on the next phase where landfill gas will be used to generate power that will be returned to the grid.



Uleybury interpretive centre

Environmental Outcomes

Treatment of wastewater (leachate) at the Uleybury Landfill

Leachate emanates from rain that descends through waste. At Uleybury, the leachate, or wastewater, is pumped from the sealed base of the landfill to evaporation ponds.

The sealed base of the landfill combines natural clay and special liner materials to create a triple liner ensuring there is no pollution of local ground water. At Uleybury, the depth of this ground water below the waste is about 100 metres.

As part of the overall environmental monitoring processes, ground water from seven wells on and around the site have been sampled and tested every six months since March 2004.

During the past year, as part of a review of ground water monitoring at the site, the EPA's Water Quality Branch confirmed that NAWMA could move from a six monthly monitoring cycle to an annual cycle. This is due to the low risk of any ground water pollution at the site brought about by the quality triple liner system, the depth of the ground water and leachate collection systems in place.

Compressed Natural Gas (CNG) for the kerbside collection fleet

Lower compression ratios with CNG result in a reduction in noise emissions – up to 50 per cent less than a comparable diesel engine.

Each truck powered by CNG produces up to 25 per cent less greenhouse gas emissions than a diesel equivalent with significantly less harmful particulate pollution.

NAWMA and its collection partner, SUEZ, are able to achieve greenhouse gas emission savings of 1.3 tonnes per truck per day. For the entire fleet of 23 trucks, this equates to a saving of 7,774 tonnes of greenhouse gas emissions per annum.

Based on Environment Protection Authority calculating methods, these emission savings are the equivalent of:

- removing 1,637 passenger vehicles from the road; or
- redirecting 2,786 tonnes of waste from landfill.



Stage 3 development at Uleybury

Education

NAWMA's strategic approach to promotions and education continues to evolve to embrace new and emerging communications technologies and opportunities to engage with stakeholders in the region.

NAWMA recognises that people are empowered by knowledge. Our promotional and education programs are designed to build community understanding and awareness about the importance of waste minimisation, recycling and re-use.

In the reporting period, there have been very significant achievements in education.

We will build on these achievements at the Environment Education Centre to be established at the new site by taking community awareness and waste management education initiatives to a far more dynamic and interactive level.

Over the past year, the Education Officer conducted a range of promotional activities and workshops at the Environment Education Centre at Edinburgh North and at other sites in local schools and the community.

Over 6,000 children and adults were engaged in educational presentations.

The My Waste App is a dynamic way to engage with residents who can access waste management information on computers and mobile telephones. It is proving to be a useful tool for residents with the number of My Waste Apps users totalling 61,463 for the reporting period, up from 22.200 in 2014-15.



Other education and community engagement activities in the past year include:

- development and dissemination of resources including USBs, word games, recycling information sheets and videos;
- strategic advertising in local newspapers and cinemas;
- distribution of waste management information packs to all new residents and those seeking replacement bins; and
- continuing development and updating of the NAWMA website.



Teaching local children about the three bin system

Garden and Food Organics

Nearly 52 per cent of residents now participate in NAWMA's voluntary garden organics collection service. This is a very high participation rate considering it is an optional service.

Playford Council residents continue to enjoy the transition from a user pays system to the NAWMA regional program. There is now a participation level of 36 per cent among Playford residents.

In total, 29,708 tonnes of garden and food organics were sourced from the region and forwarded for processing in 2015-16 representing an increase of 12 per cent from 2014-15.

The tonnage of collected garden organics fluctuates from year to year due to seasonal factors.



The new arrangement with Peats Soil and Garden Supplies will deliver improved processing of garden and food organics



Active participation in organics recycling will benefit the community and the environment

Social Outcomes

Increasingly, NAWMA's focus will be on quality outcomes in resources recovery, recycling and re-use to ensure waste management is conducted to the highest levels of environmental and economic sustainability.

NAWMA recognises that people are empowered by knowledge about the roles they can play in responsible waste management.

NAWMA is committed to continuing engagement with the community to realise its objectives. This is achieved through our education and community awareness initiatives, and in direct interaction with residents.

In 2015-16, a total of 51,106 residents used the 1800 free-call number to NAWMA for information on waste management issues.

Approximately 10,084 calls related to requests for Mobile Garbage Bins, specifically about new services, repairs or replacements. Bookings for the hard waste collection accounted for 20,948 calls.

Only 1,708 calls (3.34 per cent compared with 5.6 per cent in 2014-15), related to service complaints – a very satisfactory outcome considering the current client population of 250,000 residents.



More than 51,000 residents used the NAWMA free call number for information on waste management issues

Auditors Report

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2016

CERTIFICATION OF FINANCIAL STATEMENTS

I have been authorised by Northern Adelaide 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 2016 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.

Brian King EXECUTIVE OFFICER

CUTIVE OFFICER

Financials

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2016

| INCOME | | \$1000 | \$'000 |
|---|-----|--------|---------|
| User charges | 2 | 25,629 | 24,625 |
| Investment income | 2 | 248 | 206 |
| Reimbursements | 2 | 178 | 30 |
| Other | 2 | 144 | 125 |
| Total Income | - | 26,199 | 24,986 |
| EXPENSES | | | |
| Employee costs | 3 | 1,731 | 1,353 |
| Materials, contracts & other expenses | 3 | 21,466 | 20,472 |
| Finance costs | 3 | 246 | 224 |
| Depreciation, amortisation & impairment | 3 | 1,374 | 1,475 |
| Other Expenses | 3 _ | 5 | 8 |
| Total Expenses | - | 24,822 | 23,532 |
| OPERATING SURPLUS / (DEFICIT) transfer to Equity Statement | | 1,377 | 1,454 |
| Asset diseased & fair value adjustments | 5 | (66) | (2) |
| Asset disposal & fair value adjustments Physical assets received free of charge | 2 | (00) | (3) |
| Physical assets received free of charge | | • | 99 |
| NET SURPLUS / (DEFICIT) | _ | 1,311 | 1,506 |
| Other Comprehensive Income | | | |
| Changes in revaluation surplus - infrastructure, property, plant & equipment | | | (1,325) |
| Total Other Comprehensive Income | | | (1,325) |
| TOTAL COMPREHENSIVE INCOME | - | 1,311 | 181 |

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

| 43 | at 50 Julie 2010 | | | |
|--|---------------------|-------|----------------|----------------|
| ASSETS | | Notes | 2016 \$'000 | 2015 \$'000 |
| Current Assets | | | | |
| Cash and cash equivalents | | 4 | 3,600 | 4,212 |
| Trade & other receivables | | 4 | 2,852 | 3,061 |
| Tot | al Current Assets | | 6,452 | 7,273 |
| Non-current Assets | | | | |
| Infrastructure, Property, Plant & Equipme | nt | 5 | 9,699 | 5,878 |
| minute delate, a repetity, a main or Expansion | 10. | | 0,000 | 0,010 |
| | | | | |
| Total Assets | | | 16,151 | 13,151 |
| | | | | |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Trade & Other Payables | | 6 | 2,243 | 2,238 |
| Provisions | | 6 | 318 | 293 |
| Borrowings | | 6 | 1,579 | 1,305 |
| Total C | urrent Liabilities | | 4,140 | 3,836 |
| Non-current Liabilities | | | | |
| | | 6 | 2 5 4 0 | 4.607 |
| Borrowings Provisions | | 6 | 2,518 2,556 | 1,597 2,092 |
| | urrent Liabilities | | 5,074 | 3,689 |
| Total Liabilities | current Liabilities | | 9,214 | 7,525 |
| NET ASSETS | | | 6,937 | 5,626 |
| NEI AGGETO | | | 6,937 | 3,020 |
| EQUITY | | | | |
| Accumulated Surplus | | | 6,322 | 5,011 |
| Asset Revaluation Reserve | | | 615 | 615 |
| Other Reserves | | | | |
| TOTAL EQUITY | | | 6,937 | 5,626 |
| | | | 3,000 | 3,122 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

This statement is to be read in conjunction with the full financial report.

Financials

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

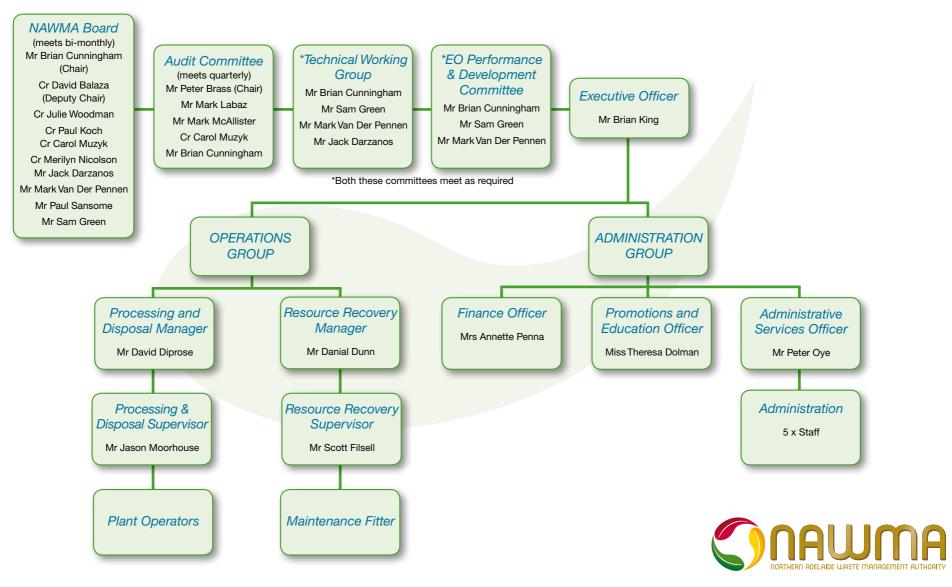
| 2016 \$1000 | Notes | Accumulated Surplus | Asset Revaluation Reserve | Other Reserves | TOTAL EQUITY |
|--|-------|------------------------|---------------------------------|-------------------|-----------------|
| Balance at end of previous reporting period | | 5,011 | 615 | | 5,626 |
| Adjustments due to compliance with revised Accounting Standards | | | | | |
| Adjustments to give effect to changed accounting policies | | | | | |
| Restated Opening Balance | | 5,011 | 615 | | 5,626 |
| Net Surplus/ (Deficit) for Year Other Comprehensive Income | | 1,311 | | | 1,311 |
| Gain on revaluation of infrastructure, property, plant & equipment | | | - | | |
| Transfers between reserves | | | | | |
| Distributions to Member Councils | | | | | |
| Balance at end of period | | 6,322 | 615 | | 6,937 |
| 2015 \$*000 | Notes | Accumulated Surplus | Asset Revaluation Reserve | Other Reserves | TOTAL EQUITY |
| Balance at end of previous reporting period | | 3,505 | 1,940 | | 5,445 |
| Adjustments due to compliance with revised Accounting Standards Adjustments to give effect to changed accounting | | | | | - |
| policies | | | | | |
| Restated Opening Balance | | 3,505 | 1,940 | | 5,445 |
| Net Surplus/ (Deficit) for Year Other Comprehensive Income | | 1,506 | | | 1,506 |
| Gain on revaluation of infrastructure, property, plant & equipment | | • | (1,325) | | (1,325) |
| Transfers between reserves | | | | - | - |
| Distributions to Member Councils | | | | | - |
| Balance at end of period | | 5,011 | 615 | | 5,626 |

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS for the year ended 30 June 2016

| CASH FLOWS FROM OPERATING ACTIVITIES Receipts | 2016 \$'000 | 2015 \$'000 |
|---|-------------------|-------------------|
| Nevelus | | |
| Operating receipts Investment receipts | 26,160 248 | 24,450 188 |
| Payments Operating payments to suppliers & employees Finance payments | (23,128) (275) | (21,655) (265) |
| Net Cash provided by (or used in) Operating Activities 7 | 3,005 | 2,716 |
| CASH FLOWS FROM INVESTING ACTIVITIES Receipts | | |
| Amounts specifically for new or upgraded assets Sale of surplus assets | : | 93 |
| Payments Expenditure on renewal/replacement of assets Expenditure on new/upgraded assets | (68) (4,744) | (271) |
| Net Cash provided by (or used in) Investing Activities | (4,812) | (178) |
| CASH FLOWS FROM FINANCING ACTIVITIES Receipts | | |
| Proceeds from Borrowings Payments | 2,400 | - |
| Repayments of Borrowings | (1,205) | (1,859) |
| Net Cash provided by (or used in) Financing Activities | 1,195 | (1,859) |
| Net Increase (Decrease) in cash held | (612) | 679 |
| Cash & cash equivalents at beginning of period 7 Cash & cash equivalents at end of period 7 | 4,212 3,600 | 3,533 4,212 |

Organisational Structure



NAWMA Cnr Peachey & Bellchambers Road, Edinburgh North, SA 5113

Box 10 Mail Delivery Centre, Edinburgh North, SA 5113

Freecall 1800 111 004 Phone 08 8259 2100

Email admin@nawma.sa.gov.au Web www.nawma.sa.gov.au

Contact

12 James Street Salisbury South Australia 5108

PO Box 8 Salisbury South Australia 5108

Telephone: 08 8406 8222

TTY: 08 8406 8596 (for people with a hearing impairment)

Facsimile: 08 8281 5466

Email: city@salisbury.sa.gov.au

www.salisbury.sa.gov.au



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