

The background of the entire page is a high-angle aerial photograph of Salisbury, Australia. The image shows a vast suburban landscape with numerous residential houses, many of which have red-tiled roofs. There are large green spaces with trees and some commercial or industrial areas. In the far distance, a large body of water, likely the Swan River, is visible under a clear sky. The overall scene is a detailed view of the city's urban and natural environment.

ANNUAL REPORT 2016-17

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

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

Email
city@salisbury.sa.gov.au

 /cityofsalisbury

 @CityOfSalisbury

www.salisbury.sa.gov.au



© 2017

CONTENTS *page*

Mayor's Message	4
CEO Message	5
City Plan	7
Key Directions	8
Our Vision	9
Annual Plan 2017/18	10
Elected Members	13
Ward Boundaries	14
Council	15
Community Champions	31
The Prosperous City	33
The Sustainable City	37
The Liveable City	41
Enabling Excellence	46
Performance Indicators.....	51
Financial Statements	57
Subsidiary Reports.....	121
Council Solutions: Annual Report 2016/17	122
2016/17 NAWMA Annual Report	137

MAYOR'S message



This year our main focus has been to continue Salisbury's evolution as an innovative and prosperous city – a destination of choice for residents, industry and visitors alike – and I'm delighted to say that we have had some fantastic achievements.

Salisbury is a wonderful place to work and do business, and 2016/17 saw an influx of new opportunities in areas such as defence, health, manufacturing and retail. Council staff worked with firms to establish in the area, expand their operations or increase their operations in our City creating 493 jobs. Council's own Polaris Business and Innovation Centre also provided more than 1,100 businesses with advice and guidance, supporting ongoing economic growth and stability.

Our successful Water Business Unit saved customers and the community \$2.4 million in 2016/17 compared to SA Water pricing. It also brought in valuable income, as did Council's strategic property development projects, permitting us to work towards our priority of rejuvenating the City Centre.

Major rejuvenation projects completed in 2016/17 include the development of Bridgestone Reserve – a 6.8ha parcel of land gifted to us by our friends at Bridgestone – into a fantastic public space that we believe is SA's best new playspace for the year. We also upgraded the sporting facilities at Underdown Park and North Pines, and made improvements to the St Kilda Adventure Playground. Work has begun on the extension of the Para Hills Library and Positive Aging Centre, which will be a fantastic community asset for generations to come.

I know I speak for my fellow councillors in saying that Salisbury is a fantastic place to live, work and play; and it just keeps getting better. A great deal of consultation and planning has gone towards the new Community Hub which will be the social heart of our City Centre, a place to showcase and experience all that Salisbury has to offer.

We are extremely lucky to have so many dedicated volunteers and community members that give so generously of their time and effort. I warmly congratulate all the recipients of the City's community recognition awards, including our Legends Awards, and our Salisbury Citizens of the Year. Special mention must be made of our very own Frank Wanganeen, who was awarded the Premier's NAIDOC Award 2017 for services to Kaurua culture and the community.

I am excited about the coming year and look forward to collaborating with my Council colleagues and the hard-working staff here at the City of Salisbury. With an increase in significant development proposals – including aged care facilities, new shopping centres, mixed use developments and more – our City is certainly thriving! We will work hard to make sure Salisbury continues to grow, and continues to cement its place as a cohesive, progressive community and an amazing place to live.

Gillian Aldridge, Mayor

A handwritten signature in black ink that reads "Gillian Aldridge".

CEO

message



In 2016/17, Council began implementation of the City Plan 2030. It exemplifies our vision – developed with the help of the community – of a flourishing City with opportunity for all. It is Council's commitment to make a positive difference for those who live, work, play and study in the City of Salisbury.

We continued major project concept developments such as the extension of the Para Hills Library & Positive Aging Centre, and the Salisbury City Centre Community Hub. This significant project is part of our commitment to revitalise the City Centre and provide services to the community into the future.

Our 2016/17 capital works program achieved a high rate of delivery including large improvements to Underdown Park and North Pines sporting facilities. The completion and official opening of Bridgestone Reserve was the culmination of several years of work including community consultation, engaging with potential users, identifying needs and developing concepts. Built on land donated to the Salisbury community by Bridgestone, this project is a great example of our highly successful approach to partnering with the private and government sectors and engaging with local community groups and residents throughout.

Our excellent 2016/17 financial results were supported by strategic property developments providing a significant financial contribution, allowing us to minimise the required rating increase. Our Long Term Financial Plan forecasts rate streams at 3 per cent and assumes the ability to meet asset renewal plans. At the same time, the Plan provides for significant capital works of \$10 million per annum.

We continue to explore non-rates based revenue opportunities to benefit local economic development and employment. Salisbury Water continues its successful delivery of recycled water to customers. It also plays an integral role in our sustainability agenda by partnering with industry and government to investigate ways to reduce the operating costs of business through waste to energy initiatives, harnessing Salisbury Water's existing resources and Council's other waste collection streams.

Infrastructure services and built / natural environments are managed for the health and benefit of residents and visitors. A core review of all Council programs was completed leading to significant reductions in operating costs while achieving improved levels of service. We are now moving into an ongoing review and continuous improvement cycle for service delivery.

As well as revitalising the City Centre, we are working to attract investment and new business to the Council area as a whole. Our aim is to strengthen the economy, increase employment and provide ongoing opportunities for all to engage in community life. Some key initiatives included:

- Upgrading recreation and tourism infrastructure in the St Kilda precinct, enhancing the attraction for families
- Leveraging the eco-tourism possibilities of the Adelaide International Bird Sanctuary, supported by upgrading facilities

Continued over page...

- Supporting the planning and development of the State Government's Food Park, an initiative that will see advanced manufacturing, food processing, and research and development entities taking up residence in Edinburgh Parks, supporting the northern agricultural area

We are working on a number of initiatives to support the City of Salisbury as it grows, including:

- East-West road infrastructure to support the State Government's Northern Connector, which will enable movement on and off the connector and across our City, resulting in shorter travel times to and from central Adelaide
- The Northern Economic Plan, which positions Northern Adelaide as a critical area for long-term growth in the State, and which will ensure a pipeline of infrastructure projects and ongoing employment opportunities
- Finalisation of the Growth Action Plan and Strategic Land Review

Our thriving and exciting City is fortunate to have sporting clubs and community centres that stimulate a strong, connected and informed society by providing events, displays, training and development programs and access to resources. We are also very proud of our cultural diversity highlighted by the citizenship program and Australia Day ceremony. Another highlight was our NAIDOC Week event, Opening the Doors.

Council's achievements in 2016/17 would not have been possible without the talented and committed employees. They work closely with Elected Members to deliver core programs, and they proactively seek future opportunities to expand and improve services. One of the many strengths of Council is its strategic focus on the demands of future society. I look forward to continuing to work with staff and the community as we further develop the innovative economic, social and physical attributes of our wonderful City.

John Harry, Chief Executive Officer



CITY plan

City Plan 2030 is our blueprint for achieving the vision you helped us develop: *Salisbury - a flourishing City with opportunity for all.*

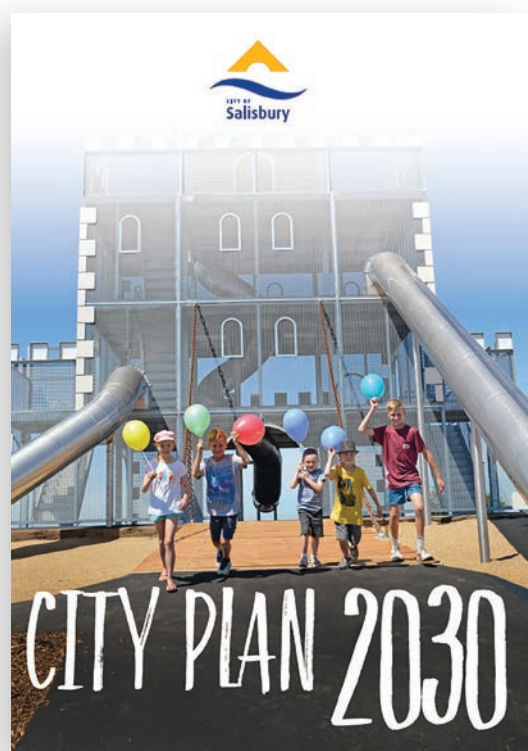
It is Council's commitment to make a positive difference for those who live, work, play and study in our City.

This Plan was developed with a great deal of community input. Achieving our vision for the City will require Council, the community and our partners to work as one. 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 these challenges.

The Plan is visionary and broad ranging. It provides practical strategies and actions to build on our existing assets and make the most of opportunities that have the potential to be transformative for not only the City of Salisbury, but the northern Adelaide region more broadly.

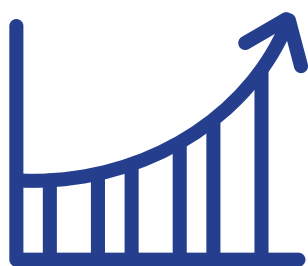
Key infrastructure projects, our environmental assets, economic strengths and the liveability of this City provide us with immense opportunities that will benefit the entire community. We have a diverse population that brings with it a wealth of knowledge and an entrepreneurial spirit that needs to be encouraged.

We face challenging but very exciting times. We need to be bold and innovative leaders. We need to think and act in partnership. We need to take pride in and promote what we have, and what we are working towards. This Plan will take a collective effort to achieve the outcomes we are seeking.



KEY directions

The City of Salisbury's City Plan 2030 contains four key directions. Each direction includes a statement of what we want to aspire to achieve, how we will achieve it and the indicators to monitor our progress.



The Prosperous City

Driving economic growth in South Australia, creating more jobs, providing people with the skills and knowledge to connect to those jobs and sustainably increasing our population.



The Sustainable City

A place where people actively experience and care for their natural environment, where green industries thrive and our urban and natural spaces are adaptive to future changes in climate.



The Liveable City

A welcoming community that celebrates its diversity, embraces change and where people are able to participate in community life. It is a City with interesting places and experiences.



Enabling Excellence

A Council where people work because they can make a difference, an organisation that anticipates, understands and meets community needs, a Council with a positive attitude.

OUR vision

Our vision for Salisbury is simply: *'Salisbury - A flourishing City with opportunity for all'*

If we are able to capture these opportunities, the community will see:

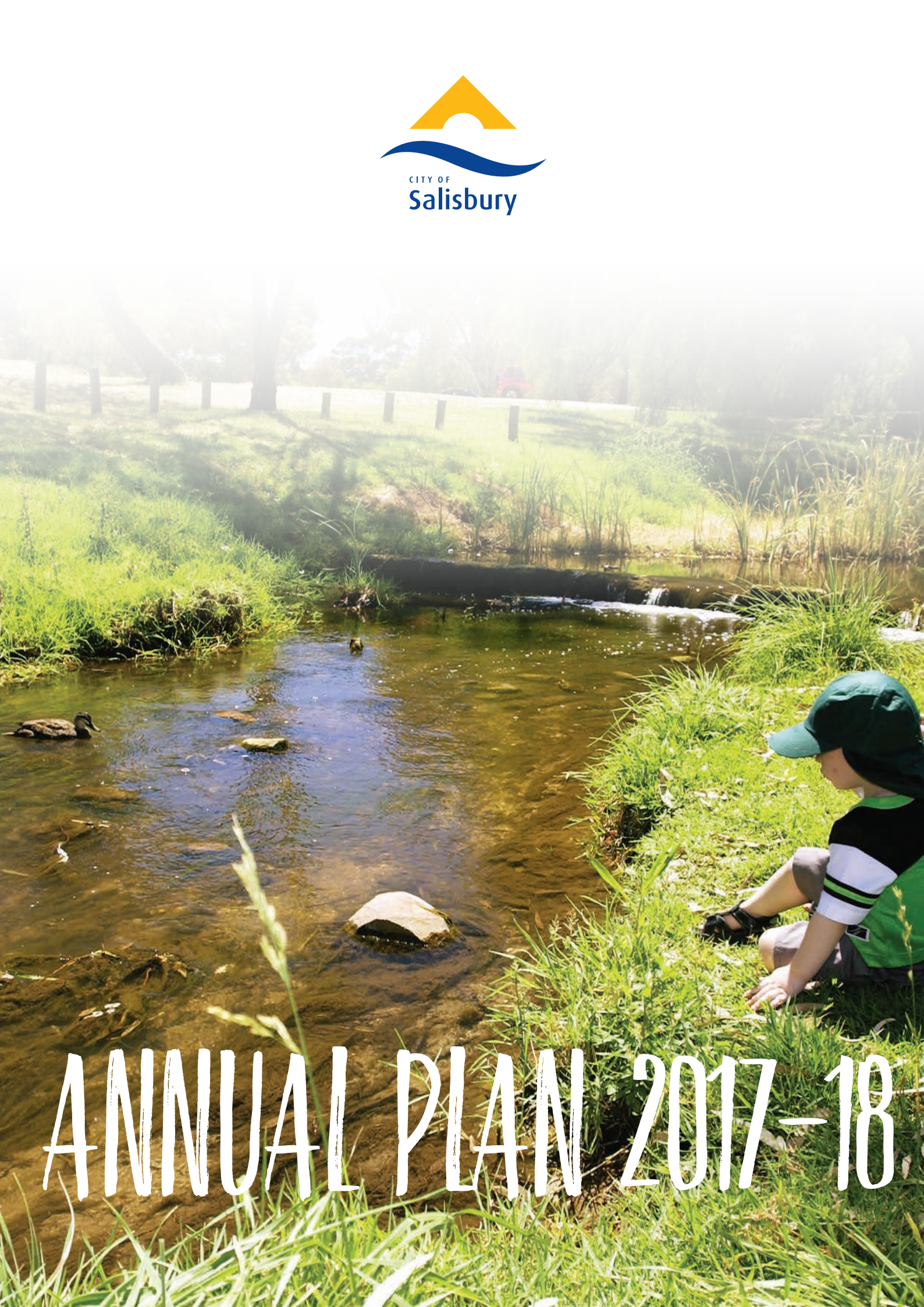
- Increased investment and a wider range of job opportunities
- Well designed and maintained neighbourhoods and places that are inclusive and accessible
- A strong economy consisting of well established businesses and innovative entrepreneurs
- A broader range of education options and more people engaged in learning
- More opportunities to use technology in the way they work, study, relax and interact with Council
- A healthy natural environment enjoyed by more people
- New communities and a regeneration of existing urban areas

- A City that celebrates its diversity and provides opportunities for all to engage in community life regardless of ability; and
- A transport network that enables people to move easily around the City and supports freight movement.

Salisbury brands itself as the Living City. It has unique features that make it appealing for residents, visitors and businesses.

A Living City is a city that is flourishing and provides opportunity for our residents, businesses and visitors through investment in its future, by valuing our stunning natural environments, by providing a great lifestyle, encouraging and supporting a vibrant innovative culture, is a destination for business and is a diverse and proud community.

Salisbury is a Living City. A place we are proud to be part of. Salisbury is *"a flourishing City with opportunity for all"*.



ANNUAL PLAN 2017-18

Looking ahead to 2017/18

The City of Salisbury's 2017/18 Annual Plan is maintaining all existing services while also expanding investment in the areas that matter to our community, in particular provision of and access to community spaces within the City, streetscapes, verge maintenance, flood management, and recreation and sporting facilities.

The Annual Plan contains \$56 million in Gross Infrastructure Investment ensuring Salisbury continues to be a great destination that is inviting and inspiring. This investment has been factored into our Long Term Financial Plan to ensure we maintain and improve our \$1.6 billion worth of assets in a sustainable manner with stable increases in rates as a result.

It includes commencement of the Salisbury City Centre Community Hub, which is a major element of our ongoing Salisbury City Centre Revitalisation. The Hub will bring together a range of community, civic and learning services within one vibrant, adaptable and multi-functional building.

The Hub will provide modern spaces for community use and have state-of-the-art technology that will improve how we work and engage with our community. Construction is planned to start in 2018 following a comprehensive design process that involves community and stakeholder input and subject to Council approval in December 2017

More than \$14 million has been allocated to Asset Renewal in 2017/18 including \$8.8 million towards road resealing, reconstruction and kerb replacement, approximately \$1.6 million for building renewal, \$1.4 million for drainage works, and \$1.4 million for park and playground upgrades.

The 2017/18 Annual Plan includes an average rate increase of 3%, which equates to a \$41 increase on the average residential rate. Council is forecasting a \$3.8 million surplus, which includes one-off road funding of \$1.1 million.

Features of the 2017/18 Budget

Major works are being undertaken alongside the existing Para Hills Library and Positive Ageing Centre creating a new Para Hills Community Hub. The Hub is strategically located within walking distance of the Para Hills Neighbourhood Shopping Centre and Para Hills schools. It will offer business, cultural, education and recreational opportunities and feature well-equipped facilities, a multi-function space for up to 120 people, and spaces for events, exhibitions and workshops. The Paddocks Community Centre (excluding the netball clubrooms) will be decommissioned.

The Salisbury Oval Precinct has a major role to play in

the ongoing Salisbury City Centre Revitalisation including encouraging private and public sector investment, and supporting the community's recreation and sporting needs. In 2017/18 Council is upgrading the existing grandstand, CCTV network, fencing and stormwater infrastructure. Options are also being considered for the future construction of a new indoor training facility subject to future external funding opportunities.

The Local Flooding Program has been increased in 2017/18 in response to significant storm events in 2016/17. This funding provides for the design and construction of localised minor flood mitigation works, mainly as a result of flooding reports.

Budget highlights:

- City Centre Community Hub \$27 million (\$37 million net project)
- Salisbury Oval Precinct \$1.7 million (\$3 million project)
- Para Hills Community Hub \$2.3 million (\$4.4 million project)
- Autism Friendly Playspace \$0.45 million (dependent on grant funding)
- Local Flooding and Flood Mitigation Projects \$1.2 million
- Road Renewal Program \$8.8 million
- Buildings Renewal Program \$1.6 million
- Drainage and Waterways \$1.4 million
- Park and playground upgrades \$1.4 million
- Additional verge maintenance \$0.4 million

How Do We Set Rates?

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.

The first step we take in setting rates is to remove the impact of the average market increase/decrease in property values for the year. What this means is that if property values go up 15 per cent in a year, we adjust our calculations down to remove this impact. Then we apply the increase we need to fund our activities for the coming year.

For 2017/18 Council has determined an average increase of 3 per cent.

Significant factors placing pressure on the budget include:

- Declining Federal Assistance Grant
- Depreciation associated with new infrastructure
- Mandatory rates rebates for Community Housing Associations
- Increase in State Government EPA Levy
- Increase in energy costs

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 \$958 to \$987 for 2017/18.

Differential Rating – different rates may be applied to different categories of property called ‘land uses’ as determined by the Valuer General. A loading 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 city centre
- Globe Derby Community Club to maintain an area of common land belonging to 63 shares
- Natural Resources Management (NRM) Levy is a State Government imposed tax, which councils are required to collect on behalf of the State Government with all funds going to the State Government. The City of Salisbury supports the Local Government Association of South Australia’s efforts to lobby the State Government for the cessation of the current collection method. 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.gov.au.

These separate rates are paid to the respective entities.

Key Services

OPERATING BUDGET BY KEY DIRECTION	2017/18		
	EXP \$000's	INC \$000's	NET \$000's
THE PROSPEROUS CITY			
Economic Development	1,607	142	1,465
Development Management	2,953	1,187	1,766
Urban Planning	1,191	-	1,191
Roads	4,369	3,742	627
Footpaths	1,549	-	1,549
TOTAL THE PROSPEROUS CITY	11,669	5,071	6,598
THE SUSTAINABLE CITY			
Water Management	4,631	2,669	1,962
Waste Management	15,492	1,479	14,013
Parks and Landscape	18,926	88	18,838
City Infrastructure	-	1,107	(1,107)
TOTAL THE SUSTAINABLE CITY	39,049	5,343	33,706
THE LIVEABLE CITY			
Community Development	1,909	7	1,902
Recreation Centres	1,700	-	1,700
Community Sport and Club Facilities	2,074	-	2,074
Library Services	5,340	604	4,736
Community Centres	2,062	294	1,768
Community Health and Wellbeing	4,940	2,940	2,000
Cemetery	595	511	84
Food and Health Regulation	1,142	146	996
Parking and Bylaws Control	627	329	298
Dog Control	1,640	1,178	462
Crime Prevention and Repair	759	-	759
Street Lighting	2,911	-	2,911
TOTAL THE LIVEABLE CITY	25,699	6,009	19,690
ENABLING EXCELLENCE			
Corporate Services	54	477	(423)
Governance	-	1	(1)
Sundry	3,224	6,489	(3,265)
Infrastructure Depreciation	22,839	-	22,839
TOTAL ENABLING EXCELLENCE	26,117	6,967	19,150
Capital Works and Project Preparation	2,107	-	2,107
Corporate Unallocated	5,081	-	5,081
Corporate Governance Overhead	3,798	-	3,798
Rate Revenue	-	93,989	(93,989)
TOTAL OPERATING SURPLUS/(DEFICIT)	113,520	117,379	3,859

ELECTED members

MAYOR



Gillian Aldridge JP

CENTRAL WARD



Cr David Balaza
Deputy Mayor
(July to November 2016)



Cr Betty Gill

EAST WARD



Cr Joe Caruso



Cr Damien Pilkington

HILLS WARD



Cr David Bryant



Cr Shiralee Reardon JP

LEVELS WARD



Cr Steve White



Cr Beau Brug
(From 22 May 2017)

NORTH WARD



Cr Linda Caruso

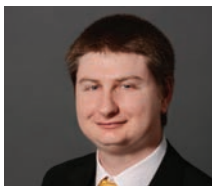


Cr Graham Reynolds

PARA WARD



Cr Robyn Cook



Cr Riccardo Zahra

SOUTH WARD



Cr Sean Bedford



Cr Julie Woodman JP

WEST WARD



Cr Chad Buchanan JP



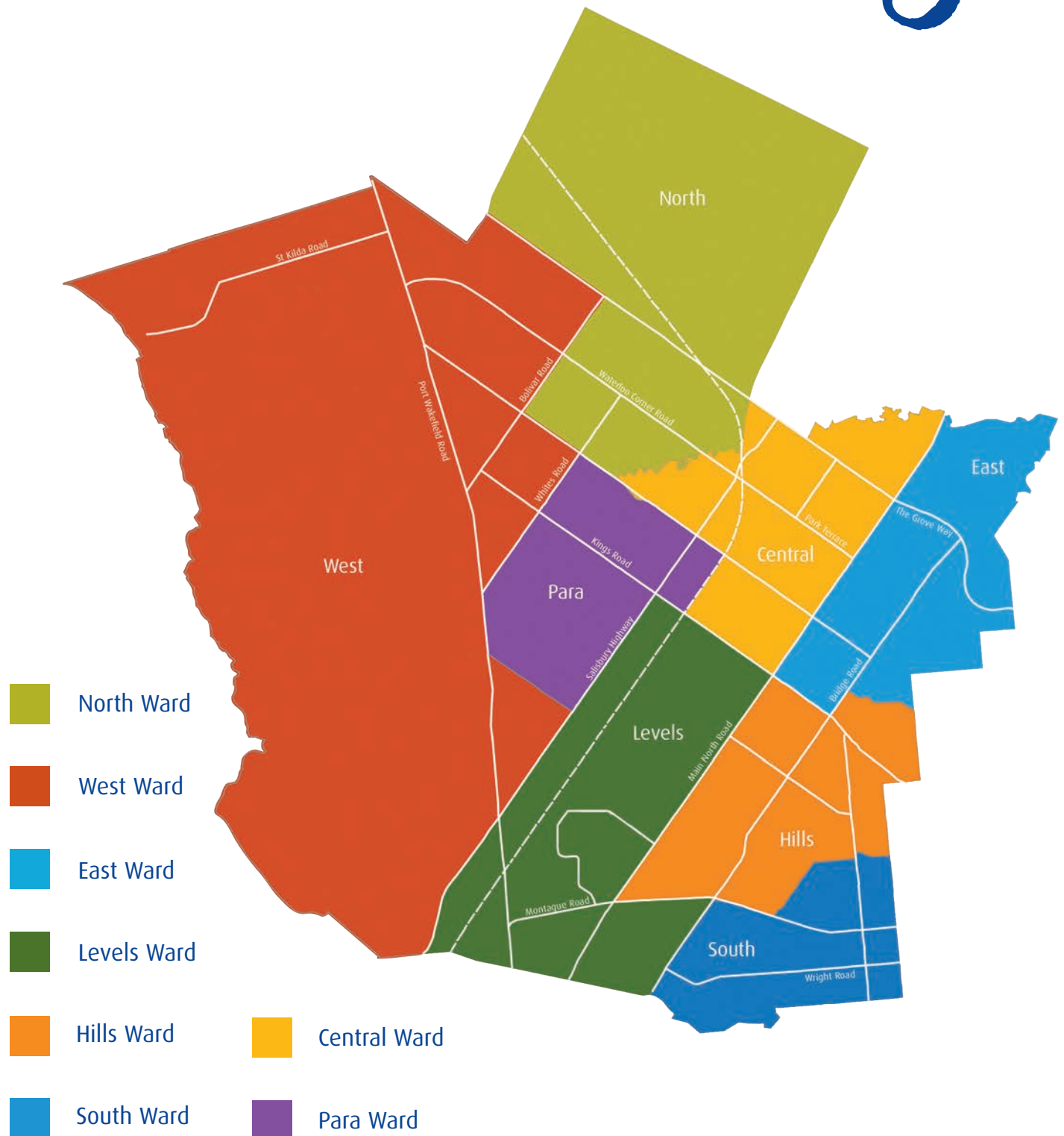
Cr Donna Proleta
Deputy Mayor
(November 2016 to June 2017)

LEVELS WARD



Cr Brad Vermeer
(To 3 February 2017)

WARD boundaries



council

Elected Members (July 2016 - June 2017)

Mayor:	Gillian Aldridge
Central Ward:	Cr David Balaza (Deputy Mayor, July 2016 to November 2016) 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 (to 3 February 2017) Cr Beau Brug (from 22 May 2017) Cr Steve White
West Ward:	Cr Chad Buchanan Cr Donna Proleta (Deputy Mayor, November 2016 to June 2017)

Council	Elected Members ²	Electors	Representation Quota ³
Salisbury	17	92,635	5449
Playford	16	58,415	3650
West Torrens	15	40,663	2710
Charles Sturt	17	82,203	4835
Port Adelaide/ Enfield	18	81,801	4544
Marion	13	63,598	4892
Onkaparinga	21	121,366	5779
Tea Tree Gully	13	72,676	5590
Metropolitan Average ⁴	14	47,408	3437

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 Act 1999, Schedule 4.

4 Based on 19 metropolitan councils, including the City of Adelaide

COUNCIL

Elector Representation

The community of Salisbury is currently 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.

In accordance with Section 12 of the Local Government Act 1999, Council is required to conduct an Elector Representation Review at least once in every eight years. The City of Salisbury conducted a Representation Review in 2016/2017, in readiness for the November 2018 Local Government Elections. The Representation Review will result in changes to the number of wards and Elected Members in the City of Salisbury and Ward Boundaries were adjusted to ensure a balanced and appropriate representation quota within each ward.

Following formal certification, Council will be required to publish an appropriate notice in the Government Gazette (on a date specified by the Electoral Commissioner) which will effectively provide for the implementation of the proposed (certified) future composition and structure of Council at the November 2018 Local Government elections.

No public initiated submissions under section 28 of the Local Government Act 1999 have been received in 2016/17.

The representation quota for the City of Salisbury, that is the number of electors represented by each Councillor, is shown in the table on the adjacent page. Comparative data for other major metropolitan Councils in Adelaide has also been included¹.

Elector 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	\$22,008 per annum
Mayor	\$88,032 per annum
Deputy Mayor	\$27,180 per annum
Chairman of Standing Committees	\$27,510 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.	\$205 per meeting limited to an aggregate amount of \$1,229 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

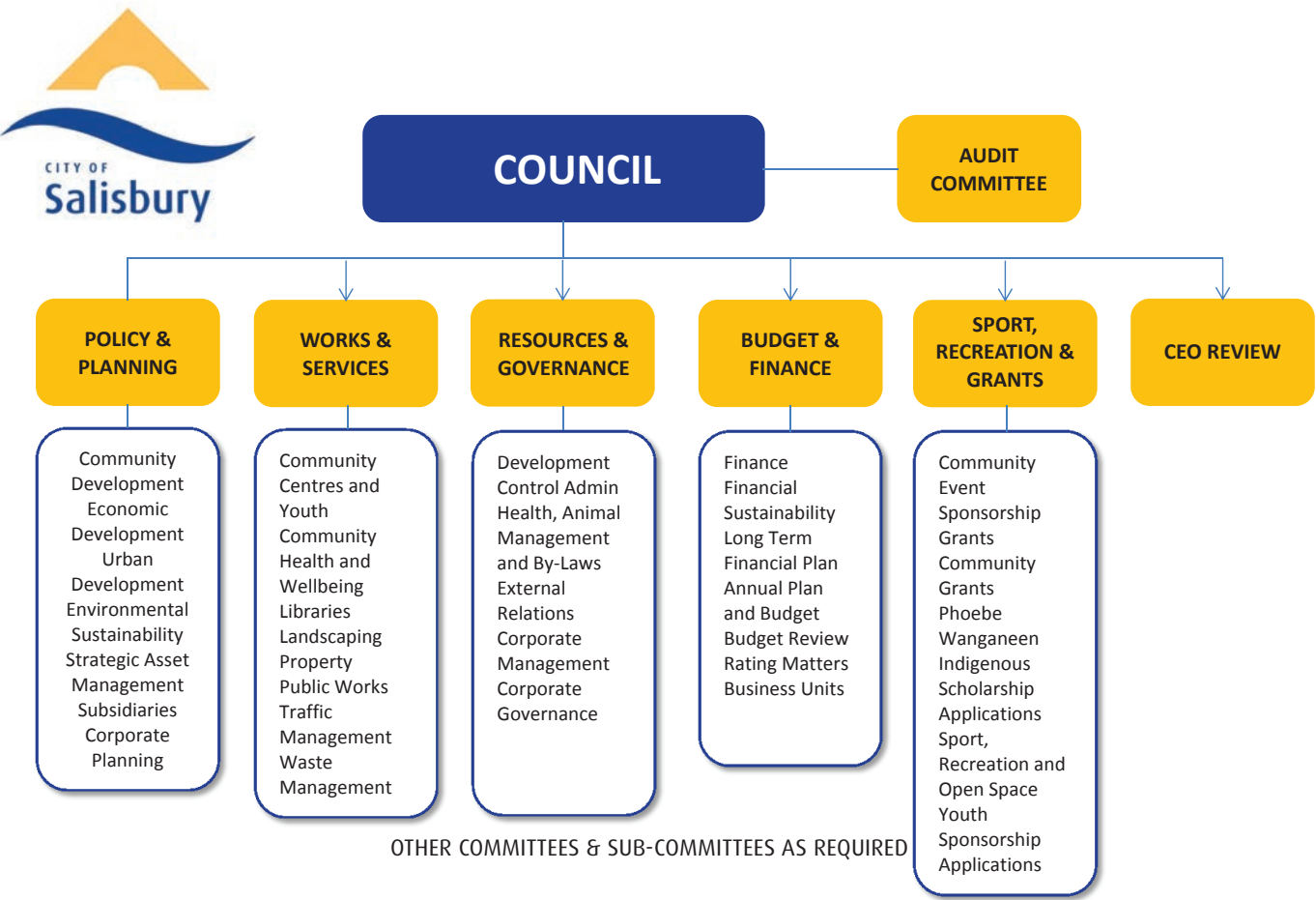
Council and Committee Structure from July 2016 to June 2017

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 meet 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 has also established 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:



SUB COMMITTEES AS REQUIRED

COUNCIL

Membership of each of the Committees in 2016/17:

Policy and Planning Committee

- Cr Linda Caruso (Chairman until November 2016)
- Cr Damien Pilkington (Chairman from December 2016)
- Cr Shiralee Reardon (Deputy Chairman until December 2016)
- Cr Julie Woodman (Deputy Chairman from January 2017)
- All members of Council

Works and Services Committee

- Cr Julie Woodman (Chairman until November 2016) – South Ward
- Cr Graham Reynolds (Chairman from December 2016) – North Ward
- Cr Joe Caruso (Deputy Chairman until December 2016) – East Ward
- Cr Shiralee Reardon (Deputy Chairman from January 2017) – Hills Ward
- Cr Chad Buchanan – West Ward
- Cr Elizabeth Gill – Central 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 Brad Vermeer (Chairman until November 2016) – Levels Ward (Resigned 3 February 2017)
- Cr Sean Bedford (Chairman from December 2016) – South Ward
- Cr Robyn Cook – (Deputy Chairman) – Para Ward
- Cr David Balaza – Central Ward
- Cr David Bryant – Hills Ward
- Cr Beau Brug – Levels Ward (from 22 May 2017)
- Cr Linda Caruso – North Ward
- Cr Damien Pilkington – East Ward
- Cr Donna Proleta – West Ward
- The Mayor is, ex-officio, a member of this Committee

Budget and Finance Committee

- Cr Damien Pilkington (Chairman until November 2016)

- Cr Riccardo Zahra (Chairman from December 2016)
- Cr Sean Bedford (Deputy Chairman until December 2016)
- Cr Elizabeth Gill (Deputy Chairman from January 2017)
- All members of Council

Sport's Recreation and Grants Committee

- Cr Donna Proleta (Chairman until December 2016) – West Ward
- Cr Linda Caruso (Chairman from January 2017) – North Ward
- Cr David Bryant (Deputy Chairman until – December 2016) – Hills Ward
- Cr Julie Woodman (Deputy Chairman from January 2017) – South Ward
- Cr David Balaza – Central Ward
- Cr Beau Brug – Levels Ward (From 22 May 2017)
- Cr Damien Pilkington – East Ward
- Cr Brad Vermeer – Levels Ward (Resigned 3 February 2017)
- Cr Riccardo Zahra – Para Ward
- The Mayor is, ex-officio, a member of this Committee

Audit Committee

- Mr Peter Brass (Chairman)
- Mr Craig Johnson (Deputy Chairman)
- Ms Kristen Briggs
- Cr Joe Caruso
- Cr Graham Reynolds

Development Assessment Panel

From July 2016 to June 2017

- Mr Doug Wallace (Presiding Member)
- Mr Ross Bateup
- Ms Stephanie Johnston
- Mr John Watson
- Cr Graham Reynolds
- Cr Linda Caruso
- Cr Steve White

Open and transparent decision-making

The City continues to ensure its commitment to open and transparent decision making through minimising the number of decisions it takes in confidence.

In 2016/17 a total of 546 items were considered by Council and Committees. Of these, 44 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%
2016/17	44	8.05%

Of the 44 items where members of the public were excluded, all or part of the documents presented remained confidential after discussion in confidence had taken place.

The following table is a summary of 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 2016/2017 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 2016	8.2.1	CEO Performance Review Committee	(a)	1	1
July 2016	1.10.1	Policy and Planning Committee	(b)	1	1
July 2016	1.10.2	Policy and Planning Committee	(d)	1	1
July 2016	6.9.1	Budget and Finance Committee	(a)	1	1
August 2016	PRSC2	Program Review Sub-Committee	(b) & (d)	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 2016	6.0.3	Budget and Finance Committee	(b) & (d)	1	1
August 2016	6.9.1	Budget and Finance Committee	(d)	1	1
September 2016	SPDSC4	Strategic Property Development Sub- Committee	(b)	1	1
September 2016	1.10.1	Policy and Planning Committee	(b)	1	1
September 2016	1.10.1	Policy and Planning Committee	(b)	1	1
September 2016	6.9.1	Budget and Finance Committee	(a)	1	1
September 2016	6.9.2	Budget and Finance Committee	(b)	1	1
September 2016	C1	Council	(a)	1	1
October 2016	PRSC2	Program Review Sub- Committee	(b) & (d)	1	1
October 2016	6.9.1	Budget and Finance Committee	(b) & (d)	1	2
October 2016	C1	Council	(a)	1	1
October 2016	C2	Council	(d)	1	1
November 2016	6.9.1	Budget and Finance Committee	(b) & (d)	1	1
November 2016	C1	Council	(a)	1	1
December 2016	SPDSC3	Strategic Property Development Sub- Committee	(b)	1	1
December 2016	1.10.1	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.
December 2016	2.9.1	Works and Services Committee	(b)	1	1
December 2016	6.9.1	Budget and Finance Committee	(b) & (d)	1	1
January 2017	2.9.1	Works and Services Committee	(b)	1	1
January 2017	2.9.2	Works and Services Committee	(j)	1	1
February 2017	PRSC4	Program Review Sub- Committee	(a)	1	1
February 2017	1.10.1	Policy and Planning Committee	(b) & (d)	1	1
February 2017	2.9.1	Works and Services Committee	(b)	1	1
February 2017	6.9.1	Budget and Finance Committee	(b) & (d)	1	1
March 2017	2.9.1	Works and Services Committee	(b) & (d)	1	1
April 2017	SPDSC4	Strategic Property Development Sub- Committee	(b)	1	1
April 2017	2.9.1	Works and Services Committee	(b) & (d)	1	1
April 2017	2.9.2	Works and Services Committee	(b) & (d)	1	1
April 2017	2.9.3	Works and Services Committee	(b)	1	1
May 2017	PRSC4	Program Review Sub- Committee	(a)	1	1
May 2017	2.9.1	Works and Services Committee	(f)	1	1
May 2017	3.8.1	Resources and Governance 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.
May 2017	6.9.1	Budget and Finance Committee	(a)	1	1
May 2017	C1	Council	(a)	1	1
May 2017	C2	Council	(b)	1	1
May 2017	C3	Council	(a)	1	1
June 2017	PRSC1	Program Review Sub- Committee	(a)	1	1
June 2017	2.9.1	Works and Services Committee	(b)	1	1
June 2017	2.9.2	Works and Services Committee	(b) & (d)	1	1

17 confidentiality orders were revoked or expired during 2016/17. 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.

121 orders remained operative at the end of 2016/17.

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 2016/17 financial year, the City of Salisbury did not receive any requests for review of a Council decision. There was one application carried forward from 2015/16 which was still being reviewed. The request was for a review of the decision of Council to take no further action with respect to complaints regarding the impact of a dwelling approved by Council on the adjoining property. The review proceeded with remedies with respect to the decision above determined for action by both the applicant and Council. No further action was determined to be available concerning the provision of plans, specifications and paperwork and the Land Management Agreement

Ombudsman SA Investigations

During 2016/17, 35 complaints were received by the SA Ombudsman; of these, 24 saw the complainant referred back to Council for action, six were declined, one had alternative remedy availability, three were withdrawn by the Complainant and one complainant could not be contacted.

Financial Internal Controls Framework

The City of Salisbury follows the Better Practice Model – Financial Internal Control for South Australian Councils. In order to demonstrate compliance with this model, the City operates an extensive financial internal controls framework. The framework is designed to ensure financial processes, procedures, policies and systems are applied efficiently and effectively in order to mitigate the financial risks identified in the Model. Oversight of the financial internal controls 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 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 financial statements and regularly reviews the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the City.

The Committee reports to Council five times a year and is committed to assuring Council that the governance and risk management frameworks are in place and operating effectively.

This assurance to Council is given through the completion of an Internal Audit Plan, which is linked to the Strategic Risk Register and reviewed four times a year by the Committee. Linking the Internal Audit Plan to the Strategic Risk Register ensures that internal audits are focussed on those areas that pose the greatest risk to the achievement of the City's objectives.

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

Each year the Committee undertakes a self-assessment, the results of which are reported to Council and used to identify areas for development or improvement in the operations of the Committee.

Audit Committee Membership July 2016 – June 2017

- Mr Peter Brass (Chairman & Independent Member) – Chief Operating Officer and Company Secretary, Water Research Australia Ltd., attended four of five meetings.
- Mr Craig Johnson (Deputy Chairman – Independent Member) – Independent Consultant, attended five of five meetings.
- Ms Kristyn Verrall (Briggs) (Independent Member) – Legal Counsel / Company Secretary at StatewideSuper, attended four of five meetings.
- Cr Joe Caruso (Elected Member of Council) – attended four of five meetings.
- Cr Graham Reynolds (Elected Member of Council) – attended four of five meetings.

Elected Member Training and Development

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

Gillian Aldridge JP	Conflict of Interest Follow Up Training, Elected Member Development Program, Local Government Association Ordinary and Annual General Meeting and Networking Dinner, Elected Member Weekend Workshop.
David Balaza	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.
Sean Bedford	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.
Beau Brug (From 22 May 2017)	No information to report.
David Bryant	Conflict of Interest Follow Up Training, Local Government Electricity Forum, Elected Member Development Program, Elected Member Weekend Workshop.
Chad Buchanan JP	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.
Giuseppe (Joe) Caruso	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.
Linda Caruso	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop, National General Assembly of Local Government (Canberra).
Robyn Cook	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.
Elizabeth (Betty) Gill JP	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop, Local Government Association Annual General Meeting and Networking Dinner, Australian Local Government Women's Association Conference (Hobart).
Damien Pilkington	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.
Donna Proleta	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.
Shiralee Reardon JP	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop, WEA 'Communication Secrets', WEA 'The Influential Communicator', WEA 'Leadership 2017', Local Government Tourism, Festival and Events Workshop.
Graham Reynolds	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.
Brad Vermeer (until 3 February 2017)	Conflict of Interest Follow Up Training, Elected Member Development Program.
Steve White	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop, Council and Committee Meeting Procedures and Chairing Skills.
Julie Woodman JP	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop, Australian Local Government Women's Association Conference (Hobart).
Riccardo Zahra	Conflict of Interest Follow Up Training, Elected Member Development Program, Elected Member Weekend Workshop.

Elected Member Representation on External Bodies

Gillian Aldridge JP	Voting Representative, Local Government Association Board Member, Metropolitan Local Government Group Member, Metropolitan Local Government Group – Executive Committee 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	No information to report.
Beau Brug (From 22 May 2017)	No information to report.
David Bryant	No information to report.
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 Twelve25 Youth Advisory Group
Damien Pilkington	Salisbury East Neighbourhood Centre
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 (Until 3 February 2017)	No information to report.
Steve White	Parafield Airport Consultative Committee Twelve25 Youth Advisory Group Mawson Centre Management Committee
Julie Woodman JP	Valley View Secondary High School Governing Council Northern Adelaide Waste Management Authority Board (Member)
Riccardo Zahra	Twelve25 Youth Advisory Group

Elected Member Meeting Attendance July 2016 to June 2017

Gillian Aldridge JP	<ul style="list-style-type: none"> • Tourism and Visitor Sub Committee 2/3 • Program Review Sub Committee 6/10 • Strategic Property Development Sub Committee 3/3 • Strategic and International Partnerships Sub Committee 2/4 • CEO Review Committee 5/5 • Youth Council 2/5 	<ul style="list-style-type: none"> • Sport, Recreation and Grants Committee 4/12 • Policy and Planning Committee 10/12 • Budget and Finance Committee 10/12 • Works and Services Committee 9/12 • Resources and Governance Committee 3/12 • Council 11/12 • Special Council 1/1
David Balaza	<ul style="list-style-type: none"> • Strategic Property Development Sub Committee "1 (as proxy)" • Strategic and International Partnerships Sub Committee 3/4 • CEO Review Committee 3/5 • Youth Council 2/5 • Sport, Recreation and Grants Committee 11/12 	<ul style="list-style-type: none"> • Policy and Planning Committee 11/12 • Budget and Finance Committee 11/12 • Resources and Governance Committee 11/12 • Council 12/12 • Special Council 1/1
Sean Bedford	<ul style="list-style-type: none"> • Program Review Sub Committee 6/10 • Policy and Planning Committee 8/12 • Budget and Finance Committee 8/12 	<ul style="list-style-type: none"> • Resources and Governance Committee 8/12 • Council 9/12 • Special Council 1/1
Beau Brug (From 22 May 2017)	<ul style="list-style-type: none"> • Program Review Sub Committee 1/10 • Sport, Recreation and Grants Committee 1/12 • Policy and Planning Committee 1/12 	<ul style="list-style-type: none"> • Budget and Finance Committee 1/12 • Resources and Governance Committee 1/12 • Council 2/12
David Bryant	<ul style="list-style-type: none"> • Program Review Sub Committee 10/10 • CEO Review Committee "2 (as proxy)" 5 • Sport, Recreation and Grants Committee 11/12 • Policy and Planning Committee 9/12 	<ul style="list-style-type: none"> • Budget and Finance Committee 10/12 • Resources and Governance Committee 9/12 • Council 12/12 • Special Council 1/1
Chad Buchanan JP (leave of absence 27/3/16 to 31/5/17)	<ul style="list-style-type: none"> • Program Review Sub Committee 1/10 • Policy and Planning Committee 4/12 • Budget and Finance Committee 4/12 	<ul style="list-style-type: none"> • Works and Services Committee 4/12 • Council 9/12 • Special Council 1/1
Giuseppe (Joe) Caruso	<ul style="list-style-type: none"> • Program Review Sub Committee 10/10 • Strategic Property Development Sub Committee 3/3 • CEO Review Committee "1 (as proxy)" 5 • Audit Committee of Council 5/5 	<ul style="list-style-type: none"> • Policy and Planning Committee 12/12 • Budget and Finance Committee 12/12 • Works and Services Committee 12/12 • Council 12/12 • Special Council 1/1
Linda Caruso	<ul style="list-style-type: none"> • Program Review Sub Committee 10/10 • CEO Review Committee 5/5 • Sport, Recreation and Grants Committee 11/12 • Policy and Planning Committee 10/12 • Budget and Finance Committee 11/12 	<ul style="list-style-type: none"> • Resources and Governance Committee 10/12 • Council 11/12 • Special Council 1/1 • Development Assessment Panel 10/10
Robyn Cook	<ul style="list-style-type: none"> • Tourism and Visitor Sub Committee 1/3 • Policy and Planning Committee 8/12 • Budget and Finance Committee 9/12 	<ul style="list-style-type: none"> • Resources and Governance Committee 8/12 • Council 10/12 • Special Council 1/1
Elizabeth (Betty) Gill JP	<ul style="list-style-type: none"> • Program Review Sub Committee 9/10 • Strategic Property Development Sub Committee 2/3 • Strategic and International Partnerships Sub Committee 3/4 	<ul style="list-style-type: none"> • Policy and Planning Committee 11/12 • Budget and Finance Committee 12/12 • Works and Services Committee 11/12 • Council 11/12 • Special Council 1/1
Damien Pilkington	<ul style="list-style-type: none"> • CEO Review Committee 5/5 • Sport, Recreation and Grants Committee 10/12 • Policy and Planning Committee 11/12 • Budget and Finance Committee 12/12 	<ul style="list-style-type: none"> • Resources and Governance Committee 11/12 • Council 11/12 • Special Council 0/1

Donna Proleta	<ul style="list-style-type: none"> • Program Review Sub Committee 8/10 • Strategic Property Development Sub Committee 2/3 • CEO Review Committee 2/5 • Sport, Recreation and Grants Committee 8/12 	<ul style="list-style-type: none"> • Policy and Planning Committee 10/12 • Budget and Finance Committee 9/12 • Resources and Governance Committee 10/12 • Council 11/12 • Special Council 1/1
Shiralee Reardon JP	<ul style="list-style-type: none"> • Tourism and Visitor Sub Committee 3/3 • Strategic Property Development Sub Committee 2/3 • Policy and Planning Committee 10/12 	<ul style="list-style-type: none"> • Budget and Finance Committee 9/12 • Works and Services Committee 10/12 • Council 12/12 • Special Council 1/1
Graham Reynolds	<ul style="list-style-type: none"> • Strategic Property Development Sub Committee 3/3 • Strategic and International Partnerships Sub Committee 3/4 • Audit Committee of Council 4/5 • Policy and Planning Committee 12/12 	<ul style="list-style-type: none"> • Budget and Finance Committee 12/12 • Works and Services Committee 12/12 • Council 11/12 • Special Council 1/1 • Development Assessment Panel 10/10
Brad Vermeer (Until 3 February 2017)	<ul style="list-style-type: none"> • Program Review Sub Committee 3/10 • Strategic Property Development Sub Committee 2/3 • CEO Review Committee 2/5 • Sport, Recreation and Grants Committee 4/12 	<ul style="list-style-type: none"> • Policy and Planning Committee 6/12 • Budget and Finance Committee 6/12 • Resources and Governance Committee 6/12 • Council 6/12
Steve White	<ul style="list-style-type: none"> • Program Review Sub Committee 2/10 • Youth Council 4/5 • Sport, Recreation and Grants Committee 2/12 • Policy and Planning Committee 12/12 • Budget and Finance Committee 12/12 	<ul style="list-style-type: none"> • Works and Services Committee 12/12 • Council 12/12 • Special Council 1/1 • Development Assessment Panel 10/10
Julie Woodman JP	<ul style="list-style-type: none"> • Program Review Sub Committee "2 (as proxy)" • Strategic Property Development Sub Committee 1/3 • Strategic and International Partnerships Sub Committee 1/4 • CEO Review Committee 1/5 	<ul style="list-style-type: none"> • Sport, Recreation and Grants Committee 9/12 • Policy and Planning Committee 11/12 • Budget and Finance Committee 11/12 • Works and Services Committee 11/12 • Council 11/12 • Special Council 1/1
Riccardo Zahra	<ul style="list-style-type: none"> • Tourism and Visitor Sub Committee 3/3 • Program Review Sub Committee 10/10 • CEO Review Committee 1/5 • Youth Council 5/5 • Sport, Recreation and Grants Committee 11/12 	<ul style="list-style-type: none"> • Policy and Planning Committee 11/12 • Budget and Finance Committee 11/12 • Works and Services Committee 11/12 • Council 12/12 • Special Council 1/1

This table reflects committee meeting attendances for 2016/17. The meeting information listed reflects the membership details on page 18 of this document.



Executive Allowances

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

- A negotiated annual salary;
- Statutory superannuation;
- Provision of a fully maintained Council vehicle or equivalent.

General Managers membership on External Boards and Committees:

Membership on external bodies by City of Salisbury General Managers during the past financial year

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 (Until 7 October 2016)

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

General Manager Community Development, Pippa Webb (From 10 October 2016)

- Industry Leaders Group for Department of State Development
- 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)
- Institute of Public Works Engineering Australasia Committee Member

Participation in decision-making forums (AR.03.02.03)

In 2016/17, there were five Committees with 45 non-elected members in their membership. The Committees are Youth Council (24), Audit Committee of Council (3), Development Assessment Panel (4), Strategic and International Partnerships (8) and the Tourism and Visitor Sub Committee (6).

Youth Council	24
Audit Committee of Council	3
Development Assessment Panel	4
Strategic & International Partnerships Sub-Committee	8
Tourism and Visitor Sub Committee	6

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. The City of Salisbury currently utilises 371 controls within CAMS across six classes: Assets, Expenses, External Services, Liabilities, Revenue and Strategic Financial Planning.

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 2016/17 was 371, of these controls 369 were assessed as a 4 or a 5, which represents 99% of controls assessed against a target of 80%. Both Core and Additional controls were assessed and this will be the case in subsequent years.

High risk outcomes/findings from internal audits/program reviews

Six high risk outcomes / findings from internal audits were identified in the 2016/17 financial year, that have in place an appropriate action to address.

COMMUNITY champions



2016/17 CITIZEN OF THE YEAR AWARD WINNERS

Citizen: Christopher Moore

Young Citizen: Damien Walker

Senior Citizen: William Leslie

Community Event of the Year: Opening Doors to Domestic Violence

2016/17 LEGENDS AWARDS



Living Legend:
Christopher Moore



Working Legend:
Geoff Thiel



**Mrs Baynes and Mrs Roberts
Outstanding Contribution Award:**

Patrick Trimboli
*(Amelia Trimboli - Patrick's daughter accepting
award on Partricks behalf)*



Active Legend:

Heart Foundation Walk Organisers - Salisbury

Left to Right: Christine Hillier, Christine Schreiber, Lorraine Thalbourne, Leanne Cowen, Janet Higgins, Paulina Knowles and Michael Crabb. Absent: Ambika and Indira Dulal, Ursula Klok, Robyn Pettitt.



THE PROSPEROUS *city*

By 2030 Salisbury remains at the forefront of attracting investment into the City due to its excellent infrastructure, skilled workforce, diverse and thriving economic base and overall affordability of doing business. Our businesses are innovative and outwardly focussed.

Our industry base is transforming, creating new job opportunities. Creativity thrives and we are recognised as one of the best places to start a business in the nation. Our infrastructure and our neighbourhoods support the exchange of goods, services and ideas. Technology is used to develop new products and capture new markets, and businesses in Salisbury are global innovators.

Have a community with the skills, knowledge and agility to participate in a rapidly changing economy

The City of Salisbury is working to improve pathways to employment by providing programs for people whether they are unemployed, seeking to enter the workforce or looking to change careers.

Working with a local high school, the Business Systems & Solutions Division provided several students with a practical experience of working within an information technology team. The Twelve25 Salisbury Youth Enterprise Centre structured and supported a 10-week social media education / support campaign on the Youth in Salisbury Facebook page focused on youth unemployment. This aligned with a trial of a new model called 'Youth Employment Family Conversations', which pairs a volunteer employment coach with parents and a young person.

Foundation Skills programs focused on building core skills and increasing confidence and capacity, enhancing opportunities for participants to go on to further training, volunteering or employment. This included:

- STEM programs: Nine sessions with 150 registrations/ attendees
- Commenced training with eight young pizza operators who are starting to undertake community events
- Coffee Connoisseurs: Trained two groups with a total of 14 young people. They have attended 18 community events
- Airbrush Enterprise undertook 14 paid events

- Tutoring delivered a weekly service for 12 student sessions

The most significant and rapid change being faced by both the local and state economy was the pending closure of the automotive manufacturing sector in South Australia. Support and guidance would be essential for the workers, families, supply-chain businesses and those to be directly impacted by the loss of this major economic contributor.

We collaborated with Holden, supply chain companies and the Automotive Transformation Taskforce to identify and establish training pathways including:

- Regular information in libraries and community centres on work related topics i.e. preparing for interview, building a successful cv
- Providing stakeholders with information on learning programs that build work skill capacity
- Having representation on the BeyondAuto committee headed by Northern Connections
- Staff participated in Job Fairs and two Holden Expos reaching approximately 6,000 automotive workers and their families
- Realignment of ACE programming to provide digital literacy training to supply chain workers, automotive workers and the community in general across the northern region. This was supported by State Government grant funding

Be the place of choice for businesses to invest and grow in South Australia, nationally and internationally

To attract new investment and support existing firms to grow, the region needs to build on its strengths such as food processing, defence, logistics and education.

The City of Salisbury's Investment Prospectus was updated and a health industries fact sheet created. The Polaris Business & Innovation Centre supported 18 firms to expand/relocate in 2016/17, which created 481 new jobs in Salisbury. Fifty per cent were new inbound jobs and the other 50% of jobs created were from local businesses that have expanded and/or relocated within Salisbury.

To further develop Salisbury Water, a desalination research and development project to establish the economic feasibility of supplying higher grade water to the food industry has been introduced. Industrial waste water beneficial reuse trials have also commenced in partnership with UniSA. Trials were 'operationalised' to cover the peak summer demand with more than 170 million litres of blended desalinated water and native ground water supplied to customers.

As we look to build new industries around our region's research strengths, an EOI process to secure Waste to Energy project proposals was carried out in partnership with UniSA, the CSIRO and Green Industries SA. The objective is to reduce waste and energy costs for existing industry and attract new industry to the area. Five project proposals were received with shortlisting and cost/benefit analyses to be progressed in 2017/18.

Support programs available through our libraries and community centres are planned around employment growth areas such as the Northern Connector project and have information on the Northern Adelaide Economic Plan and Where the Jobs Are projects. Our ACE Accredited programs attracted 54 participants and 3,417 contact hours, while the ACE Non Accredited programs attracted 227 participants and 3,157 contact hours.



Have a thriving business sector that supports community wellbeing, is globally oriented & creates job opportunities

The City of Salisbury continued to play an active role in providing targeted services to business owners through the Polaris Business & Innovation Centre including business advice, workshops, mentoring and networking events including:

- Information and advice to 1,083 individual businesses
- 32 workshops attended by 547 people, and 22 networking events attended by 2,143 people
- Intensive mentoring provided to 43 clients
- Digital economy program accessed by 200 business owners

The City of Salisbury is working to ensure our regulations and procurement activities support local economic growth where possible. A review of Council policies relating to business was undertaken to remove unnecessary impediments to economic growth, along with a contribution made to the State Government's Industry Participation Policy review.

We continued to provide a range of statutory services to the community in relation to development approvals and advice. An increased focus on case managing development applications assisted to facilitate increased certainty for proponents.

- Development applications lodged for the period remained steady at 2,582
- The total value of approved development was within expected trends of \$145 million

The City of Salisbury implements measures to ensure that food offered for sale is safe and suitable for human consumption and is sold, stored, manufactured and prepared in a hygienic manner from hygienic premises. This is undertaken through the administration of the Food Act and Food Regulations and key activities that aim to educate and support local businesses in their compliance and improve the food safety for the community. Key activities include:

- 871 routine inspections of food premises, including the use of the State wide Food Safety Rating System for 452 of those.
- 62 Food Safety Plan audits for premises serving food to vulnerable populations, children and aged care.



- 101 food complaint investigations involving unsafe food, unsuitable food or unclean premises
- 64 new food premises assessments and advice

To support firms in accessing new markets, workshops were held on China, protecting IP and a “learn from real experience” event attended by more than 40 people. The City of Salisbury hosted inbound delegations of Linyi Government officials and buyers, while MOUs were signed to progress trade and investment opportunities.

Have well planned urban growth that stimulates investment and facilitates greater housing and employment choice

Concept development was completed and a preferred site identified for the proposed Salisbury City Centre Community Hub as we work to regenerate Salisbury City Centre into a vibrant, diverse and successful destination. Salisbury Secret Garden – the Fringe Hub for the North of Adelaide – is a key initiative in activating the City Centre with *Thirsty Merc* headlining the 2016/17 event. A record 13,000 people attended performances and activities in the Salisbury City Centre, while a new partnership with the Salisbury Business Association will see an increase in activities in the future. The Salisbury Oval Masterplan was developed incorporating active and passive recreation and identifying new housing opportunities to contribute to new housing within the Salisbury City Centre.

Bridgestone Reserve was completed, which provides high quality recreational activity but also provides flood

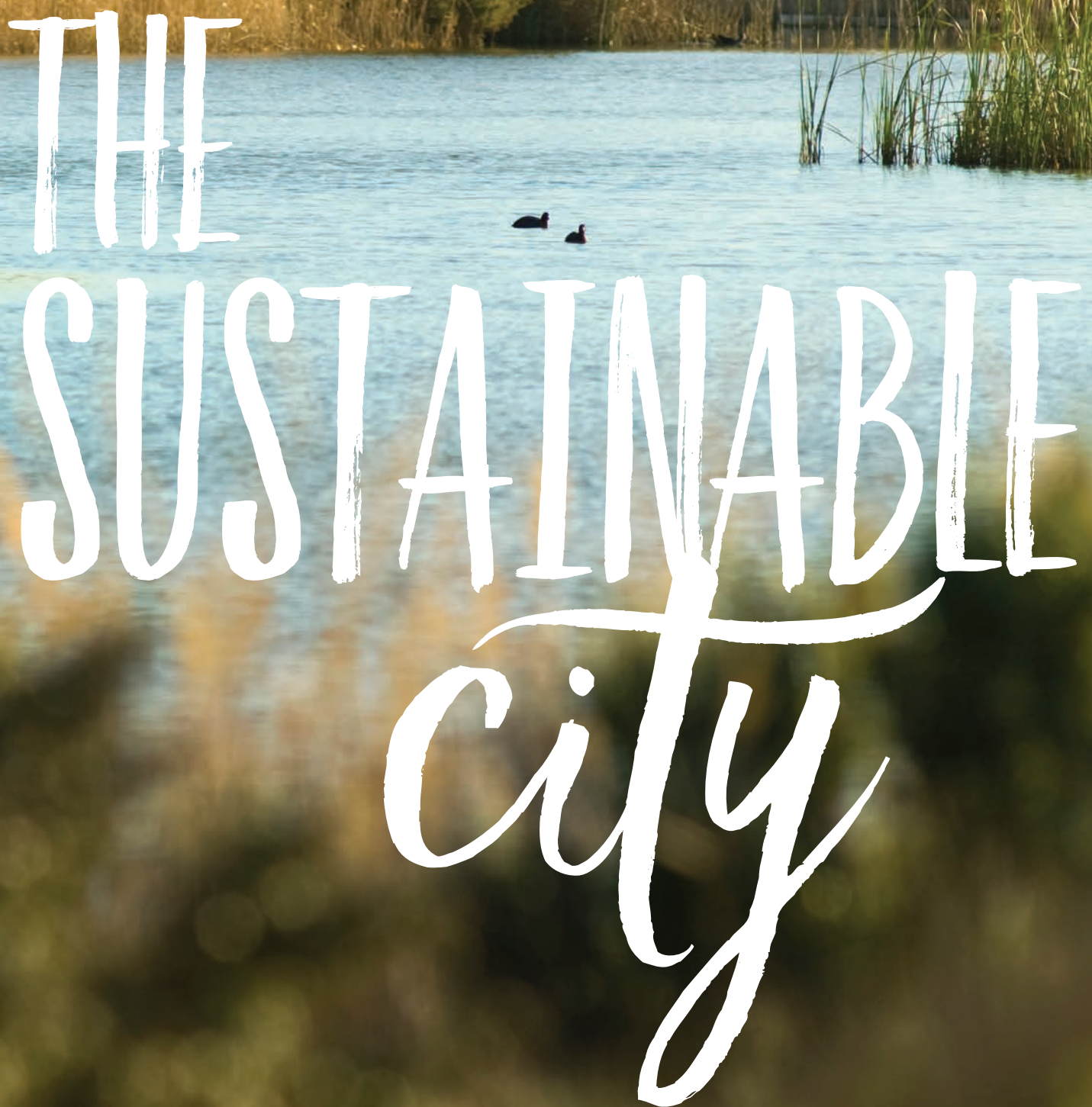
mitigation for the industrial areas in the immediate vicinity. The City of Salisbury has been liaising with Lendlease to ensure clear links to job opportunities during the construction of the Northern Connector, and ensuring that construction will have flow-on benefits for the community such as improvements to the shared-use paths to and from it.

Delivering new housing that meets identified gaps in the Salisbury housing market is a focus in the residential development projects delivered by Council. In 2016/17, the City of Salisbury worked with Rivergum Homes to deliver 30 small lot affordable housing allotments at Boardwalk at Greentree.

- Affordable housing of 20% achieved on residential development projects
- 67% of buyers in the residential development projects were existing Salisbury residents

To encourage well-designed infill development and unlock new urban development opportunities, the Salisbury City Centre DPA was completed and the Mawson Lakes DPA largely finalised. A Growth Action Plan was endorsed. Staff continue to work with State Government and owners of the Dry Creek saltfields to review the feasibility of a master-planned urban development over the crystalliser field located adjacent Globe Derby.

A Strategic Land Review was completed identifying a 25-year pipeline of infill opportunities on Council land that will unlock new urban development opportunities for between 1,069 and 1,600 new dwellings across 82 individual parcels. A five year implementation plan was adopted to guide prioritisation aligned to strategic and market demand.

A scenic landscape featuring a calm blue lake in the foreground. Two small dark birds are swimming in the water. The shoreline is lined with tall, golden-brown reeds. In the background, a dense forest of green trees covers a hill, with a large, leafless tree trunk visible on the right. The scene is bathed in warm, golden light, suggesting late afternoon or early morning.

THE SUSTAINABLE *city*

By 2030 Salisbury remains internationally recognised for its innovative environmental management in water, energy, waste and biodiversity. People and businesses have ready access to a range of renewable energy and waste management options. Recycled and waste water management are major contributors to the economic and environmental sustainability of our City.

People choose to live here because Salisbury offers a sustainable lifestyle choice which is adaptive to future changes in climate. They have a sense of ownership and pride in their natural spaces, places and streetscapes. Jobs are being created in our globally renowned green industries sector.

Capture economic opportunities arising from sustainable management of natural environmental resources, changing climate, emerging policy direction and consumer demands

To improve our attractiveness as a visitor destination and a place to live, the City of Salisbury manages current open space assets through maintenance activities and capital renewals to ensure that street trees, wetlands and parks are fit for use.

The capital renewals in 2016/17 saw 20 street tree renewals, numerous parks where assets/ elements were renewed or created new such as upgrading Underdown Park's playing fields and playspace, landscape renewal of reserves within Mawson Lakes as well as the development of Amsterdam Crescent Reserve to better provide for the local community with a new multi-use sports court, an irrigated turf area, shelter and seating.

Additional plantings were added to the City's wetlands and river corridors to strengthen these natural areas for the purpose of maintaining biodiversity. All activities, capital and operational, are undertaken to maintain the City of Salisbury as a place where community members are aware of the natural systems that they live within as well as providing the residents with assets that they can have pride in.

Community savings of \$2.4 million (compared to mains water pricing) were achieved through the delivery of 1,883 million litres of fit-for-purpose water to 1,059 customers by Salisbury Water.

To support businesses to minimise resource usage and waste production, the Adaptive Economy Forum was held in November 2016 with approximately 65 attendees. A Speed Networking Event at Fluid Solar in March 2017 focussed on reducing energy inputs attracting approximately 30 solution providers and more than 70 participants. Foundational work on the green industries concept was undertaken. Approximately 85 businesses participated in Adapting Northern Adelaide events or expressed an interest in supporting the Northern Adelaide Green Industries Concept.

Have a community that is knowledgeable about our natural environment and embraces a sustainable lifestyle

The City of Salisbury provides information and events that enable people to better understand and care for their environment.

Salisbury Water maintains a suite of fact sheets on the Council website and facilitates technical tours for schools, universities, government agencies, international visitors and community groups. In 2016/17 this included:

- Two education tours
- Eight government / international tours
- Six community tours

In order to reduce the volume of waste that Council disposes to landfill from the Capital Works Program, construction and demolition waste generated is re-used. Road profilings are re-used in new asphalt and concrete

waste is crushed and re-used in road and curb building works. It is estimated 137,000 people live in the City of Salisbury and that one tyre per person per annum is sent to landfill. To reduce the volume of rubber tyres disposed to landfill, recycled rubber is re-used in the road crack sealing process. To reduce Council's carbon footprint, road asphalt profilings are re-used in new asphalt and warm asphalt is used in road resealing works.

Approximately 1,200 tonnes per year of road profilings is diverted from landfill and re-used in new asphalt in the City

- Approximately 500 tonnes of crushed waste concrete is diverted from landfill per annum through re-use in curbing concrete in the City
- Approximately 4,000 tonnes of crushed waste concrete is diverted from landfill per annum through re-use in curb building works in the City
- Approximately 1,400 vehicle tyres per annum are recycled and the rubber content used in the road crack sealing process in the City
- Approximately 320 tonnes of carbon reduction per annum is achieved through the re-use of road asphalt profilings in new asphalt and the use of warm asphalt in the City

Have natural resources and landscapes that support biodiversity and community wellbeing

The City of Salisbury recorded a net increase in bio diverse land of 9.9 Ha in 2016/17 as we look to manage our natural spaces and landscapes to support the health of local habitats.

To help manage coastal environments to ensure their future natural, economic and recreational value, the City of Salisbury continued to be actively involved in planning around the Adelaide International Bird Sanctuary, with master planning being undertaken for Stage 2 of our St Kilda Renewal Project.

The City of Salisbury recognises that undertaking a mosquito control program – including the surveillance and control of mosquitoes – is a key strategy to manage and minimise the public health effects and nuisance issues associated with mosquitoes. Mosquito control is focussed on the coastal environments of St Kilda and Globe Derby Park, however, additional work is undertaken wherever activity may be detected and identified. Key activities include:

- Identify and monitor mosquito breeding habitats, and treat and/or eliminate mosquito breeding habitats



- Fortnightly treatment undertaken in high risk areas by contractor and includes application of larvicide and permanent bait stations in waterways
- Trap and identify adult mosquitoes to identify species and locality of potential breeding
- Educate and inform the community through publication and distribution of regular newsletter and online information

The City of Salisbury administers a variety of legislated responsibilities that aim to improve the safety and amenity of the area through the effective enforcement of the relevant sections of the Local Government Act and By-Laws, Local Nuisance and Litter Control Act and Environment Protection Act. The key activities in this area included:

- 113 nuisance animal complaints
- 418 littering and illegal dumping investigations
- 99 unauthorised burning investigations
- 300 investigations and activities under the Local Government Act including; Footpath trading permits, Parks and reserves patrols, Hoarding permits for skips and scaffolds, Moveable signs complaints

Have urban and natural spaces that are adaptive to future changes in climate

The City of Salisbury is ensuring long term flexibility in the management of our urban spaces (assets and infrastructure) to adapt to a changing environment.

Climate variability is considered across the Asset Management Plans of the City of Salisbury. In the past 12 months the St Kilda Sea Wall was completed to cater for possible future sea level rises. Similarly, we are adjusting our asset management around potential increases in intense storm and heat events.

We are proactively managing stormwater to reduce its impact on our community and the natural environment. In 2016/17 we reduced stormwater run-off and pollutant loads to the marine environment by harvesting, cleansing and storing stormwater for reuse.

- Harvested: 5,138 million litres
- Community Reuse: 1,883 million litres

Large scale Local and Major Flooding programs are being undertaken with \$1.3 million spent on flooding projects and \$1 million spent on Watercourse Management in 2016/17. The planned watercourses, stormwater and wetlands projects were delivered through the capital works program. A further \$2.4 million was spent in 2016/17 on infrastructure improvements associated with drainage and waterways. It is estimated that 500 tonnes of material per year is prevented from entering the Barker Inlet, based on the volumes of material removed in desilting works in our waterways and wetlands.

Our Streetscape Renewal Program has continued with the maintenance of the existing number of trees in the City as we look to moderate the impact of extreme heat events through street tree plantings and management. However, with 10% of trees having been removed and replaced over the last seven years, these trees are yet to mature resulting in an initial reduction in canopy cover. It is expected that the net loss in canopy cover will be minimal as the trees reach mature status over the next five years, maintaining the long term reduction in heat effect whilst managing the street trees in a sustainable way.



THE LIVEABLE city

By 2030 Salisbury is known for being a vibrant, welcoming City that embraces diversity. All people have an opportunity to shape community life whether they are young or old, newly arrived or long term residents. There is a strong sense of optimism and pride, people embrace change and pursue healthy lifestyles.

Salisbury is a destination of choice to live, work, study and play. People can move easily around the City to enjoy our many interesting places, spaces and experiences. Our people embrace lifelong learning, are able to access employment and participate in community life. Our city is recognised for having a technologically advanced, innovative and connected community, with diverse housing, cultural and recreational choices. We are a place where people aspire to live.

Be an adaptive community that embraces change and opportunities

The City of Salisbury's extensive library facilities and services are focal points for community engagement and participation. Our collections, systems, resources, programs and partnerships are regularly reviewed and adapted to meet changing community needs, interests and technologies. In 2016/17, the Salisbury Library Service saw:

- SabreNet rolled out to increase speeds at library sites
- 559,471 visits
- 25,864 people utilize the Justice of the Peace service
- 288 people use the Job Pod
- 104,804 library website visits
- 79,828 people use the public computers and wireless internet connection

To help provide youth with the skills and knowledge to effectively participate in the digital age, the Twelve25 Salisbury Youth Enterprise Centre's digital one-on-one classes held 275 sessions, eSports Tournaments and short workshops occurred in February 2017 (LOL), March (Rocket League) and May (CS:GO) with 70 players participating. The Centre also had 24 students participate in radio, podcast and video projects during the year, including enterprise style projects for external community clients including Salisbury North Neighbourhood Watch. In total more than 2,500 study hours were recorded.

The City of Salisbury has played a key role in the development of University engineering students hosting six in 2016/17 – all of whom either live in the Salisbury community or the northern suburbs. Work continued with 'Friends Of' community groups and schools in areas within the linear corridors; from Dry Creek through to Cobblers Creek.

The City of Salisbury looks to lead by example when adapting to or supporting social and economic change. Multicultural and indigenous events help raise cultural awareness across the whole community. In turn, this leads to greater understanding of cultural differences and promotes respect, communication and integration for all. A range of events were held in 2016/17 with the aim of linking residents with opportunities or increasing awareness; including:

- Harmony Day and Refugees welcome Zone celebration attended by more than 200 people
- Age to Perfection with more than 50 activities organised across senior centres attended by more than 800 people
- Jack Young Centre Open Day held three times per year with attendance reaching 150 new members

Have interesting places where people want to be

Well maintained, clean and attractive places and facilities play a fundamental role in building community pride and ensuring residents feel connected to locations and key sites within their City. As well as enhancing our neighbourhoods, streets and public spaces, it is important that this work is supported through place activation initiatives and encouraging active citizenship.

A new recreation reserve in Salisbury South called Bridgestone Reserve was officially opened in April 2017 on land gifted to the City of Salisbury by Bridgestone for use as a recreational reserve. It features turf playing areas, play spaces, walking trail, fitness equipment, barbecue facilities, drinking fountain, public toilets and water harvesting facilities.

A 1km walking and cycling route for families called Lowie's Loop was launched in the new Greentree at Boardwalk development in Paralowie. In total the development delivered more than \$1 million in landscape upgrades to benefit the new and existing community, equating to 11% of the total project budget.

The City of Salisbury maintained a range of programs that renew and upgrade local streetscapes, tree screens, playspaces and reserves. Our 2016/17 capital works program invested more than \$20 million in enhancing community buildings, services and facilities including:

- Transportation and lighting: \$13.4 million
- Property & Buildings: \$6.6 million
- Parks & Streetscape: \$4.1 million

Significant future planning occurred including:

- Endorsement of the St Kilda Stage 2 Masterplan

- Endorsement of the Salisbury Oval Precinct Masterplan
- Completion of a review into carparking at key locations; the Salisbury City Centre and Mawson Lakes

A range of activities and events were held in public spaces throughout 2016/17 including Matsuri on Mobarra, Australia Day Family Picnic, Salisbury Secret Garden and Salisbury Writers' Festival collectively attracting more than 20,000 attendees. Dozens of smaller events were held or supported throughout the community such as NAIDOC and Youth week events, the Library Service school holiday programs and sports development activities, to name a few.

Be a connected city where all people have opportunities to participate

Participation in sport, social and recreational opportunities is strongly supported by the City of Salisbury to help our residents enjoy the wellbeing benefits from a healthy and active lifestyle.

The annual Growing for Gold program saw more than 500 children participate and connect with local sport and recreation clubs, while more than 2,500 children participated in activities through the OPAL program in 2016/17, which also developed bike paths at local schools for use by children during class and lunch times, ride to school promotions, educational sessions and awareness raising performances.

Around 90 people attended the first Sport Needs Women Forum hosted by the City of Salisbury in partnership with the SA Women in Sport Taskforce. This forum encouraged clubs to consider a variety of approaches to support participation by women in sport as athletes, coaching, officiating and administrative roles.



Our elderly, frail and vulnerable residents are supported through a wide range of programs and initiatives to remain connected with the community. Some key figures include:

- Number of individual residents receiving support: 3,000 per annum
- Number of transport trips: 5,840
- Domestic assistance: 5,900 hours
- Home maintenance: 3,280 hours
- Home modifications \$106,600
- Social Support Individual: 2,265 hours
- Social Support Group: 74,000 hours
- Number of meals: 22,168

The City of Salisbury works with key partners to ensure transport options efficiently link people to jobs, services, recreation and social activities.

In 2016/17 the Integrated Transport Plan was completed with implementation strategies to be rolled out as part of the next New Initiative Bid process. The City of Salisbury also enforces and administers traffic rules and parking restrictions, which is aimed at ensuring equitable and fair parking opportunities and also in many cases maintaining the health and safety of road users and pedestrians. Key activities in this area included:

- 360 parking patrols around schools and in public car parks and street parking
- 608 abandoned vehicle complaints with 48 vehicles towed

With significant assistance from the State Government, our linear trails project is close to completion with some minor works still required. This will see a continuous off-road pedestrian bike path from Salisbury City Centre to Mawson Lakes.

There are few greater ways or more fulfilling opportunities to be connected with your community than by volunteering. Council continues to promote and develop opportunities for volunteering to build skills, employability and business sustainability, with volunteer services in 2016/17 achieving:

- 400 enquiries
- 140 new volunteers
- 550 total active volunteers

- 81,540 total volunteer hours
- \$1,964,300 economic value

As part of our responsibilities under the SA Public Health Act, the City of Salisbury provides and supports the provision of immunisation services, which included:

- Three weekly clinics at Burton, Salisbury East and Ingle Farm
- 2,596 vaccinations delivered at the childhood clinics
- 4,641 vaccinations delivered via the schools program

The City of Salisbury also has a pivotal role in the protection of the community's health. A range of functions undertaken by Council to preserve, protect and promote public health within its area included:

- Identifying 29 premises which are registered and audited for their high risk manufactured water systems for the control of legionella
- 75 inspections of health premises that require compliance with associated codes of practice to protect public health
- Managing 770 customer requests associated with public health and or environmental protection or nuisance matters

Be a proud, accessible and welcoming community

Building and nurturing pride and a strong sense of community spirit is vital to having a happy, welcoming and healthy City. This is done via:

- The Mayoral International Women's Day breakfast to encourage and empower women – particularly local students – to achieve personal development and growth



- The annual Legends Awards to publicly recognise individuals, groups and/or organisations helping to make Salisbury a great place to live, work, play and study
- The annual Citizen of the Year awards, which are presented in front of thousands of attendees at the local Australia Day presentation
- Distribute Salisbury Aware magazine to the community and local businesses three times a year. It contains articles and photos showcasing local success stories
- The annual City of Salisbury Community Calendar is a free publication featuring a theme that positively showcases a key aspect of our community
- Opportunities are made available for City of Salisbury based events to be promoted via roadside banner bookings, free community calendar listings, and via the City of Salisbury's social media channels and website

Being an accessible and welcoming community means supporting, valuing and working with people from all cultural backgrounds. Through our Cultural Development program, a variety of opportunities were provided for people to share their culture and develop their ideas and increase their creative capacity including 10 exhibitions at John Harvey Gallery, the Matsuri on Mobara Festival, Salisbury Writers' Festival and other specific programs provided by partners such as Marra Dreaming. Other 2016/17 initiatives include:

- Commenced developing an Intercultural Strategy
- Commenced developing the Inclusive Communications Project
- Commenced developing Consumer Engagement Framework
- Commenced planning Council's NDIS participation and inclusion based on upcoming changes to this Australian Government Program
- The City of Salisbury officially became a Refugee Welcome Zone
- The Welcome Booklet for new residents is now available in different languages via the City of Salisbury website
- Continued programs for people from CaLD (Cultural and Linguistically Diverse) backgrounds as well as the Salisbury Senior Alliance and Disability Access and Inclusion Network
- Maintained our commitment to the Assistance to Care and Housing program ensuring knowledge of housing

needs for seniors are shared across the Council and beyond

Every resident deserves to feel safe both at home and throughout the broader community.

In 2016/17 the City of Salisbury successfully applied for more than \$200,000 in grant funding to address domestic violence under the projects 'No More Excuses' and 'A Better Future'. These projects involve a wide range of programs designed to promote respectful relationships within primary and secondary schools and within our community and provide people with strategies around domestic violence. We also held two Connect2U events and a White Ribbon Event in partnership with local indigenous organisations.

Council continued to support the SA Safeguarding Strategy for older adults, through information dissemination and participation in WEAAD and promotion of Planning Ahead events

The City of Salisbury administers the Dog and Cat Management Act with an aim of promoting responsible pet ownership and ensuring interactions between people and pets is a positive, healthy and safe experience. Key activities and services include:

- 24,234 dog registrations
- 137 dog attack reports resulting in 73 investigations
- 142 dog noise and nuisance complaints
- Provision of nine dog friendly parks and dog tidy bag dispensers across our network of parks
- Responding to 1,419 dogs wandering at large reports
- Impounding 835 dogs and returning 530 to their owners
- 2,033 expiations issued for offences under the Dog and Cat Management Act

ENABLING *excellence*



By 2030 the City of Salisbury will excel in our provision of services to our community. The community and the people who work for and with the City of Salisbury value highly the Council and the role it plays. We work closely with our community to anticipate and understand future needs and respond to immediate issues earning their respect and acknowledgment.

Our customer service offers choice to people and businesses, and we deliver in ways that people prefer. We are proactive in developing strong relationships that make our City a better place.

We are a partner of choice because we can be relied upon to deliver outstanding results thanks to the knowledge of our people and supportive processes. People want to work for us because we make a difference in our community. Our processes enable us to work seamlessly across Council, embrace the use of technology and share information. We have a positive attitude.

Strengthen partnerships that enable us to better address our community's priorities

Opportunities are consistently being explored and developed for working with neighbouring councils to address issues of regional importance.

A significant achievement in 2016/17 was successfully tendering to deliver business advisory services into Tea Tree Gully from 2017/18 through the Polaris Business & Innovation Centre, which already provides these services into the City of Playford.

Another new partnership will see the cities of Salisbury and Playford deliver GovHack in 2018 to encourage digital literacy and entrepreneurial skills within the region. Our two councils have a rich history of collaborating on youth, skills and infrastructure related programs, which continue to include:

- The Jibba Jabba Radio and Jibba Jabba TV projects as forums for youth voices and leadership
- The Wheels in Motion Program – based out of the Twelve25 Youth Enterprise Centre - is helping young people overcome barriers to getting their Provisional Drivers Licence, which in turn creates opportunities to address youth unemployment



- Formulating stormwater infrastructure strategies and potential funding options for the future rezoning of Greater Edinburgh Parks

In order to maintain partnerships, address regional and state-wide issues, influence policy and investment decisions, the City of Salisbury actively engages with the State and Federal governments. Input was provided into the work of the Automotive Transformation Taskforce, the Northern Economic Plan, Northern Adelaide Food Park and Adapting Northern Adelaide. Council staff continued to work with the SA Department of Transport in the design and delivery of the Northern Connector Project to ensure it maximises the potential economic development opportunities in the northern region. Advocacy documents were also developed to reflect community priorities.

The City of Salisbury continues to have strong partnerships with local business and industry – along with new ones – to address the challenges facing our region. In relation to the automotive sector, we worked with all partners on the Beyond Auto Group project to identify possible future collaborations to address increasing skills needs of automotive workers.

Our community's needs and priorities were represented by the City of Salisbury through many forums, groups and committees including the Inner Northern Homelessness Youth Sub Committee, Violence Against Women Collaboration Group, Disability SA, National Disability Insurance Agency, Council Of The Ageing, Age and Community Services Australia, Multicultural Aged Care, University of South Australia, Age Friendly Alliance Committee and the Community Ambassadors Group. We continued to facilitate, host and support the Salisbury Youth Services Network as the professional development network for some 400 people working on the frontline with young people across the Salisbury region, while Northern Economic Leaders was developed into a regional body.

Communicating and engaging with our community is a significant focus for the City of Salisbury.

Important information was distributed via Salisbury Aware Magazine. The magazine was distributed in July 2016, November 2016 and April 2017 to more than 55,000 residential and business addresses per edition.

Our digital communication channels continue to expand their reach and relevance to community members seeking Council-related information and updates. As of June 2017, the City of Salisbury Facebook page had 6,821 followers (increase of 23% on 2016), St Kilda Adventure Playground had 17,388 followers (increase of 7.41%), the Salisbury Library Service had 1,162 followers (increase of 26%), Youth in Salisbury had 2,271 followers (increase of 27%) and the Polaris Centre had 876 followers (increase of 12%). The City of Salisbury website achieved 950,878 hits.

Develop strong capability and commitment to continually improve Council's performance

It is vital the City of Salisbury builds strong leadership capabilities within Council and the community to support our desire for a skilled, innovative and well-serviced community.

This work starts with ensuring we have a consistent and customer first approach across Council. The Customer Service Improvement Program looks at our customer service performance and capabilities for both internal and external relations. The program has seven core project interventions in identified areas aimed at improving our service delivery and experience.

Learning, development and innovation all play a role in transforming the way Council operates. In 2016/18 we:

- Developed the Strategic Procurement Vision which encompasses transforming procurement to a more commercially focussed, value function
- Developed a Competency Framework tool to allow the objective measuring of the current procurement team's capabilities, benchmarked against international standards and tailored to the City of Salisbury.
- Developed a Field Operations Leadership Program and appointed a trainer
- Developed a Senior Leadership Program ready for sourcing of trainer
- A change management framework was developed as part of the proposed Salisbury City Centre Community Hub planning process; and
- A new Mentoring Program Pilot was approved

Training programs in 2016/17 included:

- Coaching Skills
- WHS Due Diligence
- Incident Investigation Training
- WHS Mock Court
- Aboriginal Cultural Awareness
- Psychological Wellbeing
- Workzone Traffic Management and other compliance topics

To ensure we continue to provide a safe working environment, a Key Performance Audit Action Plan was completed, along with regular ongoing initiatives such as the Salisbury Vitality Program's delivery of health checks, skin screenings, the Corporate Cup, Pedometer Challenge, nutrition workshops, healthy ageing, flu vaccinations and Mind your Wellbeing.

A Culture & Effectiveness Survey was completed, an Internal Traineeship Program commenced, and the LGE Enterprise Agreement was approved as we continue to develop a flexible, capable and engaged workforce that can meet the changing needs of Council and our community.

New internal processes were developed in line with ensuring a shared focus on accountability and performance including:

- Implementing a business partner / vertically integrated structure resulting in a single point of contact for key stakeholders for increasing our understanding of their needs
- Centralising the procurement process for above \$150,000 activities and clearly defined roles and responsibilities, which will enable value adding strategies to be developed with clear sight to accountability and performance



The City of Salisbury's leadership and initiative was recognised in 2016/17 with wins at the following awards:

- Planning Institute of Australia, Awards for Planning Excellence 2016 Best Planning Ideas - Small Project
- Maxima Trainee of the Year Emily Kennon, Project Support Officer - Arts and Culture
- Motor Accident Commission 2016 Safe Cycling Awards – Metropolitan
- Walking SA, Inaugural Walking SA Award Local Government Award – Individual
- Business Enterprise Centres Australia, 2016 BEC Australia Awards for Performance – Best Metropolitan Business Enterprise Centre
- Local Government Professionals Australia SA, SA Leadership Excellence Awards Leadership in Community Services
- 2017 Institute of Public Works Engineering Australasia Excellence Awards – Emerging Leader/Individual to Local Excellence in Public Works Management
- 2017 Institute of Public Works Engineering Australasia SA Excellence Awards – Excellence in Design and/or Construction of a Public Works Environment Enhancement Project

Have robust processes that support consistent service delivery and informed decision making

A number of new initiatives have been introduced as we work to continually improve business practices to remove barriers and ensure appropriate levels of service that respond to emerging needs and opportunities.

A Continuous Improvement Specialist was appointed with responsibility for coordinating the identification and facilitating continuous improvements across the organisation. Initial work focused on the development of a Continuous Improvement Framework. Meanwhile, the development of a six stage procurement process will standardise the process across the City of Salisbury and provide clarity and transparency. Salisbury Water adopted a Customer Service Charter, consistent with Council's charter, but adapted and approved by the Essential Services Commission of SA (ESCOSA) for use as a water retail business.

Many of the City of Salisbury's programs and services are driven by Strategic Action Plans that are developed in consultation with the community. In 2016/17 more than 1,000 young people contributed to the development of a new Youth Action Plan, while significant feedback was received in regards to updating Council's Reconciliation Action Plan.

Technology is used to support transformation within Council and proactively address community needs. With this in mind, work has commenced on developing our first ever digital strategy that will define how best to use technology. Reviewing technology solutions for efficiencies will commence in 2017/18 and 2018/19 once policies, procedures and processes are reviewed.

The SCADA system (System Control and Data Acquisition) provides 24/7 monitoring and control of Council's recycled water system, which was further upgraded with additional field instruments being progressively added to provide more robust decision support for operators.

Electronic processes are being rolled out in stages to allow development applications to be submitted online. This is reducing the need for applicants to travel to the Council office and means they can track the progress of their application via Council's website.

The City of Salisbury's budget and annual plan are developed over several months with the community provided comprehensive information on the proposed base operating budget and new initiatives as well as opportunities to submit feedback prior to endorsement. This ensures our decision-making is well informed, transparent, inclusive, and complies with legislative and policy requirements.

Embed long term thinking, planning and innovation across the organisation

Long term sustainability through good financial practices, sound business planning and asset management ensures the City of Salisbury can continue servicing the needs of our community.

The end of financial year statements for 2016/17 were successfully completed within legislative timeframes, with an unqualified opinion provided by the External Auditors. The 2017/18 Budget and Annual Plan process led to the adoption of the budget and the declaration of rate in June 2017, which was within the legislative timeframes. The budget process includes having strong alignment to our Asset Management Plans and Planning Framework. Divisional Business Planning was further embedded within the organisation, with all Divisions establishing and reporting periodically on their achievements during the year.

The Long Term Financial Plan forms part of the budget process, and includes financial impacts of various strategic initiatives. It is a priority of Council to have a structured approach to developing and resourcing longer term policies and strategies, which in 2016/17 also included continued development of the City of Salisbury as an Age Friendly City, and continued development of the Intercultural Strategic Plan. Other new initiatives saw:

- The Twelve25 Youth Enterprise Centre pair SMS and self-booking into programs to enable seamless 24/7 access to program access, booking and payment; and
- Council began working in partnership with the City of Playford on development of the Home and Community Services Business model Framework beyond 2020.

Since 2001, the City of Salisbury has conducted periodic surveys with its residents to track the perceptions of the residents and compare with previous surveys to assess trends and identify opportunities for change or improvement in services. Satisfaction with the overall service delivered by Council remains high (mean score of 7.4, as in 2014 and 2012).

KEY performance indicators

KEY DIRECTION 1:

THE PROSPEROUS CITY

OBJECTIVES			
Have a community with the skills, knowledge and agility to participate in a rapidly changing economy	Be the place of choice for businesses to invest and grow in South Australia, nationally and internationally	Have a thriving business sector that supports community wellbeing, is globally oriented & creates job opportunities	Have well planned urban growth that stimulates investment and facilitates greater housing and employment choice
INDICATORS			
Size of workforce and participation rate	Gross Regional Product	Number of actively trading businesses	Value of residential and commercial construction
EXPLANATION OF INDICATORS			
<p>Workforce as outlined in the Department of Employment, Small Area Labour Markets, March Quarter</p> <p>Participation rate as recorded by the Public Health Information Development Unit</p>	Source: The National Institute of Economic and Industry Research	Source: Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, June 2012 to June 2016	Approved by the City of Salisbury in the 2016/17 Financial Year
RESULT			
Workforce: 69,793 P/rate: 62.5%	\$6.15 billion	6,554	\$145.4 million

KEY DIRECTION 2:

THE SUSTAINABLE CITY

OBJECTIVES			
Capture economic opportunities arising from sustainable management of natural environmental resources, changing climate, emerging policy direction and consumer demands	Have a community that is knowledgeable about our natural environment and embraces a sustainable lifestyle	Have natural resources and landscapes that support biodiversity and community wellbeing	Have urban and natural spaces that are adaptive to future changes in climate
INDICATORS			
Volume of stormwater captured	Percentage of waste diverted from landfill	Community Perceptions of Open Space.	Percentage of Council area with tree canopy cover
EXPLANATION OF INDICATORS			
As recorded by Salisbury Water (a business unit of the City of Salisbury) in the 2016/17 Financial Year	Source: NAWMA	Response out of 10 to statement "I feel that I live in a pleasant environment in terms of planning, open space and lack of pollution" Source: 2016 Community Survey	This Objective addresses the State Government's 30 year Plan for Greater Adelaide – A Green Liveable City where the target is an increase in the urban green cover of 20% by 2045.
RESULT			
5.138 billion litres	46.04%	7.3	Council manages Tree and Open Space assets to support a Green Liveable City within the northern suburbs. Work is underway to identify the best process for collecting tree canopy data.

KEY DIRECTION 3:

THE LIVEABLE CITY

OBJECTIVES

Be an adaptive community that embraces change and opportunities

Have interesting places where people want to be

Be a connected city where all people have opportunities to participate

Be a proud, accessible and welcoming community

INDICATORS

Socio-economic Indexes for Areas (SEIFA)

Percentage of residents who have participated in local community activities

Wellbeing

Perceptions of quality of life and perceptions of Salisbury

EXPLANATION OF INDICATORS

The SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of Census characteristics. It is a good place to start to get a general view of the relative level of disadvantage in one area compared to others and is used to advocate for an area based on its level of disadvantage.

SEIFA data was last released in the 2011 Census.

Source:

<http://profile.id.com.au/salisbury/seifa-disadvantage>

Responses to the question "How often are you involved in community activities"

Source: 2016 Community Perceptions Survey

- SATAC data for 2016 on school leavers participation in higher education
- NCVER data for 2015
- Response out of 10 to questions:

"How affordable is it to rent or buy housing in the Salisbury Council area"

"How safe or unsafe felt"

"I can get help from family, friends & neighbours when I need it"

"Access to information, services & activities that support health and wellbeing"

Source: 2016 Community Survey

Response out of 10 to questions "I like living in my local community" and "Overall satisfaction with quality of life in Salisbury area"

Source: 2016 Community Perceptions Survey

RESULT

In the 2011 Census, the City of Salisbury received a SEIFA score of 936.7.

Community events 61%
Council libraries 58%
Organised sport, church or community groups 48%
Local recreation centres 47%
Comm or youth centres 24%
Council events 21%
Senior centres 14%

- 32.7%
- 23,552 persons
- 7, 7.1, 7.9 and 7.5 respectively

7.9 and 7.5 respectively

KEY DIRECTION 4:

ENABLING EXCELLENCE

OBJECTIVES			
Strengthen partnerships that enable us to better address our community's priorities	Develop strong capability and commitment to continually improve council's performance	Have robust processes that support consistent service delivery and informed decision making	Embed long term thinking, planning and innovation across the organisation
INDICATORS			
Targeted surveys of our partners	Benchmarking our performance through people, systems and processes	Customer satisfaction survey	Financial sustainability
EXPLANATION OF INDICATORS			
In delivering its various services, Council engages with a number of stakeholders to ensure the services are delivered to meet community expectations while also capitalising on opportunities to bring in external funding or expertise to enhance economic and social outcomes. This indicator is intended to reflect the number and outcomes of these partnerships	Since 2012, Council has been undertaking a program of reviews of all its functions to ensure the service levels are meeting community needs and being delivered in the most efficient and effective manner as possible. The initiative is referred to as Program Review supported by a transition to a continuous improvement framework to ensure benefits achieved are sustainable and continually improved	This indicator looks at the Council Governance Framework as to how it ensures that Council decision-making is sound with appropriate levels of information and a strong understanding of risks and strategies to manage such risks. The Objective also covers the organisation's performance in maintaining effective internal controls	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 - 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. 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

See over page for results

KEY DIRECTION 4:

ENABLING EXCELLENCE CONT'D

RESULT			
Council was involved in a number of stakeholder partnerships in delivering on this Objective, but at this stage work is in progress as to how this indicator is to be compiled given the number of engagements that occur across the financial year.	8 Program Reviews were completed in 2016/17 with various benefits achieved, including improved; service levels, customer service, and cost savings. A new Continuous Improvement Framework was also endorsed, which will support ongoing improvement initiatives.	Three internal audits were conducted in 2016/17 in line with the approved Audit Committee Internal Audit Plan. No major issues were identified with minor improvements implemented as a result. The Executive regularly assess the Strategic Risks which is also discussed with the Audit Committee to ensure the appropriate management if these risks are occurring and to identify any emerging risks. Council achieved a high level of compliance in the externally audited Internal Controls Assessment.	<p>Operating Surplus Ratio 9% (Target 0.5%-5%)</p> <p>Net Financial Liabilities Ratio 2% (Target less than 40%)</p> <p>Asset Sustainability Ratio 133% (Target between 90%-110%)</p>

City of Salisbury

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Salisbury - a flourishing City with opportunity for all



General Purpose Financial Statements
for the year ended 30 June 2017

Contents	Page
1. Council Certificate	1
2. Understanding Council's Financial Statements	2
3. Primary Financial Statements:	
- Statement of Comprehensive Income	3
- Statement of Financial Position	4
- Statement of Changes in Equity	5
- Statement of Cash Flows	6
4. Notes to the Financial Statements	7
5. Independent Auditor's Report - Financial Statements	56
6. Independent Auditor's Report - Internal Controls	58
7. Certificates of Audit Independence	
- Council Certificate of Audit Independence	60
- Audit Certificate of Audit Independence	61

General Purpose Financial Statements
for the year ended 30 June 2017

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 2017 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



Gillian Aldridge

MAYOR

Date:

11/10/2017

General Purpose Financial Statements for the year ended 30 June 2017

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 and 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 2017.

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 2017 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 2017

\$ '000	Notes	2017	2016
Income			
Rates Revenues	2a	91,438	87,704
Statutory Charges	2b	3,026	2,989
User Charges	2c	5,749	5,629
Grants, Subsidies and Contributions	2g	17,401	11,583
Investment Income	2d	562	518
Reimbursements	2e	547	540
Other Income	2f	1,343	1,210
Net Gain - Equity Accounted Council Businesses	19	-	707
Total Income		120,066	110,880
Expenses			
Employee Costs	3a	34,883	34,651
Materials, Contracts and Other Expenses	3b	48,418	45,713
Depreciation, Amortisation and Impairment	3c	24,781	23,802
Finance Costs	3d	1,106	1,255
Net Loss - Equity Accounted Council Businesses	19	83	1
Total Expenses		109,271	105,422
Operating Surplus / (Deficit)		10,795	5,458
Asset Disposal and Fair Value Adjustments	4	4,073	(1,588)
Amounts Received Specifically for New or Upgraded Assets	2g	1,935	1,437
Physical Resources Received Free of Charge	2i	3,741	3,379
Net Surplus / (Deficit) ¹		20,544	8,686
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	13,431	6,011
Total Other Comprehensive Income		13,431	6,011
Total Comprehensive Income		33,975	14,697

¹ Transferred to Equity Statement

Statement of Financial Position

as at 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	28,576	16,816
Trade and Other Receivables	5b	5,848	5,042
Inventories	5c	5,144	10,256
Total Current Assets		39,568	32,114
Non-Current Assets			
Financial Assets	6a	1,327	1,025
Equity Accounted Investments in Council Businesses	6b	3,946	4,030
Infrastructure, Property, Plant and Equipment	7a	1,354,629	1,328,507
Other Non-Current Assets	6c	17,401	17,903
Total Non-Current Assets		1,377,303	1,351,465
TOTAL ASSETS		1,416,871	1,383,579
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8a	13,674	12,821
Borrowings	8b	2,350	2,560
Provisions	8c	7,241	6,918
Total Current Liabilities		23,265	22,299
Non-Current Liabilities			
Borrowings	8b	12,717	14,580
Provisions	8c	1,814	1,600
Total Non-Current Liabilities		14,531	16,180
TOTAL LIABILITIES		37,796	38,479
Net Assets		1,379,075	1,345,100
EQUITY			
Accumulated Surplus		333,969	309,864
Asset Revaluation Reserves	9a	1,016,925	1,003,494
Other Reserves	9b	28,181	31,742
Total Council Equity		1,379,075	1,345,100

Statement of Changes in Equity
for the year ended 30 June 2017

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
2017					
Balance at the end of previous reporting period		309,864	1,003,494	31,742	1,345,100
Net Surplus / (Deficit) for Year		20,544	-	-	20,544
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	13,431	-	13,431
Other Comprehensive Income		-	13,431	-	13,431
Total Comprehensive Income		20,544	13,431	-	33,975
Transfers between Reserves		3,561	-	(3,561)	-
Balance at the end of period		333,969	1,016,925	28,181	1,379,075

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
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	-	6,011
Other Comprehensive Income		-	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

Statement of Cash Flows
for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Cash Flows from Operating Activities			
Receipts			
Rates Receipts		91,245	87,773
Statutory Charges		3,124	2,989
User Charges		4,881	6,084
Grants, Subsidies and Contributions (operating purpose)		17,811	12,363
Investment Receipts		557	525
Reimbursements		602	594
Other Receipts		9,018	7,598
Payments			
Payments to Employees		(35,233)	(34,337)
Payments for Materials, Contracts and Other Expenses		(54,142)	(55,321)
Finance Payments		(1,106)	(1,255)
Net Cash provided by (or used in) Operating Activities	11b	36,757	27,013
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		1,935	1,437
Sale of Replaced Assets		479	465
Net Disposal of Investment Securities		177	-
Sale of Real Estate Developments		11,359	7,782
Repayments of Loans by Community Groups		19	3
Payments			
Expenditure on Renewal/Replacement of Assets		(25,092)	(13,750)
Expenditure on New/Upgraded Assets		(10,610)	(18,837)
Development of Real Estate for Sale		(691)	(4,358)
Loans Made to Community Groups		(500)	-
Net Cash provided by (or used in) Investing Activities		(22,924)	(27,258)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings		500	-
Payments			
Repayments of Borrowings		(2,573)	(2,399)
Net Cash provided by (or used in) Financing Activities		(2,073)	(2,399)
Net Increase (Decrease) in Cash Held		11,760	(2,644)
plus: Cash & Cash Equivalents at beginning of period	11	16,816	19,460
Cash & Cash Equivalents at end of period	11	28,576	16,816
Additional Information:			
plus: Investments on hand - end of year	6a	831	988
Total Cash, Cash Equivalents & Investments		29,407	17,804

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Significant Accounting Policies	8
2	Income	14
3	Expenses	19
4	Asset Disposal and Fair Value Adjustments	21
	Current Assets	
5a	Cash and Cash Equivalents	22
5b	Trade and Other Receivables	22
5c	Inventories	22
	Non-Current Assets	
6a	Financial Assets	23
6b	Equity Accounted Investments in Council's Businesses	23
6c	Other Non-Current Assets	23
	Fixed Assets	
7a	Infrastructure, Property, Plant and Equipment	25
7b	Valuation of Infrastructure, Property, Plant and Equipment	26
	Liabilities	
8a	Trade and Other Payables	33
8b	Borrowings	33
8c	Provisions	33
	Reserves	
9a	Asset Revaluation Reserve	34
9b	Other Reserves	34
10	Assets Subject to Restrictions	36
11	Reconciliation to Statement of Cashflows	37
12a	Functions	38
12b	Components of Functions	39
13	Financial Instruments	40
14	Commitments for Expenditure	44
15	Financial Indicators	45
16	Uniform Presentation of Finances	47
17	Operating Leases	48
18	Superannuation	49
19	Interests in Other Entities	50
20	Contingencies and Assets/Liabilities Not Recognised in the Balance Sheet	53
21	Events After the Balance Sheet Date	54
22	Related Party Transactions	55

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

AASB 2016-4 Recoverable Amount of Non Cash-Generating Specialised Assets of Not-for-Profit Entities has been adopted early in the preparation of these financial reports.

This Standard removes the requirement for impairment testing of non-cash generating specialised assets that are carried at fair value. The early adoption of this Standard has not resulted in any changes to any amounts disclosed in these reports.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 11 October 2017.

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

The 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 recent years the payment of untied financial assistance grants has varied from the annual allocation. 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. However on 09 June 2017, Council received two quarters of the 2017/18 grant

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

amounting to \$3,995,448. The advanced payments received are summarised in the below table:

	Payment Received in Advance \$'000	
2014/15	4,065	Relates to 2015/16
2015/16	Nil	
2016/17	3,995	Relates to 2017/18

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 Inventories 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 & 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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

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 disclosed in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

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;

these reviews are conducted either internally or externally through the completion of asset audits and valuations. As a result of these reviews, the following changes in accounting estimates have occurred that will impact the future depreciation of Councils infrastructure assets.

- Residual values for Building component assets has been removed.
- The useful lives for Building component assets have been adjusted to between 10 and 80 years.
- The useful lives of Road Seal assets have been adjusted to between 20 years (for higher use roads such as Collector roads) and 40 years (for lower use roads such as Residential roads).
- The useful lives of Road Base assets have been adjusted to between 60 years (for higher use roads such as Collector roads) and 150 years (for lower use roads such as Residential roads).
- The useful lives of Road Sub-Base assets have been adjusted to between 180 years (for higher use roads such as Collector roads) and 300 years (for lower use roads such as Residential roads).
- The useful life of Concrete and Block Paved Footpaths has been adjusted to 80 years.
- The useful life of Kerbing and Medians has been adjusted to between 180 and 300 years to align with the renewal of Road Sub-Base assets as part of a full road reconstruction.
- The useful lives of Drainage component assets (such as Headwalls, Box Culverts etc.) have been adjusted to between 20 and 100 years.
- The useful life of Concrete Sports Surfaces has been adjusted to 30 years.
- The useful life of Street Trees has been adjusted to 50 years.

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

6.5 Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of AASB 138 Intangible Assets. An item is recognised as an intangible if it meets the definition of an intangible asset, it is probable that future economic benefits will flow to Council and the cost of the asset can be reliably measured.

Intangible assets are tested for impairment yearly, or when there is objective evidence or an indication that these assets may be impaired. Further determinations on useful lives are reviewed annually.

6.6 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 & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies

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 Australian Accounting Standard 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

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

The City of Salisbury has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 22.

Apart from the AASB's listed below, there are no other amended Australian Accounting Standards or Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates, that are likely to have a material impact on the financial statements.

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*

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

- AASB 16 *Leases*

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 1. Summary of Significant Accounting Policies (continued)

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.

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income

\$ '000	Notes	2017	2016
(a). Rates Revenues			
General Rates			
General Rates		90,582	86,878
Less: Mandatory Rebates		(1,102)	(1,056)
Less: Discretionary Rebates, Remissions and Write Offs		(319)	(305)
Total General Rates		89,161	85,517
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,875	1,770
Salisbury Town Centre Separate Rate		160	160
Globe Derby Separate Rate		6	6
Mawson Centre Carparking Separate Rate ¹		-	19
Total Other Rates		2,041	1,955
¹ Mawson Lakes Carparking Separate Rate was abolished by Council Resolution 0981/2016 in March 2016.			
Other Charges			
Penalties for Late Payment		236	232
Total Other Charges		236	232
Total Rates Revenues		91,438	87,704
(b). Statutory Charges			
Development Act Fees		873	862
Town Planning Fees		491	429
Animal Registration Fees and Fines		1,088	1,106
Parking Fines and Expiation Fees		296	316
Other Licences, Fees and Fines		278	276
Total Statutory Charges		3,026	2,989
(c). User Charges			
Cemetery Fees		579	452
Property Leases		790	655
Waste Disposal Fees		1,549	1,336
Water Supply		1,674	2,097
Aged and Disability Services		528	469
Sundry		629	620
Total User Charges		5,749	5,629

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		195	189
- Banks and Other		354	327
- Loans to Community Groups		13	2
Total Investment Income		562	518
(e). Reimbursements			
Contract Maintenance		154	228
Other		393	312
Total Reimbursements		547	540
(f). Other Income			
Insurance and Other Recoupments - Infrastructure, IPP&E		10	14
Rebates Received		767	698
Sundry		566	498
Total Other Income		1,343	1,210

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,935	1,437
Total Amounts Received Specifically for New or Upgraded Assets		1,935	1,437
Other Grants, Subsidies and Contributions		13,406	11,583
Individually Significant Item - Advance Grants Commission Payment (refer below)		3,995	-
Total Grants, Subsidies, Contributions		19,336	13,020

The functions to which these grants relate are shown in Note 12.

(i) Sources of grants

Commonwealth Government	2,398	3,969
State Government	15,718	7,993
Other	1,220	1,058
Total	19,336	13,020

(ii) Individually Significant Items

Advanced Grant Commission Grant Recognised as Income	3,995	-
--	-------	---

On 9 June 2017, Council received payment of the first two instalments of the 2017/18 Financial Assistance Grant, totalling \$3,995k and comprised of \$3,210k in general purpose funding and \$785k in untied local road funding. This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt. Potential material effects will be experienced when the timing of these grant payments are once again restored to a normal schedule.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(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		981	1,848
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Roads Infrastructure		(280)	(394)
Green Trails		(279)	(78)
St Kilda/Robinson Road - Traffic Management Device		(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)	-
Mawson Lakes Signs		(24)	-
Resilient Salisbury		(11)	(99)
Aged Friendly Retail Project		(8)	(7)
Playford Business Services		(5)	(87)
Youth Network Grant		(5)	-
Waterwatch General Program		(5)	-
St Kilda Playground Renewal		-	(363)
Parafield Soccer		-	(200)
Pine Lakes Aquifer Storage/Storage Tank/Booster		-	(32)
OPAL (Obesity Prevention and Lifestyle) Program		-	(26)
Healthy Communities Initiative		-	(16)
Gawler Street Salisbury Safety Initiative		-	(9)
Indigenous Capability and Development Program		-	(8)
LEAP Program		-	(5)
Other		(2)	(98)
Subtotal		(981)	(1,532)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 2. Income (continued)

\$ '000	Notes	2017	2016
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Economic Regional Collaboration - Business Taskforce		137	28
Digital Growth Program		128	33
Aged Friendly SA Grant		17	-
Aboriginal Sports Development		10	-
Resilient Salisbury		9	11
Duke of Edinburgh		8	-
Fairbanks Drive/Byron Bay Drive Traffic Management		6	-
Youth Network Grant		5	5
Diment Road Burton/Direk Upgrade		-	280
St Kilda/Robinson Road - Traffic Management Device		-	134
Crime Prevention Grant		-	100
St Kilda CCTV Renewal - 16/17		-	41
Building Safe Communities		-	26
Waterwatch General Program		-	5
Other		5	2
Subtotal		325	665
Unexpended at the close of this reporting period		325	981
Net increase (decrease) in assets subject to conditions in the current reporting period		(656)	(867)
 (i). Physical Resources Received Free of Charge			
Land and Improvements		602	2,280
Roads, Bridges and Footpaths		2,237	710
Stormwater Drainage		902	389
Total Physical Resources Received Free of Charge		3,741	3,379

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 3. Expenses

\$ '000	Notes	2017	2016
(a). Employee Costs			
Salaries and Wages		28,225	28,162
Employee Leave Expense		5,276	5,049
Superannuation - Defined Contribution Plan Contributions	18	1,242	1,261
Superannuation - Defined Benefit Plan Contributions	18	1,766	1,787
Workers' Compensation Insurance		1,545	1,529
Less: Capitalised and Distributed Costs		(3,171)	(3,137)
Total Operating Employee Costs		34,883	34,651
Total Number of Employees (full time equivalent at end of reporting period)		407	408
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		59	43
Bad and Doubtful Debts		12	4
Elected Members' Expenses		467	468
Election Expenses		121	39
Operating Lease Rentals - Cancellable Leases		748	957
Subtotal - Prescribed Expenses		1,407	1,511
(ii) Other Materials, Contracts and Expenses			
Contractors		33,221	30,400
Energy		3,785	3,702
Parts, Accessories and Consumables		3,027	2,982
Sundry		3,009	2,951
Levies Paid to Government - NRM Levy		1,874	1,738
Insurance		926	994
Water Rates		592	870
Levies - Other		330	309
Legal Expenses		247	256
Subtotal - Other Material, Contracts and Expenses		47,011	44,202
Total Materials, Contracts and Other Expenses		48,418	45,713

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		4,565	4,177
Buildings and Other Structures		1,293	1,262
Infrastructure		16,954	16,491
Plant and Equipment		1,760	1,725
Library Books		209	147
Subtotal		24,781	23,802
(d). Finance Costs			
Interest on Loans		1,106	1,255
Total Finance Costs		1,106	1,255

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 4. Asset Disposal and Fair Value Adjustments

\$ '000	Notes	2017	2016
Infrastructure, Property, Plant and Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		479	465
Less: Carrying Amount of Assets Sold		(3,231)	(5,065)
Gain (Loss) on Disposal		(2,752)	(4,600)
(ii) Assets Surplus to Requirements			
Carrying Amount of Assets Sold		(53)	(82)
Gain (Loss) on Disposal		(53)	(82)
Real Estate Development Assets			
Proceeds from Disposal		11,359	7,782
Less: Carrying Amount of Assets Sold		(4,501)	(4,688)
Gain (Loss) on Disposal		6,858	3,094
Other Financial Assets			
Proceeds from Disposal		177	-
Less: Carrying Amount of Assets Sold		(157)	-
Gain (Loss) on Disposal		20	-
Net Gain (Loss) on Disposal or Revaluation of Assets		4,073	(1,588)

Upon review of the prior year comparatives, it was noted that there were classification issues relating to infrastructure asset disposals. Specifically these had been incorrectly classified as Asset Surplus to Requirements, rather than Assets Renewed or Directly Replaced. This classification issue has been resolved and the current year and prior year comparatives now reflect the true nature of the asset disposals. This reclassification does not affect other components of the Annual Financial Statements.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 5. Current Assets

\$ '000	Notes	2017	2016
(a). Cash and Cash Equivalents			
Cash on Hand at Bank		688	2,388
Short Term Deposits and Bills, etc.		27,888	14,428
Total Cash and Cash Equivalents		28,576	16,816
(b). Trade and Other Receivables			
Rates - General and Other		2,751	2,390
Accrued Revenues		46	41
Debtors - General		2,331	1,128
GST Recoupment		274	1,061
Prepayments		417	418
Loans to Community Organisations		29	4
Total Trade and Other Receivables		5,848	5,042
(c). Inventories			
Stores and Materials		250	244
Real Estate Developments ¹	6	4,855	9,986
Cemetery Plinths and Vaults		39	26
Total Inventories		5,144	10,256

¹ Real Estate Development Inventories have been reclassified between Non-Current and Current Assets for both the current reporting period and the prior year comparatives to correctly reflect the timing of these projects.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 6. Non-Current Assets

\$ '000	Notes	2017	2016
(a). Financial Assets			
Receivables			
Council Rates Postponement Scheme		22	19
Loans to Community Organisations		474	18
Total Receivables		496	37
Other Financial Assets (Investments)			
Mortgages over Property - Affordable Housing Scheme		831	988
Total Other Financial Assets (Investments)		831	988
Total Financial Assets		1,327	1,025
(b). Equity Accounted Investments in Council Businesses			
Northern Adelaide Waste Management Authority	19	3,858	3,929
Council Solutions	19	88	101
Total Equity Accounted Investments in Council Businesses		3,946	4,030
(c). Other Non-Current Assets			
(i) Inventories			
Real Estate Developments		1,846	1,842
Total Inventories		1,846	1,842
(ii) Other			
Capital Works-in-Progress		15,389	16,061
Intangible Assets		166	-
Total Other		15,555	16,061
Total Other Non-Current Assets		17,401	17,903

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 6. Non-Current Assets (continued)

\$ '000	Notes	2017	2016
Real Estate Developments - Current and Non-Current			
(Valued at the lower of cost and net realisable value)			
Residential		6,701	11,828
Total Real Estate for Resale		6,701	11,828
Represented by:			
Acquisition Costs		3,886	5,926
Development Costs		2,815	5,902
Total Real Estate of Resale		6,701	11,828
Apportionment of Real Estate Developments			
Current Assets		4,855	9,986
Non-Current Assets		1,846	1,842
		6,701	11,828

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 7a. Infrastructure, Property, Plant and Equipment

	Fair Value Level	as at 30/6/2016				Asset Movements during the Reporting Period							as at 30/6/2017			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Tifs from/(to) Real Estate Assets	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
						New / Upgrade	Renewals									
\$ '000																
Land - Other	2	393,466	-	-	393,466	1,359	-	(27)	-	1,317	-	13,499	409,641	-	-	409,641
Land Improvements	3	159,789	-	57,216	102,573	4,877	4,167	(913)	(4,565)	-	-	1,353	170,588	-	62,210	108,378
Buildings and Other Structures	3	107,956	-	26,142	81,814	349	5,757	(1,904)	(1,293)	-	(24,538)	-	81,408	-	20,232	61,176
Infrastructure	3	1,180,145	-	439,106	741,039	9,398	11,266	(440)	(16,954)	-	-	23,117	1,154,166	-	388,204	765,962
Plant and Equipment		-	22,015	13,804	8,211	2,112	-	-	(1,760)	-	-	-	-	23,022	14,899	8,123
Library Books		-	1,404	-	1,404	154	-	-	(209)	-	-	-	-	1,349	-	1,349
Total Infrastructure, Property, Plant and Equipment		1,841,356	23,419	536,268	1,328,507	18,249	21,190	(3,284)	(24,781)	1,317	(24,538)	37,969	1,815,803	24,371	495,545	1,354,629
Comparatives		1,793,680	21,605	513,854	1,301,431	28,183	21,831	(5,147)	(23,802)	-	-	6,011	1,841,356	23,419	536,268	1,328,507

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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 or 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 2017

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

\$ '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	\$10,000
Reticulation extensions	\$5,000
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	2 to 20 years
Other Plant and Equipment	3 to 20 years

Building and Other Structures:

Building Components	10 to 80 years
Playground Equipment	15 to 25 years
Benches, Seats, etc	10 to 15 years

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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

\$ '000

Infrastructure:

Roads - Seal	20 to 40 years
Roads - Base	60 to 150 years
Roads - Sub-Base	180 to 300 years
Unsealed Roads	5 to 10 years
Bridges	100 years
Footpaths	8 to 80 years
Kerb, Gutter and Medians	50 to 300 years
Drainage Pipes	80 to 100 years
Culverts, Headwalls and Junction Boxes	40 to 100 years
Dams and Reservoirs	400 years
Bores	75 years
Reticulation Pipes - PVC	60 to 80 years
Pumps and Telemetry	10 to 50 years

Other Assets:

Library Books	3 to 7 years
Artworks/Local History	Indefinite

e) Table of Fair Values 2016/17

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Land	-	409,641	-	409,641
Land Improvements	-	-	170,588	170,588
Buildings and Other Structures	-	-	81,408	81,408
Infrastructure	-	-	1,154,166	1,154,166
Total	-	409,641	1,406,162	1,815,803

f) Disclosed Fair Value Measurements

Asset Category	Fair Value	Valuation	Fair Value
Land	2	Market Value	\$409,641
Valuations of assets in this category are undertaken using the State Valuer Generals Site Values.			

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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

\$ '000

Asset Category	Fair Value	Valuation	Fair Value
Land Improvements	3	Cost Approach	\$170,588

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

- 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 and Carpark Pavement/Seals all situated on Council Reserves.
- Revalued using the Local Government Pricing Index (LGPI). Assets valued via this method include Fencing, Irrigation Equipment, Playgrounds, Kerbing, Sports Courts/Facilities, Reserve Furniture, Landscaping and Other Structures all situated on Council Reserves.
- 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 and 2016/17 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	Valuation	Fair Value
Buildings and Other Structures	3	Cost Approach	\$81,408

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

- Independent valuation of the current depreciated replacement value and depreciated replacement cost for buildings at a component level was undertaken by GHD for the year ending 30 June 2017 using a methodology that utilises observable rates and cost information from their extensive knowledge across Building Infrastructure.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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

\$ '000

Asset Category	Fair Value	Valuation	Fair Value
Infrastructure	3	Cost Approach	\$1,154,166
Valuation of assets in this category are undertaken via one of four 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. Independent valuations were provided by IMG and Assetic in 2016/17 (as sub-consultant to IMG) using a methodology that utilises observable Council specific contract rates and rates and cost information from their extensive knowledge across Road Infrastructure. Assets valued via this method include Road Surfaces and Road Pavements.			
c. Independent valuations were provided by SMEC in 2016/17 using a methodology that utilises observable rates and cost information from their extensive knowledge of water retention related infrastructure. Assets valued via this method include Major Drainage Dams.			
d. 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 Minor Drainage Dams.			

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 2017

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

\$ '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.

Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of AASB 138 *Intangible Assets*. Council has purchased, from the market in arm's length transactions, Water Licences that enable the harvesting and sale of stormwater, and is of the opinion that these Water Licences meet the definition and recognition requirements of Intangible Assets, specifically intangible assets with an indefinite useful life. Initial recognition of these Water Licences is at cost, and after initial recognition they shall be carried at cost less any accumulated impairment losses. Testing for impairment, in accordance with AASB 136 *Impairment of Assets*, will be undertaken annually and also whenever there may be an indication that the intangible asset may be impaired. Further the determination that these Water Licences have an indefinite useful life will also be reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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

\$ '000

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.

Plant, Furniture and 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 2017 is valued using nominal values recommended by PLS (Public Library Service). 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 2017

Note 8. Liabilities

\$ '000	Notes	2017 Current	2017 Non Current	2016 Current	2016 Non Current
(a). Trade and Other Payables					
Goods and Services		12,203	-	10,621	-
Payments Received in Advance		1,207	-	1,109	-
Accrued Expenses - Employee Entitlements		-	-	723	-
Accrued Expenses - Other		56	-	98	-
Deposits, Retentions and Bonds		208	-	270	-
Total Trade and Other Payables		13,674	-	12,821	-

(b). Borrowings

Loans	2,350	12,717	2,560	14,580
Total Borrowings	2,350	12,717	2,560	14,580

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

(c). Provisions

Employee Entitlements (including oncosts)	7,241	1,726	6,918	1,522
Salisbury Memorial Park Maintenance Provision	-	60	-	50
Mortgage Loss Provision	-	28	-	28
Total Provisions	7,241	1,814	6,918	1,600

	Salisbury Memorial Park Maintenance Provision	Mortgage Loss Provision
Opening Balance	50	28
Additional Amounts Recognised	10	-
Closing Balance	60	28

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(a). Asset Revaluation Reserve					
Land - Other	302,447	13,499	-	-	315,946
Land Improvements	17,542	1,353	-	-	18,895
Buildings and Other Structures	34,572	(24,538)	-	-	10,034
Infrastructure	646,243	23,117	-	-	669,360
Library Books	2,338	-	-	-	2,338
JV's / Associates - Other Comprehensive Income	352	-	-	-	352
Total Asset Revaluation Reserve	1,003,494	13,431	-	-	1,016,925
Comparatives	997,483	6,011	-	-	1,003,494

\$ '000	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2017
(b). Other Reserves					
Plant Replacement Reserve	929	-	(53)	(526)	350
Development and Public Infrastructure Reserve	1,587	114	(97)	-	1,604
Open Space Reserve	1,771	84	(810)	-	1,045
Car Parking Reserve	944	14	-	-	958
Property Disposal Reserve	4,417	6,138	(6,654)	-	3,901
Mausoleum Perpetual Care Reserve	690	82	-	-	772
Salisbury Memorial Park Reserve	866	13	-	-	879
Carried Forward Funds Reserve	18,657	16,791	(18,657)	-	16,791
Salisbury Water Business Unit Reserve	1,881	-	-	-	1,881
Total Other Reserves	31,742	23,236	(26,271)	(526)	28,181
Comparatives	27,913	23,585	(19,756)	-	31,742

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 9. Reserves (continued)

\$ '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.

Development and Public Infrastructure Reserve

The Development and Public Infrastructure Reserve contains developer contributions towards future footpaths, street signs and street trees specific to the development site. It also contains developer contributions towards future works associated with drainage systems, water pipes and pumps, Council road network, trails and bridges necessary to facilitate the development and external to the development site.

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 2017

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2017	2016
<p>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.</p>			
Cash and Financial Assets			
Unexpended amounts received from Federal Government			
Open Space Contributions	9	1,045	1,771
Developer Contributions	9	2,562	2,531
Unexpended Grants and Subsidy Funds	2	325	981
Total Cash and Financial Assets		3,932	5,283

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 2017

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2017	2016
(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	28,576	16,816
Balances per Statement of Cash Flows		28,576	16,816

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

Net Surplus/(Deficit)		20,544	8,686
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		24,781	23,802
Equity Movements in Equity Accounted Investments (Increase)/Decrease		83	(706)
Non-Cash Asset Acquisitions		(3,741)	(3,379)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,935)	(1,437)
Net (Gain) Loss on Disposals		(4,073)	1,588
		35,659	28,554
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(784)	(215)
Net (Increase)/Decrease in Inventories		(19)	1
Net Increase/(Decrease) in Trade and Other Payables		1,364	(1,636)
Net Increase/(Decrease) in Unpaid Employee Benefits		527	299
Net Increase/(Decrease) in Other Provisions		10	10
Net Cash provided by (or used in) operations		36,757	27,013

(c). Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical Resources Received Free of Charge	2i	3,741	3,379
Total Non-Cash Financing and Investing Activities		3,741	3,379

(d). Financing Arrangements

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

Bank Overdrafts	500	500
Corporate Credit Cards	500	500
LGFA Cash Advance Debenture Facility	28,747	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 2017

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
\$ '000	3,068	2,978	3,668	3,234	(600)	(256)	60	70	862	593
Public Order and Safety	177	186	1,570	1,573	(1,393)	(1,387)	13	9	286	204
Health	3,349	3,265	6,385	6,227	(3,036)	(2,962)	2,670	2,660	19,644	23,804
Social Security and Welfare	4,232	4,440	25,906	23,895	(21,674)	(19,455)	214	401	439,242	434,883
Housing and Community Services	1,140	1,101	20,960	21,186	(19,820)	(20,085)	596	511	868,738	851,091
Recreation and Culture	3,862	3,741	9,136	8,362	(5,274)	(4,621)	3,855	3,736	6,138	6,080
Transport and Communication	476	300	5,707	5,734	(5,231)	(5,434)	385	183	159	158
Economic Affairs	103,762	94,162	35,856	35,210	67,906	58,952	9,608	4,013	81,802	66,766
Other, Not Attributed and Administration	120,066	110,173	109,188	105,421	10,878	4,752	17,401	11,583	1,416,871	1,383,579
Total Functions/Activities										

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & 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 2017

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 2017

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 1.65% and 2.0% (2016: 1.9% and 2.35%). Short term deposits have an average maturity of 37 days and an average interest rate of 1.73% (2016: 35 days and 2.04%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

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.

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 and Conditions:

Secured over the subject land, arrears attract interest of 2.0% (2016: 2.0%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees and Other Charges

Accounting Policy:

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

Terms and 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).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables
Other Levels of Government

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.

Liabilities
Creditors and Accruals

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

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

Carrying Amount:
Approximates fair value.

Liabilities
Interest Bearing Borrowings

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

Terms and Conditions:
Secured over future revenues, borrowings are repayable biannually; interest is charged at fixed rates between 4.0% and 7.01% (2016: 5.60% and 7.07%).

Carrying Amount:
Approximates fair value.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2017					
Financial Assets					
Cash and Equivalents	28,576	-	-	28,576	28,576
Receivables	2,406	474	-	2,880	2,880
Other Financial Assets	-	-	831	831	831
Total Financial Assets	30,982	474	831	32,287	32,287
Financial Liabilities					
Payables	12,467	-	-	12,467	12,467
Current Borrowings	3,306	-	-	3,306	2,350
Non-Current Borrowings	-	11,684	4,183	15,867	12,717
Total Financial Liabilities	15,773	11,684	4,183	31,640	27,534

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2016					
Financial Assets					
Cash and Equivalents	16,816	-	-	16,816	16,816
Receivables	1,173	18	-	1,191	1,191
Other Financial Assets	-	-	988	988	988
Total Financial Assets	17,989	18	988	18,995	18,995
Financial Liabilities					
Payables	11,712	-	-	11,712	11,712
Current Borrowings	3,661	-	-	3,661	2,560
Non-Current Borrowings	-	13,136	5,389	18,525	14,580
Total Financial Liabilities	15,373	13,136	5,389	33,898	28,852

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	7.12%	-	7.22%	-
Other Variable Rates	0.00%	-	0.00%	-
Fixed Interest Rates	6.25%	15,067	6.34%	17,140
		15,067		17,140

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 2017

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 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.

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

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

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 14. Commitments for Expenditure

\$ '000	Notes	2017	2016
---------	-------	------	------

(a). Capital Commitments

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

Buildings	924	3,756
Infrastructure	7,721	6,994
Plant and Equipment	12	36
	8,657	10,786

These expenditures are payable:

Not later than one year	8,657	10,786
	8,657	10,786

(b). Other Expenditure Commitments

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

Audit Services	37	55
	37	55

These expenditures are payable:

Not later than one year	37	55
	37	55

(c). Finance Lease Commitments

Council has no Finance Leases.

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

Note 15. Financial Indicators

	Amounts	Indicator	Prior Periods	
\$ '000	2017	2017	2016	2015

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

1. Operating Surplus Ratio

Operating Surplus	10,795	9%	5%	7%
Total Operating Revenue	120,066			

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 30 June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

6,800	6%	9%	4%
120,066			

2. Net Financial Liabilities Ratio

Net Financial Liabilities	2,045	2%	14%	15%
Total Operating Revenue	120,066			

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.

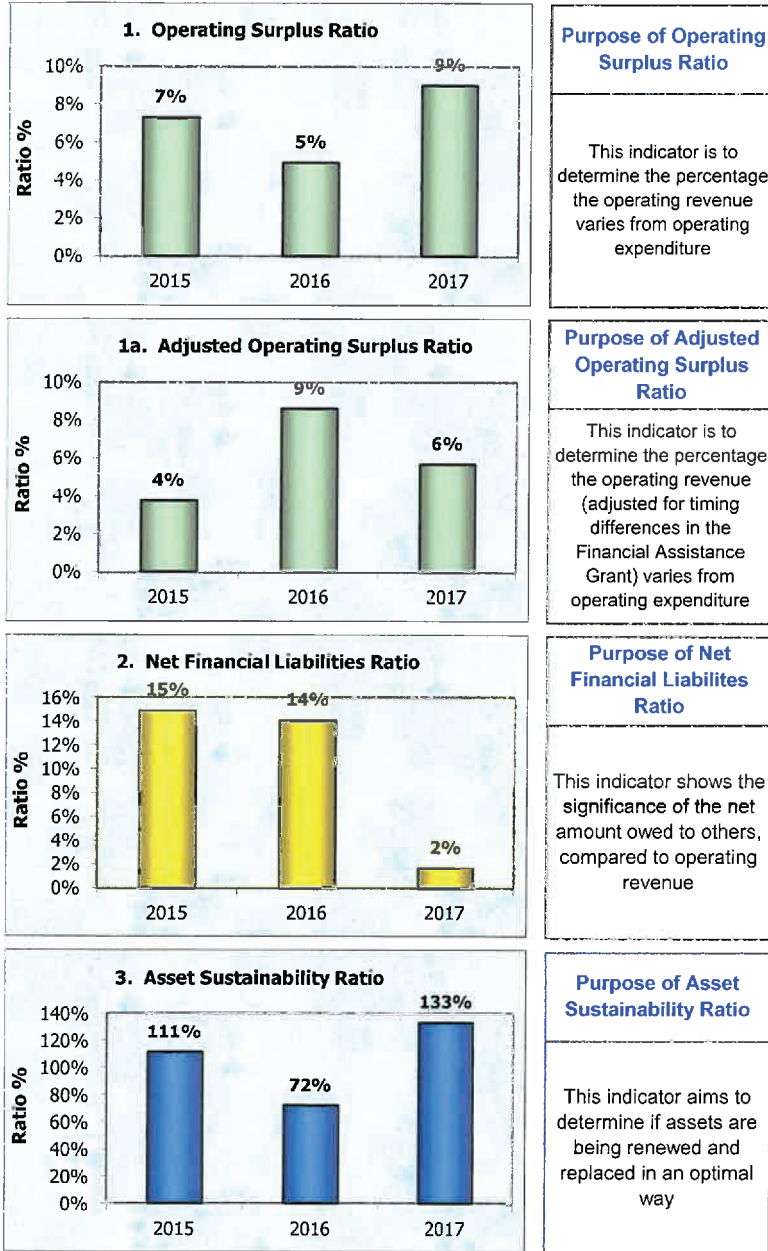
3. Asset Sustainability Ratio

Net Asset Renewals	24,613	133%	72%	111%
Infrastructure and Asset Management Plan required expenditure	18,510			

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 15. Financial Indicators - Graphs (continued)



Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 16. Uniform Presentation of Finances

\$ '000

2017

2016

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	120,066	110,880
less Expenses	(109,271)	(105,422)
Operating Surplus / (Deficit)	10,795	5,458
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	25,092	13,750
less Depreciation, Amortisation and Impairment	(24,781)	(23,802)
less Proceeds from Sale of Replaced Assets	(479)	(465)
Subtotal	(168)	(10,517)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property and Real Estate Developments)	11,301	23,195
less Amounts Received Specifically for New and Upgraded Assets	(1,935)	(1,437)
less Proceeds from Sale of Surplus Assets (including Investment Property and Real Estate Developments)	(11,359)	(7,782)
Subtotal	(1,993)	13,976
Net Lending / (Borrowing) for Financial Year	12,956	1,999

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 17. Operating Leases

\$ '000

2017

2016

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

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

Not later than one year	647	612
Later than one year and not later than 5 years	1,032	1,042
Later than 5 years	2,302	2,242
	3,981	3,896

(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 lease contains 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	575	737
Later than one year and not later than 5 years	354	697
	929	1,434

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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 2016/17; 9.50% in 2015/16). 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 2015/16) 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 2017

Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Joint Ventures	(83)	706	3,946	4,030
Total	(83)	706	3,946	4,030

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Northern Adelaide Waste Management Authority	Waste Management	3,858	3,929
Council Solutions	Procurement	88	101
Total Carrying Amounts - Joint Ventures & Associates		3,946	4,030

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

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Northern Adelaide Waste Management Authority	56.9%	56.6%	56.9%	56.6%	33.0%	33.0%
Council Solutions	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%

(c) Movement in Investment in Joint Venture or Associate

	Northern Adelaide Waste Management Authority		Council Solutions	
	2017	2016	2017	2016
Opening Balance	3,928	3,221	101	102
Share in Operating Result	(70)	707	(13)	(1)
Council's Equity Share in the Joint Venture or Associate	3,858	3,928	88	101

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

Note 19: Interests in Other Entities (continued)

\$ '000

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Northern Adelaide Waste Management Authority		Council Solutions	
	2017	2016	2017	2016
Cash and Cash Equivalents	4,282	3,600	334	267
Other Current Assets	2,466	2,852	469	390
Non-Current Assets	10,723	9,699	-	-
Total Assets	17,471	16,151	803	657
Current Trade and Other Payables	2,768	2,243	222	28
Current Financial Liabilities	791	1,579	55	27
Current Provisions	366	318	-	-
Non-Current Financial Liabilities	4,331	2,518	-	-
Non-Current Provisions	2,428	2,556	-	-
Total Liabilities	10,684	9,214	277	55
Net Assets	6,787	6,937	526	602

Statement of Comprehensive Income	Northern Adelaide Waste Management Authority		Council Solutions	
	2017	2016	2017	2016
Other Income	27,148	25,951	61	110
Contributions from Constituent Councils	-	-	1,167	933
Interest Income	171	248	6	10
Total Income	27,319	26,199	1,234	1,053
Employee Costs	1,773	1,731	-	-
Materials, Contracts & Other Expenses	24,205	21,466	1,310	1,058
Depreciation, Amortisation and Impairment	1,360	1,374	-	-
Finance Costs	281	246	-	-
Total Expenses	27,619	24,817	1,310	1,058
Other Revenue / Expense Items	150	(5)	-	-
Operating Result	(150)	1,377	(76)	(5)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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.

	Northern Adelaide Waste Management Authority		Council Solutions	
(ii) Operating Expenditures Payable	2017	2016	2017	2016
Not later than one year	9,620	20,003	-	-
Later that one year and not later than 5 years	9,881	9,882	-	-
Later than 5 years	57,422	-	-	-
	76,923	29,885	-	-

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

Not later than one year	994	855	-	-
Later that one year and not later than 5 years	3,476	2,895	-	-
Later than 5 years	73	600	-	-
	4,543	4,350	-	-

(iv) INDIVIDUALLY IMMATERIAL COUNCIL BUSINESSES

Council did not have any individually immaterial businesses

(v) UNCONSOLIDATED STRUCTURED ENTITIES

Council has no Unconsolidated Structured Entities

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

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 deductible "insurance excesses", the amount of which varies according to the class of insurance.

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

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had 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.

4. 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 2017

Note 21. Events after the Balance Sheet Date

\$'000

Events that occur after the reporting date of 30 June 2017, 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 12/10/17.

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 2017

Note 22. Related Party Transactions

\$ '000

2017

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel (KMP) of Council include the Mayor, Councillors, CEO and General Managers, certain prescribed officers under section 112 of the Local Government Act 1999 and other personnel that satisfy the criteria of KMP as contained within AASB 124 Related Party Transactions. In some circumstances members of the KMP have left Council during the financial year, however their compensation has still been included. In all, 55 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	5,336
Post-Employment Benefits	427
Long-Term Benefits	754
Total	6,517

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

Receipts from Key Management Personnel:

A Councillor operates a retail business and has a formal commercial agreement in place with Council under which they sell tickets to use a Council facility on Council's behalf. The details of this arrangement are the Councillor purchases books of tickets from Council, and pays Council 70% of the face value, therefore retaining 30% of the sales revenue. In the 2017 Financial Year, total income generated from tickets sold on Council's behalf was \$59k and the amount retained by the Councillor equated to \$18k.

There have been no other material amounts received from Key Management Personnel during the financial year, other than amounts paid in their capacity as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.)

Transactions with Regional Subsidiaries:

In regards to Councils Regional Subsidiaries, further information relating to their specific activities and carrying amounts are disclosed in Note 19. Council is an equity owner, along with other member Councils, of both of these subsidiaries. Member Councils have equal representation on the Board of both Regional Subsidiaries and accordingly have influence over both the financial and operational decisions of the subsidiaries. However, no one Member Council individually has control over these decisions. The following material transactions occurred with Councils Regional Subsidiaries, during the financial year:

Details	Payments	Outstanding	Total
Northern Adelaide Waste Management Authority	13,485	993	14,478
Total	13,485	993	14,478

Amounts payable that are outstanding at 30 June 2017 are recorded in Trade and Other Payables in Note 8.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CITY OF SALISBURY

Opinion

We have audited the accompanying financial report of the City of Salisbury, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the City of Salisbury as of 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

BENTLEYS SA AUDIT PARTNERSHIP



DAVID PAPA
PARTNER

Dated at Adelaide this 11th day of October 2017

INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF THE CITY OF SALISBURY

Opinion

We have audited the compliance of the City of Salisbury (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 are in accordance with legislative provisions.

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with legislative provisions for the period 1 July 2016 to 30 June 2017.

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 Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Limitations of Controls

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

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

Independence

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

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to 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 an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the *Council* has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. 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 controls on a sample basis on the assessed risks.

BENTLEYS SA AUDIT PARTNERSHIP



DAVID PAPA
PARTNER

Dated at Adelaide this 11th day of October 2017

General Purpose Financial Statements
for the year ended 30 June 2017

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 2017, the Council's Auditor, Bentleys 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



Councillor Graham Reynolds

PRESIDING MEMBER, AUDIT COMMITTEE

Date:

10/10/2017

10 OCT 2017.

Bentleys SA Audit Partnership

Level 2
139 Frome Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900
F +61 8 8372 7999

admin@adel.bentleys.com.au
bentleys.com.au

Certification of Auditor Independence

I confirm that, for the audit of the financial statements of City of Salisbury for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



David Papa
Partner
Bentleys SA Audit Partnership

Dated at Adelaide this 10 October 2017

SUBSIDIARY reports

Council Solutions Annual Report 2016/17

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 2016/17

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.

Council Solutions Regional Authority

General Purpose Financial Reports

for the year ending 30 June 2017

TABLE OF CONTENTS

	<u>Page</u>
Certification of Financial Statements	2
Principal Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	5
 Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	8
Note 3 - Expenses	8
Note 4 - Current Assets	9
Note 5 - Liabilities	9
Note 6 - Reconciliation to Cash Flow Statement	10
Note 7 - Financial Instruments	11
Note 8 - Related Party Disclosures	12
 Council Solutions Regional Authority's Certificate of Audit Independence	
Audit Certificate of Audit Independence	
Audit Report	

Council Solutions Regional Authority
Certification Of Financial Statements
for the year ending 30 June 2017

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 2017 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: 22/08/2017

COUNCIL SOLUTIONS REGIONAL AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

		2017	2016
	Notes	\$'000	\$'000
INCOME			
Investment Income	2	6	10
Management Fees	2	1,167	933
Other Income	2	61	110
Total Income		<u>1,234</u>	<u>1,053</u>
EXPENSES			
Materials, contracts & other expenses	3	<u>1,310</u>	<u>1,058</u>
Total Expenses		<u>1,310</u>	<u>1,058</u>
OPERATING SURPLUS / (DEFICIT)		<u>(76)</u>	<u>(5)</u>
NET SURPLUS / (DEFICIT)		<u>(76)</u>	<u>(5)</u>
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>(76)</u>	<u>(5)</u>

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

COUNCIL SOLUTIONS REGIONAL AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		334	267
Receivables		469	390
Total Current Assets	4,7	803	657
Total Assets		803	657
LIABILITIES			
Current Liabilities			
Trade & Other Payables		222	28
Other Current Liabilities		55	27
Total Current Liabilities	5,7	277	55
Total Liabilities	5,7	277	55
NET ASSETS		526	602
EQUITY			
Accumulated Surplus		383	459
Share Capital		143	143
TOTAL EQUITY		526	602

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

COUNCIL SOLUTIONS REGIONAL AUTHORITY
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

	Initial Contribution by Owners	Accumulated Surplus	Total
2017	\$'000	\$'000	\$'000
Opening Balance	143	459	602
Net Surplus for Year	-	(76)	(76)
Balance at end of period	143	383	526

	Initial Contribution by Owners	Accumulated Surplus	Total
2016	\$'000	\$'000	\$'000
Opening Balance	143	464	607
Net Surplus for Year	-	(5)	(5)
Balance at end of period	143	459	602

STATEMENT OF CASH FLOW
for the year ended 30 June 2017

	2017	2016
Notes	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Operating receipts	1,150	856
Investment Income	6	10
<u>Payments</u>		
Operating payments to suppliers & employees	(1,089)	(1,045)
Net Cash provided by (or used in) Operating Activities	67	(179)
Net Increase (Decrease) in cash held	67	(179)
Cash & cash equivalents at beginning of period	267	446
Cash & cash equivalents at end of period	334	267

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 2017

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 2017

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 2017 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 17	Leases
AASB 1058	Income of Not-for-Profit Entities

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

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

The Authority is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 1058 Income of Not-for-Profit Entities may have a material effect on the amounts disclosed in these reports, particularly in revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not the Authorities' intention to adopt this Standard early.

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 2 - INCOME

	2017	2016
	\$'000	\$'000
INVESTMENTS		
Interest Income	6	10
	<u>6</u>	<u>10</u>
REBATES		
Management Fees	1,167	933
	<u>1,167</u>	<u>933</u>
OTHER INCOME		
Reimbursements	61	110
	<u>61</u>	<u>110</u>

Note 3 - EXPENSES

	2017	2016
	\$'000	\$'000
MATERIALS, CONTRACTS & OTHER EXPENSES		
Advertising	2	11
Audit Fees	4	4
Catering	2	3
Contractors	73	73
Consultant Fees	253	199
Entertainment Costs	-	1
Fringe Benefits Tax	-	8
Insurance	32	26
IT Expenses	20	3
Legal Fees	48	75
Membership Fees & Subscriptions	12	1
Motor Vehicle	1	17
Recruitment	-	15
Reimbursements - Salary & Wages	775	539
Rent	30	24
Sitting Fees	39	25
Sundry	14	30
Telephone	1	1
Training and Development	4	3
	<u>1,310</u>	<u>1,058</u>

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 4 - CURRENT ASSETS

	2017 \$'000	2016 \$'000
CASH & CASH EQUIVALENTS		
Cash at Bank	334	267
	<u>334</u>	<u>267</u>
RECEIVABLES		
Accounts Receivables	271	282
Accrued Income	196	106
Prepaid Expenses	2	2
	<u>469</u>	<u>390</u>
TOTAL CURRENT ASSETS	<u>803</u>	<u>657</u>

Note 5 - LIABILITIES

	2017 \$'000	2016 \$'000
TRADE & OTHER PAYABLES		
Creditors	218	24
Expenses Accrued	4	4
	<u>222</u>	<u>28</u>
OTHER CURRENT LIABILITIES		
Payable to Adelaide City Council	55	27
	<u>55</u>	<u>27</u>
TOTAL LIABILITIES	<u>277</u>	<u>55</u>

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

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.

	2017	2016
	\$'000	\$'000
Cash at Bank	334	267
Balances per Cash Flow Statement	334	267

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

Net Surplus	(76)	(5)
Net (increase)/decrease in Receivables	(79)	(186)
Net increase/(decrease) in Current Liabilities	222	12
Net Cash provided by (or used in) operations	67	(179)

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

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;

2016-17

	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments	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%	334	-	-	-	-
Receivables	0.0%	-	-	-	-	469
Total Financial Assets		334	-	-	-	469
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	277
Total Financial Liabilities		-	-	-	-	277

2015-16

	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments	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	0.0%	-	-	-	-	390
Total Financial Assets		267	-	-	-	390
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	55
Total Financial Liabilities		-	-	-	-	55

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 7 - FINANCIAL INSTRUMENTS

(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.

Note 8 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL (KMP)

The Key Management Personnel of the Council include the Chair of the Board, the Board and the CEO.

	\$'000
Salaries, allowances & other short term benefits paid by Council Solutions to KMP	261

No qualifying related party disclosures have been identified in relation to the 2016-17 financial year

Council Solutions Regional Authority
Certification Of Auditor Independence
for the year ending 30 June 2017

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 2017, 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.



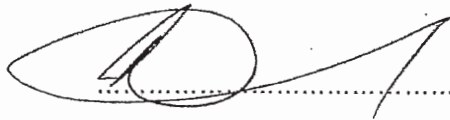
Catherine Cooper
CHAIR

Date: 29/8/17.



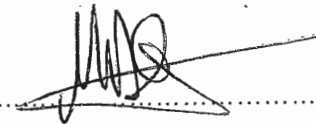
Tanya Johnston
PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 22/8/2017



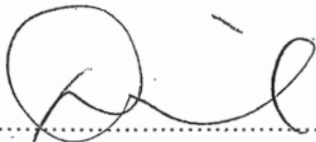
Mark Dowd
CHIEF EXECUTIVE OFFICER
City of Onkaparinga

Date: 31/8/2017



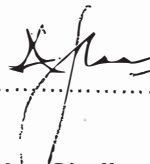
Mark Goldstone
CHIEF EXECUTIVE OFFICER
City of Adelaide

Date: 21/8/17



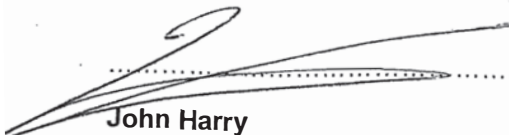
Darren Birbeck
ACTING CHIEF EXECUTIVE OFFICER
City of Charles Sturt

Date: 22/8/2017




Adrian Skull
CHIEF EXECUTIVE OFFICER
City of Marion

Date: 25-8-2017



John Harry
CHIEF EXECUTIVE OFFICER
City of Salisbury

Date: 24/8/2017



John Moyle
CHIEF EXECUTIVE OFFICER
Tea Tree Gully

Date: 17/8/2017

Council Solutions Regional Authority

ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2017

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 2017, 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 11th day of August 2017

Council Solutions Regional Authority Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Council Solutions Regional Authority for the year ended 30 June 2017.

Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 30 June 2017 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011) and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

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 and plan and perform the audit to obtain reasonable assurance about whether the schedule 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 judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation 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 association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.



Ian G McDonald FCA
Registered Company Auditor

Dated at Grange this 18th day of September 2017



nauwma
NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

2016-2017 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.



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.

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.

Contents

Report from the Chair	4-5
CEO's Report	6-7
Strategy Development and Implementation	8-9
Resource Recovery	10-11
Material Recovery Facility	12-13
Environmental Outcomes	14-15
Education	16-17
Food and Garden Organics	18-19
Social Outcomes	20
Financials table of contents	21
Auditor's Report	22
Financials	23-46
Organisational Structure	47

Report from the Chair

2016-17 has been a year of major accomplishment for NAWMA with strategic new investments that have advanced our capabilities in world's best practice waste management and resource recovery.

Headlining this investment is the:

- \$4.05 million purchase of a 1.918 hectare property at Edinburgh Parks; and
- \$4 million to develop a state-of-the-art Material Recovery Facility and a dynamic new Environment Education Centre at the site on Woomera Avenue.

NAWMA's Board of Management decided on these bold and progressive investments to grasp expanding opportunities in resource recovery that will deliver environmental, economic and social benefits for our constituent Councils and communities.

While the purchase of the property and the development of new facilities presented considerable challenges, they were successfully overcome through the vision, determination and drive of Executive Officer, Brian King, the Executive Management team and the Board who shared an unyielding focus on innovation in integrated waste and resource recovery.

In its values and mission, NAWMA has a powerful synergy with South Australia's Waste Strategy 2015-2020 with a primary objective of supporting a resource efficient economy where the best or full value can be secured from products and materials produced, consumed and recovered across the State. At NAWMA, we believe we have a leading role in SA in supporting this strategy.

While waste is a fact of life and a sharpening reality in our growing population, NAWMA is implementing system wide innovation to:

- progressively work with our communities and businesses to reduce waste;
- maximise value from recyclable products that can be remanufactured; and
- embrace a real transition to renewable energy sources.

These achievements are strategically important to our region, our State and our nation. They will enhance our environment and create positive economic outcomes. Our emphasis on resource recovery and regeneration will also deliver local benefits including helping our constituent Councils to minimise costs and apply downward pressure on rates.



Brian Cunningham

While the purchase of the new property and development of facilities at Edinburgh Parks have been milestones in our year of achievement, the existing site on the corner of Peachey and Bellchambers Roads at Edinburgh North remains strategically important as the waste baling plant and the base of the SUEZ truck fleet powered by "next generation" High Density Compressed Natural Gas (HDCNG).

The modern Resources Recovery Centre (RRC), associated Salvage & Save retail outlet, and the Scout recycling service for bottles and cans also continue to meet growing demand at the site.

Report from the Chair

In addition, our partnership with Peats Soils at the Edinburgh North site for processing the region's garden and food organics into quality compost products is another example of recovering and regenerating valuable resources.

Another major achievement for NAWMA is our emerging partnership with South Australia's Joule Energy to develop a solar-based energy generation platform at the Uleybury landfill.

The solar farm will be designed to integrate with the gas renewable energy facility, developed by local firm LMS Energy, at the landfill to jointly create electricity to power 1,800 homes while preventing thousands of tonnes of carbon being emitted into the atmosphere each year.

Uleybury will be home to Australia's first solar farm based at a landfill site further demonstrating NAWMA's commitment to a circular economy model with renewable energy sources that build natural, economic and social value.

The dynamic new Environment Education Centre at Edinburgh Parks will play an increasingly important role in NAWMA's schools and community programs to promote the benefits of a shared commitment to waste

minimisation, resource recovery and renewable energy generation. NAWMA is a major driver in the region for increasing awareness of waste minimisation strategies across the three Council communities that we serve.

Meanwhile, NAWMA welcomes Adam Faulkner as our new Chief Executive Officer succeeding Brian King.

Adam brings a wealth of experience and expertise to the organisation through his previous high-level waste management roles. Adam also holds a key position as Non Executive Director of the Waste Management Association of Australia and has also been a Non Executive Director of KESAB environmental solutions.

On behalf of our Board and Executive Management team, I thank Brian King who has had an extraordinary influence in his role over 21 years with NAWMA. He deserves the greatest respect for what he has achieved in that time. Brian's drive, innovation and massive work ethic resulted in NAWMA becoming a proud and recognised leader in Australian waste management, and we wish him well in his retirement.

To all on the NAWMA Management team and staff, I – together with the NAWMA Board – say thank you and well done in delivering on NAWMA's innovation agenda, improving our efficiencies and complementing our Member Councils' reputations in each of their communities with high quality delivery of services.

These achievements would not have been possible without the commitment and the continued direction of the Board of NAWMA. The members of the Board continue to provide valuable professional support to the organisation in what has been an extraordinarily busy 2016-17 financial year. I thank Board Members for their commitment of time and, of course, guidance.

We confidently look forward to another successful year in 2017/18.

Brian Cunningham
Chair, NAWMA



Report from the Chief Executive Officer

I am delighted to be welcomed to the high performing Local Government regional waste subsidiary NAWMA.

While I did not oversee operations during the reporting period, I am extremely impressed by the magnitude of achievements the Board and Management team have delivered.

NAWMA is very well positioned to continue providing contemporary and leading practice waste management, resource recovery and remanufacturing services to our constituent Councils, client Councils and their communities.

The Board has clearly provided exceptional governance, strategy development and oversight of NAWMA. This carefully crafted approach has resulted in an infrastructure set that includes:

- a best practice Resource Recovery Centre;
- an innovative Waste Processing Facility;
- one of only two Material Recovery Facilities processing kerbside (household) recyclables in South Australia; and
- a high performing balefill landfill at Uleybury.

The Board and Management team, along with the Technical Working Group and Audit Committee, are to be applauded for their bold tactics towards world's best practice in waste management and resource recovery.

Credit also goes to NAWMA's staff members who have worked tirelessly to implement the strategy developed by the Board. The staff are highly skilled knowledge leaders in their field and agile in their delivery. They are a tremendous credit to the organisation and I truly look forward to working with each of these professionals in the next iteration of NAWMA.

In terms of looking forward, it is with tremendous optimism that we approach new and better ways to engage with our community in moving towards a circular economy, and working with our residents to maximise the effectiveness of the kerbside bin system.

Together, with our constituent and client Councils and communities, NAWMA will lead the transition to beneficial reuse of what was once known as "waste".



Adam Faulkner



Strategy Development and Implementation

The NAWMA Waste Management Strategy 2015-2020 is the proverbial roadmap for the Authority's proactive response to the challenge of addressing environmentally sustainable growth in the region while generating community pride across northern Adelaide and beyond.

The strategy informs NAWMA's Business Plans, guides Local Government activities, and involves business, industry and the wider community.

Underpinning the strategy are NAWMA's overall objectives to:

- promote and achieve efficient, cost-effective, ecologically sustainable and socially acceptable waste management and resources recovery services throughout the region;
- achieve performance outcomes that meet or exceed accepted standards for waste minimisation and responsible waste and resources management;
- continually explore emerging technologies and innovative practices; and
- ensure funds are secured to meet NAWMA's strategic business activities, as well as the ongoing requirement for growth and development.

Currently NAWMA's constituent Councils – the Cities of Playford and Salisbury and the Town of Gawler – have a population of about 250,000 residents in 110,000 households. This population is forecast to grow to 276,000 by 2020.

These Councils cover a diverse area from northern metropolitan Adelaide to rural townships in South Australia's horticultural and broad acre farmlands. Proposed development on the northern urban fringe, along with urban redevelopment, will increasingly see medium density housing replace traditional low density, detached dwelling construction.

From a waste management perspective, many challenges and opportunities are presented from this changing residential landscape. Key targets of the NAWMA Waste Management Strategy 2015-2020 include:

- further reduction in Council waste disposal rates;
- reduction in Council contributions with NAWMA having greater control of its waste minimisation and resources recovery operations through a strategic realignment of reliance on external contractors;

- maximising annual financial returns to Councils; and
- establishing reliable markets for sale of processed recyclables.

The purchase of the new site and facilities at Edinburgh Parks highlight NAWMA's commitment to these targets. It will provide surety into the future with room for growth and innovation through the NAWMA Waste Management Strategy 2015-2020.





Resource Recovery

Adelaide's northern community is increasingly accessing services of NAWMA's state-of-the-art Resource Recovery Centre (RRC) at Edinburgh North.

The fully automated facility on Bellchambers Road includes:

- a drive-through, under cover Waste Transfer Station for people to bring in their own waste products, including materials for recycling;
- a Salvage & Save retail outlet operated by Hands on SA in association with NAWMA; and
- a recycling service for bottles and cans operated by Scouts SA.

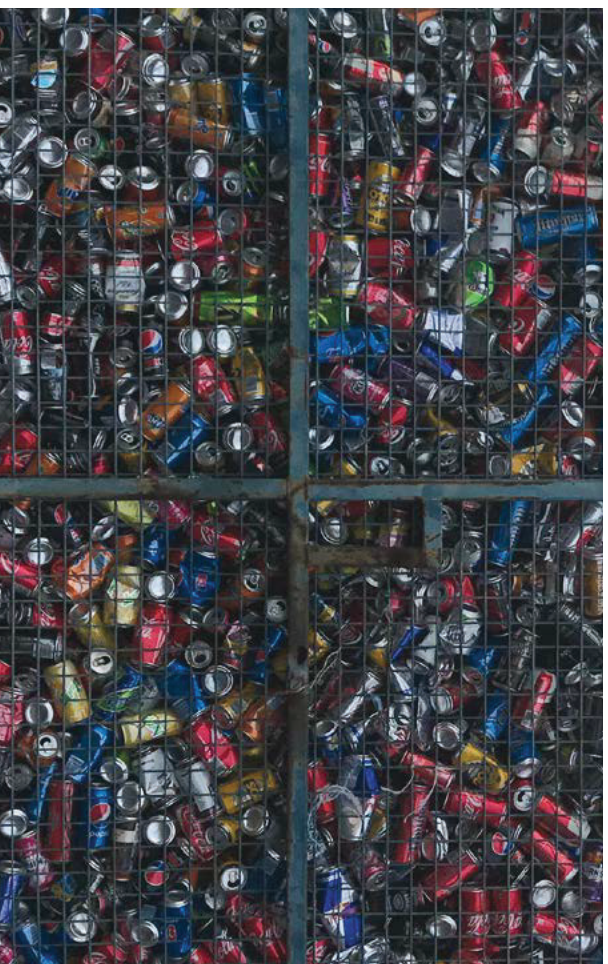
The RRC is delivering a range of positive outcomes including:

- growing community awareness of and involvement in the recycling of waste; and
- the opportunity for people on lower incomes to be able to purchase good second hand building and household products at affordable prices.

It is a major contributor to environmental best practice through diversion of waste from landfill.

Following are details of operations of the RRC for the year to 30 June 2017:

- 20,550 customers accessed the facility delivering green waste and general waste. This is an increase of 8.6 per cent from 2015-16;
- a further 3,100 customers delivered recyclables only free of charge;
- revenue was consistent with the previous reporting period at 6 per cent above expenditure;
- 1,078 tonnes of steel, cardboard, e-waste, car batteries were recovered and marketed;
- 16,400 litres of waste oil were collected and recycled;
- 4,858 tonnes of garden organics was processed into mulch products; and
- 2,696 tonnes of residual waste was transported to SUEZ-ResourceCo for processing into Refuse Derived Fuel (RDF).



Material Recovery Facility

NAWMA's Material Recovery Facility (MRF) at Edinburgh North was officially closed in December 2017. All recyclables were then diverted to an alternative plant pending the commissioning of the new MRF at the Edinburgh Parks site.

During 2016-17:

- 19,631 tonnes of kerbside recyclables in the yellow top recycling bins were received from Member Councils; and
- 6,417 tonnes of recyclables were received from client and rural Councils.

Household Hard Waste Collection

NAWMA operates an annual hard waste collection service in Playford and Gawler using a booking system on a suburb-by-suburb basis. The key objectives of the household hard waste collection service are to:

- maximise recycling and resource recovery opportunities and reduce the landfill component; and
- reduce the visual impact in streets and improve safety by asking residents to place hard waste within the front boundary of their properties rather than on the kerbside.

The chart below shows participation levels and material sourced from household hard waste collection. 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 continue to be very pleasing.

Hard Waste	Salisbury		Playford	
	2015/16	2016/17	2015/16	2016/17
Participation	5,146	4,537	9,238	9,559
Residual Waste (tonnes)	643	705	851	1,098
Steel (tonnes)	65	69	196	207
Mattresses	1,831	2,039	2,173	2,985
E-Waste	53	16	35	21
Vouchers	8,180	8,428		

Note:

- Salisbury's participation rate for hard waste collections plus vouchers was 21.50 per cent
- Playford's participation rate for hard waste collection was 24.67 per cent.

Material Recovery Facility



Performance of Constituent Councils 2016-2017 through kerbside collection services

Region	Kerbside recycling (tonnages)	Waste (tonnages)	Percentage recovered from landfill	Compared with 2015-16
Gawler	4,236	5,040	46.65%	42.60%
Playford	13,224	19,984	39.87%	38.05%
Salisbury	28,996	31,860	47.45%	44.78%

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 the Waste Transfer Stations of member Councils 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.



Kerbside regional performance comparison with previous years

Year	Recyclables, including FOGO and hard waste (tonnages)	Waste (tonnages)	Percentage Recovered from landfill
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%
16-17	45,875	57,049	44.32%

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	Total kerbside recyclables (tonnages)	Total waste diverted from landfill from waste transfer stations	Total kerbside waste 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%
16-17	45,875	27,305	57,049	56.19%

Environmental Outcomes

Generating positive environmental outcomes is a constant objective of NAWMA as it continues to explore business opportunities in waste management and resource recovery practices.

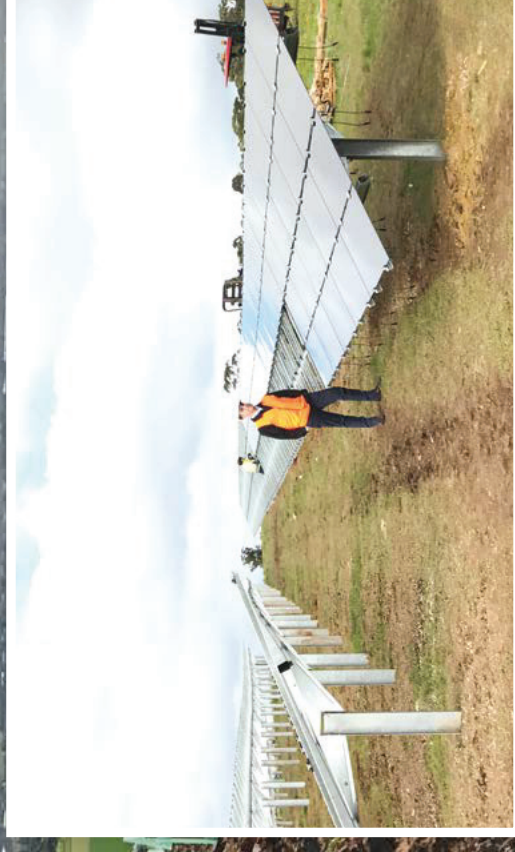
This environmental commitment is clearly evident in the operation of NAWMA's Uleybury landfill where filling of the stage three cell commenced at the end of last financial year. This is the final stage of the landfill with about nine years of airspace remaining to be filled following the removal of valuable recyclables from the waste stream.

An advanced Phytocap soil and vegetation process has been applied to the first two stages of the landfill. About 100,000 tonnes of capping soil to a depth of 1.2 metres cover the first two stages along with extensive planting of native trees, shrubs and grasses.

The capping of the landfill cells after they are filled with waste is a requirement of the Environment Protection Authority licence for the site. The capping is designed to keep stormwater (rain) out of the landfill cell (waste) and limit the escape of landfill gas.

Phytocaps have two major components – trees and other plants that act as 'bio-pumps' and 'rain interceptors', and soil that acts as storage. The soil and trees together minimise percolation of water into waste.

This landfill capping system provides further benefits including biodiversity conservation and promotion of native species in the region, in addition to the aesthetic value to the community.



Environmental Outcomes

Landfill gas flaring

From late 2016 to early 2017, the number of landfill gas wells at the landfill grew from four to eighteen as part of a progression towards implementation of renewable energy facility.

Average landfill gas flows through the flare since then have increased sharply with 526,000 m³/month now being flared. In terms of reduced pollution from the flaring each month, this equates to:

- preventing around 4,000 tonnes of CO₂ going into the atmosphere; or
- removing approximately 1,000 cars off the road; or
- harnessing the benefits from planting 440 hectares of trees per day.

Decomposing organic matter generates landfill gas. It mostly consists of methane and carbon dioxide mixed with water vapour and organic compounds. The substantial methane content of landfill gas enables it to be used as a power generation fuel to create electricity that can be returned to the grid.

Complementing the Uleybury gas renewable energy strategy is a partnership with Joule

Energy to create Australia's first solar farm based at a landfill. About 11,000 solar panels will be installed at the site allowing the solar farm to be integrated with the landfill gas energy facility.

The combined electricity generated from the two facilities will deliver a projected 11,000 megawatt hours per annum, which is enough to power 1,800 homes.

Just as importantly, the landfill gas renewable energy facility and solar farm will prevent about 63,000 tonnes of carbon being emitted into the atmosphere each year.

Treatment of wastewater (leachate) at Uleybury

Leachate, or rainwater than descends through waste, is pumped from the sealed base of the landfill to evaporation ponds.

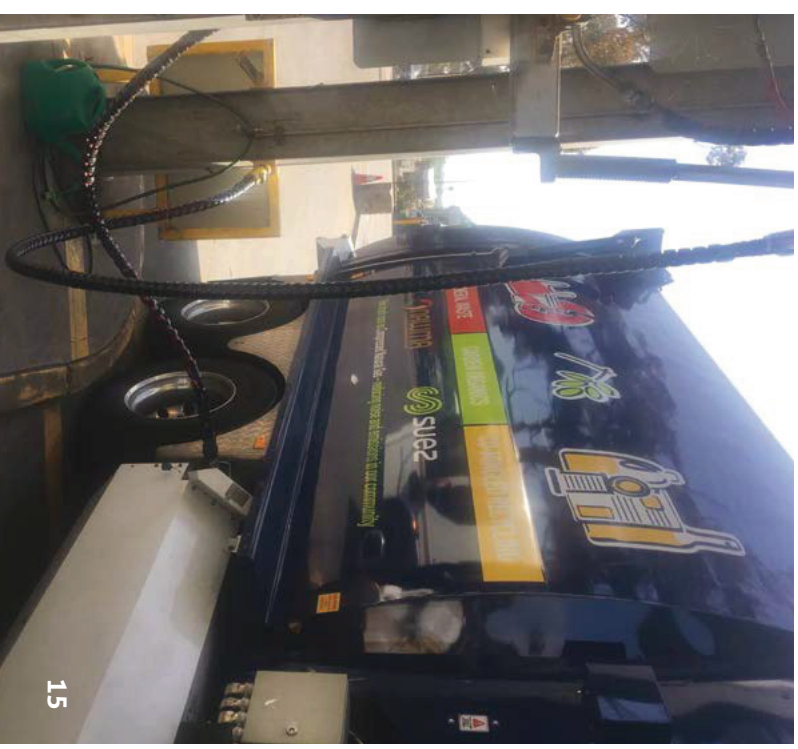
The sealed base of the landfill consists of natural clay and selected liner materials to prevent pollution of groundwater, which is about 100 metres below the quarry bed at Uleybury.

Groundwater from wells strategically positioned around the site is tested regularly to ensure the base liner effectively captures leachate.

High Density Compressed Natural Gas (HDCNG).

NAWMA, along with its partner SUEZ, has completed the introduction of next generation HDCNG to power the fleet of kerbside collection trucks.

This significantly reduces greenhouse gas emissions, particulate and noise pollution from the trucks.





Education

NAWMA continues to develop motivational new dimensions to its education and community awareness programs to showcase the environmental, economic and social benefits of waste minimisation, recycling and re-use.

During the 2016-17 financial year, more than 5,000 children and adults were engaged in NAWMA's education presentations, including promotional visits and workshops in local schools, shopping precincts and community centres.

NAWMA's interactive new Environmental Education Centre (EEC) opened at Edinburgh Parks in mid-June. By the end of that month, 100 pre-school children and 335 primary school students with accompanying parents and teachers visited the centre along with a group of seniors.

New and emerging communications and information technologies are being embraced to maximise the effectiveness of the education programs with a particular emphasis on fun in learning for students with important take home messages.

The My Waste App is providing to be increasingly effective in engaging with residents who can access waste management information on computers and mobile telephones. During the reporting period, there were 148,488 resident interactions – a very significant increase from 61,463 in the 2015-16 financial year.

These interactions included:

- 91,129 reminders;
- 8,918 calendar views; and
- 68 problem reports.

Other key education and community engagement activities in the past year included:

- constant updating of educational resources for schools 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 refreshment of the NAWMA website.





put life back into your soil

peats
SOIL & GARDEN SUPPLIES

sold here

Fill your trailer with quality peats products.
Made from the green organics you recycle

Food and Garden Organics (FOGO)

Fifty five per cent of residents participated in NAWMA's voluntary garden organics collection service in 2016-17 representing an increase of over 4,000 services from the previous year.

Playford Council residents continue to transition from a user pays system to the NAWMA regional food and garden organics program. There is now a participation level of 41 per cent among Playford residents.

In the reporting period, 37,295 tonnes of food and garden organics were sourced from the region and forwarded for processing. This was an increase of 25.5 per cent from 2015-16.

The tonnage of collected garden organics fluctuates from year to year due to seasonal factors, but there is a very clear and encouraging trend of community participation in food and garden organics recycling.



Social Outcomes

In any business, good communication is an essential component of good service.

This is especially important in NAWMA's mission to deliver responsible, sustainable and best practice waste and resources management to constituent and client Councils and their communities.

Positive social outcomes and community pride are equally important as environmental and economic benefits from best practice in waste management and resources recovery.

NAWMA's focus on effective communication is driven through strategic education and community awareness programs, on-line

engagement and through direct interaction with residents.

The free call number 1800 111 004 is vital for people seeking information on waste management issues in their homes and along their streets. In 2016-17, no less than 57,160 residents made valuable use of the 1800 number.

Approximately 11,124 calls related to requests for Mobile Garbage Bins, specifically about new services, repairs or replacements. Bookings for the hard waste collection accounted for 22,524 calls.

Only 1,745 calls (3.05 per cent compared with 3.34 per cent in 2015-16), related to service issues. Considering NAWMA's client population is about a quarter of a million people, the level of complaints about service is considered to be very low.

Importantly, if there is a complaint it is acted upon immediately because NAWMA acts responsibly and effectively to ensure it is serving the best interests of current and future generations of residents in the northern region of Adelaide and beyond.



NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

General Purpose Financial Report for the year ended 30 June 2017

TABLE OF CONTENTS

	<u>Page</u>
Authority Certificate	
Principal Financial Statements	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N6
Note 3 - Expenses	N6
Note 4 - Current Assets	N7
Note 5 - Infrastructure, Property, Plant & Equipment	N8 - N9
Note 6 - Liabilities	N10
Note 7 - Reconciliation of Cash Flow Statement	N11
Note 8 - Financial Instruments	N12 - N13
Note 9 - Expenditure Commitments	N14
Note 10 - Events Occurring After Reporting Date	N14
Note 11 - Operating Leases	N15
Note 12 - Related Party Transactions	N15
Note 13 - Assets & Liabilities not Recognised	N16
Note 14 - Fair Value Measurements	N17 - N18
CEO Statement	
Audit Report	
Council Certificates of Audit Independence	
Audit Certificate of Audit Independence	

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF FINANCIAL STATEMENTS

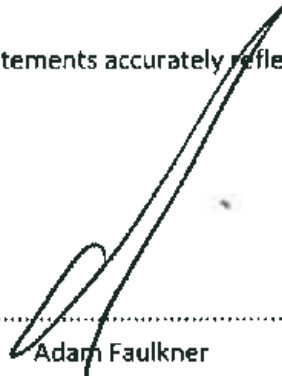
I have been authorised by Northern Adelaide Waste Management Authority to certify the financial statements in their final form. In our opinion:

- 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 2017 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.



Adam Faulkner
CHIEF EXECUTIVE OFFICER



Brian Cunningham
CHAIRPERSON

Date: 20 September 2017

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
INCOME			
User charges	2	26,843	25,629
Investment income	2	171	248
Reimbursements	2	55	178
Other	2	250	144
Total Income		<u>27,319</u>	<u>26,199</u>
EXPENSES			
Employee costs	3	1,773	1,731
Materials, contracts & other expenses	3	24,205	21,466
Finance costs	3	281	246
Depreciation, amortisation & impairment	3	1,360	1,374
Other Expenses	3	30	5
Total Expenses		<u>27,649</u>	<u>24,822</u>
OPERATING SURPLUS / (DEFICIT)		(330)	1,377
transfer to Equity Statement			
Asset disposal & fair value adjustments	5	-	(66)
Amounts received specifically for new/upgraded assets		180	-
NET SURPLUS / (DEFICIT)		<u>(150)</u>	<u>1,311</u>
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>(150)</u>	<u>1,311</u>

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

		2017 \$'000	2016 \$'000
ASSETS	Notes		
Current Assets			
Cash and cash equivalents	4	4,282	3,600
Trade & other receivables	4	<u>2,466</u>	<u>2,852</u>
Total Current Assets		<u>6,748</u>	<u>6,452</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	5	<u>10,723</u>	<u>9,699</u>
Total Assets		<u>17,471</u>	<u>16,151</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	2,768	2,243
Provisions	6	366	318
Borrowings	6	<u>791</u>	<u>1,579</u>
Total Current Liabilities		<u>3,925</u>	<u>4,140</u>
Non-current Liabilities			
Borrowings	6	4,331	2,518
Provisions	6	<u>2,428</u>	<u>2,556</u>
Total Non-current Liabilities		<u>6,759</u>	<u>5,074</u>
Total Liabilities		<u>10,684</u>	<u>9,214</u>
NET ASSETS		<u>6,787</u>	<u>6,937</u>
EQUITY			
Accumulated Surplus		6,172	6,322
Asset Revaluation Reserve		<u>615</u>	<u>615</u>
TOTAL EQUITY		<u>6,787</u>	<u>6,937</u>

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2017

2017	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
\$'000			
Balance at end of previous reporting period	6,322	615	6,937
Net Surplus/ (Deficit) for Year	(150)	-	(150)
Other Comprehensive Income			
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period	6,172	615	6,787

2016	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
\$'000			
Balance at end of previous reporting period	5,011	615	5,626
Net Surplus/ (Deficit) for Year	1,311	-	1,311
Other Comprehensive Income			
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

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

		2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
<u>Receipts</u>			
Operating receipts		27,534	26,160
Investment receipts		171	248
<u>Payments</u>			
Operating payments to suppliers & employees		(25,806)	(23,128)
Finance payments		(271)	(275)
Net Cash provided by (or used in) Operating Activities	7	<u>1,628</u>	<u>3,005</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		180	-
Sale of surplus assets		-	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	(68)
Expenditure on new/upgraded assets		(2,151)	(4,744)
Net Cash provided by (or used in) Investing Activities		<u>(1,971)</u>	<u>(4,812)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Borrowings		2,500	2,400
<u>Payments</u>			
Repayments of Borrowings		(1,475)	(1,205)
Net Cash provided by (or used in) Financing Activities		<u>1,025</u>	<u>1,195</u>
Net Increase (Decrease) in cash held		<u>682</u>	<u>(612)</u>
 Cash & cash equivalents at beginning of period	7	<u>3,600</u>	4,212
Cash & cash equivalents at end of period	7	<u><u>4,282</u></u>	<u><u>3,600</u></u>

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Salisbury, City of Playford and the Town of Gawler.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Northern Adelaide Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and Section 25 of the Local Government Implementation Act, and has its principal place of business at Cnr Peachey & Bellchambers Road, Edinburgh North SA 5113.

These financial statements have been prepared for use by the Constituent Councils of the Authority.

3 Income Recognition

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

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

5 Infrastructure, Property, Plant & Equipment

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

5.2 Materiality

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

5.3 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

5.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 1 - Significant Accounting Policies (cont)

Plant, Furniture & Equipment	5 to 10 years
Buildings	50 years
Infrastructure:	
Waste Facility	10 to 15 years
Landfill Construction	Amortised proportionately to rate of filling

5.5 Land Assets

As at 30 June 2015, an independent valuation was undertaken on all Land assets held by the Authority. The independent valuation was undertaken by Maloney Field Services and valued land assets to the current market value.

Given the material value of Land assets subsequent to the valuation performed, Land assets are shown as a separate class of asset and disclosed accordingly in Note 5.

5.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *for the year ended 30 June 2017*

Note 1 - Significant Accounting Policies (cont)

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2016/17; 9.5% in 2015/16). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent full actuarial investigation conducted by the Scheme'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 the Authority's contribution rates at some future time.

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

8 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet.

The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

9 Leases

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

In respect of finance leases, where the Authority substantially carries all the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets.

Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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.

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *for the year ended 30 June 2017*

Note 1 - Significant Accounting Policies (cont)

10 GST Implications

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

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

11 Comparative Information

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

12 Critical Accounting Estimates and Judgements

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

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

13 New Accounting Standards

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

Certain new accounting standards have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 2 - INCOME

	Notes	2017 \$'000	2016 \$'000
USER CHARGES			
Waste Management Operations		26,843	25,629
		<u>26,843</u>	<u>25,629</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		82	115
Rental income		89	133
		<u>171</u>	<u>248</u>
REIMBURSEMENTS			
Reimbursement		34	68
Fuel Tax Credit Reimbursements		21	110
		<u>55</u>	<u>178</u>
OTHER INCOME			
Promotional Income		250	144
		<u>250</u>	<u>144</u>

Note 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		1,431	1,375
Employee leave expense		52	35
Superannuation		135	132
Workers' Compensation Insurance		28	22
Allowances		3	6
Other		124	161
Total Operating Employee Costs		<u>1,773</u>	<u>1,731</u>
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		13	13
Lease costs		1,260	395
Subtotal - Prescribed Expenses		<u>1,273</u>	<u>408</u>
<u>Other Materials, Contracts & Expenses</u>			
Promotions		154	117
Bank Fees		1	10
Boral Royalty		210	212
Contractors		15,313	15,345
Electricity		182	115
Environmental Protection Agency Levy		5,825	4,550
Fuels & Oils		84	-
Professional services		413	209
Waste Recycle Bins		311	273
Administration & Other Expenses		439	227
Subtotal - Other Materials, Contracts & Expenses		<u>22,932</u>	<u>21,058</u>
		<u>24,205</u>	<u>21,466</u>

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 3 - EXPENSES (cont)

	Notes	2017 \$'000	2016 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Waste Processing Facility		147	131
Uleybury Landfill Plant & Equipment		31	34
Education Program Plant & Equipment		1	2
Office Furniture & Equipment		8	3
Property & Improvements		19	12
Landfill Cell Stage Two		-	275
Landfill Capping Stage Two		-	32
Landfill Cell Stage Three		412	19
Landfill Capping Stage 3		71	3
Post Closure Rehabilitation		148	90
Buildings		20	20
Mobile Garbage Bins		503	753
		<u>1,360</u>	<u>1,374</u>
FINANCE COSTS			
Interest on Loans and Overdraft		281	246
		<u>281</u>	<u>246</u>
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		-	-
Less: Carrying amount of assets sold		-	66
Gain (Loss) on disposal		<u>-</u>	<u>(66)</u>
OTHER EXPENSES			
Landfill Cell Expenses		30	5
		<u>30</u>	<u>5</u>

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		192	38
Deposits at Call		4,090	3,562
		<u>4,282</u>	<u>3,600</u>
TRADE & OTHER RECEIVABLES			
Debtors - general		2,451	2,833
Accrued Revenues		15	19
		<u>2,466</u>	<u>2,852</u>

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016 \$'000				2017 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	875	-	-	875	875	-	-	875
Waste Processing Facility	-	2,010	(1,066)	944	-	2,344	(1,213)	1,131
Uleybury Landfill Plant & Equipment	-	2,100	(1,910)	190	-	2,100	(1,941)	159
Education Program Plant & Equipment	-	59	(46)	13	-	59	(47)	12
Office Furniture & Equipment	-	78	(70)	8	-	134	(78)	56
Property & Improvements	-	1,594	(1,440)	154	-	1,594	(1,459)	135
Landfill Cell Stage One	-	348	(348)	-	-	348	(348)	-
Landfill Capping Stage One	-	1,397	(1,397)	-	-	1,397	(1,397)	-
Landfill Cell Stage Two	-	1,927	(1,927)	-	-	1,927	(1,927)	-
Landfill Capping Stage Two	-	172	(172)	-	-	172	(172)	-
Landfill Cell Stage Three	-	3,084	(19)	3,065	-	3,084	(431)	2,653
Landfill Capping Stage Three	-	394	(3)	391	-	538	(74)	464
Post Closure Rehabilitation	-	1,772	(759)	1,013	-	1,861	(907)	954
Buildings	-	247	(68)	179	-	247	(88)	159
Mobile Garbage Bins	-	6,020	(5,517)	503	-	6,020	(6,020)	-
WIP	-	2,364	-	2,364	-	4,125	-	4,125
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	875	23,565	(14,742)	9,699	875	25,950	(16,102)	10,723
Comparatives	875	18,579	(13,576)	5,878	875	23,566	(14,742)	9,699

This Note continues on the following pages.

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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

	2016	CARRYING AMOUNT MOVEMENTS DURING YEAR							2017
	\$'000	\$'000							\$'000
	CARRYING AMOUNT	Additions		Disposals	Reclassification	Revaluation	Depreciation	CARRYING AMOUNT	
	Capital	New/Upgrade							
Land	875	-	-	-	-	-	-	875	
Waste Processing Facility	944	-	334	-	-	-	(147)	1,131	
Uleybury Landfill Plant & Equipment	190	-	-	-	-	-	(31)	159	
Education Program Plant & Equipment	13	-	-	-	-	-	(1)	12	
Office Furniture & Equipment	8	-	56	-	-	-	(8)	56	
Property & Improvements	154	-	-	-	-	-	(19)	135	
Landfill Cell Stage One	-	-	-	-	-	-	-	-	
Landfill Capping Stage One	-	-	-	-	-	-	-	-	
Landfill Cell Stage Two	-	-	-	-	-	-	-	-	
Landfill Capping Stage Two	-	-	-	-	-	-	-	-	
Landfill Cell Stage Three	3,065	-	-	-	-	-	(412)	2,653	
Landfill Capping Stage Three	391	144	-	-	-	-	(71)	464	
Post Closure Rehabilitation	1,013	89	-	-	-	-	(148)	954	
Buildings	179	-	-	-	-	-	(20)	159	
Mobile Garbage Bins	503	-	-	-	-	-	(503)	-	
WIP	2,364	-	1,761	-	-	-	-	4,125	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	9,699	233	2,151	-	-	-	(1,360)	10,723	
2016 Totals	5,878	5,193	68	(66)	-	-	(1,374)	9,699	

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 6 - LIABILITIES

		2017 \$'000		2016 \$'000	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		2,409	-	2,154	-
Payments received in advance		-	-	-	-
Accrued expenses - other		359	-	89	-
		<u>2,768</u>	<u>-</u>	<u>2,243</u>	<u>-</u>
BORROWINGS					
Loans		791	4,331	1,579	2,518
		<u>791</u>	<u>4,331</u>	<u>1,579</u>	<u>2,518</u>
PROVISIONS					
Annual Leave		137	-	123	-
Long Service Leave		229	29	195	31
Provision for Capping Stage 1A		-	-	-	187
Provision for Capping Stage 2A		-	-	-	172
Provision for Capping Stage 3A		-	538	-	394
Provision for Post Closure Site Rehabilitation		-	1,861	-	1,772
		<u>366</u>	<u>2,428</u>	<u>318</u>	<u>2,556</u>

<i>Movements in Provisions - 2016 year only (current & non-current)</i>	<i>Opening Balance</i>	<i>Additional Amounts Recognised/ (Derecognised)</i>	<i>Payments</i>	<i>Closing Balance</i>
Provision for Capping Stage 1A	187	-	(187)	-
Provision for Capping Stage 2A	172	-	(172)	-
Provision for Capping Stage 3A	394	144	-	538
Post Closure Site Rehabilitation	1,772	89	-	1,861
Total	2,525	233	(359)	2,399

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	4	4,282	3,600
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>4,282</u>	<u>3,600</u>

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

Net Surplus (Deficit)	(150)	1,311
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,360	1,374
Gain / (Loss) on Disposal	-	(66)
Grants for capital acquisitions treated as Investing Activities	(180)	-
	<u>1,030</u>	<u>2,619</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	386	209
Net increase (decrease) in trade & other payables	515	34
Net increase (decrease) in other provisions	(303)	143
Net Cash provided by (or used in) operations	<u>1,628</u>	<u>3,005</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge
- Non-cash grants & contributions

Amounts recognised in Income Statement

- Finance Leases	-	-
Total Non-Cash Financing and Investing Activities	<u>-</u>	<u>-</u>

(d) Financing Arrangements

Corporate Credit Cards	15	15
------------------------	----	----

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	4	4,282	3,600
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>4,282</u>	<u>3,600</u>

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

Net Surplus (Deficit)	(150)	1,311
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,360	1,374
Gain / (Loss) on Disposal	-	(66)
Grants for capital acquisitions treated as Investing Activities	(180)	-
	<u>1,030</u>	<u>2,619</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	386	209
Net increase (decrease) in trade & other payables	515	34
Net increase (decrease) in other provisions	(303)	143
Net Cash provided by (or used in) operations	<u>1,628</u>	<u>3,005</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	-	-
- Non-cash grants & contributions	-	-
<i>Amounts recognised in Income Statement</i>	<u>-</u>	<u>-</u>
- Finance Leases	-	-
Total Non-Cash Financing and Investing Activities	<u>-</u>	<u>-</u>

(d) Financing Arrangements

Corporate Credit Cards	15	15
------------------------	----	----

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 8 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned. Short Term Deposits	<p>Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 1.25% (2016: 1.75%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.	<p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.	<p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Net Fair Value

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

Risk Exposures

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

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

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

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

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 8 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2017	Floating Interest Rate \$'000	Fixed interest maturing in ≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	192	4,090	-	-	-	4,282
Loans & Receivables						
Receivables	-	-	-	-	2,466	2,466
Total	192	4,090	-	-	2,466	6,748
Financial Liabilities						
Payables	-	-	-	-	2,768	2,768
Current Borrowings	-	791	-	-	-	791
Non-Current Borrowings	-	-	4,331	-	-	4,331
Total	-	791	4,331	-	2,768	7,890
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	192	3,299	(4,331)	-	(302)	(1,142)

2016	Floating Interest Rate \$'000	Fixed interest maturing in ≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	38	3,562	-	-	-	3,600
Loans & Receivables						
Receivables	-	-	-	-	2,852	2,852
Total	38	3,562	-	-	2,852	6,452
Financial Liabilities						
Payables	-	-	-	-	2,243	2,243
Current Borrowings	-	1,579	-	-	-	1,579
Non-Current Borrowings	-	-	2,518	-	-	2,518
Total	-	1,579	2,518	-	2,243	6,340
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	38	1,983	(2,518)	-	609	112

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 9 - COMMITMENTS FOR EXPENDITURE

	2017 \$'000	2016 \$'000
	<u>Notes</u>	
Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	5	5
Waste Collection, Processing and Mobile Garbage Bin	76,918	24,630
Supply Contracts	-	5,250
Woomera Ave Operations Centre	<u>76,923</u>	<u>29,885</u>
These expenditures are payable:		
Not later than one year	9,620	20,003
Later than one year and not later than 5 years	9,881	9,882
Later than 5 years	<u>57,422</u>	<u>-</u>
	<u>76,923</u>	<u>29,885</u>

The Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf of 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.

The Authority purchased a property at Woomera Ave, Edinburgh North for \$4.05 million on 23 August 2017. A deposit of \$50,000 (GST exclusive) was paid in March 2016. The acquisition of the premises was funded by a 20 year external loan facility.

Note 10 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2017 that need to be disclosed in the financial statements.

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 11 - OPERATING LEASES

Lease payment commitments of Authority

No contingent rentals were paid during the current or previous reporting periods. No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.

No lease contains any escalation clause. Commitments under non-cancellable operating leases that have not been

	2017 \$'000	2016 \$'000
Not later than one year	994	855
Later than one year and not later than 5 years	3,476	2,895
Later than 5 years	73	600
	<u>4,543</u>	<u>4,350</u>

Note 12 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the *Local Government Act 1999*. In all, 6 persons were paid the following total compensation:

	2017 \$'000
Salaries, allowances & other short term benefits	675
Long term benefits	58
TOTAL	733

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Salisbury	11,879	1,024	Provision of waste collection, processing and disposal services
City of Playford	6,882	702	Provision of waste collection, processing and disposal services
Town of Gawler	1,951	155	Provision of waste collection, processing and disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

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

1. **POTENTIAL INSURANCE LOSSES**

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

The Authority 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 the Authority may have existed at reporting date.

2. **LEGAL EXPENSES**

All known costs have been recognised.

3. **PERFORMANCE BONDS/GURANTEES**

The Authority has a performance bond/guarantee held with the Local Government Finance Authority to the Environment Protection Authority for an amount of \$1,350,000 in accordance with the requirements under its Post Closure remediation obligations for the Uleybury Landfill site.

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 14 - FAIR VALUE MEASUREMENTS

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

- Land assets.

The Authority 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.

(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 categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities 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 or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Authority 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 on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association 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 or liabilities.
- *Income approach:* converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- *Cost approach:* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority 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 are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

Note 14 - FAIR VALUE MEASUREMENTS (Cont.)

The following tables provide the fair values of the Authority's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2017					
\$'000					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
– Land	5	-	875	-	875
Total financial assets recognised at fair value		-	875	-	875

2016					
\$'000					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
– Land	5	-	875	-	875
Total financial assets recognised at fair value		-	875	-	875

(b) Disclosed fair value measurements

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2017, the Authority's Auditor, HLB Mann Judd, 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*.


.....
Mr Adam Faulkner

CHIEF EXECUTIVE OFFICER

Date: 5/9/17

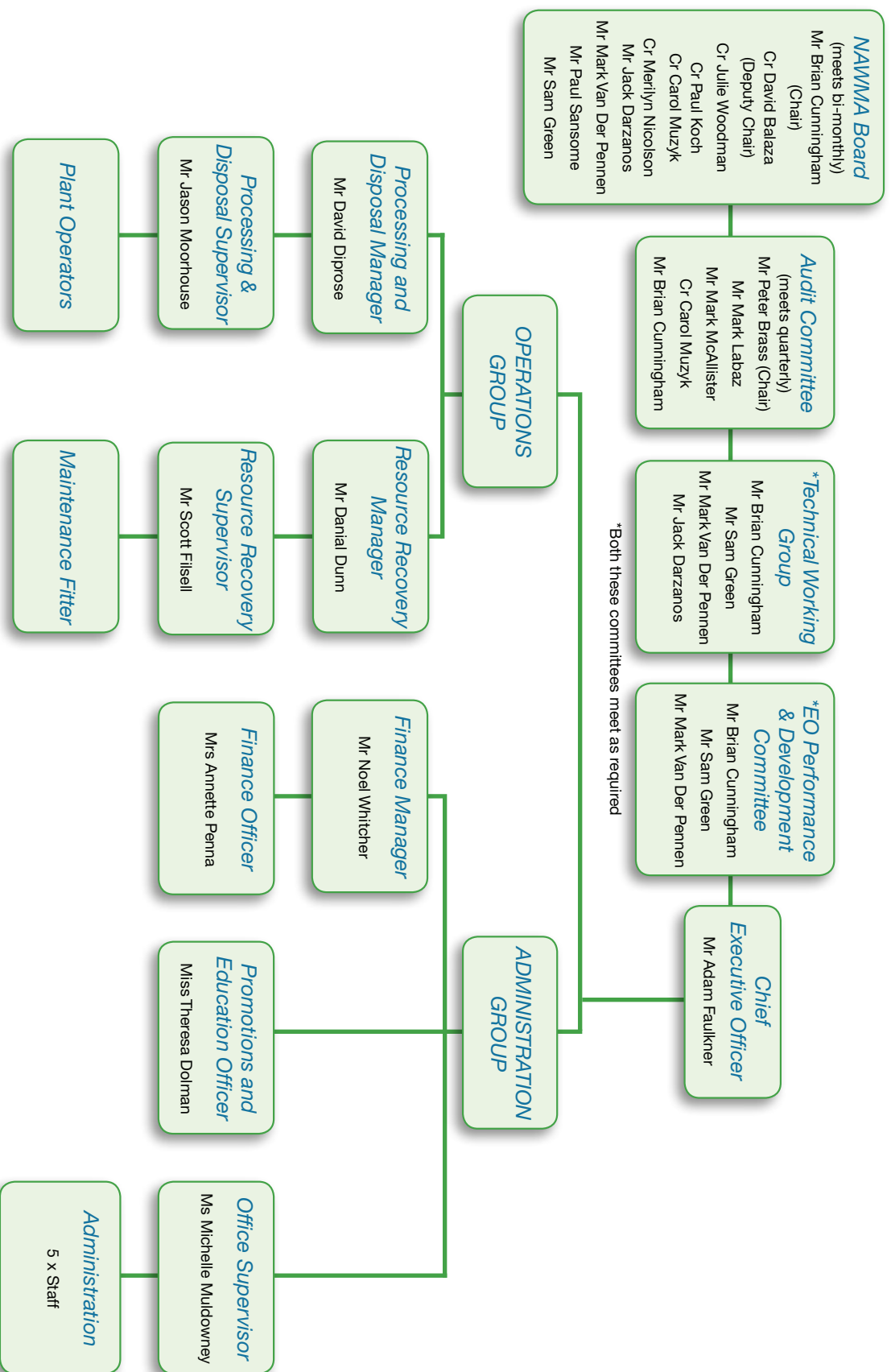

.....
Mr Peter Brass

PRESIDING MEMBER

AUDIT COMMITTEE

Date: 5/9/17

Organisational Structure



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 8281 5466

Email

city@salisbury.sa.gov.au



/cityofsalisbury



@CityOfSalisbury

