

A photograph of a live music performance at night. A band of five members is on a stage under bright spotlights. The stage is set up with various instruments including guitars, a keyboard, and drums. A large crowd of people is in the foreground, many with their hands raised in the air, suggesting a lively concert atmosphere. The background shows the structure of a large outdoor event space.

ANNUAL REPORT 2018-19

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foreword



The City of Salisbury is a partnership between its citizens, elected members and the administration, to create and advance our diverse and vibrant community. Together we give shape to the public and private places we live in, encourage the kind of industry we want to work in and to invest here, build the kind of local infrastructure that we need to sustain us, and develop the kind of community we want to be.

Our organisation provides services to a population of approximately 137,000 Salisbury citizens and 60,000 rateable properties. We manage approximately \$1.9 billion in assets and infrastructure, with budgeted operating revenue of approximately \$120 million.

The Council elections were held during the 2018/19 year. The elections are the most fundamental opportunity for citizens to have a say in how the Council serves them. Through the democratic process electors decide who will represent them on Council and make decisions to benefit our community for the forthcoming four years and beyond.

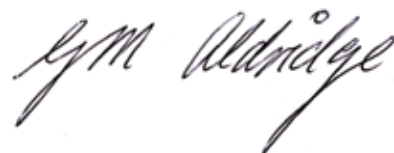
Following the elections in November 2018, the City of Salisbury welcomed eight new Councillors who have embraced their responsibilities with great energy. The enthusiasm of the new Council will build on the achievements of its predecessors.

Council's largest expenditure continues to be the maintenance and renewal of our community facilities and the City's infrastructure; it underpins and facilitates the growth of our local economy, and in doing so contributes significantly to our community well-being.

Of the many projects and pursuits that were initiated during 2018/19, the commencement of the construction of the Salisbury Community Hub and the Bridgestone Athletics Centre Project are particular highlights.

The new Salisbury Community Hub, when completed, promises to be a new social heart of Salisbury, providing a place for our community to come together and learn, share ideas and celebrate in a range of exciting, dynamic spaces.

It will be part of a new chapter being written in the story that is the City of Salisbury, as we make significant strides in advancing our collective enterprise of continually improving our prosperous city.



CITY plan

The development of City Plan 2030 was a collective effort comprising a diverse range of partnerships with stakeholders, the community, organisations and all tiers of government. Early engagement has meant the strategic document is meaningful and reflects the needs and wants of the community.

Through this early engagement, a series of key directions were formulated which underpin the community's vision for the future.

City Plan 2030 is our blueprint for achieving the vision you helped us develop:

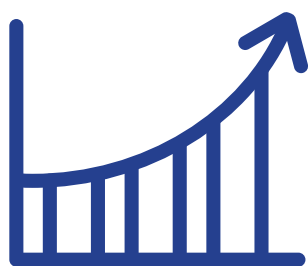
“Salisbury - a flourishing City with opportunity for all”

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



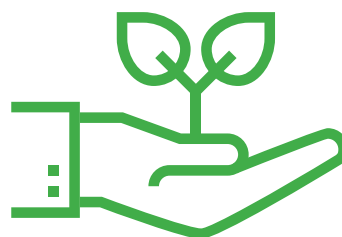
KEY directions

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 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.



ANNUAL PLAN 2019-20



Looking ahead to 2019/20

The City of Salisbury's 2019/20 Annual Plan will strive to deliver the key projects the community has identified as priorities.

The City of Salisbury will ensure that it maintains all existing service levels while continuing to invest in streetscapes, verge maintenance, flood management, as well as recreation and sporting facilities.

The Infrastructure Program will feature a range of projects, including \$14.9 million on asset renewal. Council manages community assets valued at over \$1.9 billion in the form of roads, footpaths, buildings and parks.

It also includes a number of large scale projects, some of which will be delivered over multiple years, including the Paddocks Masterplan, Bridgestone Reserve Athletics Facility and the building upgrade program.

The 2019/20 Annual Plan sets an average rate increase of 2.9 per cent. This was higher than the initial proposed increase of 2.5 per cent, due to the State Government 40 per cent increase in the solid waste levy. This resulted in a \$777,000 cost increase, which equates to approximately a 0.8 per cent increase in rates. Council absorbed the balance of approximately \$400,000 in a reduced surplus. Over the next four years the impact of the increase of the solid waste levy is estimated at about \$4.9 million. Council will continue to work on reducing the impact of this.

Features of the 2019/20 Budget

Priorities for the 2019/20 year will continue to include building upon our services and ensuring we are meeting the needs of the community. A focus of the 2019/20 budget is to enhance the city image through further investment in upgrading reserves and streetscapes. Completion of the Salisbury Community Hub later this year will enable Council to deliver technology, services and facilities that will drive the community's need and expectation well into the future.

Other priorities for the year will include the Flood Mitigation and Water Management Programs, building upgrades and the implementation of the Paddocks Masterplan.

The development of masterplans is vital in ensuring the City's sustainability well into the future. As such, the Paddocks Masterplan has established a coordinated approach for capital investment and ongoing renewal of infrastructure and facilities at the Paddocks - one of the most significant recreation and open space precincts within the City of Salisbury. Pending a review of the Salisbury Oval Masterplan, funding has been allocated to support the future development of the Salisbury Oval precinct, recognising the importance of the recreational and community needs.

Budget highlights:

- Park, Sportsfield and Playgrounds \$0.8 million
- Street trees program \$1.4 million
- Salisbury Oval implementation \$1.7 million
- Bridgestone Reserve Athletics facility \$1.6 million
- Paddocks Masterplan implementation \$2.1 million
- Building Upgrade program \$2.6 million
- Local flooding and flood mitigation projects \$2.7 million
- Road reseal and kerb replacement \$8.6 million

How Do We Set Rates?

Setting rates is a balance between funding Council operations, maintaining our financial sustainability and the need to contain increases to minimise the impact on ratepayers. Council is mindful of the impact and affordability of rates and regularly compares our rates with those of other metropolitan councils; in terms of average rates Salisbury ranks third lowest based on 2018/19 data.

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 on average in a year, we adjust our calculations down to remove this impact. Then we apply the increase we need to fund Council services and projects for the coming year.

For 2019/20 Council has determined an average increase of 2.9 per cent. This was increased from 2.5 per cent due to the late announcement of the increase in the State Government's Solid Waste Levy, which is the equivalent of 0.8 per cent rate increase, with Council determining to absorb 0.4 per cent.

Rate Categories

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 by 2.9 per cent from \$987 to \$1,016 for 2019/20.

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 Business Association - to enable it to market and promote the City Centre
- Globe Derby Community Club - to maintain an area of common land held through 63 shares
- Natural Resources Management (NRM) Levy - 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. All enquiries about the NRM Levy can be directed to the NRM Board on 08 8273 9100 or www.nrm.sa.gov.au.

These separate rates are paid to the respective entities and not held by Council.

Key Services

OPERATING BUDGET BY KEY DIRECTION	2019/20		
	EXP \$000's	INC \$000's	NET \$000's
THE PROSPEROUS CITY			
Economic Development	1,488	177	1,311
Development Management	3,156	1,310	1,846
Urban Planning	1,158	-	1,158
Roads	4,055	2,685	1,370
Footpaths	1,513	-	1,513
TOTAL THE PROSPEROUS CITY	11,370	4,172	7,198
THE SUSTAINABLE CITY			
Water Management	4,116	2,634	1,482
Waste Management	16,088	232	15,856
Parks and Landscape	20,172	60	20,112
City Infrastructure	-	1,245	(1,245)
TOTAL THE SUSTAINABLE CITY	40,376	4,171	36,205
THE LIVEABLE CITY			
Community Development	2,623	18	2,605
Library Services	5,632	709	4,923
Community Centres	2,229	308	1,921
Recreation Centres	1,941	-	1,941
Community Sport and Club Facilities	2,144	-	2,144
Community Health and Wellbeing	4,623	3,003	1,620
Cemetery	606	511	95
Food and Health Regulation	1,246	256	990
Parking and Bylaws Control	782	388	394
Dog Control	1,668	1,059	609
Crime Prevention and Repair	795	-	795
Street Lighting	3,175	-	3,175
TOTAL THE LIVEABLE CITY	27,464	6,252	21,212
ENABLING EXCELLENCE			
Business Excellence	39	429	(390)
Governance	-	2	(2)
Sundry	3,327	6,466	(3,139)
Infrastructure Depreciation	22,590	-	22,590
TOTAL ENABLING EXCELLENCE	25,956	6,897	19,059
Infrastructure and Project Preparation	2,089	-	2,089
Corporate Unallocated	7,769	-	7,769
Corporate Governance Overhead	3,615	-	3,615
Rate Revenue	-	100,560	(100,560)
TOTAL OPERATING SURPLUS/(DEFICIT)	118,639	122,052	3,413

ELECTED members

MAYOR



Mayor Gillian Aldridge OAM

EAST WARD



Cr Maria Blackmore



Cr Adam Duncan

NORTH WARD



Cr David Hood



Cr Graham Reynolds

SOUTH WARD



Cr Natasha Henningsen



Deputy Mayor
Julie Woodman JP

CENTRAL WARD



Cr Chad Buchanan JP



Cr Donna Proleta

HILLS WARD



Cr Peter Jensen



Cr Shiralee Reardon JP

PARA WARD



Cr Sarah Ouk



Cr Kylie Grenfell

WEST WARD

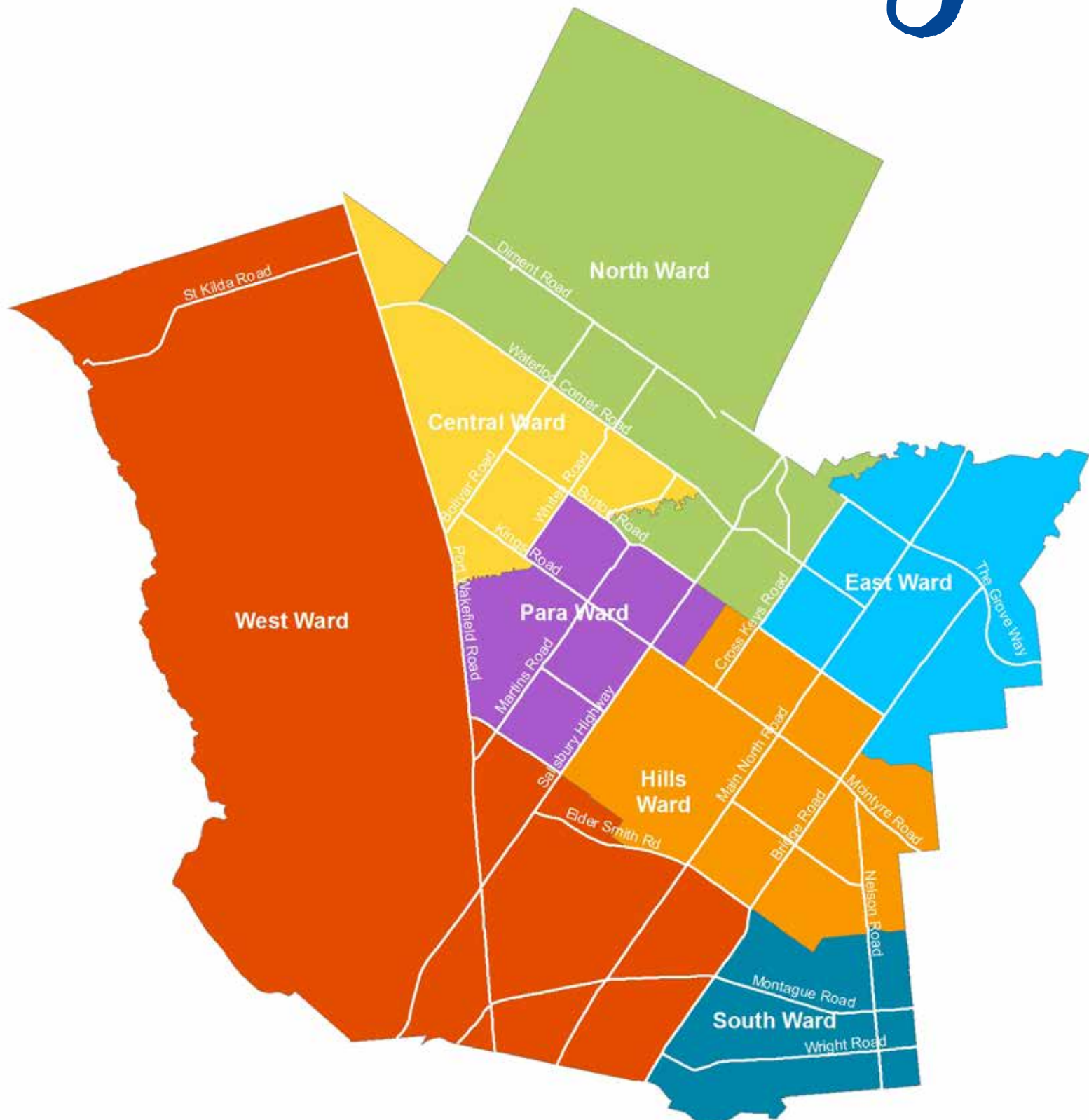


Cr Beau Brug



Cr Lisa Braun

WARD boundaries



Council

Elector Representation

The community of Salisbury is currently represented on Council by a Mayor who is elected from the whole community, and 14 Elected Members. Elected Members represent one of seven 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. City of Salisbury performed a representation review in 2017. The Council next intends to conduct a representation review in 2024.

In accordance with the existing provisions in Section 12 of the Local Government Act 1999, the Representation Review process requires Council to review all aspects of the composition of Council including ward boundaries. The process involves the public notification and opportunity for community submissions at key stages of the review.

Council must:

1. Prepare a Representation Options Paper
 - By public notice, published in a newspaper circulating within its area, inform the public of the preparation of the Representation Options Paper and invite written submissions on the subject of the review within a period specified by the Council (being a period of at least 6 weeks)
 - Ensure copies of the Representation Options Paper are available for inspection (without charge) and purchase (on payment of a fee fixed by the Council) at the principal office of the Council during the period of consultation.
2. Prepare a Report
 - Make copies of the Report available for public inspection at the principal office of the council; and
 - By public notice, published in a newspaper circulating within its area, inform the public of the preparation of the report and its availability

and invite written submissions on the report within a period specified by Council (being a period of at least 3 weeks).

- Give any person who makes a written submission an opportunity to appear personally or by representative before the Council or a Council Committee and to be heard on those submissions.

3. Finalise the Report

- Submit the report, accompanied by copies of written submissions received, to the Electoral Commissioner for certification.

The Act also provides for a group of at least 20 eligible electors to submit to Council a submission for a representation review and the Act prescribes how and in what circumstances this might proceed.

Council Initiated Submissions

The City of Salisbury conducted a Representation Review in 2016-2017, in readiness for the November 2018 Local Government Elections. The Representation Review resulted 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 published an appropriate notice in the Government Gazette on 13 December 2017 which provides for the implementation of the future composition and structure of Council at the November 2018 Local Government elections.

Public Initiated Submissions

No public initiated submissions under section 28 of the Local Government Act 1999 have been received in 2018/19.

council

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

Council	Elected Members ²	Electors	Representation Quota ³
Salisbury	15	94017	6267
Playford	16	60775	3798
West Torrens	15	41058	2737
Charles Sturt	17	84425	4966
Port Adelaide/Enfield	18	83240	4624
Marion	13	64219	4939
Onkaparinga	13	123939	9533
Tea Tree Gully	13	72663	5589
Metropolitan Average ⁴	13	48061	3624

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

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. 6 of 2018, which resulted in an increase to allowances for City of Salisbury Elected Members as follows:

Councillor:	\$23,350 per annum
Mayor:	\$93,400 per annum
Deputy Mayor:	\$29,187.50 per annum
Chairman of Standing Committees:	\$29,187.50 per annum
Sitting fee payable to a Councillor (other than the principal member or deputy principal 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.	\$230 per meeting limited to an aggregate amount of \$1,380 per annum

In accordance with section 76(9) and 76(15) of the Local Government Act, allowances set out in Determination No. 6 of 2018: Members of Local Government Councils will be adjusted annually on the first, second and third anniversary of the 2018 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.

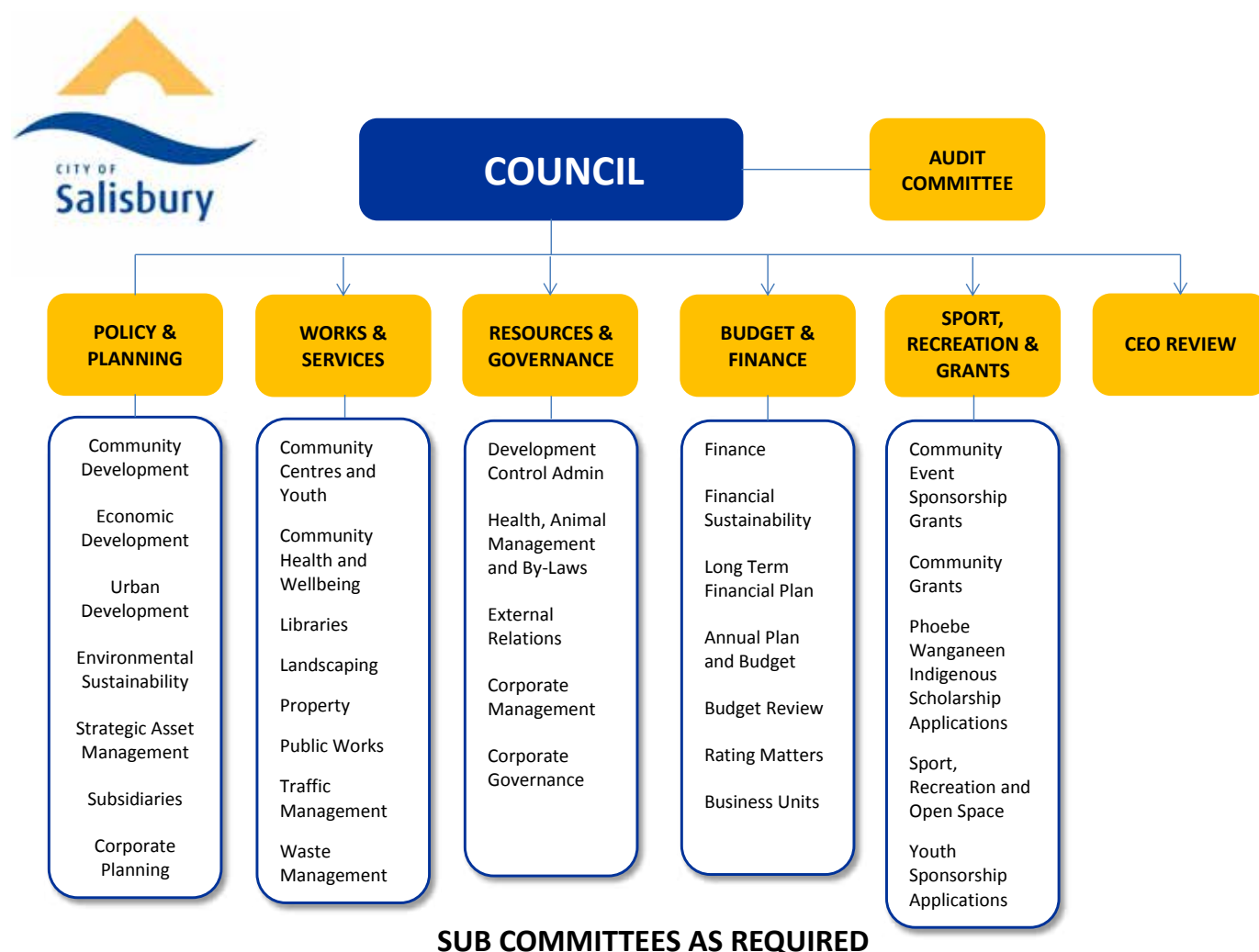
Council and Committee Structure from July 2018 to June 2019

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

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 Council Assessment Panel (CAP) as an independent Committee comprising of experts external to Council as well as an Elected Member which meets 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:



council

Membership of each of the Committees until the elections in 2018 was as follows:

Policy and Planning Committee

- Cr Damien Pilkington (Chairman) (until October 2018)
- Cr Julie Woodman (Deputy Chairman)
- All members of Council

Works and Services Committee

- Cr Graham Reynolds (Chairman) – North Ward
- Cr Shiralee Reardon (Deputy Chairman) – Hills Ward
- Cr Chad Buchanan – West Ward
- Cr Joe Caruso – East Ward
- Cr Elizabeth Gill – Central Ward
- Cr Steve White – Levels Ward
- Cr Julie Woodman – South Ward
- Cr Riccardo Zahra – Para Ward
- The Mayor is, ex-officio, a member of this Committee

Resources and Governance Committee

- Cr Sean Bedford (Chairman) – South Ward
- Cr Robyn Cook – (Deputy Chairman) – Para Ward
- Cr David Balaza – Central Ward
- Cr David Bryant – Hills Ward
- Cr Beau Brug – Levels Ward
- 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 Riccardo Zahra (Chairman)
- Cr Elizabeth Gill (Deputy Chairman)
- All members of Council

Sport Recreation and Grants Committee

- Cr Julie Woodman (Chairman) – South Ward
- Cr Linda Caruso – North Ward
- Cr Donna Proleta (Deputy Chairman) – West Ward
- Cr David Balaza – Central Ward
- Cr David Bryant – Hills Ward
- Cr Beau Brug – Levels Ward
- Cr Damien Pilkington – East Ward
- Cr Riccardo Zahra – Para Ward
- The Mayor is, ex-officio, a member of this Committee

Audit Committee

- Cr Graham Reynolds (Chairman)
- Mr Craig Johnson (Deputy Chairman - Independent Member)
- Cr Joe Caruso
- Ms Kristyn Verrall (Independent Member)
- Mr Neil Ediriweera (Independent Member)

council

Following the elections in 2018, Council retained the existing committee structure with the membership set out as follows:

Policy and Planning Committee

- Cr Chad Buchanan (Chairman)
- Cr Adam Duncan (Deputy Chairman)
- All members of Council

Works and Services Committee

- Cr Shiralee Reardon (Chairman) – Hills Ward
- Cr Lisa Braun (Deputy Chairman) – West Ward
- Cr Maria Blackmore – East Ward
- Cr Chad Buchanan – Central Ward
- Cr Graham Reynolds – North Ward
- Cr Sarah Ouk – Para Ward
- Cr Natasha Henningsen – South Ward
- The Mayor is, ex-officio, a member of this Committee

Resources and Governance Committee

- Cr Donna Proleta (Chairman) – Central Ward
- Cr Peter Jensen – (Deputy Chairman) - Hills Ward
- Cr Beau Brug – West Ward
- Cr Adam Duncan – East Ward
- Cr David Hood – North Ward
- Cr Kylie Grenfell – Para Ward
- Cr Julie Woodman – South Ward
- The Mayor is, ex-officio, a member of this Committee

Budget and Finance Committee

- Cr Beau Brug (Chairman)
- Cr Lisa Braun (Deputy Chairman)
- All members of Council

Sport Recreation and Grants Committee

- Cr Adam Duncan (Chairman) – East Ward
- Cr Chad Buchanan (Deputy Chairman) – Central Ward
- Cr Lisa Braun – West Ward
- Cr Natasha Henningsen – South Ward
- Cr David Hood – North Ward
- Cr Sarah Ouk – Para Ward
- Cr Shiralee Reardon – Hills Ward
- The Mayor is, ex-officio, a member of this Committee

Audit Committee

- Cr Graham Reynolds (Chairman)
- Cr Lisa Braun (Deputy Chairman)
- Mr Neil Ediriweera (Independent Member)
- Mr Craig Johnson (Independent Member)
- Ms Kristyn Verrall (Independent Member)

Council Assessment Panel

From July 2018 to June 2019

- Mr Terry Mosel (Presiding Member from May 2019)
- Mr Doug Wallace (Presiding Member until April 2019)
- Ms Stephanie Johnston (Deputy Presiding Member until April 2019)
- Mr Ross Bateup (Independent Member)
- Mr Mike Canny (Independent Member – from May 2019)
- Ms Cherie Gill (Independent Member – from May 2019)
- Mr John Watson (Independent Member – until April 2019)
- Cr Beau Brug (from December 2018)

CEO Review Committee

- Mayor G Aldridge (Chair)
- Ms Julie Woodman, whilst holding the position of Deputy Mayor (Deputy Chair)
- Cr Chad Buchanan
- Cr Donna Proleta
- Cr Shiralee Reardon

Note: Changes in Wards as at the 2018 elections resulted in the removal of the Levels Ward.

Participation in decision-making forums (AR.03.02.03)

In 2018/19, there were five Committees with 45 non-elected members in their membership.

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

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 2018/19 a total of 550 items were considered by Council and Committees. Of these, 31 were confidential.

	No. of items considered in confidence	Confidential items as a % of total no. of items considered
2014/15	38	6.59%
2015/16	55	9.56%
2016/17	44	8.05%
2017/18	33	6.21%
2018/19	31	5.64%

Of the 31 items where members of the public were excluded, all or part of the documents presented remained confidential after discussion in confidence had taken place.

council

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 2018-2019 financial year.

Date	Item	Subject matter	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 2018	SPDSC4	Strategic Land Review - Bi-Annual Update Report & Program Timing	(b)(i) + (ii)	3	1
July 2018	4.4.1	Business Systems and Solutions Audit - Cyber Security	(e)	2	1
July 2018	2.9.1	Salisbury Bowling Club - Acquisition of Land	(d)(i) + (ii)	2	1
July 2018	6.9.1	Update on Action on Rates Assessments Outstanding Under Section 184 of the Local Government Act 1999	(a)	2	1
Aug 2018	IBDSC2	Marketing and Communication Service Review	(a)	3	1
Aug 2018	2.9.1	Former Council Road Reserve - Ryans Road, Greenfields	(b)(i) + (ii)	2	1
Aug 2018	2.9.2	Acquisition of 25-29 Kiekebusch Road, Gulfview Heights	(d)(i) + (ii)	2	1
Aug 2018	6.9.1	Action of Rate Accounts Outstanding under Section 184 of the Local Government Act 1999	(a)	2	1
Aug 2018	13.3	Code of Conduct - 01/2018	(a) and (h)	1	1
Aug 2018	13.4	Code of Conduct - 02/2018	(a) and (h)	1	1
Sept 2018	6.9.1	Action of Rate Accounts Outstanding under Section 184 of the Local Government Act 1999	(a)	2	1

Date	Item	Subject matter	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.
Dec 2018	6.9.1	Action of Rate Accounts Outstanding under Section 184 of the Local Government Act 1999	(a)	2	1
Dec 2018	13.2	Request for Extension of Confidentiality Order: Red Jam Pty Ltd - Legal Costs	(b)(i) + (ii) and	2	2
(d)(i) + (ii)	1	1	(b)(i) and (ii)	1	1
Dec 2018	13.3	Code of Conduct Complaint - 03/2018	(a)	1	1
Feb 2019	IBDSC3	Council Solutions	(b)(i) + (ii)	3	1
Mar 2019	SPDSC3	Salisbury Oval Residential - Expression of Interest	(b)(i) + (ii)	3	1
Mar 2019	SPDSC4	Hoyle Green Tranche 2 - Status Update Report	(b)(i) + (ii) and	1	1
(d)(i) + (ii)	3	1	(b)(i) & (ii)	1	1
Mar 2019	2.9.1	Request for Proposal Outcomes for the leasing of the Café at the Salisbury Community Hub	(d)(i) + (ii)	2	1
April 2019	SPDSC3	Salisbury Oval Residential - Expression of Interest	(b)(i) + (ii)	3	1
April 2019	2.9.1	Acquisition 65 Pratt Avenue, Pooraka	(b)(i) + (ii)	2	1
April 2019	2.9.2	Encroaching Council Path Over Portion of 12 Hunt Street, Salisbury	(b)(i) + (ii)	2	1
April 2019	3.8.1	Appointment of Independent Members on the Council Assessment Panel	(a)	2	1
April 2019	6.9.1	Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999	(a)	2	1

Date	Item	Subject matter	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.
April 2019	6.9.2	Council Solutions Update	(b)(i) + (ii)	2	1
May 2019	2.9.1	Expressions of Interest - Northern Portion of the Underdown Park Facility and North Eastern Playing Pitch, Nangari Road, Salisbury	(d)(i) + (ii)	2	1
May 2019	2.9.2	Salisbury Community Hub Cafe Lease - update on commercial negotiations	(d)(i) + (ii)	2	1
May 2019	6.9.1	Management of GST Invoice to Pontians Football Club	(d)(i) + (ii)	2	1
June 2019	2.9.1	Recreation Services Agreement	(b)(i) + (ii)	2	1
June 2019	SPDSC3	Emerald Green - Close Out Report and Final Tranche 1 Program Position	(b)(i) + (ii)	3	1
June 2019	SPDSC4	Hoyle Green Tranche 2 - Status Update Report	(b)(i) + (ii) and	2	2
(d)(i) + (ii)	3	1	(a)	2	2
June 2018	C1	Request for Extension of Confidentiality Orders in Relation to Emerald Green (Ryans Road)	(b)(i) and (ii) and (d)(i) and (ii)	1	1

27 confidentiality orders were revoked or expired during 2018/19. 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.

115 orders remained operative at the end of 2018/19.

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 (the Act) 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 Act, 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
- Register of Community Land
- Register of Building Upgrade Agreements
- Delegations Register

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 were 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 2018/19 financial year, the City of Salisbury received six requests for review of a Council decision, as follows:

- Application for review of a Council administrative decision to install “No stopping line marking” in front of a property in Parafield Gardens. The review has been completed with the decision to implement no standing at the location as upheld.
- Application for review of a Council administrative decision with respect to an expiation notice for an alleged dog attack incident – Review did not proceed as this was dealt with as an informal appeal for the expiation notice in accordance with the Expiation of Offences Act 1996.
- Application for review of a Council administrative decision with respect to a driveway application for a property in Para Hills West – Review did not proceed as the matter was dealt with to the satisfaction of the applicant.
- Application for review of a Council administrative decision with respect to noise and vibrations from an adjoining property in Salisbury Plain. The review has been completed with the original decision of Council being upheld.
- Application for review of a Council administrative decision to install a one way road connecting two roads for use during drop off and pick up times as a “kiss and drop” zone. The review had not been finalised as at 30/06/2019.
- Application for review of a Council decision to refuse an application for a discretionary rate rebate in respect of commercial properties in Salisbury North. The review has been concluded with the original decision of the Council being upheld.

Ombudsman SA Investigations

During 2018/19, 32 complaints were received by the SA Ombudsman relating to the City of Salisbury; 20 where the complainant was referred back to Council for action, 8 were declined, 3 had alternative remedy availability and 1 was resolved with Agency cooperation.

Freedom of Information

During the 2018/2019 financial year, the City of Salisbury received 28 applications under the provision of the Freedom of Information Act 1991.

Of these 28, 14 applications were granted full release;

- One was in relation to Access to Community Hub Audio and Reports From Council Meetings 2014 to January 2018.
- One was in relation to Public Safety Concerns Hollywood Plaza Drive-in Sign.
- One was in relation to Layout of Intersection Where Accident Took Place Between Martins Road and Martins Service Road.
- One was in relation to Sewer Pipe Information.
- One was in relation to Dog Faeces Thrown Into Backyard.
- One was in relation to Trade Missions to China.
- One was in relation to Application for retaining wall.
- One was in relation to Address of Each Property by Suburb Which is Classed as Either Public Community of Housing SA Property.
- Two were in relation to List of Cooling and High Risk Warm Water Systems.
- Two were in relation to Dog Attacks.
- Two were in relation to Development Plans.

Of these 28, 10 applications were granted partial release;

- Four were in relation to Dog Attacks.
- One was in relation to all Emails or Correspondence from Hon Jing Lee MLC.
- One was in relation to Land and Water Contamination.

- One was in relation to Noise Levels.
- One was in relation to Dog Registration.
- One was in relation to Any Notes Emails Taken by Council at Meetings Attended by State Government Ministers on or about 11/07/2018.
- One was in relation to Damage to Property by Council Tree.

Of these 28, 1 application was denied;

- One was in relation to Any Notes Emails Taken by Council at Meetings Attended by State Government Ministers on or about 11/07/2018.

Of these 28, 3 applications are In Progress;

- One is in relation to Parafield Airport.
- One is in relation to 14 Diagonal Road Cavan.
- One is in relation to Copy of all Invoices and Financial Statements Regarding Payment of Solid Waste Levy 2017-2018 financial year.

Local Nuisance and Litter Control

Set out in the table below are details of the performance by council of functions conferred on it under the Local Nuisance and Litter Control Act 2016.

The number of complaints of local nuisance or littering received by the council	2018/19
Litter - Development Pollution	30
Litter - Discharge Liquid Waste	75
Litter Bill Posting	0
Litter Class B - Glass/Syringe/lit cigarettes	0
Litter General - Litter dumped/thrown/deposited	1047
Nuisance Animal Mosquitoes Residential	8
Nuisance Animals Vermin/Rats/Mice	59
Nuisance Dust	33
Nuisance Insanitary Condition Offensive Material/Odour	22
Nuisance Insanitary Condition Rodents/Other Pests	15
Nuisance Noise Environmental Health S17(1)(a) LNLC	8
Nuisance Odours/Fumes/Aerosols	44
Nuisance Smoke Combustion Heaters	29
Nuisance Unsightly Condition Excessive Vegetation	66
Nuisance Unsightly Disused/Derelict Items/Material	72
Nuisance Unsightly Rub/Waste Excessive/Unconstrained	98
Nuisance Animals (other)	134
Nuisance Noise	91
Nuisance Projection Image onto Property	0
Nuisance Smoke	21
Nuisance Unsightly Condition Graffiti	6
Nuisance Vibration	1
Totals	1859

The number and nature of offences that were expiated	2018/19
Causing a local nuisance	1
Disposing of 50L or more of litter	1
Disposing of up to 50L of General Litter	2
Failing to comply with abatement notice	1
Totals	5

The number and nature of offences that were prosecuted	2018/19
	0
Totals	0

The number and nature of nuisance abatement notices or litter abatement notices issued	2018/19
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Insanitary Condition	2
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) -Nuisance Animals	2
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) -Unsightly condition	2
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Noise Construction	0
Totals	6

The number and nature of nuisance abatement notices or litter abatement notices issued	2018/19
LNLCAct 2016 Litter Abatement Notice S30(1)(b) - littering / depositing materials	5
Totals	5

The number and nature of civil penalties negotiated under section 34 of the Local Nuisance and Litter Control Act; Applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications; and any other functions performed by the council under the Local Nuisance and Litter Control Act	2018/19
	0
Totals	0

Audit Committee of Council

The Audit Committee reports to Council and is a critical component of the Council's governance framework. The Audit Committee is established in accordance with Section 126 of the Local Government Act 1999. Its role is to comply with the legislative obligations and the requirements of its terms of reference.

The Audit Committee will:

- Satisfy itself that appropriate policies, practices and procedures of internal control are implemented and maintained.
- Ensure that these controls are appropriate for achieving the council's goals and objectives, safeguarding the council's assets and as far as possible maintaining the accuracy and reliability of council records.
- Satisfy itself that the organisation is meeting its fiduciary and legislative responsibilities.

The Audit Committee consists of five members, three of whom are independent of the Council. Independent members are appointed by Council based on their individual skills, knowledge and experience to ensure the effective discharge of the Committee's responsibilities.

Audit Committee Membership July 2018 – June 2019

Name	Elected Member or Independent Member	Dates	Attendance
Cr Graham Reynolds	Elected Member (Chairman)	July 2018 – June 2019	4/4
Cr Joe Caruso (until November 2018)	Elected Member	July 2018 – November 2018	2/2
Cr Lisa Braun	Elected Member	November 2018 – June 2019	2/2
Mr Craig Johnson Independent consultant	Independent Member	July 2018 – June 2019	3/4
Ms Kristyn Verrall General Counsel and Company Secretary, Statewide Super	Independent Member	July 2018 – June 2019	3/4
Mr Neil Ediriweera Director, KPMG	Independent Member	July 2018 – June 2019	4/4

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.

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

The City of Salisbury utilises a risk and control management application called ControlTrack, to monitor and review its internal financial controls. There are 260 controls (two are not applicable to the City of Salisbury) within ControlTrack across 6 classes: Assets, Expenses, External Services, Liabilities, Revenue and Strategic Financial Planning.

We use a five point rating scale when self-assessing the effectiveness of our internal financial controls (1=ineffective, 2=requires significant improvement, 3=partially effective, 4=majority effective and 5=effective). The total number of controls assessed and reviewed in 2018/19 was 258. 253 were assessed as having an effectiveness rating of 4 or 5 which represents 98.06 per cent of controls assessed. Five controls were assessed as being partially effective and treatment plans have been established to improve the rating.

High risk outcomes/findings from internal audits/program reviews

Five high risk outcomes / findings from internal audits were identified and reported on to the Audit Committee in the 2018/19 financial year.

The City of Salisbury operates a risk-based Internal Audit Plan, where audits are conducted in order to provide assurance on the risks identified in the Strategic Risk Register.

The following audits were completed and reported to the Audit Committee in the 2018/2019 period:

Business Systems and Solutions – Cyber security (Confidential Item); and

Capital Works Projects

The results of an audit on Business Systems and Solutions were considered by the Audit Committee in confidence, pursuant to section 83(5) of the Local Government Act 1999. Three high risk findings were identified in the audit, which are being addressed by Council.

An audit on capital works projects was performed to provide assurance regarding the effectiveness of the processes in place to manage, monitor and deliver capital works projects for the City of Salisbury. Eight risk findings were identified in the audit, and of those, two findings were rated as high. One concerned the utilisation of the full Project Management Methodology for Major Projects. The other related to project risk management tools not being utilised. The actions identified to address the findings in the Capital Works Project audit have been completed.

Elected Member Training and Development

Below is a table showing training and development activities attended by Elected Members.

Elected Members from July 2018 to October 2018

Gillian Aldridge OAM	LGA Special General Meeting LGA Annual General Meeting
David Balaza	Nil
Sean Bedford	Nil
Beau Brug JP	Nil
David Bryant	LGA Special General Meeting
Chad Buchanan JP	LGA Special General Meeting KelledyJones LG Elections Breakfast
Giuseppe (Joe) Caruso	Nil
Linda Caruso	Nil
Robyn Cook	Nil
Elizabeth (Betty) Gill JP	Nil
Damien Pilkington	Nil
Donna Proleta	Nil
Shiralee Reardon JP	Nil
Graham Reynolds	Nil
Steve White	LGA Roads and Works Conference
Julie Woodman JP	Nil
Riccardo Zahra	Nil

Elected Member Training and Development Cont'd

Elected Members from November 2018 to June 2019

Gillian Aldridge OAM	<p>Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop LGA Ordinary General Meeting</p>
Maria Blackmore	<p>Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop (Sunday only) Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop Understanding a Council Budget (ALGWA)</p>
Lisa Braun	<p>Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop</p>
Beau Brug JP	<p>Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training National General Assembly of Local Government, Canberra</p>
Chad Buchanan JP	<p>Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop</p>
Adam Duncan	<p>Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop (Sunday only) Financial Management and Reporting Training Customer Experience Training</p>
Kylie Grenfell	<p>Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop</p>

Natasha Henningsen	Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop Understanding a Council Budget (ALGWA) Integrated Social Infrastructure Planning Reform
David Hood	Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop
Peter Jensen	Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training
Sarah Ouk	Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop Understanding a Council Budget (ALGWA)
Donna Proleta	Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training
Shiralee Reardon	Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop Waste Essentials for Council Members
Graham Reynolds	Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop
Julie Woodman	Council Member Essential Induction Understanding Meetings and Gatherings Training Public Integrity Issues Training Elected Member Strategic Weekend Workshop Financial Management and Reporting Training Customer Experience Training Risk Management Training/Workshop ALGWA National Conference, NSW

Elected Members Representation on External and Community Organisations

July 2018 to October 2018

Gillian Aldridge OAM	Local Government Association of SA Board (Voting Representative) Metropolitan Local Government Group – Executive Committee (Member)
David Balaza	Northern Adelaide Waste Management Authority Board (Member) Salisbury City Centre Business Association Salisbury Park Primary School Governing Council
Sean Bedford	
David Bryant	
Chad Buchanan JP	Metropolitan Seaside Councils' Committee
Beau Brug JP	
Giuseppe (Joe) Caruso	Salisbury East High School Governing Council
Linda Caruso	Local Government Finance Authority of SA (Voting Delegate)
Robyn Cook	
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
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 State Bushfire Coordination Committee
Graham Reynolds	Northern Adelaide Waste Management Authority Board (Deputy Member) Paralowie R-12 School Governing Council Salisbury High School Governing Council Bagster Road Community Centre Committee
Steve White	Parafield Airport Consultative Committee Dennison Centre Management Committee
Julie Woodman JP	Valley View Secondary High School Governing Council Burton Centre Committee Salisbury Suicide Prevention Network (Every Life Matters) Ingle Farm Primary School Governing Council Ingle Farm East Primary School Governing Council Northern Adelaide Waste Management Authority (NAWMA) (Board Member) Australian Local Government Women's Association (Deputy President)
Riccardo Zahra	

Elected Members Representation on External and Community Organisations

November 2018 to June 2019

Gillian Aldridge, OAM	Local Government Association of SA Board (Deputy Voting Representative) Local Government Association Board of Directors (Immediate Past President) Greater Adelaide Regional Organisation of Councils (Voting Member)
Maria Blackmore	
Lisa Braun	Local Government Finance Authority (Deputy Voting Delegate) Metropolitan Seaside Councils Committee
Beau Brug JP	Metropolitan Seaside Councils Committee (Deputy Elected Member Representative)
Chad Buchanan JP	Local Government Association of SA (Voting Representative) Paralowie R-12 School Governing Council
Adam Duncan	Salisbury East High School Governing Council (Chair) Parafield Airport Consultative Committee
Kylie Grenfell	Northern Adelaide Waste Management Authority Board (Deputy Member) The Pines Primary School Governing Council Parafield Gardens High School Governing Council
Natasha Henningsen	Local Government Finance Authority of SA (Voting Representative)
David Hood	Lake Windemere B-7 School Governing Council Salisbury City Centre Business Association (Deputy Member)
Peter Jensen	Parafield Airport Consultative Committee Parafield Gardens High School Governing Council
Sarah Ouk	
Donna Proleta	
Shiralee Reardon JP	Northern Adelaide Waste Management Authority Board (Deputy Member) Para Hills High School Governing Council Salisbury and Districts Historical Society State Bushfire Coordination Committee Dog and Cat Management Board
Graham Reynolds	Salisbury City Centre Business Association Northern Adelaide Waste Management Authority Board (Member) Salisbury High School Governing Council Bagster Road Community Centre Committee
Julie Woodman JP	Australian Local Government Women's Association SA Branch (Deputy President) Northern Adelaide Waste Management Authority Board (Member) Valley View Secondary High School Governing Council Burton Centre Committee Salisbury Suicide Prevention Network (Every Life Matters) Ingle Farm Primary School Governing Council Ingle Farm East Primary School Governing Council

Elected Member Meeting Attendance

Elected Members from July 2018 to October 2018

Gillian Aldridge, OAM	<ul style="list-style-type: none"> • CEO Review Committee 1/1 • Tourism and Visitor Sub Committee (ex officio) 0/0 • Innovation and Business Development Sub Committee 2/3 • Strategic Property Development Sub Committee (ex officio) 1/1 • Strategic and International Partnerships Sub Committee (ex officio) 0/0 • Youth Council (ex officio) 0/2 • Sport, Recreation and Grants Committee (ex officio) 4/4 	<ul style="list-style-type: none"> • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 • Works and Services Committee (ex officio) 4/4 • Resources and Governance Committee (ex officio) 4/4 • Council 3/4
David Balaza	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee (1 as proxy) • Strategic and International Partnerships Sub Committee 0/0 • Youth Council 2/2 • Sport, Recreation and Grants Committee 4/4 • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 	<ul style="list-style-type: none"> • Resources and Governance Committee 4/4 • Council 4/4
Sean Bedford	<ul style="list-style-type: none"> • CEO Review Committee 1/1 • Innovation and Business Development Sub Committee 3/3 • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 	<ul style="list-style-type: none"> • Resources and Governance Committee 4/4 • Council 3/4
Beau Brug JP	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 1/3 • Sport, Recreation and Grants Committee 1/3 • Policy and Planning Committee 2/4 • Budget and Finance Committee 2/4 	<ul style="list-style-type: none"> • Resources and Governance Committee 2/4 • Council 4/4
David Bryant	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 3/3 • Sport, Recreation and Grants Committee 1/4 • Policy and Planning Committee 2/4 • Budget and Finance Committee 2/4 	<ul style="list-style-type: none"> • Resources and Governance Committee 2/4 • Council 4/4
Chad Buchanan JP	<ul style="list-style-type: none"> • Policy and Planning Committee 3/4 • Budget and Finance Committee 3/4 • Works and Services Committee 2/4 	<ul style="list-style-type: none"> • Council 4/4
Giuseppe (Joe) Caruso	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 2/3 • Strategic Property Development Sub Committee 1/1 • Audit Committee of Council 2/2 • Policy and Planning Committee 4/4 	<ul style="list-style-type: none"> • Budget and Finance Committee 4/4 • Works and Services Committee 4/4 • Council 4/4
Linda Caruso	<ul style="list-style-type: none"> • CEO Review Committee 1/1 • Innovation and Business Development Sub Committee 3/3 • Council Assessment Panel 3/3 • Sport, Recreation and Grants Committee 4/4 • Policy and Planning Committee 4/4 	<ul style="list-style-type: none"> • Budget and Finance Committee 4/4 • Resources and Governance Committee 4/4 • Council 4/4
Robyn Cook	<ul style="list-style-type: none"> • Tourism and Visitor Sub Committee 0/0 • Policy and Planning Committee 0/4 • Budget and Finance Committee 0/4 • Resources and Governance Committee 0/4 	<ul style="list-style-type: none"> • Council 4/4

Elizabeth (Betty) Gill JP	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 1/3 • Strategic Property Development Sub Committee 1/1 • Strategic and International Partnerships Sub Committee 0/0 	<ul style="list-style-type: none"> • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 • Works and Services Committee 4/4 • Council 4/4
Damien Pilkington	<ul style="list-style-type: none"> • CEO Review Committee 1/1 • Sport, Recreation and Grants Committee 4/4 • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee (1, as proxy) • Resources and Governance Committee 4/4 • Council 4/4
Donna Proleta	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 2/3 • Strategic Property Development Sub Committee 0/1 • Sport, Recreation and Grants Committee 3/4 • Policy and Planning Committee 3/4 	<ul style="list-style-type: none"> • Budget and Finance Committee 3/4 • Resources and Governance Committee 3/4 • Council 4/4
Shiralee Reardon JP	<ul style="list-style-type: none"> • Tourism and Visitor Sub Committee 0/0 • Strategic Property Development Sub Committee 0/1 • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 	<ul style="list-style-type: none"> • Works and Services Committee 4/4 • Council 4/4
Graham Reynolds	<ul style="list-style-type: none"> • CEO Review Committee 1/1 • Strategic Property Development Sub Committee 1/1 • Strategic and International Partnerships Sub Committee 0/0 • Audit Committee 2/2 • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 	<ul style="list-style-type: none"> • Works and Services Committee 4/4 • Council 4/4
Steve White	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee (1, as proxy) • Strategic Property Development Sub Committee 1/1 • Youth Council 2/2 • Policy and Planning Committee 3/4 • Budget and Finance Committee 3/4 	<ul style="list-style-type: none"> • Works and Services Committee 3/4 • Council 4/4
Julie Woodman JP	<ul style="list-style-type: none"> • Tourism and Visitor Sub Committee 0/0 • CEO Review Committee 1/1 • Strategic Property Development Sub Committee 1/1 • Strategic and International Partnerships Sub Committee 0/0 	<ul style="list-style-type: none"> • Sport, Recreation and Grants Committee 4/4 • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 • Works and Services Committee 4/4 • Council 4/4
Riccardo Zahra	<ul style="list-style-type: none"> • CEO Review Committee 1/1 • Tourism and Visitor Sub Committee 0/0 • Innovation and Business Development Sub Committee 2/3 • Strategic Property Development Sub Committee 1/1 • Youth Council 2/2 	<ul style="list-style-type: none"> • Sport, Recreation and Grants Committee 4/4 • Policy and Planning Committee 4/4 • Budget and Finance Committee 4/4 • Works and Services Committee 4/4 • Council 4/4

Elected Member Meeting Attendance

Elected Members from November 2018 to June 2019

Gillian Aldridge, OAM	<ul style="list-style-type: none"> • CEO Review Committee 1/2 • Tourism and Visitor Sub Committee (ex officio) 1/1 • Innovation and Business Development Sub Committee 2/4 • Strategic Property Development Sub Committee (ex officio) 1/4 • Strategic and International Partnerships Sub Committee (ex officio) 0/2 • Youth Council (ex officio) 0/3 • Sport, Recreation and Grants Committee (ex officio) 4/7 	<ul style="list-style-type: none"> • Policy and Planning Committee 7/7 • Budget and Finance Committee 7/7 • Works and Services Committee (ex officio) 7/7 • Resources and Governance Committee (ex officio) 7/7 • Council 7/8
Maria Blackmore	<ul style="list-style-type: none"> • Strategic Property Development Sub Committee 3/4 • Tourism and Visitor Sub Committee 1/1 • Youth Council 1/3 • Policy and Planning Committee 7/7 • Budget and Finance Committee 7/7 	<ul style="list-style-type: none"> • Works and Services 7/7 • Council 7/8
Lisa Braun	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 2/4 • Strategic Property Development Sub Committee 4/4 • Audit Committee 2/2 • Policy and Planning Committee 7/7 • Budget and Finance Committee 7/7 	<ul style="list-style-type: none"> • Sport, Recreation and Grants Committee 5/7 • Works and Services Committee 7/7 • Council 8/8
Beau Brug JP	<ul style="list-style-type: none"> • Council Assessment Panel 4/4 • Policy and Planning Committee 5/7 • Budget and Finance Committee 5/7 	<ul style="list-style-type: none"> • Resources and Governance Committee 5/7 • Council 6/8
Chad Buchanan JP	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 4/4 • CEO Review Committee 2/2 • Sport, Recreation and Grants Committee 7/7 • Policy and Planning Committee 7/7 	<ul style="list-style-type: none"> • Budget and Finance Committee 7/7 • Works and Services Committee 7/7 • Council 7/8
Adam Duncan	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 4/4 • Policy and Planning Committee 7/7 • Budget and Finance Committee 7/7 	<ul style="list-style-type: none"> • Resources and Governance Committee 7/7 • Sport, Recreation and Grants Committee 6/7 • Council 8/8
Kylie Grenfell	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 4/4 • Strategic and International Partnerships Sub Committee 2/2 • Strategic Property Development Sub Committee 4/4 • Tourism and Visitor Sub Committee 1/1 • Policy and Planning Committee 7/7 	<ul style="list-style-type: none"> • Budget and Finance Committee 7/7 • Resources and Governance Committee 7/7 • Council 8/8
Natasha Henningsen	<ul style="list-style-type: none"> • Strategic and International Partnerships Sub Committee 2/2 • Strategic Property Development Sub Committee 4/4 • Sport, Recreation and Grants Committee 6/7 • Policy and Planning Committee 5/7 	<ul style="list-style-type: none"> • Budget and Finance Committee 5/7 • Works and Services Committee 5/7 • Council 8/8

David Hood	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 4/4 • Policy and Planning Committee 5/7 • Budget and Finance Committee 5/7 	<ul style="list-style-type: none"> • Resources and Governance Committee 5/7 • Sport Recreation and Grants Committee 6/7 • Council 8/8
Peter Jensen	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 4/4 • Strategic and International Partnerships Sub Committee 2/2 • Policy and Planning Committee 7/7 • Budget and Finance Committee 7/7 	<ul style="list-style-type: none"> • Resources and Governance Committee 7/7 • Council 8/8
Sarah Ouk	<ul style="list-style-type: none"> • Youth Council 1/3 • Sport, Recreation and Grants Committee 5/7 • Policy and Planning Committee 5/7 • Budget and Finance Committee 5/7 	<ul style="list-style-type: none"> • Works and Services Committee 5/7 • Council 8/8
Donna Proleta	<ul style="list-style-type: none"> • CEO Review Committee 2/2 • Strategic and International Partnerships 2/2 • Strategic Property Development Sub Committee 3/4 • Tourism and Visitor Sub Committee 1/1 • Policy and Planning Committee 6/7 	<ul style="list-style-type: none"> • Budget and Finance Committee 6/7 • Resources and Governance Committee 6/7 • Council 8/8
Shiralee Reardon JP	<ul style="list-style-type: none"> • Strategic Property Development Sub Committee 3/4 • Tourism and Visitor Sub Committee 1/1 • CEO Review Committee 2/2 • Policy and Planning Committee 6/7 • Budget and Finance Committee 6/7 	<ul style="list-style-type: none"> • Sport, Recreation and Grants Committee 5/7 • Works and Services Committee 6/7 • Council 7/8
Graham Reynolds	<ul style="list-style-type: none"> • Strategic and International Partnerships Sub Committee 1/2 • Strategic Property Development Sub Committee 3/4 • Youth Council 3/3 • Audit Committee 2/2 • Policy and Planning Committee 7/7 • Budget and Finance Committee 7/7 	<ul style="list-style-type: none"> • Works and Services Committee 7/7 • Council 8/8
Julie Woodman JP	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 3/4 • Strategic and International Partnerships Sub Committee 2/2 • Tourism and Visitor Sub Committee 1/1 • CEO Review Committee 1/2 • Policy and Planning Committee 7/7 	<ul style="list-style-type: none"> • Budget and Finance Committee 7/7 • Resources and Governance Committee 7/7 • Council 8/8

Overseas Travel by Elected Members and Staff for 2018/2019

It is a decision of Council that all overseas travel and associated expenditure undertaken during the financial year be reported in the Council's Annual Report for that year.

In the period 01/07/2018 through to 30/06/2019 there was one overseas trip that involved Elected Members and Staff as follows:

25 July – 1 August 2018

Travel to Mobara, Japan as part of a Sister City Delegation

- Deputy Mayor Cr Linda Caruso (met own expenses)
- Cr Graham Reynolds (met own expenses)
- Manager Community Capacity & Learning (cost to Council \$2,584)



Executive Allowances

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

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

General Managers membership on External Boards and Committees:

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

Chief Executive Officer, John Harry

- Council Solutions (Board Member)

General Manager City Development, Terry Sutcliffe

- Nil

General Manager Business Excellence, Charles Mansueto

- Council Solutions (Member)
- Northern Adelaide Waste Management Authority (NAWMA) (Board Member)

General Manager Community Development, Pippa Webb

- Nil

General Manager City Infrastructure, Mark van der Pennen (until 01/10/2018)

- Northern Adelaide Waste Management Authority (NAWMA)

General Manager City Infrastructure, John Devine (from 23/10/2018)

- Northern Adelaide Waste Management Authority (NAWMA) (Deputy Board Member)

COMMUNITY champions

2018/19 CITIZEN OF THE YEAR AWARD WINNERS

Citizen: Marcela Lastra

Young Citizen: Andrew McDonald-Masters

Senior Citizen: Ray Hall

Community Event of the Year: Bowls SA Super League





CITIZEN OF THE YEAR: MARCELA LASTRA

Marcela Lastra, of Mawson Lakes, created an Australian record in 2018 when the charity she founded - Hair Aid Community Cuts – provided more than 230 free haircuts in less than five hours. Those were just some of the free cuts she provided through her prolific charity work during 2018. She also donated her time at homeless shelters for men and women in the city on a weekly basis through the St Vincent De Paul Society. Marcela still found time to volunteer at Royal Adelaide Hospital and spent time in the Philippines doing mission work, which included training people from some of the poorest communities in the world in hairdressing, to help families establish an income stream.

Marcela's generosity is only matched by her business skills. She operates a successful salon, Longko Salon, in Mawson Lakes. The business has given opportunities to trainees and refugees and has continued to grow and thrive after starting out as a home-based operation.

YOUNG CITIZEN OF THE YEAR : ANDREW McDONALD-MASTERS

Andrew McDonald-Masters, of Parafield-Gardens, was diagnosed with Asperger Syndrome at age seven, and overcame the social and learning challenges this presented to graduate from Parafield Gardens High School with his SACE certificate in 2015. Andrew went on to gain qualifications in warehousing and forklift operation and has worked as a mechanical assistant at Golden Grove-based Boating Scene for the past two years. He continues to mentor students at his former school and also helps young people going through the Duke of Edinburgh programs, among other volunteer work.



SENIOR CITIZEN OF THE YEAR : RAY HALL

Ray Hall, of Salisbury North, is another tireless community contributor. He has chalked up more than 50 years in chairman and president roles at community organisations including the Penfield Sports Association, Penfield Model Engineers Society and Salisbury RSL. Ray was previously named a Salisbury Living Legend and has lived in the City for almost half a century. He remains passionate about his community and continues to give up his time for community groups.

COMMUNITY EVENT OF THE YEAR : BOWLS SA SUPER LEAGUE

Bowls SA's inaugural Super League event at Salisbury Bowling Club ran over six weeks from July-September 2018 and was a wonderful success. The event showcased the bowling club's world-class new under-cover rinks, and attracted bowlers and spectators to Salisbury from across SA. The event was also streamed live online and gave widespread exposure to the area.



COMMUNITY champions

2018/19 LEGENDS AWARD WINNERS

Living Legend: Ray Hall

Working Legend: Robert Mattiske

Active Legend: Geoff Ambler

Mrs Baynes and Mrs Roberts Outstanding Contribution Award: Lee Kightley





LIVING LEGEND: RAY HALL

Ray has been a stalwart of Salisbury for the past 50 years as an active and passionate advocate for the community.

He has served as Chairman of the Penfield Sports Association from 1998-2017, as well as President of the Penfield Model Engineers Society for 33 years. Ray has been a member of the National Military Vehicle Museum since 2014 and actively volunteers every Monday as part of the Men's Shed that restore vehicles, including the Salisbury Council Ute, and is currently working on a 1918 Army truck. As the workshop manager, Ray supervises a Men's Shed which regularly has 12 attendees undertaking the restorations, and has also included eight high school students participating in a Flexible Learning Options (FLO) program. Through Ray's leadership and commitment to community, he is providing an environment for senior men to have fellowship and friendship and for younger people to learn and gain valuable skills, enhancing people's lives across all ages and providing valuable social benefits across our community.

Ray's vision for the community as a whole was showcased by his leadership and tenacity when the Penfield Sports Association looked like it might close following a downsize in members and the disposal of surplus land. Following a plea to the then State Premier, he was able to secure a long term lease for the nine resident clubs. This provided certainty for the Penfield Sports Association and enabled the Penfield Model Engineers Society to upgrade and rebuild the facilities.

Through Ray's continued leadership, initiative and efforts, the Penfield Model Engineers Society has continued to build and expand in recent years with Ray instrumental in securing, coordinating and supervising work-for-the-dole participants and indigenous work programs, with over 100 young people gaining valuable skills and experience.

WORKING LEGEND: ROBERT MATTISKE

Robert has been a proactive member of the Salisbury Town Centre Association for a number of years including a regular committee member of the original Salisbury Town Centre Association. His regular contributions during meetings have showcased his passion and desire for a robust and dynamic Town Centre.

Alongside operating a very successful 24-hour, second generation family business in Salisbury, Robert is committed to the community, including his local service club and being an active member of his children's school's governing council.

Described as an intelligent, articulate and respectful man whose heart has always been in Salisbury and its community, we are pleased to award Robert with this Working Legend Award.



ACTIVE LEGEND: GEOFF AMBLER

As president of the Salisbury Bowling Club, Geoff has overseen the redevelopment of the club into one of the leading and most progressive bowling clubs in South Australia. The redevelopment of the facility has seen the club stage a South Australia vs Victoria series, Bowls Premier League Cup qualifying regional and state finals rounds and the inaugural Bowls SA Super League series.

Geoff took the initiative to create a plan and a vision for the Salisbury Bowling Club that showed leadership and bold decision making, as it became the first club in the state to build an undercover facility of its type. This has led to other clubs looking to implement similar type structures to Salisbury Bowling Club.

He has taken the initiative to work with the state and national sporting organisations to bring events to the facility and the City of Salisbury, putting Salisbury on the state and national stage in hosting these events.

Geoff's determination and vision has seen the popularity of bowls soar, bringing people from around South Australia as well as interstate to the club and to the City of Salisbury.



MRS BAYNES AND MRS ROBERTS OUTSTANDING CONTRIBUTION AWARD : LEE KIGHTLEY

Lee Kightley is a Senior WHS Advisor within the People & Culture Division at the City of Salisbury. Having started work as a Turf and Irrigation Worker in 2011, Lee has completed studies in WHS and was successful earlier this year in obtaining the role as Senior WHS Advisor.

Lee has lived within the City of Salisbury his entire life, and has a strong commitment to the Salisbury community, not just as an employee of the City of Salisbury, but also by his contribution as a member of the Army Reserves since 2011, which involves a commitment of approximately 40 days of service each year. This includes regular Tuesday evening parades and monthly training weekends. Lee was awarded the Australian Defence Medal (ADM) for 4 years of service in 2015 and was awarded a Soldier's Medallion for Exemplary Service in 2017. Lee regularly attends ANZAC Day Ceremonies, Remembrance Day and The Charge of Beersheba Commemorations as well as Legacy week collections.

Lee is also a keen footballer, having started his career as a junior in the under 8's at the Brahma Lodge Football Club and has played more than 250 senior games for another community club. Lee is very family oriented with two young daughters aged 6 and 4-years-old.

During his eight years at the City of Salisbury, Lee has worked skilfully to support the positive outcomes for our community and staff, and has contributed significantly to the WHS team and the broader organisation in relation to work health and safety initiatives.



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 focused. 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.

City Plan 2030

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

The University of South Australia (UniSA) Mawson Lakes Campus is located in our City, which uniquely allows us to take advantage of education opportunities to ensure our community thrives in a rapidly changing economy. Council is committed to improving pathways to employment by providing programs for people whether they are unemployed, seeking to enter the workforce or looking to change careers. Our close partnership with the education sector is enabling the development of sustainable, innovative programs that assist our community to prosper.

In 2018/19, this was demonstrated by Council's close collaboration with undergraduate students at UniSA. A project in the Design Thinking and Digital Innovation course involved students applying design thinking principles to develop an industry that could benefit the Northern Adelaide region.

Council also continued to provide Foundation Skills training that leads to further education, employment and volunteering pathways. A unique collaboration with the Australian Science and Mathematics School was rolled out during the year and involved students participating in program design and delivery.

City of Salisbury takes an active role in promoting change and harnessing the skills of those who live in the region. Our Ability and Inclusion Strategic Plan outlines our commitment to enabling older people, people with disabilities and people from Culturally and Linguistically Diverse (CaLD) backgrounds to participate in employment, volunteering and decision-making processes. The Plan also aims to keep our processes agile and our workforce diverse to reflect the community we

serve. To assist in fulfilling this aim, Council volunteers are given the opportunity to apply for internally advertised roles after three months of service. Volunteers are also provided training and skill development on the transferable skills relevant to a paid position.

Building on the work undertaken to support workers and families affected by the closure of the automotive sector, we continue to work with external stakeholders to identify skills gaps and employment pathways that can be aligned to our learning programs where appropriate.

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

Our regional strengths in food processing, defence, logistics and education continue to expand each year, with new investment and the growth of existing firms.

The Economic Development Team worked with 60 firms on investment attraction and expansion initiatives this year, an increase of 57% compared to last year. From the 60 firms Council worked with, 23 resulted in investments made, of which seven were expansion investments and 16 were inward investments. This strong performance resulted in the combined potential job creation of 1,179 positions in the region.

2018/19 was another successful year of partnership with UniSA. Council is committed to capitalising on the expertise within UniSA and the establishment of data centres to accelerate the growth of information-rich industries in the region. This year we worked with post-graduate students who assisted us in the development of an open data governance framework.

Salisbury Water is an innovative and reliable recycled water service provider that supports Council's initiatives to deliver economic, environmental and social benefits to the community. Each year we aim to further develop Salisbury Water through research and initiatives to provide a competitive edge for firms located in the region. In 2018/19, co-sponsorship with CSIRO and UniSA was undertaken to introduce a Research Program Manager to lead the Northern Adelaide Industrial Symbiosis Project – a series of research projects aimed at reducing costs for local industry.

Salisbury Water also undertook innovative projects to benefit the local community and the wider region including:

- Completing advanced water treatment trials at Edinburgh Parks
- Installing wicking beds for factory waste water reuse at the Jobson Road Reserve
- Obtaining passive pollutant samplers in the creek at Dry Creek.

City of Salisbury had a successful year building and promoting industries around our region's research strengths. Council continued to liaise with State Government regarding the development of Technology Park. Sew Eurodrive lodged a proposal to expand at Technology Park and Raytheon announced intention to build at the location creating 300 jobs. In addition, SmartSat CRC announced (which Council supported in the bid stage) its headquarters would be based in South Australia, with a significant component of the business to be located at Mawson Lakes.



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

City of Salisbury strongly supports the development of a creative entrepreneurial community. Throughout the year, new business starter workshops and mentoring programs were developed and launched. Council delivered 16 workshops to support up-skilling and capability building of local SMEs through the Business in Excellence program.

We also fostered entrepreneurial activity through expansion of the Home and Community Services Contractor list. In 2018/19, the number of contractors registered to provide services increased to approximately 46, the largest increase being for domestic assistance.

The Polaris Business and Innovation Centre continues to deliver programs and support to SMEs in the region. The Centre is a significant part of Council's ability to assist business start-ups and improve the growth aspirations, management capability and leadership of existing business owners. During the year, approximately 700 individual businesses were provided with advice and information, with 45 clients participating in one-on-one mentoring programs. Furthermore, 73 workshops and networking events were held through the Polaris Centre.

In 2018/19, the Economic Development team delivered "marketing, growth and profit" workshops for firms looking to expand. The New Advanced Mentoring program was launched, targeting growth-oriented firms. Council aims to support firms to access new markets, and worked closely with six firms seeking assistance to break into international markets. Furthermore, the team provided digital information and advice to 203 firms to help with the adoption of digital technologies to improve productivity.

City of Salisbury supports our business community through a range of initiatives and locally focussed decisions. We aim to ensure our regulation and procurement activities support local economic growth where possible. Throughout the year, Council continued to provide a range of statutory services to the community in relation to development approvals. Our case management framework for businesses looking to invest or expand in the region has been rolled out. City of Salisbury is a proud participant in the Small Business Friendly Council Initiative run by State Government. We have met all obligations outlined under the Charter Agreement of the Initiative highlighting our City's commitment to work with and support small businesses in the region. Part of this support is the timely processing of development applications, with 2,238 development applications submitted throughout the year, and the total value of approved developments approximately \$178 million.



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

To encourage the maximisation of economic and social benefits from major infrastructure projects, Council has actively partnered with businesses and peak bodies, and advocated for projects that support our commitment to Northern Adelaide Economic Benefit (NAEB). One of the most significant projects for Council in 2018/19 has been the design and construction of the Salisbury Community Hub. As a centre piece of our vision of a flourishing city with opportunity for all, Council has maintained strict NAEB targets for the use of local materials and local workforce participation in the construction of the Hub. The contracted builder has been able to achieve above the required NAEB targets through the use of locally sourced labour. As the building progresses, trades continue to seek material supplies from within Salisbury and the broader northern Adelaide region.

A key feature of the Salisbury Community Hub project design is to maximise social benefit and flexibility of community spaces. The local community was consulted widely in the design of the Hub, and many key decisions have been based on valuable feedback from the Salisbury community. The project incorporates a wide range of meeting and event spaces for use by community, commercial hire and business groups that have not previously been available in the city centre. We are on track to delivering a community-centric design as part of this magnificent building in the heart of our City.

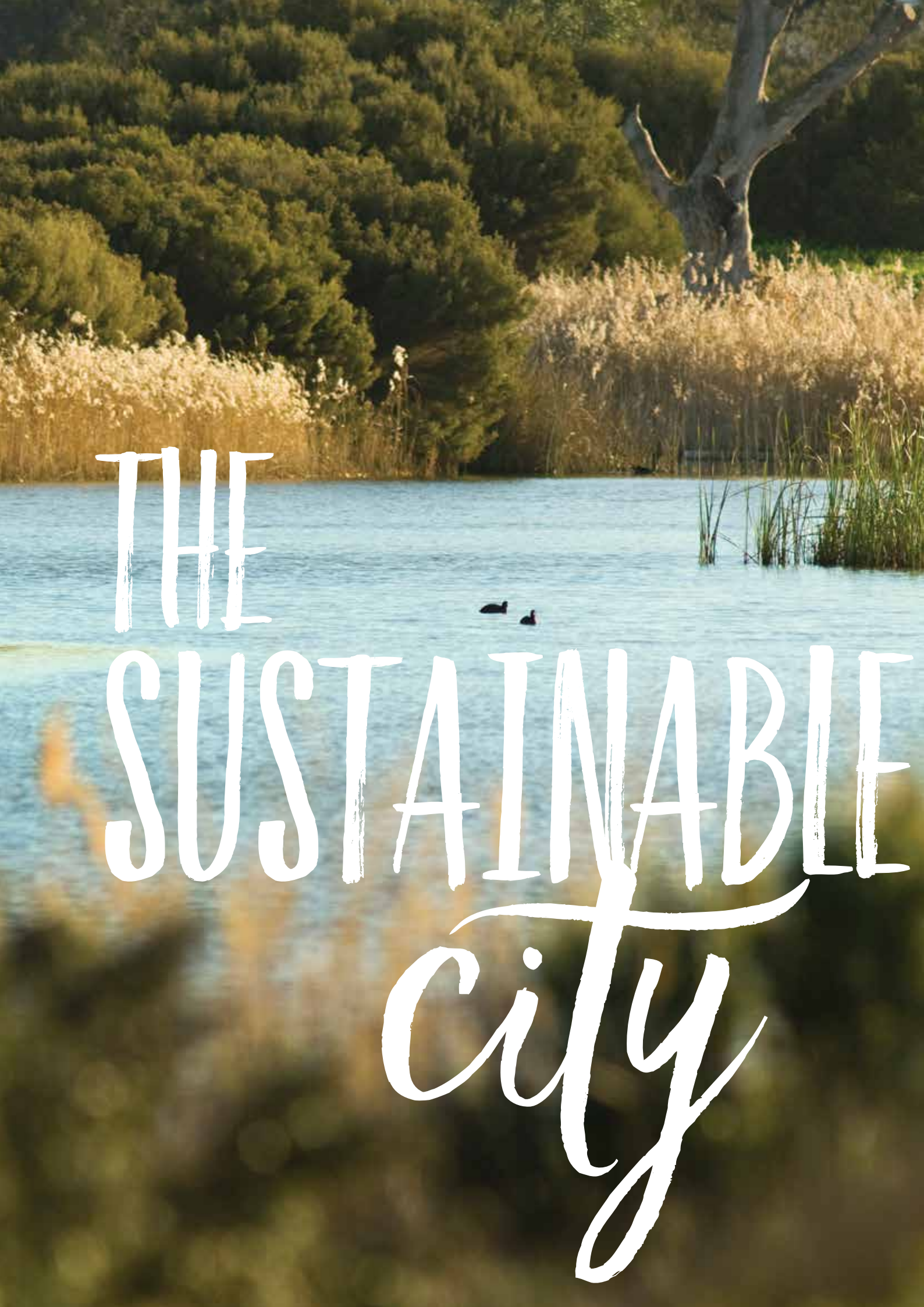
Coinciding with the construction of the Hub, Council is currently in the Design Phase of the John Street and Church Street upgrades. Consultation with the community and local businesses will occur later this year. Smaller early win projects are already underway with the completion of recent artwork in John Street, and the commencement of some streetscape upgrades.

Other key infrastructure projects driving benefits to our City include the Northern Connector and the Gawler Rail Electrification Projects. Council has collaborated with Department of Planning Transportation and Infrastructure (DPTI) on both of these projects. It is anticipated the Northern Connector will be completed within the next six months, with the design for the Gawler Rail Electrification Project to be completed late 2019.

In order to encourage well-designed infill development and unlock new urban development opportunities, Council has been monitoring the effectiveness of policy to provide housing choice and affordability options, and feeding this information into forward planning initiatives.

An example of Council's planning initiatives in 2018/19 was our discussions held with agencies regarding the future development of Dry Creek Salt Fields. There has also been continued liaison with DPTI and the Local Government Association on the implementation of the Planning Development and Infrastructure Act and the Planning and Design Code.

It is anticipated that Council's investment in the Salisbury Community Hub and other key infrastructure projects currently underway will regenerate the Salisbury City Centre into a vibrant, diverse and successful destination recognised as the business heart of northern Adelaide.

A scenic landscape featuring a body of water, reeds, and a forested hill. The text "THE SUSTAINABLE city" is overlaid in white. The word "THE" is in a tall, thin, sans-serif font. "SUSTAINABLE" is in a bold, sans-serif font. "city" is in a cursive script font.

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.

City Plan 2030

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

The City of Salisbury is committed to implementing practices and initiatives that contribute to achieving an environmentally sustainable city. Our initiatives to support businesses to minimise resource usage and waste production are renowned nationally. In 2018/19, we re-engaged with metropolitan climate adaptation network on Cooler Greener Adelaide and associated activities. The forum was part of our focus on sustainable practices, the learnings from which aided us in supporting the Edinburgh Parks bio-gas plant application through linkages to existing industry. In another initiative, our City utilised three tonnes of rubber from 600 disused car tyres which was recycled and put back into the construction of our roads.

The Northern Adelaide Waste Management Authority (NAWMA) continues to lead in the development of best practice waste management and resource recovery services. This year, NAWMA has been creating a component of a 'Circular Economy'. The Circular Economy is an alternative to the traditional 'linear' economy based on 'take, make, use and dispose'. It is a self-sustaining system driven by renewable energy with an imperative to keep material resources in use, or 'circulating' for as long as possible. The aim is to extract the maximum value from discarded items and support the local

processing of recovered materials. Council and NAWMA working in partnership is ensuring our City has a strong reputation nationally as a location known for its green industries.

We also have the 'Adapting Northern Adelaide' Climate Adaptation Plan, developed in partnership with the City of Playford, which sits across the whole of Council. The Plan ensures that climate change is considered in every aspect of design including species resilience, shading and building design to assist with the creation of refuges during heatwave events and to future-proof our City.

City of Salisbury is committed to improving our attractiveness as a visitor destination and a place to live through the management of our trees, parks and wetlands. Currently we have six Regional Play Spaces, 27 District Play Spaces and 169 Local Play Spaces. In addition, the City of Salisbury has over 200 hectares of wetlands and four key Biodiversity Corridors in the Little Para, Escarpment, Dry Creek, Help Road areas, as well as the newly created International Bird Sanctuary which lies in the heart of St Kilda.



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

City of Salisbury leads by example with environmentally sustainable practices, and assists the community to reduce the cost of living pressures through the adoption of energy efficient technologies. In 2018/19, Salisbury Water supplied 2,415 million litres of recycled water to 1,180 customers. This significant water initiative delivered community savings of approximately \$2.8 million dollars when compared with mains water pricing.

Salisbury Water also supported Natural Resource Management education through the provision of sustainability education in schools, as well as nine community group tours of our wetlands. We also provided maps and fact sheets to the Watershed Café for self-guided tours of the wetland trails and to help people better understand and care for their environment.

Working with our community to reduce waste is an ongoing commitment and a key part of our aim to create a flourishing city with opportunity for all. In addition to Salisbury Water, NAWMA also has a highly regarded school education program in place to encourage environmentally sustainable practices. A new Education Facility is being developed at Edinburgh South and it is anticipated the site will be ready for use by the end of the year.

Have natural resources and landscapes that support biodiversity and community wellbeing

Council recognises the importance of our natural spaces and landscapes as a means to support the health of local habitats. In 2018/19, Council staff, community groups and local residents collectively planted over 7,000 native plants across key biodiversity sites.

City of Salisbury has also been a key stakeholder in the establishment of the Adelaide International Bird Sanctuary located at St Kilda. With over 60 kilometres of coastline in Northern Adelaide, the Sanctuary provides a critical habitat for more than five million birds. The Adelaide International Bird Sanctuary is a valuable addition to our City's eco-tourism, providing bird watching and kayaking opportunities. A Friends Group has been established to host activities for rubbish removal, trail maintenance, revegetation and monitoring.

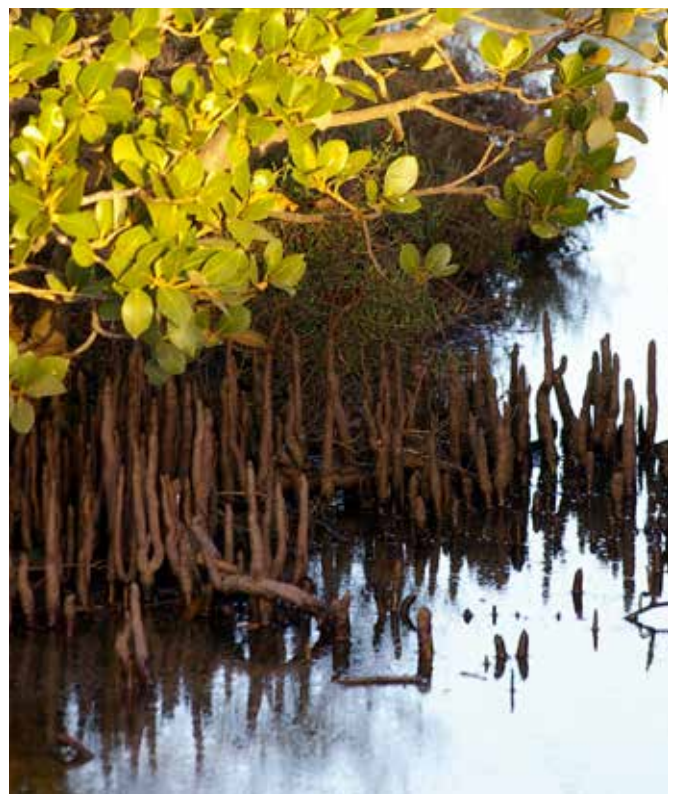
In addition, Council maintains a Biodiversity Corridors Action Plan which sets out our commitment to conserving our City's natural assets through planning and decision making to prevent further loss of biodiversity significance. Throughout the year, we have maintained

considerable focus on improving the samphire zones in our coastal areas. Of particular significance, Council has played a key role in the design process for offset wetlands being developed west of the Northern Connector. Council is ensuring the Northern Connector project includes wetlands and environmental zones sitting alongside the motorway, to guarantee significant ecological value for generations to come.

In addition to our environmental sustainability initiatives, City of Salisbury has actively been promoting wellbeing to our community members. In 2018/19, the eSports program was expanded providing workshops on critical skills in creative industries as an employment pathway.

Community gardens continue to play a pivotal role in providing residents with valuable open space to meet others and keep active. Community gardens also provide valuable opportunities to help ensure a focus on community education around sustainable living. Ten information sessions were held throughout the year to promote the Council's community garden. We investigated a structured approach to community gardens with the aim of providing positive benefits to the garden project being established at the Mawson Centre. Council is also an active promoter of many other gardens located across the City, including those at our own sites at Morella and Burton Community Centres.

The provision of quality open space and infrastructure is facilitated through key funding streams such as the Reserve Upgrade Program and Outdoor Fitness Equipment Program. This commitment to open space is in recognition of the importance open space and infrastructure (such as outdoor fitness equipment, multi-use sports courts and so on) have for the mental and physical wellbeing of all community members.



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

City of Salisbury is ensuring our urban spaces (assets and infrastructure) are built to be adaptable to a changing environment. The completed Para Hills Community Hub, and the soon to be completed Salisbury Community Hub, both incorporate design principles to ensure they remain viable and versatile buildings long into the future. The Salisbury Community Hub has been independently assessed as 5 star Green Star equivalent, incorporating initiatives such as solar power, thermal glass and double glazing, low energy lighting, and recycled stormwater.

This year our City had significant projects underway to manage stormwater and reduce its impact on communities and the environment. A project was undertaken to reduce stormwater runoff and pollutant loads to the Barker Inlet through the harvesting, cleansing and storing of 2,542 million litres of stormwater. This resulted in the removal of an estimated 200 tonnes of litter and sediment that would otherwise have polluted the marine environment.

Council has a Major and Local Flood Mitigation Program in place, with three major projects at Coomurra Gully, Halba and Yalumba being recently completed. The Pauls Drive project is currently under construction, and upon completion will contribute to a total of 15 local flooding projects achieved this year. Of particular significance, the major flooding works in Coomurra Gully Salisbury Heights resulted in the creation of a detention basin. The basin will assist in the reduction of downstream flows during storm events, thus reducing the flooding impact to local residents. All the projects, and those to follow, will continue to see the risk of flooding to homes downstream reduced.

Council's Streetscape Renewal Program continues to focus on the reduction of the heat island effect. Our City is committed to moderating the impact of heat events through street tree planting and management. Recent Heat Mapping of the city has allowed Council to focus resources on key areas to create shading and reduce the effect of extreme heatwave events on the region.





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.

City Plan 2030

Be an adaptive community that embraces change and opportunities

City of Salisbury actively promotes lifelong learning and agility in the communities we serve. We aim to identify and nurture programs and opportunities that help people achieve their life goals, regardless of what point in life they are at. Workshops and programs run by Council have a marked effect on residents' lives and are always well attended. Throughout the year, nearly 1,400 people engaged in workshops and information sessions offered by Council. Furthermore, approximately 500 people attended the six City of Salisbury forums held in partnership with Council of the Ageing.

2018/19 was another successful year for delivering strong intercultural, age and disability programs. Staff at City of Salisbury continued to plan, promote and facilitate initiatives that enabled community participation and cultural vibrancy. Harmony Day and Refugee Week were some of the events held by Council and valued by the community.

Natural Resource Management Officers had a successful year in the City of Salisbury region, hosting 90 events and working with 200 teachers and 600 students over a 12 month period.

Empowering people to gain the skills and knowledge to actively participate in the digital age has been a driving purpose at City of Salisbury. The rollout of a number of digital literacy pilots throughout 2018/19 was a key part of our success. Phase One of the Digital Literacy Pilot with the Department of State Development and Microsoft

was very successful, prompting the launch of Phase Two. We are also currently working with Microsoft to expand into Minecraft MakeCode sessions building on STEM based coding skills with community members.

Council also partnered with Generation Connect, a unique initiative that brought youth and seniors together to help improve digital literacy. The project provided digital skills to both youth and seniors, and importantly, created a forum for sharing stories of how technology has changed the lives of people living in the community.

The library service provided access to over 679,000 loans, with over 500,000 people visiting during the year. Our popular free PC Websites totaled 176,000 visits and 398 free online tutorials were accessed. In addition, over 26,000 visits were made to our volunteer Justices of the Peace.

City of Salisbury also explored new learning opportunities with community members through digital technologies. These opportunities, particularly designed to encourage youth participation, included Virtual Reality Pro Eye, Mixed Reality and Minecraft Education. These programs are essential to encourage the workforce of tomorrow to seize the opportunities of the expanding advanced manufacturing economy, space economy and the creative economy.



Have interesting places where people want to be

Council has continued to deliver projects to improve local neighbourhoods, streets and public spaces. These projects have ensured our region is welcoming, connected and a great place to live and work. A significant feature of our commitment to landscape improvements was the \$700,000 investment in managing and maintaining our Biodiversity Corridors and linear trails such as Little Para River, Dry Creek and Helps Road. Furthermore, the Street Tree Renewal Program saw the addition of 2,500 street trees planted throughout the region.

Other work has included the improvement of parking around the Mawson Lakes Interchange and Salisbury City Centre. In particular, site works commenced to implement the Paddocks Masterplan, and the preparation of the John Street Improvement Plan was initiated. Four playgrounds were also upgraded across the region this year as part of the Playspace Renewal Project. Furthermore, funding has been secured for the second athletics track for South Australia to be located at Bridgestone Park.

On a strategic level, City of Salisbury continued to maintain design, development, and delivery of high quality housing and improved amenity facilities in the City through our strategic property development projects. Our projects were recognised on a national level in 2018/19, winning the best affordable housing development in Australia for Jewel Living at Boardwalk in Paralowie, in partnership with Rivergum Homes.

City of Salisbury invests in its community centres to ensure they are well maintained, clean and attractive places for community members to meet and participate in activities.



Be a connected city where all people have opportunities to participate

Advocating for well maintained transport options for residents, businesses and visitors to the region is a key part of Council's commitment to connectedness. The Northern Connector is a vital link for people in the region in accessing jobs, services, recreation and social activities. Council has continued to collaborate with the Department for Planning, Transport and Infrastructure in the delivery of this essential roadway, with Council contributing to future stormwater and road works design and modeling. The Northern Connector is expected to be completed early 2020.

City of Salisbury continued to promote and develop opportunities for volunteering to build skills, employability and business sustainability in the region. Volunteering is a key area providing residents the ability to participate and make a difference. A revamped strategy to recruit Digital Literacy Volunteers to support library IT enquiries is underway. It is anticipated the strategy will coincide with the move to the Salisbury Community Hub and provide dynamic, valuable volunteering opportunities.

Other volunteering and training opportunities offered through Council included the domestic violence forum, Community Centres SA Community Development Conference and Nature Play workshops. Volunteering remains a highly sought after developmental opportunity in the region and Council has taken a proactive approach in the attraction and management of quality volunteers. Some key highlights from the year include:

- Volunteer Services received 599 enquiries from people interested in volunteering
- Just under half (39.5%) of all enquiries were people seeking a pathway to employment
- Council engaged 139 new volunteers
- Council managed 617 active volunteers
- Council's volunteers gave 73,019 hours of service
- The economic value of volunteers to the City of Salisbury was \$3,085,050.

City of Salisbury has been actively encouraging greater participation in social and recreational pursuits. An important feature of Council's wellbeing program has been the Cycle Salisbury Social Rides program. The program, now in its sixth year, provided 110 group riding opportunities during 2018/19. Participation levels have gone from strength to strength, with just over 1,000 individual rides for the twelve-month period (the previous best was 846 in 2016/17).

Wellbeing and support for local residents has been a strong focus for Council this year. The number of individual residents receiving support through Council continues to increase. Key highlights for 2018/19 include:

- Individual residents receiving support: 2,829
- Domestic assistance: 9,723 hours
- Home maintenance: 4,661 hours
- Home modifications: \$68,532
- Social Support Individual: 1,192 hours
- Social Support Group: 86,130 hours
- Number of meals provided: 21,720

Our libraries also facilitate access to early childhood literacy and 11,000 participants took part last year. Getting the best start in life and ready for school is critical to the ongoing ability for people to actively participate.

Be a proud, accessible and welcoming community

Providing opportunities for community members to be involved in decision making and to have a voice with regards to the creation of strategies, programs and services is one of our greatest strengths. Youth make a significant contribution to the Salisbury community. The division through the youth team (and via Youth Council and Youth Parliament) has been actively encouraging the voice and engagement of young people in civic decision making with regards to local issues.

A key achievement has been the implementation of the Ability and Inclusion Strategic Plan which embeds the practice of engagement and involvement of the community in key Council decisions. Survey results and feedback received from the community has been incorporated into the Plan's strategies, programs and services. City of Salisbury offers a community where people's culture, ideas and their capacity to achieve is supported and valued. Examples of this include the regular involvement of Salisbury Senior Alliance, Disability Access and Inclusion Network and the Intercultural Community and Strategic Alliance on Council decisions.

Council takes a universal design approach to open space projects. This means that open space projects incorporate principles of accessibility and inclusiveness, whereby all members of the community, regardless of age or ability, can use and enjoy the space. Council has upgraded five play spaces in the region following this approach.

City of Salisbury aims to take a proactive role in ensuring good housing options are available to members of our diverse community. Homelessness or being at risk of homelessness is an issue requiring a strong response, and Council continues to lead through the Assistance to Care and Housing program (ACHA). During 2018/19, the program provided assistance to 90 older people who were homeless or at risk of homelessness. A key part of Council's role has been ensuring knowledge of seniors' housing needs is shared across the City and across neighbouring councils. In addition, through our Strategic Property Development Projects, Council is active in delivering affordable housing, including partnering with not-for-profit housing providers.

Safety is a principle concern of many residents and Council actively engages in the development of initiatives to create a community where people feel safe. Council continues to support the South Australia Safeguarding Strategy for seniors. The Safeguarding Strategy disseminates information from the World Elder Abuse Awareness Day (WEAAD) and encourages awareness through the promotion of Planning Ahead events. In particular, Council organised an information session at the Jack Young Centre and a further six sessions for the CALD communities in the region.

Participation in activities fosters community pride and engagement. In our last survey, we noted that:

- 69% attend community events
- 68% visit Council libraries
- 55% attend organised sport, church or community groups
- 55% attend local recreation centres
- 33% attend community or youth centres
- 43% attend Council events
- 22% visit senior centres.



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.

City Plan 2030

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

City of Salisbury borders with three other councils and actively promotes strong relationships to address issues of regional importance. Work with neighbouring councils during 2018/19 included the delivery of business advisory services into Tea Tree Gully, working with Northern Regional Councils to develop the eSports network, and collaborating with the City of Playford on planning related matters.

An important part of strengthening relationships has been embedding consistent library services with other councils. Libraries have a significant role to play in addressing digital needs of members in the community. To ensure strong outcomes for improving digital literacy, City of Salisbury partnered with Public Library Services and Charles Sturt Library to roll out the Microsoft Digital Literacy Program. Council is now mentoring Charles Sturt Library and overseeing the rollout of the program to their library services.

Throughout 2018/19, City of Salisbury continued to work with the City of Playford on the Linkages and Capacity Building (ILC) Program. The program is a significant initiative to address disadvantage and isolation experienced by people with a disability in northern Adelaide. The program creates connections between people with a disability and their community through the

delivery of information and a toolkit which links people to available services and programs. It has been a valuable initiative in reducing stigma and improving community attitudes towards disability.

Strategic collaboration with State and Federal governments has been essential in shaping policy and investment decisions that impact our community. During 2018/19, City of Salisbury actively participated on advisory committees for the proposed State Government legislative changes to the planning system (via the Building Advisory Committee and Local Government Advisory Committee). Council also made formal submissions on the Planning Reforms, including the State Planning Policies, the Accreditation Scheme, various discussion papers and the draft Development Regulations. Submissions were prepared in relation to investment attraction planning policies and sex worker decriminalisation.

Council continued to foster and build partnerships with State and Federal governments, stakeholders and peak bodies to deliver our intercultural, community health and wellbeing services. Through regular attendance at meetings and involvement with agencies such as the Commonwealth Home Support Program, Disability SA, National Disability Insurance Agency, Council Of The Ageing, Age and Community Services Australia, Multicultural Aged Care, the Department of Premier and Cabinet, and the Department of Home Affairs, Council has been able to deliver long-term benefits for our community.

City of Salisbury remains committed to the development of strong partnerships with business and industry to address challenges associated with the future of employment. Council sought to address some of the challenges facing our region with the facilitation of two CEO Industry Roundtables. Initiated to gain input from the private sector with the view to supporting the growth of business and industry, the Roundtables also provided the opportunity for local business leaders to meet with State Government Minister for Innovation and Skills David Pisoni and Minister for Trade, Tourism and Investment David Ridgway.

Other key initiatives that are having a lasting impact to address skill capacity in the region include:

- Linking our work experience program with UniSA to promote a greater interest in STEM courses
- Partnering with the State Government on the Microsoft Pilot
- Partnering with the Commissioner for Children and Young People to roll out the Learn to Speak Robot initiative promoting digital thinking challenges for children
- Collaborating with Department for Innovation and Skills to host a trial of the Certificate III in Community Services in our region.

Council aims to collaborate with our community to ensure services are relevant and valued. A key part of our commitment in 2018/19 has been the renewal of the three year Community Centre Collaboration Agreement. Agreed changes have been made to the Collaboration Agreement and are currently awaiting finalisation.

Other key collaboration initiatives with community included:

- The Age Friendly Alliance Committee to promote the Age Friendly Salisbury strategy
- The Intercultural Strategic Alliance to provide advice on the implementation of the Intercultural Strategy
- The Community Ambassadors group
- The Jack Young Centre (JYC) advisory group to provide input on JYC services.

Council has taken a lead role in providing efficient access to information for residents through social media channels and print media. The community was kept up - to - date with vital information distributed via the Salisbury Aware Magazine. The magazine was distributed in August, December and April to more than 55,000 residential addresses per edition.

Digital communication channels are being embraced to enhance our engagement with our diverse population. As at June 2019:

- City of Salisbury Facebook page had 9,197 followers (increase of 16.6% on 2018)
- Discover Salisbury had 7,388 followers (increase of 4% on 2018)
- St Kilda Adventure Playground had 18,614 followers (increase of 3.4% on 2018)
- Salisbury Library Service had 2,278 followers (increase of 42.3% on 2018)
- Youth in Salisbury had 3,026 followers (increase of 1.6% on 2018)
- The Polaris Centre had 1,012 followers (increase of 9.8% on 2018) and
- The City of Salisbury website achieved 1,074,000 unique page views with an increase of 34.5% on 2018.

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

City of Salisbury recognises the importance of building strong leadership capabilities within Council and across the wider community to ensure sustainability and continued improvement. Leadership and learning opportunities were encouraged throughout 2018/19, resulting in:

- Six staff members participating in the Local Government Professionals Australasian Management Challenge
- One staff member participating in the Local Government Professional Emerging Leaders Program
- One staff member participating in the Local Government Professionals Strategic Management Program
- Nine staff benefiting from study support
- Staff participating in the White Ribbon Australia Accreditation Program and the successful White Ribbon Day in November 2018.

Learning and innovation continues to transform the way Council operates and plans for the future. A significant innovation project is a workplace Pilot Space to experience mobile technology, flexible ways of working, reduction of storage and reduction of printing, to transition to the new way of working and delivering services to our community in the Salisbury Community Hub.

Development of the Strategic Procurement Vision in 2018/19 has resulted in the transformation of Council's procurement processes to become a more commercially focused, value add function. A key part of the Vision was the rollout of a Competency Framework to guide best practice in the procurement of services. The Competency Framework has allowed the objective measuring of the current procurement team's procurement capabilities, benchmarked against international standards and tailored to the City of Salisbury. This process has resulted in a gap analysis being completed and clear development plans established.

Providing a safe working environment for all staff is always a priority at City of Salisbury. In 2018/19, a number of Workplace Health and Safety (WHS) initiatives were run, resulting in:

- Five WHS Policies and six WHS Procedures reviewed and updated
- Corporate WHS targets and performance indicators revised
- Hazard mapping across four divisions, with the development of accompanying Safe Work Method Statements/ Work Instructions
- All WHS policies, procedures, SWMS and work instructions available to outdoor workers through Skytrust on tablets
- Revised Skytrust workplace inspection templates
- Updated Site Emergency Plans for all staff occupied facilities.

The organisation continues to review its service delivery through a Continuous Improvement Framework. Council completed its second year in the LG Performance Excellence benchmarking study to gain further insights into opportunities to improve performance.

In order to ensure a shared focus on accountability and performance, Council implemented a new Performance and Development Plan process for all staff. The Plan assists staff in aligning City of Salisbury Plan objectives to their own individual plans. Staff members are encouraged to take on projects that focus on individual skills and training with the aim of ensuring they feel confident working in the new environment.

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

Council had a focus in 2018/19 of transforming business practices and promoting the flow of value to residents and businesses in our community. We aim to remove barriers from our workflows that block our efforts at achieving excellence. The year included many innovative responses to emerging needs and opportunities.

Of particular significance was the enhancement of our procurement process to provide clarity and transparency to our process. The new process will undergo a review in the near future to ascertain where efficiencies have been gained and to ensure that procurement procedures are streamlined and effective.

Council embarked on reviewing its Customer Service Charter to ensure a more community centric approach is delivered across the organisation. This has involved training all staff and development of a reporting dashboard to monitor service request response times.

In 2018/19, Australian Service Excellence Standards (ASES) accreditation was achieved for Council and all Community Centres in the region. Council was able to achieve accreditation through our commitment to improved efficiencies and processes, our evidence-based decision making and strict code of ethics. Some of the initiatives that highlight our continuous learning and innovation include:

- A trial for residents to self-read and provide their own recycled meter readings for three of the four meter readings per year in order to reduce costs
- Our electronic development assessment was extended to apply to all development applications in January 2019. This provides applicants and the community an unlimited ability to lodge and track development applications online
- A Trial undertaken with License Plate Recognition technology and Parking Sensor technology. The new technology assesses compliance with timed parking areas and helps to identify data to improve parking usage and turnover, and improve enforcement efficiencies. Trial to be concluded and assessed by the end of 2019.

City of Salisbury is a Council where technology is embraced and is used to proactively address community needs. Over 650 enquiries or transactions are made online per week in relation to development matters and this figure is set to grow. Council is currently reviewing its website to ensure high levels of accessibility and inclusiveness, as well as moving towards the full electronic development of assessment services.

As Council moves towards more electronic services and new ways of working, a focus on ensuring staff have the right training and skills to provide great service has been maintained. All Field Operators now have iPads to improve customer response times. Residents in the community have also been benefiting from the focus on technology and skills with regular IT training provided at the Jack Young Centre for seniors and the Para Hills Community Hub. Development Applications are now lodged online and are assessed electronically, reducing the need for paper-based transactions and facilitating efficiencies in the processing and tracking of applications.

Embed long term thinking, planning and innovation across the organisation

2018/19 was a year of sound financial practices, strong business planning and sustainable asset management. City of Salisbury continues to follow principles of informed, transparent and inclusive decision making that complies with legislative and policy requirements.

In addition to providing a statutory building certification service for developments within Salisbury, we also provide a certification service for clients outside the City via a Business Unit.

A key direction was the introduction of a structured approach to the development and resourcing of longer-term policies and strategies. One of the more significant policy initiatives has been the development of City of Salisbury as an Age Friendly City. Other significant projects were the development of the Intercultural Strategic Plan and the Ability and Inclusion Strategic Plan. All three projects have involved comprehensive community and stakeholder consultation, and are tracking on time.

Opportunities for residents to provide feedback are plentiful and encouraged. All regular services with individual consumers are reviewed on an annual basis. Council collects and analyses information to help us anticipate and respond to emerging needs and opportunities. Through the Salisbury Seniors Alliances we have received valuable feedback on issues relating to ageing that has guided our Age Friendly City strategy. The Salisbury Intercultural Community and Strategic Alliances have also been providing feedback relating to the implementation of the Intercultural Strategic Plan. City of Salisbury is able to move forward with confidence due to effective, well-managed feedback loops with residents.



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			
Workforce as outlined in the Department of Employment, Small Area Labour Markets, March Quarter Participation rate as recorded by the Torrens University Public Health Information Development Unit	Source: The National Institute of Economic and Industry Research	Source: Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, 2015 to 2017	Approved by the City of Salisbury in the 2018/19 Financial Year
RESULT			
Workforce: 71,170 Participation rate: 62.5%	\$6.49 billion	7,234 firms	\$179 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			
2542ML harvested with 20% additional passing through wetlands.	Based on estimates from 2018/19 NAWMA annual report.	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	Based on iTree survey
RESULT			
3050ML	44%	7.3	18%

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.

A higher score on the index means a lower level of disadvantage. A lower score on the index means a higher level of disadvantage.

Source: SEIFA data was last released in the 2016 Census.

City of Salisbury Community Satisfaction Survey 2018:

Response to question "How often are you involved in the following community activities?"

Participation in Higher Education

Source: Public Health Information Development Unit (PHIDU) based on SA Tertiary Admissions Centre (SATAC) data from 2017

Participation in vocational education and training

Source: Public Health Information Development Unit (PHIDU) based on National Centre for Vocational Education Research (NCVER) data from 2015

City of Salisbury Community Satisfaction Survey 2018:

Housing affordability

Community Safety

Response out of 10 to question "how safe do you feel in the Salisbury Council area" (0 = very unsafe, 10 = very safe)

Community Connectedness

Response out of 10 to question "I can get help from family, friends & neighbours when I need it" (0= strongly disagree, 10 = strongly agree)

Access to Services

Response out of 10 to question about "access to information, services & activities that support health and wellbeing" (0= very unsafe, 10 = very safe)

City of Salisbury Community Satisfaction Survey 2018:

Response out of 10 to question "I like living in my local community" (0= strongly disagree, 10 = strongly agree)

Response out of 10 to statement "Overall satisfaction with quality of life in Salisbury Council area" (0 = extremely dissatisfied, 10 = extremely satisfied)

See over page for results

KEY DIRECTION 3:

THE LIVEABLE CITY CONT'D

RESULT

In the 2016 Census, the City of Salisbury received a SEIFA score of 917.

69% attend community events
68% visit Council libraries
55% attend organised sport, church or community groups
55% attend local recreation centres
33% attend community or youth centres
43% attend Council events
22% visit senior centres

26.3% Participation in higher education
23,552 persons Participation in vocational and training
7.2 Housing affordability
6.2 Community Safety
7.2 Community Connectedness
6.9 Access to services respectively

7.4 and 6.9 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			
Council was involved in a number of stakeholder partnerships in delivering on this objective 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 cative. A review of this indicator is occurring as part of the update of the City Plan.	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. In 2018, Council embarked on a continuous improvement model that builds on the work of the program review undertaken previously.	Since 2001, Council has undertaken bi-annual community perception surveys with the most recent in October 2018. This survey has seen a decrease (6.8 from 7.4 in 2016) in community perception of overall services. A number of strategies and actions have been identified to respond to the decrease in satisfaction.	<p>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.</p> <p>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.</p> <p>Asset Sustainability Ratio – Indicates whether capital assets are being renewed or replaced at the same rate as these assets are wearing out.</p> <p>Councils with a high ratio are replacing and renewing capital assets at a rate comparable to depreciation/wear.</p>

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. A review of this indicator is occurring as part of the update of the City Plan.	Key achievements this year from the ongoing improvement in our delivery of includes \$1.4M in cost reductions and cost avoidance through our procurement process. This is additional to the \$2.6M of ongoing savings delivered from the Program Review.	6.8	<p>Operating Surplus Ratio (Target 0.5% - 5%) - 9.9% (Adjusted)</p> <p>Net Financial Liabilities Ratio (<40%) - 2.4%</p> <p>Asset Sustainability Ratio (90% - 110%) - 82.2%</p>

City of Salisbury

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Salisbury - a flourishing City with opportunity for all



General Purpose Financial Statements
for the year ended 30 June 2019

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General Purpose Financial Statements
for the year ended 30 June 2019

Certification of Financial Statements


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

In our opinion:

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



John Harry
CHIEF EXECUTIVE OFFICER



Gillian Aldridge
MAYOR

Date: 13/11/2019

General Purpose Financial Statements for the year ended 30 June 2019

Understanding Council's Financial Statements

Introduction

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

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true 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 2019.

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

The Financial Statements incorporate 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 2019 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 2019

\$ '000	Notes	2019	2018
Income			
Rates Revenues	2a	97,846	94,899
Statutory Charges	2b	2,989	3,189
User Charges	2c	4,824	6,127
Grants, Subsidies and Contributions	2g	17,624	15,283
Investment Income	2d	743	737
Reimbursements	2e	552	557
Other Income	2f	1,112	1,328
Net Gain - Equity Accounted Council Businesses	19	62	-
Total Income		125,752	122,120
Expenses			
Employee Costs	3a	35,533	34,306
Materials, Contracts and Other Expenses	3b	51,321	49,039
Depreciation, Amortisation and Impairment	3c	23,830	22,719
Finance Costs	3d	799	949
Net loss - Equity Accounted Council Businesses	19	48	69
Total Expenses		111,531	107,082
Operating Surplus / (Deficit)		14,221	15,038
Asset Disposal and Fair Value Adjustments	4	(1,952)	(3,353)
Amounts Received Specifically for New or Upgraded Assets	2g	2,958	1,690
Physical Resources Received Free of Charge	2i	1,090	682
Net Surplus / (Deficit) ¹		16,317	14,057
Other Comprehensive Income			
Changes in Revaluation Surplus - I,PP&E	9a	48,920	41,716
Total Other Comprehensive Income		48,920	41,716
Total Comprehensive Income		65,237	55,773

¹ Transferred to Statement of Changes in Equity

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	27,777	33,780
Trade and Other Receivables	5b	8,974	6,026
Inventories	5c	2,212	2,039
Total Current Assets		38,963	41,845
Non-Current Assets			
Financial Assets	6a	1,116	1,212
Equity Accounted Investments in Council Businesses	6b	3,891	3,877
Infrastructure, Property, Plant and Equipment	7a	1,458,665	1,400,955
Other Non-Current Assets	6c	38,292	22,150
Total Non-Current Assets		1,501,964	1,428,194
TOTAL ASSETS		1,540,927	1,470,039
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8a	21,256	13,754
Borrowings	8b	1,978	2,142
Provisions	8c	7,481	7,193
Total Current Liabilities		30,715	23,089
Non-Current Liabilities			
Borrowings	8b	8,597	10,575
Provisions	8c	1,530	1,527
Total Non-Current Liabilities		10,127	12,102
TOTAL LIABILITIES		40,842	35,191
Net Assets		1,500,085	1,434,848
EQUITY			
Accumulated Surplus		372,291	352,267
Asset Revaluation Reserves	9a	1,107,209	1,058,289
Other Reserves	9b	20,585	24,292
Total Council Equity		1,500,085	1,434,848

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

page 4

Statement of Changes in Equity

for the year ended 30 June 2019

		Asset			
		Accumulated	Revaluation	Other	Total
\$ '000	Notes	Surplus	Reserve	Reserves	Equity
2019					
Balance at the end of previous reporting period		352,267	1,058,289	24,292	1,434,848
Restated Opening Balance		352,267	1,058,289	24,292	1,434,848
d. Net Surplus / (Deficit) for Year		16,317	-	-	16,317
e. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	48,920	-	48,920
Other Comprehensive Income		-	48,920	-	48,920
Total Comprehensive Income		16,317	48,920	-	65,237
f. Transfers between Reserves					
		3,707	-	(3,707)	-
Balance at the end of period		372,291	1,107,209	20,585	1,500,085

		Asset			
\$ '000	Notes	Accumulated Surplus	Revaluation Reserve	Other Reserves	Total Equity
2018					
Balance at the end of previous reporting period		333,969	1,016,925	28,181	1,379,075
a. Adjustments (Correction of Prior Period Errors)	(a)	352	(352)	-	-
Restated Opening Balance		334,321	1,016,573	28,181	1,379,075
d. Net Surplus / (Deficit) for Year		14,057	-	-	14,057
e. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	41,716	-	41,716
Other Comprehensive Income		-	41,716	-	41,716
Total Comprehensive Income		14,057	41,716	-	55,773
f. Transfers between Reserves		3,889	-	(3,889)	-
Balance at the end of period		352,267	1,058,289	24,292	1,434,848

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

As part of the City of Salisbury's 2019 end of financial year review it was ascertained that there was a historical error of \$352k that had been incorrectly recognised within the Asset Revaluation Reserve - JV's / Associates for the 2018 year and in prior years, specifically related to Council's regional subsidiary NAWMA. The error dates back to the 2010 year which is the first year NAWMA recognised a revaluation reserve. This resulted in accumulated surplus being understated and Asset Revaluation Reserve being overstated by \$352k, however net equity was correct. The balance of Councils interest in NAWMA as represented in 'Note 6 Equity Accounted Investments in Council Businesses' was correct. In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors this error has been adjusted retrospectively against opening equity balances for the 2018 Financial Year.

Statement of Cash Flows

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		97,802	94,953
Statutory Charges		3,111	3,288
User Charges		3,545	7,313
Grants, Subsidies and Contributions (operating purpose)		17,728	15,394
Investment Receipts		737	772
Reimbursements		607	613
Other Receipts		9,043	7,647
<u>Payments</u>			
Payments to Employees		(35,386)	(34,806)
Payments for Materials, Contracts and Other Expenses		(59,414)	(55,703)
Finance Payments		(799)	(949)
Net Cash provided by (or used in) Operating Activities	11b	36,974	38,522
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		2,958	1,690
Sale of Replaced Assets		1,096	427
Sale of Surplus Assets		118	125
Net Disposal of Investment Securities		71	70
Sale of Real Estate Developments		1,011	2,349
Repayments of Loans by Community Groups		31	29
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(14,248)	(19,718)
Expenditure on New/Upgraded Assets		(31,771)	(15,697)
Development of Real Estate for Sale		(101)	(243)
Net Cash provided by (or used in) Investing Activities		(40,835)	(30,968)
Cash Flows from Financing Activities			
<u>Payments</u>			
Repayments of Borrowings		(2,142)	(2,350)
Net Cash provided by (or used in) Financing Activities		(2,142)	(2,350)
Net Increase (Decrease) in Cash Held		(6,003)	5,204
plus: Cash and Cash Equivalents at beginning of period	11	33,780	28,576
Cash & Cash Equivalents at end of period	11	27,777	33,780
Additional Information:			
plus: Investments on hand - end of year	6a	690	761
Total Cash, Cash Equivalents and Investments		28,467	34,541

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

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

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

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 13 November 2019.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

In recent years the payment of untied financial assistance grants has varied from the annual allocation. During the 2015/16 year, there was no untied financial assistance grants paid in advance. However, on 09 June 2017, Council received two quarters of the 2017/18 grant amounting to \$3,995,448. Subsequently, on 25 June 2018, Council received two quarters of the 2018/19 grant amounting to \$4,208,096. Two quarters of the 2019/20 grant totalling \$4,555,783 was received on 19 June 2019. The advanced payments received are summarised in the below table:

Financial Assistance Grant Funding

Financial Year	Payment Received In Advance \$'000	Comments
2016/17	3,995	Relates to 2017/18
2017/18	4,208	Relates to 2018/19
2018/19	4,556	Relates to 2019/20

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

Note 1. Summary of Significant Accounting Policies (continued)

Further in the 2018/19 year, Council received Supplementary Local Road grant funding totalling \$1,580,714 in advance on 27 June 2019 which relates to the 2019/20 and 2020/21 financial years. The advanced payments received are summarised in the below table:

Supplementary Local Road Grant Funding

Financial Year	Payment Received In Advance \$'000	Comments
2018/19	790	Relates to 2019/20
2018/19	790	Relates to 2020/21

Because these grants are applicable for the current reporting period 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.

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

Note 1. Summary of Significant Accounting Policies

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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.

Major depreciation periods for each class of asset are detailed in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

6.5 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 whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing. Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Note 1. Summary of Significant Accounting Policies

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

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

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 *Employee Benefits*. Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based

oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

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

9.2 Superannuation

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

10 Leases

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

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 are accounted for in accordance with AASB 128 *Investments in Associates and Joint Ventures* and set out in detail in Note 19.

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

Note 1. Summary of Significant Accounting Policies

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.

AASB 9 *Financial Instruments* commenced from 1 July 2018 and has the effect that non-contractual receivables (e.g. rates and charges) are now treated as financial instruments and require disclosure in accordance with AASB 7 *Financial Instruments – Disclosures*. These changes have been applied retrospectively to the comparatives and whilst the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

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

The standards that are expected to have an impact upon Council's future financial statements are:

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

AASB 15 and AASB 1058 *Income of Not-for-Profit Entities*, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled.

City of Salisbury intends to apply AASB 15 and AASB 1058 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be applied retrospectively for the current year and prior year comparatives, consistent with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

AASB 16 *Leases*, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts, except leases with a maximum term of twelve months and leases for non-material amounts, be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. The City of Salisbury has assessed the impacts that the initial application of AASB 16 will have on its consolidated financial statements and believes there will be no significant or material impact.

14 Comparative Figures

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

15 Disclaimer

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 2. Income

\$ '000	Notes	2019	2018
(a). Rates Revenues			
General Rates			
General Rates		96,973	93,994
Less: Mandatory Rebates		(1,222)	(1,138)
Less: Discretionary Rebates, Remissions and Write Offs		(343)	(330)
Total General Rates		95,408	92,526
Other Rates (Including Service Charges)			
Natural Resource Management Levy		2,016	1,949
Salisbury Business Association Separate Rate		162	161
Globe Derby Community Club Separate Rate		6	6
Total Other Rates		2,184	2,116
Other Charges			
Penalties for Late Payment		254	257
Total Other Charges		254	257
Total Rates Revenues		97,846	94,899
(b). Statutory Charges			
Development Act Fees		946	893
Town Planning Fees		466	613
Animal Registration Fees and Fines		1,046	1,099
Parking Fines / Expiation Fees		215	277
Other Licences, Fees and Fines		316	307
Total Statutory Charges		2,989	3,189
(c). User Charges			
Cemetery Fees		541	581
Property Leases		878	723
Waste Disposal Fees		12	1,573
Water Supply		2,335	2,194
Aged and Disability Services		519	493
Sundry		539	563
Total User Charges		4,824	6,127

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		203	230
- Banks and Other		521	487
- Loans to Community Groups		19	20
Total Investment Income		743	737
(e). Reimbursements			
Contract Maintenance		242	237
Other		310	320
Total Reimbursements		552	557
(f). Other Income			
Insurance and Other Recoupments - Infrastructure, IPP&E		9	5
Rebates Received		728	776
Sundry		375	547
Total Other Income		1,112	1,328

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		2,958	1,690
Total Amounts Received Specifically for New or Upgraded Assets		2,958	1,690
Other Grants, Subsidies and Contributions		6,532	6,369
Untied Financial Assistance Grant		4,956	4,706
Individually Significant Item - Additional Financial Assistance Grant (refer below)		6,136	4,208
Total Other Grants, Subsidies and Contributions		17,624	15,283
Total Grants, Subsidies, Contributions		20,582	16,973

The functions to which these grants, subsidies and contributions relate are disclosed in Note 12, with the exception of Amounts Received Specifically for New or Upgraded Assets.

(i) Sources of grants

Commonwealth Government	2,599	2,633
State Government	17,287	13,836
Other	696	504
Total	20,582	16,973

(ii) Individually Significant Items

Advanced Financial Assistance Grant Recognised as Income	4,556	4,208
Advanced Supplementary Local Road Funding Recognised as Income	1,580	-

On 19 June 2019, Council received advance payment of the first two quarters of the 2019/20 Financial Assistance Grant, totalling \$4,556k (comprising of \$3,553k in general purpose funding and \$1,003k in untied local road funding). Further on 27 June 2019, Council also received advance payment of the 2019/20 and 2020/21 Supplementary Local Road funding totalling \$1,580k. This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt, as detailed in Note 1. 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 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(h). Conditions over Grants and Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		1,752	325
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Bridgestone Athletic Track		(860)	-
Salisbury Oval Female Changerooms		(397)	-
Footpath Development Program		(63)	-
Pooraka Farm CCTV		(39)	-
Tea Tree Gully Business Advisory Services		(30)	-
Salisbury Oval CCTV		(19)	-
Street Tree Developer Program		(17)	-
Playford Business Services		(12)	-
Drug and Alcohol Framework		(11)	-
Northern Adelaide Industry Development		(39)	(98)
Digital Growth Program		(64)	(64)
Aged Friendly SA Grant		-	(17)
Aboriginal Sports Development Program		-	(10)
Resilient Salisbury - Environmental Action Plan		-	(9)
Duke of Edinburgh School Program		(7)	(6)
Fairbanks / Byron Bay Traffic Management		-	(6)
Youth Network Grant		-	(5)
Other		(61)	(5)
Subtotal		(1,619)	(220)

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

Note 2. Income (continued)

\$ '000	Notes	2019	2018
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Dry Creek Park Way - City Wide Trails		1,000	-
Pauls Drive Valley View - Major Flooding		657	-
Library Community Learning Program - Fostering Integration		49	-
Home and Community Support Program		41	-
The Shed Project		5	-
Bridgestone Athletic Track Grant		-	993
Salisbury Oval Female Change Rooms		-	397
Footpath Developer Program		-	63
Tea Tree Gully Business Advisory		60	60
Pooraka Farm CCTV		-	39
Tea Tree Gully Business Advisory Services		-	30
Salisbury Oval CCTV		-	19
Street Tree Developer Program		-	17
Playford Business Services		-	12
Drug and Alcohol Framework		7	11
Duke of Edinburgh		-	5
Be Connected - Digital Awareness Program		-	1
Other		163	-
Subtotal		1,982	1,647
Unexpended at the close of this reporting period		2,115	1,752
Net increase (decrease) in assets subject to conditions in the current reporting period		363	1,427
 (i). Physical Resources Received Free of Charge			
Land and Improvements		96	331
Roads, Bridges and Footpaths		375	118
Stormwater Drainage		619	233
Total Physical Resources Received Free of Charge		1,090	682

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 3. Expenses

\$ '000	Notes	2019	2018
(a). Employee Costs			
Salaries and Wages		28,825	28,134
Employee Leave Expense		5,121	4,441
Superannuation - Defined Contribution Plan Contributions	18	793	1,171
Superannuation - Defined Benefit Plan Contributions	18	2,349	1,880
Workers' Compensation Insurance		1,387	1,552
Less: Capitalised and Distributed Costs		(2,942)	(2,872)
Total Operating Employee Costs		35,533	34,306
Total Number of Employees (full time equivalent at end of reporting period)		403	382
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		46	35
Bad and Doubtful Debts		16	11
Elected Members' Expenses		470	479
Election Expenses		540	59
Operating Lease Rentals - Cancellable Leases		697	926
Subtotal - Prescribed Expenses		1,769	1,510
(ii) Other Materials, Contracts and Expenses			
Contractors		34,476	32,923
Energy		4,160	4,468
Legal Expenses		314	301
Levies Paid to Government - NRM levy		2,014	1,945
Levies - Other		378	500
Parts, Accessories and Consumables		2,733	2,794
Insurance		951	943
Water Rates		858	776
Sundry		3,668	2,879
Subtotal - Other Material, Contracts & Expenses		49,552	47,529
Total Materials, Contracts and Other Expenses		51,321	49,039

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

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		5,293	4,928
Buildings and Other Structures		2,418	2,297
Infrastructure		13,872	13,471
Plant and Equipment		2,078	1,813
Library Books		169	210
Total Depreciation, Amortisation and Impairment		23,830	22,719
(d). Finance Costs			
Interest on Loans		799	949
Total Finance Costs		799	949

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

Note 4. Asset Disposal and Fair Value Adjustments

\$ '000	Notes	2019	2018
Infrastructure, Property, Plant and Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		1,096	427
Less: Carrying Amount of Assets Sold		(3,581)	(3,702)
Gain (Loss) on Disposal		(2,485)	(3,275)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		118	125
Less: Carrying Amount of Assets Sold		(199)	(471)
Less: Other Amounts Relating to the Sale of Surplus Assets		-	(252)
Gain (Loss) on Disposal		(81)	(598)
Real Estate Development Assets			
Proceeds from Disposal		1,011	2,349
Less: Carrying Amount of Assets Sold		(397)	(1,829)
Gain (Loss) on Disposal		614	520
Other Financial Assets			
Proceeds from Disposal		71	69
Less: Carrying Amount of Assets Sold		(71)	(69)
Gain (Loss) on Disposal		-	-
Net Gain (Loss) on Disposal or Revaluation of Assets		(1,952)	(3,353)

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

Note 5. Current Assets

\$ '000	Notes	2019	2018
(a). Cash and Cash Equivalents			
Cash on Hand at Bank		156	832
Short Term Deposits and Bills, etc.		27,621	32,948
Total Cash and Cash Equivalents		27,777	33,780
(b). Trade and Other Receivables			
Rates - General and Other		2,986	2,822
Accrued Revenues		17	11
Debtors - General		3,162	1,566
GST Recoupment		2,106	935
Prepayments		671	661
Loans to Community Organisations		32	31
Total Trade and Other Receivables		8,974	6,026
(c). Inventories			
Stores and Materials		256	253
Real Estate Developments	6	1,920	1,751
Cemetery Plinths and Vaults		36	35
Total Inventories		2,212	2,039

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

Note 6. Non-Current Assets

\$ '000	Notes	2019	2018
(a). Financial Assets			
Receivables			
Council Rates Postponement Scheme		15	8
Loans to Community Organisations		411	443
Total Receivables		426	451
Other Financial Assets (Investments)			
Mortgages over Property - Affordable Housing Scheme		690	761
Total Other Financial Assets (Investments)		690	761
Total Financial Assets		1,116	1,212
(b). Equity Accounted Investments in Council Businesses			
Northern Adelaide Waste Management Authority	19	3,753	3,801
Council Solutions	19	138	76
Total Equity Accounted Investments in Council Businesses		3,891	3,877
(c). Other Non-Current Assets			
(i) Inventories			
Real Estate Developments		1,394	1,859
Total Inventories		1,394	1,859
(ii) Other			
Capital Works-in-Progress		36,732	20,125
Intangible Assets		166	166
Total Other		36,898	20,291
Total Other Non-Current Assets		38,292	22,150

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

Note 6. Non-Current Assets

\$ '000	Notes	2019	2018
Real Estate Developments - Current and Non-Current			
(Valued at the lower of cost and net realisable value)			
Residential		3,314	3,610
Total Real Estate for Resale		3,314	3,610
Represented by:			
Acquisition Costs		1,570	1,865
Development Costs		1,744	1,745
Total Real Estate of Resale		3,314	3,610
(ii) Apportionment of Real Estate Developments			
Current Assets		1,920	1,751
Non-Current Assets		1,394	1,859
		3,314	3,610

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

Note 7a. Infrastructure, Property, Plant and Equipment

	Fair Value Level	as at 30/6/2018					Asset Movements during the Reporting Period							as at 30/6/2019			
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Trfs from/(to) Real Estate Assets	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals							Dep'n	Impairment	
\$ '000																	
Land - Other	2	429,119	-	-	-	429,119	1,198	-	-	-	-	29,096	459,413	-	-	-	459,413
Land Improvements	3	182,700	-	67,226	-	115,474	3,049	2,504	(410)	(5,293)	-	1,462	190,679	-	73,893	-	116,786
Buildings and Other Structures	3	84,009	-	23,088	-	60,921	4,813	665	(46)	(2,418)	-	948	91,020	-	26,137	-	64,883
Infrastructure	3	1,187,939	-	402,586	-	785,353	8,452	9,242	(2,067)	(13,872)	-	17,414	1,236,706	-	432,184	-	804,522
Plant and Equipment		-	24,961	16,139	-	8,822	6,331	-	(1,257)	(2,078)	-	-	-	27,464	15,646	-	11,818
Library Books		-	1,266	-	-	1,266	146	-	-	(169)	-	-	-	1,243	-	-	1,243
Total Infrastructure, Property, Plant and Equipment		1,883,767	26,227	509,039	-	1,400,955	23,989	12,411	(3,780)	(23,830)	-	48,920	1,977,818	28,707	547,860	-	1,458,665
Comparatives		1,815,803	24,371	485,545	-	1,354,629	14,488	15,509	(4,173)	(22,719)	1,505	41,729	1,883,767	26,227	509,039	-	1,400,955

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

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.

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	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets 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, either directly or indirectly.	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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

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

\$ '000

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.

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.

During 2017/18 Council initially undertook a review of the internal overhead costs, such as project management, supervision and design, that are directly related to the renewal of Council's Transport and Stormwater assets. The purpose of the review was to ensure that the appropriate level of direct internal overhead costs (expressed as a percentage) were being reflected in the unit rates that are utilised to revalue these asset classes. These overhead percentages were independently reviewed by Tonkin Consulting and continue to be incorporated into their review of Council's Asset Valuations.

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

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

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

\$ '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

Infrastructure:

Roads - Seal	20 to 40 years
Roads - Base	50 to 150 years
Roads - Sub-Base	150 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	50 to 80 years
Pumps and Telemetry	10 to 50 years

Other Assets:

Library Books	3 to 7 years
Artworks/Local History	Indefinite
Street Trees	50 years

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

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

\$ '000

e) Table of Fair Values 2018/19

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Land	-	459,413	-	459,413
Land Improvements	-	-	116,786	116,786
Buildings and Other Structures	-	-	64,883	64,883
Infrastructure	-	-	804,522	804,522
Total	-	459,413	986,191	1,445,604

f) Disclosed Fair Value Measurements

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,000's
Land	2	Market Value	\$459,413

Valuations of assets in this category are undertaken using the State Valuer Generals Site Values.

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,000's
Land Improvements	3	Cost Approach	\$116,786

Valuations of assets in this category are undertaken via one of the following 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 current replacement cost for each asset. Assets valued via this method include Footpaths 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 provided by Inside Infrastructure and Aquenta Consulting initially in 2015 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 subsequent years including 2018/19, an independent valuation of the current 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).
- Independent valuations initially provided by JLL in 2017/18 using a methodology that utilises observable rates and cost information from their research across the Playground and Fitness Equipment industries. Assets valued via this method included Playgrounds and Fitness Equipment. These assets have been revalued using the LGPI for 2018/19.

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

\$ '000

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,000's
Buildings and Other Structures	3	Cost Approach	\$64,883

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

a. Independent valuation of the current 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. In 2017/18 and 2018/19 an independent valuation of the current replacement cost for these assets was undertaken using Building Component Indexes provided by Tonkin Consulting, derived from references to the Rawlinsons Australian Construction Handbook.

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,000's
Infrastructure	3	Cost Approach	\$804,522

Valuation of assets in this category are undertaken via one of the following 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 current 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 or under Council Roads.

b. Independent valuations initially 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. In 2017/18 and 2018/19 these assets were revalued using the Local Government Pricing Index (LGPI).

c. 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.

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

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

\$ '000

Valuation of Assets (continued)

Highest and best use

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

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 current replacement cost using the *Cost Approach*. Upon revaluation, the current replacement cost and accumulated depreciation are restated such that the difference (the current 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 (current 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

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

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

\$ '000

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 are carried at cost less any accumulated impairment losses.

Testing for impairment, in accordance with AASB 136 *Impairment of Assets*, is undertaken annually, or whenever there may be an indication that the intangible assets may be impaired. The determination that these Water Licences have an indefinite useful life is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

Street Trees

Council is of the opinion that street trees and tree screens are tangible assets that Council 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 Tree and Tree Screen renewal programs only meet the recognition criteria of property, plant and equipment and are recognised as an asset.

Plant, Furniture and Fittings

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 2019 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 2019

Note 8. Liabilities

\$ '000	Notes	2019	2019	2018	2018
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods and Services		19,468	-	12,057	-
Payments Received in Advance		1,541	-	1,346	-
Accrued Expenses - Other		43	-	49	-
Deposits, Retentions & Bonds		204	-	302	-
Total Trade and Other Payables		21,256	-	13,754	-

(b). Borrowings

Loans	1,978	8,597	2,142	10,575
Total Borrowings	1,978	8,597	2,142	10,575

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

(c). Provisions

Employee Entitlements (including oncosts)	7,481	1,427	7,193	1,429
Salisbury Memorial Park Maintenance Provision	-	80	-	70
Mortgage Loss Provision	-	23	-	28
Total Provisions	7,481	1,530	7,193	1,527

	Salisbury Memorial Park Maintenance Provision	Mortgage Loss Provision
Opening Balance	70	28
Additional Amounts Recognised	10	-
(Less) Payments	-	(5)
Closing Balance	80	23

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
(a). Asset Revaluation Reserve					
Land - Other	330,866	29,096	-	-	359,962
Land Improvements	26,166	1,462	-	-	27,628
Buildings and Other Structures	10,021	948	-	-	10,969
Infrastructure	688,898	17,414	-	-	706,312
Library Books	2,338	-	-	-	2,338
Total Asset Revaluation Reserve	1,058,289	48,920	-	-	1,107,209
Comparatives	1,016,573	41,716		-	1,058,289

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
(b). Other Reserves					
Plant Replacement Reserve	350	-	(350)	-	-
Development and Public Infrastructure Reserve	1,595	97	(413)	-	1,279
Open Space Reserve	1,234	289	(100)	-	1,423
Car Parking Reserve	928	13	-	-	941
Property Disposal Reserve	4,750	464	(4,750)	-	464
Mausoleum Perpetual Care Reserve	813	37	-	-	850
Salisbury Memorial Park Reserve	893	13	-	-	906
Carried Forward Funds Reserve	12,335	12,720	(12,335)	-	12,720
Salisbury Water Business Unit Reserve	1,394	608	-	-	2,002
Total Other Reserves	24,292	14,241	(17,948)	-	20,585
Comparatives	28,181	13,941	(17,830)	-	24,292

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

Note 9. Reserves

\$ '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. This reserve has been fully utilised and will cease being a reserve for 1 July 2019.

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 received that are to be utilised towards the future acquisition of open space areas.

Carpark Reserve

For the provision of future renewal and maintenance 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, including surplus land and redevelopments, 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 situated 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

Generated by the allocation of surpluses, and offset by deficits resulting from the operations of the Salisbury Water Business Unit. Allocations from the Reserve can only 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 2019

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2019	2018
<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			
Open Space Contributions		1,423	1,234
Developer Contributions		2,220	2,523
Unexpended Grants and Subsidy Funds		2,115	1,752
Total Cash and Financial Assets		5,758	5,509
Total Assets Subject to Externally Imposed Restrictions		5,758	5,509

Developer Contributions are received primarily to fund infrastructure works in new subdivisions. These funds are held in Reserves (as disclosed in Note 9) until required and as such are regarded as restricted. Grant and Subsidy Funds received but not yet expended are regarded as restricted, and are disclosed in Note 2h.

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

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2019	2018
(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	27,777	33,780
Balances per Statement of Cash Flows		27,777	33,780
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		16,317	14,057
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		23,830	22,719
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(14)	69
Non-Cash Asset Acquisitions		(1,090)	(682)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(2,958)	(1,690)
Net (Gain) Loss on Disposals		1,952	3,353
		38,037	37,826
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(2,954)	(162)
Net (Increase)/Decrease in Inventories		(4)	1
Net Increase/(Decrease) in Trade and Other Payables		1,604	1,192
Net Increase/(Decrease) in Unpaid Employee Benefits		286	(345)
Net Increase/(Decrease) in Other Provisions		5	10
Net Cash provided by (or used in) operations		36,974	38,522
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	1,090	682
Total Non-Cash Financing & Investing Activities		1,090	682
(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		16,917	23,317

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

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

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$ '000										
Public Order and Safety	2,935	3,103	3,505	3,450	(570)	(347)	-	-	843	918
Health	277	216	1,662	1,539	(1,385)	(1,323)	31	22	551	543
Social Security and Welfare	3,533	3,388	7,084	6,817	(3,551)	(3,429)	2,893	2,711	24,263	20,175
Housing and Community Services	3,329	4,842	29,564	29,226	(26,235)	(24,384)	243	264	477,563	469,960
Recreation and Culture	1,238	1,265	28,320	27,031	(27,082)	(25,766)	679	698	926,640	881,652
Transport and Communication	6,143	4,658	18,139	18,163	(11,996)	(13,505)	6,142	4,652	6,995	6,460
Economic Affairs	203	279	5,956	5,490	(5,753)	(5,211)	110	169	256	244
Other, Not Attributed and Administrative	108,032	104,369	17,253	15,297	90,779	89,072	7,526	6,767	103,816	90,087
Total Functions/Activities	125,690	122,120	111,483	107,013	14,207	15,107	17,624	15,283	1,540,927	1,470,039

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

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

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 a senior leisure 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, 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 centres, parks, gardens and reserves, clubrooms, playgrounds, sports grounds and halls.

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 2019

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 1.6% and 2.15% (2018: 1.65% and 1.8%). Short term deposits have an average maturity of 37 days and an average interest rate of 1.74% (2018: 35 days and 1.66%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 2.0% (2018: 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 & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.0% and 7.01% (2018: 4.0% and 7.01%).

Carrying Amount:

Approximates fair value.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
Financial Assets					
Cash and Equivalents	27,777	-	-	27,777	27,777
Receivables	6,197	426	-	6,623	6,623
Other Financial Assets	-	-	690	690	690
Total Financial Assets	33,974	426	690	35,090	35,090
Financial Liabilities					
Payables	19,715	-	-	19,715	19,715
Current Borrowings	2,644	-	-	2,644	1,978
Non-Current Borrowings	-	9,354	923	10,277	8,597
Total Financial Liabilities	22,359	9,354	923	32,636	30,290

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
Financial Assets					
Cash & Equivalents	33,780	-	-	33,780	33,780
Receivables	4,430	451	-	4,881	4,881
Other Financial Assets	-	-	761	761	761
Total Financial Assets	38,210	451	761	39,422	39,422
Financial Liabilities					
Payables	12,408	-	-	12,408	12,408
Current Borrowings	2,947	-	-	2,947	2,142
Non-Current Borrowings	-	10,367	2,553	12,920	10,575
Total Financial Liabilities	15,355	10,367	2,553	28,275	25,125

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	7.12%	-	7.12%	-
Fixed Interest Rates	6.07%	10,575	6.23%	12,717
		10,575		12,717

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.

Changes in Accounting Policy - Disclosure of non-contractual receivables

AASB 9 *Financial Instruments* commenced from 1 July 2018 and has the effect that non-contractual receivables (e.g. rates and charges) are now treated as financial instruments, and as such are included under Financial Assets - Receivables. As there are no transitional provisions to these Standards, the City of Salisbury has in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* applied these changes retrospectively to the comparative line items. This has resulted in an additional \$3,001k included in 2018/19 Financial Assets - Receivables, and an additional \$2,830k included in the prior year comparatives. However whilst the disclosures made in Note 13 Financial Instruments have changed, there has been no changes to the actual amounts disclosed.

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

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

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

Note 14. Commitments for Expenditure

\$ '000	Notes	2019	2018
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings		19,327	33,664
Infrastructure		4,542	4,041
Plant & Equipment		1,115	1,817
		<u>24,984</u>	<u>39,522</u>
These expenditures are payable:			
Not later than one year		24,984	39,522
		<u>24,984</u>	<u>39,522</u>

(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		36	35
		<u>36</u>	<u>35</u>
These expenditures are payable:			
Not later than one year		36	35
		<u>36</u>	<u>35</u>

(c). Finance Lease Commitments

Council has no Finance Leases.

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

Note 15. Financial Indicators

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

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

1. Operating Surplus Ratio

Operating Surplus	14,221	11.3%	12.3%	9.0%
Total Operating Income	125,752			

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 and supplementary local roads grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.	12,293	9.9%	12.1%	5.7%
	124,172			

2. Net Financial Liabilities Ratio

Net Financial Liabilities	2,975	2.4%	(4.8%)	1.7%
Total Operating Income	125,752			

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.

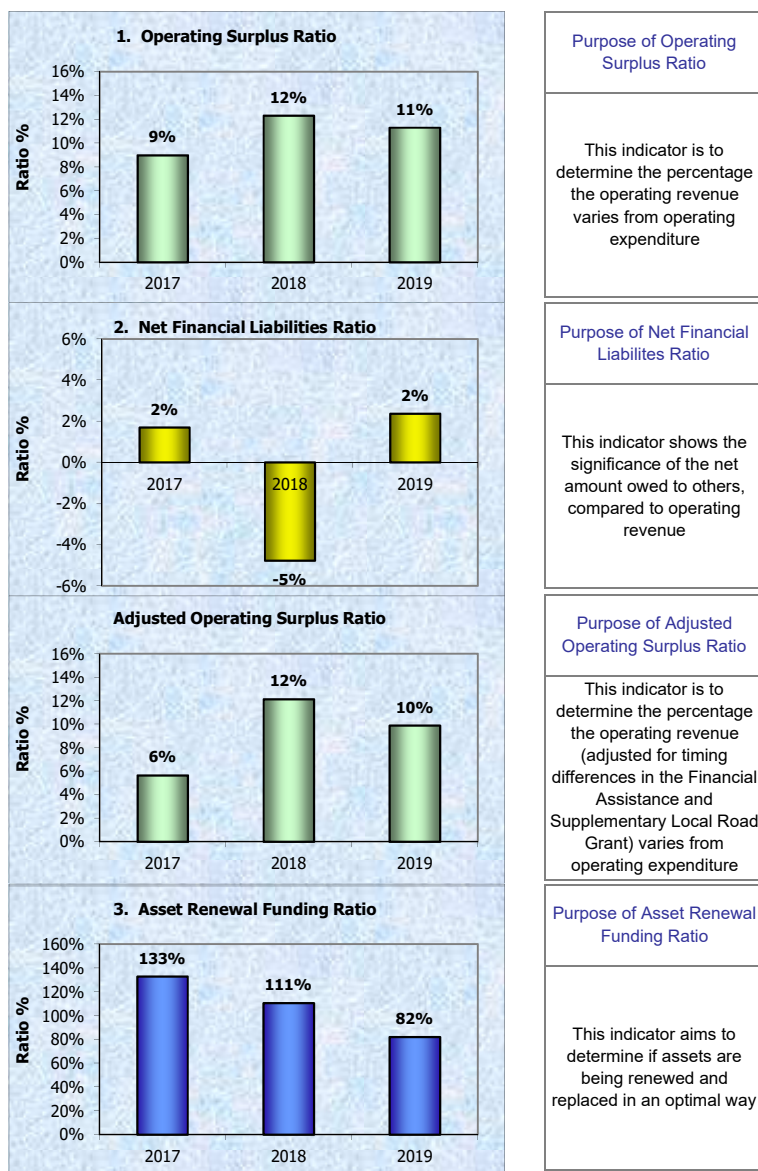
3. Asset Renewal Funding Ratio

Net Asset Renewals	13,152	82.2%	110.6%	133.0%
Infrastructure & Asset Management Plan required expenditure	16,008			

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 2019

Note 15. Financial Indicators - Graphs (continued)



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

Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	125,752	122,120
less Expenses	(111,531)	(107,082)
Operating Surplus / (Deficit)	14,221	15,038
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(14,248)	(19,718)
<i>add back</i> Depreciation, Amortisation and Impairment	23,830	22,719
<i>add back</i> Proceeds from Sale of Replaced Assets	1,096	427
Subtotal	10,678	3,428
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(31,872)	(15,940)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	2,958	1,690
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	1,129	2,474
Subtotal	(27,785)	(11,776)
Net Lending / (Borrowing) for Financial Year	(2,886)	6,690

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

Note 17. Operating Leases

\$ '000	2019	2018
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Leases Providing Revenue to the Council

Council owns various buildings 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 Property Leases in Note 2.

(i) Investment Property

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

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

Not later than one year	694	548
Later than one year and not later than 5 years	2,436	1,214
Later than 5 years	2,435	2,455
	5,565	4,217

(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	265	479
Later than one year and not later than 5 years	102	280
	367	759

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

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 2018/19; 9.50% in 2017/18). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

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

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

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

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

Contributions to Other Superannuation Schemes

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
Joint Ventures	14	(69)	3,891	3,877
Total	14	(69)	3,891	3,877

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Northern Adelaide Waste Management Authority	Waste Management	3,753	3,801
Council Solutions	Procurement	138	76
Total Carrying Amounts - Joint Ventures & Associates		3,891	3,877

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.

Whilst the City of Salisbury has a 56% share of equity in NAWMA for the 2019 Financial Year, Council is of the opinion that it does not have control over NAWMA's operations. The rationale being that all three Constituent Councils hold equal voting power at 33% and NAWMA's Chairperson and CEO are independent from the constituent Councils. Therefore the ability for Council to control NAWMA's operations is limited to Council's voting power at 33%, not its share of equity at 56%. Accordingly Council has utilised the equity accounting method to recognise its share of equity in NAWMA for the 2019 Financial Year.

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	
	2019	2018	2019	2018	2019	2018
Northern Adelaide Waste Management Authority	56%	56%	56%	56%	33%	33%
Council Solutions	17%	17%	17%	17%	17%	17%

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 19. Interests in Other Entities

\$ '000

(c) Movement in Investment in Joint Venture or Associate

	Northern Adelaide Waste Management Authority		Council Solutions	
	2019	2018	2019	2018
Opening Balance	3,801	3,858	76	88
Share in Operating Result	(48)	(57)	62	(12)
Council's Equity Share in the Joint Venture or Associate	3,753	3,801	138	76

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Northern Adelaide Waste Management Authority		Council Solutions	
	2019	2018	2019	2018
Cash and Cash Equivalents	2,613	1,061	539	174
Other Current Assets	3,236	2,738	342	563
Non-Current Assets	14,709	16,585	-	-
Total Assets	20,558	20,384	881	737
Current Trade and Other Payables	3,410	2,271	37	124
Current Financial Liabilities	1,186	1,079	15	158
Current Provisions	191	263	-	-
Non-Current Financial Liabilities	6,318	7,415	-	-
Non-Current Provisions	2,698	2,605	-	-
Total Liabilities	13,803	13,633	52	282
Net Assets	6,755	6,751	829	455

Statement of Comprehensive Income	Northern Adelaide Waste Management Authority		Council Solutions	
	2019	2018	2019	2018
Other Income	33,825	29,234	270	641
Management Fees	-	-	1,056	1,054
Interest Income	209	108	7	4
Total Income	34,034	29,342	1,333	1,699
Employee Costs	2,753	2,191	-	-
Materials, Contracts & Other Expenses	29,756	25,524	960	1,770
Depreciation, Amortisation and Impairment	1,394	1,449	-	-
Finance Costs	351	373	-	-
Total Expenses	34,254	29,537	960	1,770
Operating Result	(220)	(195)	373	(71)

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

Note 19. Interests in Other Entities

\$ '000

(e). Share of Joint Operations Expenditure Commitments

	Northern Adelaide Waste Management Authority		Council Solutions	
	2019	2018	2019	2018
(i) Capital Expenditures Payable				
No capital expenditure is committed at the reporting date that has not been recognised in the financial statements as a liability.				
(ii) Operating Expenditures Payable				
Not later than one year	14,049	14,766	-	-
Later than one year and not later than 5 years	56,136	56,300	-	-
Later than 5 years	10,526	11,232	-	-
	80,711	82,298	-	-

The Northern Adelaide Waste Management 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.

	Northern Adelaide Waste Management Authority		Council Solutions	
	2019	2018	2019	2018
(iii) Lease Payments Commitments Payable				
Not later than one year	1,035	1,075	-	-
Later than one year and not later than 5 years	2,620	3,326	-	-
Later than 5 years	3,004	482	-	-
	6,659	4,883	-	-

(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 2019

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

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

1. LAND UNDER ROADS

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of nil 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 2019

Note 21. Events after the Balance Sheet Date

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

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

Accordingly, the "authorised for issue" date is 16/10/19.

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 2019

Note 22. Related Party Transactions

\$ '000	2019	2018
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Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO, General Managers and certain prescribed officers under section 112 of the *Local Government Act 1999*, as well as 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, 54 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	5,477	4,836
Post-Employment Benefits	455	417
Long-Term Benefits	627	788
Total	6,559	6,041

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

Receipts from Key Management Personnel comprise:

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 Council's 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 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 Council's Regional Subsidiaries, during the financial year:

	Payments	Outstanding
Northern Adelaide Waste Management Authority	12,382	1,061
Council Solutions	-	-
Total	12,382	1,061

Budgeted future year expenditure at the reporting date but not recognised in the financial statements as liabilities:

Northern Adelaide Waste Management Authority	12,149
Council Solutions	-
Total	12,149

The budgeted expenditures are payable no later than one year from the reporting date

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 2019, 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 2019, 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 13th day of November 2019

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 2018 to 30 June 2019 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 2018 to 30 June 2019.

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 2018 to 30 June 2019. 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 13th day of November 2019

General Purpose Financial Statements
for the year ended 30 June 2019

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Salisbury for the year ended 30 June 2019, 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



Cr Graham Reynolds
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 12 Nov 2019

Bentleys SA Audit Partnership

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admin@adel.bentleys.com.au

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Certification of Auditor Independence

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

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

Bentleys SA Audit Partnership

David Papa
Partner

Dated at Adelaide this 20th day of October 2019

SUBSIDIARY reports

Council Solutions Annual Report 2018/19

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 2018/19

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 the City of Salisbury's kerbside waste management and hard waste collection. The three-bin collection service incorporates household waste, recyclables and garden/food organics.



Annual Report

2018/19

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

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

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

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

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

Background

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

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

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

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

Council Solutions Regional Authority
25 Pirie St, Adelaide SA 5000
councilsolutions.sa.gov.au

ABN 92 168 067 160

Date prepared: 30 September 2019



Council Solutions continues to optimise the financial sustainability of Constituent Councils through the benefits of collaborative strategic procurement and contract management.

The benefits of aligning and managing contracts under the regional subsidiary are significant and resulted in estimated savings of \$7.5m for the Constituent Councils and accession Councils.

Council Solutions achieved a favourable performance against budget and maintains a strong equity position. I thank our Audit Committee who supports us in achieving the highest standards of accountability, transparency and governance.

I commend the Council Solutions team for their ongoing commitment, dedication and professionalism during 2018/19. I would also like to acknowledge Oliver Barry for his significant contribution as Chief Executive Officer from May 2016 to July 2018, Tim Dawson for his contribution as Senior Procurement Officer from August 2016 to July 2018 and, Kerrie Jackson, Acting Chief Executive Officer from July 2018 to February 2019.

Finally, the Council Solutions Board of Management and I would like to acknowledge and thank Catherine Cooper, Chair of the Board November 2012 to December 2018 for her support in achieving the strategic goals of Council Solutions.



Jeff Tate
Chair of the Board
Council Solutions Regional Authority

Report from the Council Solutions Manager

The past year has seen Council Solutions continue to work in partnership with our Constituent Councils to deliver optimum value for money from collaborative strategic procurement and contract management.

On behalf of our six Constituent and eight Accession Councils, Council Solutions has delivered 32 collaborative contract and panel agreements, across 110 suppliers, with a combined total value of over \$68 million per annum. Council Solutions ensures best practice across its suite of contracts, actively promoting continuous improvement and developing opportunities for innovation.

The Council Solutions Governance Framework and Board-approved Key Performance Indicators ensures the effectiveness and efficiency of Council Solutions' operations when collaborating with Councils and industry partners.

I thank the Board for their support, and the Council Solutions team comprising Audrey Rangel, Bruce Wright, Colin Owen and Tammy Sheridan for their continuing professionalism.



Clare Coupar
Manager
Council Solutions Regional Authority



MR JEFF TATE
INDEPENDENT CHAIRPERSON



MS CATHERINE COOPER
INDEPENDENT CHAIR (TO DEC 18)



MR MARK GOLDSTONE
CITY OF ADELAIDE



MR PAUL SUTTON
CITY OF CHARLES STURT



MR ADRIAN SKULL
CITY OF MARION



MR MARK DOWD
CITY OF ONKAPARINGA



MR JOHN HARRY
CITY OF SALISBURY



MR JOHN MOYLE
CITY OF TEA TREE GULLY

Board of Management 2018/19

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

The Board held three formal and two out-of-session meetings during the year to consider the strategic direction and financial integrity of the organisation. Meeting attendances were as follows:

Board Position	Board Member	Formal Meetings Attended
Independent Chairperson	Mr Jeff Tate	2
Independent Chairperson – till Dec 2018	Ms Catherine Cooper	1
City of Adelaide	Mr Mark Goldstone, CEO	3
City of Charles Sturt	Mr Paul Sutton, CEO	3
City of Marion	Mr Adrian Skull, CEO	3
City of Onkaparinga	Mr Mark Dowd, CEO	3
City of Salisbury	Mr John Harry, CEO	2
City of Tea Tree Gully	Mr John Moyle, CEO	3

Audit Committee

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

The function of the Audit Committee includes reviewing annual financial statements to ensure that they present fairly the state of the Authority and reviewing the adequacy of financial management systems and practices. The Audit Committee is governed by Terms of Reference with the work flow controlled by an Audit Committee Work Program. The Audit Committee Work Program is updated after each meeting to reflect Committee achievements and actions arising from either the meeting for the Council Solutions Board Meeting.

Please refer to Appendix B for a report on the activities undertaken by the Audit Committee throughout the 2018/19 financial year.

Governance and Operating Framework

Council Solutions works in partnership with its Constituent Councils to deliver value outcomes. In accordance with the Council Solutions Governance Framework and Key Performance Indicators, the critical success factors that underpin the optimal effectiveness and value provided by the collaborative partnership with Council Solutions and its Constituent Councils are:

- Shared accountability and responsibility for achievement of goals and outcomes;
- Evidence-based opportunity identification, analysis and performance measurement via shared data and information; and
- Effective communication with key stakeholders to ensure clear understanding of goals, roles and responsibilities.

The Governance Framework assists in enhancing the effectiveness and efficiency of collaborative procurement by having the appropriate decision-making structure that ensures key staff have ownership in the management and success of the operations. It also plays the key role of developing and maintaining a strong partnership and collaborative culture and is underpinned by seven inter-related elements:

- **Direction** - shared understanding of our purpose and priorities through collaboration and effective planning and resource allocation;
- **Expectations** - agreed performance expectations through effective communication;
- **Delivery** - quality customer-focused service delivery through effective resource management, monitoring, review and reporting;
- **Improvement** - enhance our performance through review, intervention, capability-building and internal control mechanisms;
- **Risk Management** - regularly assess and respond to risk and opportunities;
- **Responsibilities** - accountability and transparency for decisions through information management, evaluation and Audit Committee and Board reporting; and
- **Alignment** - functions, structures and a culture that supports the success of Council Solutions through quality leadership, role clarity and empowered staff.

Key Performance Indicators provide the Board of Management oversight of the effectiveness and value that Council Solutions provide to its Constituent Councils.

Savings and Benefits

Expected outcomes of the procurement activity are achieved. These will be detailed as part of the procurement activity initiation and will be reported on upon the conclusion of the activity.

Timeliness

Procurement is undertaken within the agreed timeframes nominated as part of the procurement activity initiation and will be reported on upon conclusion of the activity.

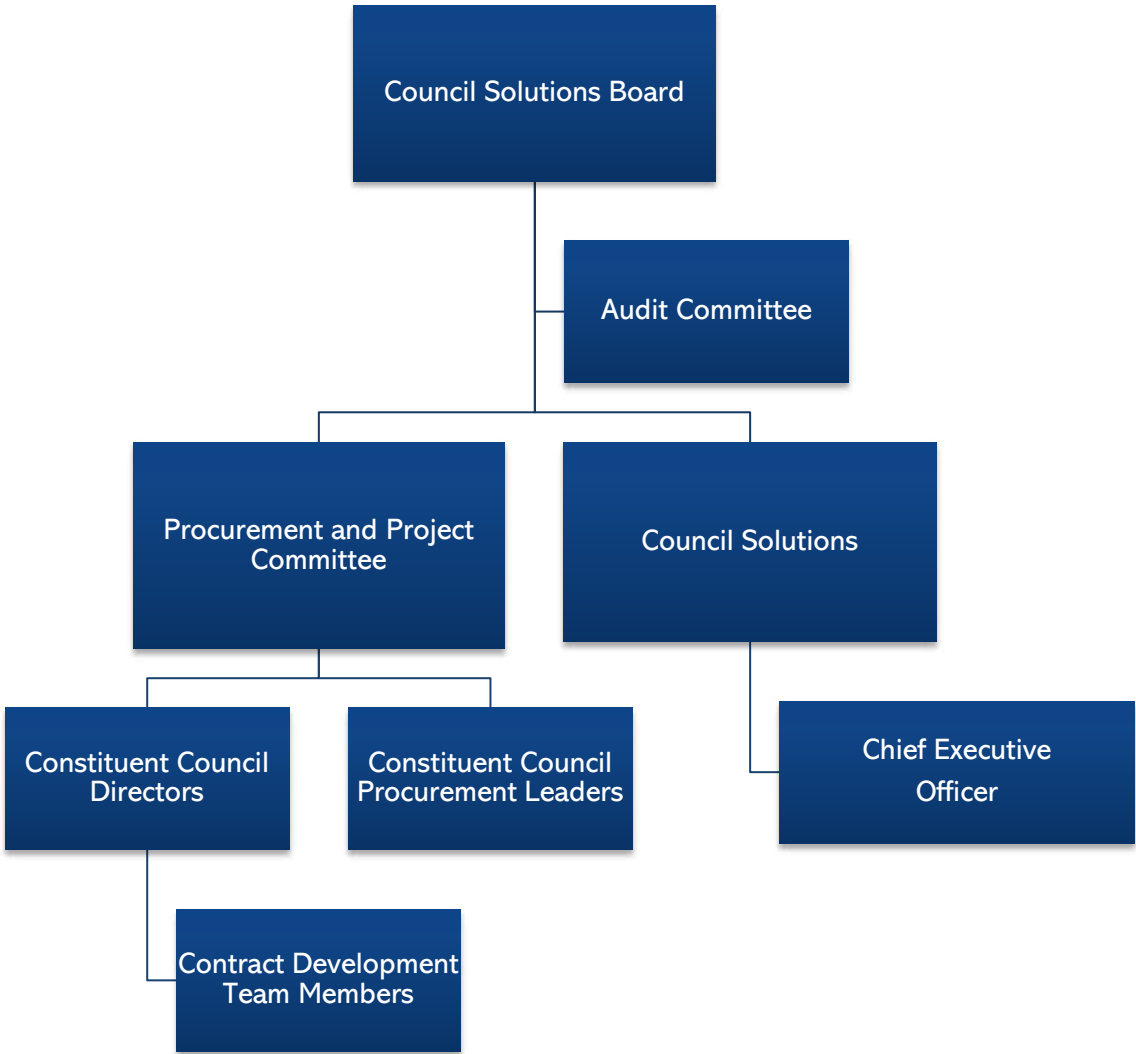
Structure and Staffing

As at 30 June 2019, Council Solutions comprised five staff (4.8 FTE) delivering expertise in management, procurement, contract management, governance, policy, data analysis and administration skills. In addition, support has also been provided to the team by Rex Mooney, Financial Consultant.

The Council Solutions team comprises:

- Manager - Clare Coupar
- Senior Procurement Officers - Bruce Wright, Colin Owen, Tammy Sheridan,
- Executive Support Officer - Audrey Rangel

Governance and Organisation Structure



Council Solutions manages a growing suite of collaborative contracts for its Constituent Councils that continue to deliver significant contract management efficiencies. The Regional Forward Procurement Plan, approved by the Council Solutions by the Board of Management in 2016, provides a roadmap to target collaborative procurement opportunities to deliver improved outcomes for Councils and ratepayers.

During 2018/19 over \$68 million of Council expenditure was undertaken utilising Council Solutions collaborative contract arrangements. This represents an increase of 15% on the previous year.

The Council Solutions suite of 32 collaborative contracts and panel agreements, across 110 suppliers, covers a diverse and comprehensive range of categories to include Finance and Professional Services, Human Resources, Roads and Infrastructure, Facilities Management and Parks and Gardens. Our strong focus on contract management is key to extracting value from the contracts for both Councils and suppliers.

The Regional Forward Procurement Plan remained on track in the scheduling of procurement activities across target expenditure categories, with Council Solutions established new contracts for use by Constituent Councils for Cleaning Services, Supply and Delivery of Concrete, Managed Services (Unified Communications) and Segmental Pavers.

The most significant procurement projects undertaken by Council Solutions' during 2018/19 were the Waste Management Services Project and the re-tendering of the Legal Service Panel.

- **Waste Management Services Project**

Tenders for the Waste Management Services project were called in December 2018. The collaborative procurement of four Participating Councils will see alignment of waste management services across three service streams. The scale and value of the contracts will encourage industry competition to secure reliable tonnage of waste and strong cashflow to support investment in Material Recovery Facility infrastructure, improve data capture, reporting, encourage and support alternative waste technology and waste to energy as longer-term options for residual waste disposal. The new contract term will be for up to 10 years and will enable the support infrastructure investment as the total value of the three service streams is in the order of \$25million per annum. Following evaluation and negotiation, contracts will be awarded in August 2019.

- **Legal Service Panel**

The continuing collaboration in this category will provide the Constituent and accession Councils with a "Best of Breed" panel of legal firms to service the needs of the Councils. The benefit of maintaining the agreement is to provide a pre-approved panel of service providers, offering an agreed schedule of rates, with a mix of capability, experience and approach to ensure access to the best resources and information for councils.

2018/19 saw the delivery of some exciting innovations and continuous improvement outcomes in collaboration with our infrastructure industry partners.

- **Bituminous Works Program (Downer EDI Works)**

Approximately 100kms of the Participating Councils (the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury, Tea Tree Gully and Mount Barker District Council) Councils' road network was resurfaced.

The Councils lowered their carbon footprint by adopting sustainably manufactured asphalt products and reducing impacts on the environment.

With the use of Recycled Asphalt Pavement (RAP), the Councils have re-used product that would have potentially ended up as landfill. Collectively this is a total savings of 992 tonnes of CO₂ emissions, which is the equivalent of removing 393 cars from our road network per year.

In November 2018, Downer EDI Works introduced a new mix design 'Reconophalt', in response to increased demand from Councils to reduce landfill by using more recycled products. Reconophalt is an asphalt mix that included soft plastics and recycled glass and is capable of being developed to include other water materials. A total of 7467 tonnes of Reconophalt was used by the Cities of Marion (3689t), Charles Sturt (3507t) and Onkaparinga (371t).

The Councils and Downer EDI Works continue to collaborate on the compaction review. Downer introduced new roller technology in January 2019 and several alternative mix designs were trialled throughout the year.

Several significant WHS initiatives were introduced to the contract during 2018/19 including engineered controlled reversing plant, forward sweeping brooms on skid steers, and traffic and pedestrian fencing segregation trials at Charles Sturt.

- **Crack Sealing Program (SuperSealing)**

The Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully's crack sealing program resulted in approximately 1.4 million m² of Councils' combined road network being crack-sealed. In addition to extending the pavement life, this preventative maintenance saw the use of 550 recycled tyres that equates to the reduction of 115 household rubbish bins which are not going to landfill.

- **CoolSeal Product Trials (SuperSealing)**

The Cities of Charles Sturt and Salisbury participated in trials of CoolSeal, a new and innovative road sealing product as part of studies to reduce the urban heat island effect in Council areas. This alternative product is a heat-reflective preservation treatment keeping roads cooler during warmer months and has the potential to significantly reduce surface temperatures of the road network.

The City of Charles Sturt sealed approx. 20,000m² in the Hendon Business precinct and Albert Park. The City of Salisbury sealed approx. 22,000m² and together with SuperSealing, receiving the IPWEA 2018/19 Excellence in Sustainable Solutions in Public Works award for the 'The Bridges' CoolSeal project at Mawson Lakes.

Contract Extensions

In addition, over the past 12 months Councils Solutions has facilitated the extensions of 6 existing collaborative contract arrangements with a combined total value of approximately \$33.2 million per annum.

COUNCIL SOLUTIONS CONTRACT MANAGEMENT LIST AS AT 30 JUNE 2019

Contract / Panel Arrangement	2018/19 Expenditure \$000
Temporary Labour Hire	28,533
Bituminous Works	20,665
Cleaning Services	3,859
Legal Services	3,451
Segmental Pavers	2,321
Arboriculture Services Panel Agreements <ul style="list-style-type: none"> Tree Works Panel Consultancy 	2,189
Irrigation Services Agreements <ul style="list-style-type: none"> Parts Design Minor Works 	1,319
Leasing Finance of IT Equipment	1,303
Concrete	1,109
Quarry Materials	903
Architectural Services Panel Agreements <ul style="list-style-type: none"> Architectural Landscape Architecture Urban Design 	823
Crack Sealing	759
Postal Services <ul style="list-style-type: none"> Across Government Postal Services 	616
Postal Services – Post Bill Pay	
Debt Collection Panel Agreement	494
Fencing Panel Agreement	338
Engineering Services Panel Agreements <ul style="list-style-type: none"> Building Services Civil & Structural Engineering Geotechnical Engineering Process Traffic & Transport Planning Water & Environmental Engineering 	200
Pest Control Services	6
Managed Services (Unified Communications)	Not Applicable
Rate & Dog Registration	Not Applicable
Transactional Banking Services	Not Applicable

Operating Surplus Ratio

Council Solutions achieved a 21% favourable variance in its operating surplus ratio. This is reflective of the funding structure of this entity whereby revenue levels are maintained by contracts set up in prior years.

The better than budget operating result occurred primarily due to a few employee positions remaining vacant as a few employees moved on throughout the year. This accounts for most of the \$440k better than budget result.

As fewer projects were undertaken than originally forecast, there were also savings in consultancy and legal fees. The lower levels of activity also delivered further savings in other non-salary expenditure lines.

Reimbursements are underbudget by \$111k. This is primarily due to the overhead recoupment initially calculated to be reimbursed by Councils participating in the waste management services project that was recalculated at a lower level that reflected the reduction in operating costs referred to above. This is shown in 'Other Income' within the Statement of Comprehensive Income that follows.

Management fees were \$44k less than budgeted for. This revenue varies from year to year in accordance with the level of Council usage of the various contracts in place.

Net Financial Liabilities Ratio

Net financial liabilities ratio saw a favourable variance of 18%. The data used to make this calculation is sourced from the Statement of Financial Position.

A negative result for this indicator means the Authority is in a Net Financial Assets situation.

Net Financial Assets have increased by \$150k due to the better than budget operating result. The level of current assets is close to what was budgeted for, however current liabilities are less than originally budgeted for due to amounts payable to suppliers being settled late in June as well as the payment of the City of Adelaide loan account ('Other Current Liabilities').

The Authority continues to maintain high level of cash reserves.

COUNCIL SOLUTIONS REGIONAL AUTHORITY
General Purpose Financial Reports
for the year ending 30 June 2019

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COUNCIL SOLUTIONS REGIONAL AUTHORITY
Certification Of Financial Statements
for the year ending 30 June 2019

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 2019 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.



.....

Jeff Tate
Chair Of The Board

Date: 29 August 2019

Appendix A

COUNCIL SOLUTIONS REGIONAL AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

		2019	2018
	Notes	\$'000	\$'000
INCOME			
Investment Income	2	7	4
Management Fees	2	1,056	1,054
Other Income	2	270	641
Total Income		<u>1,333</u>	<u>1,699</u>
EXPENSES			
Materials, contracts & other expenses	3	<u>960</u>	<u>1,770</u>
Total Expenses		<u>960</u>	<u>1,770</u>
OPERATING SURPLUS / (DEFICIT)		<u>373</u>	<u>(71)</u>
NET SURPLUS / (DEFICIT)		<u>373</u>	<u>(71)</u>
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>373</u>	<u>(71)</u>

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

COUNCIL SOLUTIONS REGIONAL AUTHORITY
BALANCE SHEET
as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents		539	174
Receivables		342	564
Total Current Assets	4,7	881	738
Total Assets		881	738
LIABILITIES			
Current Liabilities			
Trade & Other Payables		37	124
Other Current Liabilities		15	158
Total Current Liabilities	5,7	52	282
Total Liabilities	5,7	52	282
NET ASSETS		829	456
EQUITY			
Accumulated Surplus		686	313
Share Capital		143	143
TOTAL EQUITY		829	456

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 2019

	Initial Contribution by Owners \$'000	Accumulated Surplus \$'000	Total \$'000
2019			
Opening Balance	143	313	456
Net Surplus for Year	-	373	373
Balance at end of period	143	686	829

	Initial Contribution by Owners \$'000	Accumulated Surplus \$'000	Total \$'000
2018			
Opening Balance	143	385	527
Net Surplus for Year	-	(71)	(72)
Balance at end of period	143	313	456

CASH FLOW STATEMENT
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		1,548	1,600
Investment Income		7	4
<u>Payments</u>			
Operating payments to suppliers & employees		(1,190)	(1,764)
Net Cash provided by (or used in) Operating Activities		365	(160)
Net Increase (Decrease) in cash held		365	(160)
Cash & cash equivalents at beginning of period		174	334
Cash & cash equivalents at end of period	6	539	174

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 2019

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*.

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 2019

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 2019 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 16	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.)

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

At 30 June 2019, Council has no leases to which this treatment will need to be applied.

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 2 - INCOME

	2019	2018
	\$'000	\$'000
INVESTMENTS		
Interest Income	7	4
	<u>7</u>	<u>4</u>
REBATES		
Management Fees	1,056	1,054
	<u>1,056</u>	<u>1,054</u>
OTHER INCOME		
Reimbursements	270	641
	<u>270</u>	<u>641</u>

Note 3 - EXPENSES

	2019	2018
	\$'000	\$'000
MATERIALS, CONTRACTS & OTHER EXPENSES		
Advertising	0	1
Audit Fees	4	4
Catering	1	1
Contractors	40	45
Consultant Fees	92	532
Insurance	28	27
IT Expenses	23	34
Legal Fees	35	63
Membership Fees & Subscriptions	5	4
Motor Vehicle	2	2
Reimbursements - Salary & Wages	665	982
Rent	27	26
Sitting Fees	19	32
Sundry	13	13
Telephone	2	2
Training and Development	4	2
	<u>960</u>	<u>1,770</u>

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 4 - CURRENT ASSETS

	2019 \$'000	2018 \$'000
CASH & CASH EQUIVALENTS		
Cash at Bank	539	174
	<u>539</u>	<u>174</u>
RECEIVABLES		
Accounts Receivables	226	419
Accrued Income	116	143
Prepaid Expenses	-	2
	<u>342</u>	<u>564</u>
TOTAL CURRENT ASSETS	<u>881</u>	<u>738</u>

Note 5 - LIABILITIES

	2019 \$'000	2018 \$'000
TRADE & OTHER PAYABLES		
Creditors	28	120
Expenses Accrued	9	4
	<u>37</u>	<u>124</u>
OTHER CURRENT LIABILITIES		
Payable to Adelaide City Council	15	158
	<u>15</u>	<u>158</u>
TOTAL LIABILITIES	<u>52</u>	<u>282</u>

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

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.

	2019	2018
	\$'000	\$'000
Cash at Bank	539	174
Balances per Cash Flow Statement	539	174

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

Net Surplus	373	(71)
Net (increase)/decrease in Receivables	222	(95)
Net increase/(decrease) in Current Liabilities	(230)	6
Net Cash provided by (or used in) operations	365	(160)

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

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;

2018-19	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	1.9%	539	-	-	-	539
Receivables	0.0%	-	-	-	-	342
Total Financial Assets		539	-	-	-	881
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	52
Total Financial Liabilities		-	-	-	-	52

2017-18	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%	174	-	-	-	174
Receivables	0.0%	-	-	-	-	564
Total Financial Assets		174	-	-	-	738
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	282
Total Financial Liabilities		-	-	-	-	282

(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 summarised as follows;

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 hence, have not been considered.

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 8 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Chair of the Board, the Board, Independent Members of the Audit Committee and the CEO, Acting CEO and General Manager.

Salaries, allowances & other short term benefits paid by Council Solutions to KMP were \$232k (2018-19) and \$259k (2017-18)

The following qualifying related party disclosures have been identified in relation to the 2018-19 financial year

Related Party Entity	Amounts received from related parties during 2018-19 FY	Amounts outstanding from related parties as at 30 June 2019	Amounts outstanding to related parties as at 30 June 2019
	\$ '000	\$ '000	\$ '000
City of Adelaide	112	26	-
City of Charles Sturt	116	26	-
City of Marion	100	-	-
City of Salisbury	3	-	-
City of Tea Tree Gully	3	-	-
City of Onkaparinga	3	-	-

The above amounts received represent reimbursements of designated project costs paid by the above listed Constituent Councils to Council Solutions at various times throughout the year. These amounts have been approved by the Board and reported on as part of the ongoing annual budget setting and budget review process.

Council Solutions provides procurement services to the above listed entities.

Council Solutions Regional Authority
Certification Of Auditor Independence
for the year ending 30 June 2019

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 2019, the Council's Auditor, Ian G McDonald FCA, 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.



.....
Jeff Tate
CHAIR – Council Solutions

Date: 15 August 2019



.....
Mark Dowd
CHIEF EXECUTIVE OFFICER
City of Onkaparinga

Date: 12 August 2019




.....
Paul Sutton
CHIEF EXECUTIVE OFFICER
City of Charles Sturt

Date: 7/8/2019



.....
John Harry
CHIEF EXECUTIVE OFFICER
City of Salisbury

Date: 13/8/2019



.....
Tanya Johnston
Presiding Member of Audit Committee

Date: 15 August 2019



.....
Mark Goldstone
CHIEF EXECUTIVE OFFICER
Adelaide City Council

Date: 13/8/2019



.....
Adrian Skull
CHIEF EXECUTIVE OFFICER
City of Marion

Date: 12.8.19



.....
John Moyle
CHIEF EXECUTIVE OFFICER
City of Tea Tree Gully

Date: 9/8/2019

Council Solutions Regional Authority

ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2019

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 2019, 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 2nd day of August 2019

Ian G McDonald FCA

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 2019.

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 2019 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 2nd day of September 2019

www.creativeauditing.com.au

Ian 0419 620 906
ianmcdonald@creativeauditing.org

PO Box 75, Henley Beach SA 5022
ABN 13 550 494 869

Nancy 0408 832 848
nancytran@creativeauditing.org

Appendix B

Audit Committee Annual Report to the Board for the Year Ending 30 June 2019

Audit Committee

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

The function of the Audit Committee includes reviewing annual financial statements to ensure that they present fairly the Authority's state of affairs and reviewing the adequacy of financial management systems and practices.

This report provides a summary of activities undertaken by the Audit Committee during the Year Ending 30 June 2019.

Committee Membership and Meetings Attended

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

Member	Meetings Attended
Ms Tanya Johnston, Chair and Independent Member	4
Mr David Papa, Independent Member	4
Mr John Moyle, Board member	3
Mr Adrian Skull, Proxy Board Member	1

Activities

The Audit Committee is governed by a Terms of Reference with the work flow controlled by an Audit Committee Work Program. The Audit Committee Work program is updated after each meeting to reflect Committee achievements as well as to include actions arising from the meeting as well as from Board meetings.

The table that follows represents the completed work program for the meetings held in the year ending 30 June 2019.

Completed Work Program 2018/19

ACTIVITY	MEETING DATE
1. Financial Reporting	
<p>Monitor the integrity of the financial statement reports referred to below to review any significant financial reporting issues and judgements which they may contain.</p> <p>Specifically - review and challenge where necessary:</p> <ul style="list-style-type: none"> the consistency in application of, and/or any changes to, accounting policies; the method used to account for significant or unusual transactions where different approaches are possible; whether the Authority has followed appropriate accounting standards and made appropriate estimates and judgements, considering the views of the external auditor; the clarity of disclosure in the Authority's financial reports and the context in which statements are made; all information presented with the financial statements, such as the operating and financial review and the corporate governance statement (in so far as it relates to the audit and risk management); and significant adjustments to the financial report (if any) arising from the audit process. 	
1.1 Annual Financial Statements – 2017/18	Sep 2018
1.2 Financial Performance Report – 2017/18	Sep 2018
1.3 Budget Review #1 – 2018/19	Dec 2018
1.4 Annual Budget – 2019/20	Apr 2019 Jun 2019
1.5 Budget Review #2 – 2018/19	Apr 2019
1.6 Budget Review #3 – 2018/19	Jun 2019
2. Internal Controls and Risk Management Systems	
2.1 Review and comment on internal control policy and operational framework.	Dec 2018
2.2 Review and comment on updated risk register including the risk assessment framework used when completed.	Dec 2018
2.3 Review and comment on the disaster recovery plan as well as a business continuity plan when completed.	Dec 2018
3. Internal Audit	
3.1 Consider and make recommendations on the scope and function of an internal audit program suitable for an operational structure and size of Council Solutions.	Dec 2018

ACTIVITY	MEETING DATE
4. External Audit	
4.1 Liaise with the Authority's external auditor on the scope and planning of annual audits, including any issues arising from audits and the resolution of such matters.	Sep 2018
4.2 Review the findings of any external audit report that raises significant issues relating to risk management, accounting, internal controls, financial reporting and other accountability or governance issues and make recommendations to the Board where appropriate.	Sep 2018
4.3 All correspondence between the Auditor and Council is to be tabled for consideration. The audit committee will review and comment on the Authority's response to, and actions taken following issues raised from any external audit.	Ongoing
4.4 Ensure compliance with Clause 22 of the Local Government (Financial Management) Regulations 1999 regarding the prohibition of auditors providing additional non-audit services.	Sep 2018
4.5 Review and recommend the engagement of the Authority's external auditor, including the appointment, reappointment, and removal of the Authority's external auditor. The review should look to satisfy the Board that the external audit services can demonstrate adequate independence from the operations of the Authority.	Jun 2019
4.6 Chair of Audit Committee to meet with the Chair of the Board to discuss on-going matters with the parties would help identify risks from a governance perspective	Sep 2018
4.7 Chair of Audit Committee to meet with the external Auditors to discuss on-going matters with the parties would help identify risks from a governance perspective	Sep 2018
5. Reporting Requirements of the Audit Committee	
5.1 Ensure that significant, urgent matters identified through the work program are formally and promptly reported to the Board.	Ongoing
5.2 Table the minutes of Audit Committee meetings held as part of the agenda of the next Board meeting, ensuring recommendations are considered and adopted as required.	Ongoing
5.3 Prepare annually a report to the Board on the Audit Committees performance over the past year and include the report in the Annual Report of Council Solutions.	Sep 2018
5.4 Review its own performance and Terms of Reference on an annual basis.	Dec 2018

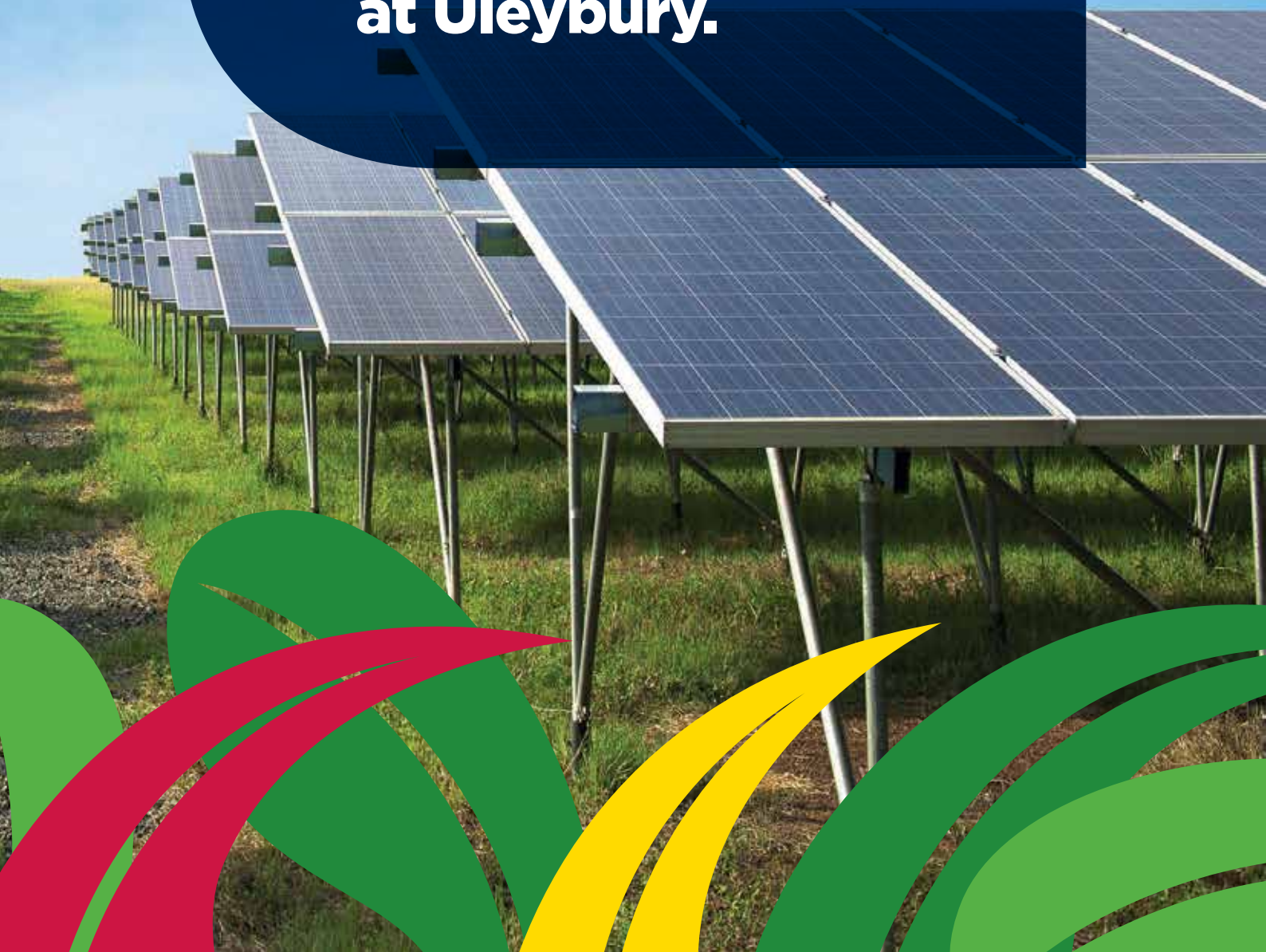
ACTIVITY	MEETING DATE
6. Other	
6.1 Set Audit Committee work program and Confirm meeting dates for 2019.	Dec 2018
6.2 Audit Committee Chairperson Appointment	Jun 2019
6.3 Management Fee Audit. Update Report.	Dec 2018
6.4 Review and comment on the following policies: <ul style="list-style-type: none"> • Petty cash/credit cards • Accounting/financial management • Procurement – contract and tendering • Financial delegations 	Dec 2018



Annual Report

2018-2019

**NAWMA is
taking leadership
on renewables
with an Australia
first investment in
a combined solar,
landfill gas farm
at Uleybury.**





2	Our Mission & Objectives
3	Report from the Independent Chairman
5	Report from the Chief Executive Officer
6	NAWMA's Northern Area Services Map
7	Governance
9	Resource Recovery Centres
11	Material Recovery Facility (MRF)
12	Circular Economy Landfills Of The Future
13	Food and Garden Organics
15	Hard Waste Service
17	Uleybury Balefill and Renewable Energy Park
19	Education and Customer Service
20	Audited Financial Report





Our Mission & Objectives

About NAWMA

We provide local waste management and resource recovery services and infrastructure of global significance. We do this on behalf of our Constituent Councils: City of Salisbury, City of Playford and Town of Gawler.

Mission

To deliver world-class recycling and waste management services to our Constituent and client Councils.

Objectives

Objective 1: Achieve best practice in diversion of waste from landfill

Performance indicators:

- All Constituent Council households to have a three-bin system by 2020
- Increase kerbside diversion from 45% to 70% by 2023
- Reduce the contamination rate of the kerbside recyclables bin to less than 10% by 2023

Objective 2: Advocate and facilitate a circular economy

Performance indicators:

- Recycle 100% of yellow bin (household) recovered material in Australia by 2020
- Engage with Constituent Councils to encourage the purchasing back half (by weigh) of their kerbside recovered recyclables in the form of sustainable procurement by 2023

Objective 3: Maintain cost-effectiveness in service delivery

Performance indicators:

- Reduce cost per Serviced Entitled Premise by 5% by 2023 (allowing for LGPI/CPI indexation, and excluding State Government Solid Waste Levy)
- Reduce cost per Constituent Council by 5% by 2023 (allowing for LGPI/CPI indexation, and excluding State Government Solid Waste Levy)
- Efficiently manage the life of the Uleybury Landfill, while investigating landfill alternative technologies in readiness for post closure

Report from the Independent Chairman



2018-2019 has been a successful year for NAWMA, in terms of financial, operational and reputational results. Our core business is to provide efficient and effective waste management and resource recovery services to our Constituent Councils, and our focus does not waiver from this task.

Each week we provide seamless kerbside collection services to some 115,000 properties, annually processing approximately 200,000 tonnes of recyclables, waste and organics, and enabling around 90,000 transactions at our public Resource Recovery Centres. Building on the growing nationwide recognition of NAWMA's integrated business model and achievements, NAWMA has hosted many government agencies and prominent private sector entities from across Australia and the globe.

- Green Industries South Australia Board, Chief Executive Officer, and Management Team
- Global Leadership Program on the Circular Economy (international delegates)
- Sustainability Victoria, Environment Protection Authority Victoria
- Environment Protection Authority NSW
- Overseas delegations from South Africa, New Zealand, United Kingdom, India and China

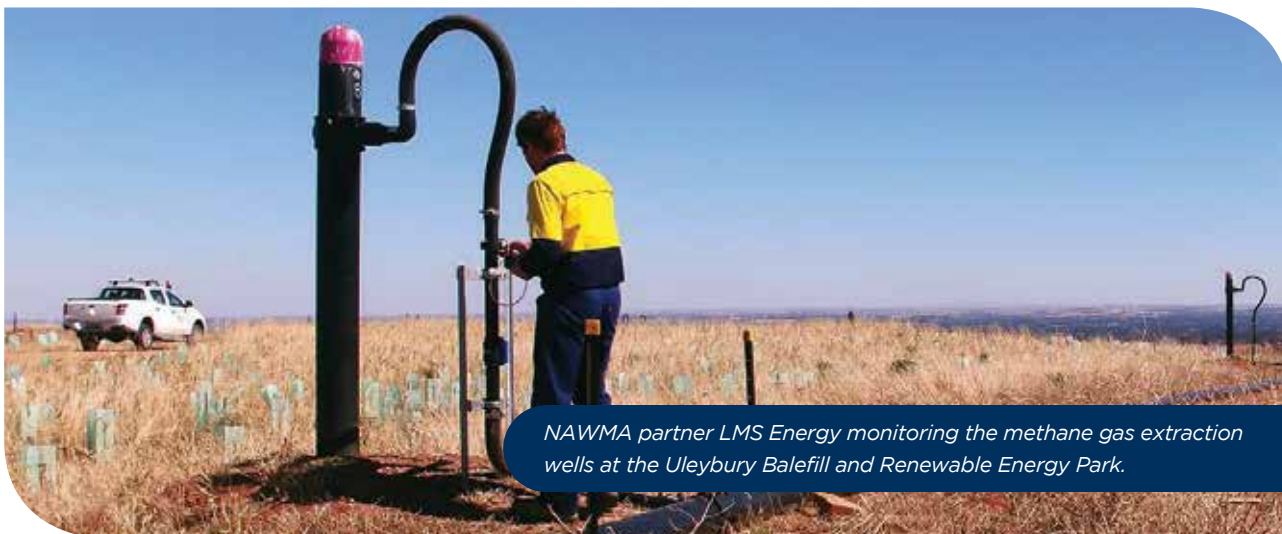


Some of these include:

- Premier of South Australia, the Honourable Steven Marshall
- Minister for Environment and Water, the Honourable David Speirs
- South Australian Government Environment, Resources and Environment Select Committee (in their function as the Parliamentary Inquiry into the South Australian Recycling Sector)

During the same period, NAWMA was represented on four (4) high level State Government advisory committees into various waste management and resource recovery matters, and provided written submissions to three (3) topical matters.

NAWMA is considered a thought leader in our field, and we cherish the opportunity to guide policy in order to stimulate economic and environmental activity in the Northern Region of Adelaide.



NAWMA partner LMS Energy monitoring the methane gas extraction wells at the Uleybury Balefill and Renewable Energy Park.

Across 2018-2019, NAWMA received \$1.75M in grant funding in order to future proof our Material Recovery Facility (MRF). While the improvement projects are still on foot, this investment will see the introduction of South Australia's first glass recovery plant, first artificial intelligence robotics, and a significant expansion of our footprint in the Edinburgh Parks Industrial Estate.

We are proud of the fact we provide employment for some 80 full time equivalent employees (FTEs) at our MRF, and we are equally proud of our headway in meeting our commitment to 100% processing of yellow-top bin recyclables on Australian shores by 2020. Through prudent market identification and development, NAWMA is approximately 80% onshore with recyclables processing. While others looked to secondary (and often unstable) Asian markets, NAWMA pivoted hard and early to stimulate jobs and economic activity through the domestic reprocessing of paper, plastics, metals, and glass.

Not one to rest on our recycling achievements, NAWMA was awarded the 2018 Landfill Excellence Award for our Uleybury Balefill and Renewable Energy Park. As recognition for this best in class landfill and Australia's first combined solar thermal and landfill gas renewable energy facility, this award was given by the peak industry body Waste Management & Resource Recovery Association of Australia. NAWMA is a net exporter of electricity from this facility, proving that even waste is seen as a resource by NAWMA.

Testament to prudent fiscal management by the NAWMA Board, Audit Committee and Management Team, NAWMA has grown its revenue base significantly to a \$34M turnover, and delivered a mostly balanced budget in what was another

turbulent year for the resource recovery sector. We have grown our Client Council base and now some 28 Councils are utilising the NAWMA MRF, and we proudly provide access to this facility for most of rural and regional South Australia. NAWMA has bedded down the operational management of the Pooraka Resource Recovery Centre, and will soon embark on a modernisation of this facility in partnership with City of Salisbury.

I would like to take this opportunity to thank the NAWMA Board for their leadership, strategy development, and financial management. My thanks also go to the NAWMA Audit Committee, Technical Working Group, Constituent Councils Mayors, elected representatives and Chief Executive Officers. Finally, to NAWMA Chief Executive Officer Adam Faulkner and his excellent Senior Management Team, I provide my full endorsement and praise on behalf of the Board for an outstanding year of achievement in delivering the 2018-2025 NAWMA Strategic Plan.

I look forward to another successful year in 2019-2020, and as Independent Chairman of the NAWMA Board, I commend this Annual Report.



Brian Cunningham
Independent Chairman

Report from the Chief Executive Officer

Under the guidance and leadership of Brian Cunningham and the NAWMA Board, NAWMA embarked in 2018-2019 on delivering the bold commitments outlined in the 2018-2025 NAWMA Strategy.

As Australia's first jurisdiction to publicly commit to reprocessing 100% of yellow-top bin recyclables in Australia by 2020, NAWMA has stimulated local and interstate markets, and kept these valuable resources onshore. We have partnered with domestic paper mills, plastic reproducers, and glass beneficiary plants, to turn our residents' recyclables back into Australian commodities. This has been achieved through an unwavering commitment to jobs in our region, and we proudly employ over 80 FTEs across all of our operations in the northern suburbs of Adelaide.

On behalf of our Constituent Councils of City of Salisbury, City of Playford and Town of Gawler, NAWMA operates:

- Uleybury Balefill and Renewable Energy Park
- Edinburgh North Waste Processing Facility
- Edinburgh North Resource Recovery Centre (which will imminently host the region's first free household chemical and paint drop off facility)
- Material Recovery Facility, Edinburgh
- Environmental Education Centre, Edinburgh
- Pooraka Resource Recovery Centre

We provide:

- Kerbside household collection of waste, recyclables, organics, and hard waste
- Customer Service Centre
- Recycling Education and Behaviour Change Programs

During the 2018-2019 year, NAWMA modernised the way we interact with our residents, through an updated website, mobile phone app (My Local Services), and SMS functionality for hard waste vouchers. NAWMA has a very lean administration, and I am very proud of our team for their pursuit of customer service excellence.

With a growing reputation as a resource recovery thought leader, NAWMA was invited to present keynote addresses at the Local Government Association Best Practice Showcase, Waste Essentials for Elected Members, and the Waste Management & Resource Recovery Association of Australia State Conference. This was in addition

to chairing a session of the International Solid Waste Association World Congress in Kuala Lumpur and hosting participants from the Global Leadership Program on the Circular Economy.

In early 2019, NAWMA was selected as the preferred tenderer for the receipt and processing of recyclables from seven (7) large metropolitan Adelaide Councils. This took the number of Councils serviced at our Material Recovery Facility to 28, testament to the leadership shown by the NAWMA Board and Constituent Councils in owning and operating the only local government Material Recovery Facility in South Australia.

Our Uleybury Balefill received a well-deserved national award for innovation, and we integrated the Pooraka Resource Recovery Centre into our operations in a seamless manner.

Our key driver is diverting as much waste away from landfill, and we look forward to continuing to partner with our Constituent Councils and residents in the responsible use of the kerbside household three bin system. While we have achieved much in 2018-2019, we still have a huge challenge in meeting our target of 70% household landfill diversion by 2023 while reducing contamination to less than 10% in the same time period.

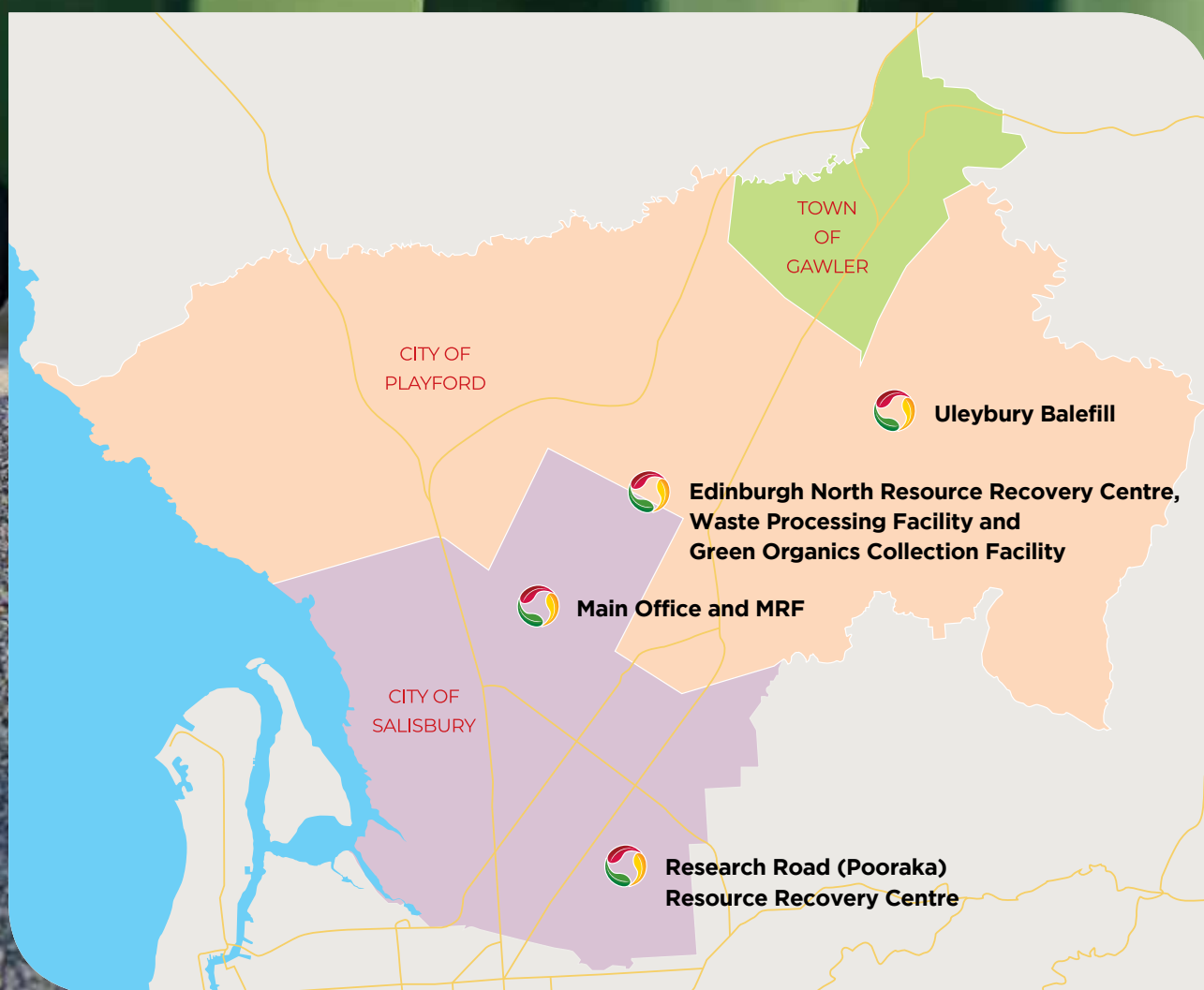
In closing I would like to thank the NAWMA Board, Audit Committee, Technical Working Group, for their governance and leadership, and I would personally like to acknowledge the support provided by the Constituent Council Chief Executive Officers.

Lastly (but not least!) I give my resolute thanks to our team at NAWMA.



Adam Faulkner
Chief Executive Officer

NAWMA's Northern Area Services Map



NAWMA

Governance

NAWMA is administered by a Board in accordance with the requirements of the Local Government Act (1999), the NAWMA Charter and various other policies. The Board are responsible for the overall governance, management and strategic direction of the Authority.

The Board meets bi-monthly and drives organisational performance to deliver efficient, best practice service and facilities to our Constituent Councils.

As defined by the NAWMA Charter, the membership of the Board comprises of ten (10) Directors -three Directors appointed by each of the Constituent Councils, and one independent person appointed by the Board who acts as Chair. The Board appoints a Chief Executive Officer who is responsible for implementing the decisions made by the Board and the day to day operations of the Authority.

The Board held four formal meetings over the 2018-2019 financial year. Due to the Local Government elections in late 2018 and the implications upon Board Director term expiry dates, the NAWMA Board was inactive between October and December 2018. Unfortunately, a quorum was not reached for the scheduled January 2019 meeting.

The table below details Board Member attendance at the four (4) meetings. Several other matters were resolved by Circular Resolutions out of Board Meeting frequency.



Mr Brian Cunningham
Independent Chair
4 of 4 meetings



Mr Sam Green
City of Playford
4 of 4 meetings



Cr Shirley Halls
City of Playford
4 of 4 meetings



Ms Grace Pelle
City of Playford
2 of 3 meetings¹



Mr Charles Mansueto
City of Salisbury
3 of 4 meetings



Cr Julie Woodman
City of Salisbury
4 of 4 meetings



Cr Graham Reynolds
City of Salisbury
3 of 3 meetings²



Mr Henry Inat
Town of Gawler
3 of 4 meetings



Cr Paul Koch
Town of Gawler
4 of 4 meetings



Cr Paul Little
Town of Gawler
2 of 3 meetings²

Board Member		Meetings
Cr Clint Marsh	City of Playford	1 of 1 [#]
Cr David Balaza	City of Salisbury	1 of 1 ³
Cr Marilyn Nicolson	Town of Gawler	0 of 1 ³
Cr Diane Fraser	Town of Gawler	1 of 2 [#]

¹ Elected to Board February 2019

² Elected to Board November 2018

³ Board term completed November 2018

[#] Deputy Board Directors only attend meetings as required

Audit

In accordance with the requirements of the Local Government Act (1999), NAWMA has an established Audit Committee.

The functions of the Committee include:

- Monitoring the integrity of the financial statements of NAWMA, including its annual report, reviewing significant financial reporting issues and judgements which they contain;
- Reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of NAWMA on a regular basis; and

- Reviewing and providing recommendations to NAWMA on the sustainability of its financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.

The membership of the Audit Committee consists of six (6) members, three (3) members who are independent members (including the Chair), two (2) members who are NAWMA Board Directors, and the NAWMA Board Chair as an Ex-Officio member.

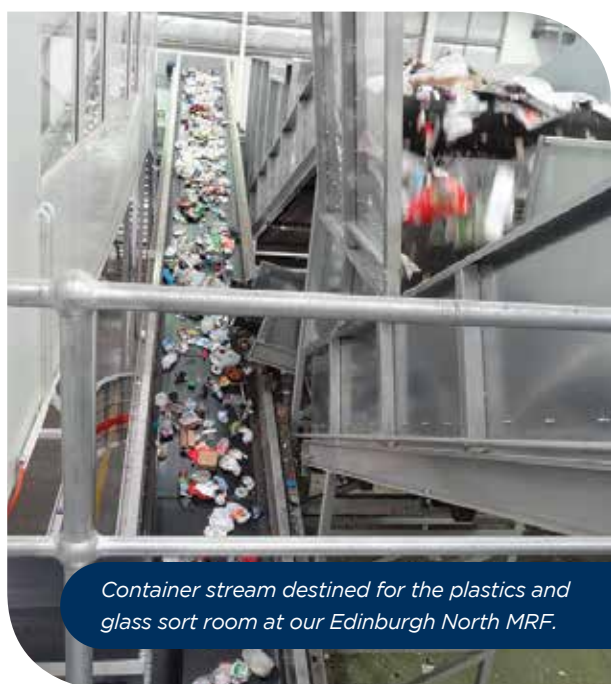
The Audit Committee held five (5) formal meetings over the 2018-2019 financial year including one (1) joint meeting with the NAWMA Board. The table below details Audit Committee Member attendance at these meetings:

Board Member		Meetings
Mr Peter Brass	Independent Chair	5 of 5
Mr Mark McAllister	Independent Member	4 of 5
Mr Mark Labaz	Independent Member	5 of 5
Mr Charles Mansueto	Board Director	3 of 3 ¹
Cr Graham Reynolds	Board Director	2 of 2 ²
Mr Brian Cunningham	Ex-Officio Member	4 of 5

1 Elected to Audit Committee February 2019

2 Elected to Audit Committee May 2019

The Audited Financial Statements for the year ended 30 June 2018 are provided from page 21.



Container stream destined for the plastics and glass sort room at our Edinburgh North MRF.

Technical Working Group

NAWMA's Technical Working Group (TWG), comprised of an Executive from each Constituent Council, meets ad-hoc to discuss any operational or strategic matter that has arisen for the Authority.

The TWG provide guidance and advice to NAWMA's Management and throughout 2018-2019 have been instrumental in implementing a number of the Authority's major achievements, particularly the Strategic Plan 2018-2025.

The membership of the Technical Working Group is based upon skillset, and various Constituent Council Executives are called upon determined by the matters at hand.

Resource Recovery

Resource Recovery Centres



NAWMA operates two Resource Recovery Centres (RRCs) within the northern community, which are open to the public seven days a week.

NAWMA's Edinburgh North Resource Recovery Centre continues to provide a number of important resource recovery services. The facility houses:

- A drive-through undercover Resource Recovery Centre for materials recovery,
- A Salvage and Save retail outlet operated by Mobo Group in association with NAWMA, with this outlet providing employment for the community and reuse of valuable household resources; and
- A recycling service for bottles and cans operated by Scouts SA.

Working in conjunction with Green Industries South Australia (GISA), a household chemical and paint drop-off area will open at this site in September 2019. The site will be open to all South Australian residents and will increase options for disposal of household volumes of chemical material and paint. The free service will operate seven days a week.

In addition to the Edinburgh North Resource Recovery Centre, NAWMA took over management of the Pooraka Resource Recovery Centre that was historically managed by City of Salisbury on 2 July 2019. The change in management has provided an opportunity for consistent messaging and harmonised pricing structures for both of NAWMA's

Resource Recovery Centres. This facility houses a drive through undercover Resource Recovery Centre and is earmarked for an upgrade during the 2019/20 financial year.

NAWMA has spent considerable time this year sourcing options for further resource recovery to avoid waste to landfill. In addition to existing items, both the Edinburgh North RRC and the Pooraka RRC are now able to accept globes, fluorescent tubes, batteries, x-rays and paint for recovery.

Following are details of combined operations of the two Resource Recovery Centres for the year ended 30 June 2019:

- Over 90,000 customers accessed the facilities delivering green waste and general waste,
- Over 7,500 tonnes of material was transported to SUEZ-ResourceCo for processing into Refuse Derived Fuel (RDF),
- Over 3,000 mattresses were recovered and recycled,
- Over 2,400 tyres were collected and recycled; and
- Over 120,000 litres of paint was disposed of safely.

Each Year **NAWMA...**



Delivers services to
more than

100,000

households within
the Cities of Salisbury
and Playford and the
Town of Gawler



Generates

11,000

MWh of electricity to
power 1,900 SA homes
from Australia's first landfill
gas and solar power plant
at a landfill site



Recovers

37,000

tonnes of organic
material which is sent
for composting in South
Australia



Processes

86,000

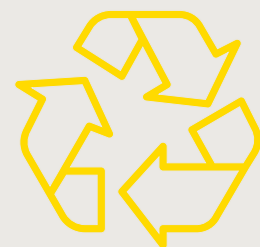
tonnes of landfill material



Provides
employment
for nearly

80

people



Sorts

55,000

tonnes of recyclables



Provides more than

16,000

hard-waste services

Resource Recovery Material Recovery Facility (MRF)

NAWMA houses the only local government owned and operated Material Recovery Facility (MRF) in South Australia, and one of few in Australia.

Our world-class, best practice facility sorted more than 50,000 tonnes of kerbside recyclables during the 2018-2019 meaning NAWMA was able to produce high quality finished goods such as paper, plastics, glass, aluminium and steel. These products were marketed locally, interstate and internationally.

Economically, the MRF provided a significant revenue stream for NAWMA's Constituent Councils, while reducing exposure to the commercial recycling industry. At a time when the recycling industry was severely challenged, a two-shift five-workday team of 22 sorters per shift, processed kerbside recyclables from NAWMA's Constituent Councils, in addition to material from more than 28 Councils from both metropolitan and regional South Australia.

Everyday trucks from NSW come to Adelaide to deliver paper-rolls that make the Messenger and Advertiser newspapers and return empty.

As part of the new deal, these trucks collect paper sorted from yellow-lid recycling bins at NAWMA's Edinburgh MRF, which handles up to 60 tonnes of paper per day.

The recovered paper is transported to NSW to recycle into new packaging and paper-rolls, which are brought back to Adelaide as part of the trucks' regular run. To ensure the high quality of paper required by the mill, NAWMA invested in a state-of-the-art baler to help bale separated cardboard from the paper stream.



NAWMA is the first local government jurisdiction in Australia to make the commitment to 100% onshore recyclables secondary reprocessing by 2020. This places NAWMA, its Constituent Councils and partner Councils at the forefront of driving the circular economy and sustainable procurement agenda.

NAWMA has already signed multi-year supply agreements with domestic South Australian processors for recovered steel, aluminium, glass and container deposit PET.

One of our biggest achievements of the 2018-2019 year was the signing of a supply agreement with an Australian paper mill in September 2018.

The initiative has several positive aspects including:

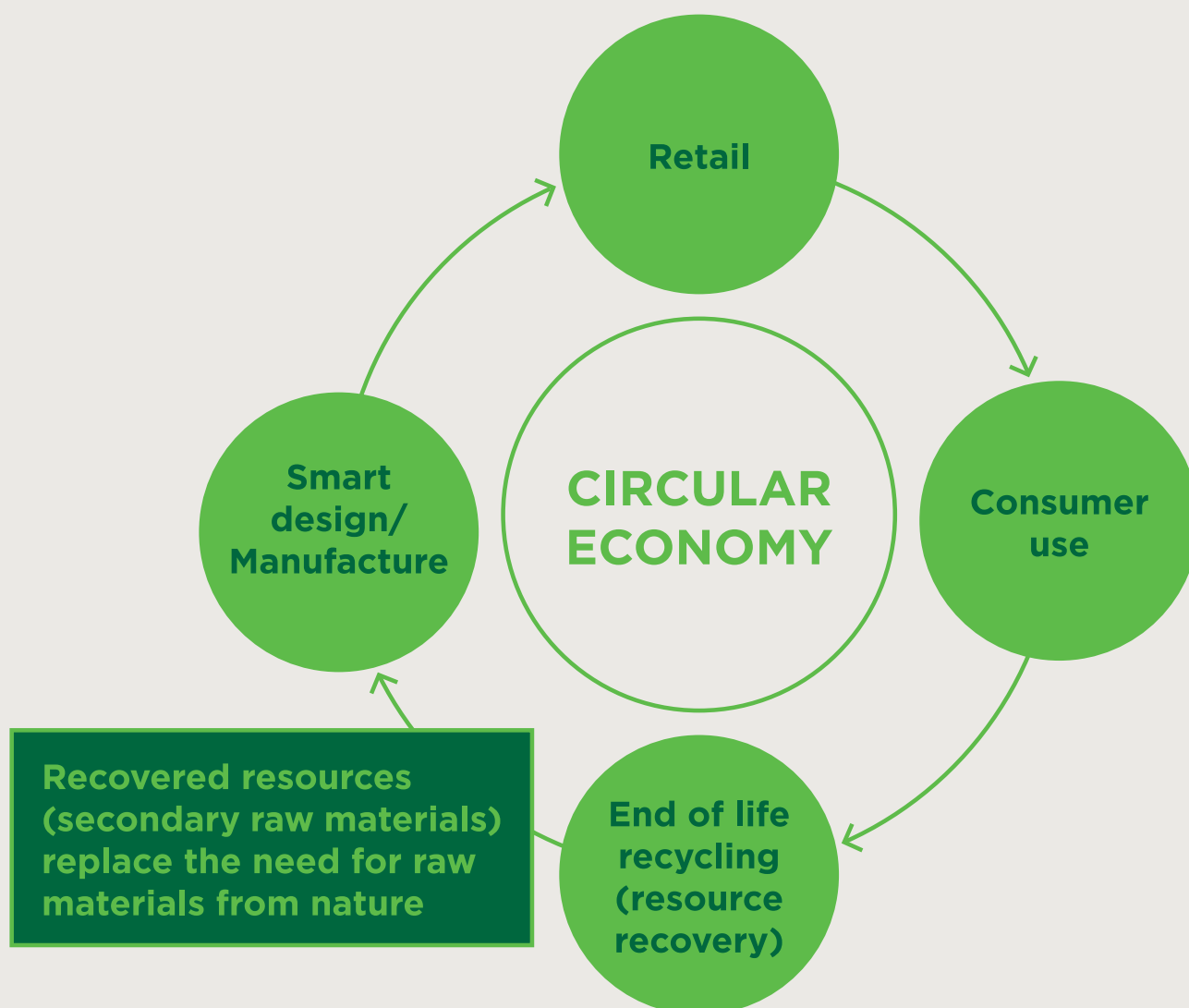
- extending the useful life of a valuable resource (paper), meaning less trees are destroyed for paper manufacture
- creating new jobs at NAWMA's Edinburgh MRF
- reducing greenhouse gas emissions associated with transport as resources are kept in Australia for processing, not sent overseas.

The commitment to local jobs, remanufacturing and the push to a circular economy is a credit to NAWMA's Technical Working Group, Board and Constituent Councils.

Circular Economy

Landfills Of The Future

**Will we need landfills in the future?
At this stage yes, but eventually they
may be very different.**



By emulating the earth's natural systems, global economic development can be separated from finite resource consumption.

Ultimately, this means little to no waste is generated when items are manufactured using smart design and components are reused efficiently.

One of NAWMA's Guiding Principles is circular economy practices.

Our aim is to extract the maximum value from discarded items and support the local processing of recovered materials.

If we change our current practices so that we save and reuse resources, rather than throwing them away, the future of landfills might be very different. **Indeed, as with nature, there might be no landfills at all...**

Resource Recovery

Food and Garden Organics

NAWMA's Food and Garden Organics (FOGO) collection is an opt-in service for the residents of our three Constituent Councils. The service continues to grow in popularity with more than 63,000 FOGO bins currently in service, with an overall participation rate of almost 64%.




The kerbside collected organic material is transported to our Edinburgh North facility by Suez (NAWMA's kerbside collection contractor) using side-loader vehicles, specifically designed for the kerbside collection of bins.

The material is stored short-term, undercover at this location before being bulk-hauled by sealed vehicles to one of Peats Soils and Garden Supplies facilities. The material is processed by Peats into mulch and compost products.

Many of these products are used in large-scale operations such as vineyards and market gardens.

This financial year Peats processed more than 20,000 tonnes of kerbside collected material with another 6,000 tonnes of material sent for processing via NAWMA's Resource Recovery Centres.

The following table outlines the kerbside tonnes collected and diverted from landfill for the 2018/2019 financial year:

	 Waste	 Recycling	 FOGO	TOTAL	Diversion
Playford	18,652	6,803	5,054	30,509	39%
Salisbury	29,957	10,137	13,617	53,711	44%
Gawler	5,241	1,785	2,071	9,097	42%
Total (Tonnes)	53,850	18,725	20,742	93,317	42%



Food and Garden Organics disposal at our Edinburgh North site.

NAWMA

Hard Waste Service Education

HARD WASTE SERVICE

GET RID OF THINGS
THAT YOU DON'T NEED
FOR FREE



To find out more, call NAWMA on 8259 2100
and speak to someone about HARD WASTE



MAKING
HARD
WASTE
EASY!



MORE SERVICE.
MORE CHOICE.

HARD WASTE SERVICE

2 FREE PER FINANCIAL YEAR



Drop off material at:

Resource Recovery Centre (Public Waste Transfer Station)
Open Monday to Friday 8am - 4pm - 7 days a week
Or:
63 - 75 Research Road, Pooraka
Open 8am - 4pm 7 days a week.
Note: both sites are closed New Year's Day, Good Friday, Anzac Day and Christmas Day.

No more
than 2m long,
1m high and
1m wide



HARD WASTE SERVICE

آیا می دانستید شما می توانید به طور
مجانی از دست وسایلی که دیگر لازم
ندارید خلاص شوید؟



برای اطلاعات و معلومات بیشتر با اداره ناورما (NAWMA) 8259 2100 تماس
گرفته و با آنها درباره Hard Waste (هارد ویست) صحبت کنید.



HARD WASTE SERVICE

उन वस्तुओं का निपटान
मुफ्त में करें जिनकी
आपको ज़रूरत नहीं है।



और अधिक जानकारी के लिए, NAWMA को 8259 2100 पर
फोन करें और Hard Waste के बारे में निम्नी से बात करें।



HARD WASTE SERVICE

免费
处理您不需要的物件



详细情况, 请致电 NAWMA (8259 2100)
要求了解有关 HARD WASTE 的信息。



Resource Recovery

Hard Waste Service



1,970
tonnes of hard waste
and 5,000 mattresses
were collected in
2018-19



NAWMA continued to operate the hard waste collection services for both City of Salisbury and City of Playford during the 2018/2019 financial year. An efficiency overhaul of the hard waste system was implemented on 1 July 2019 with residents now able to utilise an at-call hard waste collection service.

This revitalised system replaced the historic suburb-by-suburb basis approach used in prior years. The new at-call collection service provides a reduction in wait time and allows residents to have their hard waste collected at a time convenient to their needs. The change in service has proved popular with the service accessed by over 19,000 residents across the two Councils, almost a 25% increase to the previous financial year.

The improved service level for collections was rolled out at the same time as another efficiency, the SMS message drop-off system for hard waste drop-offs. The SMS message voucher system is a real time system that allows residents to be sent a unique voucher number while on the phone to the NAWMA Customer Service Team. This SMS message can then be presented at either of the two Resource Recovery Centres to redeem the voucher service. The change in this system means the resident no longer has to have a physical voucher mailed or collected, providing more convenience. Over 9,000 vouchers were redeemed in 2018-2019.

Material collected as part of the two (2) hard waste services also provides employment benefits for the broader community. Examples of this include:

- E-waste recovered is recycled via E Cycle SA, one of the first e-waste recycling companies operating in Australia

- Metal recovered is recycled via Sims Recycling
- Mattresses recovered are recycled by a small local company, collecting re-usable material from each mattress collected with any non-recoverable material going to an alternative Energy from Waste facility
- Residual material recovered via the voucher system is recycled where possible with any residual being sent to an alternative fuels facility

In conjunction with NAWMA, the 2018-2019 year saw Town of Gawler undertake a hard waste service trial with a selected group of residents.

The 2019-2020 year will see all residents of Town of Gawler having access to this service.

In 2018-2019 a total of 1,970 tonnes of hard waste was collected, in addition to over 5,000 mattresses.

NAWMA also implemented a new free trailer-hire service for residents of the Cities of Playford and Salisbury who have hard waste items to recycle but no access to their own trailer.

Residents can borrow a 6x4 caged trailer from either of NAWMA's two Resource Recovery Centres to transport hard waste as part of their drop-off service.

This service was used more than 100 times in its first six months.



Uleybury Landfill

Responsible Landfill Management



The Uleybury landfill is owned and operated by the Northern Adelaide Waste Management Authority (NAWMA). It is situated on the site of a former quartzite quarry and has been in use since 2005.

It is a best-practice landfill (balefill) operation with strict adherence to monitoring and controls, which protect the surrounding environment.

NAWMA's Uleybury Balefill and Renewable Energy Park is the first combined solar – landfill gas farm of its type in Australia and continues to generate power for the local community using over 11,000 solar panels and gas extracted from 18 vertical wells and a network of horizontal wells in the active cell area. NAWMA, with its South Australian partner Joule Energy, has committed to turning a once untapped waste product into a resource.



The following outlines the power generation and gas consumption during the financial year:

- Over 1.8M kilowatt hours of power exported to the power network from solar panels,
- Solar power run time peaking during the month of November 2018 with 460 run hours,
- Over 7M kilowatt hours of power exported via the gas generation engine,
- Over 4.4M m3 of landfill gas used as energy to power gas engine; and
- The accumulated total power generation close to 9M kilowatt hours.

The Balefill Management Consultative Committee (BMCC), chaired during the year by Cr Paul Koch (Town of Gawler) and most recently Cr Paul Little (Town of Gawler), continues to meet bi-monthly. The Committee provides nearby residents, Council, the EPA and NAWMA the opportunity to discuss topics relating to the site and its operations.

Meeting minutes and supporting documents are distributed to nearby residents and Council.

Following the removal of valuable resources from the waste stream, 79,000 tonnes were deposited to the Uleybury Balefill and Renewable Energy Park in 2018-2019. Almost 74,000 of these tonnes were processed and baled at NAWMA's Edinburgh North Waste Processing Facility (WPF). The site bales the material and transports it to Uleybury, with over 200 bales transported on average per day.

In March 2019 NAWMA was presented a prestigious national award for its visionary management of the Uleybury Balefill and Renewable Energy Park. Judges from the Waste Management and Resource Recovery Association of Australia (WMRR) acknowledged the site as a world-class landfill with pioneering developments.

Placement of bales in Cell 3 (the final cell) started in 2016 with the revegetation of the site (Cells 1 and 2) well underway.

New Website Launched September 2018



NAWMA's Education and Customer Service

In 2018/19, NAWMA continued to develop its newly branded suite of community education resources. Information to the community also occurred via different channels including Constituent Council Facebook pages, adverts in local media and posters in local community centres and libraries.

The NAWMA website was launched in September 2018 and provides up-to-date information on all of NAWMA's operations and services as well as a range of options for booking services online. As at June 2019, the website was receiving almost 10,000 visits per month. NAWMA also made bin collection reminders and recycling tips available via the free My Local Services app.

Residents from NAWMA's Constituent Councils continued to visit NAWMA's facilities to see operations firsthand. These tours and many face-to-face presentations to community groups enabled participants to gain a better understanding of NAWMA's goals and commitments as well as services that are available to them.

Plans are in place to further engage with the community through the development of a corporate video and the creation of an education facility.

NAWMA's Customer Service Team (CST) continued to grow as operations expanded. This year NAWMA

introduced a Team Leader Administration to oversee the functions of the CST and the team now consists of 5.6 full-time equivalent employees. Casual employees attend to residents who visit the Resource Recovery Centres on weekends.

The team responds to all resident and Council enquiries ranging from missed bins, bins requiring repair or replacement, recycling tips and the hard waste collection and drop-off services. The team were instrumental in the successful implementation of the change to the hard waste service frequency and the SMS message hard waste drop-off system.

In the 2019/2020 year, the CST will aim to implement a new Customer Relationship Management (CRM) program to enable NAWMA to form a history with its residents and better tailor the specific resource recovery services required.

Positive relationships with residents are at the forefront of NAWMA's operations to ensure efficient and effective Customer Service.



Resource Recovery Manager Danial Dunn hosting a tour of the MRF.

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Gawler





NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

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 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

Adam Faulkner
CHIEF EXECUTIVE OFFICER

Brian Cunningham
CHAIRPERSON

Date: 19 September 2019



STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
INCOME			
User charges	2	33,758	29,026
Investment income	2	209	108
Reimbursements	2	67	77
Other	2	-	131
Total Income		34,034	29,342
EXPENSES			
Employee costs	3	2,753	2,191
Materials, contracts & other expenses	3	29,756	25,524
Finance costs	3	351	373
Depreciation, amortisation & impairment	3	1,394	1,449
Total Expenses		34,254	29,537
OPERATING SURPLUS / (DEFICIT)		(220)	(195)
transfer to Equity Statement			
Asset disposal & fair value adjustments	3	(9)	(1)
Amounts received specifically for new/upgraded assets		233	115
NET SURPLUS / (DEFICIT)		4	(81)
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	45
Total Other Comprehensive Income		-	45
TOTAL COMPREHENSIVE INCOME		4	(36)

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



STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,613	1,061
Trade & other receivables	4	3,172	2,689
Stock on Hand		64	49
Total Current Assets		5,849	3,799
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	14,709	15,567
Financial Assets	5	-	1,018
Total Non-current Assets		14,709	16,585
Total Assets		20,558	20,384
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	3,410	2,271
Provisions	7	191	263
Borrowings	7	1,186	1,079
Total Current Liabilities		4,787	3,613
Non-Current Liabilities			
Borrowings	7	6,318	7,415
Provisions	7	2,698	2,605
Total Non-current Liabilities		9,016	10,020
Total Liabilities		13,803	13,633
NET ASSETS		6,755	6,751
EQUITY			
Accumulated Surplus		6,095	6,091
Asset Revaluation Reserve		660	660
TOTAL EQUITY		6,755	6,751

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
2019			
\$'000			
Balance at end of previous reporting period	6,091	660	6,751
Net Surplus/ (Deficit) for Year	4	-	4
Other Comprehensive Income			
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period	6,095	660	6,755

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
2018			
\$'000			
Balance at end of previous reporting period	6,172	615	6,787
Net Surplus/ (Deficit) for Year	(81)	-	(81)
Other Comprehensive Income			
Gain on revaluation of infrastructure, property, plant & equipment	-	45	45
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period	6,091	660	6,751

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



STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		33,342	28,933
Investment receipts		209	108
Payments			
Operating payments to suppliers & employees		(31,429)	(28,338)
Finance payments		(351)	(323)
Net Cash provided by (or used in) Operating Activities	8	1,771	380
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		233	115
Disposal of Investments		1,018	-
Sale of surplus assets		-	5
Payments			
Expenditure on new/upgraded assets		(480)	(6,075)
Purchase of Investments		-	(1,018)
Net Cash provided by (or used in) Investing Activities		771	(6,973)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings		-	4,454
Payments			
Repayments of Borrowings		(990)	(1,082)
Net Cash provided by (or used in) Financing Activities		(990)	3,372
Net Increase (Decrease) in cash held		1,552	(3,221)
Cash & cash equivalents at beginning of period	8	1,061	4,282
Cash & cash equivalents at end of period	8	2,613	1,061

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian 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 Woomera Avenue, Edinburgh Park SA 5111.

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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

Plant, Furniture & Equipment	5 to 10 years
Buildings	30 years
Infrastructure:	
Waste Facility	10 to 20 years
Landfill Construction	Amortised proportionately to rate of filling

5.5 Land Assets

As at 30 June 2018, an independent valuation was undertaken on all Land and Building assets held by the Authority. The independent valuation was undertaken by AssetVal Pty Ltd and valued land and building assets to the current market value.

Given the material value of Land and Building assets subsequent to the valuation performed, Land and Building assets are shown as a separate class of asset and disclosed accordingly in Note 6.

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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

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 2017/18; 9.5% in 2016/17). 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, , Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to 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.

An independent assessment of the Authority's landfill capping and post closure rehabilitation obligations was undertaken by Golder Associates Pty Ltd as at 30 June 2018.

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. The next independent review is to be undertaken in 2019/20.

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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

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.

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. Certain new accounting standards have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

The Authority believes that the introduction of AASB 16 Leases will have a material impact on the future reported financial performance and position. It is estimated that a Right-of-Use Asset and equivalent Lease Liability of \$5.757 million will be recorded as at 1 July 2019. As a result of the introduction of AASB 16, it is estimated that Operating Expenses will increase by an estimated \$0.25 - \$0.3 million in FY2020 to account for the different accounting treatment of its operating leases compared to the current adopted policies of the Authority.

Given the nature and terms of the Authority's contracts and services it provides to its customers, the introduction of AASB 15 Revenue from Contracts is not assessed as having any impact on existing accounting policies given there is no deferral of revenues nor ongoing specific performance obligations which need to be met. As the Authority is a not-for-profit, AASB 1058 is applicable as from 1 July 2019, however, given the nature of the operations it is not expected to have an impact on the existing accounting policies of the Authority.

14 Stock on Hand

The Authority records stock on hand as at reporting date to reflect the value of stockpiled recycled finished goods held. The value attributed to stock items is based on the expected sale price of goods held based on existing contract rates held with customers and/or public market rates, whichever is applicable.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$'000	2018 \$'000
USER CHARGES			
Waste Management Operations		33,758	29,026
		<u>33,758</u>	<u>29,026</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		39	44
Rental income		170	64
		<u>209</u>	<u>108</u>
REIMBURSEMENTS			
Reimbursement		-	11
Fuel Tax Credit Reimbursements		67	66
		<u>67</u>	<u>77</u>
OTHER INCOME			
Promotional Income		-	131
		<u>-</u>	<u>131</u>

Note 3 - EXPENSES

EMPLOYEE COSTS

Salaries and Wages	2,362	1,663
Employee leave expense	4	70
Superannuation	214	166
Workers' Compensation Insurance	31	72
Allowances	-	20
Other	142	200
Total Operating Employee Costs	<u>2,753</u>	<u>2,191</u>

MATERIALS, CONTRACTS & OTHER EXPENSES

Prescribed Expenses		
Auditor's Remuneration		
- Auditing the financial reports	18	16
- Other Services	-	5
Bad and Doubtful Debts	-	32
Lease costs	1,378	1,083
Subtotal - Prescribed Expenses	<u>1,396</u>	<u>1,136</u>
Other Materials, Contracts & Expenses		
Promotions	22	125
Bank Fees	33	19
Landfill Royalty	213	226
Contractors	18,535	15,618
Electricity	266	225
Environmental Protection Agency Levy	7,818	6,847
Fuels & Oils	281	179
Professional services	279	466
Waste Recycle Bins	360	242
Administration & Other Expenses	553	441
Subtotal - Other Materials, Contracts & Expenses	<u>28,360</u>	<u>24,388</u>
	29,756	25,524

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

Note 3 - EXPENSES (cont)

	Notes	2019 \$'000	2018 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Waste Processing Facility		222	167
Uleybury Landfill Plant & Equipment		29	28
Education Program Plant & Equipment		1	1
Office Furniture & Equipment		28	18
Property & Improvements		15	15
Landfill Cell Stage Three		297	409
Landfill Capping Stage Three		119	71
Post Closure Rehabilitation		71	147
Buildings		130	120
Material Recovery Facility		482	341
Impairment - Buildings		-	132
		1,394	1,449

FINANCE COSTS

Interest on Loans and Overdraft		351	373
		351	373

INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Assets renewed or directly replaced

Proceeds from disposal		-	5
Less: Carrying amount of assets sold		(9)	(6)
Gain (Loss) on disposal		(9)	(1)

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank		1,552	725
Deposits at Call		1,061	336
		2,613	1,061

TRADE & OTHER RECEIVABLES

Debtors - general		3,025	2,701
Less: Provision for Doubtful Debts		-	(32)
Accrued Revenues		147	6
Prepaid Expenses		-	14
		3,172	2,689

Note 5 - OTHER FINANCIAL ASSETS

FINANCIAL ASSETS

		-	1,018
Term Deposit		-	1,018



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (Cont)

	2018 \$'000				2019 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	1,776	-	-	1,776	1,776	-	-	1,776
Waste Processing Facility	-	3,124	(1,380)	1,744	-	3,269	(1,597)	1,672
Uleybury Landfill Plant & Equipment	-	2,100	(1,969)	131	-	2,125	(1,994)	131
Education Program Plant & Equipment	-	50	(44)	6	-	34	(30)	4
Office Furniture & Equipment	-	126	(67)	59	-	177	(65)	112
Property & Improvements	-	1,594	(1,474)	120	-	1,605	(1,490)	115
Landfill Cell Stage One	-	-	-	-	-	-	-	-
Landfill Cell Stage Two	-	-	-	-	-	-	-	-
Landfill Capping Stage One	-	-	-	-	-	-	-	-
Landfill Capping Stage Two	-	-	-	-	-	-	-	-
Landfill Cell Stage Three	-	3,084	(840)	2,244	-	3,084	(1,137)	1,947
Landfill Capping Stage Three	-	1,024	(146)	878	-	1,050	(265)	785
Post Closure Rehabilitation	-	1,553	(1,054)	499	-	1,591	(1,125)	466
Buildings	3,285	247	(108)	3,424	3,285	247	(238)	3,294
Mobile Garbage Bins	-	-	-	-	-	-	-	-
Material Recovery Facility	-	4,679	(341)	4,338	-	5,178	(823)	4,355
WIP	-	348	-	348	-	52	-	52
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	5,061	17,929	(7,423)	15,567	5,061	18,412	(8,764)	14,709
Comparatives	875	25,950	(16,102)	10,723	5,061	17,929	(7,423)	15,567

This Note continues on the following pages.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (Cont)

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR						2019
	\$'000	\$'000						\$'000
	CARRYING AMOUNT	ADDITIONS		Disposal	Transfer	Revaluation	Depreciation	CARRYING AMOUNT
Capital		New/Upgrade						
Land	1,776	-	-	-	-	-	-	1,776
Waste Processing Facility	1,744	-	154	(4)	-	-	(222)	1,672
Uleybury Landfill Plant & Equipment	131	-	30	(1)	-	-	(29)	131
Education Program Plant & Equipment	6	-	-	(1)	-	-	(1)	4
Office Furniture & Equipment	59	-	84	(3)	-	-	(28)	112
Property & Improvements	120	-	10	-	-	-	(15)	115
Landfill Cell Stage Three	2,244	-	-	-	-	-	(297)	1,947
Landfill Capping Stage Three	878	26	-	-	-	-	(119)	785
Post Closure Rehabilitation	499	38	-	-	-	-	(71)	466
Buildings	3,424	-	-	-	-	-	(130)	3,294
Material Recovery Facility	4,338	-	499	-	-	-	(482)	4,355
WIP	348	-	-	-	(296)	-	-	52
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	15,567	64	777	(9)	296	-	(1,394)	14,709
2018 Totals	10,723	-	16,119	(6)	(10,042)	90	(1,317)	15,567



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 7 - LIABILITIES

		2019		2018	
		\$'000		\$'000	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		2,263	-	1,917	-
Accrued expenses - other		1,147	-	354	-
		3,410	-	2,271	-
BORROWINGS					
Loans		1,186	6,318	1,079	7,415
		1,186	6,318	1,079	7,415
PROVISIONS					
Annual Leave		147	-	147	-
Long Service Leave		44	74	116	46
Provision for Capping Stage 3A		-	1,050	-	1,024
Provision for Post Closure Site Rehabilitation		-	1,574	-	1,535
		191	2,698	263	2,605

Movements in Provisions - 2019 year only
(current & non-current)

	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Payments	Closing Balance
Provision for Capping Stage 3A	1,024	26	-	1,050
Post Closure Site Rehabilitation	1,535	39	-	1,574
Total	2,559	65	-	2,624

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

Note 8 - 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	2019 \$'000	2018 \$'000
Total cash & equivalent assets	4	2,613	1,061
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		2,613	1,061

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

Net Surplus (Deficit)	4	(81)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,394	1,449
(Gain) / Loss on Disposal	9	(1)
Grants for capital acquisitions treated as Investing Activities	(233)	(115)
Bad Debts Expense	-	29
	1,174	1,281
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(483)	(252)
Net (increase) decrease in inventory	(15)	(49)
Net increase (decrease) in trade & other payables	1,139	(497)
Net increase (decrease) in other provisions	(44)	(103)
Net Cash provided by (or used in) operations	1,771	380

(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	-	-
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Total Non-Cash Financing and Investing Activities

-	-
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(d) Financing Arrangements

Corporate Credit Cards	15	15
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The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 1% (2018: 1.5%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges	<p>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> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>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> <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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 9 - FINANCIAL INSTRUMENTS (Cont)

2019	Floating Interest Rate \$'000	Fixed interest maturing in ≤ year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Amortised Cost						
Cash Assets	1,552	1,061	-	-	-	2,613
Receivables	-	-	-	-	3,172	3,172
Total	1,552	1,061	-	-	3,172	5,785

Financial Liabilities

Payables	-	-	-	-	3,410	3,410
Current Borrowings	-	1,186	-	-	-	1,186
Non-Current Borrowings	-	-	4,977	1,341	-	6,318
Total	-	1,186	4,977	1,341	3,410	10,914

**EXCESS OF FINANCIAL
ASSETS OVER LIABILITIES**

1,552	(125)	(4,977)	(1,341)	(238)	(5,129)
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2018	Floating Interest Rate \$'000	Fixed interest maturing in ≤ year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Amortised Cost						
Cash Assets	725	336	1,018	-	-	2,079
Receivables	-	-	-	-	2,689	2,689
Total	725	336	1,018	-	2,689	4,768

Financial Liabilities

Payables	-	-	-	-	2,271	2,271
Current Borrowings	-	1,079	-	-	-	1,079
Non-Current Borrowings	-	-	4,987	2,428	-	7,415
Total	-	1,079	4,987	2,428	2,271	10,765

**EXCESS OF FINANCIAL
ASSETS OVER LIABILITIES**

725	(743)	(3,969)	(2,428)	418	(5,997)
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 10 - COMMITMENTS FOR EXPENDITURE

	Notes	2019 \$'000	2018 \$'000
Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		15	30
Waste Collection, Processing and Mobile Garbage Bin			
Supply Contracts		80,696	82,268
		80,711	82,298
These expenditures are payable:			
Not later than one year		14,049	14,766
Later than one year and not later than 5 years		56,136	56,300
Later than 5 years		10,526	11,232
		80,711	82,298

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.

Note 11 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events that occurred after reporting date that requires to be disclosed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

Note 12 - 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.

	Notes	2019 \$'000	2018 \$'000
Not later than one year		1,035	1,075
Later than one year and not later than 5 years		2,620	3,326
Later than 5 years		3,004	482
		6,659	4,883

Note 13 - 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:

	2019 \$'000	2018 \$'000
Salaries, allowances & other short term benefits	803	764
Long term benefits	59	105
TOTAL	862	869

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	12,221	1,096	Provision of waste collection, processing and disposal services
City of Playford	7,828	691	Provision of waste collection, processing and disposal services
Town of Gawler	2,029	179	Provision of waste collection, processing and disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 4. 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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 14 - 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/GUARANTEES

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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 15 - FAIR VALUE MEASUREMENTS

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

- Land assets
- Building assets
- Stock on Hand

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

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities 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 or liability, either directly or indirectly.

Level 3

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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2019

Note 15 - 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.

	Notes	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2019					
(\$'000)					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,776	-	1,776
- Buildings	6	-	3,285	-	3,285
- Stock on Hand		64	-	-	64
Total financial assets recognised at fair value		64	5,061	-	5,125

2018
 (\$'000)

Recurring fair value measurements

Infrastructure, Property, Plant & Equipment

- Land	6	-	1,776	-	1,776
- Buildings	6	-	3,285	-	3,285
- Stock on Hand		49	-	-	49
Total financial assets recognised at fair value		49	5,061	-	5,110

(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 techniques used to measure the value of items disclosed in the financial statements.	1	Market	Based on expected sale price of goods based on existing contract prices.
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

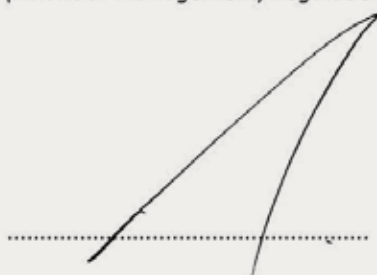
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2019

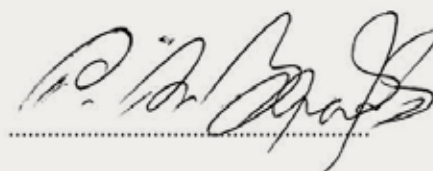
CERTIFICATION OF AUDITOR INDEPENDENCE

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 2019, 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 prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



EXECUTIVE OFFICER



PRESIDING MEMBER

AUDIT COMMITTEE

Date 19 September 2019.

**Each week NAWMA
provides seamless
kerbside collection
services to some
115,000 properties
and annually processes
approximately 200,000
tonnes of recyclables,
waste and organics.**





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