



ANNUAL REPORT 2019-20

City of Salisbury
34 Church Street
Salisbury 5108
South Australia
PO Box 8
Salisbury SA 5108

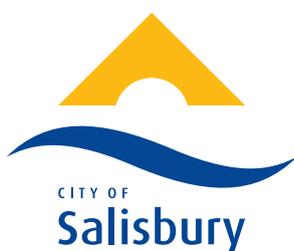
Telephone
08 8406 8222

Facsimile
08 8406 5466

Email
city@salisbury.sa.gov.au

f @cityofsalisbury
t @cityofsalisbury
@ @cityofsalisbury

www.salisbury.sa.gov.au



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foreword



2019/20 was a memorable year for City of Salisbury in more ways than one. Our diverse and vibrant community came together to celebrate and learn in a range of formats, while the onset of COVID-19 created the need for us to rethink the ways in which we connect with one another.

A milestone was celebrated in December 2019, when the Salisbury Community Hub was officially opened, with both Council's Municipal Offices and Council Chambers on James Street and the Len Beadell Library relocating to the new site. Since then, more than 150,000 visitors have been welcomed through the doors of the Salisbury Community Hub to participate, learn, celebrate and come together in a variety of flexible and innovative spaces.

The Salisbury Community Hub was a key component of Council's vision of a reinvigorated City Centre, with plans to upgrade Church and John Streets also progressed this year. Other key projects in 2019/20 included the development of an athletics centre at Bridgestone Reserve, and the progression of the St Kilda and Paddocks Master Plans.

Our response to COVID-19 was centred on ensuring the safety and wellbeing of our community, while prioritising business continuity. In order to achieve this, Council adopted an innovative approach to efficiently adapt the way important services were delivered. This included initiatives

such as the library's Click and Collect and home delivery services, the provision of care packages and welfare checks for vulnerable community members and the adaptation of social, learning and business-assistance programs to online formats.

A number of initiatives were meanwhile adopted to support the community to recover from the economic impact of the pandemic, including a grants program for community and sporting clubs, a zero per cent rate increase for the majority of ratepayers in 2019/20 and an \$100 million COVID-19 Infrastructure Recovery Program – which will accelerate capital works projects across the coming two years, contracting local northern businesses and spurring on greater investment in the Salisbury region.

In 2020/21, we look forward to continuing through a new chapter, which is underpinned by Salisbury's vision as a sustainable, prosperous, and highly liveable city which promotes excellence.

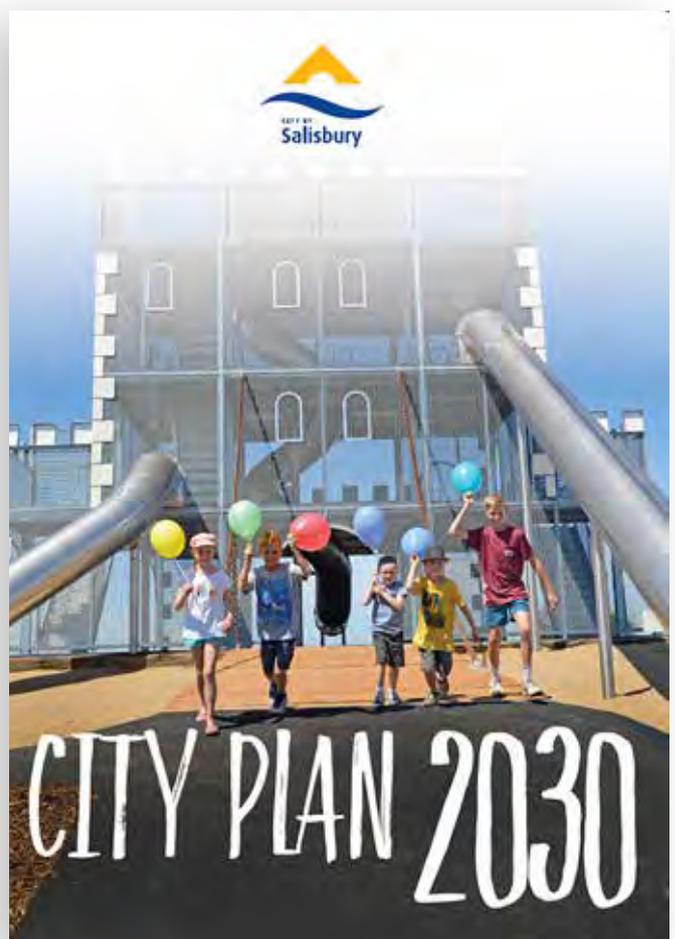
CITY plan

The development of the 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.

Following on from the development of the City Plan 2030, Council in July 2020 adopted its City Plan 2035, which builds on this existing blueprint for achieving the vision the community helped us develop. This plan will inform the progression of Council's critical actions and key priorities going forward.

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.

COVID-19

response

COVID-19 Response 2019/20

The onset of the COVID-19 pandemic in 2019/20 required Council to act quickly to respond to emerging community needs while adapting the way we do business to ensure continuity of service provision.

A range of initiatives were adopted with a view to reduce the social and economic impact caused by COVID-19, including the following measures that were aimed at assisting community members:

- A zero per cent rate increase and no increase to fees and charges in 2020/21 for the majority of ratepayers
- Rate Payment Deferral option for those experiencing hardship due to COVID-19 and waiving of late payment fees
- Care packages, including essential goods such as toilet paper and non-perishable foods, delivered to 150 vulnerable community members
- Sports and Community Clubs COVID-19 Recovery Support Package developed to support not-for-profit clubs, including those that do not have a lease with Council
- Continued provision of services during the shutdown period triggered by COVID-19 including library pick-up and delivery service, increased online programs and community centre activity packs and loaning of equipment.

In order to bolster our economy, Council also adopted its \$100 million COVID-19 Infrastructure Recovery Program to be carried out across the next two financial years, prioritising the procurement of local businesses. A number of additional measures aimed at assisting businesses during this challenging time were also implemented, including:

- Extending the existing Hardship Policy to incorporate local businesses
- Waiving various business fees and charges, as well as permits, between 1 April and 30 June 2020
- Providing payment to suppliers within 14 days (standard term is 30 days) to assist with cash flow
- Introducing a flexible approach to timed parking restrictions to allow residents to continue to access local businesses
- Payment deferral option offered to eligible Salisbury Water customers
- A 50 per cent discount on certain business advisory services for Salisbury-based businesses, as well as free initial consultation for businesses seeking support.

ANNUAL PLAN for 2020-21



Looking ahead to 2020/21

The City of Salisbury's 2020/21 Annual Plan is centred on bolstering a sustainable recovery from the financial and social impact of COVID-19 for all parts of the community. The Annual Plan details a range of new measures that have been put in place to achieve this goal.

Council is committed to supporting the City of Salisbury as it navigates the ongoing financial impact of COVID-19 with measures including a zero per cent rate increase (except where it relates to growth or exceptions contained within the rating policy), no increase to Council fees and charges, and a \$100 million COVID-19 Infrastructure Recovery Program to be carried out across two years.

The program has been designed to support local businesses and employment and stimulate economic recovery by accelerating the existing capital works program.

It includes a number of large scale projects including the development of a Burton Community Hub, the revitalisation of John and Church Streets in Salisbury's CBD and The Paddocks Master Plan. We will also deliver a number of projects that promote City pride such as upgrades to playgrounds and dog parks, sporting fields and streetscape renewal.

In doing so, Council is committed to maintaining a strong financial position and has budgeted for a surplus of \$1.7 million in 2020/21.

annual plan 2020-21

Features of the 2020/21 Budget

Our 2020/21 Budget is informed by Council's updated City Plan 2035, which was adopted by Council in July 2020.

The new City Plan envisages Salisbury as a progressive, sustainable and connected community. Our key directions going forward are focused on enhancing Salisbury's status as a welcoming and liveable City, a sustainable City and a growing City that creates new opportunities, while focusing on innovation and business development. Our priorities for 2020/21 are centred on bolstering the recovery of our local economy from COVID-19. This is an opportunity to invest in the features that draw people to the Salisbury region and make it a great place to live, visit and do business.

The 2020/21 year will mark the first of two years during which the \$100 million COVID-19 Infrastructure Recovery Program, will be implemented. This will assist in economic recovery, employment and business stimulation.

Budget highlights:

- Burton Community Hub - \$3 million
- John Street & Church Street Revitalisation - \$3 million
- Paddocks Master Plan Implementation - \$1.3 million
- Verge Development Program - \$1.7 million
- Salisbury Oval Master Plan Implementation - \$2.3 million
- Road Reseal Program - \$8.5 million
- Street Tree Program - \$1.5 million
- Building Renewal Program - \$1.2 million
- Watercourse Management Works - \$1.2 million
- Little Para Catchment Native Forest, 10,000 new native trees - \$0.4 million

- Upgrades and new playgrounds - \$1.5 million
- St Kilda Master Plan – Stage 2 Implementation & Breakwater Renewal - \$2.4 million

Please note: The budget highlight figures only include the budget allocated for 2020/21 and may not reflect the total value of the project.

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 2019/20 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.

In light of the economic impacts of COVID-19, Council has determined that there is no increase in rates for 2020/21, except where rates will be increased as a result of improvements, a change in land use or zoning, a change in ownership, or a correction to the property value. Excluding these impacts this results in an increase of 0.0% for 2020/21.

annual plan 2020-21

Rate Categories

Minimum Rates apply to all properties where the capital value falls below a certain level so that all ratepayers make a fair contribution. In light of the economic impacts of COVID-19, Council has determined that there is no increase in minimum rates for 2020/21. This results in minimum rates remaining at \$1,016 for 2020/21.

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 rate for vacant land is 30 per cent higher compared to residential rate which reflects Council’s desire to promote the development of large land holdings in the city.

Separate Rates – Council collects additional 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
- Regional Landscape (RL) Levy (Previously called the NRM Levy) is a State Government imposed tax, which councils are required to collect on behalf of the State Government with all funds going to the State Government. All enquiries about the RL Levy can be directed to the Green Adelaide Board on 08 8204 1910 or at dew.greenadelaide@sa.gov.au

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

Key Services

OPERATING BUDGET BY KEY DIRECTION	2020/21		
	EXP \$000's	INC \$000's	NET \$000's
THE PROSPEROUS CITY			
Economic Development	1,515	185	1,330
Development Services	3,311	1,492	1,819
Urban Planning and Development	1,184	-	1,184
Roads	4,099	3,296	802
Footpaths	1,529	-	1,529
TOTAL THE PROSPEROUS CITY	11,637	4,973	6,664
THE SUSTAINABLE CITY			
Water Management	4,081	2,664	1,417
Waste Management	17,401	167	17,234
Parks and Landscapes	20,667	120	20,547
City Infrastructure	-	1,007	(1,007)
TOTAL THE SUSTAINABLE CITY	42,149	3,958	38,191
THE LIVING CITY			
Community Development	3,289	30	3,259
Library Services	5,730	737	4,994
Community Centres	2,284	341	1,944
Recreation Services	1,970	-	1,970
Community Sport and Club Facilities	2,270	-	2,270
Community Health and Wellbeing	4,883	3,184	1,699
Cemetery	629	496	133
Food and Health Regulation	1,221	237	985
Inspectorate Services	807	395	412
Animal Control	1,707	964	742
Crime Prevention and Repair	790	-	790
Street Lighting	3,085	-	3,085
TOTAL THE LIVING CITY	28,667	6,383	22,284
ENABLING EXCELLENCE			
Business Excellence	44	566	(522)
Council	-	2	(2)
Sundry	3,651	6,630	(2,979)
Infrastructure Depreciation	23,531	-	23,531
TOTAL ENABLING EXCELLENCE	27,226	7,198	20,028
Infrastructure and Project Preparation	2,109		2,109
Corporate Unallocated	6,547		6,547
Corporate Governance Overhead	3,648		3,648
Rates Revenue		101,217	(101,217)
TOTAL OPERATING SURPLUS / (DEFICIT)	121,984	123,730	1,745

ELECTED

members

MAYOR



Mayor Gillian Aldridge OAM

CENTRAL WARD



Cr Chad Buchanan JP
Deputy Mayor
From November 2020



Cr Donna Proleta

EAST WARD



Cr Maria Blackmore



Cr Adam Duncan

HILLS WARD



Cr Peter Jensen



Cr Shiralee Reardon JP

NORTH WARD



Cr David Hood



Cr Graham Reynolds

PARA WARD



Cr Sarah Ouk



Cr Kylie Grenfell

SOUTH WARD



Cr Natasha Henningsen



Cr Julie Woodman JP
Deputy Mayor
Until November 2020

WEST WARD

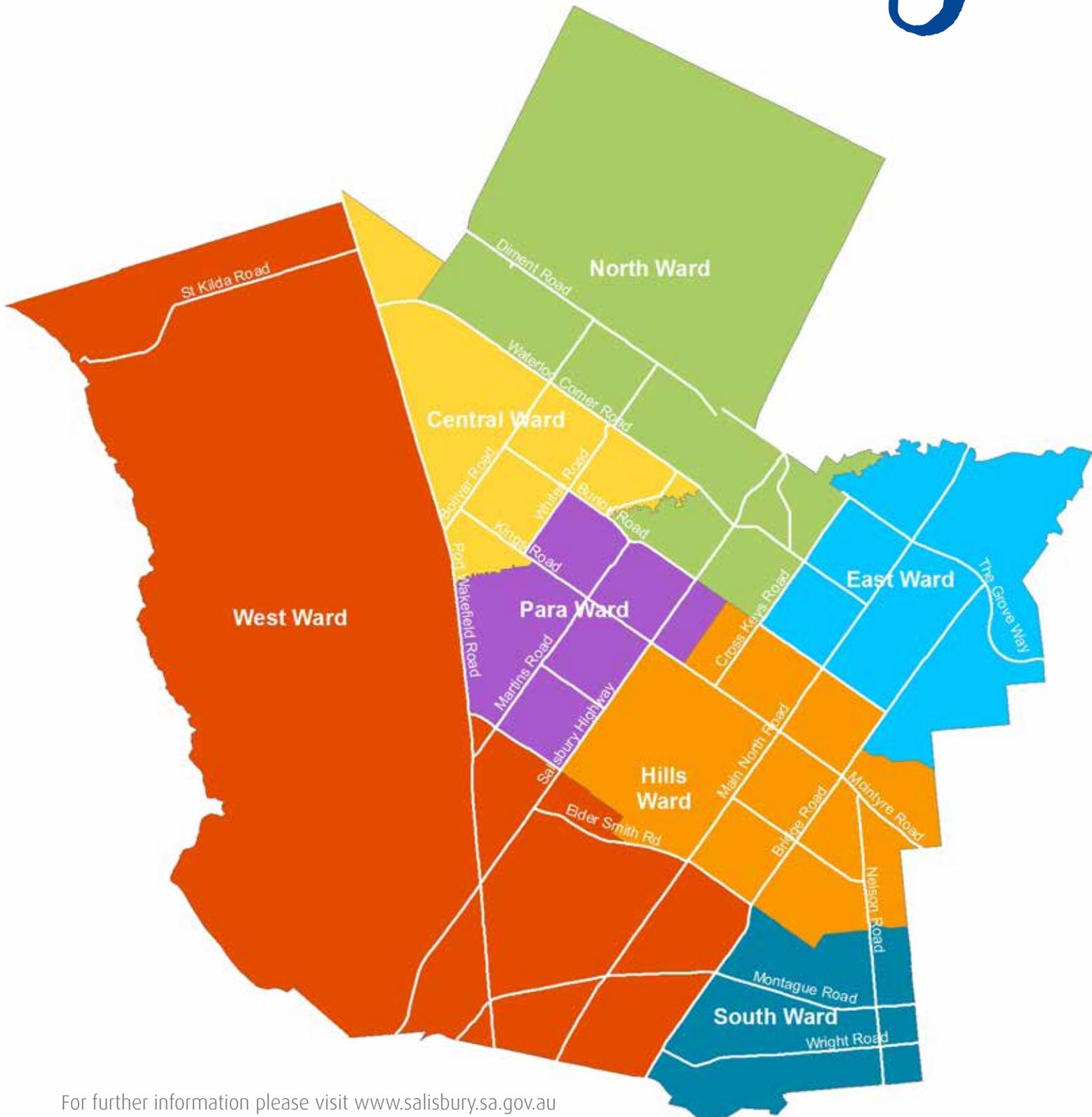


Cr Beau Brug JP



Cr Lisa Braun

WARD boundaries



For further information please visit www.salisbury.sa.gov.au

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.

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.

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 provided for the implementation of the future composition and structure of Council at the November 2018 Local Government elections.

No public initiated submissions under section 28 of the Local Government Act 1999 have been received in 2019/20.

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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	95420	6361
Playford	16	62301	3893
West Torrens	15	41419	2761
Charles Sturt	17	86139	5067
Port Adelaide/ Enfield	18	84919	4717
Marion	13	65520	5040
Onkaparinga	13	125741	9672
Tea Tree Gully	13	73372	5644
Metropolitan Average ⁴	13	48781	3752

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

Elected Member Allowances

Changes to the Local Government Act in 2010 resulted in the Remuneration Tribunal being responsible for the determination of Elected Member Allowances to be applied from the first Council Meeting following the November 2010 Elections. Elected Member allowances were reviewed by the Remuneration Tribunal in Determination No. 6 of 2018, which resulted in an increase to allowances for City of Salisbury Elected Members as follows:

Councillor:	\$24,218 per annum
Mayor:	\$96,872 per annum
Deputy Mayor:	\$30,272.50 per annum
Chairman of Standing Committees:	\$30,272.50 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.	\$239 per meeting limited to an aggregate amount of \$1,432 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.

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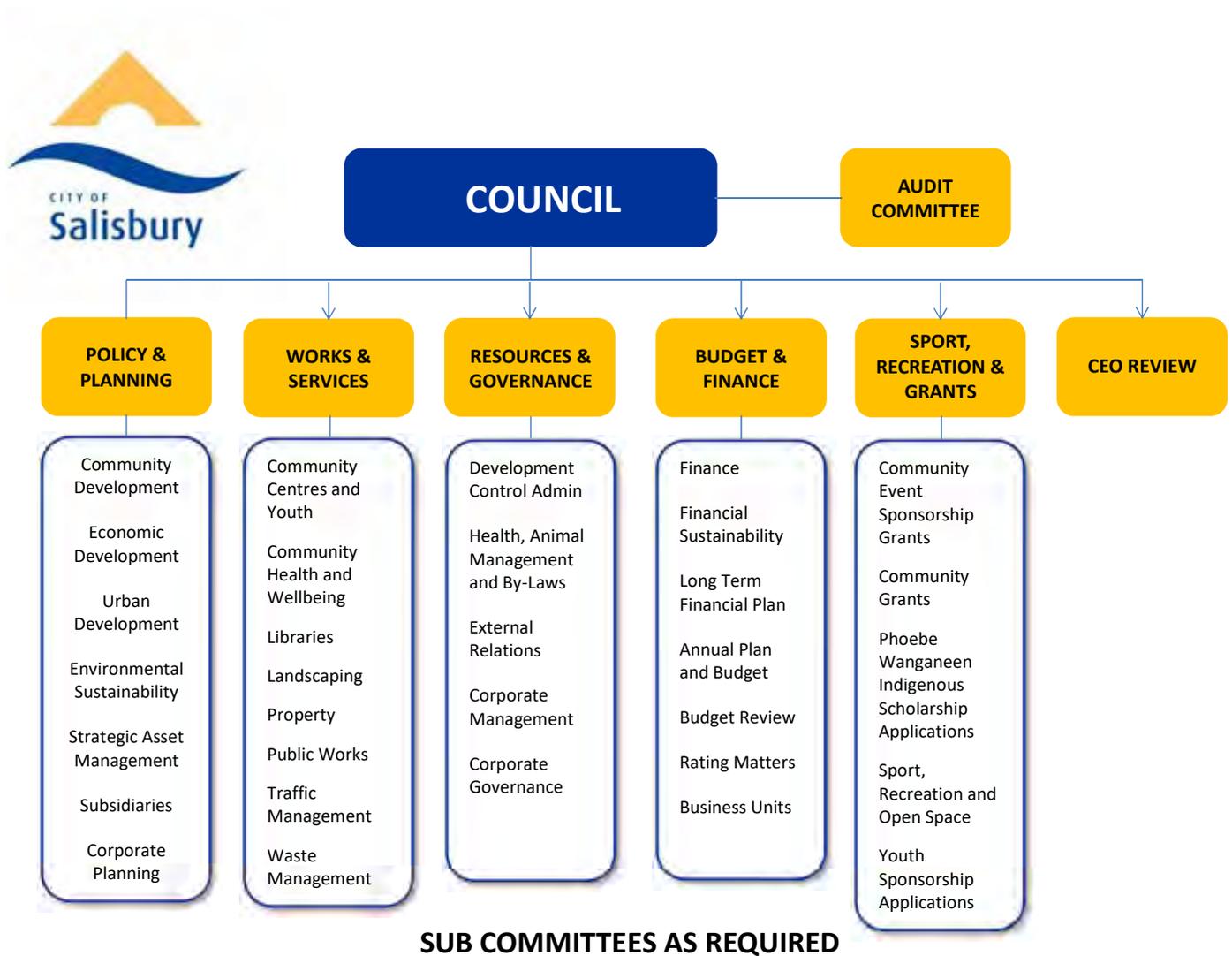
Council and Committee Structure

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

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 Sport, Recreation & Grants Committee. The Committee structure and membership is set out below:



council

Membership of each of the Committees was as follows:

Policy and Planning Committee

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

Works and Services Committee

- Cr Shiralee Reardon JP (Chairman) – Hills Ward
- Cr Lisa Braun (Deputy Chairman) – West Ward
- Cr Maria Blackmore – East Ward
- Cr Chad Buchanan JP – 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 JP – West Ward
- Cr Adam Duncan – East Ward
- Cr David Hood – North Ward
- Cr Kylie Grenfell – Para Ward
- Cr Julie Woodman JP – South Ward
- The Mayor is, ex-officio, a member of this Committee

Budget and Finance Committee

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

Sport, Recreation and Grants Committee

- Cr Adam Duncan (Chairman) – East Ward
- Cr Chad Buchanan JP (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 JP – Hills Ward
- The Mayor is, ex-officio, a member of this Committee

Audit Committee

- Cr Graham Reynolds (Chairman)
- Cr Lisa Braun (Deputy Chairman until November 2019)
- Cr Kylie Grenfell (Deputy Chairman from December 2019)
- Mr Neil Ediriweera (Independent Member)
- Mr Craig Johnson (Independent Member)
- Ms Kristyn Verrall (Independent Member)

Council Assessment Panel

- Mr Terry Mosel (Presiding Member)
- Mr Ross Bateup (Independent Member)
- Mr Mike Canny (Independent Member until April 2020)
- Ms Cherie Gill (Independent Member)
- Cr Beau Brug JP

CEO Review Committee

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

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Participation in decision-making forums

In 2019/20, there were four Committees with 34 non-elected members in their membership. The Committees that have non-elected members in their membership are as follows:

Youth Council	22
Audit Committee of Council	3
Council Assessment Panel	4
Tourism and Visitor Sub Committee	5

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 makes in confidence.

In 2019/20 a total of 609 items were considered by Council and Committees. Of these, 43 were confidential.

	No. of items considered in confidence	Confidential items as a % of total no. of items considered
2015/16	55	9.56%
2016/17	44	8.05%
2017/18	33	6.21%
2018/19	31	5.64%
2019/20	43	7.06%

Of the 43 items where members of the public were excluded, all or part of the documents presented remained confidential after discussion in confidence had taken place.

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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) of the Local Government Act (1999) were used during the 2019-2020 financial year.

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into confidence Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
July 2019	8.2.1	CEO Employment Agreement	(a)	2	1
July 2019	2.9.1	Mawson Lakes Interchange	(b)(i) & (ii)	2	1
July 2019	2.9.2	Acquisition of 67 and 69 Pratt Avenue, Pooraka	(d)(i)&(ii)	2	1
July 2019	13.3	Confidential CEO Update – Various Matters	(b)(i) & (ii), (d)(i)&(ii) and (j)(i)&(ii)	1	1
August 2019	2.9.1	Request for Extension of Confidentiality Order: NAWMA – Appointment of Independent Chair	(a)	2	1
August 2019	6.9.1	Bridgestone Reserve Athletics Facility	(b)(i) & (ii) and (d)(i)&(ii)	2	1
September 2019	SPDSC4	Hoyle Green Business Case	(d)(i)&(ii)	3	1
September 2019	13.2	Code of Conduct Complaint – Cr Beau Brug JP – 01/2019	(a)	1	1
October 2019	2.9.1	NAWMA – Appointment of Independent Chairperson	(a)	2	1
October 2019	2.5.7	Salisbury City Centre Investment Attraction and Land Disposal	(b)(i) & (ii)	2	1
November 2019	4.4.1	External Audit Contract	(d)(i)&(ii)	2	1
November 2019	2.9.1	Proposed Land Transaction	(d)(i)	2	1
November 2019	2.9.2	Bridgestone Athletic Centre Budget Review	(b)(i) & (h)	2	1

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into confidence Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
November 2019	2.9.3	Bridgestone Athletics Centre – Legal Advice	(h)	2	1
November 2019	2.9.4	Demolition of Properties 65, 67 & 69 Pratt Avenue, Pooraka	(d)(i)&(ii)	2	1
November 2019	6.9.1	Salisbury Recreation Precinct Swimming Pool Filtration System	(h) & (i)	2	1
November 2019	6.9.2	Action of Rates Outstanding under Section 182 of the Local Government Act 1999	(a)	2	1
November 2019	6.9.3	Action of Rate Assessment Remission and Postponement of Payment under Section 182 of the Local Government Act 1999	(a)	2	1
November 2019	13.1	Request for Extension of Confidentiality Order – NAWMA – Appointment of Independent Chair	(a)	1	1
November 2019	13.2	Defamatory Facebook Comments – Legal Advice	(i)	1	1
December 2019	SPDSC3	Hoyle Green Tranche 2 – Status Update Report	(b)(i)&(ii)	3	1
December 2019	2.9.2	Research Road Transfer Station Lease Review	(b)(i)&(ii)	2	1
January 2020	1.10.1	Bridgestone Athletics Centre – Sponsorship Opportunities	(d)(i)	2	1
January 2020	2.9.1	Fosters Street, Pooraka – Road Links	(d)(i)&(ii)	2	1
January 2020	2.9.2	Mawson Lakes Pedestrian and Cycle Improvements Project Update	(d)(i)&(ii)	2	1
January 2020	13.4	Information on Container Deposit Scheme	(j)(i)	1	1

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into confidence Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
January 2020	13.5	Waste Transfer Station	(b)(i)&(ii)	1	1
February 2020	2.9.1	Burton Community Hub	(b)(i)&(ii)	2	1
March 2020	IBDSC6	Development Services Division 2020/21 Program Review Update for 2020/21 Budget Considerations	(a)	3	1
March 2020	SPDSC4	Hoyle Green Tranche 2 - Status Update Report	(b)(i)&(ii)	3	1
March 2020	SPDSC5	Lake Windemere Residential Update Report	(b)(i)&(ii)	3	1
April 2020	4.4.1	Cyber Security Improvement Program	(e)	2	1
April 2020	2.9.1	Burton Park Soccer Centre - Lease Agreement Update	(b)(i)&(ii)	2	1
May 2020	IBDSC5	Public Lighting LED Business Case	(b)(i)&(ii)	3	1
May 2020	6.9.1	Cyber Security Improvement Program	(e)	2	1
May 2020	6.9.2	Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999	(a)	2	1
June 2020	SPDSC2	Strategic Development Projects Status Update Report	(b)(i)&(ii)	3	1
June 2020	SPDSC3	Strategic Land review Minor Review - Findings and Revised Short Term Action Plan	(b)(i)&(ii)	3	1
June 2020	2.9.2	Leasing of Land for Car Parking - The DiMauro Group	(b)(i)&(ii)	2	1
June 2020	6.9.1	Update on Future Budget Saving Measures	(b)(i)&(ii)	2	1

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into confidence Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
June 2020	13.1	Works and Services Committee – Confidential Recommendations for Council Ratification	(b)(i)&(ii)	1	1
June 2020	13.2	Budget and Finance Committee – Confidential Recommendations for Council Ratification	(b)(i)&(ii)	1	1
June 2020	13.3	Request for Extension of Confidentiality Orders: Northern Connector and Great Edinburgh Parks – Negotiation Principles and Mawson Lakes Interchange	(b)(i)&(ii)	1	1

13 confidentiality orders were revoked or expired during 2019/20. 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.

173 orders remained operative at the end of 2019/20.

Freedom of Information

During the 2019/2020 financial year, the City of Salisbury made determinations on 16 applications under the provision of the Freedom of Information Act 1991.

Of these 16, 5 applications were granted full release;

- One was in relation to access to documents relating to the Certificate of Title for 14 Diagonal Rd, Cavan
- One was in relation to invoices and financial statements regarding the payment of the solid waste levy for the 2017-2018 and 2018-2019 Financial Years
- Two were in relation to a dog attack
- One was in relation to all internal and external correspondence regarding a verge development at Mawson Lakes

Of these 16, 9 applications were granted partial release;

- One was in relation to Parafield Airport

- Three were in relation to dog attacks
- One was in relation to a complaint regarding the use of a wood heater
- One was in relation to rubbish dumped on the verge at Para Hills West
- One was in relation to maintenance records regarding a verge tree in Woodchester Reserve Para Hills West
- One was in relation to attendance in relation to dogs at Pemberley Ave Salisbury Park and calls made to Council on two occasions
- One was in relation to correspondence, development and building plans and other associated documents for a property on Martins Rd, Parafield Gardens

Of these 16, 2 applications were denied;

- One was in relation to a dog attack
- One was in relation to an investigation into a salmonella outbreak

Management and Governance

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

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

Registers

- Register of Interests for Elected Members
- Register of Allowances and Benefits for Elected Members
- Register of Salaries (Remuneration) for Staff
- Register of Interests (Officers)
- Register of Public Roads*
- Register of By-laws*
- Register of Gifts and Benefits
- Register of Community Land
- Register of Building Upgrade Agreements
- Delegations Register

Codes

- Code of Conduct for Council Members*
- Code of Practice for Access to Meetings and Documents*

Policies

- Employee Conduct Policy*
- 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
- Public Interest Disclosure Act 2018 Policy*

A comprehensive list of codes, documents, policies, registers and guidelines are available for public inspection either at the Council offices, 34 Church 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 2019/20 financial year, the City of Salisbury received 2 requests for review of a Council decision, as follows:

- Application for review of a Council administrative decision not to pursue a dog noise complaint from Mawson Lakes. The initial determination has been made and is awaiting response from the applicant. The review is continuing.
- Application for review of a Council administration decision to approve a development application for a structure adjacent a property at Parafield Gardens. An initial assessment was undertaken and decision made not to proceed with the review as the application was received well past the six month time limit from the original decision of Council and exceptional circumstances did not exist to extend the time limit.

Ombudsman SA Investigations

During 2019/20, 36 complaints were received by the SA Ombudsman; 20 where the complainant was referred back to Council for action, 12 were declined, 1 had an alternative remedy availability, 2 were resolved with Agency cooperation and 1 was withdrawn by the applicant.

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.

Local Nuisance and Litter Control Act, Section 8 — Annual reports by councils

A council must, in its annual report prepared pursuant to section 131 of the Local Government Act 1999 in relation to a particular financial year, include details of the performance by the council during that year of functions conferred on it under this Act.

Local Nuisance and Litter Control Regulations, Regulation 5 — Annual reports by councils

For the purposes of section 8 of the Local Nuisance and Litter Control Act 2016, a council's annual report should include details of—

(a) the number of complaints of local nuisance or littering received by the council; and

(b) the number and nature of—

(i) offences under the Act that were expiated; and

(ii) offences under the Act that were prosecuted; and

(iii) nuisance abatement notices or litter abatement notices issued; and

(iv) civil penalties negotiated under section 34 of the Act; and

(v) applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications; and (c) any other functions performed by the council under the Act.

The number of complaints of local nuisance or littering received by the council	2019/20
General Litter - Development Pollution	38
General Litter - Discharge Liquid Waste	64
Litter Bill Posting	3
Litter Class B - Glass/Syringe/lit cigarettes	1
Litter General - Litter dumped/thrown/deposited	886
Nuisance Animal Mosquitoes Residential	8
Nuisance Animals (other)	171
Nuisance Animals Vermin/Rats/Mice	60
Nuisance Dust	35
Nuisance Insanitary Condition Offensive Material/Odour	13
Nuisance Insanitary Condition Rodents/Other Pests	8
Nuisance Noise	92
Nuisance Noise Environmental Health S17(1)(a) LNLC	8
Nuisance Odours/Fumes/Aerosols	45
Nuisance Projection Image onto Property	0
Nuisance Smoke	39
Nuisance Smoke Combustion Heaters	39
Nuisance Unsightly Condition Excessive Vegetation	66
Nuisance Unsightly Condition Graffiti	7
Nuisance Unsightly Disused/Derelict Items/Material	42
Nuisance Unsightly Rub/Waste Excessive/Unconstrained	109
Nuisance Vibration	1
Totals	1735

The number and nature of offences that were expiated	2019/20
Causing a local nuisance	0
Disposing of 50L or more of litter	10
Disposing of up to 50L of General Litter	0
Failing to comply with abatement notice	1
Totals	11

The number and nature of offences that were prosecuted	2019/20
	0
Totals	0

The number and nature of nuisance abatement notices or litter abatement notices issued	2019/20
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Insanitary Condition	0
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Nuisance Animals	6
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Unsightly condition	1
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Noise Construction	0
Totals	7

The number and nature of nuisance abatement notices or litter abatement notices issued	2019/20
LNLCAct 2016 Litter Abatement Notice S30(1)(b) - littering / depositing materials	6
Totals	6

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	2019/20
	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.

Further information regarding the roles and responsibilities of the Audit Committee are contained in its Terms of Reference, which are available on the website.

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

Name	Elected Member or Independent Member	Dates	Attendance
Cr Graham Reynolds	Elected Member (Chairman)	July 2019 – June 2020	4 of 4 meetings
Cr Kylie Grenfell	Elected Member (Deputy Chairman)	December 2019 – June 2020	2 of 2 meetings
Cr Lisa Braun	Elected Member (Deputy Chairman)	July 2019 - November 2019	2 of 2 meetings
Mr Craig Johnson Independent consultant	Independent Member	July 2019 – June 2020	4 of 4 meetings
Ms Kristyn Verrall General Manager Governance and Strategy/General Counsel, Statewide Super	Independent Member	July 2019 – June 2020	3 of 4 meetings
Mr Neil Ediriweera Director, KPMG	Independent Member	July 2019 – June 2020	4 of 4 meetings

Number of internal controls rating 4 or higher

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 within ControlTrack across 7 classes: Assets, Expenses, External Services, Liabilities, Revenue, Strategic Financial Planning and Financial Governance.

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).

Of the controls assessed and reviewed in 2019/20, six controls were assessed as being partially effective or lower. Treatment plans have been established to improve the rating for these six controls.

High risk outcomes/findings from internal audits

Eight high risk outcomes / findings from internal audits were identified and reported on to the Audit Committee in the 2019/2020 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 2019/2020 period:

- Financial Sustainability;
- Contract Management;
- Asset Management; and
- Food Safety.

An audit on financial sustainability was performed to provide assurance regarding the effectiveness of the processes that are in place to manage and monitor the financial sustainability of the City of Salisbury. No high, moderate or low risk findings were identified in the audit.

An audit on contract management was performed to provide assurance on the efficiency and effectiveness of the current tools and processes used to manage contracts at the City of Salisbury and identify any areas where outcomes could be improved. Six risk findings were identified in the audit, and of those, four findings were rated as high. The high risk findings related to assigning central ownership and to establish governance over contract management, lack of procedures to provide guidance for contract management, the need for a consistent approach to ensuring that 'due diligence' documentation is updated, and the need for staff training regarding contract-related Work Health Safety responsibilities.

An audit on asset management was performed to provide assurance that the established processes and controls in place in relation to Asset Management are robust. Six risk findings were identified in the audit and of those, four findings were rated as high. The high risk findings related to focusing on customer levels of service, improving controls regarding building condition assessments, documenting building maintenance plans and operational procedures, and defining criteria for upgrades and renewal of buildings.

An audit on food safety was performed to provide assurance that the City of Salisbury's governance and risk management in place is sufficiently robust to mitigate the likelihood of public or environmental health risks in relation to food safety. Four risk findings were identified in the audit, and of those, no findings were rated as high.

The actions identified to address the risk findings from internal audits are being progressed by Council.

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.

Elected Member Training and Development

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

Gillian Aldridge OAM	<ul style="list-style-type: none"> Social Media Training Local Government Association Annual General Meeting Mayors Leadership Forum Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Maria Blackmore	<ul style="list-style-type: none"> Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Lisa Braun	<ul style="list-style-type: none"> Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Beau Brug JP	<ul style="list-style-type: none"> Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Professionals National Congress, Darwin Local Government Fundamentals and Refresher Workshop Elected Member Weekend Workshop
Chad Buchanan JP	<ul style="list-style-type: none"> Social Media Training Local Government Professionals National Congress, Darwin Local Government Association Annual General Meeting Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Adam Duncan	<ul style="list-style-type: none"> Social Media Training Elected Member Weekend Workshop
Kylie Grenfell	<ul style="list-style-type: none"> Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Professionals National Congress, Darwin Elected Member Strategic Development Session Audit Committee Training Elected Member Weekend Workshop Risk Management Workshop
Natasha Henningsen	<ul style="list-style-type: none"> Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop

Elected Member Training and Development Cont'd

David Hood	<p>Social Media Training Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop</p>
Peter Jensen	<p>Social Media Training Local Government Fundamentals and Refresher Workshop Elected Member Weekend Workshop Risk Management Workshop</p>
Sarah Ouk	<p>Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Professionals National Congress, Darwin Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop</p>
Donna Proleta	<p>Social Media Training Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop</p>
Shiralee Reardon JP	<p>Social Media Training Elected Member Leadership Session Local Government Emergency Management Seminar Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop</p>
Graham Reynolds	<p>Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Audit Committee Training Elected Member Weekend Workshop Risk Management Workshop</p>
Julie Woodman JP	<p>Social Media Training Local Government Fundamentals and Refresher Workshop Elected Member Weekend Workshop Risk Management Workshop</p>

Elected Members Representation on External and Community Organisations

Gillian Aldridge OAM	Local Government Association of SA (Deputy Voting Representative) Local Government Association Board of Directors (Immediate Past President) Greater Adelaide Regional Organisation of Councils (Voting Member)
Maria Blackmore	Australian Local Government Women's Association SA Branch (Committee Member)
Lisa Braun	Local Government Finance Authority (Deputy Voting Delegate) Metropolitan Seaside Councils Committee St Kilda and Surrounds Development and Tourism Association
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 Para Districts Cricket Association - Committee Member Salisbury East Neighbourhood Centre
Kylie Grenfell	Northern Adelaide Waste Management Authority Board (Deputy Member) The Pines Primary School Governing Council Parafield Gardens High School Governing Council Australian Local Government Women's Association SA Branch (Metro Vice President)
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 Social Participation and Diversity Advisory Committee (Chair) The Paddocks Centre
Graham Reynolds	Salisbury City Centre Business Association Northern Adelaide Waste Management Authority Board (Member) Salisbury High School Governing Council Bagster Road Community Centre
Julie Woodman JP	Australian Local Government Women's Association SA Branch (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

<p>Gillian Aldridge OAM</p> <p>NOTE: The Mayor is an ex officio member of some committees and all sub committees of Council (with the exception of the Audit Committee and the Council Assessment Panel). Some committees meet concurrently and as such in those instances the Mayor is unable to attend both meetings.</p>	<ul style="list-style-type: none"> • CEO Review Committee 4/4 • Tourism and Visitor Sub Committee (ex officio) 5/6 • Innovation and Business Development Sub Committee (ex officio) 8/9 • Asset Management Sub Committee (ex officio) 4/6 • Strategic Property Development Sub Committee (ex officio) 2/5 	<ul style="list-style-type: none"> • Strategic and International Partnerships Sub Committee (ex officio) 3/3 • Sport, Recreation and Grants Committee (ex officio) 9/12 • Policy and Planning Committee 10/12 • Budget and Finance Committee 9/12 • Works and Services Committee (ex officio) 9/12 • Resources and Governance Committee (ex officio) 8/12 • Council 13/14
<p>Maria Blackmore</p>	<ul style="list-style-type: none"> • Strategic Property Development Sub Committee 2/5 • Tourism and Visitor Sub Committee 6/6 • Youth Council 3/5 	<ul style="list-style-type: none"> • Policy and Planning Committee 8/12 • Budget and Finance Committee 7/12 • Works and Services Committee 8/12 • Council 14/14
<p>Lisa Braun</p>	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 7/9 • Strategic Property Development Sub Committee 4/5 • Asset Management Sub Committee 5/6 • Audit Committee 2/2 (<i>from July to November 2019</i>) 	<ul style="list-style-type: none"> • Policy and Planning Committee 9/12 • Budget and Finance Committee 9/12 • Sport, Recreation and Grants Committee 10/12 • Works and Services Committee 9/12 • Council 13/14
<p>Beau Brug JP</p>	<ul style="list-style-type: none"> • Council Assessment Panel 8/8 • Policy and Planning Committee 12/12 • Budget and Finance Committee 12/12 	<ul style="list-style-type: none"> • Resources and Governance Committee 12/12 • Council 13/14
<p>Chad Buchanan JP</p>	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 8/12 • CEO Review Committee 2/4 • Asset Management Sub Committee 6/6 • Sport, Recreation and Grants Committee 11/12 	<ul style="list-style-type: none"> • Policy and Planning Committee 12/12 • Budget and Finance Committee 12/12 • Works and Services Committee 12/12 • Council 14/14
<p>Adam Duncan</p>	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 7/9 • Asset Management Sub Committee 4/6 • Policy and Planning Committee 12/12 	<ul style="list-style-type: none"> • Budget and Finance Committee 12/12 • Resources and Governance Committee 12/12 • Sport, Recreation and Grants Committee 11/12 • Council 13/14
<p>Kylie Grenfell</p>	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 9/9 • Strategic and International Partnerships Sub Committee 3/3 • Strategic Property Development Sub Committee 5/5 • Tourism and Visitor Sub Committee 6/6 	<ul style="list-style-type: none"> • Audit Committee 2/2 (<i>from December 2019 – June 2020</i>) • Policy and Planning Committee 12/12 • Budget and Finance Committee 12/12 • Resources and Governance Committee 12/12 • Council 14/14
<p>Natasha Henningsen</p>	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 9/9 • Strategic and International Partnerships Sub Committee 3/3 • Strategic Property Development Sub Committee 5/5 • Sport, Recreation and Grants Committee 11/12 	<ul style="list-style-type: none"> • Policy and Planning Committee 11/12 • Budget and Finance Committee 11/12 • Resources and Governance Committee 11/12 • Council 11/14 • Asset Management Sub Committee 6/6

Elected Member Meeting Attendance Cont'd

David Hood	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 8/9 • Sport, Recreation and Grants Committee 11/12 • Policy and Planning Committee 9/12 	<ul style="list-style-type: none"> • Budget and Finance Committee 9/12 • Resources and Governance Committee 9/12 • Council 14/14
Peter Jensen	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 9/9 • Strategic and International Partnerships Sub Committee 3/3 	<ul style="list-style-type: none"> • Policy and Planning Committee 12/12 • Budget and Finance Committee 12/12 • Resources and Governance Committee 12/12 • Council 14/14
Sarah Ouk	<ul style="list-style-type: none"> • Youth Council 0/5 • Sport, Recreation and Grants Committee 10/12 • Policy and Planning Committee 10/12 	<ul style="list-style-type: none"> • Budget and Finance Committee 10/12 • Works and Services Committee 10/12 • Council 14/14
Donna Proleta	<ul style="list-style-type: none"> • CEO Review Committee 4/4 • Strategic and International Partnerships 3/3 • Strategic Property Development Sub Committee 4/5 • Tourism and Visitor Sub Committee 5/6 	<ul style="list-style-type: none"> • Policy and Planning Committee 11/12 • Budget and Finance Committee 11/12 • Resources and Governance Committee 11/12 • Council 14/14
Shiralee Reardon JP	<ul style="list-style-type: none"> • Strategic Property Development Sub Committee 2/5 • Tourism and Visitor Sub Committee 5/6 • CEO Review Committee 2/4 • Asset Management Sub Committee 4/6 	<ul style="list-style-type: none"> • Policy and Planning Committee 8/12 • Budget and Finance Committee 8/12 • Sport, Recreation and Grants Committee 10/12 • Works and Services Committee 8/12 • Council 14/14
Graham Reynolds	<ul style="list-style-type: none"> • Strategic and International Partnerships Sub Committee 2/3 • Strategic Property Development Sub Committee 5/5 • Youth Council 3/5 	<ul style="list-style-type: none"> • Audit Committee 4/4 • Policy and Planning Committee 11/12 • Budget and Finance Committee 11/12 • Works and Services Committee 11/12 • Council 14/14
Julie Woodman JP	<ul style="list-style-type: none"> • Innovation and Business Development Sub Committee 9/9 • Strategic and International Partnerships Sub Committee 3/3 • Tourism and Visitor Sub Committee 6/6 	<ul style="list-style-type: none"> • CEO Review Committee 4/4 • Policy and Planning Committee 11/12 • Budget and Finance Committee 11/12 • Resources and Governance Committee 11/12 • Council 13/14

Overseas Travel by Elected Members and Staff for 2019/2020

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 01/07/2019 through to 30/06/2020 there was one overseas trip that involved Elected Members and Staff as follows:

13 to 21 October 2019

Travel to Linyi, China on the invitation of the Linyi Municipal Government to attend the Shandong International Sister Cities Cooperation and Development Conference in Jinan

- Mayor Gillian Aldridge OAM (cost to Council \$3,296)
- Cr Graham Reynolds (cost to Council \$3,411)
- Mr John Harry, Chief Executive Officer (cost to Council \$3,260)

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 (with the exception of the CEO);
- Provision for professional development fees.

Executive membership on External Boards and Committees:

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

Chief Executive Officer, John Harry

- Council Solutions (Member)
- Local Government Chief Officers Group

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 (until February 2020)

- Nil

General Manager City Infrastructure, John Devine

- Northern Adelaide Waste Management Authority (NAWMA) (Deputy Board Member)
- Local Government Functional Support Group (Commander)

COMMUNITY Champions

2020 CITIZEN OF THE YEAR AWARD WINNERS

Citizen: Jim Zissopoulos

Young Citizen: Monu Chamlagai

Senior Citizen: Bunchhong Mann

Community Event of the Year:
Northern Community Family Fun Day



CITIZEN OF THE YEAR: JIM ZISSOPOULOS

The recipient of this year's Citizen of the Year Award has been described as never giving up on a challenge and possessing the ultimate "can-do" attitude.

Jim Zissopoulos is a key figure at the Valley View Tennis Club, and is credited as being the driving force behind saving the club from potential closure 10 years ago.

Jim's determination to ensure the Club not only remained open, but expanded and thrived, can be seen today in the junior tennis program which he established a decade ago and still coordinates today.

In any given week, more than 100 children and adults are coached through the Club to develop their tennis skills and up to 70 children participating in regular Friday night and Saturday morning competitions.

Jim has developed a 12-stage coaching program for all junior players and encourages young players to continue on to the senior competition and also become tennis coaches. As a result, about 10 junior players who started with the Club at 8-10 years old have gone on to become coaches for the Club and also developing their skills for future employment.

As well as coaching, Jim also manages background tasks such as coordinating fees, sending weekly update emails, driving a volunteer culture and successfully applying for grants for upgrade works to the Club.

YOUNG CITIZEN OF THE YEAR: MONU CHAMLAGAI

This year's Young Citizen of the Year is 19-year-old Salisbury resident Monu Chamlagai.

Monu is an inspiring member of the Salisbury community who generously and actively advocates for youth, refugees, women, girls and mental health awareness.

Having arrived in Salisbury with her family as an 11-year-old on a humanitarian visa after being born and raised in a Nepalese refugee camp, Monu has always had a desire to give back to the community she says has given her much more than just shelter.

Now as a young leader, having overcome a host of barriers that many young people do not face, Monu is a passionate volunteer for the City of Salisbury. She holds positions as Deputy Chair of the Youth Council and Deputy Chair of the Salisbury Intercultural Community Alliance.

While balancing her demanding volunteer roles, Monu studies a Bachelor of Psychology full time and works part time in hospitality.



SENIOR CITIZEN OF THE YEAR: BUNCHHONG MANN

This year's Senior Citizen Award was awarded to Parafield Gardens resident Bunchhong Mann. Since relocating from Cambodia with his wife and six young children as refugees in 1980, Mr Mann has worked tirelessly in dedicating his time to the local Khmer community and giving many families the opportunity for a better life.

Mr Mann played a key role in the establishment of the Cambodian Association of South Australia, of which he was the inaugural president.

Through the Association, Mr Mann worked alongside the State Government to assist refugees, and established an ethnic school in partnership with women, youth, dancing and music groups. He has taught in Salisbury both within the Khmer Ethnic School and also mainstream schools.

He also organised numerous Khmer events and encouraged his team to contribute their culture to the wider community and was a member of the Lutheran Refugee Support Community that has helped people from Cambodia, Lao and Thailand resettle in Adelaide.



COMMUNITY EVENT OF THE YEAR: NORTHERN COMMUNITY FAMILY FUN DAY

The Northern Community Family Fun Day, hosted by the Lions Club of Paralowie, is the City of Salisbury's Community Event of the year.

The annual event is important in bringing together community members and instilling a sense of community pride. In the three years since it was launched, the event has also contributed to making Salisbury a great place to live, offered a safe and fun place to meet and provided opportunities for dozens of stallholders to operate locally.

The small team of Lions Club members have effectively worked with limited resources to ensure the event not only is a success, but has grown with each year.



COMMUNITY Champions

2020 LEGENDS AWARD WINNERS

Living Legend: Peter Beames

Working Legend: Silentium Defence

Active Legend: Northern District Athletics Club

Mrs Baynes and Mrs Roberts Outstanding Contribution Award:
Jo McKessor (Lasham)





LIVING LEGEND: PETER BEAMES

The Living Legend Award acknowledges an individual who is improving the quality of life in the City of Salisbury through learning and education, volunteering, environmental sustainability or community safety.

Peter has been a valuable and well-respected volunteer at Burton Community Centre for the past 10 years.

Peter generously offered his expertise in Information Technology – developed across a 37 year IT career – by successfully designing an intricate and unique booking system for the Community Centre. This allows it to more efficiently hire out facilities, better manage money and electronically store services information and schedules for activities.

For the past decade, Peter has singlehandedly taken on the management of eight computers at the Centre and once invested his own money into buying and donating six second-hand PCs when the Centre was unable to fund an upgrade.

Quiet and unassuming with strong listening skills, Peter brings a unique sense of humour to the role and fits in well with everyone he deals with during his two days per week at the Centre.

He also runs a free weekly digital literacy class and is more than happy to put up his hand when volunteer shifts need covering.

Peter captures the spirit of giving back to the community and embodies the strong values including generosity, helpfulness, commitment and passion.

WORKING LEGEND: SILENTIUM DEFENCE

The Working Legend Award recognises an individual or group that is enhancing the City of Salisbury by showcasing business excellence or through business collaborations, events or innovation.

Our deserving recipient for 2019 is Silentium Defence, based at Parafield.

Established by James Palmer and Simon Palumbo, Silentium Defence is playing a key role in shaping Australia's surveillance future through the design, engineering and research of passive radar systems for the Australian Defence Force as well as civilians.

Since opening its doors in July 2018, Silentium Defence has continued to grow – welcoming its 17th team member in July this year.

The company has already received accolades – it was acknowledged within both the Start-up of the Year and Government and Public Sector categories in the South Australian IA Awards earlier this year, while James and Simon were named among Australia's Top 50 small business leaders by Inside Small Business.

The company was also successful in winning \$1.5 million in Defence Innovation Hub contracts for the development of new innovative technology that will allow Australian forces and their allies to be 'see without being seen' and unique space surveillance technology.

Silentium Defence is also committed to giving back, having helped to launch the State Government's Space Industry Work-Experience Program and has taken part in the "With You With Me" careers expo, supporting veteran pathways into the workforce.



ACTIVE LEGEND: NORTHERN DISTRICT ATHLETICS CLUB

The Active Legend Award is designed for an individual or group that has helped build pride and success in the City of Salisbury as a sportsperson, team, coach, umpire, official, artist or musician.

This year's well deserving winner is the Northern District Athletics Club, which offers athletics to all ages and abilities.

The Club has worked tirelessly to attract children to the sport of athletics and provide them with pathways to stay involved well into adulthood. It enjoyed its largest ever presentation evening this year, with more than 230 athletes and family members in attendance.

This persistent hard work has led to a steady increase in participants in its Carisbrooke Classic and Salisbury Half Marathon events. In its first year, 60 participants took part in the Salisbury Marathon while its most recent event boasted 300 participants.

The club also offers free training in the lead up to "City to Bay" out of its home, with skilled coaches available to help people achieve their goals. It is also working closely alongside local football and soccer clubs to assist one another in helping grow membership in all sports.

At the heart of the club is passion and commitment to encouraging children – and adults – to get outside and get active. That drive is what makes Northern Districts Athletics Club so deserving of the Active Legend Award.



MRS BAYNES AND MRS ROBERTS OUTSTANDING CONTRIBUTION AWARD: JO MCKESSOR (LASHAM)

This Award is named after the two first female employees of the District Council of Salisbury in 1941 and recognises an employee who demonstrates outstanding contributions in the areas of work, community and play, in particular balancing these three activities successfully.

Jo is the Community Development Coordinator at Salisbury East Neighbourhood Centre and is recognised for her outstanding contribution to at-risk youth.



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

Council understands the importance of improving pathways to employment by providing programs to support community members from a range of backgrounds. In 2019/20, Council developed the second phase of its Microsoft Project which offered foundation skills training that lead to the securing of further education, employment or volunteering pathways for participants, as well as providing opportunities for student placements.

While the restrictions introduced in response to the COVID-19 pandemic impeded on the ability to offer face-to-face education, community learning programs continued to run in digital formats through the use of a Fostering Integration Grant which was provided and extended to 31 July 2020.

In 2019/20 Council continued to support an age-friendly and diverse Salisbury with an intercultural strategy and abilities and inclusion plans to enable older people, those with disabilities and people from culturally and linguistically diverse (CaLD) backgrounds to participate in employment and volunteering opportunities – as well as actively contribute to decision-making processes. The Aged Friendly Salisbury Alliance, DAIN (Disability Access Improvement Network) and Intercultural Alliances met regularly throughout the year.

Council also continued to ensure that volunteers had the opportunity to apply for Council's internally-advertised positions. We assisted by providing training to volunteers that was appropriate to their roles and easily transferrable into a paid position. All volunteers at the City of Salisbury are provided with a training plan.

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

The City of Salisbury is renowned for its regional strengths in food processing, defence, logistics and education and in 2019/20 it further built on these strengths to attract new investment and support existing firms. A Deloitte report on an economic vision for Salisbury was finalised this year.

Council's Economic Development arm worked with a total of 22 firms regarding inward-investment activity during the year and worked with 16 firms in regards to expansion plans. Council is also currently working with 9 firms on relocation proposals.

Council's Community Learning and Development Team, in partnership with local community centres, continued to deliver innovative programs with STEM-based learning activities including 3D printing, coding, robotics and bionics. With continuous advances in technology and changes to the way students learn, connect and interact every day, skills developed in these programs equip young people enabling them to achieve in a modern workforce.

On another note, Council has worked with CSIRO and the University of South Australia to sponsor a Research Program Manager to coordinate water quality research projects aimed at reducing costs for the local industry.

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

The City of Salisbury strongly supports the developments of a creative entrepreneurial and business community. In 2019/20, the #ShopSalisbury initiative was launched to specifically connect customers with local businesses both through the creation of an online local business listing, as well as promotion via Council's social media platforms including Facebook, LinkedIn, Twitter and Instagram.

In 2019/20, 174 business intenders and early stage businesses sought advice from Council, while a regular business basics workshop was held for people who are considering starting a business. Council also continued to liaise with Renewal SA and developers in relation to the further development of Technology Park.

The Community Health and Wellbeing division continued to develop the Salisbury Home and Community Services contractor list, which this year increased to about 42 contractors.

Providing support for new and existing businesses remained at the top of Council's agenda in 2019/20, with information and advice offered to 740 individual businesses. Sixty-one networking events and workshops were delivered during this period, with more than 1000 registrations. The onset of COVID-19 resulted in the suspension of face-to-face networking, however an increased number of workshops were delivered through video conferencing and other virtual platforms from March onwards. The Polaris Business and Innovation Centre recorded a 98 per cent client satisfaction rate during this time.

Accessing new markets is a central component of Council's business services program, whether those markets are local, interstate or overseas based. Various workshops and mentoring programs were conducted with firms in an aim to identify new opportunities, including emerging market opportunities in the environment post COVID-19 onset. A total of 119 firms sought advice regarding digital technologies in 2019/20, sparking the introduction of a new digital coaching group program.

Council also continued to provide a range of statutory services to the community in relation to development approvals. In 2019/20, 2026 development applications were submitted and the total value of approved development was \$208 million.



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

A key element within Council's vision for the City of Salisbury is the regeneration of the Salisbury City Centre in a vibrant, diverse and successful destination. Since it opened in late 2019, the Salisbury Community Hub has quickly become the social heart of the community, with more than 150,000 people visiting this building.

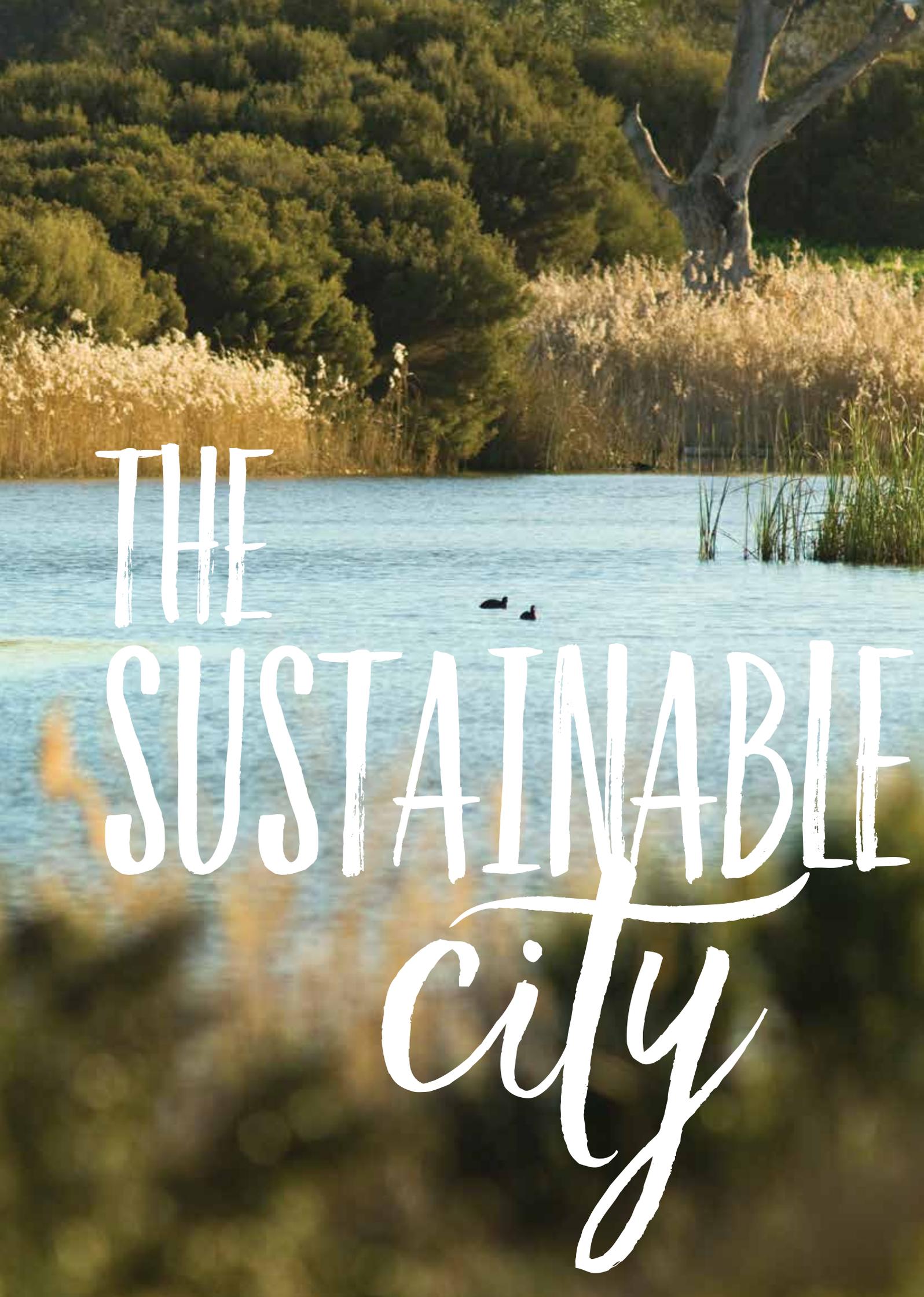
The Salisbury Community Hub and its architect, HASSELL, received the esteemed 2020 Jack McConnell Award for Public Architecture as well as an Interior Commendation. This year's South Australian Architecture Awards were heavily centred on projects that have a considerable impact on the communities they serve. In achieving the award, the Hub was recognised as inviting opportunities for community use and having a strong sense of place. This includes by embracing the future with modern design and maintaining connections with our past, such as through the preservation of the cemetery.

As part of the next step for regenerating the City Centre, Council has consulted with the community regarding the John Street/ Church Street upgrade with the civil design to be completed in 2020/21.

Council has included a focus on the Northern region with respect to procurement and partnering with local contractors where possible as part of the ongoing Capital Works Program. Council this year moved to increase the program by about \$20 million over two years in order to generate additional jobs and stimulate investment.

In order to encourage well-designed infill development and unlock new urban development opportunities, Council has monitored the effectiveness of policy to achieve housing options, while feeding this information into forward planning initiatives. During this year, new infill design guidelines were developed and a design review service was established to assist applicants and improve design outcomes.





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 support the development of an environmentally sustainable city. The City features six Regional Place Spaces, 27 District Play Spaces and 169 Local Play Spaces. The management of trees, parks and wetlands is always at front of mind for Council and the opportunity was taken to enhance and 'green up' key spaces with irrigation during shut down periods that resulted from the management of the COVID-19 pandemic from March 2020.

Council also supported businesses to minimise resource usage and waste production. Local businesses were provided with information on minimising resource usage where appropriate, as part of the Polaris Centre's mentoring programs.

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

The City of Salisbury is passionate about reducing cost of living pressures through the adoption of energy efficient technologies. In 2019/20, Salisbury Water supplied 2,339 million litres of recycled water to 1,210 customers. This resulted in overall customer and community savings of \$2.5 million, when compared with mains water pricing.

Salisbury Water also supported Natural Resource Management education in delivering sustainability education programs for schools, as well as conducted two technical tours and three community group tours of the wetlands. Council also promoted self-guided tours of the wetlands trails in partnership with the Watershed Café.

Another focus has been working with our community to reduce levels of waste. Council has implemented strategies to increase the use of recycled materials as part of its Capital Works Program. Council uses 38 per cent recycled materials in capital works projects and is working towards further increasing this percentage with an emphasis in the area of road reseal reconstruction.

Have natural resources and landscapes that support biodiversity and community wellbeing

Council recognises the importance of managing our natural spaces and landscapes to support the health of local habitats. In 2019/20, Council continued to deliver on the Biodiversity Corridors Management Plan. This included a significant removal of pest species in waterways through Dry Creek, as well as an increase in plantings both in Dry Creek and identified escarpment gullies to boost biodiversity as part of Council's flood mitigation strategies.

Managing coastal environments to protect and develop their future natural, economic and recreational value also remained a priority for Council, which received funding to investigate and determine coastal protection challenges, particularly relating to the retention of the Mangrove and Samphire areas. The ongoing study is due to be finished by mid-2021. Similarly, Council is completing Stage Two of its St Kilda Master Plan which is scheduled to be completed by early 2021. This stage includes the construction of a boat ramp extension and RV park.

The importance of open space on community wellbeing is being recognised through a number of Council initiatives. In 2019/20, Council successfully obtained a grant from Wellbeing SA to implement a community garden and relevant health and wellbeing programs at Para Hills Community Hub. Burton Community Centre is working alongside Bagster Community Centre to establish "Partnerships in the North" – an extension of our community garden programs which aim to provide food security.

Council also continued to provide activities at its existing community garden at Paralowie, ensuring a focus on community education around sustainable living. Five information sessions were held at the community garden, while sessions moved to an online format in response to the COVID-19 pandemic earlier in 2020. Members from local walking and cycling groups also met regularly to explore local trails. In addition, the Jack Young Centre courtyard was renovated, resulting in increased usage of the outdoor space by senior members.

The provision of quality open space was also prioritised under Council's Place Activation Strategy, which has a focus on community levels of service to ensure wellbeing, as well as emphasising the importance of open space to the local community. The majority of the strategy has been developed and is due to be considered at a Council meeting in 2020/21.



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

Council has ensured long-term flexibility in the management of our urban spaces in order to adapt to a changing environment. The Salisbury Community Hub was opened in November 2019, incorporating design principles that promote environmental sustainability, such as LED lighting, solar power, thermal glass and double glazing and the use of recycled stormwater. In early 2020, Council adapted services in response to COVID-19 restrictions to deliver a range of programs online. The library launched its 'Click and Collect' and 'Library to your door' services in order to adapt to the changing environment, to ensure the community still had access to library resources.

Council has also been implementing the Northern Area Climate Adaptation Plan, which has included a review of species of tree and biodiverse plant species to ensure further climate resilience.

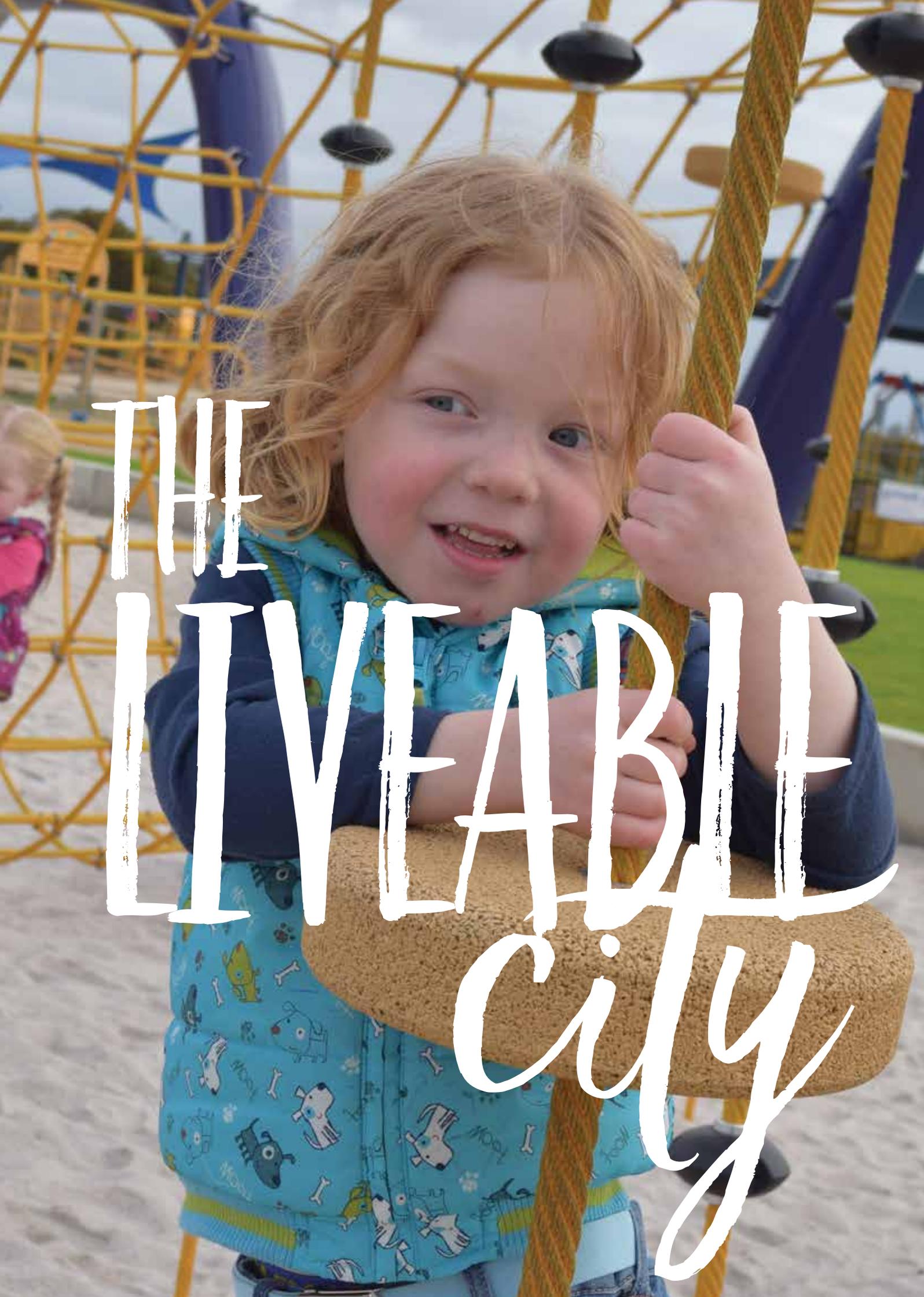
Proactively managing stormwater to reduce its impact on communities and the natural environment has also been front of mind. Council has reduced stormwater runoff and urban pollutant loads to the Barker Inlet by harvesting, cleansing and storing 2,392 million litres of stormwater. This process has included the removal of litter and sediment that would otherwise have polluted the marine environment.

Council's ongoing Stormwater Management Plans (SMPs) are focused on the ability to reduce flooding and improve water quality in major waterways across the city. In partnership with the City of Playford, Council has completed an SMP for the Greater Edinburgh Parks, which includes the Helps Road and St Kilda systems.

The Major Flood Mitigation Strategy Program allowed for the completion of four major projects and 20 minor projects in 2019/20. This resulted in significantly reducing the risk of about 30 to 40 properties being flooded during a once-in-100-year storm event.

Council also continues to deliver the Street Tree Renewal Program, which manages the Council's Urban Forest in a sustainable way.



A young child with curly hair is smiling and holding onto a thick rope on a playground structure. The child is wearing a blue patterned vest over a dark blue long-sleeved shirt. The background shows a yellow and blue playground structure and a sandy area.

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

The City of Salisbury is committed to connecting members of our community with information, people and programs that support them to achieve their goals. We strive to offer programs that provide lifelong learning and social engagement opportunities for people from all backgrounds and of all ages. In doing so, Council recognises the importance of identifying and breaking down any barriers that may prevent people from accessing these programs.

As a result, a multi-faceted approach is taken in promoting events and programs to ensure we reach as many community members as possible, utilising Council's digital platforms including social media pages and websites, through to brochures and inclusion in Council's relevant publications such as its Salisbury Aware community magazine.

In 2019/20, the readiness of Council to adapt to meet the community's needs perhaps proved more vital than ever with the onset of the COVID-19 pandemic. The restrictions stemming from COVID-19 meant many of the programs and services offered by the City of Salisbury could no longer be delivered in their traditional formats. As a result, Council quickly adapted to ensure the continuity of service delivery with a range of programs instead delivered online and via other alternative formats.

When COVID-19 restricted our libraries between 24 March and 15 May 2020, services were adapted to provide the

community with the option to access materials via a 'Click and Collect' format. For community members who were unable to leave the house, a home delivery and collection service was provided. A number of learning programs were transferred online with more than 2,500 people getting involved. Overall in 2019/20, there were 481,047 library loans provided through the City of Salisbury libraries, with more than 500,000 visits during the year. There were more than 20,000 attendees of library programs and our volunteer Justices of the Peace were visited more than 21,000 times.

An e-sports tournament league was also established in conjunction with Twelve25 Youth Centre and the Northern Adelaide Secondary College, while we continued to explore other new learning opportunities through digital technologies such as virtual and augmented reality. Our leadership in STEM-based activities that build employment skills also shone through in the delivery of digital programs with a strong focus on electronics, game development, robotics, Minecraft and virtual worlds, engineering and creative technologies. A Twelve25 Employment Forum series was meanwhile delivered in partnership with local high schools and has successfully transitioned to an online model with Facebook and webinar delivery.

City of Salisbury also continued to maintain a strong commitment to delivering intercultural, age and disability programs, with a large number of people engaging in regular workshops and information sessions, with a number of these again provided through online platforms. Our teams and volunteers also checked on vulnerable community members during COVID-19 restrictions, and provided at-home offline alternatives to keep them engaged in activities.

Have interesting places where people want to be

The City of Salisbury aims to enhance our neighbourhoods, streets and public spaces so they are as welcoming and connected as possible. For example in 2019/20, Council engaged with the community on its draft Church Street and John Street Improvement Plan, which aims to provide direction for the physical enhancement of the Salisbury City Centre and forms part of Council's City Pride Agenda.

Council also continued to maintain design, development and delivery of high quality housing and improved amenity facilities 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.

A Community Safety Strategy and Place Activation Strategy have been developed to assist in informing the future development of public spaces and neighbourhoods so that they are welcoming and well-connected. The Place Activation Strategy aims to enhance the key destinations across the City. Council also continues to work with the Asset Management Sub-Committee to develop community-based levels of service, including maintenance regimes for the City's assets.

Providing experiences that make our places more lively and interesting is a core goal for Council, with highlights in 2019/20 including the Salisbury Community Hub activation program. The program – which ran between January and March 2020 ahead of the onset of COVID-19 – ensured a range of learning and engagement opportunities were available to suit community members of all backgrounds and ages. The Growing for Gold

program celebrated 20 years in October 2019, with about 40 local clubs this year opening their doors for children to participate in free sporting and recreational opportunities. The Salisbury Community Hub opening weekend and Salisbury Secret Garden Fringe program also attracted thousands of people to the City Centre.

While the onset of COVID-19 meant Council was not necessarily able to bring the community to its venues from March 2020 onwards, staff embraced technologies and used lateral thinking to adapt the way we deliver programs, with many users choosing to participate through virtual and other offline methods.

The ability to activate our spaces is dependent on providing well-maintained, clean and attractive places and facilities. Council provides a corporate signage scheme across the City to assist the community in navigating spaces while promoting local businesses.

Council also completed the audit of high risk buildings with aluminium composite panelling, including working with building owners to upgrade and undertake corrective works where required.

Council has implemented the second stage of the Asset Management Improvement Project, which further builds on the deployment of mobile technology to our field teams. This allows for the improved management of works, including proactive maintenance regimes that are routine or cyclic, with an increased level of data on record.

A review of Verge Maintenance Services was undertaken with a trial of revised service offerings being undertaken in 2020 to improve the attractiveness of streetscape environments. A new mid-sized sweeper was purchased and commissioned to improve the cleaning of roads and streets with tight access such as cul-de-sacs, car parks and around traffic calming devices.



Be a connected city where all people have opportunities to participate

In 2019/20, Council continued to promote and develop opportunities for volunteering to build skills, employability and business sustainability. Staff utilised a range of mediums to attract volunteers and offer volunteer training opportunities.

Throughout the year, 512 enquiries were received from people interested in volunteering with 111 new volunteers engaged. During 2019/20, 573 active volunteers gave a total of 54,614 hours equating to an economic value to the City of Salisbury of nearly \$2.4 million.

Twelve25 also introduced a tailored annual volunteer assessment and goal setting to ensure volunteers are meeting their needs.

Council encouraged people to get involved with wellbeing opportunities such as with a community garden at Para Hills Community Hub which is currently underway. The garden has a focus on providing programs and activities that support health and nutrition, physical fitness and creating your own garden at home.

In 2019/20, Council continued to support social and recreational programs for older people, Culturally and Linguistically Diverse (CaLD) people and those with disabilities. It also supported people to live independently through service delivery and to stay connected through our transport program.

A range of programs and services have been delivered by or facilitated through the City of Salisbury including recreation services, sport and recreation participation programs and “come and try” opportunities.

Council also drove a high quality consultation process for capital projects in the City. Residents are able to get involved in the initial stages of development when concepts are still being formed. This allows for an education on what the Council is developing but also engagement to seek ideas from the community, particularly in the areas of traffic and play space development.

Be a proud, accessible and welcoming community

Council has worked to develop a community where people’s culture, ideas and capacity to achieve is supported. This year Council continued to provide opportunities for community members to be involved in decision making and to have a voice in regards to creation of strategies, programs and services. For example, a new Abilities and Inclusion Strategic Plan was developed in partnership with the community with surveys conducted and feedback incorporated into the Plan.

The Salisbury Senior Alliance held quarterly meetings, the Disability Access and Inclusion Network met six times throughout the year and the Intercultural Community and Strategic Alliances met bimonthly. Inclusive recreation and sport forums were also delivered, with recognition of volunteers through the Northern Sport and Recreation network.

The City of Salisbury also remained engaged with the Assistance with Care and Housing for the Aged (ACHA) Program, ensuring knowledge of seniors’ housing needs is shared across the Council and beyond.

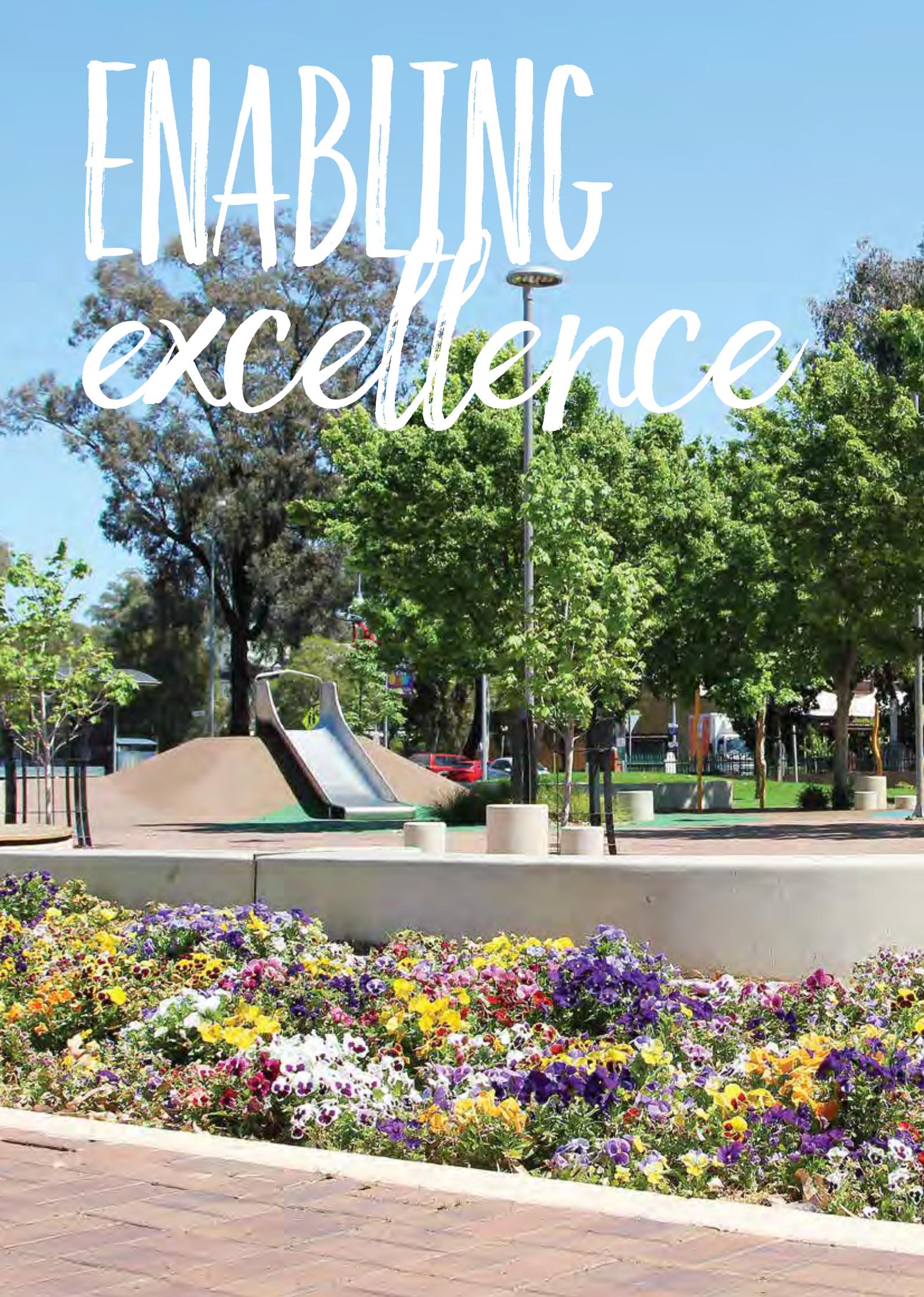
The Strategy to Safeguard the Rights of Older South Australians was supported through the dissemination of information and participation in World Elder Abuse Awareness Day (WEAAD), with Council taking part in ‘yarn bombing’ the Salisbury Civic Plaza/ Inparrinhi Kumangka with purple pom-poms and other small items to show community support.

Council built on the community’s strong sense of spirit and purpose with the introduction of social media videos of Mayor Gillian Aldridge OAM, which focused on key issues or projects. These videos were informative and resonated with our community. We also produced three issues of the Salisbury Aware community magazine across the year, which served to highlight and celebrate our community’s achievements.

The welcoming status of our community has been reinforced through safety improvements, such as increasing public lighting in key locations through the newly-endorsed Public Lighting Program. Council also continues to monitor traffic behaviour through its traffic count program of more than 2000 sites which will be used to inform improvements in street safety.



ENABLING *excellence*



By 2030 the City of Salisbury will excel in its 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 model 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

The City of Salisbury is committed to working with its neighbouring councils to address issues of regional importance. In 2019/20, this was exemplified through the delivery of Council's business advisory services into Tea Tree Gully Council area, with Council assisting business owners within Tea Tree Gully on 465 occasions.

Council also worked in partnership with the City of Tea Tree Gully to undertake a project plan for the proposed development of a shared animal pound at Research Road, Pooraka. Both councils are developing the joint project in order to provide a safe, secure and hygienic environment where pets are detained whilst they await collection by their owners or transfer to an approved shelter and/or other responsible person or agency.

The Greater Edinburgh Parks Stormwater Management Plans were completed by Council in conjunction with the City of Playford this year, with consultation to commence later in 2020.

Northern Region councils and associated bodies also came together to work on a number of projects including a digital agenda and launched a grant-funded project addressing gender inequality as a driver of family violence and to present a forum focusing on the needs of youth.

Connecting with our local sporting and community clubs is important to Council as these make up the rich fabric of our community.

Council is a member of the Northern Sport and Recreation Network, along with Tea Tree Gully, Playford, Port Adelaide Enfield and Charles Sturt councils.

During what has proven a challenging time for local clubs, the Network presented a free six-part online webinar series on, 'How to go from surviving to thriving' to offer support.

City of Salisbury staff also connected with our local sporting clubs by providing bi-monthly newsletters offering timely information on sport and recreation trends, available grants and links to resources that provide helpful information.

An online survey was conducted to help understand local clubs needs and the assistance clubs require as they recovered from COVID-19 restrictions. Council representatives in turn met with clubs in recent months to discuss available grants and services they may access through the City of Salisbury and State Government.

Working with State and Federal governments to influence decisions is an important role of Council, with staff this year contributing on advisory committees for legislative changes to the State Government's planning system via the Building Advisory Committee and Local Government Advisory Committee. Council made a formal submission on planning reforms including the draft Planning and Design Code.

Council continued to build partnerships with governments and non-for-profit organisations to deliver our intercultural, community health and wellbeing services. This includes regularly liaising with agencies such as the Commonwealth Home Support Program Office, National Disability Insurance Agency, Council of the Ageing, Age and Community Services Australia, Multicultural Aged Care, the Department of the Premier and Cabinet, the Department of Home Affairs and the Migrant Resource Centre, among others.

Senior members of Council's Infrastructure Management division represent Council on various organisations and committees sponsored by state and federal bodies, including Play Australia, Australian Standards for Public Lighting, Biodiversity and Special Local Roads Funding and the 30 Year State Infrastructure Strategy.

Developing stronger partnerships with business and industry is essential in order to address the challenges facing our region. In 2019/20, Council engaged with 153 businesses in its ongoing liaison efforts, while two CEO Industry Roundtables were held with a focus on health and community services and future economic opportunities.

A proposed joint project between Council and the Polaris Centre was submitted to the National Careers Institute Grants Program, focussing on linking industry, schools and community to employment and career pathways.

The collaboration with our community on the effectiveness of services is paramount, with Council ensuring participant evaluations are completed for every facilitated program and that the feedback received is incorporated into a continuous improvement cycle across all learning programs.

Community members were also encouraged to take part in a number of decision-making processes, with opportunities such as:

- The Aged Friendly Alliance committee met regularly and provided advice regarding the implementation of the Age Friendly Salisbury Strategy
- The Intercultural Strategic Alliance met bi-monthly and provided advice on the implementation of the Intercultural Strategy. The Intercultural Community Alliance also met regularly to provide advice from a community point of view

- The Community Ambassadors group met bi-monthly
- The Jack Young Centre Advisory Group met monthly and consists of consumer representatives from across three seniors centres
- Jack Young Centre group leaders also met bi-monthly to provide input into Jack Young Centre services.

In 2019/20, the introduction of the Asset Management Sub-Committee has enabled a direct engagement with Council regarding the provision and levels of services from an inclusive perspective. This has had a direct positive influence on the suitability of the services provided to the community.

The community was kept up-to-date with vital information distributed via the Salisbury Aware magazine. The magazine was distributed in August 2019, December 2019 and April 2020 to more than 55,000 residential addresses per edition.

Digital communication also proved a particularly important tool for distributing timely information to the community, particularly with the onset of COVID-19 when the environment was evolving rapidly. As at June 2019:

- City of Salisbury Facebook page had 10,824 followers (increase of 17.7% on 2019)
- Discover Salisbury had 7,663 followers (increase of 3.7% on 2019)
- St Kilda Adventure Playground had 19,141 (increase of 2.8 % on 2019)
- Salisbury Library Service had 2350 followers (increase of 3.2% on 2019)
- Youth in Salisbury had 3,071 followers (increase of 1.5% on 2019)
- The Polaris Centre had 1209 followers (increase of 19.5% on 2019) and
- The City of Salisbury website achieved 875,816 unique page views with a decrease of 20.3% on 2019.

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

Building strong leadership capabilities within Council and across the wider community is important to enable continued improvement. Leadership and learning opportunities were further encouraged in 2019/20, resulting in:

- Five administration trainees and seven trainees in field-based roles completing traineeships with the City of Salisbury
- Six staff participating in the Local Government Professionals Australasian Management Challenge
- Nine staff benefiting from study support
- Two staff participating in the Local Government Professionals Emerging Leaders Program
- Staff participating in the White Ribbon Australia Accreditation Program.

Learning and innovation continues to transform the way Council operates and plans for the future. A major change program was successfully implemented with the relocation of staff into the Salisbury Community Hub. Employees have embraced mobile technology, flexible ways of working, significant archiving of historical information, reduced storage capacity and achieved significant savings in printing.

An integrated customer service model, including library staff and customer service staff, was also successfully implemented at the Hub. Council's focus on customer-centric service delivery was also enhanced in 2019/20 by:

- Upgrading Council's e-Services portal to enable customers to log service requests from any device at any time
- Implementing a 10-day service standard for all CRM requests with an aim to complete requests or contact customers within 10 business days
- Introducing a webchat service as an alternate contact point for community members. In 2019/20 Council received 2,456 chats with a satisfaction rate of 92 per cent

Meanwhile Council's technology division held 150 meetings with senior leadership managers through the year in order to understand how improvements in technology can help them to better service the community. A new e-learning induction module for workers was developed and an annual code of conduct awareness refresher was delivered.

A number of training programs were held in 2019/20 in order to develop a flexible, capable and engaged workforce, including:

- Family and Domestic Violence in the Workplace
- Wellbeing
- Customer Experience
- Collaborate Tools Training (MS Teams)
- Venomous Animals Awareness
- Animal Management
- Incident Investigation
- Work Zone Traffic Management
- First Aid and CPR
- Chief and Emergency Warden
- Conflict Management and
- Other compliance topics.

In order to develop a shared focus on accountability and performance, the vertically integrated business partner structure was developed to provide a single point of contact for key stakeholders engaging within Council's procurement process. This is aimed at providing a better understanding and knowledge of stakeholder needs resulting in an enhanced service delivery outcome.

The onset of COVID-19 provided Council with an opportunity to introduce flexible working arrangements for staff and update our information technology to ensure staff members were equipped to do their jobs from home. All staff remained working to provide services to the community during COVID-19. Council also relocated its payroll system to the cloud, to allow staff to access and change their personal details, claim reimbursements and book training from personal devices.

Providing a safe work environment is essential with Work

Health and Safety (WHS) activities this year resulting in:

- Four WHS procedures and two WHS policies reviewed and updated
- Corporate WHS targets and performance indicators revised
- Updated Terms of Reference for WHS committees
- Hazard mapping across five divisions, with development of accompanying Safe Work Method Statements/ Work Instructions
- Implementation audits completed for two WHS procedures
- Plant risk assessments reviewed and updated for all heavy vehicles, load shifting and earth moving plant
- Confined spaces register reviewed and updated
- Risk assessments completed and controls implemented specific to COVID-19
- Site emergency plans developed and tested for the Salisbury Community Hub
- Work from home safety checklists completed for all affected staff and a re-induction completed for all staff upon returning to the workplace
- Revision of WHS training needs analysis completed for all divisional teams.



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

In 2019/20 the City of Salisbury maintained and managed capacity to hold Council, Committee and Sub Committee meetings onsite while enabling the public to attend in person to observe proceedings. We also strived to provide accurate and timely information to Elected Members, especially in relation to Council's evolving response to the COVID-19 pandemic.

Special meetings of Council were convened to enable time-critical decisions to be made as required for Council to formally adopt its response to COVID-19 and to make appropriate delegations to administration for implementation.

The City of Salisbury Continuous Improvement Specialist sat as chair of the Local Government Professionals Continuous Improvement Network Committee, which includes members from a number of metropolitan and regional local government organisations. This informed the establishment of an organisation-wide process for capturing all continuous improvement initiatives, which are summarised in a report issued to Council's executive on a quarterly basis.

Some of the additional measures that highlight continued learning and innovation to improve Council services include:

- Streamlining procurement processes through the introduction of a standardised six-stage process
- Implementing electronic bill management for Salisbury Water customers
- Preparing for the transition to the new state e-planning system
- Undertaking accreditation in the Australian Service Excellence Standards (ASES) at Morella and Pooraka Farm Community Centres
- Transitioning business advisory sessions and workshops to an online environment in response to COVID-19, equalling 37 workshops delivered via Zoom over a three-month period
- Designing and implementing a high-speed free Wi-Fi solution for patrons of the Salisbury Community Hub
- Relocating social support programs to online platforms following the onset of COVID-19 to ensure community members remained connected and

- Completing parking technology trials to evaluate license plate recognition and parking sensors. The trials will assist in Council's bid to improve the way data is used in relation to parking compliance and improve parking usage and turnover.

In order to ensure Council decision making was well informed, transparent, inclusive and compliant, the following audits were undertaken:

- Asset Management
- Contract Management
- Food Safety and
- Financial Sustainability.

Risk management training was delivered to Elected Members and a joint Council and Audit Committee Strategic Risk Register workshop was also undertaken.

Embed long term thinking, planning and innovation across the organisation

In 2019/20, Council continued to ensure long term sustainability through good financial practices, sound business planning and asset management. A building certification service was provided to private clients in order to support Council's capacity to offer building control services to the community while providing an alternative income.

Council continued monitoring Commonwealth Home Support Programme (CHSP) reforms and the development of the Home and Community Services business model framework.

A new City Plan was endorsed with increased focus on critical actions and corporate indicators. Significant revision of the Media Policy and Code of Conduct procedure also took place, in line with Council's internal process for review of policies.

The continued effort to promote Salisbury as an Age Friendly City continued to develop, as did the Intercultural Strategic Plan in consultation with community stakeholders. Opportunities for residents to provide feedback in varying formats continued to be regular and encouraged. All regular services were also proactively reviewed with consumers, while volunteers had regular opportunities to provide feedback.

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			
Department of Employment, Small Area Labour Markets, March 2020	Source: The National Institute of Economic and Industry Research	Source: Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, June 2015 to June 2019	Source: Australian Bureau of Statistics, Building Approvals, Australia, catalogue number 8731.0., (for 2019-2020 Financial Year)
RESULT			
<ul style="list-style-type: none"> ⊖ Workforce: 71,075 ⊕ Participation rate: 62.4% 	<ul style="list-style-type: none"> ⊕ \$6.429 billion 	<ul style="list-style-type: none"> ⊕ 7,430 firms 	<ul style="list-style-type: none"> ⊕ \$281 million

PERFORMANCE INDICATOR LEGEND

- ⊕ Increase on previous year
- ⊕ Consistent with previous year
- ⊖ Decrease on previous year

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			
<ul style="list-style-type: none"> Supplied 2,339 million litres of fit for purpose recycled stormwater to 1,210 customers, including businesses, schools, residential properties, community reserves and open spaces. Supplied water for irrigation to 143 community sporting/recreational facilities and 32 schools across the City - helping to keep them green and ready for use. Reduced stormwater runoff and pollutant loads to the Barker Inlet by harvesting, cleansing and storing 2,392 million litres of stormwater. 	Based on estimates from 2019/19 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	This objective addresses the State Government's 30 year plan for Greater Adelaide
RESULT			
- 2,392ML	+ 46.04%	! 7.3	! 18%

PERFORMANCE INDICATOR LEGEND

- + Increase on previous year
- ! Consistent with previous year
- Decrease on previous year

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			
<p>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.</p> <p>A higher score on the index means a lower level of disadvantage. A lower score on the index means a higher level of disadvantage.</p> <p>Source: SEIFA data was last released in the 2016 Census.</p>	<p>Next survey is scheduled for late 2020.</p> <p>City of Salisbury Community Satisfaction Survey 2018:</p> <p>Response to question "How often are you involved in the following community activities?"</p>	<p>Participation in Higher Education</p> <p>Source: Public Health Information Development Unit (PHIDU) based on SA Tertiary Admissions Centre (SATAC) data from 2017</p> <p>Participation in vocational education and training</p> <p>Source: Public Health Information Development Unit (PHIDU) based on National Centre for Vocational Education Research (NCVER) data from 2015</p> <p>City of Salisbury Community Satisfaction Survey 2018:</p> <p>Housing affordability</p> <p>Community Safety</p> <p>Response out of 10 to question "how safe do you feel in the Salisbury Council area" (0 = very unsafe, 10 = very safe)</p> <p>Community Connectedness</p> <p>Response out of 10 to question "I can get help from family, friends & neighbours when I need it" (0= strongly disagree, 10 = strongly agree)</p> <p>Access to Services</p> <p>Response out of 10 to question about "access to information, services & activities that support health and wellbeing" (0= very unsafe, 10 = very safe)</p>	<p>Next survey is scheduled for late 2020.</p> <p>City of Salisbury Community Satisfaction Survey 2018:</p> <p>Response out of 10 to question "I like living in my local community" (0= strongly disagree, 10 = strongly agree)</p> <p>Response out of 10 to statement ""Overall satisfaction with quality of life in Salisbury Council area"" (0 = extremely dissatisfied, 10 = extremely satisfied)"</p>

KEY DIRECTION 3:

THE LIVEABLE CITY CONT'D

RESULT

① In the 2016 Census, the City of Salisbury received a SEIFA score of 917.

- ① 69% attend community events
- ① 68% visit Council libraries
- ① 55% attend organised sport, church or community groups
- ① 55% attend local recreation centres
- ① 33% attend community or youth centres
- ① 43% attend Council events
- ① 22% visit senior centres

- ① 26.3% Participation in higher education
- ① 23,552 persons Participation in vocational and training
- ① 7.2 Housing affordability
- ① 6.2 Community Safety
- ① 7.2 Community Connectedness
- ① 6.9 Access to services respectively

① 7.4 and 6.9 respectively

PERFORMANCE INDICATOR LEGEND

- ⊕ Increase on previous year
- ① Consistent with previous year
- ⊖ Decrease on previous year

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			
<p>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. A review of this indicator is occurring as part of the update of the City Plan.</p>	<p>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.</p>	<p>Next survey is scheduled for late 2020.</p> <p>Since 2001, Council has undertaken biennial 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>	<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

① Council was involved in a number of stakeholder partnerships in delivering on this Objective. Indicators to be updated as part of the City Plan 2035.

① The Continous Improvement Champion network, established in 2018, regularly track and report the status and progress of the improvements in the organisational pipeline. For the financial year 2019/20 there were 49 completed improvements with a further 77 in development. Council completed its third year in the LG Professionals Performance Excellence comparative benchmarking study to gain further performance insights.

① 6.8

+ Operating Surplus Ratio (Target 0.5% - 5%) - 7% (Adjusted)

+ Net Financial Liabilities Ratio (<40%) - 17%

+ Asset Sustainability Ratio (90% - 110%) - 104%

PERFORMANCE INDICATOR LEGEND

- + Increase on previous year
- ① Consistent with previous year
- Decrease on previous year

CITY OF SALISBURY

*financial
statements*

City of Salisbury

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Salisbury - a flourishing City with opportunity for all



General Purpose Financial Statements
for the year ended 30 June 2020

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General Purpose Financial Statements

for the year ended 30 June 2020

Certification of Financial Statements

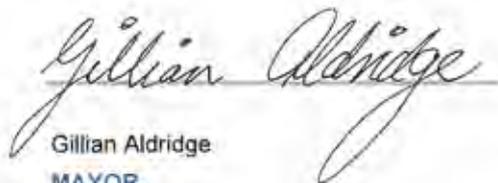
We have been authorised by the Council to certify the financial statements in their final form.

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 2020 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:

General Purpose Financial Statements for the year ended 30 June 2020

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 2020.

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. Statement of Comprehensive Income

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

2. Statement of Financial Position

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

3. Statement of Changes in Equity

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

4. 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 2020

\$ '000	Notes	2020	2019
Income			
Rates	2a	101,654	97,846
Statutory Charges	2b	2,995	2,989
User Charges	2c	4,794	4,824
Grants, Subsidies and Contributions	2g	14,939	17,624
Investment Income	2d	248	743
Reimbursements	2e	1,592	552
Other Income	2f	1,067	1,112
Net Gain - Equity Accounted Council Businesses	19	102	62
Total Income		127,391	125,752
Expenses			
Employee Costs	3a	36,863	35,533
Materials, Contracts and Other Expenses	3b	53,267	51,321
Depreciation, Amortisation and Impairment	3c	26,950	23,830
Finance Costs	3d	777	799
Net Loss - Equity Accounted Council Businesses	19	14	48
Total Expenses		117,871	111,531
Operating Surplus / (Deficit)		9,520	14,221
Asset Disposal and Fair Value Adjustments	4	(3,532)	(1,952)
Amounts Received Specifically for New or Upgraded Assets	2g	1,277	2,958
Physical Resources Received Free of Charge	2i	-	1,090
Net Surplus / (Deficit) ¹		7,265	16,317
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	10,844	48,920
Total Other Comprehensive Income		10,844	48,920
Total Comprehensive Income		18,109	65,237

¹ Transferred to Statement of Changes in Equity

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	1,776	27,777
Trade and Other Receivables	5b	8,067	8,974
Inventories	5c	2,185	2,212
Total Current Assets		12,028	38,963
Non-Current Assets			
Financial Assets	6a	1,117	1,116
Equity Accounted Investments in Council Businesses	6b	3,855	3,891
Infrastructure, Property, Plant and Equipment	7a	1,515,971	1,458,665
Other Non-Current Assets	6c	18,079	38,292
Total Non-Current Assets		1,539,022	1,501,964
TOTAL ASSETS		1,551,050	1,540,927
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8a	12,067	21,256
Borrowings	8b	2,060	1,978
Provisions	8c	7,722	7,481
Total Current Liabilities		21,849	30,715
Non-Current Liabilities			
Borrowings	8b	9,240	8,597
Provisions	8c	1,767	1,530
Total Non-Current Liabilities		11,007	10,127
TOTAL LIABILITIES		32,856	40,842
Net Assets		1,518,194	1,500,085
EQUITY			
Accumulated Surplus		373,183	372,291
Asset Revaluation Reserves	9a	1,118,053	1,107,209
Other Reserves	9b	26,958	20,585
Total Council Equity		1,518,194	1,500,085

Statement of Changes in Equity
for the year ended 30 June 2020

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2020					
Balance at the end of previous reporting period		372,291	1,107,209	20,585	1,500,085
Net Surplus / (Deficit) for Year		7,265	-	-	7,265
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	10,844	-	10,844
Other Comprehensive Income		-	10,844	-	10,844
Total Comprehensive Income		7,265	10,844	-	18,109
Transfers between Reserves		(6,373)	-	6,373	-
Balance at the end of period		373,183	1,118,053	26,958	1,518,194
2019					
Balance at the end of previous reporting period		352,267	1,058,289	24,292	1,434,848
Net Surplus / (Deficit) for Year		16,317	-	-	16,317
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
Transfers between Reserves		3,707	-	(3,707)	-
Balance at the end of period		372,291	1,107,209	20,585	1,500,085

Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates		100,847	97,802
Statutory Charges		3,082	3,111
User Charges		5,517	3,545
Grants, Subsidies and Contributions (operating purpose)		15,007	17,728
Investment Receipts		265	737
Reimbursements		1,751	607
Other Receipts		11,375	9,043
<u>Payments</u>			
Payments to Employees		(36,299)	(35,386)
Payments for Materials, Contracts and Other Expenses		(67,819)	(59,414)
Finance Payments		(777)	(799)
Net Cash provided by (or used in) Operating Activities	11b	32,949	36,974
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,277	2,958
Sale of Replaced Assets		347	1,096
Sale of Surplus Assets		462	118
Net Disposal of Investment Securities		-	71
Sale of Real Estate Developments		525	1,011
Repayments of Loans by Community Groups		14	31
Distributions Received from Equity Accounted Council Businesses		124	-
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(17,745)	(14,248)
Expenditure on New/Upgraded Assets		(41,501)	(31,771)
Development of Real Estate for Sale		(144)	(101)
Net Cash provided by (or used in) Investing Activities		(56,641)	(40,835)
Cash Flows from Financing Activities			
<u>Payments</u>			
Repayments of Borrowings		(1,977)	(2,142)
Repayment of Lease Liabilities		(332)	-
Net Cash provided by (or used in) Financing Activities		(2,309)	(2,142)
Net Increase (Decrease) in Cash Held		(26,001)	(6,003)
plus: Cash and Cash Equivalents at beginning of period	11	27,777	33,780
Cash and Cash Equivalents at end of period	11	1,776	27,777
Additional Information:			
plus: Investments on hand - end of year	6a	690	690
Total Cash, Cash Equivalents and Investments		2,466	28,467

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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 14 October 2020.

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 34 Church 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

Council recognises revenue under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) or AASB 15 *Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an enforceable contract with a customer with sufficiently specific performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation. The advanced payments received are summarised in the below table:

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
2019/20	4,329	Relates to 2020/21

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

As evidenced in the Statement of Financial Position, Council has a low level of current assets \$12,028k compared to the level of current liabilities \$21,849k, resulting in a current assets deficiency of \$9,821k as at 30 June 2020. However it should be noted that Council has significant borrowing capacity represented by \$78,917k at 30 June 2020 of funding available through the future drawdown of Cash Advance Debentures, and consequently the current asset deficiency does not represent a liquidity issue for Council.

4.1 Net Current Assets

As evidenced in the Statement of Financial Position, Council has a low level of current assets \$12,028k compared to the level of current liabilities \$21,849k, resulting in a current assets deficiency of \$9,821k as at 30 June 2020. However it should be noted that Council has significant borrowing capacity represented by \$78,917k at 30 June 2020 of funding available through the potential future drawdown of Cash Advance Debentures, and consequently the current asset deficiency does not represent a liquidity issue for Council.

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

5.2 Other Real Estate Held for Resale

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

6 Infrastructure, Property, Plant and Equipment

6.1 Initial Recognition

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

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

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

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are 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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is 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, however during the COVID-19 pandemic Council introduced measures to assist the community and payment terms were amended to 14 day terms up to 30 June 2020. No interest is payable on these amounts.

7.2 Payments Received in Advance and Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & 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 twelve 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

Accounting policy applicable from 1 July 2019

The Council assesses at contract inception, whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease arrangements have been accounted for in accordance with *AASB 16 Leases* which was applied by Council for the first time from 1 July 2019. This supersedes *AASB 117 Leases*.

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

10.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

i) Right of Use Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Plant and equipment right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Land is amortised over a period of 30 years; details for both as follows:

Plant and equipment	3 to 5 years
Water Harvesting Site	30 years

The right of use assets are also subject to impairment. Refer to the accounting policies above.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

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

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Further information on the adoption of this new accounting standard is provided below in Point 13.

11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interest 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.

12 GST Implications

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

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

13 New and amended accounting standards and 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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

Council applied *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not for Profit Entities*, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in *AASB 1004 Contributions* (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including *AASB 118 Revenue*, *AASB 111 Construction Contracts* and the related Interpretations.

The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019.

AASB 16 Leases

Council applied *AASB 16 Leases* for the first time from 1 July 2019. AASB 16 supersedes *AASB 117 Leases*, Interpretation 4 determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. Council has lease contracts for various items of plant, equipment and computers. Before the adoption of AASB 16, the Council classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Council adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

Council recognise right-of-use assets (ROU) and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within twelve months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption of AASB 16 as at 1 July 2019 (increase/(decrease)) is as follows:

	\$'000
Assets	
- IPP&E ROU Assets	3,034
Total Assets	3,034
Liabilities	
Interest-bearing loans and borrowings	(3,034)
Total Liabilities	(3,034)
Accumulated Surplus	Nil

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019	367
Add:	
New leases taken out post 1 July 2019	2,990
Less:	
Commitments relating to leases of low-value assets	(308)
Commitments relating to short-term leases	(8)
Effect of discounting using the weighted average incremental borrowing rate as at 1 July 2019 of 4.55%	(7)
Lease Liabilities as at 1 July 2019	3,034

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

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

14 Comparative Figures

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

15 Disclaimer

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

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2. Income

\$ '000	Notes	2020	2019
(a). Rates Revenues			
General Rates			
General Rates		100,748	96,973
Less: Mandatory Rebates		(1,249)	(1,222)
Less: Discretionary Rebates, Remissions and Write Offs		(362)	(343)
Total General Rates		99,137	95,408
Other Rates (Including Service Charges)			
Natural Resource Management Levy		2,067	2,016
Salisbury Business Association Separate Rate		156	162
Globe Derby Community Club Separate Rate		6	6
Total Other Rates		2,229	2,184
Other Charges			
Penalties for Late Payment		288	254
Total Other Charges		288	254
Total Rates Revenues		101,654	97,846
(b). Statutory Charges			
Development Act Fees		1,028	946
Town Planning Fees		398	466
Animal Registration Fees and Fines		828	1,046
Parking Fines / Expiation Fees		316	215
Other Licences, Fees and Fines		425	316
Total Statutory Charges		2,995	2,989
(c). User Charges			
Cemetery Fees		536	541
Property Lease		875	878
Waste Disposal Fees		9	12
Water Supply		2,420	2,335
Aged and Disability Services		450	519
Sundry		504	539
Total User Charges		4,794	4,824

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 2. Income (continued)

\$ '000	Notes	2020	2019
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		137	203
- Banks and Other		89	521
- Loans to Community Groups		22	19
Total Investment Income		248	743
(e). Reimbursements			
Contract Maintenance		251	242
Street Lighting		1,023	-
Other		318	310
Total Reimbursements		1,592	552
(f). Other Income			
Insurance and Other Recoupments - Infrastructure, IPP&E		-	9
Rebates Received		661	728
Sundry		406	375
Total Other Income		1,067	1,112

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 2. Income (continued)

\$ '000	Notes	2020	2019
(g). Grants, Subsidies and Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,277	2,958
Total Amounts Received Specifically for New or Upgraded Assets		1,277	2,958
Other Grants, Subsidies and Contributions		6,780	6,532
Untied Financial Assistance Grant		3,830	4,956
Individually Significant Item - Additional Financial Assistance Grant (refer below)		4,329	6,136
Total Other Grants, Subsidies and Contributions		14,939	17,624
Total Grants, Subsidies and Contributions		16,216	20,582

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	2,876	2,599
State Government	12,738	17,287
Other	602	696
Total	16,216	20,582

(ii) Individually Significant Items

Advanced Financial Assistance Grant Recognised as Income	4,329	4,556
Advanced Supplementary Local Road Funding Recognised as Income	-	1,580

On 27 May 2020, Council received advance payment of the first two quarters of the 2020/2021 Financial Assistance Grant, totalling \$4,329k (comprising of \$3,300k in general purpose funding and \$1,029k in untied local road funding). This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt, 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 2020

Note 2. Income (continued)

\$ '000	Notes	2020	2019
(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		2,115	1,752
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Dry Creek Park Way - City Wide Trails		(800)	-
Pauls Drive Valley View - Major Flooding		(657)	-
Tea Tree Gully Business Advisory Services		(60)	(30)
Fostering Integration Grant		(49)	-
Home and Community Support Program		(41)	-
Drug and Alcohol Framework		(7)	(11)
The Shed Project		(5)	-
Bridgestone Athletic Track		-	(860)
Salisbury Oval Female Changerooms		-	(397)
Digital Growth Program		-	(64)
Footpath Development Program		-	(63)
Pooraka Farm CCTV		-	(39)
Northern Adelaide Industry Development		-	(39)
Salisbury Oval CCTV		-	(19)
Street Tree Developer Program		-	(17)
Playford Business Services		-	(12)
Duke of Edinburgh School Program		-	(7)
Other		-	(61)
Subtotal		(1,619)	(1,619)

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 2. Income (continued)

\$ '000	Notes	2020	2019
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Tea Tree Gully Business Advisory Services		182	60
NDIS Participants		75	-
Risk & Governance - Special Distribution Fund		58	-
OH&S - Special Distribution Fund		52	-
Mindset for Life Program		41	-
Preventative WHS Programs - Special Distribution Fund		39	-
Waterwatch General		38	-
ACE Project (Accredited)		21	-
Perspex Screens for Public PC's - Special Distribution Fund		15	-
ACE Project (Non-Accredited)		13	-
Drug and Alcohol Framework		8	7
Pooraka Farm Family Fun Day		5	-
Dry Creek Park Way - City Wide Trails		-	1,000
Pauls Drive Valley View - Major Flooding		-	657
Fostering Integration Program		-	49
Home and Community Support Program		-	41
The Shed Project		-	5
Other		-	163
Subtotal		547	1,982
Unexpended at the close of this reporting period		1,043	2,115
Net increase (decrease) in assets subject to conditions in the current reporting period		(1,072)	363
 (i). Physical Resources Received Free of Charge			
Land and Improvements		-	96
Roads, Bridges and Footpaths		-	375
Stormwater Drainage		-	619
Total Physical Resources Received Free of Charge		-	1,090

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3. Expenses

\$ '000	Notes	2020	2019
(a). Employee Costs			
Salaries and Wages		30,608	28,825
Employee Leave Expense		5,094	5,121
Superannuation - Defined Contribution Plan Contributions	18	743	793
Superannuation - Defined Benefit Plan Contributions	18	2,698	2,349
Workers' Compensation Insurance		1,416	1,387
Less: Capitalised and Distributed Costs		(3,696)	(2,942)
Total Operating Employee Costs		36,863	35,533
Total Number of Employees (full time equivalent at end of reporting period)		412	403
 (b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		32	46
Bad and Doubtful Debts		2	16
Elected Members' Expenses		472	470
Election Expenses		41	540
Operating Lease Rentals - Cancellable Leases (2019 only)		-	697
Lease Expense - Low Value Assets / Short Term Leases		524	-
Subtotal - Prescribed Expenses		1,071	1,769
 (ii) Other Materials, Contracts and Expenses			
Contractors		35,722	34,476
Energy		4,737	4,160
Legal Expenses		425	314
Levies Paid to Government - NRM levy		2,038	2,014
Levies - Other		350	378
Parts, Accessories and Consumables		2,874	2,733
Insurance		1,058	951
Water Rates		911	858
Sundry		4,081	3,668
Subtotal - Other Material, Contracts and Expenses		52,196	49,552
Total Materials, Contracts and Other Expenses		53,267	51,321

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3. Expenses (continued)

\$ '000	Notes	2020	2019
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Land Improvements		5,545	5,293
Buildings and Other Structures		3,112	2,418
Infrastructure		14,731	13,872
Right-of-Use Assets		444	-
Plant and Equipment		2,931	2,078
Library Books		187	169
Subtotal		26,950	23,830
Total Depreciation, Amortisation and Impairment		26,950	23,830
(d). Finance Costs			
Interest on Loans		659	799
Interest on Leases		110	-
Interest on Cash Advance Debentures		8	-
Total Finance Costs		777	799

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 4. Asset Disposal and Fair Value Adjustments

\$ '000	Notes	2020	2019
Infrastructure, Property, Plant and Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		347	1,096
Less: Carrying Amount of Assets Sold		(3,914)	(3,581)
Gain (Loss) on Disposal		(3,567)	(2,485)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		462	118
Less: Carrying Amount of Assets Sold		(754)	(199)
Gain (Loss) on Disposal		(292)	(81)
Real Estate Development Assets			
Proceeds from Disposal		525	1,011
Less: Carrying Amount of Assets Sold		(198)	(397)
Gain (Loss) on Disposal		327	614
Net Gain (Loss) on Disposal or Revaluation of Assets		(3,532)	(1,952)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 5. Current Assets

\$ '000	Notes	2020	2019
(a). Cash and Cash Equivalent Assets			
Cash on Hand at Bank		689	156
Short Term Deposits		1,087	27,621
Total Cash and Cash Equivalent Assets		1,776	27,777
(b). Trade and Other Receivables			
Rates - General and Other		3,950	2,986
Accrued Revenues		-	17
Debtors - General		2,458	3,162
GST Recoupment		1,168	2,106
Prepayments		461	671
Loans to Community Organisations		30	32
Total Trade and Other Receivables		8,067	8,974
(c). Inventories			
Stores and Materials		285	256
Real Estate Developments	6c	1,865	1,920
Cemetery Plinths, Vaults and Inurnments		35	36
Total Inventories		2,185	2,212

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
(a). Financial Assets			
Receivables			
Council Rates Postponement Scheme		28	15
Loans to Community Organisations		399	411
Subtotal		427	426
Total Receivables		427	426
Other Financial Assets (Investments)			
Mortgages over Property - Affordable Housing Scheme		690	690
Total Other Financial Assets (Investments)		690	690
Total Financial Assets		1,117	1,116
(b). Equity Accounted Investments in Council Businesses			
Northern Adelaide Waste Management Authority	19	3,855	3,753
Council Solutions	19	-	138
Total Equity Accounted Investments in Council Businesses		3,855	3,891
Council Solutions was wound up as at 15 October 2019 and the net equity was distributed to the Constituent Councils in line with the respective interests.			
(c). Other Non-Current Assets			
(i) Inventories			
Real Estate Developments		1,395	1,394
Total Inventories		1,395	1,394
(ii) Other			
Capital Works-in-Progress		16,474	36,732
Intangible Assets		210	166
Total Other		16,684	36,898
Total Other Non-Current Assets		18,079	38,292

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
Real Estate Developments - Current and Non-Current			
(Valued at the lower of cost and net realisable value)			
Residential		3,260	3,314
Total Real Estate for Resale		3,260	3,314
Represented by:			
Acquisition Costs		1,771	1,570
Development Costs		1,489	1,744
Total Real Estate of Resale		3,260	3,314
(ii) Apportionment of Real Estate Developments			
Current Assets		1,865	1,920
Non-Current Assets		1,395	1,394
		3,260	3,314

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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

	Fair Value Level	as at 30/6/2019						Asset Movements during the Reporting Period						as at 30/6/2020			
		At Fair Value	At Cost	Accumulated Dep'n	Carrying Value	Transition adjustment - AASB 16	New / Upgrade	Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Increments to Equity (APR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value	
\$ '000																	
Land - Other	2	459,413	-	-	459,413	-	1,230	-	(38)	-	13,962	-	-	-	474,567	-	474,567
Land Improvements	3	190,679	-	73,893	116,786	-	5,432	2,411	(612)	(5,545)	567	-	-	79,445	-	119,039	
Buildings and Other Structures	3	91,020	-	26,137	64,883	-	36,099	1,212	(519)	(3,112)	(3,771)	-	-	27,065	-	94,792	
Infrastructure	3	1,236,706	-	432,184	804,522	-	9,487	12,824	(2,851)	(14,731)	86	-	-	440,247	-	809,337	
Right-of-Use Assets		-	-	-	-	3,034	-	-	-	(444)	-	-	3,034	444	-	2,590	
Plant and Equipment		-	27,464	15,646	11,818	-	4,826	1,329	(648)	(2,931)	-	-	32,013	17,619	-	14,394	
Library Books		-	1,243	-	1,243	-	196	-	-	(187)	-	-	2,494	1,242	-	1,252	
Total Infrastructure, Property, Plant and Equipment		1,977,818	28,707	547,860	1,458,665	3,034	57,270	17,776	(4,668)	(26,950)	10,844	2,044,492	37,541	566,062	-	1,515,971	
Comparatives		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	

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset.

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

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

\$ '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

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

\$ '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:

	Years
<i>Plant, Furniture and Equipment</i>	
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
<i>Building and Other Structures</i>	
Building Components	10 to 80 years
Playground Equipment	15 to 25 years
Benches, Seats, etc	10 to 15 years
<i>Infrastructure</i>	
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
<i>Other Assets</i>	
Library Books	3 to 7 years
Artworks/Local History	Indefinite
Street Trees	50 years
Right-of-Use Assets	3 to 5 years

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

\$ '000

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Land	-	474,567	-	474,567
Land Improvements	-	-	119,039	119,039
Buildings and Other Structures	-	-	94,792	94,792
Infrastructure	-	-	809,337	809,337
Total	-	474,567	1,023,168	1,497,735

f) Disclosed Fair Value Measurements

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,000's
Land	2	Market Value	\$474,567

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	\$119,039

Valuations 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 and Carpark Pavement/Seals all situated on Council Reserves.

b. Revalued using the Local Government Pricing Index (LGPI) for 2019/20. 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.

c. Independent valuations provided by Tonkin Consulting in 2019/20 using a methodology that utilises observable Council cost information as well as their knowledge of the water industry and references to various construction guides (such as Rawlinsons Australian Construction Handbook) to derive an index for each asset component associated with Councils Recycled Stormwater Business Unit, which includes assets such as Pipework, Pumps, Bores, Valves, Electrical and Computer Equipment.

d. 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 2019/20.

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

\$ '000

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,000's
Buildings and Other Structures	3	Cost Approach	\$94,792

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 2019/20 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	\$809,337

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 2019/20 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.

**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

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 owns Water Licences that enable the harvesting and sale of stormwater. These Water Licences meet the definition and recognition requirements of Intangible Assets, specifically classified as 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 2020 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.

Right-of-Use Assets

Valued as the initial measurement of the lease liability being the present value of future lease payments and any initial direct costs, pre-paid lease payments and any estimated costs to dismantle.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 8. Liabilities

\$ '000	Notes	2020		2019	
		Current	Non Current	Current	Non Current
(a). Trade and Other Payables					
Goods and Services		10,104	-	19,468	-
Payments Received in Advance		1,558	-	1,541	-
Accrued Expenses - Employee Entitlements		238	-	-	-
Accrued Expenses - Other		45	-	43	-
Deposits, Retentions and Bonds		122	-	204	-
Total Trade and Other Payables		12,067	-	21,256	-

(b). Borrowings

Loans		1,773	6,825	1,978	8,597
Lease Liabilities	17	287	2,415	-	-
Total Borrowings		2,060	9,240	1,978	8,597

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

(c). Provisions

Employee Entitlements (including oncosts)		7,722	1,654	7,481	1,427
Salisbury Memorial Park Maintenance Provision		-	90	-	80
Mortgage Loss Provision		-	23	-	23
Total Provisions		7,722	1,767	7,481	1,530

	Salisbury Memorial Park Maintenance Provision	Mortgage Loss Provision
Opening Balance	80	23
Additional Amounts Recognised	10	-
Closing Balance	90	23

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 9. Reserves

\$ '000	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
(a). Asset Revaluation Reserve					
Land - Other	359,962	13,962	-	-	373,924
Land Improvements	27,628	567	-	-	28,195
Buildings and Other Structures	10,969	(3,771)	-	-	7,198
Infrastructure	706,312	86	-	-	706,398
Library Books	2,338	-	-	-	2,338
Total Asset Revaluation Reserve	1,107,209	10,844	-	-	1,118,053
Comparatives	1,058,289	48,920	-	-	1,107,209

\$ '000	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
(b). Other Reserves					
Development and Public Infrastructure Reserve	1,279	475	(324)	-	1,430
Open Space Reserve	1,423	33	(100)	-	1,356
Car Parking Reserve	941	6	-	-	947
Property Disposal Reserve	464	287	-	-	751
Mausoleum Perpetual Care Reserve	850	8	-	-	858
Salisbury Memorial Park Reserve	906	6	-	-	912
Carried Forward Funds Reserve	12,720	18,595	(12,720)	-	18,595
Salisbury Water Business Unit Reserve	2,002	107	-	-	2,109
Total Other Reserves	20,585	19,517	(13,144)	-	26,958
Comparatives	24,292	14,241	(17,948)	-	20,585

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 9. Reserves

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).

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 2020

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2020	2019
<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		1,356	1,423
Developer Contributions		2,377	2,220
Unexpended Grants and Subsidy Funds		1,043	2,115
Total Cash and Financial Assets		4,776	5,758
Total Assets Subject to Externally Imposed Restrictions		4,776	5,758

Open Space Contributions are received primarily to fund reserves/playspaces and other recreational areas within new subdivisions. 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.

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
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(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	1,776	27,777
Balances per Statement of Cash Flows		1,776	27,777

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

Net Surplus/(Deficit)		7,265	16,317
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		26,950	23,830
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(88)	(14)
Non-Cash Asset Acquisitions		-	(1,090)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,277)	(2,958)
Net (Gain) Loss on Disposals		3,532	1,952
		36,382	38,037

Add (Less): Changes in Net Current Assets

Net (Increase)/Decrease in Receivables		892	(2,954)
Net (Increase)/Decrease in Inventories		(28)	(4)
Net (Increase)/Decrease in Other Current Assets		(44)	-
Net Increase/(Decrease) in Trade and Other Payables		(4,731)	1,604
Net Increase/(Decrease) in Unpaid Employee Benefits		468	286
Net Increase/(Decrease) in Other Provisions		10	5
Net Cash provided by (or used in) operations		32,949	36,974

(c). Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical Resources Received Free of Charge	2i	-	1,090
Amounts recognised in Income Statement		-	1,090
- Leases		-	-
Total Non-Cash Financing and Investing Activities		-	1,090

(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	78,917	16,917

The significant increase in LGFA Cash Advance Debenture Facilities from \$16,917k to \$78,917k is as a response to COVID-19 and the financial support measures implemented to assist the community. Council established a short-term \$50,000k Cash Advance Debenture facility for the specific purpose of supporting the organisations potential cash flow associated with the potential deferral of rates payment due dates.

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 2020

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 AND NON-CURRENT)	
	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019
\$ '000										
Public Order and Safety	2,941	2,935	3,705	3,505	(764)	(570)	-	-	879	843
Health	242	277	1,757	1,662	(1,515)	(1,385)	5	31	529	551
Social Security and Welfare	3,528	3,533	7,586	7,084	(4,058)	(3,551)	2,996	2,893	25,221	24,263
Housing and Community Services	4,470	3,329	31,139	29,564	(26,669)	(26,235)	230	243	483,403	477,563
Recreation and Culture	1,156	1,238	30,251	28,320	(29,095)	(27,082)	614	679	470,930	438,560
Transport and Communication	4,081	6,143	19,413	18,139	(15,332)	(11,996)	4,080	6,142	498,906	495,075
Economic Affairs	155	203	6,297	5,956	(6,142)	(5,753)	63	110	256	256
Other, Not Attributed and Admin	110,716	108,032	17,709	17,253	93,007	90,779	6,951	7,526	70,926	103,816
Total Functions/Activities	127,289	125,690	117,857	111,483	9,432	14,207	14,939	17,624	1,551,050	1,540,927

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.

Correction of an classification error relating to 2019

It has been ascertained that in the 2019 Annual Financial Statements that a total of \$488,080k worth of Transportation Assets (Roads, Footpaths, Bridges etc.) had been incorrectly classified within the Recreation and Culture Function and should have been classified within the Transport and Communication Function. In the 2020 the value of these transportation assets is \$492,271k and has been correctly classified within the Transport and Communication Function. Accordingly, in order to maintain comparability the prior year comparatives have been adjusted, resulting in a decrease in the Recreation and Culture Function of \$488,080k and a corresponding increase in Transportation and Communication Function of \$488,080k.

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 2020

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 1.3% and 1.9% (2019: 1.6% and 2.15%). Short term deposits have an average maturity of 91 days and an average interest rate of 1.6% (2019: 37 days and 1.74%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates and Associated Charges

(including legals and 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% (2019: 2.0%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees and Other Charges

Accounting Policy:

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

Terms & 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 2020

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, however due to the financial impacts of COVID-19 on the community terms were changed by Council to settle on 14 days terms from March 2020. Subsequently, this decision was reverted back to 30 day terms in August 2020.

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 biannually; interest is charged at fixed rates between 4.0% and 7.01% (2019: 4.0% and 7.01%).

Carrying Amount:

Approximates fair value.

Liabilities

Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 17.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
Financial Assets					
Cash & Equivalents	1,776	-	-	1,776	1,776
Receivables	6,438	427	-	6,865	6,865
Other Financial Assets	-	-	690	690	690
Total Financial Assets	8,214	427	690	9,331	9,331
Financial Liabilities					
Payables	10,509	-	-	10,509	10,509
Current Borrowings	2,310	-	-	2,310	1,773
Non-Current Borrowings	-	7,721	246	7,967	6,825
Lease Liabilities	287	2,415	-	2,702	2,702
Total Financial Liabilities	13,106	10,136	246	23,488	21,809

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
Financial Assets					
Cash & 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

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

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	6.47%	-	7.12%	-
Fixed Interest Rates	5.99%	8,598	6.07%	10,575
		8,598		10,575

Net Fair Value

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	Notes	2020	2019
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings		2,530	19,327
Infrastructure		5,904	4,542
Plant & Equipment		715	1,115
		<u>9,149</u>	<u>24,984</u>
These expenditures are payable:			
Not later than one year		9,149	24,984
		<u>9,149</u>	<u>24,984</u>
(b). Other Expenditure Commitments			
Other expenditure commitments for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		33	36
		<u>33</u>	<u>36</u>
These expenditures are payable:			
Not later than one year		33	36
		<u>33</u>	<u>36</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2020	2020	2019	2018

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	9,520	7.5%	11.3%	12.3%
Total Operating Income	127,391			

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.

9,747	7.6%	9.9%	12.1%
127,618			

2. Net Financial Liabilities Ratio

Net Financial Liabilities	21,896	17.2%	2.4%	(4.8%)
Total Operating Income	127,391			

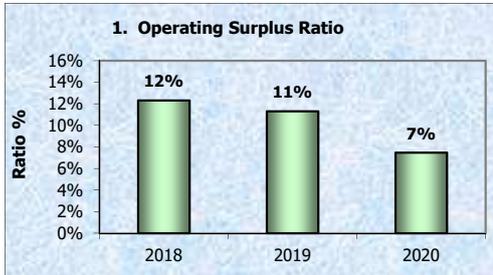
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

3. Asset Renewal Funding Ratio

Net Asset Renewals	17,398	103.5%	82.2%	110.6%
Infrastructure & Asset Management Plan required expenditure	16,806			

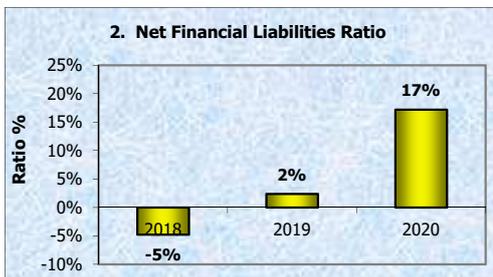
Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

Note 15. Financial Indicators - Graphs (continued)



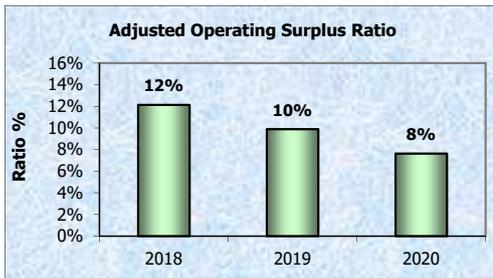
Purpose of Operating Surplus Ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure



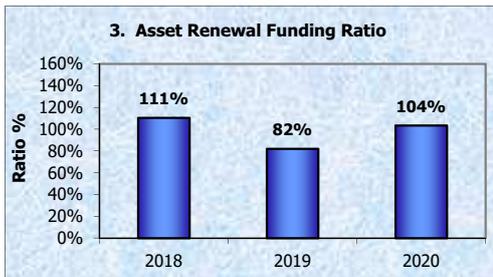
Purpose of Net Financial Liabilities Ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue



Purpose of Adjusted Operating Surplus Ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure



Purpose of Asset Renewal Funding Ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 16. Uniform Presentation of Finances

\$ '000	2020	2019
<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	127,391	125,752
less Expenses	<u>(117,871)</u>	<u>(111,531)</u>
Operating Surplus / (Deficit)	9,520	14,221
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(17,745)	(14,248)
<i>add back</i> Depreciation, Amortisation and Impairment	26,950	23,830
<i>add back</i> Proceeds from Sale of Replaced Assets	<u>347</u>	<u>1,096</u>
Subtotal	9,552	10,678
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(41,645)	(31,872)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,277	2,958
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	<u>987</u>	<u>1,129</u>
Subtotal	(39,381)	(27,785)
Net Lending / (Borrowing) for Financial Year	(20,309)	(2,886)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 17. Leases

\$ '000

Council as a Lessee

Terms and conditions of leases

Council leases information technology equipment and a parcel of land utilised as part of its recycled water operations. The repayments for the information technology assets are fixed and the land is subject to yearly increases in-line with contractual requirements. Information technology leases are either 3 or 5 year terms, and the land has a contractual agreement in place until 2048, with another right of renewal.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

	Information Technology Assets \$'000	Land \$'000	Total \$'000
2020			
Adoption of AASB 16 at 1 July 2019	1,832	1,202	3,034
Depreciation charge	(403)	(41)	(444)
Balance at 30 June 2020	1,429	1,161	2,590

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

Balance at 1 July 2019	3,034
Accretion of interest	112
Payments	(444)
Balance at 30 June 2020	2,702

Classified as:

Current	399
Non Current	2,303
	2,702

The maturity analysis of lease liabilities is included in Note 13.

The Group had total cash outflows for leases of \$968k

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	444
Interest expense on lease liabilities	112
Expense relating to short term leases	524
Total amount recognised in profit or loss	1,080

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

Note 17. Leases

\$ '000	2020	2019
Council as a Lessor		
Leases Providing Revenue to the Council		
<p>Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.</p>		
(i) Investment Property		
<p>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.</p>		
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	878	694
Later than one year and not later than 5 years	2,843	2,436
Later than 5 years	3,467	2,435
	<u>7,188</u>	<u>5,565</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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 2019/20; 9.50% in 2018/19). 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 2018/19) 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 2020. 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 2020

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	
	2020	2019	2020	2019
Joint Ventures	88	14	3,855	3,891
Total	88	14	3,855	3,891

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2020	2019
Northern Adelaide Waste Management Authority	Waste Management	3,855	3,753
Council Solutions	Procurement	-	138
Total Carrying Amounts - Joint Ventures & Associates		3,855	3,891

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 2020 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 2020 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 was established for the purposes of providing a centre of excellence in procurement to the Constituent Councils. Council Solutions was formally wound up as at 15 October 2019 and the net equity was distributed to the Constituent Councils in-line with the respective interests.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
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 2020

Note 19. Interests in Other Entities

\$ '000

(c) Movement in Investment in Joint Venture or Associate

	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
Opening Balance	3,753	3,801	138	76
Share in Operating Result	102	(48)	(14)	62
Adjustments to Equity		-	(124)	-
Council's Equity Share in the Joint Venture or Associate	3,855	3,753	-	138

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
Cash and Cash Equivalents	3,804	2,613	-	539
Other Current Assets	3,873	3,236	743	342
Non-Current Assets	23,828	14,709	-	-
Total Assets	31,505	20,558	743	881

Current Trade and Other Payables	5,856	3,410	743	37
Current Financial Liabilities	2,522	1,186	-	15
Current Provisions	255	191	-	-
Non-Current Financial Liabilities	12,446	6,318	-	-
Non-Current Provisions	3,502	2,698	-	-
Total Liabilities	24,581	13,803	743	52
Net Assets	6,924	6,755	-	829

Statement of Comprehensive Income	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
Other Income	38,648	33,825	81	270
Management Fees	-	-	218	1,056
Interest Income	210	209	2	7
Total Income	38,858	34,034	301	1,333

Employee Costs	3,042	2,753	-	-
Materials, Contracts & Other Expenses	33,754	29,756	386	960
Depreciation, Amortisation and Impairment	2,841	1,394	-	-
Finance Costs	529	351	-	-
Total Expenses	40,166	34,254	386	960
Operating Result	(1,308)	(220)	(85)	373

Note 19. Interests in Other Entities

\$ '000

(e). Share of Joint Operations Expenditure Commitments

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

	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
Not later than one year	18,976	14,049	-	-
Later that one year and not later than 5 years	62,492	56,136	-	-
Later than 5 years	-	10,526	-	-
	81,468	80,711	-	-

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

	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
(iii) Lease Payments Commitments Payable				
Not later than one year	1,466	1,035	-	-
Later that one year and not later than 5 years	4,899	2,620	-	-
Later than 5 years	-	3,004	-	-
	6,365	6,659	-	-

(iv) INDIVIDUALLY IMMATERIAL COUNCIL BUSINESSES

Council did not have any individually immaterial businesses

(v) UNCONSOLIDATED STRUCTURED ENTITIES

Council has no Unconsolidated Structured Entities

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

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

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 is party to a leasing arrangement for the management and operations of the Mausoleum situated at Salisbury Memorial Park. As part of this lease the lessee is required to contribute to the Perpetual Care Fund which was established to fund the long term maintenance of the Mausoleum upon expiry of the le:

Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 21. Events After the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2020, 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 14/10/20.

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

Note 22. Related Party Transactions

\$ '000	2020	2019
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Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel (KMP) 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, 44 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	5,419	5,477
Post-Employment Benefits	451	455
Long-Term Benefits	704	627
Total	<u>6,574</u>	<u>6,559</u>

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

Receipts from Key Management Personnel comprise:

There have been no other material amounts received from KMP 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	14,158	1,550
Total	<u>14,158</u>	<u>1,550</u>

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

Northern Adelaide Waste Management Authority	14,527
Total	<u>14,527</u>

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 2020, 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 2020, 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 (including Independence Standards)* (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 16th day of October 2020

Bentleys SA Audit Partnership

Level 5
63 Pirie Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

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

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

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 2019 to 30 June 2020 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 2019 to 30 June 2020.

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 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, 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 2019 to 30 June 2020. ASAE 3000 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 16th day of October 2020

General Purpose Financial Statements
for the year ended 30 June 2020

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 2020, 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



Graham Reynolds
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 14/10/2020

Bentleys SA Audit Partnership

Level 5
63 Pirie Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900

F +61 8 8372 7999

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

Certification of Auditor Independence

I confirm that, for the audit of the financial statements of City of Salisbury for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Bentleys SA Audit Partnership



David Papa
Partner

Dated at Adelaide this 30th day of September 2020

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SUBSIDIARY report

Council Solutions Annual Report 2019/20

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 2019/20

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.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY
GENERAL PURPOSE FINANCIAL REPORTS
for the period 1 July 2019 to 28 February 2020**

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**COUNCIL SOLUTIONS REGIONAL AUTHORITY
CERTIFICATION OF FINANCIAL STATEMENTS
for the period 1 July 2019 to 28 February 2020**

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 28 February 2020 and the results of its operations and cash flows for the period 1 July 2019 to 28 February 2020.
- 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: 17 February 2020

COUNCIL SOLUTIONS REGIONAL AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
for the period 1 July 2019 to 28 February 2020

	Notes	2020 \$'000	2019 \$'000
INCOME			
Investment Income	2	2	7
Management Fees	2	218	1,056
Other Income	2	81	270
Total Income		301	1,333
EXPENSES			
Materials, contracts & other expenses	3	386	960
Total Expenses		386	960
OPERATING SURPLUS / (DEFICIT)		(86)	373
NET SURPLUS / (DEFICIT)		(86)	373
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(86)	373

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

COUNCIL SOLUTIONS REGIONAL AUTHORITY
BALANCE SHEET
as at 28 February 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	-	539
Receivables	4	743	342
Total Current Assets	4,7	<u>743</u>	<u>881</u>
Total Assets		<u>743</u>	<u>881</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables		743	37
Other Current Liabilities		-	15
Total Current Liabilities	5,7	<u>743</u>	<u>52</u>
Total Liabilities	5,7	<u>743</u>	<u>52</u>
NET ASSETS		<u>-</u>	<u>829</u>
EQUITY			
Accumulated Surplus		-	686
Share Capital		-	143
TOTAL EQUITY		<u>-</u>	<u>829</u>

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

COUNCIL SOLUTIONS REGIONAL AUTHORITY
STATEMENT OF CHANGES IN EQUITY
for the period 1 July 2019 to 28 February 2020

2020	Initial Contribution by Owners \$'000	Accumulated Surplus \$'000	Total \$'000
Opening Balance	143	686	829
Net Surplus for Year	-	(86)	(86)
Distribution of Capital on winding up	(143)	(600)	(743)
Balance at end of period	-	-	-

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

COUNCIL SOLUTIONS REGIONAL AUTHORITY

Notes to and forming part of the Financial Statements for the period 1 July 2019 to 28 February 2020

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 28 February 2020

Note 1 - Significant Accounting Policies, con't

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 28 February 2020, 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 period 1 July 2019 to 28 February 2020

Note 2 - INCOME

	2020	2019
	\$'000	\$'000
INVESTMENTS		
Interest Income	2	7
	2	7
REBATES		
Management Fees	218	1,056
	218	1,056
OTHER INCOME		
Reimbursements	81	270
	81	270

Note 3 - EXPENSES

	2020	2019
	\$'000	\$'000
MATERIALS, CONTRACTS & OTHER EXPENSES		
Advertising	-	-
Audit Fees	2	4
Catering	0	1
Contractors	24	40
Consultant Fees	1	92
Insurance	11	28
IT Expenses	-	23
Legal Fees	24	35
Membership Fees & Subscriptions	32	5
Motor Vehicle	2	2
Reimbursements - Salary & Wages	247	665
Rent	25	27
Sitting Fees	14	19
Sundry	0	13
Telephone	2	2
Training and Development	2	4
	386	960

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period 1 July 2019 to 28 February 2020

Note 4 - CURRENT ASSETS

	2020	2019
	\$'000	\$'000
CASH & CASH EQUIVALENTS		
Cash at Bank	-	539
	-	539
RECEIVABLES		
Accounts Receivables	33	226
Accrued Income	-	116
City of Adelaide	710	-
	743	342
TOTAL CURRENT ASSETS	743	881

Note 5 - LIABILITIES

	2020	2019
	\$'000	\$'000
TRADE & OTHER PAYABLES		
Creditors	743	28
Expenses Accrued	-	9
	743	37
OTHER CURRENT LIABILITIES		
Payable to Adelaide City Council	-	15
	-	15
TOTAL LIABILITIES	743	52

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period 1 July 2019 to 28 February 2020

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.

	2020	2019
	\$'000	\$'000
Cash at Bank	-	539
Balances per Cash Flow Statement	-	539

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

Net Surplus	(86)	373
Net (increase)/decrease in Receivables	(401)	222
Net increase/(decrease) in Current Liabilities	(52)	(230)
Net Cash provided by (or used in) operations	(539)	365

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period 1 July 2019 to 28 February 2020

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;

2019-20	Weighted Average Interest Rate	Fair Value of	Fair Value of	Fair Value of	Fair Value of
		Variable Interest Rate Instruments	Fixed Interest rate instruments maturing within One Year	Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fixed Interest rate instruments maturing Due > 5 Yrs
		\$'000	\$'000	\$'000	\$'000
Financial Assets:					
Cash	1.9%	-	-	-	-
Receivables	0.0%	-	-	-	743
Total Financial Assets		-	-	-	743
Financial Liabilities:					
Creditors and Provisions	0.0%	-	-	-	743
Total Financial Liabilities		-	-	-	743

2018-19	Weighted Average Interest Rate	Fair Value of	Fair Value of	Fair Value of	Fair Value of
		Variable Interest Rate Instruments	Fixed Interest rate instruments maturing within One Year	Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fixed Interest rate instruments maturing Due > 5 Yrs
		\$'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

(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 period 1 July 2019 to 28 February 2020**

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 General Manager.

Salaries, allowances & other short term benefits paid by Council Solutions to KMP were \$49k (2018-19) and \$232k (2018-19)

The following qualifying related party disclosures have been identified:

Related Party Entity	Amounts received from related parties during the period 1 July 2019 to 28 February 2020	Amounts outstanding from related parties as at 28 February 2020	Amounts outstanding to related parties as at 28 February 2020
	\$ '000	\$ '000	\$ '000
City of Adelaide	22	-	-
City of Charles Sturt	22	-	-
City of Marion	22	-	-
City of Salisbury	-	-	-
City of Tea Tree Gully	-	-	-
City of Onkaparinga	-	-	-

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

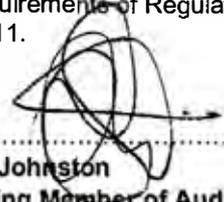
Certification Of Auditor Independence
for the period 1 July 2019 to 28 February 2020

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 period 1 July 2019 to 28 February 2020, 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.

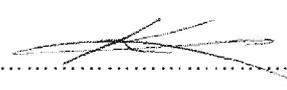
This statement is prepared in accordance with the requirements of Regulation 22(3) (b) Local Government (Financial Management) Regulations 2011.


.....
Jeff Tate
CHAIR - Council Solutions

Date: 17 February 2020


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

Date: 06 FEB 2020


.....
Kirk Richardson
ACTING CHIEF EXECUTIVE OFFICER
City of Onkaparinga

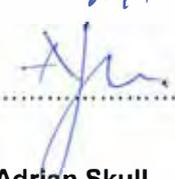
Date: 28/01/2020


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

Date: 29/1/2020


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

Date: 24/01/2020


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

Date: 24 January 2020


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

Date: 3/2/2020


.....
John Moyle
CHIEF EXECUTIVE OFFICER
Tea Tree Gully Council

Date: 27th January 2020

Council Solutions Regional Authority

ANNUAL FINANCIAL STATEMENTS
For the period 1/7/2019 to 28/2/2019

STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the period ended 28 February 2020, 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 4th day of February 2020

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 period 1/7/2019 to 28/2/2020.

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 28 February 2020 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

Basis for Opinion

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

Other Information – Basis of Accounting and Restriction on Distribution

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

Responsibilities of Management for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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



Ian G McDonald FCA
Registered Company Auditor

Dated at Grange this 18th day of February 2020

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



Annual Report

2019-2020



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 using over 11,000 solar panels and gas extracted from 18 vertical wells.



- 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)
- 14 Food and Garden Organics
- 15 Uleybury Balefill and Renewable Energy Park
- 17 Education and Community Engagement
- 19 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 Councils.

Objectives

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

Performance indicators:

- All Constituent Council households to have access to a three-bin system by 2020 (deferred until 2021/2022)
- Increase kerbside diversion from 45% to 70% by 2023
- Reduce the contamination rate of the kerbside recycling 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, and only access international markets where domestic markets are not available or commercially viable)
- Engage with Constituent Councils to encourage the purchasing back of half (by weight) of their kerbside recovered recyclables in the form of sustainable procurement by 2023

Objective 3: Maintain cost-effectiveness in service delivery

Performance indicators:

- Efficiently manage the life of the Uleybury Landfill, while investigating landfill alternative technologies in readiness for post-closure

Report from the Independent Chairman

2019-2020 has been a year of consolidation for NAWMA, where we have continued to deliver a high level of services to our Constituent Councils and residents, while navigating the most volatile recycling market since the inception of kerbside recycling.

Without a doubt it has been NAWMA's most challenging year in which we have had no control over recycled commodity prices. FY20 saw periods of the lowest return for these commodities since the inception of kerbside recycling, exceeding both the global financial crisis and China SWORD (restrictions on importation of recyclable material).

Notwithstanding, where others interstate and overseas have failed, NAWMA has continued to operate a best practice Material Recovery Facility

controllable costs, generating greater revenues and working on new recycling initiatives, NAWMA posted a \$1.3M operating deficit for the financial year. Had NAWMA not acted with urgency and prudence, the operating result could have been much worse.

Testament to the leadership of the NAWMA Board and Constituent Councils, and with the support of Green Industries South Australia, NAWMA continued to invest and future proof the MRF. Three (3) projects were delivered in the financial year,



NAWMA's Chair Brian Cunningham and Chief Operations Officer Daniel Dunn take Federal Assistant Minister for Waste Reduction and Environmental Management the Hon Trevor Evans MP through a tour of the Material Recovery Facility.

(MRF; recycling plant) and in FY20, proudly ensured that every single tonne of yellow top bin recyclables were marketed into domestic (Australian) and valid global recycling reprocessors.

The recycling market volatility has however impacted on NAWMA's 2019-2020 financial result. At the mid-year point, NAWMA's Administration under the guidance of the Board, commenced austerity and revenue boosting measures that assisted in balancing the low commodity returns. Despite reducing

on time and on budget. A MRF shed footprint extension accommodated Australia's first artificially trained robotic mixed recycling sorting machine, and South Australia's only glass recovery plant. These initiatives will deliver a return on investment within 2-3 years by sorting more and higher quality recyclables and minimising any material loss through the plant. We very much look forward to a time when restrictions are lifted, and we can show our community through this world class facility.



NAWMA's best practice Material Recovery Facility (MRF; recycling plant).

In terms of governance, the NAWMA Board and Audit Committee functioned well during the turbulent year and continued to provide a steady hand. Not satisfied with business as usual, and with a strong focus on the future, the Board established NAWMA's first special purpose vehicle (SPV; project advisory group) to investigate future options available for red-lid bin waste.

The SPV terms of reference are unambiguous; to accelerate thinking and develop options for when the Uleybury Balefill Renewable Energy Facility is closed in circa 2025-2027. The SPV is comprised of NAWMA Board representatives, Constituent Council Executive, and highly skilled independent parties that specialise in procurement, probity, social licencing and community consultation, and circular economy.

I chair the SPV and our Chief Executive Adam Faulkner is the dynamic and extremely competent driver of this initiative. We are all very proud of what has been achieved in a short timeframe and we will have more to say on this matter in the coming year(s).

Reputationally, NAWMA remains as one of Australia's leading waste management and resource recovery organisations and we continue to drive thought leadership in our field. We have the opportunity and the will to work with our Councils in stimulating economic and environmental activity in the Northern Region of Adelaide. This is widely recognised and amongst the many political, industry, international, and community visitors to our sites in 2019-2020, the visitation of Federal Assistant Minister Trevor Evans was a highlight.

Assistant Minister Evans showed a great deal of interest in NAWMA, and this interest was translated

into Commonwealth Policy as the National Waste Policy and recycling export bans were crafted.

We continue to be in dialogue with the Assistant Minister's Office. I take this opportunity to thank the NAWMA Board for their advice and leadership, our Constituent Councils (Mayors, Elected Members, Chief Executives, and Administrations) who have been strong and supportive in this tough economic year, as well as our very competent Audit Committee and SPV members. I also want to thank sincerely NAWMA's Chief Executive and his outstanding Senior Management Team, together with our wonderful staff.

It is their efforts and commitment that make our organisation great. NAWMA continues to be an employer of choice, with a recent staff satisfaction survey revealing an overall 97% satisfaction.

Finally, I want to congratulate on behalf of all of us, NAWMA's Chief Executive Officer Adam Faulkner for winning the Inaugural Doug Dean Industry Leader of the Year Award, the most prestigious honour in the Australian waste management and resource recovery industry. It is well deserved and reflects well on NAWMA as an organisation. Well done Adam and Senior Management Team.

I look forward to a successful year in 2020-2021 in continuing to deliver our Strategic Plan outcomes to our Councils and our community and I reiterate our strong belief that whilst we face strong headwinds at present, our medium to long term future looks very bright, with all indications of returning to a balanced operating result within a few short years.

I commend to you the 2019-2020 Annual Report.



Brian Cunningham
Independent Chairman

Report from the Chief Executive Officer



In my 23 years in the waste management and resource recovery sector, I have not experienced operating conditions as difficult as the past 12 months. With returns for our recyclables reaching an all-time low, compounded by a significant mid-year increase in the Solid Waste Levy, I am very proud of how the Board and my team navigated this financial year.

We have continued to find recycling markets where others couldn't, all whilst undertaking a \$4M investment upgrade of the Material Recovery Facility (MRF). NAWMA is extremely fortunate to have a visionary Board and group of Constituent Councils who did not waver during the difficult times. And I am very fortunate to have a highly skilled and passionate team to help deliver a high standard of infrastructure and services to our community.

While we posted an operational deficit, we have reconstructed our Long-Term Financial Plan which models a return to a balanced budget in the years to come. Aligned with further efficiency measures, The Senior Management Team was restructured with two distinct teams led by Danial Dunn as Chief Operating Officer (COO), and Rachel (Yi) Zhou as Chief Financial Officer (CFO). This change streamlined our management structure and allowed NAWMA to act quickly and decisively when the recycling commodity markets defied history. Instead of receiving revenue from the sale of the materials, it resulted in NAWMA having, at times, to pay to move over half of the yellow bin recyclables on to downstream recyclers.

We took the time to build the knowledge within our own Constituent Councils and those Client Councils accessing the MRF, hosting several information sessions and transparently showing the pressures facing NAWMA and other MRFs across Australia and the globe.

During the COVID-19 restrictions, we were one of the few organisations that continued business as usual, and in fact employed more staff during this period to accommodate all of the additional recyclables, hard waste and yard clean-ups that were undertaken by householders whilst at home.

In relation to the other NAWMA infrastructure, we commissioned a new side wall liner at Uleybury Balefill Renewable Energy Facility and finalised a design for the future upgrade of the Research Road (Pooraka) Resource Recovery Centre. Edinburgh North (Bellchambers Road) continues to be a high-traffic site with residents using the second-hand salvage store, the container deposit return depot, and our Resource Recovery Centre.

Our collection contractor upgraded their gas system which now allows for the 23 collection trucks to be autonomously filled with High Density Compressed Natural Gas overnight.

Accountability is critical in providing waste and recycling services to the northern community, so we embarked on a resident satisfaction survey, staff satisfaction survey, and NAWMA Board self-assessment, to enable us to keep improving. The results were by and large positive, while giving us some key development elements.

I attended the first Commonwealth Government National Plastics Summit in Canberra and have been feeding into the Federal Government's priorities around investment and policy intervention, which is all part of NAWMA's leadership position within the industry.

Our communications and education in the community continued, with the opening of a redeveloped Education Centre at our Edinburgh site. The focus of the Centre is community engagement and circular economy and showcases to residents the significant role their behaviours play through recycling. We continue to urge residents to help NAWMA and their community by putting the right things in the right bins through specially developed resources and site tours.

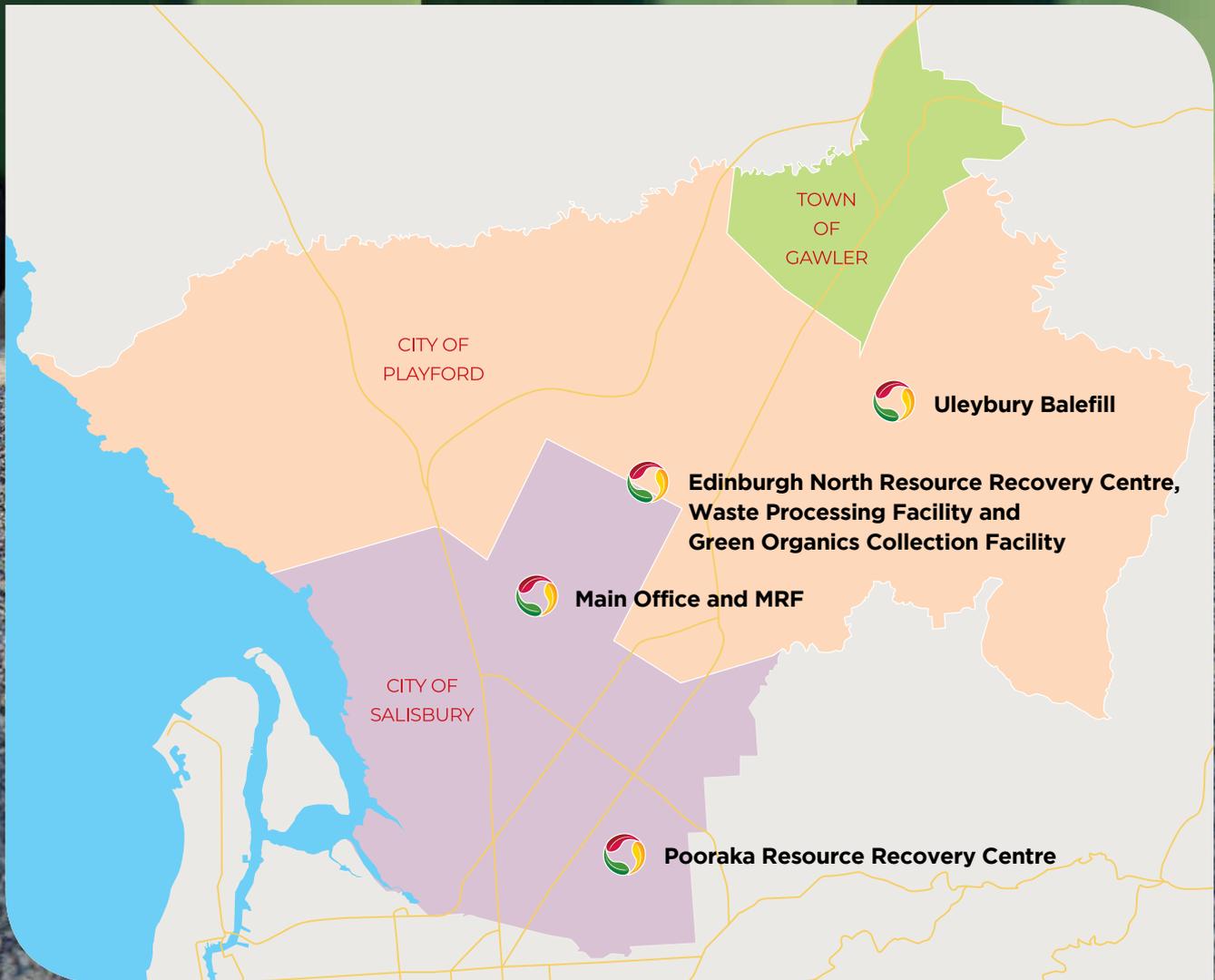
We are passionate about recycling, resource recovery, and transitioning to a more circular economy while delivering a balanced budget.



Adam Faulkner
Chief Executive Officer

The coming years look very positive, and I look forward to working in partnership with City of Salisbury, City of Playford and Town of Gawler in delivering excellent and efficient services.

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 services 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 six (6) formal meetings over the 2019-2020 financial year. The table below details Board Member attendance at the six meetings. Several other matters were resolved by Circular Resolutions out of Board Meeting frequency.



Mr Brian Cunningham
Independent Chair
6 of 6 meetings



Mr Sam Green
City of Playford
6 of 6 meetings



Cr Shirley Halls
City of Playford
5 of 6 meetings



Ms Grace Pelle
City of Playford
4 of 6 meetings



Mr Charles Mansueto
City of Salisbury
5 of 6 meetings



Cr Julie Woodman
City of Salisbury
6 of 6 meetings



Cr Graham Reynolds
City of Salisbury
5 of 6 meetings



Mr Henry Inat
Town of Gawler
4 of 6 meetings



Cr Paul Koch
Town of Gawler
6 of 6 meetings



Cr Paul Little
Town of Gawler
5 of 6 meetings

Deputy Board Member

Meetings

Cr Clint Marsh	City of Playford	3 of 3
Cr Diane Fraser	Town of Gawler	3 of 3

Note: Deputy Board Directors attend meetings only 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 NAWMA's financial statements, including its annual report, reviewing significant financial reporting issues and judgements which they contain;
- reviewing the adequacy of NAWMA's accounting, internal auditing, reporting and other financial management systems and practices 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 six (6) formal meetings over the 2019-2020 financial year. The table below details Audit Committee Member attendance at these meetings:



Mr Peter Brass
Independent Chair
6 of 6 meetings



Mr Mark McAllister
Independent Member
5 of 6 meetings



Mr Mark Labaz
Independent Member
6 of 6 meetings



Mr Charles Mansueto
Board Director
6 of 6 meetings



Cr Graham Reynolds
Board Director
6 of 6 meetings



Mr Brian Cunningham
Ex-Officio Member
4 of 6 meetings



NAWMA's Uleybury Landfill.

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

The TWG members provide guidance and advice to NAWMA's Management and throughout 2019-2020 have been instrumental in implementing a number of the Authority's major achievements, particularly the Strategic Plan 2018-2025.

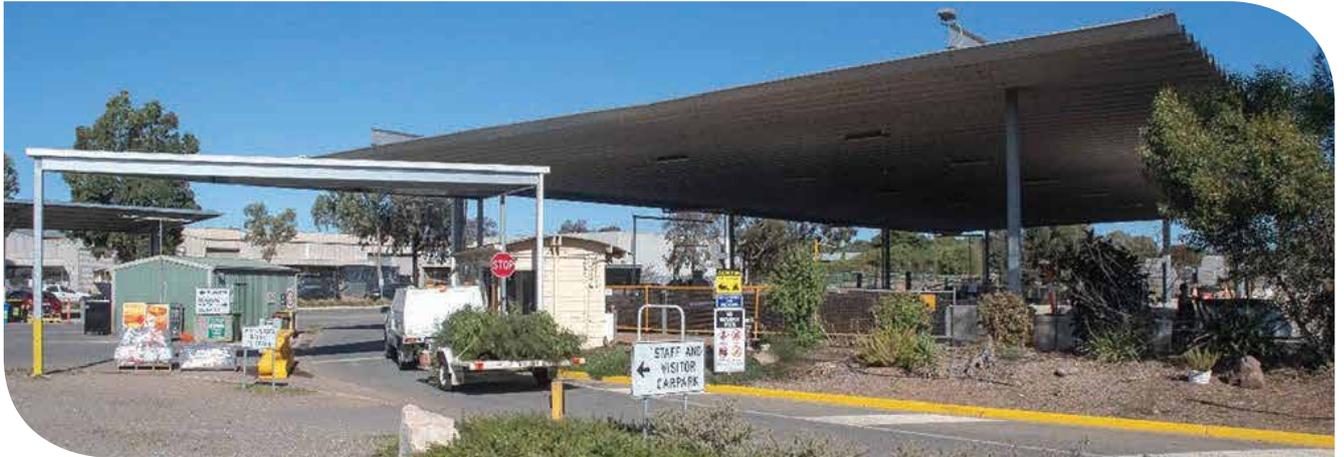
Constituent Council Chief Executive Officer Roundtable

NAWMA's Independent Chairman held seven (7) meetings of the Constituent Council CEO's to discuss strategic matters and facilitate collaboration in service delivery during 2019/2020. The roundtable meetings are assisted by the NAWMA CEO as subject matter expertise and secretariat duties.

The Audited Financial Statements for the year ended 30 June 2019 are provided from page 21.

Resource Recovery

Resource Recovery Centres



NAWMA operates two Resource Recovery Centres (RRCs) within the northern Adelaide community.

NAWMA's Edinburgh North Resource Recovery Centre continues to provide several 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, which provides employment for community members and supports a disability workforce while providing an opportunity for the reuse of valuable household resources; and
- a recycling service for bottles and cans, operated by Scouts SA.

In addition to the Edinburgh North Resource Recovery Centre, NAWMA operates and manages the City of Salisbury owned Pooraka Resource Recovery Centre.

The Pooraka Resource Recovery Centre has been earmarked for a site upgrade in late 2020 with an emphasis on traffic management, fire protection standards and the minimisation of WH&S risks associated with loading/unloading of waste and recyclable materials.

In line with recommendations made during the COVID-19 pandemic, both of NAWMA's Resource Recovery Centres transitioned to cashless in early May 2020. Whilst the removal of cash at these sites is a necessary physical safety precaution, it is also part of a whole-of-business risk mitigation strategy and will remain in place long-term.

Statistics for the combined operations of the two Resource Recovery Centres for the year ended 30 June 2020 show more than:

- **114,000 customers** accessed the facilities delivering green waste and general waste;
- **14,000 tonnes of material** were transported to SUEZ-ResourceCO for processing into Refuse Derived Fuel (RDF);
- **6,000 mattresses** were recovered and recycled, almost doubling the number recovered during the 2018/2019 year;
- **4,000 tyres** were collected and recycled; and
- **114,000 litres of paint** was safely disposed of.

In partnership with Green Industries SA, NAWMA opened a Community Chemical and Paint Drop-off facility at the Edinburgh North Resource Recovery Centre in August 2019. A variety of hazardous household substances can now be responsibly disposed of, including poisons, acids, pharmaceutical products, brake fluids, lithium batteries and coolants. The facility, which is open to the public seven days a week, accepts household quantities only and is free of charge. In the first year of operation the site saw over 18,000kg of hazardous waste accepted for responsible disposal.

In August 2020 NAWMA will install and commission an expanded polystyrene (EPS) machine that can turn pure, clean foam into a form that can be reused to make other items such as photo frames and coat hangers. The purchase of this machine was made possible through a successful grant application with the State Government's Recycling Infrastructure program administered by Green Industries SA.

Residents are now able to recycle household quantities of clean, white, rigid polystyrene packaging foam for free at our Edinburgh North Resource Recovery Centre.

Each Year **NAWMA...**



Delivers services to more than

110,000

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



Generates

8,700

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



Recovers

32,000

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



Processes

66,000

tonnes of landfill material



Provides employment for nearly

80

people



Sorts

55,000

tonnes of recyclables



Provides more than

30,000

hard-waste services

Resource Recovery

Material Recovery Facility (MRF)



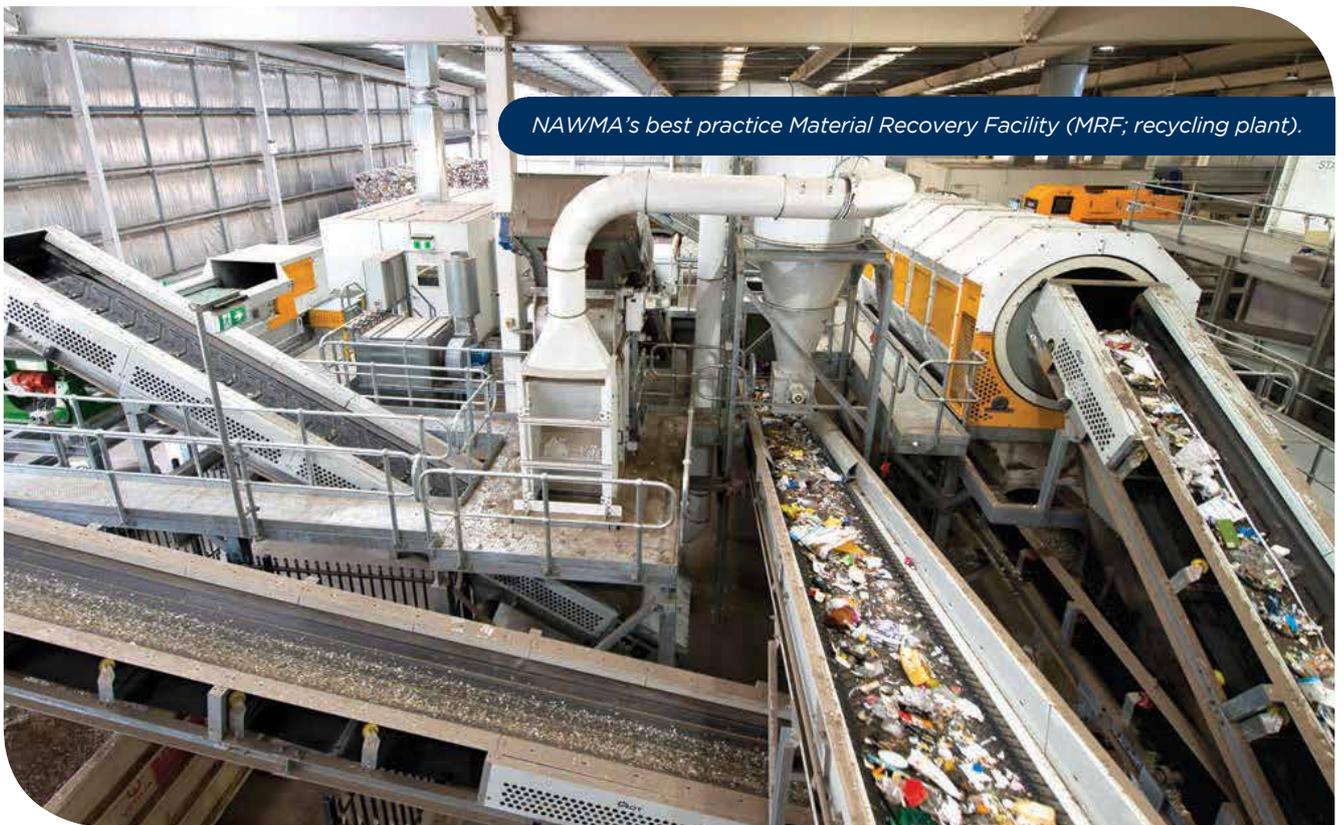
NAWMA houses the only local government owned and operated Material Recovery Facility (MRF) in South Australia, and one of few in Australia.

Our world-class best practice facility sorted more than 55,000 tonnes of kerbside recyclables during 2019-2020, recovering and processing high quality finished goods such as paper, plastics, glass, aluminium and steel.

These secondary raw materials were marketed locally, interstate and (where domestic markets do not exist or are not commercially viable) internationally.

looking to sell their recyclables. Through these difficult times, NAWMA is proudly continuing to responsibly recycle every tonne of recyclables presented to our MRF.

One of our biggest achievements in 2019-2020, was the construction of an extension to the MRF building to install and commission a glass fines recovery plant and robotics.



Operating its own MRF means NAWMA has some capacity to shield Constituent Councils from the full impact of the well-publicised deteriorated commodity markets.

NAWMA's MRF has been designed to enable flexibility in plant speed and labour force participation. This has resulted in achievement of a very high specification for the recovered materials, and hence the ability to continue to find markets (albeit at depressed conditions) while others across Australia and the globe have not. NAWMA's reputation for quality has continually put us in the front of a very long international queue of MRFs

This investment is significantly enhancing the recoverability of material that was previously unrecoverable and was successfully commissioned in April 2020. Once at full capacity, we believe that as much as 14,000 tonnes of small broken glass and recyclables will be diverted away from landfill and create four (4) new jobs at NAWMA's Edinburgh MRF.

NAWMA commenced trials with many local civil contractors during the year, with a view to use recycled glass as virgin sand replacement material in roads and footpaths.

Resource Recovery Material Recovery Facility (MRF)

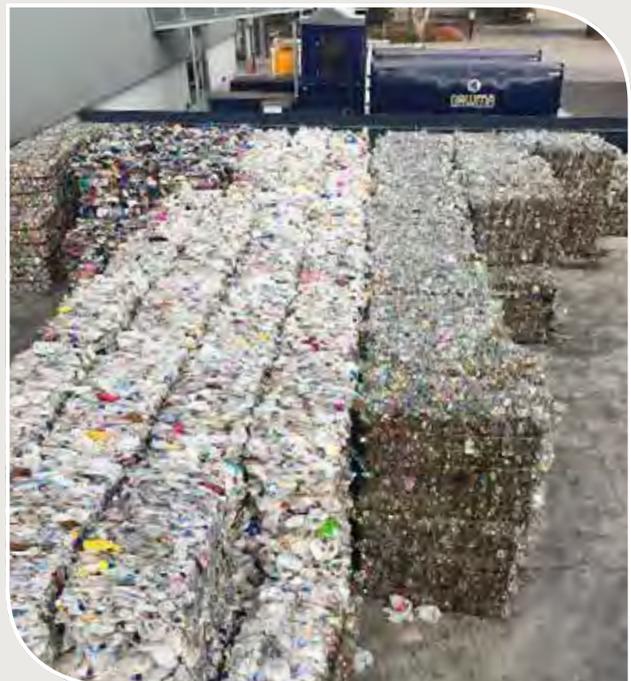


Our world-class, best practice facility with dedicated staff sorted more than 55,000 tonnes of kerbside recyclables during 2019-2020.



As well as reclaiming plastics for re-use, NAWMA commenced trials with civil contractors during the year, with a view to use recycled glass as virgin sand replacement material in roads and footpaths.

The MRF is a combination of trommels, magnets, eddy-currents, ballistic separators, and manual picking stations, fed by over half a kilometre of conveyor belts.



Resource Recovery Material Recovery Facility (MRF)

Financial and Operational Costs of doing Business

	2017	2019	2020
OPERATING COSTS (increased over time)	 Low	 Medium	 High
COMMODITY PRICING (deteriorated over time)	 High returns	 Modest returns	 Minor returns
CONTAMINATION (has remained too high)	 High	 High	 High
SOLID WASTE LEVY (cost to dispose of contamination has increased over time)	 SOLID WASTE LEVY: \$76 PER TONNE*	 SOLID WASTE LEVY: \$100 PER TONNE*	 SOLID WASTE LEVY: \$140 PER TONNE*

*Metro

OTHER FACTORS CURRENTLY AFFECTING OUR OPERATIONS

- Higher quality material required
- Reduced market size
- Increased export scrutiny
- Reduced onshore mills
- Fewer shipping lines available

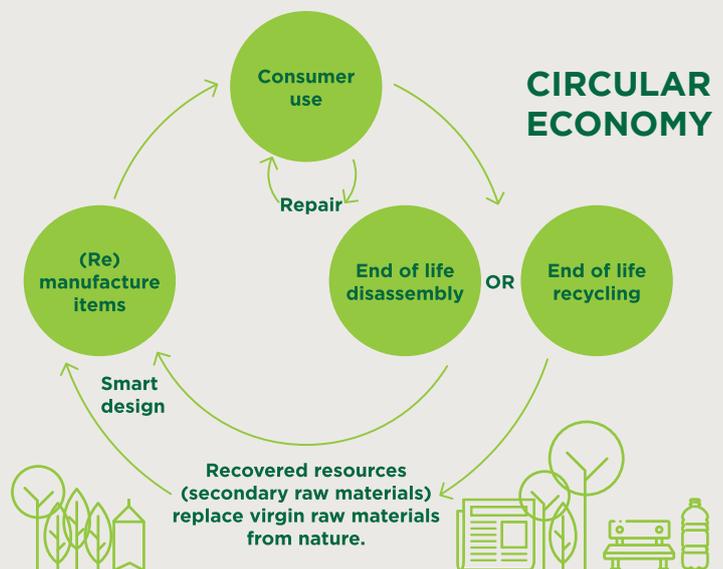
THINGS WILL GET BETTER



Onshore employment creation



More paper mills under construction in 2025



Resource Recovery

Food and Garden Organics



NAWMA's Food and Garden Organics (FOGO) green-lid bin collection is an opt-in service for the residents of our three Constituent Councils. The service continues to grow in popularity with more than 65,000 FOGO bins currently in service, with an overall average participation rate of 57%.

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, before being bulk hauled by sealed vehicles to one of Peats Soil 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 23,000 tonnes of kerbside collected material with another 9,000 tonnes of material sent for processing via NAWMA's Resource Recovery Centres.

In late 2019 NAWMA partnered with an experienced industry consultant, and City of Playford, to undertake a FOGO pilot within two selected areas of City of Playford. Residents within the pilot area without a FOGO service were offered the service without the price point (free of charge), and those with a FOGO service offered a caddy/liners.

All participants were provided with education materials and follow up check-in/reminders. The results of the pilot were very encouraging, with an increase in participation of 23% bringing the overall total participation in City of Playford to 75%. The results of the pilot in conjunction with modelling and discussion with our Constituent Councils will inform future decisions for the household FOGO service.

2019/2020 Tonnes Collected for our Constituent Councils

	 Waste	 Recycling	 FOGO	TOTAL	Diversion
Playford	18,989	6,856	6,253	32,098	41%
Salisbury	30,856	10,122	15,199	56,177	45%
Gawler	5,443	1,752	2,430	9,625	43%
Total (Tonnes)	55,288	18,730	23,882	97,900	43%





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.

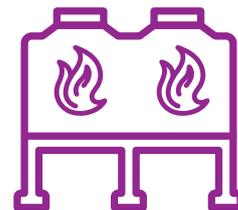
The following outlines the power generation and gas consumption during the 19/20 financial year:



Over 1.7M kilowatt hours of power exported to the power network from solar panels



Over 7M kilowatt hours of power exported via the gas generation engine



Over 3.6M m3 of landfill gas used as energy to power the gas engine

Following the removal of valuable resources from the waste stream, 66,000 tonnes were deposited to the Uleybury Balefill and Renewable Energy Park in 2019-2020.

Almost 58,000 of these tonnes were processed and baled at NAWMA's Edinburgh North Waste Processing Facility (WPF). The Waste Processing Facility bales the material and transports it to Uleybury, with over 200 bales transported on

average per day, in partnership with Diamond Brothers Transport.

The Balefill Management Consultative Committee (BMCC), chaired by Cr Paul Little (Town of Gawler), continues to meet bi-monthly or as required.

The Committee provides nearby residents, Council, the EPA and NAWMA the opportunity to discuss topics relating to the site and its operations.



66,000 tonnes
of waste deposited in 2019-2020



58,000 tonnes
were processed and baled at NAWMA's
Edinburgh North Waste Processing Facility



200 bales
transported every day to the Balefill

Education and Community Engagement

In 2019/20 NAWMA further established its connection to the local community by opening a redeveloped Education Centre at its Edinburgh headquarters. The modern adult-learning facility highlights NAWMA's role within the Circular Economy and showcases examples of innovative local businesses who are redefining waste. Interpretive material at the Centre also educates residents about their significant role in the Circular Economy through their purchasing and recycling behaviours.

Prior to COVID-19 restrictions coming into place, several local community groups combined a visit to the Education Centre with the adjacent MRF to learn more, and see firsthand what happens after recyclables are collected at the kerbside.

Two videos were produced this year to reach out to residents via a different platform. The first had a corporate focus and gave an overview of all of NAWMA's operations and services. This video was translated into Mandarin and used to promote NAWMA during a trip attended by our Chief Executive Officer and Chief Operations Officer to City of Salisbury's Sister City Linyi, China.

The second video focussed specifically on household recycling and follows the journey of recyclables from the kerbside, through the MRF

to their eventual reuse. This was especially well received and has been used by various agencies and local governments in addition to NAWMA's Constituent and Client Councils.

With a good range of resources already in place, more detailed educational material was developed for specific purposes – these included fact sheets and infographics.

Facebook posts continued to give the community up-to-the-minute advice on NAWMA services and how to use them and were also key to our delivering timely messaging around service interruptions on extreme weather days. Engagement with the website continued to increase with monthly user sessions increasing by 50% between June 2019 and June 2020.



NAWMA's Education and Projects Coordinator Penelope Morrison takes NAWMA Chair Brian Cunningham and NAWMA Board Director (and Town of Gawler Chief Executive Officer) Henry Inat through an interactive display in the redeveloped Education Centre.

Education and Community Engagement



Please remember, these are the **ONLY** things to put into the **HOUSEHOLD RECYCLING BIN**

Ph: 8259 2100
www.nawma.sa.gov.au

NAWMA
NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

Salisbury | Gawler



Please remember, you can put all these things into the **FOOD & GARDEN ORGANICS BIN**

NO PLASTIC BAGS

Ph: 8259 2100
www.nawma.sa.gov.au

NAWMA
NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

Salisbury | Gawler

NAWMA's Customer Service

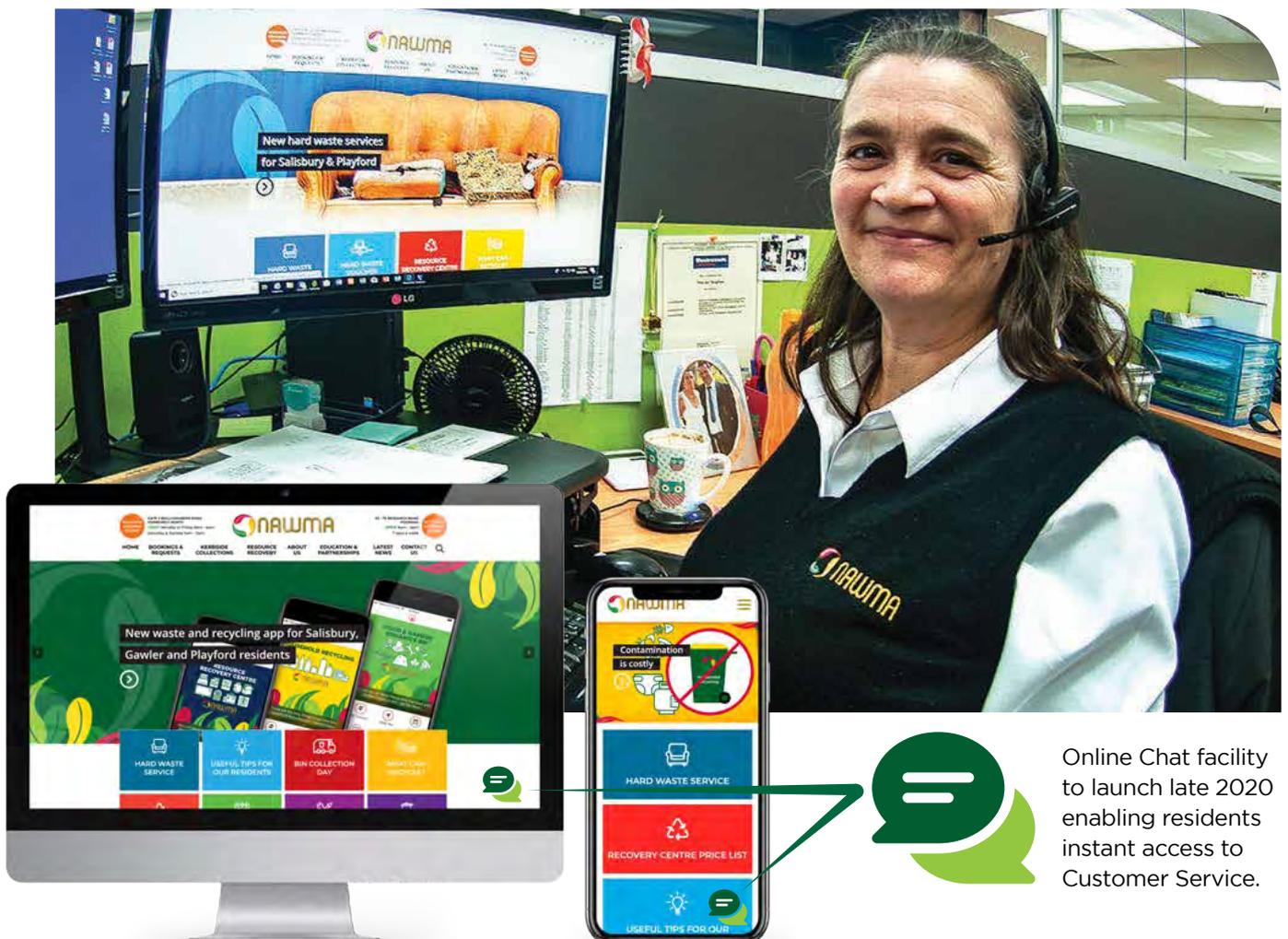
The focus for the NAWMA Customer Service Team for the 2019/2020 year was to create a great customer experience by putting our residents first. We achieved this with professional, clear, and concise communication via our Call Centre, email and website platforms and face to face.

To assist us in assessing our performance and to ensure we provide effective and efficient services, in FY20 we implemented feedback questionnaires at each touchpoint of the customer service experience. We began in April 2020 and at the end of the financial year had over 150 participants, which we will look to increase in the next financial year. The results received to date show that the vast majority of our Constituent Council residents are extremely happy with their customer service experience.

Our team also worked on some exciting technology to assist with consolidating our great customer experience focus. The first was a customer relationship management (CRM) like system which will enable us to tailor waste solutions based on the

needs of our residents. The system personalises a residents experience with NAWMA and will allow us to build a history for each household based on their interactions with us. This system has been in development for the entirety of the financial year and will be fully operational from 1 July 2020.

The second measure to be introduced will be an online chat function which will operate in conjunction with the NAWMA website. This opens another line of direct communication with our residents and enables them to have instant access to an experienced operator with an immediate response. This is a completely new concept for our Customer Service team at NAWMA and we look forward to implementing this in the last half of 2020.



Online Chat facility to launch late 2020 enabling residents instant access to Customer Service.



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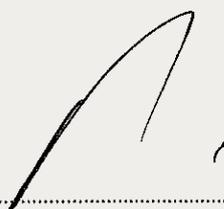
NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020**

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 2020 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: 17 September 2020.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
INCOME			
User charges	2	38,644	33,758
Investment income	2	210	209
Reimbursements		-	67
Other	2	4	-
Total Income		38,858	34,034
EXPENSES			
Employee costs	3	3,042	2,753
Materials, contracts & other expenses	3	33,754	29,756
Finance costs	3	529	351
Depreciation, amortisation & impairment	3	2,841	1,394
Total Expenses		40,166	34,254
Operating Surplus / (Deficit)		(1,308)	(220)
Asset disposal & fair value adjustments	3	(48)	(9)
Amounts received specifically for new/upgraded assets		1,525	233
NET SURPLUS / (DEFICIT)		169	4
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		169	4

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

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	3,804	2,613
Trade & other receivables	4	3,848	3,172
Stock on Hand		25	64
Total Current Assets		7,677	5,849
Non-current Assets			
Property, Plant & Equipment	5	23,828	14,709
Total Non-current Assets		23,828	14,709
Total Assets		31,505	20,558
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	5,856	3,410
Provisions	6	255	191
Borrowings	6	2,522	1,186
Total Current Liabilities		8,633	4,787
Non-Current Liabilities			
Borrowings	6	12,446	6,318
Provisions	6	3,502	2,698
Total Non-current Liabilities		15,948	9,016
Total Liabilities		24,581	13,803
Net Assets		6,924	6,755
EQUITY			
Accumulated Surplus		6,264	6,095
Asset Revaluation Reserve		660	660
Total Equity		6,924	6,755

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
	\$'000	\$'000	\$'000
Balance at start of period - 1 July 2019	6,095	660	6,755
Net Surplus/ (Deficit) for Year	169	-	69
Balance at end of period - 30 June 2020	6,264	660	6,924
Balance at start of period - 1 July 2018	6,091	660	6,751
Net Surplus/ (Deficit) for Year	4	-	4
Balance at end of period - 30 June 2019	6,095	660	6,755

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

STATEMENT OF CASH FLOWS
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts from customers		37,972	33,342
Investment receipts		210	209
Operating payments to suppliers & employees		(34,807)	(31,429)
Finance payments		(504)	(351)
Net Cash provided by (or used in) Operating Activities	7	2,871	1,771
CASH FLOWS FROM INVESTING ACTIVITIES			
Amounts specifically for new or upgraded assets		2,085	233
Maturity of Investments		-	1,018
Sale of surplus assets	3	15	-
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		(3,663)	(480)
Net Cash provided by (or used in) Investing Activities		(1,563)	771
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		2,236	-
Repayments of Borrowings		(1,137)	(990)
Repayment of lease liabilities		(1,216)	-
Net Cash provided by (or used in) Financing Activities		(117)	(990)
Net Increase (Decrease) in cash held		1,191	1,552
Cash & cash equivalents at beginning of period	7	2,613	1,061
Cash & cash equivalents at end of period	7	3,804	2,613

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 2020

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.

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.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

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.

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super. 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 2019/20; 9.5% in 2018/19). 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.

Contributions to Other Superannuation Schemes

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

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 2020.

9 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards. Comparative information has not been amended for any changes to accounting standards.

10 Critical Accounting Estimates and Judgements

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

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

11 New Accounting Standards

The Authority has applied AASB 16 for the first time from 1 July 2019. AASB 16 superseded AASB 117 Leases, Interpretation 4 Determining whether an arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentations and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The Authority has lease contracts for its waste processing facilities, plant, machinery and motor vehicles. Before the adoption of AASB 16, the Authority classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of the date of initial application and leases of low-value assets. The right-of-use-assets for all leases were recognised based on the amount equal to the lease liabilities.

No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

The effect of adoption of AASB 16 as at 1 July 2019 (increase/(decrease)) is as follows:

	\$'000
Assets	
Property, Plant & Equipment	5,870
Total Assets	5,870
Liabilities	
Borrowings	5,870
Total Liabilities	5,870
Accumulated Surplus	nil

12 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 2020

Note 2 - INCOME

	Notes	2020 \$'000	2019 \$'000
USER CHARGES			
Waste Management Operations		38,644	33,758
		38,644	33,758
INVESTMENT INCOME			
Interest Income: Local Government Finance Authority		26	39
Rental income		184	170
		210	209
OTHER INCOME			
Sundry Income		-	-
Promotional Income		4	-
		4	-

Note 3 - EXPENSES

EMPLOYEE COSTS

Salaries and Wages		2,521	2,362
Employee leave expense		100	4
Superannuation		206	214
Workers' Compensation Insurance		62	31
Other		153	142
		3,042	2,753

MATERIALS, CONTRACTS & OTHER EXPENSES

Auditor's Remuneration			
Auditing the financial reports		25	18
Other Services		-	-
Bad and Doubtful Debts		1	-
Lease costs		59	1,378
Promotions		13	22
Bank Fees		36	33
Landfill Royalty		196	213
Contractors		23,948	18,535
Electricity		267	266
Environmental Protection Agency Levy		8,158	7,818
Fuels & Oils		187	281
Professional services		364	279
Waste Recycle Bins		-	360
Administration & Other Expenses		500	553
		33,754	29,756

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Note 3 - EXPENSES (cont)

	Notes	2020 \$'000	2019 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Waste Processing Facility		218	222
Uleybury Landfill Plant & Equipment		30	29
Education Program Plant & Equipment		1	1
Office Furniture & Equipment		40	28
Property & Improvements		17	15
Landfill Cell Stage Three		315	297
Landfill Capping Stage Three		131	119
Post Closure Rehabilitation		81	71
Buildings		144	130
Material Recovery Facility		519	482
Right-of-use-assets		1,345	-
		2,841	1,394
FINANCE COSTS			
Interest on Loans and Overdraft		336	351
Interest on Leases		193	-
		529	351
ASSET DISPOSALS			
Proceeds from disposal		15	-
Less: Carrying amount of assets sold		(63)	(9)
Gain (Loss) on disposal		(48)	(9)
Note 4 - CURRENT ASSETS			
CASH & CASH EQUIVALENTS			
Cash on Hand and at Bank		2,786	1,552
Deposits at Call		1,018	1,061
		3,804	2,613
TRADE & OTHER RECEIVABLES			
Debtors - general		3,668	3,025
Accrued Revenues		180	147
		3,848	3,172

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2020

Note 5 - PROPERTY, PLANT & EQUIPMENT

	2019 \$'000				2020 \$'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	-	3,269	(1,597)	1,672	-	3,285	(1,852)	1,433
Uleybury Landfill Plant & Equipment	-	2,125	(1,994)	131	-	2,125	(2,024)	101
Education Program Plant & Equipment	-	34	(30)	4	-	34	(31)	3
Office Furniture & Equipment	-	177	(65)	112	-	199	(100)	99
Property & Improvements	-	1,605	(1,490)	115	-	1,605	(1,507)	98
Landfill Cell Stage Three	-	3,084	(1,137)	1,947	-	3,084	(1,451)	1,633
Landfill Capping Stage Three	-	1,050	(265)	785	-	1,116	(397)	719
Post Closure Rehabilitation	-	1,591	(1,125)	466	-	2,304	(1,207)	1,097
Buildings	3,285	247	(238)	3,294	3,285	1,491	(338)	4,438
Material Recovery Facility	-	5,178	(823)	4,355	-	7,475	(1,343)	6,132
Right-of-use-assets	-	-	-	-	-	7,581	(1,345)	6,236
WIP	-	52	-	52	-	63	-	63
	5,061	18,412	(8,764)	14,709	5,061	30,362	(11,595)	23,828

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Note 5 - PROPERTY, PLANT & EQUIPMENT (Cont)

	2019 \$'000	Movement in Property, Plant & Equipment during the Financial Year					2020 \$'000	
	CARRYING VALUE	ADDITIONS		Disposals	Revaluation	Adjustments	Depreciation	CARRYING VALUE
		Renewal/ Replacement	New/ Upgrade					
Land	1,776	-	-	-	-	-	-	1,776
Waste Processing Facility	1,672	16	-	(37)	-	-	(218)	1,433
Uleybury Landfill Plant & Equipment	131	-	-	-	-	-	(30)	101
Education Program Plant & Equipment	4	-	-	-	-	-	(1)	3
Office Furniture & Equipment	112	27	-	-	-	-	(40)	99
Property & Improvements	115	-	-	-	-	-	(17)	98
Landfill Cell Stage Three	1,947	-	-	-	-	1	(315)	1,633
Landfill Capping Stage Three	785	66	-	-	-	(1)	(131)	719
Post Closure Rehabilitation	466	713	-	-	-	(1)	(81)	1,097
Buildings	3,294	-	1,314	(26)	-	-	(144)	4,438
Material Recovery Facility	4,355	-	2,296	-	-	-	(519)	6,132
Right-of-use-assets	5,870	1,711	-	-	-	-	(1,345)	6,236
WIP	52	11	-	-	-	-	-	63
	20,579	2,544	3,610	(63)	-	(1)	(2,841)	23,828
2019	15,567	64	777	(9)	(296)	-	(1,394)	14,709

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Note 6 - LIABILITIES

		2020 \$'000		2019 \$'000	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		3,481	-	2,263	-
Accrued expenses - other		1,548	-	1,147	-
Amounts received in advance		827	-	-	-
		5,856	-	3,410	-
BORROWINGS					
Loans		1,056	7,547	1,186	6,318
Lease Liabilities		1,466	4,899	-	-
		2,522	12,446	1,186	6,318
PROVISIONS					
Annual Leave		198	-	147	-
Long Service Leave		57	99	44	74
Provision for Capping Stage 3A		-	1,116	-	1,050
Provision for Post Closure Site Rehabilitation		-	2,287	-	1,574
		255	3,502	191	2,698
Movements in Provisions					
		Opening Balance	Additional Amounts Recognised/ (Derecognised)	Payments	Closing Balance
Provision for Capping Stage 3A		1,050	66	-	1,116
Post Closure Site Rehabilitation		1,574	713	-	2,287
Total		2,624	779	-	3,403

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2020

Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2020 \$'000	2019 \$'000
Total cash & equivalent assets	4	3,804	2,613
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		3,804	2,613
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus (Deficit)		169	4
Non-cash items in Income Statement			
Depreciation, amortisation & impairment	3	2,841	1,394
(Gain) / Loss on Disposal of Assets	3	48	9
Grants for capital acquisitions treated as Investing Activity		(2,085)	(233)
Bad Debts Expense	3	1	-
		974	1,174
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(676)	(483)
Net (increase) decrease in inventory		39	(15)
Net increase (decrease) in trade & other payables		2,446	1,139
Net increase (decrease) in other provisions		88	(44)
Net Cash provided by (or used in) operations		2,871	1,771

(c) Financing Arrangements

Credit Card Facilities		15	15
LGFA Cash Advance Debenture Facility		2,500	2,500

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Note 8 - 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 0.4% (2019: 1%).</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 Exposure

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 2020

Note 8 - FINANCIAL INSTRUMENTS (Cont)

2020	<i>Fixed interest maturing in</i>			Non- interest bearing	Total
	≤ year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Amortised Cost					
Cash Assets	7,472	-	-	-	7,472
Receivables	-	-	-	3,848	3,848
Total	7,472	-	-	3,848	11,320

Financial Liabilities

Payables	-	-	-	5,856	5,856
Borrowings	2,522	9,135	3,311	-	14,968
Total	2,522	9,135	3,311	5,856	20,824

2019	<i>Fixed interest maturing in</i>			Non- interest bearing	Total
	≤ year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Amortised Cost					
Cash Assets	1,061	-	-	-	1,061
Receivables	-	-	-	3,172	3,172
Total	1,061	-	-	3,172	4,233

Financial Liabilities

Payables	-	-	-	3,410	3,410
Borrowings	1,186	4,977	1,341	-	7,504
Total	1,186	4,977	1,341	3,410	10,914



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2020

Note 9 - COMMITMENTS FOR EXPENDITURE

	Notes	2020 \$'000	2019 \$'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
Waste Collection, Processing and Mobile Garbage Bin Supply Contracts		81,468	80,696
		81,468	80,711
These expenditures are payable:			
Not later than one year		18,976	14,049
Later than one year and not later than 5 years		62,492	56,136
Later than 5 years		-	10,526
		81,468	80,711

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.

Note 10 - 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 2020

Note 11 - LEASES

The Authority leases external operations facilities, waste processing plant & machinery and motor vehicles.

	Buildings & Other Structures \$'000	Plant & Motor Vehicles \$'000	Total \$'000
At 1 July 2019	5,701	169	5,870
Additions of right-of-use-assets	-	1,711	1,711
Depreciation Charge	(81)	(534)	(1,345)
At 30 June 2020	4,890	1,346	6,236

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

	2020 \$'000
At 1 July 2019	5,870
Additions	1,711
Accretion of interest	193
Payments	(1,409)
At 30 June 2020	6,365
Current	1,466
Non-Current	4,899

Note 12 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

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

	2020 \$'000	2019 \$'000
Salaries, allowances & other short term benefits	751	803
Long term benefits	3	59
TOTAL	754	862



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2020

Note 12 - DISCLOSURES OF RELATED PARTY TRANSACTIONS (Cont)

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	15,699	1,550	Provision of waste collection, processing and disposal services
City of Playford	9,633	899	Provision of waste collection, processing and disposal services
Town of Gawler	2,555	240	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.

Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

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

1. POTENTIAL INSURANCE LOSSES

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

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

2. LEGAL EXPENSES

All known costs have been recognised.

3. PERFORMANCE BONDS/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 2020

Note 14 - FAIR VALUE MEASUREMENTS

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

- Land assets
- 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 2020

Note 14 - FAIR VALUE MEASUREMENTS (Cont)

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

	Notes	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2020					
(\$'000)					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		25	-	-	25
Total financial assets recognised at fair value		25	5,061	-	5,086

2019
 (\$'000)

Recurring fair value measurements

Infrastructure, Property, Plant & Equipment					
- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		64	-	-	64
Total financial assets recognised at fair value		64	5,061	-	5,125

(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.



ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2020
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Northern Adelaide Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, HLB Mann Judd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Adam Faulkner

Chief Executive Officer

Mark Labaz

Chairperson – Audit Committee

22/09/2020

Date:

The updated NAWMA website has proven to be an invaluable resource for residents providing up-to-date information on all of NAWMA's operations and services as well as a range of options for booking services online.





NAWMA

71-75 Woomera Avenue
Edinburgh SA 5111

Box 10 Mail Delivery Centre
Edinburgh North SA 5113

Phone 08 8259 2100

Email admin@nawma.sa.gov.au

www.nawma.sa.gov.au



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City of Salisbury
34 Church Street
Salisbury 5108
South Australia
PO Box 8
Salisbury SA 5108

Telephone
08 8406 8222
Facsimile
08 8406 5466

Email
city@salisbury.sa.gov.au

f @cityofsalisbury
t @cityofsalisbury
@ @cityofsalisbury

www.salisbury.sa.gov.au



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