



## **AGENDA**

### **FOR BUDGET AND FINANCE COMMITTEE MEETING TO BE HELD ON 15 JULY 2019 AT CONCLUSION OF POLICY AND PLANNING COMMITTEE IN THE COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY**

#### **MEMBERS**

Cr B Brug (Chairman)  
Mayor G Aldridge  
Cr M Blackmore  
Cr L Braun (Deputy Chairman)  
Cr C Buchanan  
Cr A Duncan  
Cr K Grenfell  
Cr N Henningsen  
Cr D Hood  
Cr P Jensen  
Cr S Ouk  
Cr D Proleta  
Cr S Reardon  
Cr G Reynolds  
Cr J Woodman

#### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
General Manager City Development, Mr T Sutcliffe  
General Manager Community Development, Ms P Webb  
General Manager City Infrastructure, Mr J Devine  
A/Manager Governance, Ms J Crook  
Governance Support Officer, Ms K Boyd

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**APOLOGIES**

**LEAVE OF ABSENCE**

**PRESENTATION OF MINUTES**

Presentation of the Minutes of the Budget and Finance Committee Meeting held on 03 June 2019.

**REPORTS**

*Administration*

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*Finance*

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*Annual Plan and Budget*

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*Rating Matters*

6.6.1 Discretionary Rate Rebate Application - Adelaide Benevolent Society..... 27

**OTHER BUSINESS**

**CLOSE**



**MINUTES OF BUDGET AND FINANCE COMMITTEE MEETING HELD IN THE  
COUNCIL CHAMBER, 12 JAMES STREET, SALISBURY ON**

**3 JUNE 2019**

**MEMBERS PRESENT**

Mayor G Aldridge  
Cr M Blackmore (*from 6.43 pm*)  
Cr L Braun (Deputy Chairman)  
Cr C Buchanan  
Cr A Duncan  
Cr K Grenfell  
Cr N Henningsen  
Cr D Hood  
Cr P Jensen  
Cr G Reynolds  
Cr J Woodman

**STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
General Manager City Development, Mr T Sutcliffe  
General Manager Community Development, Ms P Webb  
General Manager City Infrastructure, Mr J Devine  
Manager Financial Services, Ms K George  
Manager Governance, Mr M Petrovski  
Governance Support Officer, Ms K Boyd

The meeting commenced at 6.33 pm.

The Deputy Chairman welcomed the members, staff and the gallery to the meeting.

**APOLOGIES**

Apologies were received from Cr B Brug (Chairman), Cr D Proleta and Cr S Reardon.

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## LEAVE OF ABSENCE

Leave of absence for this meeting was previously granted to Cr S Ouk.

## PRESENTATION OF MINUTES

Moved Cr K Grenfell  
Seconded Cr J Woodman

The Minutes of the Budget and Finance Committee Meeting held on 20 May 2019, be taken and read as confirmed.

**CARRIED**

Moved Cr K Grenfell  
Seconded Cr J Woodman

The Minutes of the Confidential Budget and Finance Committee Meeting held on 20 May 2019, be taken and read as confirmed.

**CARRIED**

## REPORTS

### *Administration*

#### **6.0.1 Future Reports for the Budget and Finance Committee**

Moved Cr P Jensen  
Seconded Mayor G Aldridge

1. The information be received.

**CARRIED**

### *Annual Plan and Budget*

#### **6.4.1 Annual Plan Public Consultation Report**

Moved Mayor G Aldridge  
Seconded Cr J Woodman

1. Information be received and noted.
2. The draft responses to the 2019/20 Annual Plan and Budget consultation submissions as contained in Attachments 1, 2, 3 and 4 to this report (Item 6.4.1 Budget and Finance Committee, 03 June 2019) be endorsed.

**CARRIED**

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*Rating Matters*

**6.6.1 Budget Update**

*Cr M Blackmore entered the meeting at 6.43 pm.*

Moved Cr N Henningsen  
Seconded Cr G Reynolds

1. The Consolidated Budget Summary and Proposed Budget Adjustments to the Consolidated Summary as contained in Attachments 1 and 2 to this report (Item 6.6.1 Budget and Finance Committee, 03 June 2019) be endorsed.

**CARRIED**

**6.6.2 Rating Strategy 2019/20**

Moved Mayor G Aldridge  
Seconded Cr J Woodman

1. Information be received.
2. A rate increase based on 2.50% average increase in residential rates, and a 2.50% increase for Commercial and Industrial, and a 30% differential on vacant land, be endorsed as the basis for setting rates in 2019/20.

**CARRIED**

**6.6.3 Globe Derby Community Club 2019/20 Separate Rate**

Moved Cr C Buchanan  
Seconded Cr K Grenfell

1. The proposed separate rate of \$100 per share in common land, 63 shares in total, in the relevant area for the Globe Derby Community Club for 2019/20, be endorsed in principle, and a formal resolution be brought forward to the June 2019 Council meeting for adoption of the rate.

**CARRIED**

**OTHER BUSINESS**

Nil

The meeting closed at 6.49 pm.

CHAIRMAN.....

DATE.....



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<b>ITEM</b>	6.0.1
	<b>BUDGET AND FINANCE COMMITTEE</b>
<b>DATE</b>	15 July 2019
<b>HEADING</b>	Future Reports for the Budget and Finance Committee
<b>AUTHOR</b>	Michelle Woods, Projects Officer Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	4.3 Have robust processes that support consistent service delivery and informed decision making.
<b>SUMMARY</b>	This item details reports to be presented to the Budget and Finance Committee as a result of a previous Council resolution. If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

**RECOMMENDATION**

1. The information be received.

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

- 1.1 Historically, a list of resolutions requiring a future report to Council has been presented to each committee for noting.

**2. CONSULTATION / COMMUNICATION**

- 2.1 Internal
  - 2.1.1 Report authors and General Managers.
- 2.2 External
  - 2.2.1 Nil.

**3. REPORT**

- 3.1 The following table outlines the reports to be presented to the Budget and Finance Committee as a result of a Council resolution:

<b>Meeting Item</b>	<b>- Heading and Resolution</b>	<b>Officer</b>
24/05/2019 6.1.2	<b>Draft Fees and Charges 2019/20</b> 13. It be noted that Fees and Charges associated with the Community Hub facilities have not yet been determined, and will be subject to a further report planned for August 2019.	Kate George
<b>Due:</b>	August 2019	

**4. CONCLUSION / PROPOSAL**

- 3.2 Future reports for the Budget and Finance Committee have been reviewed and are presented to Council for noting.

**CO-ORDINATION**

Officer:	Executive Group	GMCI
Date:	08/07/2019	03/07/19



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<b>ITEM</b>	6.1.1
	<b>BUDGET AND FINANCE COMMITTEE</b>
<b>DATE</b>	15 July 2019
<b>HEADING</b>	Council Finance Report - June 2019
<b>AUTHORS</b>	Kate George, Manager Financial Services, Business Excellence Tim Aplin, Senior Accountant, Business Excellence
<b>CITY PLAN LINKS</b>	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making.
<b>SUMMARY</b>	This report provides some key financial data as at 30 June 2019 for Council's consideration, as required by Council's Treasury Policy.

### **RECOMMENDATION**

1. The information be received.

### **ATTACHMENTS**

There are no attachments to this report.

## **1. BACKGROUND**

- 1.1 Council's Treasury Policy requires that a report be prepared detailing fixed borrowings and variable borrowings at the end of the preceding month, together with all investments held, their terms and interest rates. Also included is a summary of Reserve Balances and Rates and Debtor Information. The policy requires that the timing of these reports be November, February and May, with the end of year report as soon as practical as part of the end of financial year reporting.

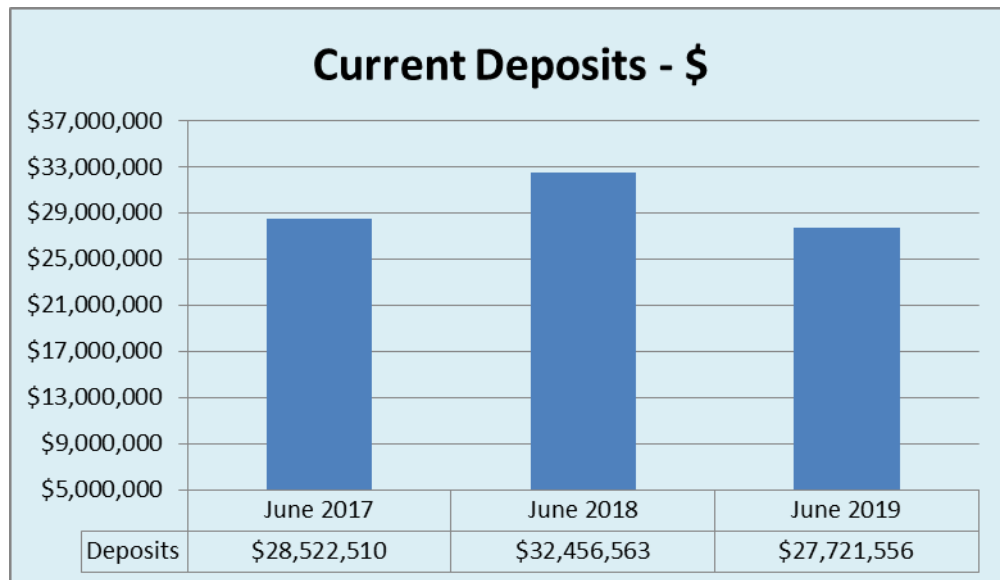
## **2. REPORT**

- 2.1 Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings are invested in accordance with Council's Treasury Policy. These investments are split between short term deposits with the Local Government Finance Authority (with variable maturity dates from 30-60 days) or at call with the National Australia Bank. Investments are selected taking into account which delivers the best value, having regard to investment returns, transaction costs and other relevant factors. It should be noted that there is a bonus paid on deposits with the LGFA each year, and whilst the percentage varies from year to year, typically it is around 0.5%.

## 2.2 Investments as at 30 June 2019

Item 6.1.1

Date	Institution	%	Term-Days	Maturity	Value
31 May 2019	LGFA	1.50	30 Aug 2019	92 Days	10,000,000
30 Jun 2019	LGFA	1.25	30 Jun 2019	At Call	99,858
29 Jun 2019	NAB	2.00	29 Jun 2019	At Call	17,621,698
<b>30-Jun-2018</b>	<b>32,456,563</b>			<b>30-Jun-2019</b>	<b>27,721,556</b>



- 2.3 Current cash holdings reflect our approach in prior years to grow our financial capacity to enable the delivery of strategic projects. Cash has decreased compared to June 2018, primarily related to the delivery of the Infrastructure program. It should be noted that the Federal Government has paid two quarters of the 2019/20 Financial Years Financial Assistance Grant and Untied Local Roads Funding in advance totaling \$4,556k on 19 June 2019. This was also paid in advance in the 2018/19 Financial Year. Further the Federal Government also paid the 2019/20 and 2020/21 Financial Years Special Local Road Funding in advance totaling \$1,581k on the 27 June 2019.
- 2.4 It should be noted that we are anticipating significant cash outflows in first quarter of the 2020 Financial Year as part of end of financial year supplier payments, paying for yearly upfront costs such as insurance premiums as well as the delivery of the infrastructure program. Consequently it is anticipated that our cash holdings will decrease significantly during the upcoming months.

## 2.5 Reserves as at 30 June 2019

	Opening Balance as 1/07/2018	Transfer to Reserves	Transfer from Reserves	Current Balance
Plant Replacement Reserve	350,000	-	350,000	-
Open Space Reserve	1,234,778	288,542	267,500	1,255,820
Car Parking Reserve	927,667	13,874	-	941,541
Property Disposal Reserve	4,750,032	-	4,750,000	32
Mausoleum Perpetual Care Fund	813,826	34,003	-	847,829
Salisbury Memorial Park Reserve	892,560	13,349	-	905,909
Development Infrastructure Reserve	1,594,315	97,809	245,392	1,446,732
Business Unit Retained Earnings Reserve	1,394,850	-	-	1,394,850

2.6 Reserves are a device used to ensure that Council has allocated amounts for specific purposes. Transfers to the Reserves represent amounts received as contributions, indicative interest adjustments and property disposal proceeds. Transfers from the Reserves represent these amounts being applied to specific projects, or to reduce loan borrowing requirements.

2.7 The most significant movement has been the transfer from the Property Disposal Reserve to offset this balance against borrowings as per the Loan Borrowings 2018/19 Report considered in May 2019 (resolution 0171/2019):

*The balance of the Property Disposal Reserve of \$4,750,000 be applied to the reduction of our borrowing requirements.*

2.8 It should be noted that through end of year processes the reserve will include transfer in for lots sold in the financial year, estimated to be approximately \$450k.

2.9 Other movements are transfers from the Development and Public Infrastructure Reserve of \$245k being funding associated with the Developer Street Tree and Footpath Programs endorsed as part of the 2018/19 Budget. There have also been transfers to the Open Space Reserve totaling \$288k which relates to three contributions received from private developers of \$101k, \$110k and \$58k as well as interest allocations of \$20k and transfers to the Development and Public Infrastructure Reserve of \$98k being a contribution received \$76k and interest allocations of \$22k.

2.10 The transfer from the Plant Replacement Reserve of \$350k represents the finalisation of this Reserve with all purchases requiring to be funded from the Reserve now complete, and fleet category having its own Asset Management Plan with purchases being subject to budget bids consistent with other asset categories.

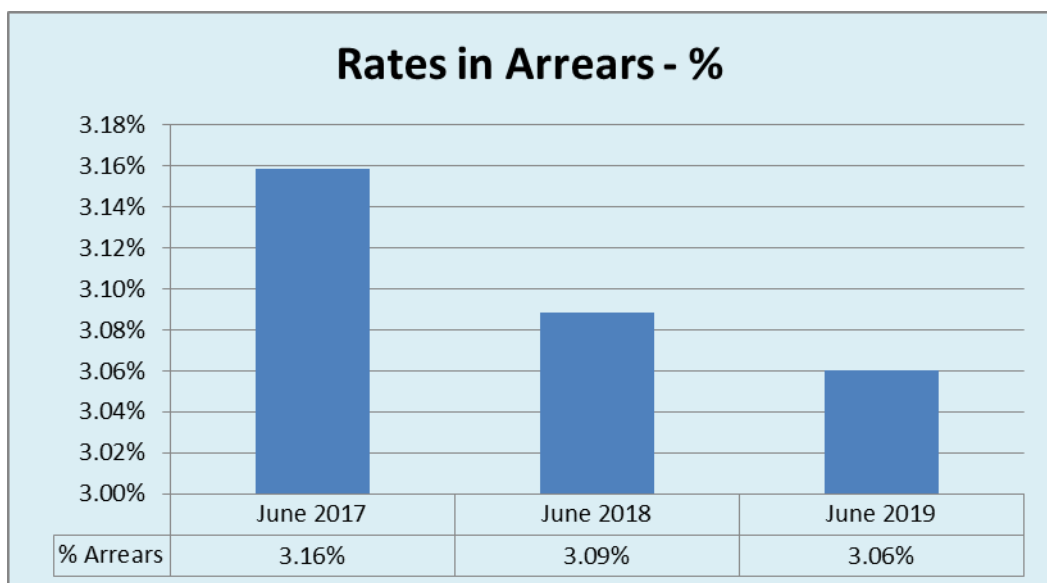
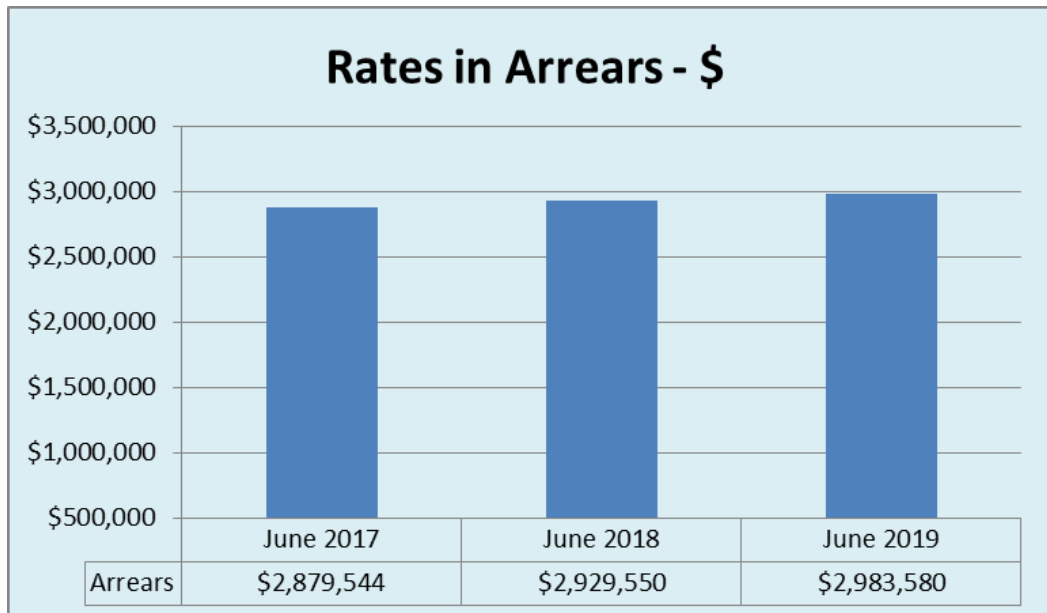
2.11 Another noticeable movement is the transfers from the Open Space Reserve of \$267k being \$100k for the St Kilda Master Plan - Stage 2 Implementation and \$167k for a confidential budget bid considered as part of the 3<sup>rd</sup> Quarter Budget 2019.

2.12 Other smaller movements include interest allocations to the Car Parking Reserve \$14k, Cemetery Maintenance Reserve \$13k and amounts transferred to Mausoleum Perpetual Care Fund \$34k (contributions received \$22k and interest allocation \$12k).

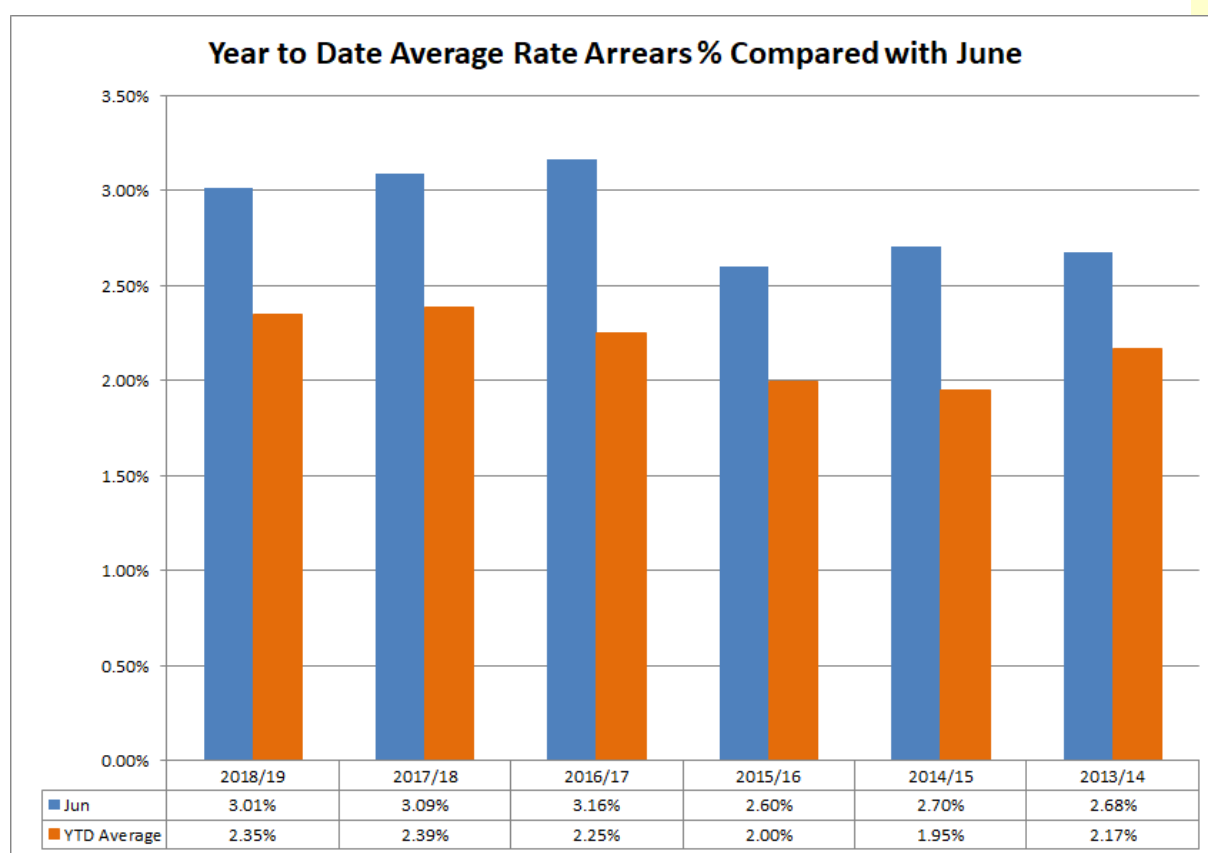
2.13 It should be noted that interest is apportioned on the balances of the Reserves on a monthly basis, with the Plant Replacement, Property Disposal and the Business Unit Reserves being the only exceptions.

2.14 Recovery of Rates

	No of Accounts	\$	%
Outstanding Balance as at 30 June 2019		2,205,563	2.26%
Outstanding Balance as at 30 June 2018		1,781,292	1.88%
Outstanding Rates Arrears as at 30 June 2019	4,851	2,983,580	3.06%
Outstanding Rates Arrears as at 30 June 2018	4,385	2,929,550	3.09%



- 2.15 The level of Council Rates in arrears at 30 June 2019 is 3.06%, which is above the target maximum level for Rates Arrears of 2.5%, with no significant factors causing this. The standard process is that Rates Arrears are followed up on a daily basis and quarterly files are sent to Council's debt collection agency.
- 2.16 Rate arrears are cyclical in that they peak in the month rate installments fall due, with June being an installment month, and then trend down for the next two months, meaning that rate arrears at a point in time may be distorted, and that the average rate arrears normalizes the cyclical impacts. The graph below depicts the average year to date rate arrears, with the average to June being 2.35%, which is below the target of 2.5%.



#### 2.17 Other Debtors as at 30 June 2019

Debtor Type	Current	30 – 60 days	60 - 90 days	Over 90 days	Total
Sundry	1,682,320	86,570	15,834	6,902	<b>1,791,626</b>
Salisbury Water	0	36,619	0	0	<b>36,619</b>
Inflammable Undergrowth	0	0	0	2,508	<b>2,508</b>
Additional Bins	0	0	0	0	<b>0</b>
Health Licensing Fees	6,736	3,201	1,025	2,634	<b>13,596</b>
Property Management	64,017	32,547	12,411	5,259	<b>114,234</b>
<b>TOTAL</b>	<b>1,753,073</b>	<b>158,937</b>	<b>29,270</b>	<b>17,303</b>	<b>1,958,583</b>

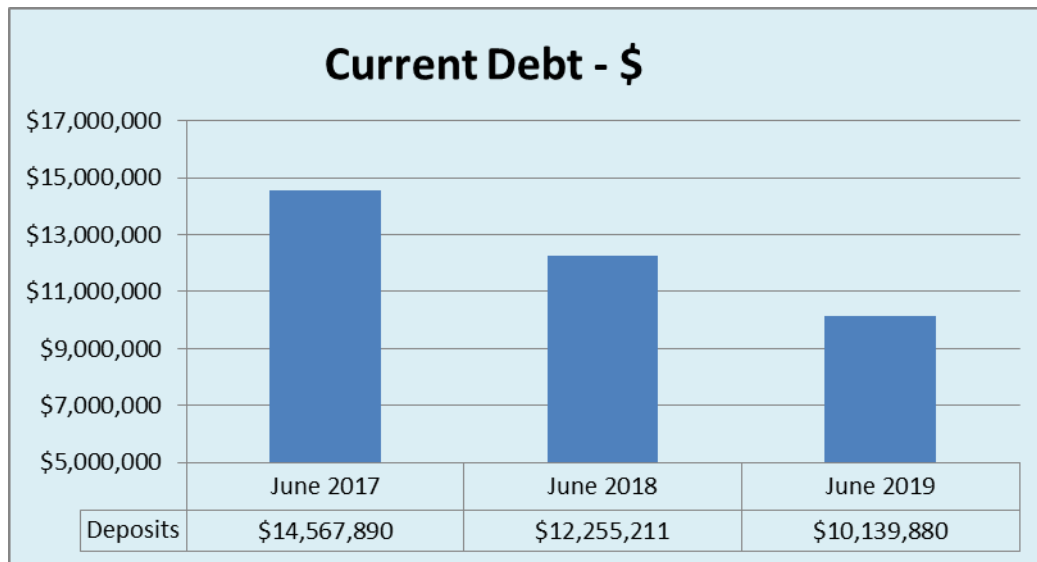
- 2.18 The above aged analysis represents sundry amounts that are owing to Council as at 30 June 2019. The Sundry Debtors current balance of \$1,682,320 includes invoices issued for Dept. of Planning Transport and Infrastructure, which relate to City Wide Trails and Land Acquisitions and are expected to be paid in the coming month.
- 2.19 The above aged analysis also represents other amounts that are owing to Council from a variety of sources that are outstanding as at 30 June 2019. Debts outstanding greater than 90 days account for 0.88% of the total outstanding balance. Debts that are outstanding for greater than 30 days are subject to council's debt collection procedures, which include internal follow up and ultimately legal action through Councils debt collection agency.

2.20 Loan Schedule as at 30 June 2019

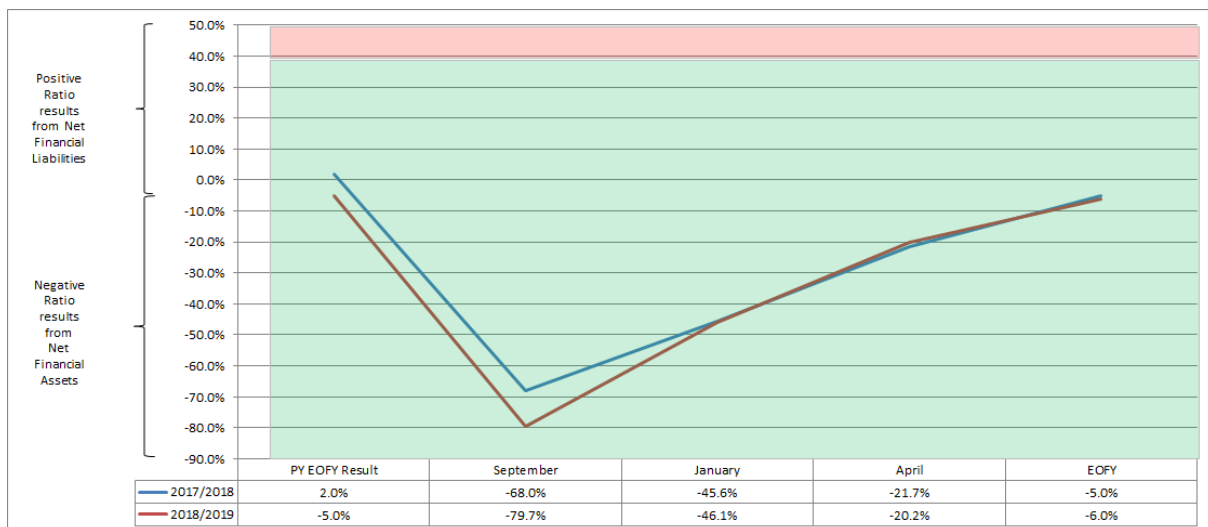
<b>Debenture Loans</b>	
Opening Balance	12,255,212
Loans Raised Year to Date	0
Repayments of Principal Year to Date	2,115,332
<b>Loan Principal Outstanding - Debenture Loans</b>	<b>10,139,880</b>
<b>Cash Advance Debenture Borrowings (CADs)</b>	
Total CAD's available	16,917,000
Current CAD's drawdown amount year to date	0
<b>Balance of CAD's available</b>	<b>16,917,000</b>
<b>Interest Payments (Debenture Loans and CADs)</b>	
Interest Payments - Debenture Loans	743,241
Interest Payments - CAD's	0
<b>Total Interest Payments</b>	<b>743,241</b>

- 2.21 The above Loan Schedule summarises the position on loans taken for Council purposes. Fixed Term Borrowings detail total movements this financial year, with payments made half yearly, the first payment in December 2018 and again in June 2019. As at 30 June 2019 there have been no drawdowns in relation to CAD's primarily due to Council's working capital and cash position.
- 2.22 In July a further CAD facility will become available reflecting Council's decision in May 2019 (0171/2019):
- That Council approve the establishment of a 15 Year Cash Advance Debenture of \$12.0 million, to enable the delivery of the 2018/19 and 2019/20 budgets, with 2019/20 budget review impacts being considered in the Loan Borrowings Report for 2019/20 scheduled for May 2020.*
- 2.23 Also, not included in the above loan schedule is the \$435,860 Debenture Loan secured for special purpose borrowings, however this is offset by a \$435,860 Loan Receivable.

2.24 The table below shows the level of drawn down debt held by Council at the same time for the last three financial years and demonstrates a steady decrease in debt. This has resulted from Council’s decision to utilisation property development proceeds to offset borrowing requirements. However, it is anticipated that over the 2019/20 financial year debt will increase as we draw down on CADs to fund the significant capital works program.



2.25 Net Financial Liabilities Ratio Comparison



2.26 The graph above shows the net financial liabilities ratio comparison for the 2018 and 2019 financial years as at the time of preparation of each Council finance report. Council’s endorsed range for the net financial liabilities ratio is less than 40%, which is represented by the green shaded area on the graph.

2.27 It should be noted that when the ratio is below zero, that this represents a net financial assets position, which is when the financial assets (cash, receivables and financial assets) are greater than total liabilities. Effectively this means that a negative ratio is favourable. When financial assets are less than total liabilities it results in a net financial liability position, and a positive ratio.

2.28 As can be seen the trend is that early in both financial years Council is in a strong net financial assets position. This reflects higher levels of cash holdings and trade receivables than levels of trade payables and debt. As the financial year progresses, cash holdings are spent as the capital program is delivered, and last financial year Council moved into a minor net financial asset position at the end of the 2018/19 financial year with a ratio of (6.0%) at the time of preparing the report, which is within the endorsed range. This ratio will adjust with the finalisation of various aspects of the end of financial year.

### **3. CONCLUSION / PROPOSAL**

- 3.1 The analysis above demonstrates that Council is in a sound financial position with appropriate levels of debt and investments, allowing it to sustainably manage its cash requirements for projects approved as part of the 2019/20 Budget.
- 3.2 Whilst this report provides only a summary of key financial data as 30 June 2019, the full financial results for the financial year will be reported on as part of the 2019 Annual Financial Statements which will be presented to Council in October 2019.

### **CO-ORDINATION**

Officer: Executive Group  
Date: 08/07/2019



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<b>ITEM</b>	6.1.2
	<b>BUDGET AND FINANCE COMMITTEE</b>
<b>DATE</b>	15 July 2019
<b>HEADING</b>	Certification of the 2019 Annual Financial Statements
<b>AUTHORS</b>	Kate George, Manager Financial Services, Business Excellence Tim Aplin, Senior Accountant, Business Excellence
<b>CITY PLAN LINKS</b>	4.3 Have robust processes that support consistent service delivery and informed decision making. 4.4 Embed long term thinking, planning and innovation across the organisation.
<b>SUMMARY</b>	This report provides a summary of the 2019 end of financial year reporting process and seeks Council's authorisation for both the Mayor and the Chief Executive Officer to sign the certificate certifying the 2019 Annual Financial Statements in their final form once completed

#### **RECOMMENDATION**

1. The information be received.
2. The Mayor and the Chief Executive Officer be authorised by Council to sign the Council Certificate certifying the Annual Financial Statements for the financial year ended 30 June 2019, following the Audit Committee's review of these Statements on 15 October 2019.

#### **ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. 2019 Annual Financial Statements - Council Certificate

#### **1. BACKGROUND**

- 1.1 The *Local Government Act 1999* at Section 127 requires that a Council must prepare financial statements and notes in accordance with the standards prescribed by the regulations, and other statements or documentation relating to the financial affairs of the council required by the regulations for each financial year.
- 1.2 A key component of meeting this legislative obligation is that the Mayor and the Chief Executive Officer must certify the Annual Financial Statements, the format of which is governed by Regulation 14 of the *Local Government (Financial Management Regulations) 2011*.

## 2. CONSULTATION / COMMUNICATION

### 2.1 External

2.1.1 Councils external Auditors, Bentleys.

## 3. REPORT

3.1 The format of the certification of Councils Annual Financial Statements is governed by Regulation 14 of the *Local Government (Financial Management) Regulations 2011*, which states:

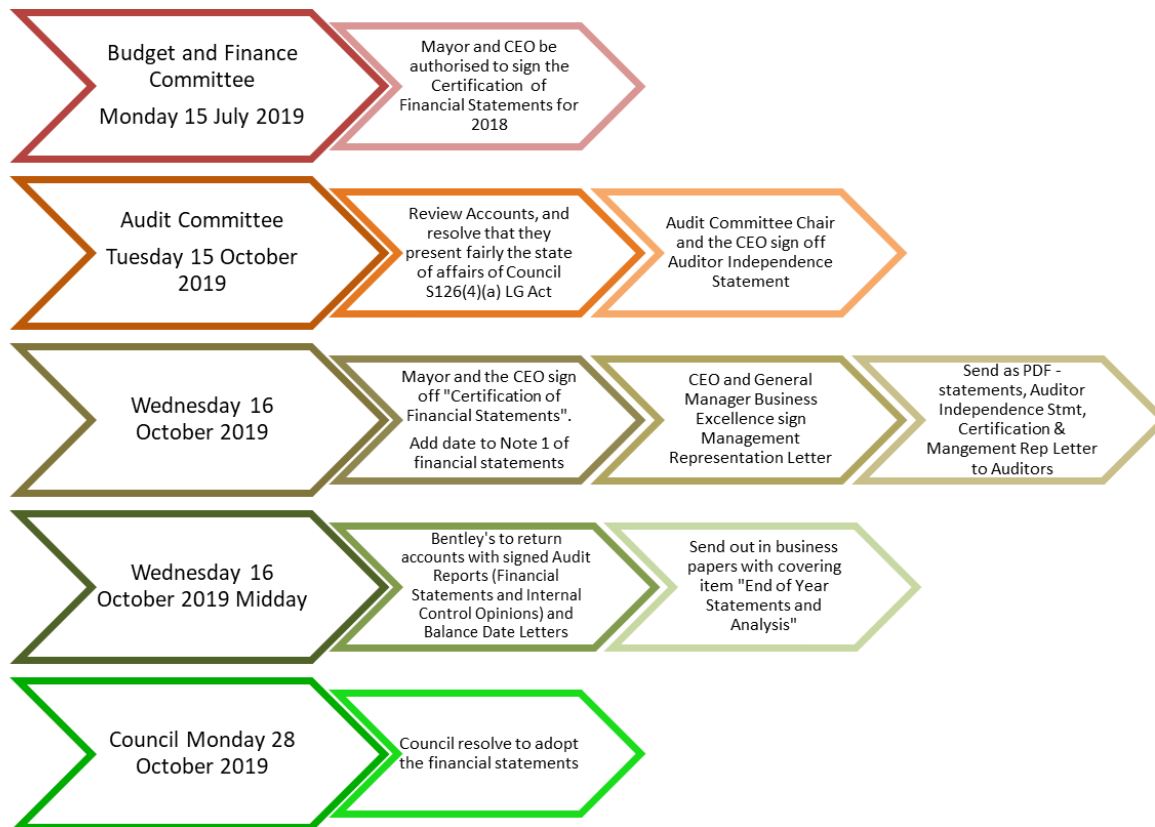
*The financial statements of a council, council subsidiary or regional subsidiary must include a statement, in a form determined by the Minister, signed by:*

- (a) *the chief executive officer and the principal member of the council; certifying that—*
- (c) *the financial statements comply with relevant legislation and Australian Accounting Standards; and*
- (d) *the financial statements present a true and fair view of the*
  - (i) *financial position; and*
  - (ii) *results of the operations; and*
  - (iii) *cash flows,**of the council for the financial year; and*
- (e) *internal controls implemented by the council provide a reasonable assurance that its financial records are complete, accurate and reliable and were effective throughout the financial year; and*
- (f) *the financial statements accurately reflect the accounting and other records of the council and;*
- (g) (i) *in the case of a council—the chief executive officer and the principal member;*

*have been authorised by the council to certify the annual financial statements in their final form.*

3.2 The legislation places the responsibility for preparing accurate annual financial statements on the Council, not its auditor, as the auditors' role is limited to forming an opinion as to whether the statements present fairly, in all material respects, the Council's financial position for the respective reporting period. Accordingly the Council Certificate is located prominently at the start of the statements.

3.3 The following process and associated timeframes have been prepared consistent with previous years and legislative requirements outlined above to ensure the Audit Committee and Council certification process integrates with the legislative requirements:

**Sign off Process 2019 Financial Year**

3.4 Application of the above process will ensure that the legislative requirements governing the preparation, review, certification and endorsement of the Annual Financial Statements for 2019 are satisfied.

3.5 A copy of the 2019 Annual Financial Statements Council Certificate complying with Regulation 14 of the Local Government (Financial Management) Regulations 2011 is attached for information.

**4. CONCLUSION / PROPOSAL**

4.1 In order to satisfy the legislative requirements governing the preparation of the 2019 Annual Financial Statements it is recommended that Council authorise the Mayor and the Chief Executive Officer to sign the Council Certificate certifying the Annual Financial Statements for year ended 30 June 2019, following the Audit Committee's review of the Statements at its meeting on 15 October 2019.

**CO-ORDINATION**

Officer: Executive Group  
Date: 08/07/2019



## City of Salisbury

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

### Certification of Financial Statements

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

**In our opinion:**

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

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John Harry  
**CHIEF EXECUTIVE OFFICER**

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Gillian Aldridge  
**MAYOR**

Date:



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<b>ITEM</b>	6.4.1
	<b>BUDGET AND FINANCE COMMITTEE</b>
<b>DATE</b>	15 July 2019
<b>HEADING</b>	Proposed amendment to the NAWMA 2019/20 Service Agreement.
<b>AUTHOR</b>	Andy Legrand, Sustainable Energy Program Coordinator, City Infrastructure
<b>CITY PLAN LINKS</b>	2.1 Capture economic opportunities arising from sustainable management of natural environmental resources, changing climate, emerging policy direction and consumer demands. 3.1 Be an adaptive community that embraces change and opportunities. 4.2 Develop strong capability and commitment to continually improve Council’s performance.
<b>SUMMARY</b>	This report outlines the implications of amending our service agreement with NAWMA to include kerbside hard waste collections for sporting clubs, “Clean Up Australia” groups and not for profit organisations.

#### **RECOMMENDATION**

1. Council amend the NAWMA Service Agreement to include two annual kerbside hard waste collections for sporting clubs. Collections will have the same rules applied as residential collections.
2. Council Allocate an additional \$18,000 to the Kerbside Hard Waste budget to allow for the expansion of service, to GL 886-108-3221.

#### **ATTACHMENTS**

There are no attachments to this report.

#### **1. BACKGROUND**

- 1.1 At the May 2019 Council meeting, Council requested “That staff bring back a report to Council considering amending our service agreement to include kerbside hard waste collections for sporting clubs, “Clean Up Australia” groups and not for profit organisations”
- 1.2 Residents of the City of Salisbury can use a hard waste service to recycle large items that cannot be placed in the yellow-lid kerbside bin. NAWMA provides each household with two, free hard-waste services each financial year (July – June). Residents can choose to have their items collected from the front of their property or can use a voucher and take items to one of two local Resource Recovery Centres (Public Waste Transfer Stations).

- 1.3 Council currently allocates up to 6 vouchers per year to not for profits (including sporting clubs and Clean up Australia Day groups) to dispose of a trailer load of hard waste at the Resource Recovery Centres. Vouchers are not for hard waste collection.

## 2. CONSULTATION / COMMUNICATION

- 2.1 Internal
  - 2.1.1 NAWMA
- 2.2 External
  - 2.2.1 Internal Staff

## 3. REPORT

- 3.1 During the 18/19 financial year, Council removed the \$10 charge for hard waste services for all eligible residents. This allows each ratable property to utilise either a voucher to dispose of a trailer load of hard waste at the Resource Recovery Centres or a kerbside collection. A maximum of 2 services are allocated per household.
- 3.2 The current annual budget for kerbside hard waste collection is \$778,000. Any increase in service will impact upon this budget line.
- 3.3 There are approximately 120 Sporting clubs leasing Council facilities and 180 Not for Profit organisations utilizing hard waste vouchers.
- 3.4 If the same kerbside hard waste collection service provisions are offered to Sport Clubs & Not for Profits, it is estimated that this would result in an additional 120 & 360 individual collections, respectively.
- 3.5 Each individual collection costs Council approximately \$75, and includes collection, processing & disposal costs. The total cost to Council to extend the kerbside hard waste collection service is estimated to be \$18,000 for sport clubs and \$27,000 for not for profits
- 3.6 Not for profit groups currently have the option to utilise 6 hard waste vouchers per year that allows a trailer load of waste to be disposed of at the Waste Transfer Stations.
- 3.7 It is current practice for the Clean Up Australia organisers to contact NAWMA and organize for the collected waste to be picked up and it is expected that this process would continue with the organisers contacting NAWMA a month in advance of the collection date.
- 3.8 The implications of a proposed additional designated dump day at the Pooraka Resource Recovery Park has been assessed and providing an additional designated day for residents to dispose of non-hazardous waste would be an increase of service level of the existing hard waste voucher/pickup services already being offered to all Salisbury households.
- 3.9 Currently, residents can dispose of non-hazardous hard waste twice annually via the use of Resource Recovery Park vouchers or by booking a kerbside pick-up. The City of Salisbury has over 50,000 households that could potentially use an additional designated day to dispose of waste. Assuming 10% of households take the opportunity to dispose of hard waste on this day, Council would incur



additional costs of approximately \$850,000 + GST to handle and process this waste. Dedicating an additional day and location to dispose of waste will create congestion issues, as many residents will try to access the Research Road site at the same time. This contrasts with the current voucher system that spreads access over the year.

- 3.1 As an alternative, NAWMA should encourage/facilitate targeted volunteer clean-up activities throughout the community for Clean Up Australia Day, and further promote the free drop off services that currently exist at the Resource Recovery Parks for items such as metal, e-waste, recyclables and paint.

#### **4. CONCLUSION / PROPOSAL**

- 4.1 Council amend the NAWMA Service Agreement to include two annual kerbside hard waste collections for sporting clubs. Collections will have the same rules applied as residential collections.
- 4.2 Council Allocate an additional \$18,000 to the Kerbside Hard Waste budget to allow for the expansion of service.

#### **CO-ORDINATION**

Officer: GMCI  
Date: 11/07/2019



<b>ITEM</b>	6.6.1
	<b>BUDGET AND FINANCE COMMITTEE</b>
<b>DATE</b>	15 July 2019
<b>HEADING</b>	Discretionary Rate Rebate Application - Adelaide Benevolent Society
<b>AUTHOR</b>	Kathryn Goldy, Team Leader Revenue, Business Excellence
<b>CITY PLAN LINKS</b>	4.3 Have robust processes that support consistent service delivery and informed decision making.
<b>SUMMARY</b>	An application for Council to consider a 75% Discretionary Rate Rebate has been received from the Adelaide Benevolent Society. The application is requesting Council consider providing the Discretionary Rate Rebate on each of the 25 properties located at 64 – 68 Spains Road, Salisbury Downs. The rebate has been requested under Section 166 (1)(h) and (j) of the Local Government Act 1999.

#### **RECOMMENDATION**

1. The Budget and Finance Committee recommends to Council that:
  - (a) No rate rebate should be granted in respect of Units 1 to 25 (inclusive), 64 -68 Spains Road, Salisbury Downs SA 5108; and
  - (b) The rate rebate application lodged by the Adelaide Benevolent Society dated 21 May 2019 should be dismissed.

#### **ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. Attachment 1 - City of Salisbury Rate Rebate Policy
2. Attachment 2 - Letter to City of Salisbury re: Rate Rebate Application dated 24 May 2019
3. Attachment 3 - Rate Rebate Application from the ABS
4. Attachment 4 - Registration Certificate for ABS to the Australian Charities and Not-for-profits Commission
5. Attachment 5 - The Rules of ABS Inc
6. Attachment 6 - ABS Financial Report Year Ending 30 June 2018

#### **1. BACKGROUND**

- 1.1 Council endorsed a Rate Rebate Policy in February 2019 (0103/2019) (Attachment 1) along with the endorsement of Discretionary Rebates for 2019/20 and 2020/21.

ITEM 6.6.1

Item 6.6.1

1.2 At this time details of all mandatory and discretionary rate rebates were provided to Council. In 2019/2020 Council had provided rebates of \$1,214,619 with \$1,185,690 being mandatory. The Council endorsed discretionary rebates in total \$28,928 for 2019/20 for the following entities:

Facilities & Service for Young Children/Youth	Address	Rebate %	Value of Rebates 2019/20
Salisbury Lutheran Church Kindergarten Inc	6-10 Waterloo Corner Road , Salisbury SA 5108	100%	1,836.10
Salisbury Occasional Child Care Centre Inc	25-27 Ann Street , Salisbury SA 5108	100%	2391.20
St Francis Community Child Care Inc	306 Waterloo Corner Road, Paralowie SA 5108	100%	2,356.20
Minister For Economic Development (NFP Kindy) Mawson Lakes Park Way Child Care Centre	5 Park Way , Mawson Lakes SA 5095	100%	3,287.90
Guides Association SA Inc	5 Guerin Lane , Salisbury SA 5108	100%	1,473.15
Scouts SA	1909-1911 Main North Road , Salisbury Heights SA 5109	100%	1216.95
Scouts SA	18 Canna Road , Ingle Farm SA 5098	100%	1,016.00
Scouts SA	7 Kalimna Crescent , Paralowie SA 5108	100%	1,016.00
Scouts SA	20 Jackson Street , Parafield Gardens SA 5107	100%	1,016.00
Guides Association SA Inc	21 Melville Road , Salisbury East SA 5109	100%	1,195.60
Mawson Lakes Garden Terrace Child Care Centre	12-28 Garden Terrace , Mawson Lakes SA 5095	100%	3,476.85
<b>TOTAL</b>			<b>20,281.95</b>
<b>Council Endorsed Discretionary Rebates</b>			
Council Endorsed Discretionary Rebates	Rationale	Rebate %	Value of Rebates 2019/20
Meals on Wheels SA Inc.*receives a 75% mandatory rebate as well. In total 100%	Provides a benefit or service to the Local Community	25%	254.00
John Street Salisbury Pty Ltd (Northern Volunteering SA Inc.)	Provides a benefit or service to the Local Community	100%	1,016.00
SA Water (St Kilda Tram Museum Depot)	Preservation of buildings or places of historic significance	100%	1456.55
Military Vehicle Preservation Society of SA Inc. (National Military Vehicle Museum)	Preservation of buildings or places of historic significance	100%	1302.35
Australian Migrant Resource Centre	Provides a benefit or service to the Local Community	100%	2407.90
Marra Murranga Kumangka Inc.	Provides a benefit or service to the Local Community	100%	2209.75
<b>TOTAL</b>			<b>8646.55</b>

- 1.3 Council has the power to provide a Discretionary Rate Rebate under Section 166 (1)(h) of the Local Government Act 1999 (the Act) where the land is being used to provide accommodation for the aged or disabled
- 1.4 Council has the power to provide a Discretionary Rate Rebate under Section 166 (1)(j) of the Act where the land is being used by an organization which, in the opinion of the council, provides a benefit or service to the local community

In considering such applications Council needs to take into account (Section 166 (1a))

- (a) *the nature and extent of Council services provided in respect of land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and*
- (b) *the community need that is being met by activities carried out on the land for which the rebate is sought; and*
- (c) *the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons, and may take into account other matters considered relevant by the council.*

## 2. REPORT

2.1 The following application has been received for a discretionary rate rebate from the Adelaide Benevolent Society (ABS) for the 25 units listed below:

- Unit 1/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 2/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 3/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 4/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 5/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 6/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 7/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 8/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 9/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 10/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 11/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 12/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 13/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 14/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 15/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 16/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 17/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 18/ 64-68 Spains Road, Salisbury Downs SA 5108

- Unit 19/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 20/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 21/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 22/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 23 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 24/ 64-68 Spains Road, Salisbury Downs SA 5108
- Unit 25/ 64-68 Spains Road, Salisbury Downs SA 5108

These properties are owned by the ABS.

- 2.2 This organisation is an independent not for profit organisation which commenced operations in Adelaide in 1849. The properties are rented out at below market rates to low-income individuals, families and new arrivals to the State, who would otherwise struggle in the private rental market, with safe and secure long term accommodation. Currently the ABS has a property portfolio of approximately 250 units and houses throughout the Adelaide Metropolitan Area.
- 2.3 In addition to the provision of subsidised accommodation, the ABS also assists people with the cost of utilities and helps in cases of unforeseen emergencies.
- 2.4 Some of their properties are available through the NRAS (National Rental Affordability Scheme). This is a commitment by the Australian Government to assist in affordable rental living and has been introduced to help low and moderate income households to rent accommodation at an affordable price. This offers a level of support to the services offered by ABS.
- 2.5 The ABS owns twenty five (25) properties at 64-68 Spains Road, Salisbury Downs with a total of annual rates in 2019/20 of \$25,400, with all properties charged the minimum rate of \$1,016. Should the discretionary rebate of 75% be endorsed the rates on these twenty five (25) properties based on the 2019/20 rates would be reduced to \$6,350.
- 2.6 It should be noted that the ABS may be keen to continue to develop new properties within the northern areas of Adelaide, which may result in higher future rebates should these properties be acquired or developed within the City of Salisbury.
- 2.7 In the recently submitted Rate Rebate Application, the ABS had applied for a mandatory rate rebate under Section 161 (3) (a), (b) and (c) together with (iv):
- (3) For the purposes of this section, a community services organisation is a body that—*
- (a) is incorporated on a not-for-profit basis for the benefit of the public; and*
- (b) provides community services without charge or for a charge that is below the cost to the body of providing the services; and*
- (c) does not restrict its services to persons who are members of the body.*
- (iv) the provision of essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;*

- 2.8 The assessment of this application was that ABS did not qualify for a mandatory rebate on these twenty five (25) properties as an essential service. ‘Essential Service’ is not defined in the Act. Therefore the ordinary meaning of the words must be used. The Macquarie Dictionary defines essential services as ‘those services considered necessary to the community’, including the police, medical, hospital and ambulance service, the fire brigade, and the defence forces.
- 2.9 This was communicated to the ABS who have responded by now applying for a discretionary rebate for all twenty five (25) properties under Section 166 (1) (h) and (j) of the Act. Under the Act Council has the power to provide a Discretionary Rate Rebate:

*166 1 (h) where the land is being used to provide accommodation for the aged or disabled;*

*166 1 (j) where the land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community;*

Further in considering such applications Council needs to take into account S166 (1a):

- (a) *the nature and extent of Council services provided in respect of land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and*
- (b) *the community need that is being met by activities carried out on the land for which the rebate is sought; and*
- (c) *the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons,*

*and may take into account other matters considered relevant by the council.*

- 2.10 Through discussions with the applicant it has become apparent that properties are not solely provided for the aged or disabled, consequently a rebate on all units cannot be provided under S166 (1)(h). Further the benefit provided to the community is relatively narrow, being to the twenty five (25) low income households, and one could argue that this is a purely direct benefit to those households rather than a community benefit. Additionally Council may wish to consider that those assisted by the ABS are not in significantly different financial circumstances than many others in our community, and granting a rebate effectively increases the rates burden for all other rate payers to fund this discretionary rebate.
- 2.11 The Rate Rebate Policy (Attachment 1) endorsed by Council in February 2019 (0103/2019) details in paragraph 3.1.1 other matters that Council may wish to take into account detailed below, with response in the right hand column:

Matters for Consideration	Points for consideration
(i) why there is a need for financial assistance through a rebate;	<p>Reviewing ABS Financial Report they are in a strong financial position, generating operating surpluses over \$1.3M in 2017/18 and \$1.5M in 2016/17. ABS have expanded their property holdings in 2016/17 by \$14M, which is evident through interest costs which have increased significantly in the 2017/18 financial year when compared with 2016/17, the Statement of Cash Flow in 2016/17 shows a purchase of assets of \$13.8M, and borrowings of \$13.5M, and Note 4 to the Financial Statements shows an increase in property investment of \$14M . The ABS is able to service the debt as indicated by their 2017/18 operating result.</p> <p>The ABS may invest in future affordable housing developments in our Council area which would be likely to attract further requests to grant rate rebates.</p>
(ii) the level of rebate (percentage and dollar amount) being sought and why it is appropriate	<p>The ABS are seeking a 75% rate rebate, which based on 2019/20 rates means the annual rates bill will be reduced from \$25,400 to an amount of \$6,350. This loss in revenue will increase in the future, and will need to be funded from the balance of our ratepayers, many of whom are in a similar financial position to those assisted by ABS.</p> <p>Council may consider granting a lower rebate, but should consider the matters raised in this report in making that determination.</p>
(iii) the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies	<p>The ABS currently receives Commonwealth funding through National Rental Affordability Scheme (NRAS) for some of their properties. NRAS is available to assist low and moderate income households to rent accommodation at an affordable price. The NRAS is an incentive grant paid in arrears on demonstration that the requirements of the grant have been met. This is included within Note 1 of the Financial Report.</p> <p>ABS have also received \$5.2M in Affordable Housing Innovation Grants in the years 2009-2013, which it has recognized as a liability, and recognizing the associated income over the final 10 years of the agreement term. This has resulted in the ABS having cash of \$5.2M, which has not yet been recognized in their operating results at this time.</p>



(iv) whether the applicant has made/intends to make applications to another Council	While the ABS are entitled to make similar applications to other Councils, Council is asked to consider this application based on the information provided to the City of Salisbury (attachments 2 to 6) and if the rebate is granted, the outcomes and effects of granting such a discretionary rates rebate would have on our community.
(v) whether, and if so to what extent, the applicant is or will be providing a service within the Council area	The benefit is not a community benefit as it is provided narrowly and directly to twenty five (25) low income households. The ABS have confirmed that the land is not solely used for the aged or disabled.
(vi) whether the applicant is a public sector body, a private not for profit body or a private for profit body	The ABS is a not for profit organization as evidenced by Attachment 4.
(vii) whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term	When compiling the relevant information for this report, no historical considerations were found.
(viii) the desirability of granting a rebate for more than one year	The ABS are seeking a discretionary rate rebate, which should Council decide to grant it, can be provided up to a two year period (until June 2021) as per the Rate Rebate Policy, at which time Council will consider all discretionary rebates when a further report is provided to Council requesting they undertake a review of the current Rate Rebate Policy and also Discretionary Rate Rebates.
(ix) consideration of the full financial consequences of the rebate for the Council	If the Discretionary Rate Rebate is granted the rates for 2019/20 will be reduced from \$25,400 to an amount of \$6,350. The full financial consequences for Council will possibly increase further over time with additional ratepayers seeking a discretionary rate rebates under Section 166 1 (h) and (j) of the Act, or ABS increases its property holdings in the area, and that other ratepayers will pay higher rates as a result.
(x) the time the application is received	The application was received in timeframes required in the Rate Rebate Policy.
(xi) the availability of any community grant to the person or body making the application	No further information is available in regards to the availability of a community grant.
(xii) whether the applicant is in receipt of a community grant	We received no information to verify if The ABS currently receives a community grant.

(xiii) any other matters, and policies of the Council, which the Council considers relevant	Council may also wish to consider the significant financial impacts imposed by the compulsory Supported Accommodation rebates, which have resulted in rebates of \$608,982k in 2019/20. These mandatory rebates do impact on Councils ability to grant further discretionary rebates, and there is a risk that these will grow in time should the SA Housing Trust divest further properties to community housing associations in the Salisbury Council area.
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- 2.12 All levels of Government have a responsibility to address social issues, however, the capacity of Local Government to do this is limited due to our narrow revenue raising powers. When considering a discretionary rate rebate application, Council is asked to balance the benefit to the community this organisation provides with our smaller capacity to fund this support compared to Commonwealth and/or State Governments. It should be noted that the ABS is in receipt of grant funding from other levels of government to support its operations.
- 2.13 While the ABS provides a valuable service with low cost affordable housing, it is limited in the number of community members that can benefit from this service. In the past Council has taken a balanced approach in granting discretionary rebates, and given that each rebate granted shifts the rate burden to other ratepayers this is appropriate. Council may consider that this shifts the burden to others who are in similar financial circumstances who are not assisted by the ABS.
- 2.14 Studies suggest that the SA Legislation goes further in “encouraging” exemptions and rebates from the property tax system than any other state in Australia. This has led to expectations and pressure on Local Government, particularly from community based organisations for a rate concession. Concessions impact on Council’s revenue base and the ability of Council to provide services, and also results in higher rates for the remainder of ratepayers.

### 3. CONCLUSION / PROPOSAL

- 3.1 In considering this matter of primary concern is the need for financial sustainability of the City’s rate base – which all properties should contribute to the cost of services, provided by council, unless there is a compelling reason. While noting the valuable services provided by ABS, the social support function is a role that all levels of Government are responsible for. Council is asked to be mindful that the Commonwealth and/or State Government have a much broader taxation base and capacity to fund and address social problems. The ABS does already receive funding assistance through the following grants; NRAS and Affordable Housing Innovation Scheme.
- 3.2 The City of Salisbury needs to continue to adopt a considered approach to granting discretionary rate rebates, as providing a rebate opens the opportunity for other similar organisations to also request discretionary rebates, as it sets a precedent and each request directly impacts on the remainder of our ratepayers through higher rates, which could lead to a number of our ratepayers being further pressured with their own finances.

- 3.3 For these reasons, together with the strong financial position of the ABS, it is the recommendation to not grant a 75% rate rebate or a rebate of a lower percentage and to dismiss the application.

**CO-ORDINATION**

Officer: Executive Group  
Date: 08/07/2019





### RATE REBATE POLICY

<b>Policy Type:</b>	<b>Policy</b>	<b>Decision No:</b>	<b>1566, 2015/0386, 2017/1872, 0103/2019</b>
<b>Approved By:</b>		<b>Last Reapproval Date:</b>	<b>25 February 2019</b>
<b>Approval Date:</b>		<b>Internal Reference No.:</b>	
<b>Review Date:</b>	<b>February 2021</b>	<b>Division:</b>	<b>Financial Services</b>
<b>Department:</b>	<b>Business Excellence</b>	<b>Responsible Officer:</b>	<b>Manager, Financial Services</b>
<b>Function:</b>	<b>7 - Financial Management</b>		

#### A – Preamble

1. The *Local Government Act 1999* (“the Act”) provides for Mandatory and Discretionary rebates of rates. The City of Salisbury will act in accordance with the Act in providing Mandatory Rebates. In relation to Discretionary Rebates, this policy will be applied to determine whether a rate rebate will be provided.

#### B – Scope

1. This Policy applies to all rateable land in the council area.

#### C – Policy Purpose/Objectives

1. Council has adopted a Rate Rebate Policy to assist it in its decision making functions relative to the operation of the rate rebate provisions contained within Chapter 10, Division 5 (Sections 159 to 166) of the Act.
2. This Policy provides guidance to the community, Council and Staff as to the grounds upon which a person or body is, or may be, entitled to receive a rebate of rates and the matters Council will take into account in determining an application for a rate rebate.
3. In accordance with the rebate of rates provisions contained in the Act, this Policy sets out the type of use in respect of land which the Council must grant a rebate of rates and the amount that rebate must be, and those types of land use where the Council has a discretion to grant a rebate of rates.

#### D – Definitions

Definitions as per the *Local Government Act 1999*

**E – Policy Statement****1. Local Government Act 1999**

1.1. Section 159(3) of the Act provides that the Council may grant a rebate of rates under the Act if it is satisfied that it is appropriate to do so.

**2. Mandatory Rebates**

2.1. The Act stipulates that Council must grant a rebate of rates and the percentage of that rebate for specified land uses. These are set out below.

**2.2. Mandatory 100% Rebate of Rates:****2.2.1. S160—Rebate of rates – health services**

*The rates on land being predominantly used for service delivery or administration by a hospital or health centre incorporated under the South Australian Health Commission Act 1976 will be rebated at 100 per cent.*

**2.2.2. S162 – Rebate of rates – religious purposes**

*The rates on land containing a church or other building used for public worship (and any grounds), or land solely used for religious purposes, will be rebated at 100 per cent.*

**2.2.3. S163 – Rebate of rates – public cemeteries**

*The rates on land being used for the purposes of a public cemetery will be rebated at 100 per cent.*

**2.2.4. S164 – Rebate of rates – Royal Zoological Society of SA**

*The rates on land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated will be rebated at 100 per cent.*

**2.3. Mandatory 75% Rebate of Rates:****2.3.1. S161—Rebate of rates – community services**

*(1) The rates on land being predominantly used for service delivery or administration (or both) by a community service organisation will be rebated at 75 per cent (or, at the discretion of the council, at a higher rate)\**

*...*

*(3) For the purposes of this section, a community services organisation is a body that—*

*(a) is incorporated on a not-for-profit basis for the benefit of the public; and*

*(b) provides community services without charge or for a charge that is below the cost to the body of providing the services; and*

*(c) does not restrict its services to persons who are members of the body.*

*(4) For the purposes of subsection (3)—*

*(c) any of the following are community services:*

*(i) the provision of emergency accommodation;*

- (ii) *the provision of food or clothing for disadvantaged persons;*
- (iii) *the provision of supported accommodation;*
- (iv) *the provision of essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;*
- (v) *the provision of legal services for disadvantaged persons;*
- (vi) *the provision of drug or alcohol rehabilitation services;*
- (vii) *the conduct of research into, or the provision of community education about, diseases or illnesses, or the provision of palliative care to persons who suffer from diseases or illnesses;*

(d) *Disadvantaged persons are persons who are disadvantaged by reasons of poverty, illness, frailty, or mental, intellectual or physical disability*

**It is necessary for a community service organisation to satisfy all of the criteria contained in the Act to be entitled to the mandatory 75% rebate.**

*\* subject to submission of a discretionary rate rebate application*

### 2.3.2. ***S165—Rebate of rates – educational purposes***

(1) *The rate on land –*

- (a) *occupied by a government school under a lease or licence and being used for educational purposes; or*
- (b) *occupied by a non-government school registered under the Education and Early Childhood Services (Registration and Standards) Act 2011 and being used for educational purposes,*

*Will be rebated at 75 per cent (or, at the discretion of council, at a higher rate)*

(2) *The rates on land being used by a university or university college to provide accommodation and other forms of support for students on a not-for-profit basis will be rebated at 75 per cent (or, at the discretion of the council, at a higher rate).*

- 2.4. Where a person or body is entitled to a rebate of 75% the Council may, pursuant to Section 159(4) of the Act, increase the rebate up to a further 25%. The Council may grant the further 25% rebate upon application or on its own initiative. In either case the Council will take into account those matters set out at Clause 3.1 of this Policy.
- 2.5. Where an application is made to the Council for a rebate of up to a further 25% the application will be made in accordance with Clause 4.1 of this Policy and the Council will provide written notice to the applicant of its determination of that application.
- 2.6. Where Council is satisfied from its own records or from other sources that a person or body meets the necessary criteria for a mandatory 100% or 75% rebate, Council will grant the rebate of its own initiative. Where Council is not so satisfied it will require the person or body to apply for the rebate in accordance with Clause 4.1 of this Policy.



2.7. The Council delegate the determination of entitlement to mandatory rebates to the CEO.

3. **Discretionary Rebate of Rates:**

3.1. The Act gives Council the power to grant discretionary rebates for a broad range of purposes and the percentage of that rebate.

3.1.1. ***S166—Discretionary rebate of rates***

- (1) *A council may grant a rebate of rates or service charges in any of the following cases (not being cases that fall within a preceding provision of this Division):*
- (a) *where the rebate is desirable for the purpose of securing the proper development of the area (or a part of the area);*
  - (b) *where the rebate is desirable for the purpose of assisting or supporting a business in its area;*
  - (c) *where the rebate will conduce to the preservation of buildings or places of historic significance;*
  - (d) *where the land is being used for educational purposes;*
  - (e) *where the land is being used for agricultural, horticultural or floricultural exhibitions;*
  - (f) *where the land is being used for a hospital or health centre;*
  - (g) *where the land is being used to provide facilities or services for children or young persons;*
  - (h) *where the land is being used to provide accommodation for the aged or disabled;*
  - (i) *where the land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1997 (Cwlth) or a day therapy centre;*
  - (j) *where the land is being used by an organisation which, in the opinion of the council, provides a benefit or service to the local community;*
  - (k) *where the rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment;*
  - (l) *where the rebate is considered by the council to be appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a ratepayer due to—*
    - (i) *a redistribution of the rates burden within the community arising from a change to the basis or structure of the council's rates; or*
    - (ii) *a change to the basis on which land is valued for the purpose of rating, rapid changes in valuations, or anomalies in valuations;*
- (1a) *A council must, in deciding whether to grant a rebate of rates or charges under subsection (1)(d), (e), (f), (g), (h), (i) or (j), take into account—*



- (a) the nature and extent of council services provided in respect of the land for which the rebate is sought in comparison to similar services provided elsewhere in its area; and*
- (b) the community need that is being met by activities carried out on the land for which the rebate is sought; and*
- (c) the extent to which activities carried out on the land for which the rebate is sought provides assistance or relief to disadvantaged persons, and*  
*may take into account other matters considered relevant by the council.*

The Council may take into account, but are not limited to, the following:

- (i) why there is a need for financial assistance through a rebate;
- (ii) the level of rebate (percentage and dollar amount) being sought and why it is appropriate;
- (iii) the extent of financial assistance, if any, being provided to the applicant and/or in respect of the land by Commonwealth or State agencies;
- (iv) whether the applicant has made/intends to make application to another Council(s);
- (v) whether, and if so to what extent, the applicant is or will be providing a service within the Council area;
- (vi) whether the applicant is a public sector body, a private not for profit body or a private for profit body;
- (vii) whether there are any relevant historical considerations that may be relevant for all or any part of the current Council term;
- (viii) the desirability of granting a rebate for more than one year in those circumstances identified at Clause 4.2 of this policy;
- (ix) consideration of the full financial consequences of the rebate for the Council;
- (x) the time the application is received;
- (xi) the availability of any community grant to the person or body making the application;
- (xii) whether the applicant is in receipt of a community grant; and
- (xiii) any other matters, and policies of the Council, which the Council considers relevant.

3.2. The Council has an absolute discretion –

- 3.2.1. to grant a rebate of rates or service charges in the above cases; and
- 3.2.2. to determine the amount of any such rebate, to a maximum of 100% of the relevant rate or service charges

3.3. Discretionary rebates granted under this policy will be reviewed at the time of reviewing the policy (Section E, Clause 6.1), so consequently are granted for a maximum of two years.

3.4. Persons who, or bodies which, seek a discretionary rebate will be required to submit an application form to Council and provide to Council such information as stipulated on the application form and any other information that Council may reasonably require. Further information about the application process can be found in section 4.

- 3.5. As a matter of policy Council will provide a 100% discretionary rebate on:
- 3.5.1. Not for profit Kindergartens/Child care Centres
  - 3.5.2. Guides and Scouts Groups
- and Council delegate the determination of the application of this discretionary rebate to the CEO.
- 3.6. Council have determined that discretionary rebates under S166 will not be granted for:
- 3.6.1. Provision of support services or direct financial support of low income families
  - 3.6.2. Private residential properties
  - 3.6.3. Private and not for profit residential aged care facilities.
4. **Rebate Applications**
- 4.1. Persons or bodies who seek a rebate of rates (and/or service charges) must make written application. Forms are available online [http://www.salisbury.sa.gov.au/Services/Rates/Rate\\_Rebate\\_Policy\\_and\\_Application\\_Form](http://www.salisbury.sa.gov.au/Services/Rates/Rate_Rebate_Policy_and_Application_Form) or can be obtained from Council Offices located at James Street Salisbury, or by contacting the Customer Centre 8406 8222.
- 4.2. All persons who, or bodies which, wish to apply to the Council for a rebate of rates must do so on or before 31 August in the year of application. However, applicants which satisfy the criteria for a mandatory 100% rebate will be granted the rebate at any time.
- 4.3. There are penalties for making false statements and for failing to advise Council of changes in circumstances which would remove the entitlement to a rebate. Relevant sections of the legislation are:
- 4.3.1. ***S159—Preliminary***
- ...
- (2) *A person or body must not –*
- (a) *Make a false or misleading statement or representation in an application to be made (or purporting to be made) under this Division; or*
  - (b) *Provide false or misleading information or evidence in support of an application made (or purporting to be made) under this Division*
- Maximum penalty: \$5,000*
- 4.3.2. ***S159—Preliminary***
- ...
- (7) *If a person or body has the benefit of a rebate of rates under this Division and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the council of that fact and (whether or not the council is informed) the entitlement to a rebate ceases.*

- (8) *If a person or body fails to comply with subsection (7), the person or body is guilty of an offence.  
Maximum penalty: \$5,000*

4.4. Council may determine that rebates no longer apply, and can recover rates as follows:

4.4.1. ***S159—Preliminary***

...

(10) *A council may, for proper cause, determine that an entitlement to a rebate of rates in pursuance of this Division no longer applies*

(11) *If an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.*

4.5. Council will, in writing, advise an applicant for a rebate of its determination of that application within sixty days of receiving the application or of receiving all information requested by Council. The advice will state:

4.5.1. if the application has been granted, the amount of the rebate; or

4.5.2. if the application has not been granted, the reasons why.

4.6. A person or body that is aggrieved by a determination of Council in respect of an application for a rate rebate may seek a review of that determination by written application to the Council within three months of the making of the determination (in accordance with Council's Internal Review of Decisions procedure).

5. **Community Grants**

5.1. If an application for a rebate is unsuccessful, the Council has an absolute discretion to then treat the application as one for a community grant and to determine it in accordance with the Council's Community Grants Policy.

6. **Policy Review & Availability**

6.1. Council will review this policy in the twelve months following an election, and every two years thereafter.

6.2. This Policy is available for inspection at Council offices and persons may obtain a copy of this Policy without charge.

**F – Delegation**

1. The Council has delegated its power, pursuant to Section 44 of the Act, to grant applications for mandatory rebates which meet the requirements of the Act (sections 161- 165) to the Chief Executive Officer.
2. All discretionary rebates shall be determined by the Council with the exception of those categories identified in clause 3.5 and 3.6

**G – Legislation**

The Local Government Act 1999

**H – Associated Policies**

Council’s Internal Review of Council Decisions Policy

**Document Control**

<b>Document ID</b>	<b>Rate Rebate Policy</b>
<b>Prepared by</b>	<b>Team Leader Revenue, Financial Services</b>
<b>Release</b>	<b>3.00</b>
<b>Document Status</b>	<b>Endorsed</b>
<b>Date Printed</b>	<b>06/03/2019</b>



24 May 2019

Attention: Rate Officer  
City of Salisbury  
PO Box 8  
SALISBURY SA 5108

**By Email:** [city@salisbury.sa.gov.au](mailto:city@salisbury.sa.gov.au)

Dear Sir / Madam

**Re: Rebate on Rates for Properties (list attached)**

I write regarding the rebate we may receive on our Council rates at the properties owned in your Council (list attached to this email) in the 2019/20 year.

Adelaide Benevolent Society is a not a not-for-profit charity providing affordable housing to South Australian's on low incomes in 250 homes around Adelaide. We receive a government grant in the form of National Rental Affordability Scheme grant monies for some of our properties. The purchase, maintenance, management and upgrading of our housing is partially funded by the rents charged to tenants, we provide all housing at 75% of the market rates of rent. Additionally, our services are not restricted only to our members.

I have enclosed the following documentation:

1. Rate Rebate Application
2. List of Properties / Assessment No.s
3. Copy of the Adelaide Benevolent Society's Constitution
4. Copy of the Adelaide Benevolent Society's 2017-2018 Financial Report
5. Copy of ACNC Registration Certificate

Should you require any further information please do not hesitate to contact me.

Yours Sincerely

A handwritten signature in blue ink, appearing to read "Tim Ryan", with a long horizontal flourish extending to the right.

TIM RYAN  
Chief Executive Officer

P 8231 5321  
[www.adelaide.org.au](http://www.adelaide.org.au)  
Elder Hall 17 Morialta Street Adelaide SA 5000  
The Adelaide Benevolent & Strangers' Friend Society Inc.





### Application Form – Rate Rebate

#### Details of Applicant

Name Adelaide Benevolent Society  
 Address 17 Morialta Street, Adelaide  
 Telephone (08) 8231 5321

If the Applicant is not a natural person, please provide details of a contact person for the Applicant

Name Timothy Ryan  
 Address (as above)  
 Telephone.....

#### Details of Land

Council Assessment Number (see attached listing)  
 Valuer General Number.....  
 Certificate of Title Reference.....  
 Address.....  
 Owner of Land (if not you) .....

Note: if the application for a rate rebate is for multiple properties, each assessment must be separately identified (a separate listing can be attached if necessary).

Please note: A person or body who makes a false or misleading statement or representation in an application or provides false or misleading information or evidence in support of an application for rebate is guilty of an offence under Section 159(2) of the Local Government Act, 1999. **Maximum penalty: \$5,000**



### Categories of Rebate

Please tick the category of rebate under which you are seeking a rebate, Section numbers quoted refer to the Local Government Act, 1999.

#### 3.1 Mandatory 100%

- 3.1.1 **Health Services** – Land being predominant used for service delivery or administration by a hospital or health centre incorporated under the South Australia Health Commission Act 1976; (Section 160)
- 3.1.2 **Religious Purposes** – Land containing a church or other building used for public worship (and any grounds) , or land solely used for religious purposes; (Section 162)
- 3.1.3 **Public Cemeteries** – Land being used for the purposes of a public cemetery; (Section 163)
- 3.1.4 **Royal Zoological Society of SA** – Land (other than land used as domestic premises) owned by, or under the care, control and management of, the Royal Zoological Society of South Australia Incorporated. (Section 164)

#### Mandatory 75% - Section 161

- 3.1.5 **Community Services** – Land being predominantly used for service delivery and administration by a community services organisation.

To qualify as a Community Service Organisation under the rebate provisions of the Local Government Act 1999 an organisation MUST MEET ALL THREE of the following criteria. (See section "Additional Information" at end of this form.)

- (a) Is incorporated on a not for profit basis for the benefit of the public; **AND**
- (b) Provides community services without charge or for a charge that is below the cost to the body of providing the services; **AND**
- (c) Does not restrict its services to persons who are members of the body.

If you have ticked (a), (b) and (c) above which of the following services does your organisation provide from the property specified in this application If these services apply only to part of your property, please supply additional details. You must answer these below questions in respect of your application.

- Emergency accommodation;
- Food or clothing for disadvantaged persons ( i.e., persons who are disadvantaged by reason of poverty, illness, frailty, or mental, intellectual or physical disability) ;



- Supported accommodation ( i.e., residential care facilities in receipt of Commonwealth funding or accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life) ;
- Essential services, or employment support, for persons with mental health disabilities, or with intellectual or physical disabilities;
- Legal services for disadvantaged persons;
- Drug or alcohol rehabilitation services;
- Research into, or community education about, diseases or illnesses, or palliative care to persons who suffer from diseases or illnesses.
- Disadvantaged persons are persons who are disadvantaged by reasons of poverty, illness, frailty, or mental, intellectual or physical disability.
- Community Housing Association Properties - 75% Rebate**  
supported accommodation (i.e. accommodation for persons with mental health, intellectual, physical or other difficulties who require support in order to live an independent life)  
Community Housing Association providers are required to be registered and listed on the List of Community Housing providers maintained by the Government of South Australia.

### **Mandatory 75% (cont) – Section 165**

Educational Purposes Which of the following criteria apply –

- Land occupied by a government school under a lease or licence and being used for educational purposes; or
- Land occupied by a non-government school registered under Part 5 of the Education Act 1972 and being used for educational purposes; or
- Land being used by a University or University College to provide accommodation and other forms of support for students on a not for profit basis.

### **3.2 Discretionary rebates – Section 166 (1)**

The Council may in its discretion grant a rebate of rates or service charges in any of the following cases (section 166). Please indicate which of the following is applicable to your application –

- The rebate is desirable for the purpose of securing the proper development of the area (or a part of the area) ;
- The rebate is desirable for the purpose of assisting or supporting a business in its area;
- The rebate will be conducive to the preservation of buildings or places of historic significance;

- The land is being used for educational purposes;
- The land is being used for agricultural, horticultural or floricultural exhibitions;
- The land is being used for a hospital or health centre;
- The land is being used to provide facilities or services for children or young persons;
- The land is being used to provide accommodation for the aged or disabled;
- The land is being used for a residential aged care facility that is approved for Commonwealth funding under the Aged Care Act 1987 (Commonwealth) or a day therapy centre;
- The land is being used by an organisation which provides a benefit or service to the local community;
- The rebate relates to common property or land vested in a community corporation under the Community Titles Act 1996 over which the public has a free and unrestricted right of access and enjoyment ;
- The rebate is appropriate to provide relief against what would otherwise amount to a substantial change in rates payable by a rate payer due to a change in the basis of valuation used for the purposes of rating, rapid changes in valuations, or anomalies in valuations.

**4. Amount of Rebate**

If you are seeking a mandatory rebate under Clause 3.1 of this Application, for which you are entitled to a 75% rebate, are you also applying to the Council to increase that rebate?

YES  NO

Please specify the amount of rebate that you are applying for -

75% .....

If you are applying for a discretionary rebate under Clause 3.2 of this Application, please specify the rebate amount you are applying for.

75% .....

Please specify why you (or your organisation) need financial assistance through a rebate and why the amount of rebate you have applied for is appropriate.

please see covering letter.  
.....  
.....  
.....  
.....

## 5. Additional Information Required

The Council requires you to attach the following additional information to this Application –

- 5.1 Where you are seeking a rebate under Clause 3.1.5 of this Application – Community Services –
  - 5.1.1 Evidence that the land is being used for service delivery and/ or administration;
  - 5.1.2 A copy of the organisation’s Constitution and/ or other documentation establishing that it is incorporated on a not - for-profit basis;
  - 5.1.3 A copy of the organisation’s latest Annual Report;
  - 5.1.4 Evidence that the organisation provides services free of charge or below cost;
  - 5.1.5 Evidence that the organisation provides services to persons other than members.
  
- 5.2 Where you are seeking a rebate in any other case –
  - 5.2.1 Evidence that the land is being used for the purpose for which the rebate is being sought;
  - 5.2.2 Information as to whether, and if so to what extent, you (or your organisation) will be providing a service within the Council area;
  - 5.2.3 Whether you have made or intend to make an application to another council;
  - 5.2.4 The extent of financial assistance (if any) being provided by Commonwealth or State agencies;
  - 5.2.5 Whether you are in receipt of a community grant;
  - 5.2.6 Any other information that you believe is relevant in support of this Application.

## 6. Application Forms

Application forms and all additional information must be submitted to the Council on or before 31st August each year.

A failure to submit application forms or to provide the additional information required by the Council to assess the application by the due date may result in the Council refusing to consider the application.

### Important Information

It is an offence for a person or body to make a false or misleading statement or representation in an application or to provide false or misleading information or evidence in support of an application made (or purporting to be made) under the Act . The maximum penalty for this offence is \$5,000.00, (Section 159 (2) of the Local Government Act 1999).

The Council may grant a rebate of rates or charges on such conditions as the Council thinks fit.

If a person or body has the benefit of a rebate of rates and the grounds on which the rebate has been granted cease to exist, the person or body must immediately inform the Council of that fact and (whether or not the Council is so informed) the entitlement to a rebate ceases. If a person or body fails to notify the Council that person or body is guilty of an offence and liable to a maximum penalty of \$5,000.00, (Section 159 (7) and (8) of the Local Government Act 1999).

The Council may, for proper cause, determine that an entitlement to a rebate of rates under the Act no longer applies.

Where an entitlement to a rebate of rates ceases or no longer applies during the course of a financial year, the Council is entitled to recover rates, or rates at the increased level (as the case may be), proportionate to the remaining part of the financial year.

I declare that the information I have provided on and attached to this application form is true.

DATED the 21<sup>st</sup> day of May 20 19

Signed.....  


Enquiries to: Rating Services, Tel: (08) 8406 8273 or email: [city@salisbury.sa.gov.au](mailto:city@salisbury.sa.gov.au) with a subject line including Rate Rebate Application:

Completed form to be returned to:

City of Salisbury

PO Box 8, Salisbury SA 5108 or 12 James Street, Salisbury SA 5108



Australian  
**Charities** and  
**Not-for-profits**  
Commission



THIS CERTIFIES THAT

**The Adelaide Benevolent & Strangers' Friend Society Inc**

ABN:30 410 812 417

IS A REGISTERED CHARITY  
AND HAS BEEN TRANSFERRED FROM THE

**Australian Taxation Office**

TO THE

**Australian Charities and Not-for-profits Commission**

ON THE DATE OF

**3 December 2012**

CERTIFIED BY

A handwritten signature in black ink, appearing to read 'Gary Johns'.

**Hon. Dr Gary Johns**

**Commissioner**

Australian Charities and Not-for-profits Commission

Copy only. Original available on request





**The Rules of  
The Adelaide Benevolent & Strangers' Friend Society  
Incorporated**

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**The Rules of the  
Adelaide Benevolent & Strangers' Friend Society Incorporated**

**1. Definitions**

In these rules:

**Act** means the Associations Incorporation Act 1985 (SA);

**Commission** means the commission appointed under the Act to administer the Act;

**Committee** means the managing committee of the Society;

**Honorary Life Member** means a person appointed to be a life member of the Society under rule 7.4;

**Member** means an Honorary Life Member or an Ordinary Member of the Society for the time being under rule 7;

**Objects** means the objects of the Society specified in rule 5;

**Ordinary Member** means a registered, financial member of the Society;

**Public Officer** means the person appointed to be the public officer of the Society in accordance with the Act;

**Manager** means the person appointed to be the manager of the Society under these Rules;

**Society** means The Adelaide Benevolent & Strangers' Friend Society Incorporated;

**Special Resolution** means a special resolution as such term is defined in the Act.

**2. Interpretation**

In these rules, unless the context otherwise requires:

- (a) headings do not affect interpretation;
- (b) singular includes plural and plural includes singular;
- (c) words of one gender include any gender;
- (d) reference to legislation includes any amendment to it, any legislation substituted for it, and any subordinate legislation made under it;
- (e) reference to a person includes a corporation, joint venture, association, government body, firm and any other entity.

**3. Severance**

Any provision of these Rules which is invalid, void or unenforceable in any jurisdiction is to be read down for the purposes of that jurisdiction, if possible, so as to be valid and enforceable, and if otherwise to be severed to the extent of that invalidity, voidness or unenforceability, without affecting the remaining provisions of these Rules or affecting the validity or enforceability of that provision in any other jurisdiction.

**4. Name**

The name of the Society is The Adelaide Benevolent & Strangers' Friend Society.

**5. Objects**

(a) The Objects of the Society are:

- (i) to receive gifts of cash and kind and to administer relief to the sick and/or disadvantaged people in South Australia;
- (ii) to provide affordable housing and other assistance in necessitous and deserving cases to people in South Australia including new immigrants;
- (iii) to undertake and/or do all such things or activities which are necessary, incidental or conducive to the advancement of these Objects.

(b) The assets and income of the Society must be applied exclusively to the promotion of its objects and no portion shall be paid or distributed directly or indirectly to the Members, except as bona fide remuneration for services rendered or expenses incurred on behalf of the Society.

**6. Powers**

The Society shall have all the powers of a natural person for the purpose of carrying out its objects save and except such modifications and exclusions as are specified in these Rules.

**7. Membership****7.1 Deemed Members**

All persons who are Members of the Society prior to the approval of these Rules shall be deemed Members from the time of approval of these Rules.

**7.2 Applications for Membership**

- (a) A person is eligible to become a Member if that person is of good character and has an interest in the Objects of the Society.
- (b) A person who applies to become a Member must do so in writing, in the form approved by the Committee. The application must be signed by the applicant, one Member proposing them and another Member seconding them and given to the Public Officer.

- (c) An applicant becomes a Member if:
  - (i) the Committee accepts the application; and
  - (ii) the applicant pays the membership fee for the Society's current financial year.
- (d) The Society may accept or reject an application for membership irrespective of whether the applicant has complied with the requirements in clause 7.2(b) or not. The Society shall not be required to provide any reason for any acceptance or rejection of any such application.
- (e) A right, privilege or obligation of a Member by reason of their membership of the Society is not capable of being transferred to another person and terminates upon the cessation of that Member's membership whether caused by death, resignation, expulsion or otherwise.
- (f) Each Member acknowledges and agrees that:
  - (i) these Rules constitute a contract between them and the Society;
  - (ii) they will comply with these Rules and any determination, resolution or policy which may be made in accordance with these Rules;
  - (iii) by submitting to these Rules they will be subject to the jurisdiction of the Society; and
  - (iv) these Rules are necessary and reasonable for promoting the Objects and particularly the advancement and protection of the Society.

**7.3 Patron**

The Society may appoint a patron who shall be appointed for a period determined by the Society.

**7.4 Honorary Life Membership**

- (a) The Society may from time to time appoint as honorary life members persons who have rendered exceptional and distinguished services to the Society and have been recommended by the Committee for life membership.
- (b) A person may be appointed an honorary life member if a resolution is passed at a general meeting of not less than two thirds of those Members present.
- (c) No further membership fees shall be payable by a person appointed as an honorary life member under this rule 7.4.

**8. Discontinuance of Membership**

**8.1 Resignation**

A Member ceases to be a Member upon giving written notice of resignation to the Manager or Public Officer. Any Member so resigning shall be liable for any outstanding membership fees which may be recovered as a debt due to the Society.

8.2 **Expulsion**

- (a) The Committee may by resolution expel a Member if:
  - (i) the Committee considers that the Member has refused or neglected to comply with these Rules or the Member's conduct reflects unfavourably on the Society;
  - (ii) the Committee considers that the expulsion of the Member would be in the best interests of the Society;
  - (iii) the Committee gives the Member written particulars of the alleged misconduct or reasons as to why the Committee considers that the expulsion of the Member would be in the best interests of the Society at least one month before the Committee decides on the expulsion; and
  - (iv) the Committee gives the Member an opportunity to be heard or to make a written submission, before the Committee decides on the expulsion.
- (b) The Committee must notify the Member of its decision.
- (c) A resolution by the Committee under sub-rule (a)(i) does not take effect unless the Committee has first provided the Member the opportunity to explain the conduct.
- (d) If, in the Committee's view the Member fails to adequately explain the breach, that Member shall be expelled under sub-rule (a)(i) by the Committee upon giving written notice of its decision to the Member.

9. **Membership Fee**

- (a) The Committee shall set the annual membership fee.
- (b) An Ordinary Member must pay the annual membership fee on or before 1 July in each year or such other date as the Committee may determine.
- (c) An Ordinary Member, who does not pay the annual membership fee within 2 months after the due date, ceases to be a Member. The Committee may reinstate membership of a person who ceases to be a Member under this sub-rule on any terms it thinks fit.

10. **Calling General Meetings**

- (a) The Society must hold its annual general meeting within 5 months after the end of its financial year.
- (b) The Committee may call a general meeting of the Society when and where the Committee thinks fit.
- (c) The Committee must call a general meeting within one month after receiving a written requisition by at least 3 members. The requisition must be signed by the requisitionists and state the purpose of the meeting.

- (d) If the Committee does not call a general meeting in accordance with the previous sub-rule, the requisitionists may do so at the Society's cost. The Committee must supply to the requisitionists free of charge particulars of the Members entitled to notice of the meeting.
  - (e) At least 14 days' notice must be given of a general meeting. However, if a Special Resolution is to be proposed at the general meeting, at least 21 days' notice must be given of the general meeting.
  - (f) Notice of a general meeting must be given to each Member.
  - (g) A notice of a general meeting must:
    - (i) set out the place, date and time for the meeting;
    - (ii) state the general nature of the meeting's business;
    - (iii) if a Special Resolution is to be proposed at the meeting, set out an intention to propose the Special Resolution and state the resolution.
  - (h) The business of an annual general meeting may include any of the following, even if not referred to in the notice of meeting:
    - (i) the consideration of the annual financial report, the Committee's report on the activities of the Society and the Committee over the previous financial year and auditor's report;
    - (ii) the election of Committee members;
    - (iii) the appointment of the auditor;
    - (iv) any other business which under these Rules or the Act ought to be transacted at an annual general meeting.
  - (i) Notice may be given to a Member:
    - (i) personally;
    - (ii) by ordinary prepaid post to the address in the register of Members or the last known address of the Member. Notice by post is deemed to be received at the time at which the letter would be delivered in the ordinary course of the post;
    - (iii) by email to the email address in the register of Members or the last known email address of the Member, if the Member has provided that email address to the Society for the purpose of receiving notices. Notice by email is deemed to be received if, at the conclusion of the transmission, the sender's electronic machine issues or retains a transmission report which indicates that the relevant email has been sent.
11. **Procedure of General Meetings**
- (a) Six members, including life members, present shall constitute a quorum at any general meeting.



- (b) If a quorum is not present within 30 minutes after the time appointed for the meeting:
  - (i) if the meeting was called on the request of 3 or more Committee members under sub-rule 10(c), the meeting is dissolved;
  - (ii) any other meeting is adjourned to any place, date and time the Committee decides.
- (c) If a quorum is not present within 30 minutes after the time appointed for an adjourned meeting, the meeting is dissolved.
- (d) The President may chair all general meetings.
- (e) If there is no President, or if the President is not present within 10 minutes after the time appointed for the meeting or is unable or unwilling to act, a Vice President may chair the meeting. If there is no Vice President, or if a Vice President is not present within 10 minutes after the time appointed for the meeting or is unable or unwilling to act, the Committee members present must elect one of themselves to chair the meeting.
- (f) The Chairperson may regulate a general meeting in any way consistent with these Rules.
- (g) The Chairperson may adjourn a general meeting to any place, date and time.
- (h) The Chairperson must adjourn a general meeting if the Members present with a majority of votes at the meeting agree or direct the Chairperson to do so. The Chairperson may adjourn the meeting to any place, date and time.
- (i) New notice of the resumed meeting must be given if the meeting is adjourned for more than one month.
- (j) Only unfinished business may be transacted at a meeting resumed after an adjournment.
- (k) A general meeting makes a decision by passing a resolution. A resolution is passed if more than 50% of the votes cast by the members entitled to vote are in favour of the resolution (unless the Act requires a Special Resolution). A Special Resolution is passed if:
  - (i) the notice of the meeting sets out an intention to propose the Special Resolution and states the resolution; and
  - (ii) it is passed by a majority of not less than three-quarters of the Members as, being entitled to do so, vote in person or by proxy.
- (l) Unless a poll is properly requested, a resolution put to the vote at a general meeting must be decided on a show of hands.
- (m) If a poll is properly requested, the result of the poll is the resolution of the meeting.
- (n) A declaration by the Chairperson that a resolution is passed, or passed by a particular majority or lost, and an entry to that effect in the minutes, is sufficient evidence of that fact, unless proved incorrect.
- (o) A poll may be requested on any resolution.

- (p) A poll may be requested by:
  - (i) at least 3 Members entitled to vote on the resolution, present in person or by proxy or
  - (ii) the Chairperson.
- (q) The poll may be requested:
  - (i) before a vote is taken;
  - (ii) before the voting results on a show of hands are declared; or
  - (iii) immediately after the voting results on a show of hands are declared.
- (r) A request for a poll may be withdrawn.
- (s) A poll requested on a matter other than the election of a Chairperson or the question of an adjournment must be taken when and how the Chairperson directs.
- (t) A poll on the election of a Chairperson or the question of an adjournment must be taken immediately.
- (u) A request for a poll does not prevent the meeting dealing with other business.
- (v) Each Member present in person or by proxy has one vote.
- (w) The Chairperson also has a casting vote.
- (x) A Member may vote:
  - (i) personally;
  - (ii) by proxy;
- (y) A proxy must be a natural person who is also a Committee member.

**12. Proxies**

- (a) A Member may appoint another member as a proxy for all or particular general meetings.
- (b) An appointment of a proxy must be in a form approved by the Committee.
- (c) An appointment of a proxy is valid if it is signed by the Member making the appointment and it contains the following information:
  - (i) the Member's name and address;
  - (ii) the Society's name;
  - (iii) the proxy's name or the name of the office held by the proxy;
  - (iv) the meetings at which the appointment may be used.

The Committee may decide to accept a proxy even if it contains only some of that information.

- (d) Unless otherwise specified in the appointment, the proxy may:
  - (i) even if the appointment directs how to vote on a particular resolution, vote on an amendment to the particular resolution, a motion not to put the particular resolution or any similar motion;
  - (ii) vote on a procedural motion, including a motion to elect the Chairperson, to vacate the chair or adjourn the meeting;
  - (iii) speak at the meeting;
  - (iv) vote (but only to the extent allowed by the appointment);
  - (v) request or join in a request for a poll.
- (e) If a person represents 2 or more Members, that person has only one vote on a show of hands.
- (f) A later appointment of a proxy revokes an earlier one.
- (g) An appointment may specify the way a proxy is to vote on a particular resolution. A proxy may vote only as directed.

### 13. Membership of Committee

- (a) The Committee comprises:
  - (i) the President;
  - (ii) not more than 2 Vice-Presidents;
  - (iii) the Treasurer; and
  - (iv) not more than 7 general Committee members.
- (b) All persons who, prior to the approval of these Rules are members of the Committee, shall be deemed members of the Committee from the time of approval of these Rules under the Act.
- (c) At each annual general meeting, the 2 longest serving Committee members shall retire but shall be eligible for reappointment.
- (d) At each annual general meeting, the Members in general meeting must elect new Committee members to fill any vacancy in the Committee.



- (e) A person is eligible for election as a Committee member only if:
    - (i) the person is a Member; and
    - (ii) either:
      - (1) the person is a Committee member who must retire under this rule, and notifies the Society that he or she is available for election or re-election; or
      - (2) a member of the Committee nominates the Member, by delivering to the Society a written nomination signed by the Committee member, at least 28 days before the election.
  - (f) The notice of the annual general meeting must be accompanied by a list of all candidates standing for election to the Committee.
  - (g) If only one person nominates for an office, that person is deemed to be elected to that office. If the number of persons nominating as general Committee members is equal to or less than the number of vacancies for general Committee members, those persons are deemed to be elected as general Committee members.
  - (h) The Committee may also appoint any Member, who has consented in writing to the appointment, to fill a casual vacancy in the Committee. Such Member shall hold office until the next annual general meeting of the Society and shall be eligible for re-appointment to the Committee.
  - (i) A Committee member ceases to hold office if the Committee member:
    - (i) is disqualified under the Act;
    - (ii) resigns from the Committee by giving notice to the Society;
    - (iii) whom the Committee member represents ceases to be a Member;
    - (iv) becomes permanently incapacitated by ill health;
    - (v) becomes mentally incapable and his or her estate or property has a personal representative or trustee appointed to administer it; or
    - (vi) is absent for more than 5 Committee meetings in a financial year.
14. **Calling Committee Meetings**
- (a) The Committee shall meet at least quarterly at such place and time as the Committee may determine.
  - (b) Additional meetings of the Committee may be convened by any Committee member. On the request of any Committee member, the Manager must call a Committee meeting.
  - (c) Honorary Life Members have the right to attend Committee meetings and receive all agenda papers and minutes upon request.

- (d) Notice of a Committee meeting must be given to each Committee member.
- (e) The notice must:
  - (i) specify the place, date and time of the meeting;
  - (ii) state the business to be transacted;
  - (iii) be given at least 48 hours before the time appointed for the holding of the meeting, unless all Committee members otherwise agree.
- (f) Non-receipt of notice of a meeting, or failure to give notice of a meeting to a Committee member, does not invalidate anything done at the meeting if:
  - (i) the failure was accidental;
  - (ii) the Committee member gives notice to the Society that he or she waives the notice or agrees to the thing done at the meeting; or
  - (iii) the Committee member attends the meeting.
- (g) Notice may be given to a Committee member:
  - (i) personally;
  - (ii) by ordinary prepaid post to the address in the register of Members or the last known address of the Committee member. Notice by post is deemed to be received at the time at which the letter would be delivered in the ordinary course of the post;
  - (iii) by email to the email address in the register of Members or the last known email address of the Committee member, if the Committee member has provided that email address to the Society for the purpose of receiving notices. Notice by email is deemed to be received if, at the conclusion of the transmission, the sender's electronic machine issues or retains a transmission report which indicates that the relevant email has been sent.

15. **Procedure of the Committee**

- (a) The quorum for a Committee meeting is 5 Committee members. The quorum must be present at all times during the meeting. If there are not enough Committee members in office to form a quorum, the Committee members may act only:
  - (i) to increase the number of Committee members to a quorum;
  - (ii) to call a general meeting; or
  - (iii) in an emergency.
- (b) The President may chair each Committee meeting.
- (c) If there is no President, or if the President is not present within 10 minutes after the time appointed for the meeting or is unable or unwilling to act, a Vice-President may chair the

Committee meeting. If there is no Vice-President, or if a Vice-President is not present within 10 minutes after the time appointed for the meeting or is unable or unwilling to act, the Committee members present must elect one of themselves to chair the meeting.

- (d) If the President is unable or unwilling to chair a part of the meeting, a Vice-President may chair that part. If there is no Vice-President, or a Vice-President is unable or unwilling to act, the Committee members present must elect one of themselves to chair that part.
- (e) Subject to the Act, each Committee member has one vote.
- (f) A resolution of the Committee members is passed by a majority of votes cast.
- (g) In the event of an equality of votes on any question, the Chairperson has a casting vote.
- (h) Subject to the Act, a Committee member who has a direct or indirect pecuniary interest in a contract, or proposed contract, with the Society:
  - (i) must, as soon as he or she becomes aware of his or her interest, disclose the nature and extent of his or her interest to the Committee;
  - (ii) must disclose the nature and extent of his or her interest in the contract at the next annual general meeting;
  - (iii) must not take part in any decision of the Committee with respect to that contract (but may, subject to complying with this clause, take part in any deliberations with respect to that contract).
- (i) The Committee may meet in person, by telephone, television conference or via electronic media.
- (j) Subject to this clause, the Committee may decide its own procedure.

#### 16. Circulating Resolutions

- (a) The Committee may pass a resolution without a Committee meeting being held, if a majority of the Committee members entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document.
- (b) Separate copies of a document may be used for signing by Committee members, if the wording of the resolution and statement is identical in each copy.
- (c) The resolution is passed when the last of the Committee members comprising that majority signs the said document.
- (d) Committee members may respond to the vote via email.
- (e) Passage of the resolution must be recorded in the Society's minute book.

#### 17. Powers of Committee

- (a) The Committee alone manages and controls the affairs of the Society.

- (b) The affairs of the Society shall be managed and controlled exclusively by the Committee which in addition to any powers and authorities conferred by these Rules may exercise all such powers and do all such things as are within the objects of the Society, and are not by the Act or by these Rules required to be done by the Society in general meetings.
- (c) The Committee must appoint the Public Officer.
- (d) The Committee shall have the power to appoint such officers and employees as are required to carry out the Objects, including a Manager who shall be Public Officer as required by the Act.
- (e) The Committee may delegate any of its powers to any person or a sub-committee. The Committee may appoint the members of any sub-committee, which may comprise Committee members or others or both.
- (f) The Committee may revoke or vary that delegation.
- (g) A sub-committee or delegate must exercise the powers delegated subject to any directions of the Committee. The effect of the sub-committee or delegate exercising a power in this way is the same as if the Committee exercised it.
- (h) These Rules apply with the necessary changes to meetings of a sub-committee.

#### 18. Register of Members

A register of members must be kept and contain:

- (a) the name and address of each member;
- (b) the date on which each member was admitted to the association; and
- (c) if applicable, the date and reason(s) for termination of membership.

#### 19. Borrowing Powers

- (a) Subject to this rule the Society may borrow monies from banks or other financial institutions upon such terms and conditions as the Committee sees fit and may secure the repayment thereof by charging the property of the Society.
- (b) Subject to the Act the Society may invite and accept deposits of money from any person on such terms and conditions as may be determined by the Committee from time to time.

#### 20. Indemnity to Committee Members

- (a) To the extent permitted by the Act, the Society:
  - (i) must indemnify each person who is or has been a Committee member of the Society out of the property and assets of the Society against any liability incurred by the person in their capacity as a Committee member of the Society except in situations caused by a Committee member's wilful misconduct;



- (ii) may pay a premium for a contract insuring a Committee member of the Society against that liability.
- (b) To the extent permitted by the Act, the Society may enter into an agreement or deed with a Committee member of the Society under which the Society must do all or any of the following:
  - (i) keep a set of the Society's books (including minute books) and allow the Committee member and the Committee member's advisers access to the books for any period agreed;
  - (ii) indemnify the Committee member against any liability incurred by the Committee member as a Committee member;
  - (iii) keep the Committee member insured for any period agreed in respect of any act or omission by the Committee member while a Committee member.

#### 21. Minutes

- (a) The Society must cause minutes of all proceedings of general meetings and of Committee meetings to be kept and entered in books kept for that purpose; and cause those minutes to be:
  - (i) confirmed by the Committee present at a subsequent meeting; and
  - (ii) signed by the Chairperson of the meeting at which the proceedings took place or by the Chairperson of the meeting at which the minutes are confirmed.
- (b) A minute that is entered, confirmed and signed in accordance with this rule is, in the absence of proof to the contrary, to be accepted as proof of the proceedings to which the minute relates.
- (c) Where minutes have been entered, confirmed and signed in accordance with this rule, it is to be taken, in the absence of proof to the contrary, that:
  - (i) the meeting to which the minutes relate was held;
  - (ii) the proceedings that are recorded in the minutes occurred during the meeting; and
  - (iii) all appointments that are recorded in the minutes as having been made at the meeting were validly made.

#### 22. By Laws

The Committee may make, alter and repeal by-laws for its own guidance.

#### 23. Alteration of Rules

These Rules may at any general meeting of the Society by Special Resolution of the Members be altered (including an alteration to the name of the Society), amended, rescinded or replaced by substituted Rules. Such an alteration shall be registered with the Commission as required under the Act.

**24. Financial Year**

Each financial year of the Society commences on 1 July and ends on 30 June.

**25. Auditor**

The auditor appointed under sub-rule 10(h)(iii) shall hold office until the next annual general meeting and is eligible for reappointment.

**26. Common Seal**

- (a) The Society must have a common seal upon which its name and ABN appears in legible characters.
- (b) The common seal may be used only with the express authority of the Committee.
- (c) The affixing of the seal must be witnessed by any 2 Committee members and recorded in the minute book of the Society.

**27. Accounts**

The Society shall keep such accounting records as are necessary to correctly record and explain the financial position of the Society.

**28. Winding Up**

- (a) The Society may be wound up in accordance with the Act.
- (b) Subject to the Act, a Member is not liable to contribute towards the payment of the debts and liabilities of the Society or the costs, charges and expenses of a winding up of the Society.
- (c) On a winding up, any surplus assets (within the meaning of the Act) must be distributed to another non profit organisation which has similar objects and which has rules prohibiting the distribution of its assets and income to its members. That organisation may be chosen by the Committee or, if the Committee does not make that decision before the winding up, any court with jurisdiction.

**29. Surplus Assets**

If after a winding up there remains surplus assets once liabilities have extinguished, then those surplus assets will be distributed to an organisation(s) selected by the Society with similar objects as the Society and rules prohibiting the distribution of its assets and income to its members.

**30. Notice**

Notice may be given to the Society:

- (a) by giving the notice to the Manager in any way in which notice may be given to a Committee member;
- (b) by leaving the notice at the Society's offices;

- (c) by ordinary prepaid post to the Society's address. Notice by post is deemed to be received at the time at which the letter would be delivered in the ordinary course of the post;
- (d) by facsimile to the Society's facsimile number. Notice by facsimile is deemed to be received when, at the conclusion of the transmission, the sending facsimile machine issues a transmission report which indicates that the relevant number of pages comprised in the notice have been sent;
- (e) by email to the Society's email address. Notice by email is deemed to be received if, at the conclusion of the transmission, the sender's electronic machine issues or retains a transmission report which indicates that the relevant email has been sent.





ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED

ABN: 30 410 812 417

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2018

ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED

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**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>INCOME</b>			
Rents Received - General Fund		1,860,286	1,416,546
Rents Received - Lady Kintore		146,539	141,297
Donations & Subscriptions		2,890	1,078
Dividends & Distributions Received		104,976	146,529
Interest		217	8,998
Grants		28,250	15,000
NRAS/Government Incentives		862,866	854,395
Other Income		13,429	10,551
Legacies & Bequests		342	306
Net (Loss) Profit on Sale of Investments		63,551	82,576
<b>TOTAL INCOME</b>		<b>3,083,346</b>	<b>2,677,277</b>
<b>EXPENSES</b>			
Property rates & insurance		278,093	201,959
Repairs & maintenance		361,981	165,959
Salaries and Entitlements		419,677	387,338
Motor Vehicle running expenses		3,429	3,026
Motor Vehicle depreciation		1,919	2,576
Depreciation on Office Equipment		13,645	14,246
Other office expenses		78,928	66,364
Financial assistance		48,359	49,700
Consultancies		40,451	80,099
Interest Expense		478,849	136,495
<b>TOTAL EXPENSES</b>		<b>1,725,331</b>	<b>1,107,761</b>
<b>OPERATING SURPLUS</b>		<b>1,358,015</b>	<b>1,569,516</b>
Surplus on revaluation of investment properties	1(f), 4	-	3,614,997
<b>OPERATING SURPLUS INCLUDING REVALUATION</b>		<b>1,358,015</b>	<b>5,184,513</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation of General Property	1(e), 4	-	750,632
<b>TOTAL SUPLUS</b>		<b>1,358,015</b>	<b>5,935,145</b>

The accompanying notes form part of these financial statements.

**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash on Hand		400	400
Cash at Bank		209,758	(11,519)
Imputation Credits Receivable		50,753	63,769
Trade & Other Receivables	1(i)	4,272	699,374
<b>TOTAL CURRENT ASSETS</b>		<b>265,183</b>	<b>752,024</b>
<b>NON CURRENT ASSETS</b>			
Investments - General	3	1,255,159	1,306,022
Property - General Elder Hall - City Office	4	874,000	874,000
Property - Investment General Lady Kintore	4	38,153,470 4,240,800 42,394,270	38,149,649 4,240,800 42,390,449
Properties at Cost - Lady Kintore Fund		-	-
Properties at Valuation - Lady Kintore Fund		-	-
Motor Vehicles & Office Equipment	5	23,073	38,638
<b>TOTAL NON CURRENT ASSETS</b>		<b>44,546,502</b>	<b>44,609,109</b>
<b>TOTAL ASSETS</b>		<b>44,811,685</b>	<b>45,361,134</b>

**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>CURRENT LIABILITIES</b>			
Creditors & Accruals		42,976	29,768
Financial Liabilities	6	2,000,199	1,920,000
Employee Entitlements		44,944	45,813
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,088,119</b>	<b>13,575,582</b>
<b>NON CURRENT LIABILITIES</b>			
Financial Liabilities	6	9,580,000	11,580,000
Affordable Housing Innovations Grant	1(g)	5,192,691	5,192,691
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>14,772,691</b>	<b>5,192,691</b>
<b>TOTAL LIABILITIES</b>		<b>16,860,810</b>	<b>18,768,273</b>
<b>NET ASSETS</b>			
		<b>27,950,876</b>	<b>26,592,861</b>
Representing:			
<b>EQUITY - SOCIETY FUNDS</b>			
General Funds	7	20,085,381	18,627,819
Lady Kintore Funds	7	2,060,838	1,961,675
Asset Revaluation Reserve	7	5,804,657	5,804,657
Sinking Fund Reserve		-	198,710
<b>TOTAL FUNDS</b>		<b>27,950,876</b>	<b>26,592,861</b>

**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	General Funds \$	Lady Kintore Funds \$	Asset Revaluation Reserve \$	Sinking Fund Reserve \$	Total Equity \$
Balance as at 1 July 2016		13,585,662	1,819,319	5,054,025		20,459,006
Profit for the year		5,184,513				5,184,513
Property Revaluation				750,632		750,632
Transfer to/from Lady Kintore Funds		(142,356)	142,356			
Establishment of Sinking Fund					198,710	198,710
Closing balance as at 30 June 2017		<u>18,627,819</u>	<u>1,961,675</u>	<u>5,804,657</u>	<u>198,710</u>	<u>26,592,861</u>
Profit for the year		1,358,015				1,358,015
Transfer to/from Lady Kintore Funds		(99,162)	99,162			
Transfer of Sinking Fund to General Funds		198,710			(198,710)	
Closing balance as at 30 June 2018		<u>20,085,382</u>	<u>2,060,837</u>	<u>5,804,657</u>	<u>-</u>	<u>27,950,876</u>

**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INC**

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Cash Flow from Operating Activities</b>		
Receipts from customers	3,606,082	2,429,709
Payments to suppliers and employees	(1,201,662)	(931,034)
Interest Paid	(478,849)	(136,495)
Interest Received	217	8,998
<b>Net Cash Flows from Operating Activities</b>	<b>1,925,788</b>	<b>1,371,178</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment	(3,819)	(13,809,814)
Net proceeds from sales/purchases of investments	114,331	707,958
Dividends and imputation credits received	104,976	146,529
<b>Net Cash Flows from Investing Activities</b>	<b>215,488</b>	<b>(12,955,327)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from borrowings	-	13,500,000
Repayment of Loan	(1,920,000)	(2,280,000)
<b>Net Cash Flows from Financing Activities</b>	<b>(1,920,000)</b>	<b>11,220,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>221,276</b>	<b>(364,149)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(11,119)</b>	<b>353,031</b>
<b>Cash at the End of the period</b>	<b>210,157</b>	<b>(11,119)</b>

**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**1 Summary of Significant Accounting Policies**

The financial report is a special purpose financial report prepared to meet the specific needs of members of Adelaide Benevolent & Strangers' Friend Society Incorporated. The Committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (SA) 1985 and the requirements of section 60.40 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation).

These financial statements have also been prepared in accordance with the recognition of and measurement requirement specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

The financial report has been prepared on an accrual basis and is based on historic cost and does not take into account changing money values or, except where specifically stated, current valuations of non current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

**(a) Income Tax**

The Society is a public benevolent institution which is exempt from income tax.

**(b) Goods and Services Tax**

The Society is registered for Goods and Services Tax. Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense or for receivables and payables which are recognised inclusive of GST.

**(c) Grants**

Government Grants have been brought to account on an accrual basis.

**(d) Employee Entitlements**

Provision is made for the Society's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages, salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Contributions made by the Society to employee superannuation funds are charged as expenses when incurred.



ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**1 Summary of Significant Accounting Policies (cont.)**

**(e) General Property**

Freehold land and buildings consists of the Elder Hall property owned by the Society and used as its office. Valuations are carried out whenever the Board believes that there has been a material change in the value of the property. An independent valuation of the property was undertaken in June 2017 by Herron Todd White. Directors determined to apply a valuation based on this information. The amount of the revaluation was taken to the Asset Revaluation Reserve. The revaluation does not take into account any Capital Gains Tax as the Society is exempt from such tax.

The Board is of the opinion that given that this property is heritage listed, it is well maintained and given its expected long life and current value, that no building depreciation need be recognised.

**(f) Investment Property**

Investment properties represent the properties owned by the Society and used for the purpose of providing accommodation and generating rental income. Initially investment properties are recognised at cost and subsequently at fair value which is assessed by Directors annually. Gains or losses arising from changes in fair value of these investment properties are included in the Statement of Comprehensive Income.

An independent valuation of these properties was undertaken in June 2017 by Herron Todd White. Directors determined to apply a valuation based on this information.

The Board undertakes an assessment of the reasonableness of the carrying values of investment properties annually with formal valuations at least every five years, depending on market conditions. The Directors have considered the valuations this year and resolved they are reasonable.

The revaluations do not take into account Capital Gains Tax as the Society is exempt from such tax. Certain Properties owned by the Society are also subject to the Retirement Villages Act 2016.

**(g) Affordable Housing Innovation Grant**

The Society has received funding from the Affordable Housing Innovation scheme of \$5,192,691. This amount was received as follows:

2013	1,502,739.00
2011	1,392,600.00
2010	1,148,676.00
2009	1,148,676.00
	<u>\$ 5,192,691.00</u>

Under the terms of the agreement the total amounts received by the Society may be required to be repaid if the agreement is cancelled within thirty (30) years. The committee has resolved to record the funds received under this agreement as non current liabilities and record the grant as income over the final ten (10) years of the agreement term.

**(h) Other Grants Received**

National Rental Affordability Scheme (NRAS) incentives are paid in arrears when Commonwealth conditions for the funding are met by the Society during the previous financial year. NRAS grants are accrued based on The Society's assessment of the amount payable.

**(i) Trade and Other Receivables**

Trade and other Receivables may include monies accrued and receivable for NRAS.

**(j) Lady Kintore Fund**

The Society holds funds pursuant to the 'Lady Kintore Cottages Act 1920'. These funds are to be used only for the purposes set down in Clause 3 of that Act.

**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**(k) Shares in Listed Companies**

Listed investments are carried at cost after making adjustment for any permanent impairment in value. The Society is a long term investor and the committee do not necessarily accept that current traded market values evidence a permanent impairment in value.

2 Auditor's Remuneration	2018 \$	2017 \$
During the year the auditor received the following remuneration:		
Audit Fee	7,426	7,182

3 Investments - General	2018 \$	2017 \$
Note		
Shares in Listed Companies	1,255,159	1,306,022
The market value of shares at 30 June 2018 was: \$1,414,969.49 (2017: \$1,491,746.19).		

4 Properties 2017-18	Opening Balance	Additions	Revaluation	Closing Balance
General Property (Morialta Street)		-		
Land	643,150			
Buildings	230,850			
Total	874,000			874,000
Properties - Investment	42,390,451	3,819		42,394,270
	43,264,451	3,819	-	43,268,270
Properties 2016-17	Opening Balance	Additions	Revaluation	Closing Balance
General Property (Morialta Street)	123,368	-		
Land			552,367	
Buildings			198,265	
Total				874,000
Properties - Investment	24,765,449	14,010,005	3,614,997	42,390,451
	24,888,817	14,010,005	4,365,629	43,264,451

5 Motor Vehicles & Office Equipment	2018 \$	2017 \$
<u>Motor Vehicles</u>		
Opening Balance	7,527	10,103
Additions/Disposals		-
Depreciation	(1,919)	(2,576)
Closing Balance	5,608	7,527
<u>Office Equipment</u>		
Opening Balance	31,111	44,260
Additions		1,097
Disposals		
Depreciation	(13,646)	(14,246)
Closing Balance	17,465	31,111
Total Motor Vehicles & Office	23,073	38,637

**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

6 Financial Liabilities	2018 \$	2017 \$
Secured Liabilities:		
Flexible Rate Loan		
Current	2,000,000	1,920,000
Non Current	9,580,000	11,580,000
Credit Card Balance	199	
	<b>11,580,199</b>	<b>13,500,000</b>

The Flexible Rate Loan with Westpac is secured by a registered mortgage over certain properties owned by the Society. The loan was drawn in June 2017, with a three year term at market variable interest rate currently around 4%. The total available loan is \$13,500,000. The loan facility has a number of covenants, including a requirement to maintain 1.5x interest cover ratio.

7 Equity - Society Funds	2018 \$	2017 \$
<u>General Funds</u>		
Opening Balance	18,627,819	13,585,662
Operating Surplus	1,358,015	5,184,513
Transfer to Lady Kintore Funds	(99,163)	(142,356)
Transfer from Sinking Fund	198,710	
Closing Balance	<b>20,085,381</b>	<b>18,627,819</b>
<u>Lady Kintore Funds</u>		
Opening Balance	1,961,675	1,819,319
Transfer from General Funds	99,163	142,356
Closing Balance	<b>2,060,838</b>	<b>1,961,675</b>
<u>Asset Revaluation Reserve</u>		
Opening Balance	5,804,657	5,054,025
Revaluation of Properties	-	750,632
Closing Balance	<b>5,804,657</b>	<b>5,804,657</b>
<u>Sinking Fund Reserve</u>		
Opening Balance	198,710	-
Establishment of Sinking Fund	-	198,710
Transfer of Sinking Fund to General Funds	(198,710)	
Closing Balance	<b>-</b>	<b>198,710</b>
<b>Total Society Funds</b>	<b>27,950,876</b>	<b>26,592,861</b>
<b>8 Capital / Future Commitments</b>		
Commitments Outstanding as at 30th June:	-	-
<b>9 Post Balance Date Events</b>		
Nil		
<b>10 Related Party Transactions</b>		

During the year the Society engaged Cowell Clarke for legal services. The fees paid to Cowell Clarke were \$10,337.05 including GST. Vice President Mr Rob Kennett is currently a partner of Cowell Clarke. There are no significant other related party transactions in the current year.

**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

**REPORT OF THE MEMBERS OF THE COMMITTEE  
FOR THE YEAR ENDED 30 JUNE 2018**

In accordance with Section 35 (5) of the Associations Incorporations Act, 1985, the committee of the Adelaide Benevolent and Strangers' Friend Society Inc. hereby states that during the year ended 30 June 2018:

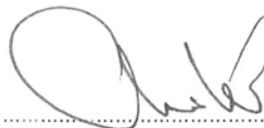
- 1) no officer of the association;
- 2) no firm of which an officer is a member, and
- 3) no body corporate in which an officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the association except as detailed in Note 10 of the financial statements.

This report is made in accordance with a resolution of the committee and signed by two members of the committee.



P B Roberts  
President



C Wood  
Hon. Treasurer

Date 2 NOVEMBER 2018

Date 2 NOVEMBER 2018

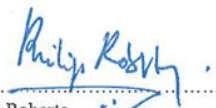
**ADELAIDE BENEVOLENT & STRANGERS'  
FRIEND SOCIETY INCORPORATED**

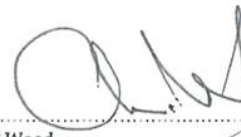
**STATEMENT BY MEMBERS OF THE COMMITTEE  
FOR THE YEAR ENDED 30 JUNE 2018**

The members of the committee declare that in the members of the committee's opinion:

- There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable;
- The statements attached to this certificate give a true and fair view of the financial position and performance of Adelaide Benevolent & Strangers' Friend Society Incorporated (Non-reporting) during and at the end of the financial year of the association ending on 30 June 2018; and
- the financial statements and notes satisfy the requirements of the *Associations Incorporations Act (SA) 1985* and *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

  
.....  
P B Roberts  
President

  
.....  
C Wood  
Hon. Treasurer

Date 2 NOVEMBER 2018

Date 2 NOVEMBER 2018



#### AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of The Adelaide Benevolent and Stranger's Friend Society for the year ended 30 June 2018.

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

*C. McGowan*  
Corey McGowan  
Director

Adelaide, South Australia  
2 November 2018

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

**Independent Auditor's Report  
To the Members of The Adelaide Benevolent and Stranger's Friend Society**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of The Adelaide Benevolent and Stranger's Friend Society ("the Association"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Members of the Committee.

In our opinion, the accompanying financial report of the Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 1985 (SA)*, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**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 Association in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to Members of the Committee, would be in the same terms if given as at the time of this auditor's report.

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

***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 1985 (SA)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Members of the Committee for the Financial Report**

Management is responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the relevant Australian Accounting Standards in accordance with the *Australian Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 1985 (SA)* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Members of the Committee are responsible for overseeing the Association's financial reporting process.

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

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

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

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

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

We also provide the Members of the Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

*C.M. J.*  
Corey McGowan  
Director

Adelaide, South Australia  
2 November 2018

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